



# Rangitikei District Council

## Annual Plan 2019-2020

(Year 2 of the Long Term Plan 2018-2028)

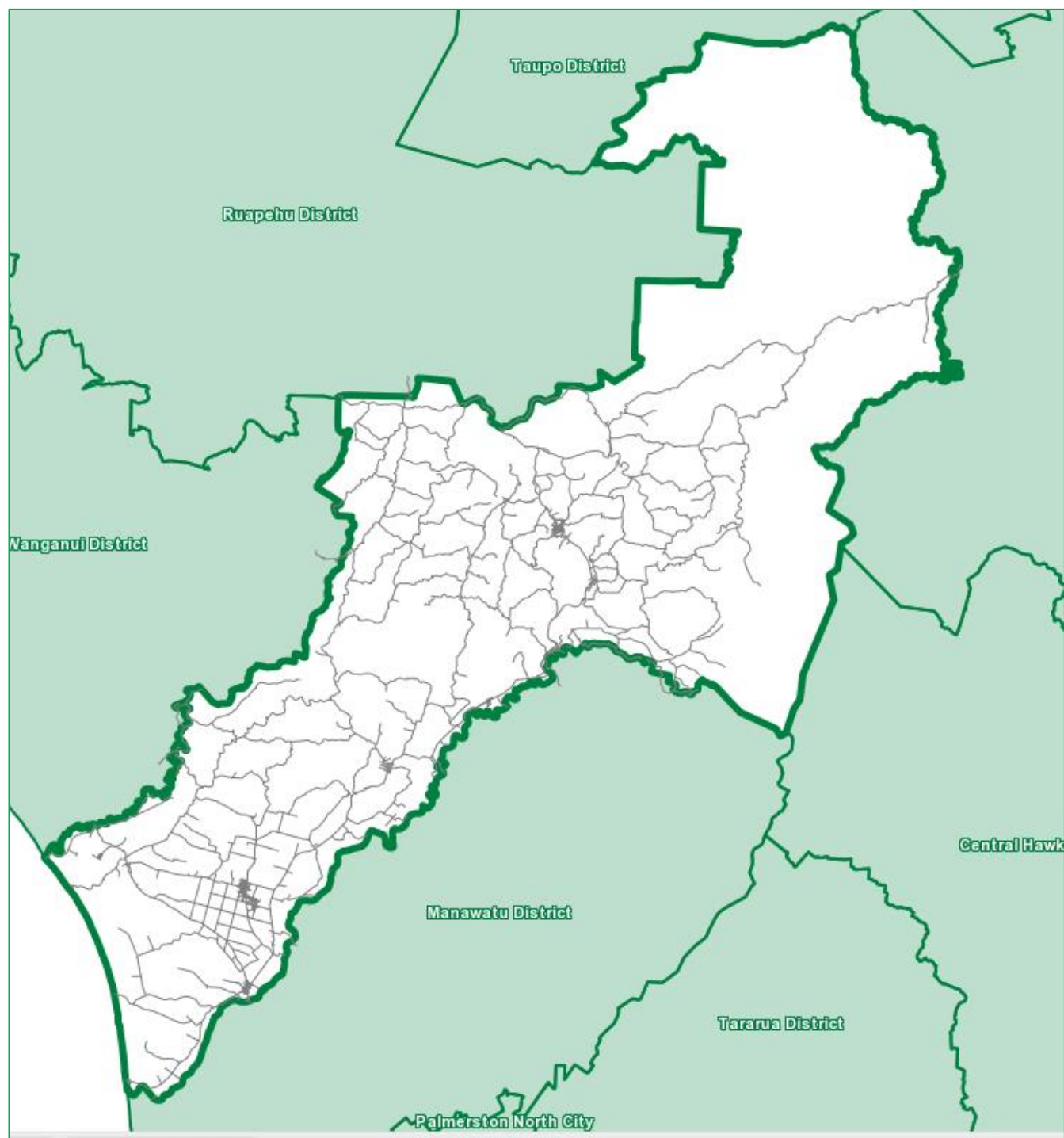
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## Rangitikei



## Mayor's Message

To be determined (in final version of the Plan for adoption)



Andy Watson  
Mayor of the Rangitikei District

## Your Elected Members



His Worship the Mayor  
Andy Watson  
andy.watson@rangitikei.govt.nz  
027 617 7668



Cr Nigel Belsham  
Deputy Mayor  
nigel.belsham@rangitikei.govt.nz  
027 419 1024



Cr Angus Gordon  
angusg@xtra.co.nz  
021 111 4767



Cr Graham Platt  
graeme.p@xtra.co.nz  
021 405 098



Cr Richard Aslett  
mangawekagallery@xtra.co.nz  
027 526 6612



Cr Soraya Peke-Mason  
sorayapm@xtra.co.nz  
027 270 7763



Cr Dean McManaway  
jilden@xtra.co.nz  
027 429 1292



Cr Cath Ash  
cr.cath.ash@gmail.com  
021 524 585



Cr Ruth Rainey  
raineys@xtra.co.nz  
021 100 8627



Cr Lynne Sheridan  
lynne.s@farmside.co.nz  
06 327 5980



Cr Dave Wilson  
davewilsonrdc@gmail.co.nz  
027 223 4279



Cr Jane Dunn  
jane.dunn@outlook.co.nz  
027 746 0791

## Your Representatives

### Community Board Members

#### Taihape

Ms Michelle Fannin (Chair) .....	06 388-1129
Ms Ann Abernethy .....	06 388-9220
Ms Gail Larsen .....	06 388-1161
Ms Yvonne Sicely.....	06 388 1070
Cr Richard Aslett .....	06 382-5774
Cr Ruth Rainey .....	06 382 5507

#### Ratana

Mr Charlie Mete (Chair) .....	027 418 9108
Mr Charlie Rourangi .....	021-827 705
Mr Thomas Tataurangi.....	022 301 5108
Ms Maata Kare Thompson .....	06 342 6819
Cr Soraya Peke-Mason .....	06 342-6838

#### Te Roopu Ahi Kaa (Iwi Liaison Committee)\*

Mr Pahia Turia (Chair).....	06 344 8150 .....	(Whangaehu)
Mr Carol Raukawa-Manuel .....	06 327 6087 .....	(Nga Ariki Turakina)
Ms Tracey Hiroa .....	06 388 1156 .....	(Ngati Whitikaupeka)
Ms Hari Benevides .....	06 388 1908 .....	(Ngati Tamakopiri)
Mr Thomas Curtis.....	021 307 610 .....	(Ngati Hauiti)
Mr Robert Gray .....	06 388 7816 .....	(Ngati Rangituhia)
Mr Mark Pirikahu .....	021 440 969 .....	Nga Wairiki Ki Uta
Mr Charlie Mete .....	027 418-9108 .....	(Ratana Community)
Ms Kim Savage .....	06 323 1164 .....	(Ngati Parewahawaha)
Mr Chris Shenton .....	06 348 0558 .....	(Ngati Kauae/Tauira)
Mr Terry Steedman .....	021 161 2350 .....	(Ngati Hinemanu/Ngati Paki)
Ms Naumai Wipaki.....	06 388 1335 .....	(Ngai te Ohuake)
Cr Angus Gordon .....	021 111 4167 .....	(Council representative)

#### Community Committee Chairs\*

Ms Laurel Mauchline Campbell .....	06 327 8729 .....	(Turakina)
Mr Tyrone Barker .....	06 322-1206 .....	(Bulls)
Ms Carolyn Bates .....	06 327-8088 .....	(Marton)
Ms Karen Kennedy .....	06 327 8472 .....	(Hunterville)

\*His Worship the Mayor is a member, ex officio, of all Council committees.

**District Licensing Committee\***

Mr Stuart Hylton (Commissioner) .....	027 446 5352
Mr Andy Watson (Deputy Chair) .....	027 617 7668
Mr Chalky Leary .....	06 322-8561
Ms Judy Klue .....	06 322-8475
Mr Colin Mower.....	021 130 3586
Mr Graeme Platt .....	06 322-1658

\*His Worship the Mayor is a member, ex officio, of all Council committees.

## The Annual Plan Process

### What is an Annual Plan?

The Annual Plan is Council's plan for the up-coming financial year. Council produces an Annual Plan in the years in which a Long Term Plan is not produced. The Annual Plan is prepared according to section 95 of the Local Government Act 2002. Its purpose is to:

- contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and
- identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and
- provide integrated decision making and co-ordination of the resources of the local authority; and
- contribute to the accountability of the local authority to the community

### Setting the Rates

After the Council has adopted the Annual Plan, it then goes on to set the rates. The Annual Plan sets the amount of money to be raised for each activity but the way in which money is raised, is determined by the Council's Revenue and Financing Policy. This means that the Revenue and Financing Policy effectively sets out who pays for each activity.

The Revenue and Financing Policy in pp. 153-162 of the 2018-28 Long Term Plan. A copy is available on our website [www.rangitikei.govt.nz](http://www.rangitikei.govt.nz), or obtained by phoning 0800 422 522.

### Public Submissions

The Consultation Document for the Draft Annual Plan will be open for submission between 1 April 2019 and 1 May 2019 (noon). Hearings are scheduled for 9 May 2019 (and 10 May 2019 if needed) with deliberations on all submissions on 30 May 2019. Council intends to adopt the final plan on 27 June 2019.

## Unfolding 19/20 – Key issues

### What's new?

#### 1. The exposed historic Putorino landfill

During 2018, following substantial rainfall, the Rangitikei River changed its course in the river bed, scouring out land on the right bank near Te Hou Hou Road. This exposed a landfill which had not been used since the early 1990s.

While a schedule of landfill sites compiled in 2001 showed the ownership of the Putorino landfill as 'unknown', investigation in the Council's archives showed that the landfill had been established by the Rangitikei County Council and was used by Jim Bull Potato Company factory in Rata, subsequently taken over in 1984 by Watties Foods.

Horizons Regional Council has issued a consent allowing the Rangitikei River to be diverted to its earlier channel, thus allowing an opportunity for the Rangitikei District Council to examine the dump more closely. The likely approach is to erect a barrier on the river bank to prevent further erosion by the river, should it change its course again. That will cost an estimated \$500,000. This is considerably cheaper than transporting the entire contents of the landfill to Bonny Glen and, as a capital rather than operating cost, will be spread over a number of years thus avoiding a spike in rates. Council's insurance cover does not extend to such an event.

Investigations are in progress to identify other old landfill sites in the District which are not formally managed as closed landfills and determine what action is needed, if any, from Council to minimize risk to the surrounding environment. Unless an immediate hazard becomes apparent through this analysis or an unexpected event, addressing this risk posed by unclassified landfills will be done in the 2021-31 Long Term Plan.

#### 2. PFAS

PFAS – per and poly-fluorinated alkyl substances - refers to a group of around 3,000 chemical compounds that have been extensively manufactured and used worldwide since the 1950s as furniture protectants, floor wax, treated fabrics, paper products, non-stick cookware, food packaging, insecticides and specialised fire-fighting foams. These foams have been (but are no longer) used for flammable liquid fires at airports and other fire training sites across New Zealand.

In late 2016 the presence of PFAS was detected in groundwater around the Ohakea Air Force Base. Low levels of PFAS were found in four of the five bores that are the source of the Bulls water supply. The Ministry of Health has advised that these low levels present no public health.

At its meeting on 28 February 2019, Council agreed to send samples of Bulls water overseas for Total Oxidisable Precursor (TOP) Assay testing to determine the levels of PFAS

contamination. This test is not currently available in New Zealand. Cost will be dependent on the number of tests and the laboratory selected, but is unlikely to exceed \$5,000.

### 3. Replacement water reservoir, Bulls

An outcome of the recent scrutiny of the supply of water to Bulls is the planned construction of a new reservoir in Bulls. The current storage is only 15% of fire-fighting requirements; the reservoirs have a poor seismic rating; and pressure does not meet fire-fighting requirements (50 litres per second). The preferable storage option is to construct a new reservoir near the existing network at the southern end of Bulls with a full duty booster pump station and generator.

At present the water is sourced from five bores near the Rangitikei River, treated, pumped to the reservoirs and gravity fed to the town. Water is pumped directly from the water treatment plant to the Riverlands beef processing plant which utilises up to half of the entire town's demand at peak times. All water put through the treatment plant is chlorinated. There have been no compliance issues with the drinking water standards and there is sufficient water and treatment plant capacity for the town's needs. However, the bores will not qualify for secure status in terms of the drinking-water standards, there is some risk of flooding, and low levels of PFAS have been detected – although currently well below the interim guideline values. Drilling new bores would improve this situation.

### 4. Marton water

The discolouration, odour and taste problems in Marton's water during January 2019 have occurred periodically over the years. They are the consequence of the water source – B and C Dams – which has seasonal algal blooms and high concentration of manganese. The treatment plant is not always able to ensure no variability in the quality of drinking water put into the reticulation network, but the supply has been consistently compliant with the drinking water standards.

Council is currently undertaking a Marton drinking-water supply strategy to consider the raw water source, treatment, storage and the reticulation network. It is intended to have that work complete by September 2019 with the expectation that what is adopted will be implemented through the 2020/21 Annual Plan and/or the 2021-31 Long Term Plan processes. This is a broader focus than taken in the 2018-28 Long Term Plan which concentrated on replacing older concrete water pipes with PVC pipes and investing in high-flow flushing to remove debris from the pipes.

### 5. Refreshing the District Plan

The Resource Management Act 1991 requires the Council to prepare (and review) a District Plan. It is the primary document that manages land use and development within the Rangitikei District Council's territorial boundaries. The current Rangitikei District Plan became operative on 3 October 2013. It was last updated on 6 July 2018.

Rezoning of some rural land on the outskirts of Marton to industrial (to accommodate anticipated development) will require a formal Plan Change. Council will take the opportunity to address other non-controversial technical issues which have arisen.

## 6. Improving recreational facilities

The major *upgrade to the skatepark at Centennial Park*, included in the 2018-28 Long Term Plan, started in February 2019 and will be finished in April 2019. This has been the result of energetic work by a number of people and organisations (and generous external funders). Once the contractors have completed their work, attention will go to making the park an attractive area for locals and visitors. It is expected to be a drawcard for a large number of visitors as well as being attractive to locals. The planned *extensive upgrade of the playground beside Marton Memorial Hall* (again with substantial external funding) will have a similar effect. These projects – the *Hautapu River Parks project* in Taihape is another – are significant upgrades to Council parks; Council proposes to increase the Parks Upgrade Partnership scheme by \$50,000 (making a total of \$100,000) so that it is able to make an appropriate financial contribution to such initiatives.

One important facility currently lacking at the two Marton sites will be public toilets, similar to those being developed in Follett Street alongside Marton Park. The toilets inside the Centennial Park pavilion and the Marton Memorial Hall are not readily converted to use from outside these buildings.<sup>1</sup>

An application is being made to the third round of the Government's Tourism Infrastructure Fund for \$270,000, which (if successful, and combined with Council's contribution of \$30,000) would provide similar facilities as that planned for Follett Street.

## 7. Improving the District's resilience to climate change

The disruptive effect of climate change was noted as one of the significant forecasting assumptions in the 2018-28 Long Term Plan. For Council the biggest impact is on the District's roads, where substantial rainfall requires larger culverts to be installed to minimize damage, disruption to travellers and cost. This is reflected in the roading programme which has been reprioritised accordingly. There are areas of the District which are likely to be flooded when severe rainfall events occur. This means larger investment in stormwater systems (especially in Marton) and continued advocacy to central government about long-term solutions for communities like Whangaehu and Kauangaroa.

Sea-level rise is a much less significant issue for Rangitikei than in many New Zealand cities. A study commissioned by Horizons over Koitiata suggested minimal impact there.

Council also looks for ways in which it can reduce its carbon footprint. One example is the new Bulls Community Centre which has been designed to have a low energy use requirement. Another example is bringing in hybrid vehicles into the fleet.

<sup>1</sup> A toilet facility was installed in 2018 at Papakai Park (within the area being developed by the Hautapu River Parks project) with substantial funding support from the Government's Mid-sized tourism Facilities Grant Fund.

## 8. The cat problem

The submissions which Council received late last year on the revised Animal Control Bylaw all supported financial assistance from Council for de-sexing of cats, and a proposal to include a \$5,000 provision in the draft 2019/20 Annual Plan to assist owners with the costs. This will be funded through the Uniform Annual General Charge.

In reviewing the proposed procedures for this programme, Council considered that micro-chipping should be included – a view strongly supported by the Companion Animal Council. Over time, de-sexing and microchipping will lead to a reduction in the number of unwanted cats.

If adopted, the programme would run for two or three weeks, following extensive publicity. Based on costings previously obtained, it would cover around 120 cats. It would be limited to domestic cats (not unwanted cats) and to holders of the Community Services Card.

## What's changed?

## 9. What are we doing about rubbish and recycling?

In the 2018-28 Long term Plan Council proposed introducing a fortnightly kerbside recycling and weekly rubbish collection service in Bulls, Marton, Hunterville, Mangaweka and Taihape. However, the results from consultation were inconclusive and a survey of households in these towns was undertaken in October 2018. As a result, Council decided to seek Expressions of Interest (EoI) to assess the interest in the market and to get an indicative price for providing this service.

