



Rangitikei District Council

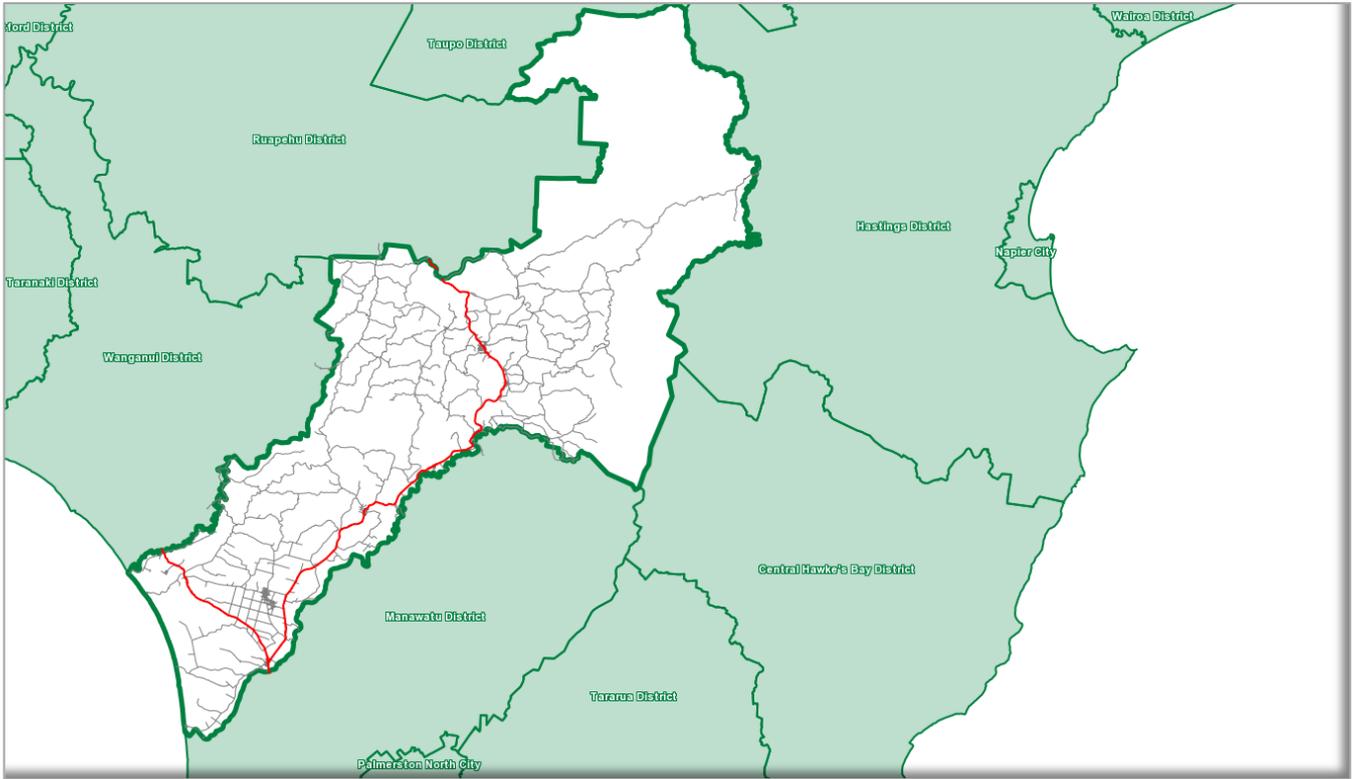
Annual Plan 2014-2015

(Year 3 of the LTP 2012-22)

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Rangitikei



Mayor's Message

This is the third year of the 2012/22 Long Term Plan adopted in June 2012, and a major project for the coming year is the preparation of a new Long Term Plan, to take effect from 1 July 2015. Legislative amendments currently under consideration include providing for a more meaningful consultation document and a thirty-year infrastructure strategy. These new requirements from central government are both useful changes, for both the community and the Council. We are also awaiting Government decisions relating to the roading Funding Assistance Rate (FAR) review and earthquake-prone buildings, both of which will impact on the next Long Term Plan.

This Annual Plan is the first plan released by the new Council in this triennium and is the first under our new Chief Executive, Ross McNeil. Preparing this Plan and its associated consultation reflect our commitment to consider the two key issues of affordability and transparency.

This Plan is very largely a restatement of what the 2012/22 Long Term Plan proposed for 2014/15. But there is one very important difference. The Long Term Plan forecast a rate increase in 2014/15 of 5.68% from the previous year. This Plan requires a rate increase of 2.34% from 2013/14. This significantly better position is partly the result of the real savings obtained from adopting a district-wide approach to managing (and funding) Council's facilities and services. In part, the rate increase reflects the slower than anticipated progress with capital works (which means lower borrowing and thus interest payments). In addition, Council explicitly instructed the Chief Executive to keep the rates increase as low as possible and to ensure that large variations from the average increase across the District were minimised for every ratepayer.

You will see that upgrades of Council's urban water supplies will continue, in line with the objective of having them all comply with the

Drinking Water Standards by 30 June 2015 – a date set by the Government.

While it has taken longer to deal with the contractual formalities with the Ministry of Health for financial assistance with the upgrade to Ratana's water supply, this has been done and work has begun.



However, planned upgrades to Council's wastewater systems are proceeding more slowly than envisaged in the 2012/22 Long Term Plan, largely due to the protracted resource consent processes. While we are working closely with Horizons on consenting matters, we remain mindful of the need to operate within the terms of our consents.

Simultaneously with the draft Annual Plan, Council consulted on a draft Town Centre Plan for Bulls. The development of this plan (an initiative envisaged by the 2012/22 Long Term Plan) has been a strongly interactive process with the Bulls community, using external community planning expertise which has played out successfully in a number of places – from Paihia to Palmerston North. Council believes that it is a useful model for other towns in our District and, as such, Council has committed funds for similar work in Taihape, Hunterville and Marton.

Shared Services with neighbouring councils have contributed significantly to the District over the past few years. These influence the Council's performance over many activities – asset management, animal control, emergency

management, insurance and valuation, planning and policy, and archives. Because continuing (and extending) such structured collaborations is important for the District's viability, the Council will be giving consideration to what would be the most appropriate governance arrangements to put in place.

One expanded area of work not envisaged in the 2012/22 Long Term Plan is stormwater drainage. This is the result of consultation last year over Council's understanding of the network of public and private drains as part of the Water-Related Services Bylaw. The stormwater drainage provisions of this bylaw will place an obligation on property owners to maintain private drains, so it is important for Council's information to be accurate. Addressing similar issues in the rural parts of the District will be a matter for the next Long Term Plan.

Another, and very important, project not envisaged in the current Long Term Plan is the Strategic Water Assessment project, half-funded by the Government's Irrigation Acceleration Fund. 2014/15 will be its second year. The potential implications for the District mean that this project could turn out to be the most significant undertaking the Council has made for many years.

While we are working with existing businesses to find ways for sustainable growth, and looking at options to attract new businesses to the District, it is important to understand that Council also approaches economic development with a regional perspective. I have been meeting with other Mayors across the region to advance this approach.

This is as much your plan as the Council's. The draft Plan was open for public submissions from 4 March 2014 until 4 April 2014, and Council scheduled a meeting on 10 April 2014 to hear oral submissions. There were 39 submissions to the draft Plan, of whom 13 elected to speak to the Council.

A separate section in this Plan summarises the outcome of Council's deliberations on submissions. A number of valuable suggestions were made, including some which will influence the development of the 2015/25 Long Term Plan.

Andy Watson
Mayor of the Rangitikei District

Your Elected Members



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Your Representatives

Community Board Members

Taihape

Ms Michelle Fannin (Chair).....	06 388-1129
Mr Andrew Green^	027 335 1870
Ms Gail Larsen.....	06 388-1161
Dr Peter Oliver^	06 388 1822
Cr Angus Gordon	06 388 1571
Cr Ruth Rainey	06 382 5507

^ Appointment by resolution of the Board on 12 February 2014 to be confirmed 5 March 2014

Ratana

Ms Maata Kare Thompson (Chair)	06 342 6819
Mr Tama Biddle.....	021-0220-2951
Mr Bjorn Barlien.....	06 342 6817
Ms Nadine Rawhiti.....	06 342 6823
Cr Soraya Peke-Mason	06 342-6838

Te Roopu Ahi Kaa (Iwi Liaison Committee)*

Mr Pahia Turia (Chair).....	06 344 8150	<i>(Whangaehu)</i>
Mr Hone Albert.....	022-094-6472	<i>(Nga Ariki Turakina)</i>
Ms Barbara Ball.....	06 388 1215	<i>(Ngati Whitikaupeka)</i>
Ms Hari Benevides	06 388 1908	<i>(Ngati Tamakopiri)</i>
Mr Jim Cunningham.....	06 322-0843.....	<i>(Ngati Hauiti)</i>
Mr Mark Gray.....	06 388 7816	<i>(Ngati Rangituhia)</i>
Mr Pai Maraku	06 342-6993.....	<i>(Ratana Community)</i>
Mr Jim Puki	06 327 4156	<i>(Kauangaroa)</i>
Mr Peter Richardson.....	06 329 3742	<i>(Ngati Parewahawaha)</i>
Mr Chris Shenton	06 348 0558	<i>(Ngati Kauae/Tauira)</i>
Mr Peter Steedman	06 388 0851	<i>(Ngati Hinemanu/Ngati Paki)</i>
Mr Richard Steedman.....	06 388 0000	<i>(Ngai te Ohuake)</i>
Cr Cath Ash.....	06 327 5237	<i>(Council representative)</i>

Community Committee Chairs*

Mr Steve Fouhy.....	06 342-6741	<i>(Turakina)</i>
Mr Hew Dalrymple.....	06 322-1017	<i>(Bulls)</i>
Ms Anne George	06 327-7877.....	<i>(Marton)</i>
Mr Charlie Lewis	06 322-8782.....	<i>(Hunterville)</i>

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

District Licensing Committee*

Mr Chalky Leary (Commissioner)	06 322-8561
Mr Andy Watson (Deputy Chair)	027 617 7668
Mr Stephen Fouhy	06 342-6741
Mr Stuart Hylton	06 327-7877
Ms Judy Klue	06 322-8475
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 s.95 of the Local Government Act 2002. Its prime purpose is to:

- contain the proposed annual budget and funding impact statements for the year to which the annual plan relates, and
- identify any variation from the financial statements and funding impact statements included in the local authority's Long Term Plan in respect of the year.

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.122-128 of the 2012-2022 Long Term Plan was amended during the development of the 2013/14 Annual Plan. A copy is available on our website www.rangitikei.govt.nz, or obtained by phoning 0800 422 522.

Public Submissions

The Draft Annual Plan was open for submission between 4 March 2014 and 4 April 2014. Hearings took place on 10 April 2014, with deliberations on all submissions on 1 May 2014. Council adopted the final plan on 29 May 2014.

Results of Public Consultation on the Draft Plan

- ✓ Taihape Town Hall
- ✓ Town Centre Plans
- ✓ Support for Rangitikei Environmental Group
- ✓ Restoration of District War Memorials
- ✓ Upgrade at Koitiata Campground
- ✓ Wilson Park (Marton)
- ✓ Marton 'A' Dam
- ✓ Access road to Ratana Urupa and Water Tanks
- ✓ Gumboot Park (Taihape)
- ✓ Referrals to the Community Initiative Fund
- ✓ Referrals to the Assets/Infrastructure Committee
- ✓ Matters for further consideration during preparation of the 2015/25 Long Term Plan

Taihape Town Hall

The substantial refurbishment of the Taihape Town Hall undertaken during the 1990s stopped before an overhaul of the heating system could be undertaken. Subsequently, the boiler was decommissioned and reliance made on portable heating units which are potentially dangerous when used inside. Their removal in early 2013 meant that the main hall has no heating.

In response to a plea from the Taihape Community Board, Council hired industrial fan heaters and a portable generator so that a local drama production could go ahead. To achieve a long-term solution, a major upgrading of the power supply into the Hall would be required. The permanent provision of a generator (in itself useful for emergencies) together with fan heaters or heat pumps would cost an estimated \$100,000. Provision was made in the draft Annual Plan for that sum. However, during the consultation period Council received a report showing that the estimated cost of earthquake-strengthening the Taihape Town Hall was \$2.5 million. Any refurbishment of the building would incur additional cost. Council decided that a longer-term view was needed about civic facilities in Taihape before committing to any upgrade in the Town Hall.

Town Centre Plans

The draft Plan noted the parallel (and independently facilitated) consultation over the Bulls Town Centre Plan. While the final report is being presented to Council on 29 May 2014, Council considered that the process was one which could be usefully applied in Taihape, Marton and Hunterville, and approved a budget provision of \$75,000.

In Taihape, as noted above, the future of the Town Hall – the centre for local administrative services since the formation of the Taihape Borough in 1906 – needs to be discussed, a process which could extend to the proposed Leisure Hub on Memorial Park. In Marton, where the CBD has a large number of heritage listed buildings (all earthquake-prone), a broadly based discussion on a future town centre has the potential to find a workable solution, possibly extending to the Lower High Street toilets and a safer alternative for the Library.

Support for Rangitikei Environmental Group

The Rangitikei Environmental Group has been active for some years in controlling Old Man's Beard, funded partly by Horizons Regional Council (through a rate on Rangitikei ratepayers). Council agreed to provide up to \$10,000 during 2014/15 to assist with administration and/or road-side spraying.

Restoration of District War Memorials

The Marton RSA sought a grant from Lotteries to restore damaged war memorials in the District. The funding criteria required a financial contribution from Council of \$13,700. Council agreed to this.

Upgrade at Koitiata Campground

While a new water tanks has recently been installed at the Koitiata campground, an upgrade of the internal shower/toilet ablution block is needed. This will be done in collaboration with the Koitiata Residents Committee. \$10,000 has been provided for this upgrade, and consenting fees will be waived.

Wilson Park (Marton)

The provision of \$25,000 in the draft Plan will remain, primarily for upgrading the playground equipment and providing permanent power. Council will collaborate with the Marton Community Committee on these upgrades.

Marton 'A' Dam

The draft Plan envisaged that this land would be sold. It was logged in 2010, and since then has been leased for grazing. However, the Strategic Water Assessment Project (co-funded with the Ministry for Primary Industries) has identified this site as having potential for significant storage capacity. Until that question is determined, short-term grazing leases will be offered for tender.

Access road to Ratana urupa and Water Tanks

Council's access road to the Ratana urupa and water tanks will be levelled during 2014/15 (at an estimated cost of \$7,000) and an extension (including a turnaround area) will be made in 2015/16 (\$11,000).

Gumboot Park

Council agreed to make a parking by alongside the gumboot statue on Mataroa Road, Taihape, at an estimated cost of \$30,000. In addition, two potentially hazardous footbridges on the reserve will be upgraded, at an estimated cost of \$15,000.

Referrals to the Community Initiatives Fund

Council decided that matters raised by two submitters were better considered during the Community Initiatives Fund application process (which starts in July 2014). These were funding for the 'opening' of the Mangaweka Bridge (the scheduled official opening by Premier Richard Seddon in 1904 did not occur) and for upgrading of the Scotts Ferry site.