It was planned to have this EoI ready by the end of January, but Council decided to defer doing this. At this stage, it is intended to review it in the future. This means the projected rates increase (of about 4%) from introducing this service (from the need to purchase bins beforehand) will not occur in 2019/20.

There is considerable uncertainty about recycling opportunities, largely the result of the policies introduced by China in 2017 which banned or restricted the import of a number of different products including low-quality plastics. These policies became effective in January 2018 and have been followed by others. Prices for recyclables in international markets have dropped dramatically. Lower sale prices mean that exporters of recyclables are facing significant financial pressure, so it is not an opportune time to seek prices for the proposed new service.

The Government's view is that we must raise the quality of what is collected and how it is processed so we can provide higher-quality recyclables for sale. In the medium to long term New Zealand needs to build more on-shore processing solutions. The Ministry is leading a taskforce to work alongside local government and the waste and resource efficiency sector to identify solutions where prices have reduced for the recyclable materials we collect.

Recycling facilities at Council's waste transfer stations will continue to be available.

## 10. What are we doing about the Marton civic centre?

Following consultation in the 2016/17 Annual Plan, Council purchased three heritage-listed buildings (Cobbler/Davenport/Abraham & Williams) on the corner of High Street and Broadway, Marton, to become the new site for Council's administrative headquarters and for the Marton Library. The existing Administration and Library properties (both buildings assessed as earthquake-prone) will be sold, with the potential for the Council offices site being redeveloped for residential.

Following the purchase of these three buildings a high-level study was done on ways in which the buildings could be used. Currently a feasibility study/concept design is being done on the two principal options – retaining all the street facades and key elements of these buildings (the main reason for the heritage listing) and upgrading or demolishing all three structures and constructing an entirely new building. There will be consultation with the community, probably in July-August 2019, on these options which could include a letter drop, public meetings and a video display in the window of one of the buildings. There has already been a preliminary assessment of the indicative cost of the status quo option (i.e. remain on current sites and upgrade/develop as required to provide future-fit facilities); this will be further refined to enable a direct comparison with the options to develop the Broadway/High Street site.

The results of this consultation will be included in the business case which Council will consider in September 2019. This will define what Council will do with the buildings and the financial implications for such a decision.

The 2018-28 Long Term Plan envisaged this new centre would be completed during 2022/23. That remains Council's objective. Total estimated costs may change once the feasibility study/concept design is complete. At present no allowance has been made for external funding sources for this project.

## 11. What are we doing about better facilities on Taihape Memorial Park?

Last year, as part of the 2018-28 Long Term Plan consultation, Council signalled its decision to build a new changing, shower and toilet facility in the area adjacent to the eastern area of the courts, with a new entrance. A subsequent meeting with representatives of Clubs Taihape led to the suggestion of erecting co-located (and complementary) facilities at the end of the netball courts. At its meeting on 30 November 2018, Council confirmed its intention to build a new amenities block at Memorial Park on the site beside the No. 3 field and incorporating a portion of the last tennis/netball court, and investigate the need for a new court in the vicinity of the ex-croquet green.

Council representatives have since met with Clubs Taihape to agree a process for finalising the design for a project that would fulfil the facility requirements of both organisations. A design brief is close to being finalised, and once that is done a targeted Request for Proposal/Expression of Interest process will be undertaken to engage an architect for the design process. The design brief indicates two potential build options:

1. A two-storey building, with the amenity facilities at ground level and the Clubs Taihape/Community facilities on the upper level
2. Two single level buildings connected by a covered walkway (or similar).

Clubs Taihape has a preference for option 1, and to undertake the project as a single build. That would mean Council is the owner of the building and it would require all of the funding to be secured prior to the build. There are pros and cons with both design options. Ultimately, Council will need to decide which option it supports have regard to the design process outcomes and feedback from groups likely to use the facilities.

A budget provision of \$1.2 million for the Council amenities facility is included in the draft 2019/20 Annual Plan, with \$200,000 to be raised externally. (This is \$600,000 more than in the 2018-28 Long Term Plan (which included an expectation of \$100,000 being raised externally). It will be over to Clubs Taihape to secure funding for their facility.

At this stage, the grandstand and toilets near the Memorial gates will be left as they are, apart from basic maintenance. There has been previous tentative discussion in the Taihape community about upgrading the skatepark but no firm proposal has been developed. The Marton skatepark upgrade may be a useful model.

## **12. What are we doing about the new Bulls Community Centre**

Construction started in December 2018 with a completion date of December 2019. This is as projected in the 2018-28 Long Term Plan. The new centre should be fully functional in early 2020. At that time, Council's use of the current Town Hall and Information centre buildings will end. These sites will be sold. Council will also vacate the Library building. A group is being formed to look at options for this site.

There has been a huge community contribution in making the new house at 8 Walton Street a reality. It will be auctioned in early May, with the proceeds helping to fund the new Centre. Council has been investigating how to get the most value from the two sites it owns in Walton Street and Johnson Street.

## **13. What are we doing about Marton/Bulls wastewater?**

The 2018-28 Long Term Plan was explicit that the discharge of Marton's wastewater into the Tutaenui Stream would be ending. The indicative business case accepted by Council was that piping the wastewater to discharge onto land south-west of Bulls was the most cost-effective solution. The project will be associated with a similar shift from the Bulls wastewater plant discharging into the Rangitikei River, so one resource consent from Horizons Regional Council would cover the two discharges. Yet to be determined is whether the wastewater from Marton is to be treated before being piped. If left untreated the Marton wastewater plant may be decommissioned.

This is the largest and most complex infrastructure project undertaken in the District. During 2019/20, the necessary area of land south of Bulls will be purchased and design work carried out for the pipeline between Marton and Bulls.

## 14. What are we doing about earthquake-prone buildings

Government legislation has classified the Rangitikei District as a high-risk earthquake zone. This means that all earthquake-prone buildings must be strengthened (to at least 34% of the new building standard) or demolished within 15 years. (Longer time is allowed for heritage-listed buildings; shorter times are set for 'priority' buildings such as fire stations and schools). Council estimates that there are 180 earthquake-prone buildings in the District. So far, 90 have been assessed, primarily in the Marton area; the remainder will be done during 2019/20. Residential buildings are not affected.

With so many historic buildings in the Marton CBD, Council hoped that government funding schemes would be receptive to a heritage precinct approach rather than individual buildings, as foreshadowed in the 2018-28 Long Term Plan. However, that is not (to date) the case – all the buildings are not all heritage listed (i.e. included in the District Plan or the Heritage New Zealand list).

Since 2014, Council's rates remission policy has included a remission (or rates holiday) while a building is being strengthened and for three years after completion of the strengthening.

## Results of deliberations on submissions to the Consultation Document

### “Unfolding 19/20”

- ✓
- ✓
- ✓
- ✓

Part review of the District Plan

#### Introduction

This report provides an analysis of the written and oral submissions received by Council to its Consultation Document, “Unfolding 19/20”, with respect to the draft 2019-20 Annual Plan, having followed the due process of the special consultative procedure outlined in the Local Government Act 2002.

The key issues identified in the consultation document are considered separately. Submitters raised a number of other issues – these are discussed in paragraphs relating to Council’s relevant group of activities.

#### Overall summary of submissions

Number, origin and location of submissions

XX submissions were received in total, of which XX were submitted online i.e. X%. This compares to 325 submissions to the 2017/18 Annual Plan and 172 submissions to the 2018-28 Long Term Plan.

#### Responding to submissions

Submissions received on the Council submission form

Submissions that were concerned with issues raised in the consultation document or where actions have been agreed by Council that have an impact on the annual work programme for 2019/20 are addressed below.

All other issues were considered by Council as part of its deliberations and, whilst an explanation may have been needed, no further action is required by Council. In these instances, the individual submitter has been contacted directly and their particular query responded to directly.

To be completed following deliberations

[An analysis of the origin of submitters follows.....]



**Multi-purpose Community Centre, Criterion Street, Bulls  
(under construction)**

## Variations from the Long Term Plan

Section 95(5)(b) of the Local Government Act 2002 requires that Council ‘...identify any variation from the financial statements and funding impact statement included in the local authority’s long-term plan in respect of the year [covered by the Annual Plan]’.

The variations from the Long Term Plan are:

- ✓ Whole of Council
- ✓ Prospective Comprehensive Income Statement
- ✓ Specific groups of activities

### Whole of Council

The funding impact statement for the whole of Council is the total of all the individual activity funding impact statements plus some treasury functions not included in activities. Consequently, the variances evident in this section reflect the variances in the individual statements which have been explained under each activity.

### Prospective Comprehensive Income Statement

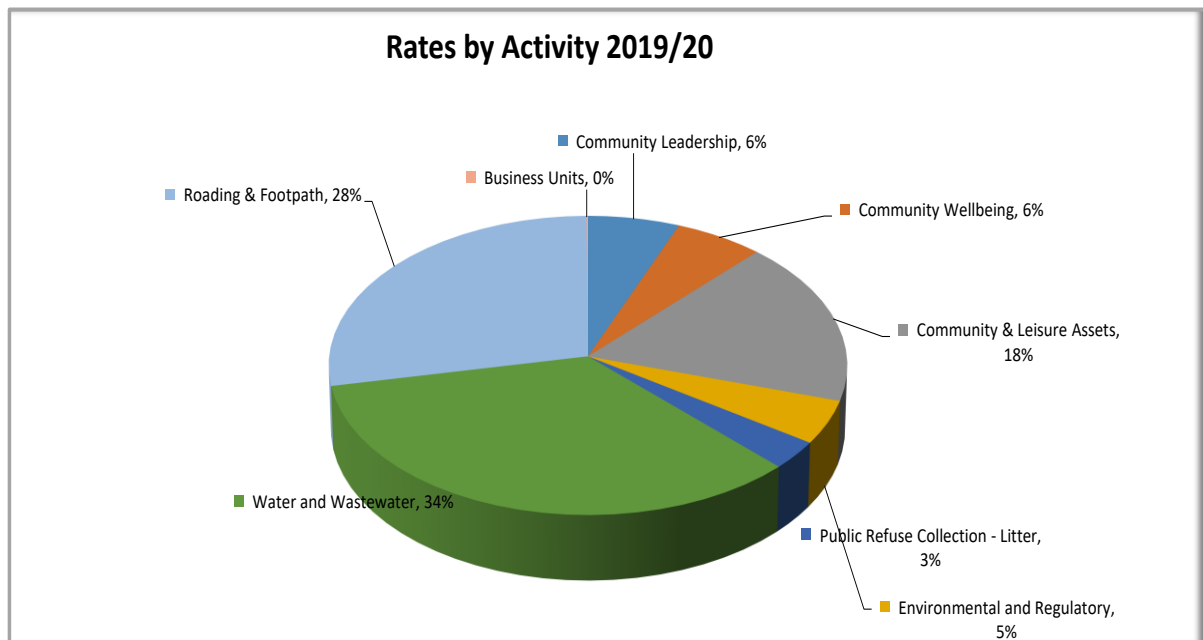
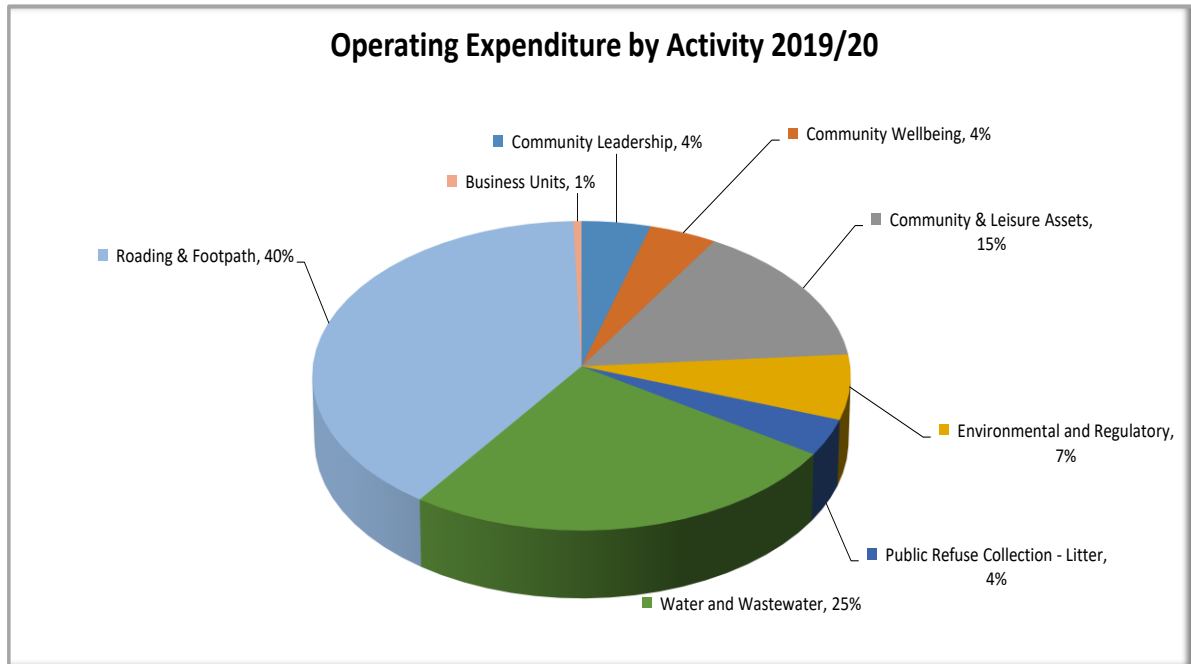
Again, the variances in this statement are reflected in the Funding Impact Statements. One item that is not detailed separately in the individual funding impact statements is that of Personnel costs (i.e. staff salaries and wages). This category of expense has been revised on the basis of actual payments for 2015/16 adjusted by expected rates of inflation.

### Specific Groups of Activities

A note on variations is appended to each group of activities. The most significant variations are the carry-forward from 2018/19 to 2019/20 of several water and wastewater upgrades and renewals totalling \$9.33 million and a provision of \$0.50 million to contain the old Putorino landfill exposed by the changing course of the Rangitikei River.

## Overview – Council Expenditure and Application of Rates

These charts show the percentage of funding for each group of activities provided by Council. The first chart shows the percentages of Council's projected total operating expenditure in 2017/18. The second chart shows the percentages of expenditure funded by rates. These highlight the contribution from other sources of revenue – fees and charges and government subsidies, so operating expenditure is significantly larger than the total rates received.





# Rangitikei District Council

## Groups of Activities

## Annual Plan 2019-2020

## Groups of Activities

### Council's Role

The Rangitikei District Council undertakes services for the residents and ratepayers of the Rangitikei. In everything it does, the Council has regard for the principles of equity and the principles of the Treaty of Waitangi.

The Local Government Act 2002, as amended in 2012, defines the purpose of Local Government to:

*“...enable democratic local decision-making and action by, and on behalf of communities, and;*

*...meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.”<sup>2</sup>*

The role of a local authority is to:

*“give effect, in relation to its district or region, to the purpose of local government and; perform the duties, and exercise the rights, conferred on it by or under this Act and any other enactment.”*

(Sections 10 and 11 of the Local Government Act 2002)

In performing its role, the Council (as required by section 11A of the Local Government Act 2002) has particular regard to the contribution to the district's communities by network infrastructure; public transport services; solid waste collection and disposal; the avoidance of, or mitigation, of natural hazards; libraries, museums, reserves, recreational facilities and other community infrastructure.<sup>3</sup>

To give effect to these obligations, the Council undertakes a wide range of activities. Following the approach taken in the 2018-28 Long Term Plan (pp. 89-120), these are presented in the following pages as nine distinct groups of activities:

- Community Leadership;
- Roding and Footpaths;
- Water Supply;
- Sewerage and the Treatment and Disposal of Sewage<sup>4</sup>;
- Stormwater Drainage;
- Community and Leisure; Assets;
- Rubbish and Recycling;
- Environmental and Regulatory;
- Community Well-being.

The funding impact statements for each group of activities in this section specifically exclude depreciation because the form of these statements is prescribed by the Local Government (Financial Prudence and Reporting) Regulations 2014. However, depreciation (or the writing off of an asset over time) is included in the prospective statement of comprehensive revenue and expenses (in the Prospective Financial Statements) because that is part of the Generally Accepted Accounting Practice

<sup>2</sup> This requirement is specified by section 10(b) of the Local Government Act 2002. It would be replaced by 'promote the social, economic, environmental, and cultural well-being of communities in the present and for the future' from clause 6 of the Local Government (Community Well-being) Amendment Bill, if enacted.

<sup>3</sup> Section 11A would be repealed by clause 10 of the Local Government (Community Well-being) Amendment Bill, if enacted.

<sup>4</sup> This is the term prescribed in legislation for 'Wastewater'.

standards which are required by the Local Government Act 2002. Not all depreciation is funded through rates – rural water supplies are not funded at all; there is part funding for halls, community housing swimming pools and libraries; and for roading only the non-subsidised portion of depreciation is funded.



Middle country

## Community Leadership

### Scope and Objectives

This group of activities is concerned with the local democratic and decision-making functions of Council. It comprises five separate activities:

- Strategic planning,
- Council,
- Community Boards and Committees,
- Iwi liaison, and
- Elections.

More detail is provided in pp. 90-93 of the 2018-28 Long Term Plan.

### What we plan to do this year

- 1 Strategic planning
  - a) Annual Report 2018/19
  - b) Annual Plan 2020/21
  - c) Deliver programme of policy and bylaw review
  - d) Conduct section 17A reviews – pools and waste transfer stations
- 2 Elections
  - a) Prepare the pre-election report (for the 2019 election)
  - b) Conduct the 2019 elections
- 3 Council
  - a) Induction of Council, Community Boards/Committees for the 2019-21 triennium
  - b) Prepare the Local Governance Statement and update the Elected Members' Handbook
  - c) Prepare order papers that ensure compliant decision-making
  - d) Internal Audit programme
  - e) Engage with sector excellence programme
  - f) Draft submissions to government proposals and plans.
- 4 Iwi liaison
  - a) Te Roopu Ahi Kaa strategic plan – implementing actions
  - b) Confirming Te Roopu Ahi Kaa membership for the 2019-21 triennium

**Intended Levels of Service**

<b>Intended Levels of Service 2018-2028</b>	<b>Performance measure</b>	<b>Target for 2019/20</b>
Make decisions that are robust, fair, timely, legally compliant and address critical issues, and that are communicated to the community and followed through.	On-time completion of, or substantially undertaken, annual plan actions	92% - all Annual Plan actions 85% - each group of activities
	Completion of capital programme.	85% - planned capital programme expended 70% - all network utilities groups of activities.
	Satisfaction [demonstrated in Annual Residents survey]  <i>Benchmark is 2016/17 results:</i>  Mean – 12% very satisfied, 28% neutral	Increase in percentage of 'very satisfied' and decrease in percentage of 'neutral' compared with the benchmark
	Value for money – residents' perception in annual survey  <i>In 2016/17 survey</i>  15% thought Rangitikei was better than other councils, 49% thought it about the same, 10% thought it was worse and 27% didn't know  5% thought Rangitikei 'definitely' delivered value for money, 44% 'satisfactory', 32% 'unsure/neutral', 15% 'not really' and 3% 'definitely not'.	Higher rating than in previous year
	Effectiveness of communication  <i>In 2016/17 survey:</i>  Phone – 17% very satisfied, 36% neutral Council website – 13% very satisfied, 35% neutral Social media – 11% very satisfied, 57% neutral Library/information Centre – 14% very satisfied, 45% neutral Rangitikei Line – 5% very satisfied, 71% neutral Local newspapers – 14% very satisfied, 30% neutral In person – 17% very satisfied, 42% neutral	Increase in percentage of 'very satisfied' and decrease in percentage of 'neutral' compared with the previous year
	Maori responsiveness framework  <i>Annual surveys in April</i>  Governance and relationships Culture and identity Prosperity and well-being Resources and infrastructure	Improved satisfaction from the previous year  2018/19 is the first year the survey is conducted.

Intended Levels of Service 2018-2028	Performance measure	Target for 2019/20
	<p>Engagement with sector excellence programmes</p> <p>Council achieved a BB rating in CouncilMARK, October 2017. 16 areas for improvement were identified</p> <p>The Australasian LG Excellence Program was deferred for 2017/18.</p>	<p>Improved survey ratings</p> <p>Percentage of suggested improvements completed or under action</p>

### Variations from the Long Term Plan

There are no significant variations in the planned work programme.

**Community Leadership – Prospective Funding Impact Statement**

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	1,290	1,397	1,423
Targeted rates	70	72	73
Subsidies and grants for operating purposes			
Fees and charges			
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
<b>Total operating funding (A)</b>	<b>1,360</b>	<b>1,469</b>	<b>1,496</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	781	880	818
Finance costs			1
Internal charges and overheads applied	578	587	675
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>1,359</b>	<b>1,467</b>	<b>1,494</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1</b>	<b>2</b>	<b>2</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	(2)	(2)	(2)
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
<b>Total sources of capital funding (C)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand			
- to improve the level of service			
- to replace existing assets			
Increase (decrease) in reserves			
Increase (decrease) in investments			
<b>Total applications of capital funding (D)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>(1)</b>	<b>0</b>	<b>0</b>
Note: Depreciation expense not included above	2	2	2

## Roading and Footpaths

### Scope and Objectives

This group of activities covers the roading network (including bridges), footpaths and street lighting. A safe and orderly transportation network throughout the District is critical for the movement of people and goods as there is very limited public transport.

More detail is provided in pp. 94-97 of the 2018-28 Long Term Plan.

The network consists of 84.6 kilometres of urban and 1,137.9 kilometres of rural roads, of which a high percentage of this overall total (37%) is unsealed. There are also many kilometres of legal but unformed road.

Roads	Urban (km)	Rural (km)	Total (km)
Sealed	84	712	796
Unsealed	3	426	429
Total Maintained	87	1,138	1,225

In order to maintain a high level of central Government subsidy (63%), Council must meet the national standards and guidelines set by the New Zealand Transport Agency. Council also has a responsibility under the Local Government Act 2002 to maintain the roading network to a safe standard.

### What we plan to do this year

1. Pavements
  - a) Resilience improvements Rehabilitation<sup>5</sup> - total estimated cost of \$1,080,000
    - Pukepapa Road (1520 m)
    - Turakina Valley Rd 1 (1880m)
    - Skerman Street (160 m)
  - b) Seal widening –total estimated cost of \$572,100<sup>6</sup>
    - Tennant Rd
    - Kie Kie Road
    - Murimotu Road
2. Sealed road resurfacing
 

A total length of 45,430m is planned, primarily reseals (42,119m). 2 coats will be 2,926m and AC 385m. The total estimated cost (including roadmarking) is \$285,362
3. Bridges
  - a) Replacement
    - Mangaweka Bridge –estimated cost of \$4,051,000
  - b) Strengthening

<sup>5</sup> Rather than strengthening forestry harvest routes, damage caused by logging traffic will be repaired under the sealed pavement maintenance programme.

<sup>6</sup> \$350,000 for improvements in conjunction with the rural area wide treatment programme.

- Kakariki Bridge - \$210,000
- Moawhango Bridge - \$210,000
- Toe Toe Rd Bridge - \$30,000

#### 4. Street Lighting

- a) Accelerated renewal programme of LED carriageway lighting - \$117,000

### Intended Levels of Service

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Provide a sustainable network which is maintained in accordance with each road's significance for local communications and the local economy, taking into account the One Roding Network Classification and funding subsidies.	<i>*Road condition</i> The average quality of ride on a sealed local road network, measured by smooth travel exposure	97%.
	<i>*Road maintenance</i> The percentage of the sealed road network that is resurfaced	8%
	The percentage if the unsealed road network which is remetalled during the year	At least 75%
	<i>*Footpaths</i> The percentage of footpaths within the District that fall within the level of service or service standard for the condition of footpaths that is set out in the Council's relevant document (such as its annual plan, activity management plan, asset management plan, annual works programme or long term plan)	<p>At least 80% of footpath lengths in CBD areas in Bulls, Marton, Hunterville and Taihape are at grade 3 or higher</p> <p>At least 75% of sampled footpaths lengths outside CBD areas are at grade 3 or higher</p> <p>At least 90% of sampled footpaths assessed at grade 5 are included in upgrade programme during the following two years.</p> <p>Note: A five point grading system to rate footpath condition based on visual inspections</p> <p>1    Excellent 2    Good 3    Fair 4    Poor 5    Very Poor</p> <p>Footpaths will be assessed in approximately 100-metre lengths.</p> <p>The sample of non-CBD footpaths will include ten lengths in each of Bulls, Marton and Taihape, and four lengths in Mangaweka, Hunterville and Ratana.</p>

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
		The assessments will normally be conducted in November and May.
	<p><i>*Road safety</i></p> <p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number</p>	No change or a reduction from the previous year.
Be responsive to community expectations over the roading network and requests for service	<p>Adequacy of provision and maintenance of footpaths, street-lighting and local roads (annual survey).</p> <p>Report card” qualitative statements.</p> <p>Groups targeted for consultation:</p> <ul style="list-style-type: none"> <li>Residents where programmed renewal has taken place,</li> <li>Community Boards/ Committees,</li> <li>Community group database,</li> <li>Business sector database.</li> </ul>	A greater proportion (than in the benchmark) or more than 10% of the sample believe that Council’s service is getting better
	<p><i>*Responses to service requests</i></p> <p>The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan</p> <p>Contractor and Council records of requests for service.</p> <p>2016/17 results</p> <ul style="list-style-type: none"> <li>After hours callouts – 85%</li> <li>Working hours callouts – 72%</li> <li>Resolution – 70%</li> </ul> <p><i>Note: Council measures resolution as well as initial attendance in response to such requests.</i></p>	<ul style="list-style-type: none"> <li>After-hours callouts – 95% responded to within 12 hours</li> <li>Working hours callouts – 95% responded to within 6 hours</li> <li>Resolution - 85% of all callouts resolved (i.e. completed) within one month of the request.<sup>7</sup></li> <li>Specific reference to callouts relating to potholes</li> </ul>

## Variations from the Long Term Plan

There are no significant variations in the planned work programme.

<sup>7</sup> There is a wide range of requests meaning times to completely resolve them will range from hours to several weeks or months, depending on urgency and work programming.

**Roading and Footpaths – Prospective Funding Impact Statement**

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	145	152	149
Targeted rates	6,508	6,574	6,437
Subsidies and grants for operating purposes	3,337	3,410	3,410
Fees and charges	30	31	31
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts	115	118	118
<b>Total operating funding (A)</b>	<b>10,135</b>	<b>10,285</b>	<b>10,145</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	5,938	6,069	5,882
Finance costs	101	99	102
Internal charges and overheads applied	770	784	812
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>6,809</b>	<b>6,952</b>	<b>6,796</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>3,326</b>	<b>3,333</b>	<b>3,349</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	4,465	6,322	6,322
Development and financial contributions			
Increase (decrease) in debt	(55)	(31)	(53)
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
<b>Total sources of capital funding (C)</b>	<b>4,410</b>	<b>6,291</b>	<b>6,269</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand			
- to improve the level of service			
- to replace existing assets	7,222	10,137	10,137
Increase (decrease) in reserves	514	(514)	(521)
Increase (decrease) in investments			
<b>Total applications of capital funding (D)</b>	<b>7,736</b>	<b>9,623</b>	<b>9,616</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>-3,326</b>	<b>-3,332</b>	<b>-3,347</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>1</b>	<b>2</b>
Note: Depreciation expense not included above	6,689	6,689	6,729

## Roading and Footpaths – Prospective Capital Works

For the year ending 30 June 2020

Category	Designated projects for 2019/20	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>RENEWALS</b>				
Unsealed road metalling	Programmed renewals	410	435	435
Pavement rehabilitation	Programmed renewals	1,352	1,080	1,080
Drainage	Programmed renewals	600	600	600
Structure components	Programmed renewals	1,646	4,737	4,737
Traffic services	Programmed renewals	190	150	150
Sealed road surfacing	Programmed renewals	2,409	2,337	2,337
Footpaths	Programmed renewals	238	239	239
Minor Improvements/Facilities	Programmed renewals	376	342	342
<b>Total renewals</b>		<b>7,221</b>	<b>9,920</b>	<b>9,920</b>
<b>CAPITAL</b>				
<b>Total Capital</b>		<b>0</b>	<b>0</b>	<b>0</b>

## Water Supply

### Scope and Objectives

This group of activities covers the provision of potable water for the urban communities of Bulls, Marton, Taihape, Hunterville, Mangaweka and Ratana. It also covers the rural water (i.e. stock water) schemes in Hunterville, Erewhon, Omatane and Putorino<sup>8</sup>.

The main focus is ensuring compliance with the New Zealand Drinking Water Standards and consent conditions over the volume of water taken, upgrades to dispose of process (backwash) water, and investment in network modelling of schemes to enable renewals to be prioritised based on performance rather than relying simply on the age of the pipes.

More detail is provided on pp. 98-100 of the 2018-28 Long Term Plan.

### What we plan to do this year

1. Marton Water Strategy
2. Tutaenui Road (Marton) Water Supply trunk main replacement.
3. Taihape Falling main replacement
4. Bulls Water Strategy implementation (New Reservoir)
5. Water reticulation Renewals – District wide

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Provide a safe and compliant supply of drinking water	<i>*Safety of drinking water</i> The extent to which the Council's drinking water supply complies with (a) part 4 of the drinking water standards (bacteria compliance criteria) <sup>9</sup> (b) part 5 of the drinking water standards (protozoa compliance criteria) <sup>10</sup>	No incidents of non-compliance  No incidents of non-compliance
	Compliance with resource consents	No incidents of non-compliance with resource consents
	Number of unplanned water supply disruptions affecting multiple properties	Fewer unplanned water supply disruptions affecting multiple properties than in the previous year <sup>11</sup> .
Provide reliable and efficient urban water supplies		

<sup>8</sup> Council holds the consent from Horizons for this scheme but does not administer it.

<sup>9</sup> Currently measured by weekly sampling and testing through Environmental Laboratory Services in Gracefield.

<sup>10</sup> Measured through Water Outlook.

<sup>11</sup> There were no unplanned disruptions in 2015/16.

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
	<p><i>*Maintenance of the reticulation network</i> The percentage of real water loss from the Council's networked reticulation system<sup>12</sup></p>	Less than 40%
	<p><i>*Demand management</i> The average consumption of drinking water per day per resident within the District</p> <p>Note: This includes all water released from the urban treatment plants, <u>irrespective of whether it is used for residential, agricultural, commercial or industrial purposes.</u></p>	600 litres per person per day.
Be responsive to reported faults and complaints	<p><i>*Fault response time</i> Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following <i>median times</i> are measured</p> <p>(a) attendance for urgent callouts: from the time that the Council receives notification to the time that service personnel reach the site, and</p> <p>(b) resolution of urgent callouts: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption</p> <p>(c) attendance for non-urgent call-outs: from the time that the Council receives notification to the time that service personnel reach the site, and</p> <p>(d) resolution of non-urgent call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption</p>	<p>Improved timeliness compared with the previous year</p> <p>In 2016/17 the following median times were reported:</p> <p>(a) 10 minutes (b) 1 hour 17 minutes (c) 19 minutes (d) 1 hour 7 minutes</p>

<sup>12</sup> A description of the methodology used to calculate this must be included as part of the report.

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
	<p><i>*Customer satisfaction</i></p> <p>The total number of complaints (expressed per 1000 connections to the reticulated networks) received by the Council about</p> <ul style="list-style-type: none"> <li>(a) drinking water clarity</li> <li>(b) drinking water taste</li> <li>(c) drinking water pressure or flow</li> <li>(d) continuity of supply, and</li> <li>(e) the Council's response to any of these issues</li> </ul>	<p>Total number of complaints is less than the previous year or no more than 13 complaints per 1,000 connections.</p> <p>2016/17 results</p> <p>Total complaints – 13/1000</p> <ul style="list-style-type: none"> <li>(a) 6.79/1000</li> <li>(b) 3.5/1000</li> <li>(c) 1.66/1000</li> <li>(d) 0.94/1000</li> <li>(e) nil<sup>13</sup></li> </ul>
Maintain compliant, reliable and efficient rural water supplies	Compliance with resource consents	No incidents of non-compliance with resource consents
	<p><i>Maintenance of the reticulation network</i></p> <p>The percentage of real water loss from the Council's networked reticulation system<sup>14</sup></p>	<p>Less than 40%</p> <p><i>To date, however, it has proved impractical to determine this measure because of the use of unmetered flow restrictors and the fact that these are trickle-feed supplies which fill tanks.</i></p>
	<p><i>Fault response time</i></p> <p>Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median times are measured</p> <ul style="list-style-type: none"> <li>(a) attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and</li> <li>(b) resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption</li> </ul>	<p>Fewer requests (per 1000 connections) than previous year</p> <p>In 2016/17 the following median times were reported (for Hunterville only<sup>15</sup>):</p> <ul style="list-style-type: none"> <li>(a) 22 minutes</li> <li>(b) 1 hours 8 minutes</li> </ul>
Ensure fire-fighting capacity in urban areas	Random flow checks at the different supplies	99% of checked fire hydrants are in compliance.

<sup>13</sup> These cannot be distinguished in Council's request for service system, but are included in a-d.

<sup>14</sup> A description of the methodology used to calculate this must be included as part of the report.

<sup>15</sup> Erewon and Omatane rural schemes use private contractors. These are the results noted in the 29016;17 Annual Report. The figures in the 2018-28 Long Term Plan are incorrect.

**Variations from the Long Term Plan**

There has been rephrasing and reprioritisation of the work programme as presented in the Long Term Plan. No significant financial variations are expected.