Referrals to the Assets/Infrastructure Committee

Council decided that there were some matters raised by submitters which required further consideration, on the basis of reports to the Assets/Infrastructure Committee's meetings:

- stormwater drainage at Ratana (including potential impact from the proposed housing development);
- potential impact of forestry logging on local roads in the next decade;
- potential hazards on Turakina Valley Road and Turakina Beach Road; and

- footpath priorities (safety considerations for determining whether footpaths on both sides of a street should come ahead of streets where there is currently no footpath).

Matters for further consideration during preparation of the 2015/25 Long Term Plan

A number of submitters responded to the request to express ideas about issues for consideration during the preparation of the 2015/25 Long Term Plan. Council agreed to include the following items in that work:

- the approach to be taken over maintaining those local roads likely to be subject to logging trucks over the coming decade;
- the approach to be taken over footpaths in streets where pedestrian safety is best served by having footpaths on both sides, compared with the needs of residents and visitors to streets which lack any footpath at all;
- the rationale for the revenue and funding policy, in particular:
 - funding mechanisms for urban reticulated water and wastewater (part of the revenue and financing policy)
 - the merit of differential rates for activities currently funded through the general rate (e.g. roading, footpaths, information centres, district promotion); and
 - the appropriate level of the Uniform Annual General Charge
- the possibility of a co-funding (along with Horizons Regional Council) for the Rangitikei Environmental Group's Old Man's Beard/Biodiversity Project;
- the further discussion with Horizons Regional Council regarding the implementation of the Enviroschools programme in the Rangitikei District;
- upgrades at the Bulls Domain and at Sir James Wilson Park (Marton);
- the feasibility of establishing a mountain bike trail from Taihape Memorial Park to Papakai Park;
- exterior maintenance of the Koitiata Community Hall and the associated car park; and
- consideration of an upgraded skate park in Taihape Memorial Park (beyond any upgrading achieved through community support).

During the submission process the Chief Executive noted that there would need to be some changes to the presentation of financial information as a result of the Local Government (Financial Reporting and Prudence) Regulations 2014. This is detailed on page 50.

Variations from the LTP

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 LTP are:

- ✓ Whole of Council
- ✓ Prospective Comprehensive Income Statement
- ✓ Emergency Works Reserves
- ✓ Ruru Road (Taihape) Sewer Extension Loan Repayment
- ✓ 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 noted 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. This category of expense has been revised on the basis of actual payments for 2012/13 adjusted by expected rates of inflation.

Emergency Works Reserve

The Long Term Plan states (p.74) that Council sets aside an emergency works reserve of \$250,000 each year. This would mean that (if there were no withdrawals) the reserve would build up to over \$2.5 million at the end of the ten year period. Because of the likely high level of subsidies that such emergency works attract, Council considers that a reserve of between \$1 million and \$1.5 million is sufficient to meet future requirements. For this reason, Council has decided that the reserve will continue to receive a transfer of \$250,000 each year until it reaches \$1 million, and then the transfer will reduce to \$100,000 until the maximum of \$1.5 million is reached.

Ruru Road (Taihape) Sewer Extension Loan Repayment

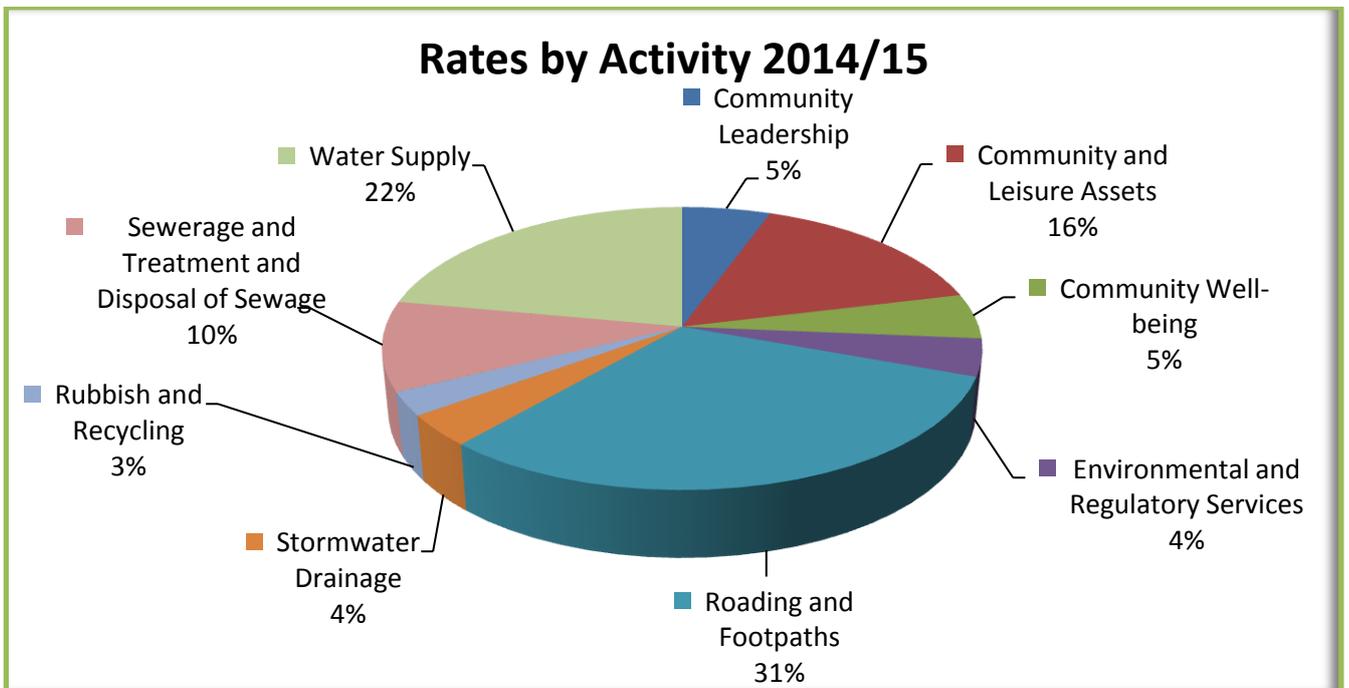
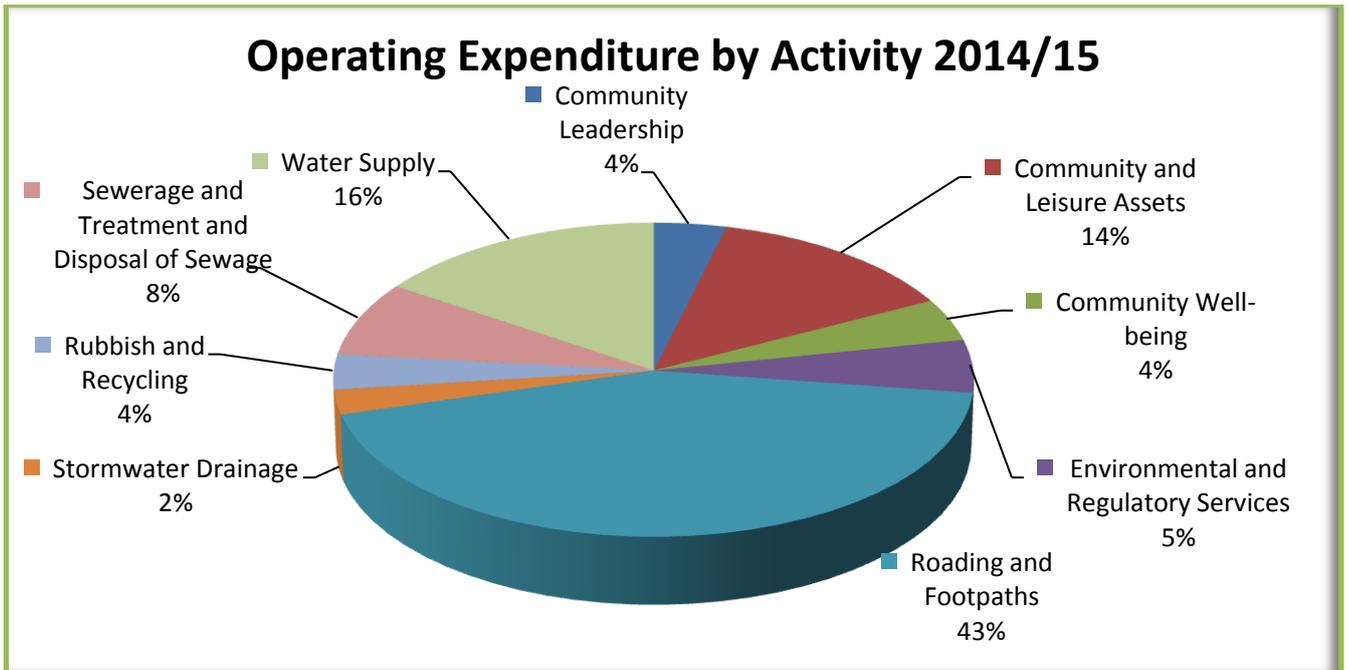
This new rate is for rating units situated on Ruru Road which elected to meet the cost of connecting to the sewer extension there through the rating mechanism rather than making a voluntary one-off contribution.

Specific Groups of Activities

A note on variations is appended to each group of activities.

Overview – Council Expenditure and Application of Rates

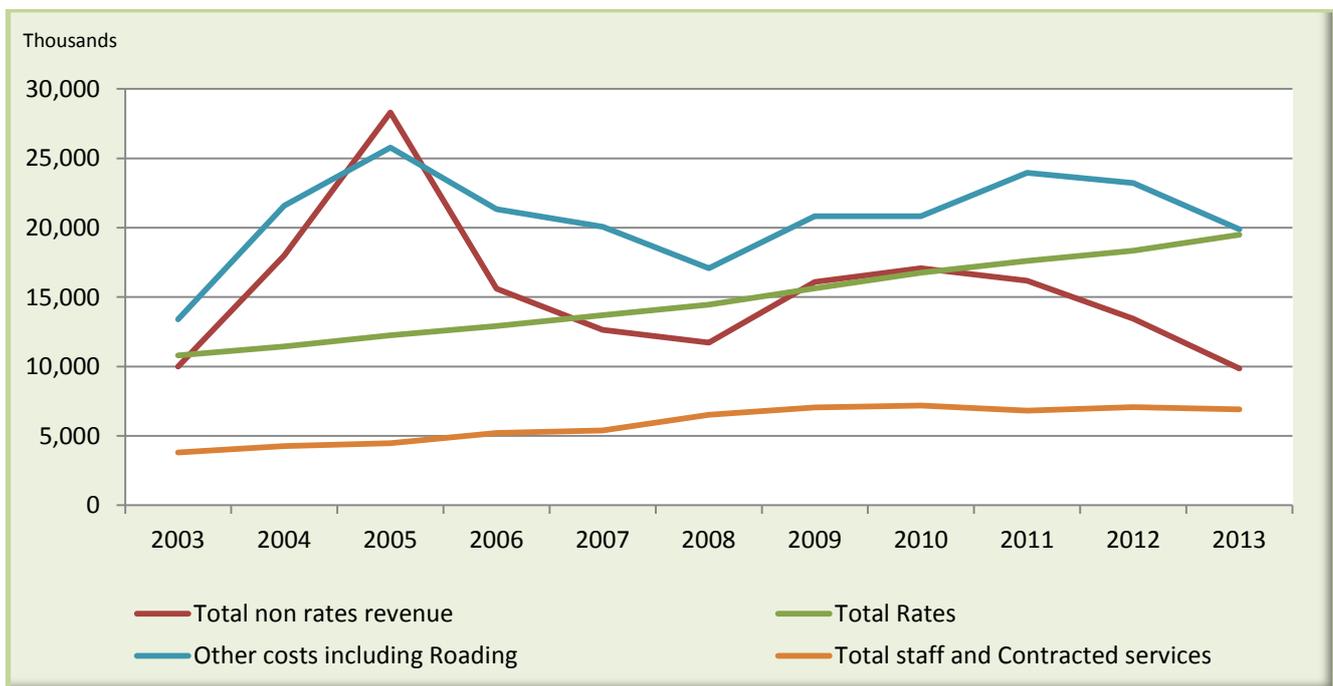
These charts show the percentage of funding for each group of activities provided by Council. The first chart shows the percentages of Council’s projected total operating expenditure in 2014. The second chart shows the percentages of expenditure funded by rates. These highlight the contribution from other sources of revenue – fees and charges and government subsidies, so operating expenditure is significantly larger than the total rates received.



The following graph maps revenues and expenditures by major classes over the last ten years.

Major features of the graph and the underlying financial trends over this period are:

- 1 Total non-rates revenue (primarily government funded) has declined significantly over this period and is close to the same nominal amount as the start of the period. (The 2004 peak relates to the flood event in that year).
- 2 Other costs have increased and appear strongly correlated to non-rates revenue as such revenue is spent on the various programmes targeted by these funds.
- 3 Rates have increased by a consistent amount over the past ten years, with an average increase of just over 6%.
- 4 Staff salaries, contracted services and professional costs (i.e. the ‘people costs’) have increased at a rate lower than other costs, averaging 3% over the ten years.



Notes

‘Total non-rates revenue’ includes the roading funding assistance rate (‘FAR’).

‘Contracted services and other professional costs’ includes shared services (such as those with Manawatu District).

‘Salaries and other staff costs’ is for employees of the Rangitikei District Council.



Rangitikei District Council

Groups of Activities

Annual Plan 2014-2015

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 (LGA 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..”

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.

To give effect to these obligations, the Council undertakes a wide range of activities. Following the approach taken in the LTP 2012-2022 (pp.66-120), these are presented in the following pages as nine distinct groups of activities:

- Community Leadership;
- Roading and Footpaths;
- Water Supply;
- Sewerage and the Treatment and Disposal of Sewage¹;
- Stormwater Drainage;
- Community and Leisure; Assets;
- Rubbish and Recycling;
- Environmental and Regulatory;
- Community Well-being.



Marton Skateboard Area, Centennial Park

¹ This is the term prescribed in legislation for 'Wastewater'.

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.68-72 of the 2012-2022 Long Term Plan.

What we plan to do this year

- 1 Annual Report 2013/14.
- 2 Long Term Plan 2015/25.
- 3 Policy and bylaw review.
- 4 Governance arrangements for shared services.
- 5 Comprehensive review of Council's reserve funds².

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2014/15
Make decisions that are robust, fair, timely, legally compliant and address critical issues, and that are communicated to the community and followed through.	Completion of annual plan actions on time.	92% of Annual Plan actions substantially undertaken or completed. All groups of activities achieved at least 80% of identified actions.
	Completion of capital programme.	90% of planned capital programme expended, all network utilities groups of activities to achieve at least 80% of planned capital expenditure.

Variations from the Long Term Plan

The amount appearing as a targeted rate (\$53,000) is for the community rate to fund Ratana and Taihape community boards and was incorrectly included in the general rate line in the Long Term Plan.

² These are outlined on page 55. Some originate from before 1989 (i.e. before the District Council was established) and are no longer needed for the purpose for which they were established.