**Water Supply – Prospective Funding Impact Statement**

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties			
Targeted rates	4,583	4,920	5,045
Subsidies and grants for operating purposes			
Fees and charges			36
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
<b>Total operating funding (A)</b>	<b>4,583</b>	<b>4,920</b>	<b>5,081</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	2,034	2,085	2,184
Finance costs	528	794	806
Internal charges and overheads applied	963	982	1,015
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>3,525</b>	<b>3,861</b>	<b>4,005</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,058</b>	<b>1,059</b>	<b>1,076</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			403
Development and financial contributions			
Increase (decrease) in debt	5,622	2,241	3,160
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
<b>Total sources of capital funding (C)</b>	<b>5,622</b>	<b>2,241</b>	<b>3,563</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	1,041	570	1,685
- to replace existing assets	5,638	2,729	2,953
Increase (decrease) in reserves			
Increase (decrease) in investments			
<b>Total applications of capital funding (D)</b>	<b>6,679</b>	<b>3,299</b>	<b>4,638</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,057)</b>	<b>(1,058)</b>	<b>(1,075)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>1</b>	<b>1</b>	<b>1</b>
Note: Depreciation expense not included above	1,385	1,398	1,409

## Water Supply – Prospective Capital Works

For the year ending 30 June 2018

Category	Designated projects for 2019/20	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>RENEWALS</b>				
Water District	Treatment and reticulation	5,442	2,482	2,565
Hunternville urban	Treatment and reticulation	50	35	25
Erewhon	Treatment and reticulation	120	120	240
Hunternville rural	Treatment and reticulation	20	20	45
Omatene	Treatment and reticulation	6	6	6
<b>Total renewals</b>		<b>5,638</b>	<b>2,663</b>	<b>2,881</b>
<b>CAPITAL</b>				
Water District	Treatment upgrade	132	556	1,243
Hunternville urban	Treatment upgrade	908		400
<b>Total Capital</b>		<b>1,040</b>	<b>556</b>	<b>1,643</b>

## Sewerage and the Treatment and Disposal of Sewage

### Scope and Objectives

The activity provides for the process of collecting wastewater and treating it to an acceptable standard for discharge into the environment. Wastewater treatment systems are maintained in Taihape, Mangaweka, Hunterville, Marton, Koitiata, Ratana and Bulls. The age of existing infrastructure, and stricter compliance requirements, triggers the need for upgrade work as well as ongoing renewals.

More detail is provided on pp. 101-103 of the 2018-28 Long Term Plan.

### What we plan to do this year

- 1 Marton and Bulls Combined Wastewater Scheme
  - Land Purchase
  - Finalisation of Marton/Bulls pipeline design
- 2 Ratana Wastewater Upgrade – Land Purchase
- 3 Wastewater Reticulation Renewals – District-wide

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Provide a reliable reticulated disposal system that does not cause harm or create pollution within existing urban areas.	<i>*Discharge compliance</i> Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions received by the Council in relation to those resource consents	No abatement or infringement notices, no enforcement orders and no convictions
	Routine compliance monitoring of discharge consents	6 out of 7 systems comply
	<i>*System and adequacy</i> The number of dry weather sewerage overflows from the Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	Not more than one per 1,000 connections.  Fewer overflows than 0.4/100 connections
	<i>*Fault response time</i> Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the	Improved timelines compared with the previous year.

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
	<p>following <i>median times</i> are measured</p> <p>(a) attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and</p> <p>resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption</p>	<p>In 2016/17 the following median times were reported:</p> <p>(a) 22 minutes</p> <p>(b) 2 hours 34 minutes.</p> <p>Dry weather overflows are included.</p> <p>Improved median times compared with the previous year or no more than the median times reported in 2016/17</p>
Be responsive to reported faults and complaints	<p><i>*Customer satisfaction</i></p> <p>The total number of complaints received by the Council about any of the following:</p> <p>(a) sewage odour</p> <p>(b) sewerage system faults</p> <p>(c) sewerage system blockages, and</p> <p>(d) the Council's response to issues with its sewerage systems<sup>16</sup></p> <p>(b) expressed per 1,000 connections to the Council's sewerage system.</p>	<p>Fewer requests (per 1000 connections) than previous year or no more than 5 requests per 1,000 connections</p> <p>In 2016/17, the results were 4.49 per 1,000 connections.</p>

### Variations from the Long Term Plan

There has been rephrasing and reprioritisation of the work programme as presented in the Long Term Plan. No significant financial variations are expected.

<sup>16</sup> These are matters relating to the Council's wastewater systems recorded in the request for service system *other than* in (a), (b) or (c) such as complaints about wastewater overflows.

## Sewerage and Treatment and Disposal of Sewage – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties			
Targeted rates	2,240	2,589	2,341
Subsidies and grants for operating purposes			
Fees and charges	200	205	205
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
<b>Total operating funding (A)</b>	<b>2,440</b>	<b>2,794</b>	<b>2,546</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	1,121	1,149	1,191
Finance costs	237	555	242
Internal charges and overheads applied	365	372	395
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>1,723</b>	<b>2,076</b>	<b>1,828</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>717</b>	<b>718</b>	<b>718</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	6,733	2,287	3,108
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
<b>Total sources of capital funding (C)</b>	<b>6,733</b>	<b>2,287</b>	<b>3,108</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	50		513
- to replace existing assets	7,400	3,005	3,313
Increase (decrease) in reserves			
Increase (decrease) in investments			
<b>Total applications of capital funding (D)</b>	<b>7,450</b>	<b>3,005</b>	<b>3,826</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(717)</b>	<b>(718)</b>	<b>(718)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
Note: Depreciation expense not included above	717	718	717

## Sewerage and Treatment and Disposal of Sewage – Prospective Capital Works

For the year ending 30 June 2018

Category	Designated projects for 2019/20	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>RENEWALS</b>				
Sewerage District	Treatment and reticulation	7,450	2,932	3,232
<b>Total renewals</b>		<b>7,450</b>	<b>2,932</b>	<b>3,232</b>
<b>CAPITAL</b>				
Sewerage District	Treatment plant Upgrade	0	0	500
<b>Total Capital</b>		<b>0</b>	<b>0</b>	<b>500</b>

## Stormwater Drainage

### Scope and Objectives

The activity provides a collection and disposal system for surface and, in some instances, sub-surface water linking both private and public reticulation through the urban communities of the Rangitikei comprising Bulls, Marton, Taihape, Hunterville, Mangaweka and Ratana. There are also stormwater assets on a smaller scale in communities such as Utiku, Koitiata, Rakautaua and Scotts Ferry. In addition to the assets owned for the Stormwater activity, the Roading activity owns assets for drainage of roads, Horizons has an extensive network to prevent flooding, and there are also privately owned assets that connect with these other networks.

More detail is provided on pp. 104-106 of the 2018-28 Long Term Plan.

### What we plan to do this year

#### 1. Stormwater Reticulation Renewals and improvements – District-wide

#### Intended Levels of Service

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Provide a reliable collection and disposal system to each property during normal rainfall	<i>*Discharge compliance</i> Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions (a) received by the Council in relation to those resource consents	<i>Not yet applicable – Council currently has no resource consents for stormwater</i>  Not yet applicable
	<i>*System adequacy</i> (b) The number of flooding events <sup>17</sup> that occurred in the District  For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the Council's stormwater system)	Fewer requests (per 1000 properties) than previous year  In 2016/17, there were no flooding events in terms of the measure's requirements.  There are 4,122 properties in the District which pay the stormwater rate.
	<i>*Customer satisfaction</i> The number of complaints received by the Council about the performance of its stormwater system, expressed per 1,000	Fewer requests (per 1,000 connections) than previous year or no more than in 2016/17

<sup>17</sup> The rules for the mandatory measures define a 'flooding event' as an overflow from a territorial authority's stormwater system that enters a habitable floor

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
	properties connected to the Council's stormwater system.	The 2016/17 results were 4.12/1,000.
Be responsive to reported faults and complaints	<i>*Response time</i> The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.	Timeliness noting the severity of the incident(s)  There were no applicable results in 2016/17

### Variations from the Long Term Plan

There has been rephrasing and reprioritisation of the work programme as presented in the Long Term Plan. No significant financial variations are expected

## Stormwater Drainage – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties			
Targeted rates	634	694	667
Subsidies and grants for operating purposes			
Fees and charges	2	2	2
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			6
<b>Total operating funding (A)</b>	<b>636</b>	<b>696</b>	<b>675</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	205	210	217
Finance costs	25	71	40
Internal charges and overheads applied	113	115	124
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>343</b>	<b>396</b>	<b>381</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>293</b>	<b>300</b>	<b>294</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	965	928	373
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
<b>Total sources of capital funding (C)</b>	<b>965</b>	<b>928</b>	<b>373</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	750	769	410
- to replace existing assets	508	460	256
Increase (decrease) in reserves			
Increase (decrease) in investments			
<b>Total applications of capital funding (D)</b>	<b>1,258</b>	<b>1,229</b>	<b>666</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(293)</b>	<b>(301)</b>	<b>(293)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>(1)</b>	<b>1</b>
Note: Depreciation expense not included above	293	300	293

## Stormwater Drainage – Prospective Capital Works

For the year ending 30 June 2020

Category	Designated projects for 2019/20	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>RENEWALS</b>				
Stormwater District	Reticulation	508	449	250
<b>Total renewals</b>		<b>508</b>	<b>449</b>	<b>250</b>
<b>CAPITAL</b>				
Stormwater District	Culverts, drains and inlet protection	750	750	400
<b>Total Capital</b>		<b>750</b>	<b>750</b>	<b>400</b>

## Community and Leisure Assets

### Scope and Objectives

Rangitikei District Council is the main provider of Community and Leisure Assets in the District. However, it is not the only provider. Housing New Zealand provides some subsidised housing. Some local schools provide halls, pools and sports fields which are available for community use, some community and church groups own buildings which are available for hire and there are also other providers of properties to lease.

Some Council owned buildings are leased to other groups. Council remains responsible for these buildings and so they are covered by this group of activities. Some properties contain leases allowing sports clubs and organisations to operate buildings on Council land. These buildings and other lessee improvements are not covered by this Plan.

The Community and Leisure Assets group of activities includes some services as part of the facilities management. Examples of this are libraries, information centres and swimming pools.

The redevelopment of the Shelton Pavilion in Centennial Park, Marton in December 2015 kick-started Council's approach to its portfolio of community and leisure assets: fewer but better. The key is to work in close consultation with residents about what community assets will enable them to have a great quality of life. During 2016/17, Council started the processes for the development of a new ablutions block in Memorial Park, Taihape, a new community centre in Bulls and a new administration/library building in Marton. In addition, it has worked to provide better quality community housing for older people in the District.

More detail is provided in pp. 107-111 in the 2018-28 Long Term Plan.

### What we plan to do this year

1. Parks
  - a) Parks Upgrade Partnership Fund
  - b) Marton B and C Dams – implement the management plan for the B and C Dams
  - c) Marton Memorial Hall Playground – community-led upgrade/redevelopment
  - d) Memorial Park Taihape – develop and implement a plan to maximise recreational opportunities (collaboration with Friends of Taihape)
  - e) Santoft Domain – community led upgrade
2. Community housing
  - a) Refurbishment of housing stock
3. Cemeteries
  - a) Taihape – new carpark
4. Community buildings
  - a) Bulls Community Centre – construction (completion December 2019)
  - b) Marton Civic Centre Development – feasibility study and (subject to Council approval) detailed design
  - c) Marton Memorial Hall – repainting

## d) Swimming pools

- Taihape – re-roofing
- Marton – new boilers

**Intended Levels of Service**

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Provide a fit for purpose range of community and leisure assets	<p>“Report card” produced during April/May each year from a survey of residents.<sup>18</sup></p> <p>Public libraries; Public swimming pools; Sports fields and parks Public toilets; Community buildings and Camping grounds.</p>	<p>More than 10% of the sample believe the service is ‘Better than last year’.</p> <p>Results for 2016/17 Public libraries – 11%; Public swimming pools – 16%; Sports fields and parks – 18% Public toilets – 7%; Community buildings – 4%; and Camping grounds – 10%.</p>
Compliance with relevant standards	<p>Swim Centres</p> <p>All swimming pools have Poolsafe accreditation</p>	Benchmark maintained
	<p>Community Housing</p> <p>Council records compliance with the 29 criteria in the rental warrant of fitness programme</p> <p>Public toilets</p> <p>Toilet buildings are well designed, safe and visible – Compliance with SNZ4241:1999 and CPTED (safer design guidelines) for new or refurbished toilets</p> <p>Parks and reserves</p>	<p>Maintaining or improving compliance</p> <p>Meeting the benchmark</p>
	<p>Levels of service for parks throughout the District consistent with the New Zealand Recreation Association Parks Categories and Levels of Service guideline</p>	Increased % compliance with Levels of Service Guideline for all parks compared with previous year

<sup>18</sup> It is intended to take the sample from the electoral roll for residents. During the previous three years the sample was taken from Council’s ratepayer database.

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Secure high use of staffed facilities	Number of users of libraries (Automated door-count system)	An increase in use compared with the previous year.  For 2016/17 50,918 people entered the libraries – 8,901 (21 days unrecorded) at Bulls, 18,198 at Marton (8 days unrecorded) and 23,819 (13 day unrecorded) at Taihape
	Number of users of pools (Door count systems or till records)	An increase in use compared with the previous year.  In the 2016/17 season there were 28,271 at Marton and 11,177 at Taihape
	Occupancy of community housing	95%-100% occupant of whom 70% are superannuitants  In December 2017, occupancy was 100% of whom 60% were superannuitants

### Variations from the Long Term Plan

Apart from the slower progress than anticipated with the Marton Civic Centre, there are no significant variations in the planned work programme.

There is an increase in costs for the Bulls Community Centre and a carry forward of \$0.0.97M from 2018/19. The Taihape Memorial Park Amenities Building has a budget of \$1.2M to date and \$0.6M is a carry forward from 2018/19.

## Community and Leisure Assets – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	3,933	4,151	4,183
Targeted rates			
Subsidies and grants for operating purposes	191	195	2
Fees and charges	489	498	597
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
<b>Total operating funding (A)</b>	<b>4,613</b>	<b>4,844</b>	<b>4,782</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	2,186	2,231	2,011
Finance costs	59	153	192
Internal charges and overheads applied	1,620	1,648	1,759
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>3,865</b>	<b>4,032</b>	<b>3,962</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>748</b>	<b>812</b>	<b>820</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	1,298	1,323	2,356
Development and financial contributions			
Increase (decrease) in debt	1,947	995	3,177
Gross proceeds from sale of assets	532	532	532
Lump sum contributions			
Other dedicated capital funding			
<b>Total sources of capital funding (C)</b>	<b>3,777</b>	<b>2,850</b>	<b>6,065</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	3,184	2,948	4,301
- to improve the level of service	240	102	1,437
- to replace existing assets	1,102	429	988
Increase (decrease) in reserves	48	286	261
Increase (decrease) in investments	(50)	(102)	(102)
<b>Total applications of capital funding (D)</b>	<b>4,524</b>	<b>3,663</b>	<b>6,885</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(747)</b>	<b>(813)</b>	<b>(820)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>1</b>	<b>(1)</b>	<b>0</b>
Note: Depreciation expense not included above	1,090	1,149	1,156

## Community and Leisure Assets – Prospective Capital Works

For the year ending 30 June 2020

Category	Designated projects for 2019/20	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>RENEWALS</b>				
Swimming pools	Pool Covers Painting	100		30
Swimming pools	Buildings- Reroof/Insulation		120	470
Swimming pools	Boilers		50	50
Libraries	Books, furniture and computers	115		115
Community housing	Flat refurbishment	140	100	100
Parks and reserves	Landscaping and playgrounds	805	70	1,322
Toilets	Building refurbishment	12	15	15
Halls	Refurbishment	30		165
<b>Total renewals</b>		<b>1,202</b>	<b>355</b>	<b>2,267</b>
<b>CAPITAL</b>				
Libraries	Marton Admin and Library centre	100	250	250
Community housing	Insulation	10		
Cemeteries	Berms/Re- surfacing & Fencing	77	45	106
	Land purchase Ratana		0	35
Parks and reserves	Mangaweka campground	204	0	0
	Parks upgrades	88	0	96
Toilets	New public toilets	150	0	310
Halls	Taihape Town Hall	100		
Halls	Bulls Community Centre- Furniture			102
Halls	Bulls Community Centre	2,595	2,595	3,629
<b>Total Capital</b>		<b>3,324</b>	<b>2,890</b>	<b>4,528</b>



**Cobbler/Davenport/Abraham & Williams buildings  
Broadway, Marton**

**Projected site for Marton Civic Centre**

## Rubbish and Recycling

### Scope and Objectives

This group of activities focusses on the appropriate disposal of refuse in the District. The Waste Minimisation Act requires territorial authorities to encourage effective and efficient waste management and minimisation.

More detail is provided on pp. 112-113 of the 2018-28 Long Term Plan.

The Government's focus is on waste minimisation, or the three principles of recycling: reduce, re-use, recycle. The government pays Council \$45,000 from the funds collected in the District under the waste management levy.

Kerbside rubbish collection service to urban households and businesses is undertaken by a contractor. Council has no involvement in it.

In each of the main towns, Council owns waste transfer station facilities which receive rubbish and recyclables.<sup>19</sup> The operation of these transfer stations is contracted out with residual waste being disposed of at the Bonny Glen landfill (which is privately owned).

Council directly manages the collection of rubbish from public litter bins.

### What we plan to do this year

1. No major projects

### Intended Levels of Service

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Make recycling facilities available at waste transfer stations for glass, paper, metal, plastics, textiles and greenwaste. Special occasions for electronics (e-waste).	Waste to landfill (tonnage) <sup>20</sup> .	Less tonnage to landfill than previous year 5,123 tonnes in 2016/17
	Waste diverted from landfill (tonnage and (percentage of total waste) <sup>21</sup> .	Percentage of waste diverted from landfill 22%

### Variations from the Long Term Plan

There are no significant variations in the planned work programme.