Community Leadership – Prospective Funding Impact Statement

For the year ending 30 June 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,116	1,156	1,072
Targeted rates	51		53
Subsidies and grants for operating purposes			
Fees and charges	31		0
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	1,198	1,156	1,125
Applications of operating funding			
Payment to staff and suppliers	1,104	960	952
Finance costs			
Internal charges and overheads applied	136	220	179
Other operating funding applications			
Total applications of operating funding	1,240	1,180	1,131
Surplus (deficit) of operating funding	(42)	(24)	(6)
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt			
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding	0	0	0
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service			
- to replace existing assets			
Increase (decrease) in reserves	(42)	(24)	(6)
Increase (decrease) in investments			
Total applications of capital funding	(42)	(24)	(6)
Surplus (deficit) of capital funding	42	24	6
Funding balance	0	0	(0)
Note: Depreciation expense not included above	0	2	2

Roading and Footpaths

Scope and Objectives

This group of activities covers the roading network (including bridges), footpaths and street lighting. Roothing is an important activity for the Council. 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.73-76 of the 2012-2022 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	81.98	689.16	771.14
Unsealed	2.58	448.73	451.31
Total Maintained	84.56	1,137.89	1,222.45

In order to maintain a high level of central Government subsidy (currently 58%), 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

The proposed capital and renewal programme for roads, as detailed in the current roading asset management plan, is about \$7.5 million per year and involves:

- 1 Rehabilitation of existing sealed roads (i.e. recycling existing sealing layers, overlaying to suitable widths and chip seal surfacing). 8.8 kilometres per year meaning an average cycle of about 60 years. For 2014/15, the following sites have been identified, subject to the completion of a project feasibility report:

Te Moehau Road (2.5 km), Mt Curl Road (0.69 km), Skerman Street, Marton (0.05 km), Koeke Road (2.00 km), Mangitipona Road (1.09 km), Makuhou Road (2 km), Pukepapa Road/Wanganui Road intersection (0.55 km).

- 2 Resealing of portions of existing sealed roads. 55 kilometres³. The major rural roading projects (over 1 kilometre) planned in each ward are:

Taihape: Owhakura Road, Potaka Road, Pungatawa Road, Reservoir Road, Ruanui Road, Taihape-Napier Road, Torere Road, Tiriraukawa Road, and Wairanu Road;

Huntermville: Mangahoe Road, Murimotu Road, Mt Curl Road, and Watershed Road;

Marton: Hendersons Line, Makirikiri Road, Waimutu Road, Wanganui Road, and Wellington Road;

Turakina: Makuhou Road, and Turakina Valley Road;

Bulls: Dalrymples Road, Duncan Road, Pukepapa Road extension, Raumai Road, Sandridge Road, and Santoft Road.

³ The 2012/22 Long Term Plan projected resealing over 70.06 km. As in the two preceding years, this was based on an erroneous calculation.

In addition, town reseals are planned in Taihape (2.65 km), Hunterville (0.29 km), Marton (4.41 km) and Bulls (2.68 km).

As some of these projected reseal sites will need a second coat and/or are wider than the norm, the final work done may vary from what is planned.

- 3 Footpath and streetlighting activity – footpath capital programme: Edward Street, Bulls; Ngarino Street, Racecourse Avenue and Princess Street, Marton; Pukeko Street, Taihape.
- 4 Footpath and streetlighting activity – footpath renewal: High Street, Bulls; Kiwi Street, Taihape; street-lighting upgrade investigation for rural intersections on Jeffersons Line (at Leedstown Road and Norwood Lane).
- 5 Traffic calmers in Ratana and stage 1 upgrade to the access road to the Ratana urupa and water tanks.
- 6 Develop proposals (including activity/asset management plans) for inclusion in the draft 2015/25 Long Term Plan.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2014/15
Provide a safe roading network which allows people to travel from A to B, free of loose gravel or potholes and maintaining the level of sealed roads currently available.	Smooth travel exposure rating (i.e. NAASRA roughness counts).	96.5%.
	<p>The number of callouts to the contractor, both within working hours and after-hours, with the response and resolution times (with the percentage resolved within a specified time).</p> <p>Specific note to be made of</p> <p>(i) time to respond/resolve callouts relating to potholes; and</p> <p>(ii) incidents of crashes on Council's roading network and whether the road condition was a cause of each crash.</p>	<ul style="list-style-type: none"> • 100% after-hours callouts responded to within 12 hours. • 100% callouts during working hours, responded to within 6 hours. • 80% of all callouts resolved (i.e. completed) within one month of the request. • Specific reference to callouts relating to potholes. <p>No fatal crashes attributable to the condition of the roading network.</p>
Increase asset length and footpath renewal programme.	Adequacy of provision and maintenance of footpaths, street-lighting and local roads (annual survey) ⁴ .	A greater proportion (than in the benchmark ⁵) of the sample believes that Council's service is getting better.

⁴ Groups which are targeted for consultation:

Variations from the Long Term Plan

An increase in subsidies predicted is due to increased expenditure in some maintenance work offset by decreased non-subsidised expenditure. As noted in the 2013/14 Annual Plan, a reduction in rates is proposed again to avoid creating surpluses and also because of the reduced contribution required to meet the Council's policy on the flood relief reserve. The difference in the movement in reserves reflects this change.

The proposed replacement of Wylies Bridge in 2013/14 was deferred until 2014/15, subject to New Zealand Transport Agency funding and reaching agreement with Wanganui District Council on the appropriate cost-share by Rangitikei. This was achieved. The proportion of the Council's share has been reduced from 50% to 33½%. Consequently, the capital subsidy portion of income has also been reduced and deferred to 2014/15. While design and investigation will definitely proceed in 2014/15, funding for the construction phase has yet to be confirmed by the New Zealand Transport Agency. The budget provision is sufficient if that approval is given during 2014/15.

-
- Residents where programmed renewal has taken place,
 - Community Boards/ Committees,
 - Community group database, and
 - Business sector database.

⁵ A "report card" produced in April/May 2012 established the benchmark of perceptions of adequacy of provision and maintenance of Council's footpaths, street-lighting and local roads: 13% believed it was better than last year, 71% about the same, 15% worse than last year (1% didn't know). Survey participants were not asked whether they had made a service request to Council (but this will be done in the 2014 survey, to see whether those who have engaged with Council in this way have a different view from those people who have not). During October-December 2013, 77% of all roading requests for service were responded to in time and 66% of those who requested feedback are recorded as being provided with that.

Roading and Footpaths – Prospective Funding Impact Statement

For the year ending 30 June 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties			
Targeted rates	6,102	7,033	6,271
Subsidies and grants for operating purposes	2,666	2,547	2,666
Fees and charges	4	4	4
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts	115	121	121
Total operating funding	8,887	9,705	9,062
Applications of operating funding			
Payment to staff and suppliers	5,298	5,231	5,335
Finance costs	160	216	180
Internal charges and overheads applied	532	526	554
Other operating funding applications			
Total applications of operating funding	5,990	5,973	6,069
Surplus (deficit) of operating funding	2,897	3,732	2,993
Sources of capital funding			
Subsidies and grants for capital expenditure	4,108	3,965	4,463
Development and financial contributions			
Increase (decrease) in debt	(45)	(141)	299
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding	4,063	3,824	4,762
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	875	662	1,512
- to replace existing assets	6,093	6,097	6,097
Increase (decrease) in reserves	(8)	797	146
Increase (decrease) in investments			
Total applications of capital funding	6,960	7,556	7,755
Surplus (deficit) of capital funding	(2,897)	(3,732)	(2,994)
Funding balance	0	0	(0)
Note: Depreciation expense not included above	6,258	6,561	6,572

Roading and Footpaths – Prospective Capital Works

For the year ending 30 June 2015

Category	Designated projects for 2014/15	2013/14	2014/15	2014/15
		Annual Plan	Long-term Plan	Annual Plan
		(\$000)	(\$000)	(\$000)
RENEWALS				
Road resealing	Total length 70.06 km	1,958	1,958	1,958
Road rehabilitation	Total length 9.35 km	2,923	2,924	2,923
Footpaths	Kiwi St, Taihape; High St, Bulls	206	210	210
Drainage	Programmed maintenance	316	316	316
Traffic services	Street lights and renewals	110	110	110
General maintenance and projects	Potholes, slips etc	580	580	580
Total renewals		6,093	6,097	6,097
CAPITAL				
Roading	Realignment, intersections and calmers	531	598	538
	Napier Taihape Road	62	0	0
	Wylies Bridge	220	0	910
Footpaths	Edward St, Bulls; Ngarino St, Racecourse Ave, and Princess St, Marton; Pukeko St, Taihape	62	64	64
Total Capital		875	662	1,512

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 schemes in Hunterville, Erewhon, Omatane and Putorino.

The main focus is ensuring compliance with the New Zealand Drinking Water Standards, 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.77-80 of the 2012-2022 Long Term Plan.

What we plan to do this year

- 1 Complete implementation of Ratana water upgrade.
- 2 Implement appropriate backflow protection for Council's urban supplies.
- 3 Complete renewal of Marton water reticulation (from Jeffersons Line to the new treatment plant).
- 4 Implement network hydraulic modelling at Ratana and Hunterville.
- 5 Review network replacement programme for all assets exceeding threshold risk of 10/25⁶.
- 6 Develop proposals (including activity/asset management plans) for inclusion in the draft 2015/25 Long Term Plan.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2014/15
Provide a reliable , accessible and safe water supply to properties on the urban reticulation systems.	Compliance with resource consents ⁷ .	No incidents of non-compliance with resource consents.
	Compliance with the New Zealand Drinking Water Standards ⁸ .	No incidents of E-coli detection requiring information to be passed to Ministry of Health's Drinking Water Assessor.
		Operational compliance with legislative compliance confirmed by Drinking Water Assessor's grading in Ratana, Hunterville and Mangaweka water schemes; Bulls, Marton and Taihape continue to be assessed as compliant.

⁶ This calculation is made against a risk matrix having regard for the probability (likelihood) and consequences (impact) of pipe or plant failure, where the highest risk has a score of 25 (likelihood is almost certain and impact is catastrophic) and lowest has 1 (likelihood is rare and impact is insignificant). The threshold selected represents an assessment of high likelihood of failure, even if the impact would be minor or insignificant.

⁷ Council has previously regarded this compliance as a measure of delivering a sustainable water supply

⁸ There are two distinct measures: (a) sampling and testing on a weekly basis at Environmental Laboratory Services in Gracefield, Lower Hutt of all Council's urban reticulated supplies and (b) random tests conducted by MidCentral Health.

Intended Levels of Service 2012-22	Performance measure	Target for 2014/15
	Number of unplanned water supply disruptions affecting multiple properties	No unplanned water supply disruptions affecting multiple properties.
Provide a reliable water pressure and flow, which complies with the NZ Fire Service Fire Fighting Water Supplies Code of Practice.	Random flow checks at the different supplies ⁹ .	100% of fire hydrant installations are in compliance.

Variations from the Long Term Plan

Last year's adopted Annual Plan confirmed (following public consultation) that the reduction in targeted rates for water supply (water charged through meters) is necessary because it is considered that budgets in the Long Term Plan for Hunterville urban and rural supplies, and Erewhon rural supply, were not sustainable. It is proposed to continue that change in 2014/15.

The overall reduction in expenditure is due to a reduction in interest of \$443,000 and other costs of \$326,000. This reflects the carry-forward into 2014/15 of several projects, in particular the upgrade of Ratana's water supply and renewal of Marton water reticulation.

The reduction in interest is because of a reduction in anticipated interest rates applying in the 2014/15 year (see section on assumptions) together with a re-assessment of the calculation for interest in the Long Term Plan. The reduction in expenses occurs in re-assessment of staff time applying to capital and renewals work, and a reduction in electricity and chemicals. These latter reductions were deemed to be possible based on more recent historical information than was used in the Long Term Plan. The reduction in rates income reflects these anticipated savings.

⁹ This measure tests whether the Council is providing a reliable water pressure and flow, which complies with the NZ Fire Service Fire Fighting Water Supplies Code of Practice

Water Supply – Prospective Funding Impact Statement

For the year ending 30 June 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	415	0	441
Targeted rates	3,804	5,246	4,043
Subsidies and grants for operating purposes			
Fees and charges			
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	4,219	5,246	4,484
Applications of operating funding			
Payment to staff and suppliers	2,042	2,376	2,092
Finance costs	625	1,078	635
Internal charges and overheads applied	526	652	547
Other operating funding applications			
Total applications of operating funding	3,193	4,106	3,274
Surplus (deficit) of operating funding	1,027	1,140	1,210
Sources of capital funding			
Subsidies and grants for capital expenditure	900	300	900
Development and financial contributions			
Increase (decrease) in debt	2,894	1,527	2,569
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding	3,794	1,827	3,469
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	2,181	810	2,048
- to replace existing assets	2,687	2,124	2,732
Increase (decrease) in reserves	(47)	33	(101)
Increase (decrease) in investments			
Total applications of capital funding	4,821	2,967	4,679
Surplus (deficit) of capital funding	(1,027)	(1,140)	(1,210)
Funding balance	0	0	0
Note: Depreciation expense not included above	1,105	1,141	1,295

Water Supply – Prospective Capital Works

For the year ending 30 June 2015

Category	Designated projects for 2014/15	2013/14	2014/15	2014/15
		Annual Plan	Long-term Plan	Annual Plan
		(\$000)	(\$000)	(\$000)
RENEWALS				
Marton	Treatment and reticulation	1,059	536	1,036
Taihape	Treatment and reticulation	988	1,001	1,141
Bulls	Treatment and reticulation	319	105	104
Mangaweka	Treatment and reticulation	28	68	68
Huntermville urban	Treatment and reticulation	29	43	43
Ratana	Treatment and reticulation	48	105	105
Erehwon	Treatment and reticulation	109	145	113
Huntermville rural	Treatment and reticulation	105	121	121
Omatane	Treatment and reticulation	2	0	0
Total renewals		2,687	2,124	2,731
CAPITAL				
Marton	Backflow prevention	298	46	46
Taihape	Pressure flow control; backflow protection, boost pump station	144	403	402
Bulls	Backflow protection	65	77	77
Mangaweka	Backflow protection	49	19	19
Huntermville urban	Backflow protection, pressure flow control	63	36	36
Ratana	New treatment plant; backflow protection	1,454	229	1,468
Huntermville rural		108	0	0
Total Capital		2,181	810	2,048

Sewerage and the Treatment and Disposal of Sewage

Scope and Objectives

This group of activities covers the taking of wastewater and making it suitable for discharge back into the environment. Wastewater treatment systems are maintained in Taihape, Mangaweka, Hunterville, Marton, Koitiata and Ratana.

More detail is provided on pp.81-84 of the 2012-2022 Long Term Plan.

What we plan to do this year

- 1 Progress upgrade of Bulls wastewater plant.
- 2 Network modelling at Bulls and Taihape to identify capacity problems in conjunction with renewal programmes.
- 3 Improvement of Marton treatment plant to meet nitrogen standard¹⁰.
- 4 Infiltration inflow study (to reduce stormwater overload of the wastewater system) completed for Bulls.
- 5 Develop proposals (including activity/asset management plans) for inclusion in the draft 2015/25 Long Term Plan.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2014/15
Provide a reliable, reticulated disposal system that does not cause harm or create pollution within the existing urban areas .	Compliance with resource consents ¹¹ .	100% compliance at Bulls WWTP. (Taihape, Mangaweka and Hunterville WWTP continue 100% compliant.)
	Number of overflows from each network (response/ resolution time).	No single network to experience more than 2 overflows during a 12 month period. Response/ resolution time monitored and compared with benchmark.
	Number of reported blockages in the Council's reticulation system per km ¹² . The total reticulation length is 109 km.	Less than 1 blockage per 13.625km in Council's reticulated system.