There was a decision to defer the kerbside recycling until 2021/22. There is also a provision of \$0.5M in regard to containing the Putorino landfill.

<sup>19</sup> Council has made provision to purchase the land on which the Marton Waste Transfer Station is sited: see page 40.

<sup>20</sup> Calibrated records maintained at Bonny Glen landfill.

<sup>21</sup> Records maintained at waste transfer stations.

## Rubbish and Recycling – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	131	133	135
Targeted rates	617	1,538	586
Subsidies and grants for operating purposes			
Fees and charges	504	514	553
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
<b>Total operating funding (A)</b>	<b>1,252</b>	<b>2,185</b>	<b>1,274</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	1,093	1,909	1,101
Finance costs	1	32	3
Internal charges and overheads applied	120	123	127
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>1,214</b>	<b>2,063</b>	<b>1,231</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>38</b>	<b>122</b>	<b>43</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	654	(36)	496
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
<b>Total sources of capital funding (C)</b>	<b>654</b>	<b>(36)</b>	<b>496</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	658		
- to improve the level of service			500
- to replace existing assets			
Increase (decrease) in reserves	35	87	39
Increase (decrease) in investments			
<b>Total applications of capital funding (D)</b>	<b>693</b>	<b>87</b>	<b>539</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(39)</b>	<b>(123)</b>	<b>(43)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>(1)</b>	<b>(2)</b>	<b>0</b>
Note: Depreciation expense not included above	38	124	43

## Rubbish and Recycling – Prospective Funding Impact Statement

For the year ending 30 June 2020

Category	Designated projects for 2019/20	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>RENEWALS</b>				
<b>Total renewals</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL</b>				
Public Refuse Collections	Kerbside Rubbish & recycling	568		
Waste transfer stations	Plant Upgrades	90		
Landfill				500
<b>Total Capital</b>		<b>658</b>	<b>0</b>	<b>500</b>

## Environmental and Regulatory Services

### Scope and Objectives

This group of activities is concerned with Council's regulatory functions. It comprises five separate activities – animal control, building control, planning control, registered and licensing premises control, and other regulatory functions such as noise control (RMA and District Plan), hazardous substances, litter, land information memoranda, bylaws, vermin, communicable disease, control of amusement devices, abandoned vehicles etc.

More detail is provided in pp. 114-116 of the 2018-28 Long Term Plan.

### What we plan to do this year

- 1 Building Accreditation Reassessment
- 2 Implementation of the Building (earthquake-prone buildings) Amendment Act

### Intended Levels of Service

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Provide a legally compliant service	Timeliness of processing the paperwork (building control, consent processes, licence applications) <sup>22</sup> .	At least 94% of the processing of documentation for each of Council's regulatory and enforcement services is completed within the prescribed times.  Building consents - 98% Resource consents - 98%
	Possession of relevant authorisations from central government <sup>23</sup> .	Accreditation as a building consent authority maintained.  Functions of a registration authority and role of a recognised agency under the Food Act not subject to Ministerial Review. <sup>24</sup>  Accreditation maintained
Provide regulatory compliance officers.	Timeliness of response to Requests for Service for enforcement call-outs (animal control and environmental health); within prescribed response and resolution times.	Improvement in timeliness reported in 2015/16 <sup>25</sup> .  For animal control, priority 1 (urgent) callouts (dog attack, threatening dog or stock on road) require response within 30 minutes and resolution within 24 hours; priority 2 (i.e. non-urgent) callouts require response within 24 hours and resolution within 96 hours.

<sup>22</sup> This includes any prescribed monitoring, such as of resource consents.

<sup>23</sup> Excluding general authorisation through legislation where no further formal accreditation is specified.

<sup>24</sup> Food Act 2014, s. 185. This added since the measure is an annual review of relevant documents.

<sup>25</sup> The Long Term Plan specifies the comparison should be with 2016/1. This is a mistake, as these results are not available, being part of the 2016/17 Annual Report.

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
		<p>In 2015/16 the following response times were reported:</p> <p>86% (priority one) 89% (priority two)</p> <p>Responded in time 92% Completed in time 83%</p>

### Variations from the Long Term Plan

There are no significant variations in the planned work programme.

The Revenue and Financing Policy has been considered in determining the nature and source of revenue collected. This is evidenced by the anticipated increase in Fees and Charges which has an impact of reducing the General rates amount.

## Environmental and Regulatory Services – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	1,185	1,204	1,106
Targeted rates			
Subsidies and grants for operating purposes			
Fees and charges	671	686	886
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts	305	312	312
<b>Total operating funding (A)</b>	<b>2,161</b>	<b>2,202</b>	<b>2,304</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	406	415	430
Finance costs			5
Internal charges and overheads applied	1,755	1,786	1,867
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>2,161</b>	<b>2,201</b>	<b>2,302</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>0</b>	<b>1</b>	<b>2</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt			
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand			
- to improve the level of service			
- to replace existing assets			
Increase (decrease) in reserves			
Increase (decrease) in investments			
<b>Total applications of capital funding (D)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>1</b>	<b>2</b>
Note: Depreciation expense not included above	0	0	0

## Community Well-being

### Scope and Objectives

This group of activities is where Council acts primarily as an enabler and facilitator of action rather than as a provider of services or facilities. It is primarily those activities which are community-driven whether through individual voluntary effort or joining up activity across specific sectors. The Group comprises:

- Community Partnerships
- Economic Development and District Promotion
- Information Centres, and
- Emergency Management.

More detail is provided on pp. 117-120 of the 2018-28 Long Term Plan.

### What we plan to do this year

- 1 Community Partnerships
  - a) Contract with local organisations to develop and deliver events, activities and projects to enliven the towns and District
  - b) Contract with local organisations to provide a range of information, such as
    - Up-to date calendar of events, and
    - Community newsletters
- 2 Economic development and district promotion
  - a) Management of Rangitikei.com
  - b) Implementaion of Economic Development Strategy
- 3 Youth Development
  - a) Youth Committee and networking meetings
  - b) Establishment of a Youth Zone in Bulls
  - c) Ongoing facilitation of the Youth Zones in Taihape, and Marton
- 4 Emergency management
  - a) Civil Defence – increasing the District’s resilience

### Intended Levels of Service

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Provide opportunities to be actively involved in	Partners’ view of how useful Council’s initiatives and support has been (annual survey) <sup>26</sup>	A greater proportion (than in the benchmark) or more than 10% of the sample believes that Council’s service is getting better.

<sup>26</sup> Groups which are targeted for consultation:

- Participants in Path to Well-being Theme Groups

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
partnerships that provide community and ratepayer wins	The focus for the survey is those community groups within the District with whom the Council has worked. So, this excludes shared services or other contractual arrangements with other councils. It also excludes direct collaboration with central government agencies although, where these are also involved with community organisations and groups within the Rangitikei, they are invited to participate in the annual survey.	Increased % satisfaction compared with previous year
Identify and promote opportunities for economic growth in the District	Rangitikei District's GDP growth compared to the average of similar* district** economies (*similar by geography, population, and business sector, ** Those being similar are Ruapehu, Tararua, Manawatū, and Otorohanga)	Greater than 1% against last financial year compared to the mean of similar district economies
	Rangitikei District's earnings data (salaries, wages, self-employed income) growth compared to the average of similar* districts** (*similar by geography, population, and business sector, ** Those being similar are Ruapehu, Tararua, Manawatū, and Otorohanga)	Greater than or equal to 1% range from the last financial year compares to the mean of similar district economies
	The number of visits and unique visits to Rangitikei.com	An increase in the number of visits and unique visits to Rangitikei.com compared to the previous year
	A greater proportion of young people living in the district are attending local schools	An increase in the number of enrolments compared with the previous year
Provide a safe and relevant community space, acting as a gateway for skills and social development, improving educational, training or employment access, and improving access for youth related social services	Partners view of how useful Council's activity in youth space facilitation and advocacy has been	Very satisfied – 70%
Ensure competency in discharging Civil Defence responsibilities	Timing of a self-assessment when the Emergency Operations Centre is activated and of continued civil defence training exercises	Self-assessment undertaken and responded to within four months of Emergency Operations Centre activation. At least one exercise undertaken each year involving at least half of Council staff

- Community group database (includes the District's schools)
- Public sector agency database
- Business sector database

### **Variations from the Long Term Plan**

There are no significant variations in the planned work programme.

## Community Well-being – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	1,502	1,532	1379
Targeted rates			
Subsidies and grants for operating purposes	51	52	52
Fees and charges	13	13	12
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts	32	32	14
<b>Total operating funding (A)</b>	<b>1,598</b>	<b>1,629</b>	<b>1,457</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	947	967	836
Finance costs	1	1	
Internal charges and overheads applied	648	659	618
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>1,596</b>	<b>1,627</b>	<b>1,454</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	(1)	(1)	
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
<b>Total sources of capital funding (C)</b>	<b>(1)</b>	<b>(1)</b>	<b>0</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand			
- to improve the level of service			
- to replace existing assets			
Increase (decrease) in reserves	3	3	3
Increase (decrease) in investments			
<b>Total applications of capital funding (D)</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(4)</b>	<b>(4)</b>	<b>0</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>(2)</b>	<b>(2)</b>	<b>0</b>
Note: Depreciation expense not included above	6	6	5



# **Rangitikei District Council**

## **Prospective Financial Statements**

## **Annual Plan 2019-2020**

## Prospective Financial Statements

The Council's Annual Plan covers the period 1 July 2019 to 30 June 2020. The Plan includes both operating and capital expenditure: in this section, information is only at a summary level. More detailed information can be found in the sections on each activity.

The financial information in the Annual Plan is a forecast in accordance with New Zealand International Financial Reporting Standards for Public Benefit Entities (NZ IFRS PBE). The financial information contained in the Annual Plan may not be appropriate for any other purposes. Certain assumptions have been made at the date these statements were prepared as to future events, and as to actions Council reasonably expects to undertake. Actual results may vary materially from these forecasts, depending upon changes of circumstance that may arise during the period. In re-projecting the 2018/19 figures known events, such as the delay of certain capital projects, have been taken into account.

The prospective financial statements were authorised for issue by the Rangitikei District Council on 27 June 2019. The Rangitikei District Council is responsible for the prospective financial statements and for the assumptions which underpin all required disclosures (including the prospective financial statements). The actual results have been incorporated into this Annual Plan. The prospective financial statements are updated annually as part of the annual plan/long-term plan process.

**Prospective Statement of Comprehensive Revenue and Expense**

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>Revenue from non-exchange transactions</b>			
Rates	21,676	22,955	22,534
Subsidies and grants	9,341	11,303	12,546
Other revenue	2,390	2,440	2,801
<b>Revenue from exchange transactions</b>			
Finance revenue	220	225	225
Other revenue			0
<b>Total operating revenue</b>	<b>33,627</b>	<b>36,923</b>	<b>38,106</b>
<b>Expenditure</b>			
Depreciation and amortisation expense	10,677	10,842	10,791
Personnel costs	3,830	3,892	4,422
Finance costs	8	490	79
Other expenses	17,524	18,789	17,381
<b>Total operating expenditure</b>	<b>32,039</b>	<b>34,013</b>	<b>32,673</b>
<b>Operating surplus (deficit) before tax</b>	<b>1,588</b>	<b>2,910</b>	<b>5,433</b>
Income tax expense			
<b>Net surplus (deficit) after tax</b>	<b>1,588</b>	<b>2,910</b>	<b>5,433</b>
<b>Other comprehensive revenue and expense</b>			
Gain on revaluation of infrastructural assets			
Gain on revaluation of land and buildings		26,356	25,491
<b>Total other comprehensive revenue and expenses</b>	<b>0</b>	<b>26,356</b>	<b>25,491</b>
<b>Total comprehensive revenue and expense</b>	<b>1,588</b>	<b>29,266</b>	<b>30,924</b>

Note: The accompanying accounting policies and notes form part of these financial statements.

**Prospective Statement of Changes in Net Assets/Equity**

For the year ending 30 June 2020

	<b>2018/19 LTP Y1 (\$000)</b>	<b>2019/20 LTP Y2 (\$000)</b>	<b>2019/20 Annual Plan (\$000)</b>
<b>Balance as at 1 July</b>	500,341	501,929	494,376
Total comprehensive for the year	1,588	29,266	30,924
<b>Balance as at 30 June</b>	501,929	531,195	525,300

Note: The accompanying accounting policies and notes form part of these financial statements.

**Prospective Statement of Financial Position**

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4,503	4,503	2,877
Debtors and other receivables	3,068	3,135	3,382
Prepayments	65	65	97
<b>Total current assets</b>	<b>7,636</b>	<b>7,303</b>	<b>6,356</b>
<b>NON-CURRENT ASSETS</b>			
Plant, property and equipment	510,306	546,620	535,533
Intangible assets	80	80	111
Forestry assets	194	92	(100)
Other financial assets			
Corporate bonds			30
Investments in CCOs and other similar entities	70	70	70
<b>Total non-current assets</b>	<b>510,650</b>	<b>546,862</b>	<b>535,644</b>
<b>Total assets</b>	<b>518,286</b>	<b>554,565</b>	<b>542,000</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Creditors and other payables	4,779	4,847	4,396
Employee entitlements	446	446	342
Income in advance	68	68	112
Borrowings	16	16	16
Other Financial Liabilities	379	379	
<b>Total current liabilities</b>	<b>5,688</b>	<b>5,756</b>	<b>4,866</b>
<b>Non-current liabilities</b>			
Employee entitlements	13	13	6
Provisions	297	297	276
Borrowings	10,359	17,304	11,552
<b>Total non-current liabilities</b>	<b>10,669</b>	<b>17,614</b>	<b>11,834</b>
<b>Total liabilities</b>	<b>16,357</b>	<b>23,370</b>	<b>16,700</b>
<b>Net assets</b>	<b>501,929</b>	<b>531,195</b>	<b>525,300</b>
<b>Equity</b>			
Accumulated comprehensive revenue and expense	445,915	448,826	450,528
Asset revaluation reserves	46,643	72,998	70,515
Special and restricted reserves	9,371	9,371	4,257
<b>Total equity</b>	<b>501,929</b>	<b>531,195</b>	<b>525,300</b>

Note: The accompanying accounting policies and notes form part of these financial statements.

## Prospective Statement of Cash Flows

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
Receipts from rates revenue	21,676	22,887	22,467
Receipts from other revenue	11,730	13,743	15,347
Interest received	220	225	225
Dividends received			
Payments for suppliers and employees	(21,352)	(22,612)	(21,735)
Interest paid	(8)	(490)	(79)
<b>Net cash inflow (outflow) from operating activities</b>	<b>12,266</b>	<b>13,753</b>	<b>16,225</b>
<b>Cash flows from investing activities</b>			
Receipts from sale of property, plant and equipment	50	102	102
Receipts from sale of investments		689	689
Acquisition of investments	714		
Purchases of property, plant and equipment	(28,245)	(21,489)	(26,978)
Purchases of intangible assets			
<b>Net cash inflow (outflow) from investing activities</b>	<b>(27,481)</b>	<b>(20,698)</b>	<b>(26,187)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	10,215	6,945	9,962
Repayment of borrowings			
<b>Net cash inflow (outflow) from financing activities</b>	<b>10,215</b>	<b>6,945</b>	<b>9,962</b>
Net increase (decrease) in cash and cash equivalents	(5,000)		
Cash and cash equivalents at the beginning of the year	9,503	4,503	2,877
Cash and cash equivalents at the end of the year	4,503	4,503	2,877

Note: The accompanying accounting policies and notes form part of these financial statements.