¹⁰ Previous investment in a floating treatment wetland has addressed issues of odour and significant load swings. Further upgrades are required to deal with nutrient loadings in effluent. It is proposed to implement a further floating treatment wetland to achieve increased compliance requirements with minimal operational expenditure.

¹¹ In addition to the formal inspections conducted by Horizons, there are monthly samples taken upstream and downstream of the discharge, and of the effluent itself.

¹² Council relies on reported faults to check whether there is a blockage in its system. Flow metres are not installed throughout the network to provide alerts on such blockages.

Variations from the Long Term Plan

The upgrade of the Bulls wastewater plant did not proceed as planned in 2012/13, largely due to discussions on extending capacity to include Ohakea, Sanson and Riverlands. A resource consent process commenced in 2013 for the upgrade which will include domestic sewage from Ohakea and Sanson; this will continue during 2014/15. Assuming that process is complete by 30 June 2015, the upgrade works in terms of that consent are expected to occur during 2015/16. Riverlands will continue to manage its own discharge on its existing consent. A carry-forward of \$3,003,404 has been made into 2014/15 for this project'

Rates for this activity in 2014/15 are \$840,000 lower than projected by the 2012/22 Long Term Plan. In addition, to the impact of carry-forwards into 2014/15 of funds for the Bulls wastewater plant noted above, this reduced rates requirement is the result of efficiencies brought about by moving to district-wide funding for wastewater, which has reduced operating costs. In the Long term Plan, budgets were compiled for individual schemes because there was no certainty that Council would adopt a district-wide approach for funding. Now that funding is district-wide, contingencies and other widely variable expenses such as chemicals and electricity, are able to be "pooled" resulting in less allowance being necessary to cater for fluctuations. As a result, a surplus occurred in 2012/13 and is projected to occur again in 2013/14. Some of this surplus has been used to fund the cost of the Bulls wastewater plant resource consent (which was not budgeted for in the 2012/22 Long Term Plan): it is estimated that \$200,000 will be spent in 2013/14 and a further \$150,000 in 2014/15.

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

For the year ending 30 June 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	200		174
Targeted rates	2,191	2,922	1,908
Subsidies and grants for operating purposes			
Fees and charges	163	169	169
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	2,554	3,091	2,251
Applications of operating funding			
Payment to staff and suppliers	1,400	1,423	935
Finance costs	236	707	289
Internal charges and overheads applied	241	274	255
Other operating funding applications			
Total applications of operating funding	1,877	2,404	1,479
Surplus (deficit) of operating funding	677	687	772
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	3,167	1,344	4,311
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding	3,167	1,344	4,311
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	3,459	1,438	4,591
- to replace existing assets	1,060	696	696
Increase (decrease) in reserves	(675)	(103)	(204)
Increase (decrease) in investments			
Total applications of capital funding	3,844	2,031	5,083
Surplus (deficit) of capital funding	(677)	(687)	(772)
Funding balance	0	0	0
Note: Depreciation expense not included above	676	703	771

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

For the year ending 30 June 2015

Category	Designated projects for 2014/15	2013/14	2014/15	2014/15
		Annual Plan	Long-term Plan	Annual Plan
		(\$000)	(\$000)	(\$000)
RENEWALS				
Marton	Treatment and reticulation	206	394	394
Taihape	Treatment and reticulation	79	90	90
Bulls	Treatment and reticulation	633	130	127
Mangaweka	Treatment and reticulation	94	40	40
Huntermville	Treatment and reticulation	24	21	21
Ratana	Treatment and reticulation	24	21	21
Koitiata	Treatment and reticulation	0	0	3
Total renewals		1,060	696	696
CAPITAL				
Marton	Treatment plant to meet nitrogen standard	0	1,438	1,438
Taihape		708		
Bulls	Treatment plant upgrade	2,578	0	3,153
Ratana		173	0	0
Total Capital		3,459	1,438	4,591

Stormwater Drainage

Scope and Objectives

This group of activities 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 at Bulls, Marton, Taihape, Hunterville, Mangaweka and Ratana – and, to a limited extent, at Koitiata and Turakina.

More detail is provided on pp.85-87 of the 2012-2022 Long Term Plan.

What we plan to do this year

- 1 Continue CCTV condition assessment programme¹³.
- 2 Review system design parameters.
- 3 Review network replacement programme for all assets exceeding threshold risk of 10/25¹⁴.
- 4 Education programme on the responsibilities of relevant parties.
- 5 Resolve uncertainty over responsibility for Council's stormwater drainage network in urban areas.
- 6 Develop proposals (including activity/asset management plans) for inclusion in the draft 2015/25 Long Term Plan.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2014/15
Provide a reliable collection and disposal system to each property during normal rainfall	Number of habitable dwellings which remain uninhabitable for over 24 hours in a heavy rain event (1 in 20-year storm).	In each event of 1 in 20 year storm, no more than 20 dwellings affected for more than 24 hours.
	Callouts for blocked drains and faults: Specific note to be made of time to respond and resolve callouts relating to manhole covers and inlets.	60% responded within time and 55% resolved within time. 100% resolved. The targeted <i>response</i> times are 30 minutes for urgent callouts and 24 hours for other callouts. Targeted <i>resolution</i> times are 24 hours for urgent faults and 96 hours for other faults.

Variations from the Long Term Plan

Improving Council's documentation of private and public drains was not a matter considered in the 2012/22 Long Term Plan. The need for this arose during consultation on the Water-related Services Bylaw during 2013: it became evident that there were many properties where the distinction between private and public drains (and the respective responsibility of property owners and the Council) needed close study. \$100,000 has been provided in 2014/15 to undertake this work. Resolving comparable issues in rural areas of the District will be considered for inclusion in the 2015/25 Long Term Plan.

¹³ This is ongoing.

¹⁴ This is the same risk matrix as that referred to on p.22.

Despite this provision, there is still a reduction in the rates requirement for this activity. This reflects a reduction in operating costs achieved by moving to district-wide funding for stormwater.

Stormwater Drainage – Prospective Funding Impact Statement

For the year ending 30 June 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	65		61
Targeted rates	712	839	674
Subsidies and grants for operating purposes			
Fees and charges	2		2
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	779	839	737
Applications of operating funding			
Payment to staff and suppliers	385	419	359
Finance costs	13	66	7
Internal charges and overheads applied	111	133	120
Other operating funding applications			
Total applications of operating funding	509	618	486
Surplus (deficit) of operating funding	270	221	251
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	115	163	121
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding	115	163	121
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	173	173	173
- to replace existing assets	354	387	387
Increase (decrease) in reserves	(142)	(176)	(188)
Increase (decrease) in investments			
Total applications of capital funding	385	384	372
Surplus (deficit) of capital funding	(270)	(221)	(251)
Funding balance	0	0	0
Note: Depreciation expense not included above	245	245	245

Stormwater Drainage – Prospective Capital Works

For the year ending 30 June 2015

Category	Designated projects for 2014/15	2013/14	2014/15	2014/15
		Annual Plan	Long-term Plan	Annual Plan
		(\$000)	(\$000)	(\$000)
RENEWALS				
Marton	Reticulation	253	259	259
Taihape	Reticulation	31	42	41
Rural	Reticulation	30	38	38
Bulls	Reticulation	15	23	23
Mangaweka	Reticulation	8	8	8
Hunternville	Reticulation	11	11	11
Ratana	Reticulation	6	6	6
Total renewals		354	387	386
CAPITAL				
Marton	Culverts, drains and inlet protection	31	30	30
Taihape	Culverts, drains and inlet protection	40	38	38
Rural	Culverts, drains and inlet protection	49	57	57
Bulls	Culverts, drains and inlet protection	9	9	9
Mangaweka	Culverts, drains and inlet protection	10	10	10
Hunternville	Culverts, drains and inlet protection	17	20	20
Ratana	Culverts, drains and inlet protection	17	9	9
Total Capital		173	173	173

Community and Leisure Assets

Scope and Objectives

This group of activities is where Council acts primarily as a provider of facilities for community and individual activity. In some cases (e.g. swimming pools, libraries and community housing), the provision of facilities is augmented by the provision of a service at the facility. More detail is provided in pp.88-93 on the 2012-2022 Long Term Plan.