## Notes – Reserves

		Balance 2019 (\$000)	Deposits (\$000)	With- drawals (\$000)	Balance 2020 (\$000)
<b>Special and restricted reserves (* denotes restricted reserves)</b>					
<b>Name of reserve and (activity)</b>	<b>Purpose</b>				
Aquatic (Swimming pools)	Replacement of swimming pools	65		65	0
Bulls courthouse* (Property)	Maintenance of courthouse building	67			67
Flood damage (Roading)	Road maintenance due to flooding	372			372
General purpose	Capital works	2,402			2,402
Haylock park* (Parks)	Additional reserve area at park	29			29
Huntermville rural water (Water)	Future loop line	199			199
Keep Taihape beautiful* (Property)	Enhancement of Taihape	20			20
Marton land subdivision* (Parks)	Improvements to recreational land	427			427
Marton marae* (Property)	Marton Marae project	4			4
McIntyre recreation* (Parks)	Maintenance or upgrades of park	20			20
Putorino rural water (Water)	Maintenance of scheme dam	21			21
Ratana sewer (Sewerage)	Capital works	25			25
Revoked reserve land (Parks)	Offset costs of other revoked land and buildings	238			238
Rural housing loan (Property)	No longer required	150			150
Rural land subdivision* (Parks)	Improvements to reserves land	191			191
Santoft domain* (Parks)	Maintenance or upgrades of park	92			92
<b>Total special and restricted reserves</b>		<b>4,322</b>		<b>65</b>	<b>4,257</b>
			<b>Balance 2019 (\$000)</b>	<b>Revalua- tions (\$000)</b>	<b>Balance 2020 (\$000)</b>
<b>Asset revaluation reserves</b>					
Land			3,785	0	2,711
Buildings			7,899	0	5,468
Sewerage systems			8,088	0	8,496
Water supplies			16,665	0	12,620
Stormwater network			8,486	0	8,174
			<b>44,924</b>	<b>0</b>	<b>44,924</b>
Fair value through equity			100	0	100
<b>Total asset revaluation reserves</b>			<b>45,024</b>	<b>0</b>	<b>45,024</b>

**Reconciliation of funding impact statement to comprehensive revenue and expenses statement**

	2018/19 Annual Plan (\$000)	2019/20 Long-term Plan (\$000)	2019/20 Annual Plan (\$000)
<b>Income</b>			
<b>Prospective Statement of Comprehensive Income</b>	<b>33,627</b>	<b>36,923</b>	<b>38,106</b>
<b>Summary Funding Impact Statement</b>			
Total operating funding	27,864	29,276	29,025
Add Sources of Capital Funding			
Sources of capital funding	5,763	7,646	9,081
<b>Total Revenue</b>	<b>33,627</b>	<b>36,922</b>	<b>38,106</b>
<b>Expenditure</b>			
<b>Prospective Statement of Comprehensive Income</b>			
<b>Operating Expenditure</b>	<b>32,039</b>	<b>34,013</b>	<b>32,673</b>
<b>Summary Funding Impact Statement</b>			
Total application of operating funding	21,362	23,171	21,882
Add Depreciation and Amortisation Expense	10,677	10,842	10,791
<b>Total Expenditure</b>	<b>32,039</b>	<b>34,013</b>	<b>32,673</b>

**Whole of Council – Prospective Funding Impact Statement**

For the year ending 30 June 2020

	2018/19	2019/20	2019/20
	LTP Y1	LTP Y2	Annual Plan
	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	7,006	6,549	7,366
Targeted rates	14,670	16,405	15,168
Subsidies and grants for operating purposes	3,579	3,657	3,465
Fees and charges	1,922	1,963	2,335
Interest and dividends from investments	220	225	225
Local authorities fuel tax, fines, infringement fees, and other receipts	467	477	466
<b>Total operating funding (A)</b>	<b>27,864</b>	<b>29,276</b>	<b>29,025</b>
<b>Applications of operating funding</b>			
Payment to staff and suppliers	21,352	22,679	21,803
Finance costs	8	490	79
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>21,360</b>	<b>23,169</b>	<b>21,882</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>6,504</b>	<b>6,107</b>	<b>7,143</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	5,762	7,646	9,082
Development and financial contributions			
Increase (decrease) in debt	10,215	6,945	9,962
Gross proceeds from sale of assets	714	689	689
Lump sum contributions			
Other dedicated capital funding			
<b>Total sources of capital funding (C)</b>	<b>16,691</b>	<b>15,280</b>	<b>19,733</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	3,842	2,948	4,301
- to improve the level of service	2,081	1,441	4,544
- to replace existing assets	22,322	17,100	18,133
Increase (decrease) in reserves			
Increase (decrease) in investments	(5,050)	(102)	(102)
<b>Total applications of capital funding (D)</b>	<b>23,195</b>	<b>21,387</b>	<b>26,876</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(6,504)</b>	<b>(6,107)</b>	<b>(7,143)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Rate Types

For the year ending 30 June 2020

Source of Funding	Categories of Land	Calculation Base	Rate or Charge (inc GST)	Funding Required (inc GST)
	<b>NOTE:</b>	<i>SUIP = separately used or inhabited part of a rating unit</i>		
<b>General Rate</b> <i>(funds activities listed on next page)</i>	All rating units (excl Defence land)	Capital value	\$0.000814	\$3,454,089
	Defence land	Land value	\$0.001247	\$7,506
<b>Uniform Annual General Charge</b> <i>(funds activities listed on next page)</i>	All rating units	Fixed amount per SUIP	\$624.34	\$4,773,873
<b>Targeted Rates</b>				
Community Services <i>(funds Taihape and Ratana Community Boards)</i>	All rating units in Taihape Community Board area	Fixed amount per rating unit	\$37.97	\$63,204
	All rating units in Ratana Community Board area	Fixed amount per rating unit	\$196.50	\$21,222
Solid Waste Disposal <i>(funds Rubbish and Recycling)</i>	All rating units	Fixed amount per SUIP	\$88.14	\$603,430
Roading <i>(funds Roading and Footpaths)</i>	All rating units (excl Defence land)	Capital value	\$0.001741	\$7,386,378
	Defence land	Land value	\$0.002667	\$16,050
Wastewater public good <i>(funds Sewerage)</i>	All rating units	Fixed amount per SUIP	\$88.01	\$673,044
Wastewater connected <i>(funds Sewerage)</i>	Rating units connected to wastewater schemes within the district	Fixed amount per number of water closets and urinals in the rating unit	\$446.91	\$2,019,131
Water public good <i>(funds water)</i>	All rating units	Fixed amount per SUIP	\$140.26	\$1,072,433
Water connected <i>(funds water)</i>	Rating units connected to Marton, Bulls, Taihape, Mangaweka, Ratana schemes: Residential	Fixed amount per SUIP	\$717.25	\$3,217,298
	Rating units connected to Marton, Bulls, Taihape, Mangaweka, Ratana schemes: Non-residential	Fixed amount per rating unit	\$717.25	
Water by volume <i>(funds water)</i>	Marton, Bulls, Taihape, Mangaweka, Ratana schemes	Fixed amount per cu metre in excess of 250m <sup>3</sup> per annum	\$2.07	\$417,271
	Bulls Riverlands	Fixed amount per cu metre in excess of 250m <sup>3</sup> per annum	\$1.39	\$210,793
Huntermville urban <i>(funds water)</i>	Connected rating units	Fixed amount per cu metre	\$3.67	\$106,170
Huntermville rural <i>(funds water)</i>	Connected rating units	Fixed amount per unit or part unit***	\$327.41	\$577,033
Erewhon rural <i>(funds water)</i>	Connected rating units	Fixed amount per unit or part unit***	\$97.73	\$186,536
Omatane rural <i>(funds water)</i>	Connected rating units	Fixed amount per unit or part unit***	\$71.47	\$6,806
Putorino rural <i>(funds water)</i>	Connected rating units	Land value	\$0.000848	\$7,953
Stormwater public good <i>(funds stormwater)</i>	All rating units	Fixed amount per SUIP	\$25.08	\$191,766
Stormwater urban <i>(funds stormwater)</i>	Marton, Bulls, Taihape, Mangaweka, Ratana, Huntermville	Fixed amount per rating unit (as identified on rating maps available to view on Council's website)	\$137.85	\$575,297
Total Rates Required	(Inclusive of GST)			\$25,657,821
***Fixed amount per unit or part unit				
A unit of water is equivalent to 365m <sup>3</sup> .				

Source of Funding	Categories of Land	Calculation Base	Rate or Charge (inc GST)	Funding Required (inc GST)
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**Separately Used or Inhabited Part (SUIP)**

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 a tenancy, lease, licence, or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are used 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 ratepayer and usually used as such is to be treated as separately used. Any part of a rating unit that is used as a home occupation and complies with the permitted activity performance standards in the District Plan is not be treated as separately 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.

**Residential Rating Units**

Any rating unit primarily used for residential purposes and those parts of a rating unit that are used as residences. It includes all non-rateable properties that are liable for water, wastewater and refuse collection charges under section 9 of the Local Government (Rating) Act 2002 which, if rateable, would be primarily used for residential purposes or have parts of a rating unit that are used as residences.

**Non-Residential Rating Units**

Any rating unit that is not included in the residential category. It includes all non-rateable properties that are liable for water, wastewater and refuse collection charges under section 9 of the Local Government (Rating) Act 2002 which, if rateable, would not be included in the residential differential.

**Lump Sum Rates**

The Council does not accept lump sum contributions in respect of any targeted rate.

**Insulation Rates**

In 2018/19 Council implemented a voluntary targeted rate to allow ratepayers to insulate and/or install heating at their property based on the following conditions and criteria:

- The ratepayer must be up-to-date with their rate payments.
- The ratepayer must have a good payment history (no arrears or a payment plan in place).
- An approved installer of insulation must be used.
- There is no limit on the number of ratepayers who are able to be involved in this scheme.
- The loan will be to a maximum value of \$5,000 per property.
- The loan is for a maximum term of 9 years
- The interest on the loan is set at 7% per annum.

**Allocation of UAGC to Activities**

For the year ending 30 June 2020

The table below show how the UAGC is apportioned to activities (as determined by the Revenue and Financing Policy)

	Amount
Community Leadership	\$14.76
Cemeteries	\$12.95
Community Housing	\$5.00
Domains	\$165.18
Forestry	\$2.43
Halls	\$49.85
Libraries	\$139.07
Public Toilets	\$33.70
Real Estate	\$10.31
Swim Centres	\$112.69
Environmental and Regulatory	\$58.05
Refuse (Litter) Collection	\$20.35
<b>TOTAL</b>	<b>\$624.34</b>

**Allocation of General Rate to Activities**

For the year ending 30 June 2020

The table below shows how the general rate is apportioned to activities per \$100,000 of capital value

	Amount
Community Leadership	\$25.62
Civil Defence	\$4.33
Community Awards	\$0.09
District Promotions	\$15.05
Information Centres	\$7.05
Cemeteries	\$0.41
Community Housing	\$0.16
Domains	\$5.28
Forestry	\$0.08
Halls	\$1.59
Public Toilets	\$1.08
Real Estate	\$0.33
Swim Centres	\$3.60
Building	\$6.13
District Planning	\$5.26
Health	\$1.36
Resource Consent	\$1.10
Roading & Footpath	\$2.86
<b>TOTAL</b>	<b>\$81.40</b>

## Examples of Impacts of Rating Proposals

For the year ending 30 June 2020

Location		Land Value	Capital Value	Proposed 2019/20	Actual 2018/19	Difference	Percentage
<b>KOITIATA</b>							
Koitiata	Wainui St	65,000	230,000	1,553	1,501	53	3.50%
Koitiata	Omana St	65,000	160,000	1,375	1,320	54	4.12%
Koitiata	Wainui St	65,000	165,000	1,387	1,333	54	4.07%
Koitiata	Omana St	65,000	125,000	1,285	1,230	55	4.49%
<b>TAIHAPE COMMERCIAL</b>							
Taihape	Hautapu St	550,000	2,370,000	9,255	9,124	130	1.43%
Taihape	Hautapu St	205,000	410,000	3,800	3,635	165	4.54%
Taihape	Hautapu St	85,000	175,000	3,200	3,029	171	5.65%
Taihape	Hautapu St	170,000	215,000	2,855	2,701	154	5.70%
Taihape	Hautapu St	68,000	146,000	2,679	2,523	156	6.18%
Taihape	Kuku St	68,000	104,000	2,572	2,415	157	6.50%
Taihape	Huia St	111,000	325,000	3,136	2,985	151	5.07%
<b>TAIHAPE NON-COMMERCIAL</b>							
Taihape	Pukeko St	55,000	330,000	3,149	2,998	151	5.04%
Taihape	Pukeko St	55,000	225,000	2,881	2,727	154	5.64%
Taihape	Huia St	65,000	190,000	4,921	4,615	307	6.64%
Taihape	Paradise Tce	3,000	128,000	2,633	2,477	156	6.31%
Taihape	Swan St	27,000	139,000	2,661	2,505	156	6.23%
Taihape	Titi St	27,000	350,000	3,200	3,049	151	4.94%
Taihape	Kaka Rd	2,000	48,000	2,429	2,270	158	6.98%
Taihape	Linnet	19,000	50,000	2,434	2,275	158	6.96%
<b>HUNTERVILLE COMMERCIAL</b>							
Hunternville	Milne St	71,000	455,000	5,538	5,321	217	4.08%
Hunternville	Bruce St	76,000	265,000	3,568	3,447	121	3.51%
Hunternville	Bruce St	50,000	285,000	2,279	2,206	73	3.31%
Hunternville	Bruce St	47,000	59,000	1,701	1,623	79	4.85%
<b>HUNTERVILLE NON-COMMERCIAL</b>							
Hunternville	Feltham Street	114,000	370,000	2,496	2,425	71	2.92%
Hunternville	Feltham Street	37,000	23,000	1,609	1,530	80	5.21%
Hunternville	Milne Street	25,000	137,000	1,901	1,824	77	4.21%
Hunternville	Main Road	17,000	127,000	1,290	1,235	55	4.47%
Hunternville	Milne Street	19,000	104,000	1,816	1,739	78	4.46%
Hunternville	Kotukutuku St	14,000	70,000	1,145	1,088	57	5.21%
<b>MARTON COMMERCIAL</b>							
Marton	High St	92,000	180,000	5,456	5,154	302	5.86%
Marton	Broadway	66,000	200,000	4,884	4,552	332	7.28%
Marton	Broadway	42,000	121,000	2,577	2,422	155	6.39%
Marton	Wellington Rd	89,000	155,000	2,664	2,510	154	6.13%
Marton	Broadway	57,000	126,000	3,531	3,291	240	7.29%
Marton	Broadway	55,000	61,000	2,647	2,483	164	6.61%

Location		Land Value	Capital Value	Proposed 2019/20	Actual 2018/19	Difference	Percentage
<b>MARTON INDUSTRIAL</b>							
Marton	Russell St	235,000	810,000	4,784	4,631	153	3.30%
Marton	Station Rd	102,000	1,450,000	7,983	7,792	192	2.46%
Marton	Wellington Rd	72,000	455,000	3,430	3,284	146	4.45%
<b>MARTON NON-COMMERCIAL</b>							
Marton	Mcilwaine Pl	71,000	410,000	3,315	3,168	147	4.65%
Marton	Mcilwaine Pl	97,000	455,000	3,430	3,284	146	4.45%
Marton	Armagh Terrace	76,000	320,000	3,085	2,936	150	5.09%
Marton	Calico Line	61,000	270,000	2,958	2,807	151	5.37%
Marton	Grey St	76,000	235,000	2,868	2,717	152	5.59%
Marton	Pukepapa Rd	41,000	175,000	2,268	2,131	137	6.45%
Marton	Maunder St	70,000	235,000	2,868	2,717	152	5.59%
Marton	Wellington Rd	61,000	175,000	2,715	2,562	153	5.98%
Marton	Ross St	52,000	175,000	2,715	2,562	153	5.98%
Marton	Oxford St	52,000	119,000	2,572	2,417	155	6.40%
Marton	Barton St	41,000	119,000	2,572	2,417	155	6.40%
Marton	Alexander St	26,000	100,000	2,523	2,368	155	6.55%
Marton	Fergusson St	31,000	86,000	2,488	2,332	156	6.67%
<b>BULLS COMMERCIAL</b>							
Bulls	Bridge St	165,000	1,100,000	5,302	5,164	137	2.66%
Bulls	High St	133,000	450,000	3,418	3,271	146	4.47%
Bulls	Bridge St	190,000	280,000	4,666	4,380	287	6.54%
Bulls	Bridge St	88,000	230,000	2,856	2,704	152	5.62%
Bulls	Bridge St	165,000	180,000	2,728	2,575	153	5.95%
<b>BULLS NON-COMMERCIAL</b>							
Bulls	High St	128,000	875,000	15,154	14,259	895	6.27%
Bulls	Gorton St	97,000	300,000	3,034	2,884	150	5.20%
Bulls	Mansell Cres	67,000	250,000	2,907	2,755	151	5.49%
Bulls	Meads Pl	64,000	180,000	2,728	2,575	153	5.95%
Bulls	Flower St	53,000	175,000	2,715	2,562	153	5.98%
Bulls	Bridge St	46,000	200,000	2,779	2,626	153	5.81%
Bulls	Watson St	57,000	147,000	2,643	2,489	154	6.19%
Bulls	Hammond St	64,000	95,000	2,511	2,355	155	6.60%
<b>TURAKINA</b>							
Turakina	Simpson St	23,000	144,000	1,334	1,279	55	4.28%
Turukina	Franklin St	54,000	215,000	1,515	1,462	53	3.62%
<b>RATANA</b>							
Ratana	Taitokorau St	14,000	165,000	2,886	2,725	161	5.93%
Ratana	Ratana Rd	14,000	86,000	2,684	2,521	164	6.49%
Ratana	Waipounamu St	14,000	76,000	2,659	2,495	164	6.56%
Ratana	Kiateri St	14,000	62,000	2,623	2,459	164	6.68%
<b>RURAL NORTH</b>							
Erewhon	Farm Properties	18,400,000	20,800,000	58,972	59,157	-184	-0.31%
Erewhon	Farm Properties	9,700,000	11,400,000	33,026	33,084	-59	-0.18%
Erewhon	Farm Properties	10,100,000	11,500,000	31,350	31,528	-178	-0.56%
Erewhon	Farm Properties	5,177,000	6,269,000	17,986	18,029	-43	-0.24%
Erewhon	Farm Properties	4,757,000	5,927,000	16,146	16,239	-93	-0.57%
Ruanui	Farm Properties	2,810,000	3,570,000	11,090	11,064	27	0.24%
Awarua	Farm Properties	1,660,000	2,125,000	7,399	7,335	64	0.87%

Location		Land Value	Capital Value	Proposed 2019/20	Actual 2018/19	Difference	Percentage
Te Kapua	Rural Properties	1,080,000	1,435,000	4,670	4,647	23	0.50%
Kiwitea	Rural Properties	450,000	590,000	2,511	2,466	45	1.83%
Awarua	Rural Properties	240,000	460,000	2,179	2,131	48	2.27%
Ruanui	Farm Properties	29,000	265,000	1,681	1,627	53	3.29%
Ohingaiti	Onslow Rd	108,000	260,000	1,668	1,614	54	3.32%
Awarua	Rural Properties	18,000	235,000	1,604	1,550	54	3.50%
Ohingaiti	Onslow Rd	8,000	68,000	1,178	1,119	59	5.23%
Turakina	SH3	27,000	180,000	1,426	1,372	54	3.92%
<b>MANGAWEKA</b>							
Mangaweka	Kawakawa	17,000	127,000	2,630	2,474	156	6.32%
Mangaweka	Mangawara	17,000	98,000	2,556	2,399	157	6.55%
Mangaweka	Main Rd	17,000	68,000	2,480	2,322	158	6.80%
Mangaweka	Main Rd	17,000	54,000	2,444	2,286	158	6.92%
<b>RURAL SOUTH</b>							
Rangitoto	Farm Properties	17,500,000	19,500,000	55,613	55,766	-153	-0.27%
Rangatira	Farm Properties	11,000,000	14,460,000	41,771	41,852	-81	-0.19%
Rangitoto	Farm Properties	3,960,000	4,270,000	11,875	11,926	-52	-0.43%
Porewa	Farm Properties	5,500,000	6,750,000	20,142	20,141	1	0.01%
Whangaehu	Farm Properties	2,680,000	3,610,000	11,154	11,131	24	0.21%
Porewa	Farm Properties	4,210,000	4,820,000	15,212	15,161	51	0.34%
Pukepapa	Farm Properties	1,770,000	2,110,000	6,356	6,352	4	0.06%
Pukepapa	Farm Properties	830,000	1,310,000	5,168	5,060	108	2.14%
Porewa	Farm Properties	1,120,000	1,470,000	4,721	4,701	21	0.44%
Pukepapa	Farm Properties	640,000	895,000	3,252	3,217	35	1.10%
Porewa	Farm Properties	260,000	660,000	2,652	2,611	41	1.59%
Pukepapa	Farm Properties	108,000	415,000	2,743	2,618	125	4.79%
Scotts Ferry	Residential	45,000	320,000	1,783	1,733	50	2.90%
Scotts Ferry	Residential	30,000	165,000	1,387	1,333	54	4.07%
Scotts Ferry	Residential	30,000	145,000	1,336	1,282	55	4.27%
Scotts Ferry	Residential	30,000	160,000	1,375	1,320	54	4.12%
Otakapu	Residential	23,000	144,000	1,334	1,279	55	4.28%
Rangitoto	Residential	108,000	300,000	1,732	1,682	51	3.02%
Rangitoto	Residential	23,000	61,000	1,122	1,065	57	5.34%
<b>RURAL LARGE DAIRY/PASTORAL</b>							
Whangaehu	Rural Properties	1,500,000	1,554,000	3,970	4,010	-40	-1.00%
Rangatira	Rural Properties	4,900,000	7,200,000	20,326	20,395	-69	-0.34%
Rangatira	Rural Properties	6,500	10,500	27	27	0	-1.00%
Porewa	Rural Properties	2,590,000	4,830,000	14,271	14,279	-8	-0.05%
<b>RURAL SOUTH INDUSTRIAL</b>							
Porewa		320,000	4,870,000	14,125	14,115	10	0.07%
Greatford		4,200,000	11,100,000	29,324	29,552	-228	-0.77%
Rangitoto		310,000	2,620,000	7,659	7,669	-9	-0.12%

## Accounting Policies

### Reporting Entity

The Rangitikei District Council (the Council) is a territorial authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself as a public benefit entity for financial reporting purposes.

The financial statements of the Council are for the year ended 30 June 2020. The financial statements were authorised for issue by the Council on 27 June 2019.

### Basis of Preparation

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

### Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards.

These financial statements comply with PBE standards

### Presentation currency and rounding

The financial report is presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

### Standards issued and not yet effective that have been early adopted

There are currently no standards that have been issued which are not yet effective. Standards and amendments issued but not yet effective that have been early adopted and which are relevant to the Council are:

#### *Impairment of Revalued Assets*

In April 2017, the External Reporting Board issued Impairment of Revalued Assets, which now scopes in revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment assets measured at cost were scoped into the impairment accounting standards. The Council has early adopted this amendment in preparing its 30 June 2018 financial statements. From the 30 June 2018 year onwards, the Council is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, the Council is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. The Council can therefore impair a revalued asset without having to revalue the entire class of asset to which the asset belongs.

## Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council are: *Interests in other entities*. In January 2017, the External Reporting Board issued new standards for interests in other entities (PBE IPSAS 34 - 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted. The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council has not yet assessed the effects of these new standards.

### *Financial instruments*

In January 2017, the External Reporting Board issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 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.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council has not yet assessed the effects of the new standard.

## Summary of Significant Accounting Policies

### Revenue

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific accounting policies for significant revenue items are explained below:

### ***Revenue from non-exchange transactions***

#### *General and targeted rates*

General and targeted rates are set annually and invoiced within the year. The Council recognises revenue from rates when the Council has set the rates and provided the rates assessment. The Council considers the 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.

Rates remissions are recognised as a reduction in rates revenue when the Council has received an application that satisfies its rates remission policy.

#### *New Zealand Transport Agency roading subsidies*

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies

are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

#### *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 assets*

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income unless there is a use or return condition attached to the asset.

#### *Direct charges – subsidised*

##### *Rendering of services – subsidised*

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as building consents, dog licensing etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally there are no conditions attached to such revenue.

Revenue from such subsidised services is recognised when the Council issues the invoice or bill for the service. Revenue is recognised as the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council) if the service is not completed.

##### *Sale of goods – subsidised*

A sale of goods at a price that is not approximately equal to the value of the goods provided by the Council is considered a non-exchange transaction. This includes sales of goods where the price does not allow the Council to fully recover the cost of producing the goods (such as the supply of bulk water), and where the shortfall is subsidised by income from other activities such as rates.

Revenue from the sale of such subsidised goods is recognised when the Council issues the invoice or bill for the goods. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the goods.

#### **Revenue from exchange transactions**

##### *Direct charges – full cost recovery*

##### *Sale of goods – full cost recovery*

Revenue from the sale of goods (such as recyclable materials) is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Council.

#### *Interest and dividends*

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

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the costs of the investment.

## **Expenses**

Expenses are measured at the fair value of the consideration paid or payable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific accounting policies for significant expense items are explained below

### ***Borrowing costs***

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Council incurs in connection with the borrowing of funds. The Council has chosen not to capitalise borrowing costs directly attributable to the acquisition, construction, or production of assets.

### ***Grants***

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

### ***Income tax***

Income tax expense includes current and deferred tax.

Current tax is the income tax payable on the taxable surplus for the year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates (and tax laws) that have been enacted or substantively enacted by balance date.

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 corresponding tax bases used in the computation of the taxable surplus.

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 the Council expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses 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 from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting surplus nor the taxable surplus.

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

***Operating leases***

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

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

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

***Cash and cash equivalents***

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

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

***Receivables***

Short-term receivables are recorded at their face value, less any provision for impairment.

***Other financial assets***

Financial assets are initially recognised at fair value plus transaction costs, unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Council has substantially transferred the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables;
- held to maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

***Financial assets at fair value through surplus or deficit***

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit taking.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified current assets.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

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

#### *Held-to-maturity investments*

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

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

#### *Fair value through other comprehensive revenue and expense*

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. Council includes in this category:

- investments that it intends to hold long term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

#### ***Impairment of financial assets***

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

#### *Loans and other receivables, and held-to-maturity investments*

Impairment is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

#### *Financial assets at fair value through other comprehensive revenue and expense*

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

### ***Non-current assets held for sale***

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate distribution in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the sale will be withdrawn. The Council must be committed to the distribution expected within one year from the date of classification.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

### ***Property, plant and equipment***

Property, plant and equipment consist of:

*Operational assets* – These include land, buildings, library books, plant and equipment, motor vehicles, office equipment and computer hardware.

*Infrastructural assets* – Infrastructural assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function. For example, wastewater and other assets includes reticulation piping and sewer pumps.

*Restricted assets* - Restricted assets are parks and reserves that provide benefit to the community and cannot be disposed of because of legal or other restrictions.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

*Revaluation*

Land and buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the asset's fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

*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 the Council 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, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

*Disposals*

Gains or losses on disposal are determined by comparing the disposal 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 accumulated funds.

*Subsequent costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to 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

*Depreciation*

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and road formation, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives of major classes of assets have been estimated as follows:

*Operational and restricted assets***Buildings**

Structure.....	50-150 years
Roof .....	40 years
Services.....	40-65 years
Internal fit out .....	15-40 years
Plant .....	30 years
Motor vehicles .....	6 years
Office equipment.....	10 years
Computer hardware .....	5 years
Library books .....	10 years

*Infrastructural assets***Roading network**

Top surface (seal) .....	3-20 years
Pavement sealed (base course) .....	60-67 years
Pavement unsealed (base course) .....	50-60 years
Formation.....	Not depreciated
Culverts.....	10-100 years
Footpaths .....	25-75 years
Drainage facilities.....	80-100 years
Traffic facilities and miscellaneous items .....	15-80 years
Street lights .....	25-70 years
Bridges.....	50-120 years

**Water**

Pipes .....	30-90 years
Pump stations.....	5-60 years
Pipe fittings.....	25-100 years

**Wastewater**

Pipes .....	20-100 years
Manholes.....	100 years
Treatment plant .....	5-100 years

**Stormwater**

Pipes .....	50-90 years
Manholes, cesspits .....	90 years

Waste transfer stations .....	50 years
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***Service concession arrangements***

The Council may acquire infrastructural assets by entering into a service concession arrangement (SCA) with a private operator to build, finance, and operate an asset over a specified period.

Assets acquired through a SCA are initially recognised at their fair value, with a corresponding liability. The asset is subsequently measured following the accounting policies above for property, plant, and equipment.

The Council currently has not entered into any such SCA where a private operator has built and financed an asset.

The Council has only entered into SCAs where the Council itself owns the asset and any charges for services provided by the operator are recognised as an expense in the year to which it relates.

### ***Intangible assets***

#### *Software acquisition*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

#### *Easements*

Easements are not considered material and any costs incurred are recognised in the surplus or deficit in the year in which they are incurred.

#### *Carbon credits*

Carbon credit purchases 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 credits 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.

#### *Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software ..... 3-5 years

### ***Impairment of property, plant and equipment and intangible assets***

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit a reversal of the impairment loss is also recognised in the surplus or deficit.

*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 by using the 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 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 prices, felling costs, and silviculture costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising from a change in fair value less estimated costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

**Payables**

Short-term payables are recorded at their face value.

**Borrowings**

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

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

**Employee benefits****Short-term employee entitlements**

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salary and wages, and holiday pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

**Long-term employee entitlements**

Long-term employee entitlements consists of long service leave that is payable beyond 12 months and have been calculated on the likely future entitlements accruing to staff, based on the years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and current salary. As

there are few staff members that are actually entitled to long service leave, the total accrual is not considered to be material and no actuarial basis has been used.

#### Presentation of employee entitlements

Annual leave, vested long service leave, and non-vested long service leave expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

#### ***Superannuation schemes***

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

#### ***Provisions***

A provision is recognised for future expenditure of uncertain amount and timing where there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate base 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 under “finance costs”.

#### ***Landfill aftercare***

The Council has a legal obligation to provide on-going maintenance and monitoring service of its closed landfills.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

#### ***Equity***

Equity is the community’s interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated surplus/(deficit);
- special and restricted reserve funds;
- property revaluation reserves; and
- fair value through other comprehensive revenue and expense reserve.

#### ***Special reserve funds***

Special reserve funds are reserves created by the Council for special purposes. The Council may alter them without reference to any third party or the Courts, and transfers to and from these reserves are at the discretion of the Council.

***Restricted reserve funds***

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

***Property revaluation reserves***

These reserves relate to the revaluation of property, plant and equipment to fair value.

***Fair value through other comprehensive revenue and expense reserves***

This reserve comprises the cumulative net change of financial assets classified as fair value through other comprehensive revenue and expense.

***Goods and services tax (GST)***

All items in the financial statement are exclusive of goods and services tax (GST) except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as an input tax credit then it is recognised as part of the related asset or expense.

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

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

***Budget figures***

The budget figures are those approved by the Council in its 2017/18 annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

***Cost allocation***

The Council has determined the cost of significant activities using the cost allocation system outlined below:

- Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific activity.
- Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage based on time, staff number and floor area.

***Critical accounting estimates and assumptions***

In preparing these financial statements, the Council 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 risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Infrastructural assets*

- The actual condition of an asset may not reflect the condition estimated in determining the carrying amount of the asset. This is particularly so for assets which are underground and difficult to assess the actual condition of, such as water, wastewater and stormwater assets.
- Estimates of any obsolescence or surplus capacity of an asset are based on judgements made with the best knowledge available at the time.
- Estimates of the useful remaining lives of an asset may vary with such things as soil type, rainfall, amount of traffic, natural disaster and other occurrences. The Council could be over- or under-estimating these, but assumptions are made based on the best knowledge available at the time.

**Critical judgements in applying accounting policies**

Management has exercised the following critical judgement in applying its accounting policies for the year ended 30 June 2018.

*Classification of property*

The Council owns a number of properties held to provide community housing. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives of the Council. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

**Statement of prospective financial information**

These prospective financial statements were authorised for issue by the Rangitikei District Council on 27 June 2019. The Council is responsible for these prospective financial statements, including the appropriateness of the assumptions and other disclosures. Changes to the significant forecasting assumptions (commencing on page 94) may lead to a material difference between information in the prospective financial statements and the actual financial results prepared in future reporting periods. The Council's planning processes are governed by the Local Government Act 2002. The Act requires the Council to prepare a ten-year long-term plan (the "LTP") every three years and an annual plan which updates the LTP by exception in the intervening years. This is the Rangitikei District Council's annual plan for the year ending 30 June 2020 which is the second year of the 2018-28 long-term plan. Caution should be exercised in using these prospective financial statements for any other purpose.

## Annual Plan disclosure statement for year ending 30 June 2020

### 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	Financial Strategy Target	Planned	Met
Rates affordability			
• increases	Not greater than 4.53%	3.96%	Yes
Debt affordability			
• interest expense to rates income	Not greater than 15%	0.3%	Yes
• external debt to rates income	Not greater than 150%	51.3%	Yes
• external debt per capita	Not greater than \$2,500	\$782	Yes
Balanced budget	Not less than 100%	116.6%	Yes
Essential services	Not less than 100%	210.63%	Yes
Debt servicing	Not greater than 10%	0.21%	Yes

### Notes

#### 1 Rates affordability benchmark

(1) For this benchmark,—

- (a) the Council's planned rates income for the year is compared with the quantified limit on rates contained in the financial strategy included in the Council's long-term plan; and
- (b) the Council's planned rates increase for the year is compared with the 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 the quantified limit on rates; and
- (b) its planned rates increase for the year equals or is less than the quantified limit on rates increases.

## 2 Debt affordability benchmarks

(1) For this benchmark,—

(a) the council's planned interest expense as a proportion of annual rates income is compared with the quantified limit contained in the financial strategy included in the council's long-term plan.

(b) the Council's planned net external debt as a proportion of annual rates income is compared with the quantified limit contained in the financial strategy included in the Council's long-term plan.

(c) the Council's planned debt per capita of population is compared with the quantified limit contained in the financial strategy included in the Council's long-term plan.

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

(a) the Council's interest expense equals or is less than the quantified limit on interest.

(b) the Council's external debt equals or is less than the quantified limit on debt

(c) the Council's debt per capita equals or is less than the quantified limit on debt.

## 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 10% of its planned revenue.

## Significant Forecasting Assumptions

These forecasting assumptions are taken from the 2018-28 Long Term Plan. Changes are *italicised*

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
<b>1 Government</b>			
That the current <b>Territorial Authority boundaries are unchanged</b> i.e. that Rangitikei District continues to be a separate administrative entity	A government drive towards amalgamation sets aside the normal processes for communities to determine the boundaries for their local government.  The Council will waste time and money worrying about this	Medium	The local services provided by the Council will still need to be provided locally, so the cost of the service provision is unlikely to change significantly
That the regulatory functions assigned to local councils will not be centralised.	The government will centralise (or regionalise) some regulatory functions of local councils. Council invests resources to continue a function, or divests resources to discontinue a function, and the change does not proceed as planned.	Medium	There has been vacillation over these discussions.  The impact on Council is that budget projections for such functions may prove to be inaccurate.
<b>Levels of Service –</b> Changes in government legislation and regulation will impact on assets development and operating costs and that Council has anticipated and/or planned for these changes.	That Council will overlook an important piece of regulation or legislation in its planning, or that the impact of new regulations/legislation has not been identified.	Low	Information circulated within the sector makes it unlikely that such an oversight would occur.
<b>Governance –</b> <i>The structure of the elected representation will be as in Council's final proposal – i.e. 11 Councillors, 3 wards and 2 community boards. (This was a change from that adopted for the 2010 and 2013 elections.)</i>	<i>As there were objections, the Local Government Commission is required to make a binding determination: that may reduce councillor numbers and/or change ward boundaries and/or remove community boards in Taihape and Ratana and/or introduce community boards in other communities.</i>	Low	Costs are unlikely to change significantly if councillor numbers change because of the mechanism whereby the Remuneration Authority determines salaries for elected members.  Community boards generally increase the costs to the community it serves by up to \$25,000. Community Committees are voluntary and unpaid.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
That implementation of <b>the Drinking Water Standards</b> remains mandatory for the Council's water supply schemes	Council does not achieve compliance with its six urban water supply schemes by the amended prescribed dates. <sup>27</sup>  Financial penalties could be imposed, and a revised capital programme (i.e. adjusted priorities) or increased borrowing to enable the prescribed dates to be met	Low	Council has committed to an upgrade programme which will enable compliance to be gained by the prescribed times.
That the rules established <b>under the Emissions Trading Scheme</b> will not change.	That the amount of acreage eligible for exemption or inclusion in the ETS changes to include/exclude Council.	Low	Council's forestry holdings are minor and carbon credits have been purchased for blocks declared deforested.
That there will be increasingly rigorous standards for <b>earthquake strengthening</b> of public buildings, particularly in the District's CBDs.	That the additional requirements to meet higher standards for earthquake proofing will require strengthening or demolition of many Council buildings, affect the viability of local businesses, cause a loss of heritage buildings and increase costs to the ratepayer, that central government does not respond positively to requests for a national approach to these costs.  <i>While the standards themselves seem unlikely to change, timing may become shorter as became the case in Wellington after the Kaikoura earthquake.</i>	High	An estimate undertaken in 2014 for Local Government New Zealand was a likely cost in the range of \$20 to \$35 million for Council-owned buildings. Detailed costings have been undertaken for the Taihape Town Hall and the Bulls Library: these totalled \$2.725 million. Council can budget for the strengthening of its major assets (or demolishing them and relocating operations to other safer premises or new ones) even though this would present major costs. However, the wider impact of across local businesses may <i>accelerate</i> the decline of the main towns in the District.

<sup>27</sup> The outcome of the enquiry into the Havelock North gastro outbreak may increase the monitoring requirements on potable water supplies (and thus the cost of doing this). A requirement to chlorinate all potable water supplies should not have any effect as all Rangitikei's supplies are chlorinated now.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
<b>Resource Consents –</b> Conditions on Council's resource consents renewals will be met and all consents will be renewed.	That conditions on resource consents are changed to the point that the investment required from the community is too high/unaffordable.  Council may face substantial fines (and even litigation) for continuing non-compliance. Investigations before a resource consent is granted may push upgrade costs beyond what has been budgeted	Low/ Medium	Council has committed to a capital programme which sets targets for compliance for all discharges. There is a strong co-operative working relationship between staff at Rangitikei and Horizons, essential to secure the most cost-effective technical solution for each site
NZTA will approve the programmes proposed for minor improvements and bridge replacements	The programmes will not be approved. This risk is greater for the proposed bridge replacement programme as these are deemed capital works by NZTA and are prioritised on a regional basis.	Low/ Medium	The projected rates requirement for the local share of either (or both) of these programmes will not be used.
The new criteria for emergency works will leave a funding shortfall beyond the enhanced basic Funding Assistance Rate (or 'FAR') from NZTA (63% since 2016/17).	Council will require greater ratepayer contribution to ensure the necessary emergency works.  <b>Note:</b> the implications of the One Network Road Classification <i>are now taking effect</i> .	High	Council has increased its flood damage roading reserve as a contingency against the shortfall from NZTA. <sup>28</sup>
The Government subsidy of rates for ratepayers on low income will remain at current levels.	The Government reduces or abolishes this ratepayer subsidy.	Medium	The tight economic climate makes this subsidy vulnerable, particularly if it is viewed as a means by which local councils can set a higher level of rates than would otherwise be the case.

<sup>28</sup> NZTA granted 91% as the enhanced FAR to cover damage from the June 2015 rainfall event. Under the arrangements for the emergency FAR the Council would have received 95%.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
<b>2 Demographics</b>			
<b>Population Change</b> – The population of the District will <i>change</i> in accordance with the medium projections from the Statistics NZ projections based on 2013 Census. This equates to an increase of 400 people in the five years to 2018 reducing to a drop of 1,000 people by 2043.	There is a possibility that population numbers change substantially more than that projected by Statistics NZ. This could mean over- or under-provision of facilities and services.  A greater than expected population decline would increase pressure on remaining ratepayers.	Low	Previous projections from Statistics New Zealand have proved reasonably accurate for the Rangitikei.
<b>Ageing population</b> – The average age of the population of the District will continue to increase and this will impact upon the Level of Service in most activity areas.	The risk is that this age group leaves the District to establish themselves in larger service centres in anticipation of the need for services. Investment in upgrade or replacement of community facilities may prove to be mis-targeted.	Low	The ageing population trend is demonstrated over a substantial period and is reflected at the national level.
That the <b>community's resilience</b> to recover from events such as natural disasters is adequate.	That the community is not able to respond to or recover from a major event. The current level of community resilience may be compromised by the severity and/or frequency of major events and by the declining and ageing nature of the local population. People may leave the District permanently, meaning a reduced ratepayer base.	Low/ Medium	Council has recognised the need to invest in activities that promote community cohesion and resilience, not least to ensure it is able to provide emergency management and rural fire services. The new community well-being Group of Activities attempts to focus on some of the factors affecting community resilience.
<b>Numbers of households</b> – the number of households will not decrease by more than 5%	The number of households decreases by more than 5%.	Low	Previous projections on household numbers in the Rangitikei have proved reasonably accurate.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
<b>Skills Shortage:</b> There will be no significant impact on the Council's ability to deliver programmes and projects as a result of a skills shortage.	That there will be a problem in securing critical skills to keep the Council's planned activities on track.	Medium	The impact of rebuilding Christchurch on recruitment and retention of skilled staff and engaging contractors with proven competency is not yet clear. It may cause these costs to rise.
<b>3 Physical and natural environment</b>			
<b>Climate change</b> - An increasing number of storm events will mean greater damage to the roading network, heavier demand on stormwater systems and more call on staff and volunteers to be available for emergency management and rural fire activities	That severe storm events occur so frequently or so close to one another that Council is unable to fund all the necessary repairs in a reasonable time without breaching its liability management policy.  Capital work on water and wastewater plants may be delayed and mean Council is non-compliant.	Low/ Medium	Storm events are occurring more frequently and erratically.  Borrowing beyond the parameters in the Council's liability management policy could pose issues with prudent management.
<b>Fuel prices will rise in line with BERL projections<sup>29</sup></b> , allowing the present use of roads as the predominant mode of transport within the District for goods and people will continue to be viable.	Petrol and diesel could become increasingly unaffordable marginalising businesses (including farms) remote from the larger centres of population and access to rail. Agricultural production prices would rise.  The ratepayer base could fall as a result.	Low	BERL estimates have been carefully researched. However, there has been a historical volatility to petroleum prices on the world market.

<sup>29</sup> See extract from the BERL 2014 update on p.20. This reproduces Table 3 – Adjustors: % per annual change

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
<b>Natural Disasters</b> – All natural disasters requiring emergency work will be funded out of normal operating budgets or reserves created for this purpose or (in the case of infrastructure) Council's insurance policies or government subsidies for emergency work on roads.	<p>That there will be a major natural disaster requiring significant additional unbudgeted expenditure and financing.</p> <p>The present level of government subsidy for emergency roading works may be reduced.</p> <p>Council may not be able to obtain (or afford) insurance sufficient cover for its infrastructure assets.</p> <p>Currently Council is part of a mutual insurance scheme with the local assurance protection programme for below ground assets.</p>	Medium	The timing and scope of natural disasters cannot be predicted. However, government subsidies and Council's own reserves provide some assurance that there will be sufficient funds for emergency work.
<b>4 Financial environment</b>			
<b>Inflation</b> – The financial information is based on inflation figures for 2016/17 onwards using the BERL indices for inflation <sup>30</sup> .	That inflation (CPI) is greater than predicted or that operational costs do not vary in line with the BERL estimates.	Medium	The current economic conditions mean such predictions are somewhat unreliable.
<b>Interest</b> – Interest on external borrowing is calculated at 5%. Interest on Council's few remaining investments is assumed to average 1% less than the rate for external debt.	<p>That interest rates will change from those used (as researched by Council).</p> <p>Actual costs of external borrowing may be higher than projected. However, because Council borrows in tranches, the impact of higher rates will normally be small in comparison to the total interest being paid in any one year</p>	Medium	The current economic conditions mean such predictions are somewhat unreliable. If interest rates increased (or decreased) by 1% in 2024/25 (the year of highest debt level in this Long Term Plan), total interest payable would increase (or decrease) by \$377,080 which represents 1.5% of the projected rates for 2014/15.
<b>Revaluation of assets</b> – for 2016/17 for assets other than land and buildings are based on projections from BERL.	That the BERL estimates are greater or less than the actual rates of inflation for those assets.	Medium	BERL's estimates have been carefully researched – but they are made in an uncertain economic climate.

<sup>30</sup> Figures used in this printed document have been calculated using the Forecasts of Price Level Change Adjustors produced by BERL

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
<b>Revaluation of land and building assets</b> – assumes no material change in the value of Council owned land and buildings over the term of this Plan.	That the assumption of no change in value of these assets over the period of the Plan is incorrect – the actual revaluation may be greater or less than this.	Low	The Rangitikei District is suffering declining population and over the last two district-wide revaluations of land and buildings there has been an overall reduction in values. In the Council's last revaluation of its land and buildings, the overall reduction on book values was 2.3%
<b>Exit from forestry</b> – that Council will divest its forestry assets except in cases where (re)forestation is required to protect catchment areas	That timber product commodity prices fall dramatically and Council is unable to divest itself of these assets in the short to medium term.	Low	The annual revaluation of forestry assumes that trees will be replanted at the same rate as those logged (so the value remains the same over the ten years). Whilst this is somewhat weather dependent, Council's decision to exit forestry means that it can choose the best conditions under which it will divest these assets. <sup>31</sup>
<b>Community and leisure assets and network utilities:</b> that Council will progressively rationalise its assets in these areas in response to predicted population change and that it will have fewer assets after ten years than at present	That population change does not occur as predicted and so these assets are inadequate to meet the community need.  That Council and communities are unable to decide how and which assets are to be rationalised.	Low/ Medium	Population change is increasingly well-documented and evidenced.  Council has identified this as priority and so asset and activity management plans have been developed to meet changing needs.
<b>Capital Works Contracts</b> – There will be no variations in terms of price and performance of capital works programmes.	There is significant change in price levels of capital works programmes which may affect the affordability and/or level of service provided.	Low	Council's capital works contracts have tight provisions governing price variations.

<sup>31</sup> The stands of mature pine in Marton B and C Dams (11.5 ha) are scheduled for harvesting in autumn 2017. Council has yet to determine whether they will be replanted or whether to deem the area deforested (and meet the associated carbon liability) so that long-term native planting/regeneration is feasible.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
That Council will be able to obtain <b>collaboration contracts for roading</b> allowing the Level of Service to be provided at constant prices three years at a time.	That the inflationary costs associated with roading cannot be absorbed into collaborative fixed price contracts and that there is unbudgeted expenditure associated with these inflationary increases.	Medium	The current economic conditions mean such predictions are somewhat unreliable.
That increases in prices for roading will align with the NZTA 2.5% <b>inflation factor</b> on a three yearly.	That the NZTA inflation factor is insufficient to cover the real inflationary costs associated with and that there is unbudgeted expenditure associated with these inflationary increases.	Medium	The current economic conditions mean such predictions are somewhat unreliable.
That District-wide rates will continue throughout the period of this LTP, and that there will continue to be a “public good” component in funding for the network utilities	That the balance between public/private benefit is not correct and either component becomes unaffordable to those required to contribute, that willingness to pay is confused with affordability under either scenario	Low	The public has had three years to absorb the initial variations in rates payable for services. The move to District-wide/public good funding should ensure that future cost peaks are evened out.
<b>5 Council performance</b>			
<b>Levels of Service –</b> Changes in customer expectations regarding level of service will impact on assets development and operating costs, and that Council has anticipated and/or planned for these changes.	That Council has not consulted adequately with communities to understand fully their expectations and so has planned to deliver Levels of Service that are not acceptable to the ratepayer (too high or too low).	Low	There has been significant pre-consultation work to identify customer expectations on levels of service.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
<b>Liaison with Māori</b> – that there will be progressive inclusion and engagement of Iwi and Māori.	The urgency and extent of engagement will be viewed differently by the partners: proposals for change may create tension and ill-feeling which will be counter-productive. Joint ventures (Council and Iwi) may fail.	Low/ Medium	The Ngāti Apa claim was settled in 2010 and it is anticipated that WAI 2180 (concerning Iwi around Taihape) will be settled well before 2022. However, there is uncertainty on the extent to which Iwi whose Waitangi claims are settled will seek to collaborate and partner with the Council. <sup>32</sup>
<b>Liaison with the Samoan community (Marton)</b> – that there will be progressive inclusion and engagement of the Samoan community in Marton.	The urgency and extent of engagement will be viewed differently by the partners: proposals for change may create tension and ill-feeling which will be counter-productive.	Medium	The Samoan community is increasingly well-established within Marton and finding its voice to engage effectively with Council and other statutory stakeholders.
<b>Replacement of existing assets</b> does not mean an increase in levels of service, unless otherwise stated	Technological advances in replaced assets or higher national standards lead to increase levels of service	Low	Such changes would typically be highlighted in a report to Council seeking approval for the upgrade or replacement.

<sup>32</sup> Since August 2015, Ngati Rangi has engaged with the Council over its Treaty claims; however, the rohe is primarily in the Whanganui and Ruapehu District.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
<b>Useful lives of assets</b> are described in the Statement of Accounting Policies and have been derived from accurate predictions contained in the Asset Management Plans	That information about the condition of assets that informs their useful life is not completely accurate – for example, historical information about construction dates and pavement subsurface formation details and below-ground water, wastewater and stormwater reticulation systems  There will be insufficient (or excessive) provision of depreciation.	Medium	Asset data is nearing completion, and the asset management plans have been greatly improved. The financial impact of this uncertainty is that:  major previously unknown faults are identified needing urgent attention;  information/data required to plan for future demand is not sufficiently accurate to ensure adequate provision i.e. that provision will exceed/not meet forecast demand; and predicted savings in operating costs are not realised because performance of the assets has been wrongly assessed.
<b>Depreciation rates on planned asset acquisitions</b> – the average lifespan of assets has been used to calculate rates as stated in the note on depreciation in the Statement of Accounting Policies.	Once costs for specific items are known, the depreciation may turn out to have been over-/under-stated.	Low	Because of the long lifespan of infrastructural assets, any changes in actual depreciation compared to forecast should be minimal.
<b>Funding Sources for the future replacement of significant assets</b> disclosed in the Revenue and Financing Policy, Financial Strategy and Infrastructure Strategy are achievable.	Some user charges may not be achievable. Ratepayers may press for a different 'mix'.	Low	There has been considerable work in modelling funding sources in preparing for this LTP.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
<b>External funding</b> will continue to be sourced to supplement Council funding for activities in the District that contribute to community outcomes.	That external funding is not available and that Council must either increase its contributions or lower expectations of its activity in achieving the community outcomes.	Medium	Success in securing external funding is not predictable. If external funding is used for what is perceived to be essential services, then there is a real danger that the community will feel let down if these services are withdrawn. <sup>33</sup>
<b>Technology</b> – Council will not integrate untested or experimental technology (including computer hardware, software, plant or devices) where it may significantly impact on the delivery of Council services.	Funding requirements for upgrades or migration to new systems may be greater than budget.  Council may be unresponsive to market developments, becomes ‘stuck’ with outmoded technology and a declining level of technical support, does not use technology which aligns well with the community’s expectations and preferences or implements technological change which is unsuccessful.	Low	Council’s track record in implementing technology gradually makes these risks unlikely. Major upgrades would always be subject to formal consideration and Council’s procurement policy requirements.
<b>That plant pests</b> will not extend their hold on Council owned properties over the course of the LTP	That controlling plant pests will become increasingly difficult and expensive and that a suitable regimen for control may be unaffordable for the community	Low/medium	Council will be a responsible landowner. Adequate provision will be made within its budgets to ensure that the problem of plant pests is controlled on an ongoing basis.
<b>Shared Services Arrangements:</b>  Rangitikei District Council will continue to seek shared services arrangements where the needs of the community are best served by such arrangements.	Existing Shared Services arrangement may prove less attractive than when they were entered into. The cost and the needs of the Rangitikei community may not best served by such arrangements	Low	These arrangements are typically flexible and have exit provisions.
<b>6 Economic performance</b>			

<sup>33</sup> This risk also applies to the planned civic/community centre upgrades in the main towns, starting with Bulls.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
That Council is able to influence small scale changes in the local economic environment which will add up to make an impact on the District's <b>economic development</b>	That Council will apply resources to secure economic development but is ineffective in the face of global economic trends	Medium	Council will take a measured, evidence-based and risk averse approach to economic development initiatives.

BERL to be inserted in Final Annual Plan (cf. page 96).

*End of document*