What we plan to do this year

- 1 Work with the community to develop and consult upon detailed implementation plans and budgets for a regional sports development plan.
- 2 Progress Urban Parks and Reserve Management Planning, including
 - Implementation of agreed Bulls Domain management plan¹⁵;
 - Alternative access, use of buildings, upgrading playground facilities, developing paths/trails and provision of permanent power on Wilson Park, Marton;
 - Liaison with Clubs Taihape over the projected community leisure hub on Taihape Memorial Park¹⁶.
- 3 Wholesale review of information technology needs of the community taking into account APNK¹⁷, Marton and surrounds ICT Hub and new e-services (e.g. e-books, Kete).
- 4 Implementation of agreed earthquake-strengthening and undertaking further evaluations in response to government requirements (when announced).
- 5 Exterior maintenance and painting of the gaol on the old Bulls courthouse site.
- 6 Upgrade internal shower/ablution block at the Koitiata campground.
- 7 Install off-road parking bay at Gumboot Park (Mataroa Road, Taihape) and upgrade the two footbridges there.
- 8 Research alternative management arrangements for community housing.
- 9 Develop proposals (including asset management plans) for consultation on wider provision of this activity for inclusion in the draft 2015/25 Long Term Plan.

¹⁵ Consultation on this draft management plan will start on 4 February 2014, so that it closes at the same date as for the draft Annual Plan: section 41(6)(a) specifies a minimum of two months consultation for management plans proposed under that Act.

¹⁶ At its meeting on 26 November 2013, Council committed to a draft deed of lease for the site proposed by Clubs Taihape provided that the proposed development is fully funded, and an independently reviewed financial business plan is provided, with a building commencement date within two years [i.e. 26 November 2015] at minimal cost to the ratepayer.

¹⁷ Aotearoa People's Network Kaharoa, a subsidised programme of computers and Internet access through the National Library of New Zealand.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2014/15
Provide a “good enough” range of “good enough” community and leisure assets at an appropriate proximity to centres of population	<p>“Report card” produced during April/May 2012 of perceptions of the provision and maintenance of Council’s: community and leisure assets:</p> <p>Public libraries¹⁸;</p> <p>Public swimming pools¹⁹;</p> <p>Sports fields and parks²⁰;</p> <p>Public toilets²¹;</p> <p>Community buildings²²; and</p> <p>Community housing²³.</p>	A greater proportion (than in the previous year) of the sample believes that Council’s service is getting better.

Variations from the Long Term Plan

The increase in rates of \$483,000 is required to fund additional expenditure proposed of approximately the same amount. As in 2013/14, the additional expenditure is made up of a number of different items over a wide range of activities. Increased insurance costs have affected community housing, public toilets, halls, and parks and reserves. Increased depreciation (to cover the cost of renewals, or major repairs) is evident in community housing and public toilets. While this depreciation is not funded in total, the additional expense must nevertheless be shown (although it does not require a commensurate level of rates revenue). Additional contractor day works costs are also predicted in parks and reserves and community housing: no provision for these was made in the 2012/22 Long Term Plan.²⁴ Changing the operation of the Marton Swim Centre to a private contractor has added costs (although in subsequent years this may reduce as the profit-sharing provisions in the contract take effect), as has the change in relocating the High Street public toilets in Bulls to leased premises.

There has been a decrease in reserves of \$237,000 which is \$185,000 greater than projected in the 2012/22 Long Term Plan. This is due to increased funding being taken from depreciation reserves to cover increased renewals expenditure.

The proposed capital programme varies from the 2012/22 Long Term Plan for Parks and reserves as follows:

Council envisages contributing \$40,000 to the cost of upgrading the Centennial Park Pavilion (Marton), with the balance of funding required (\$110,000) coming from external sources. It also proposes to provide a car park alongside the Taihape Pool (estimated at \$31,765), to

¹⁸ 22% believed it was better than last year, 55% about the same, 1% worse than last year (22% didn’t know).

¹⁹ 13% believed it was better than last year, 35% about the same, 5% worse than last year (47% didn’t know).

²⁰ 10% believed it was better than last year, 67% about the same, 8% worse than last year (15% didn’t know).

²¹ 8% believed it was better than last year, 69% about the same, 11% worse than last year (13% didn’t know).

²² 5% believed it was better than last year, 75% about the same, 5% worse than last year (14% didn’t know).

²³ 2% believed it is better than last year, 26% about the same, 3% worse than last year (70% don’t know).

²⁴ Day works generally arise from requests for service. Examples are removing glass and bottles from roads and blocking off entrances to parks at the request of the Police.

improve the facilities (including permanent electricity supply and the playground) at Wilson Park (Marton) (\$25,000) and to upgrade the shower/ablution block at the Koitiata campground (\$10,000).

An off-road parking bay will be installed at Gumboot Park (Mataroa Road, Taihape) (\$30,000)

The demolition of the Conference Centre at Tui Street, Taihape, projected in the 2012/22 for 2012/13 remains deferred because of the cost (\$50,000). Alternative use/management (and possibly ownership) of this facility will be explored, including sale by public tender.

The exterior maintenance and painting of the gaol on the old Bulls Courthouse site was not included in the 2012/22 Long Term Plan. The projected cost (up to \$28,000) will be fully funded by the reserves held for that purpose, so there will be no impact on rates.

Community and Leisure Assets – Prospective Funding Impact Statement

For the year ending 30 June 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	2,080	1,882	2,470
Targeted rates	764	821	715
Subsidies and grants for operating purposes	32	30	32
Fees and charges	437	421	449
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	3,313	3,154	3,666
Applications of operating funding			
Payment to staff and suppliers	2,554	2,163	2,678
Finance costs	3	28	46
Internal charges and overheads applied	351	522	442
Other operating funding applications			
Total applications of operating funding	2,908	2,713	3,166
Surplus (deficit) of operating funding	405	441	500
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	735	(40)	16
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding	735	(40)	16
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	159	136	218
- to replace existing assets	375	317	535
Increase (decrease) in reserves	606	(52)	(237)
Increase (decrease) in investments			
Total applications of capital funding	1,140	401	516
Surplus (deficit) of capital funding	(405)	(441)	(500)
Funding balance	0	0	(0)
Note: Depreciation expense not included above	787	735	797

Community and Leisure Assets – Prospective Capital Works

For the year ending 30 June 2015

Category	Designated projects for 2014/15	2013/14	2014/15	2014/15
		Annual Plan	Long-term Plan	Annual Plan
		(\$000)	(\$000)	(\$000)
RENEWALS				
Swimming pools	Building and plant	88	57	97
Libraries	Books, furniture and computers	166	132	132
Community housing	Flat refurbishment	48	25	25
Cemeteries	Berms and furniture	5	8	15
Parks and reserves	Landscaping, playgrounds and Bulls Courthouse	25	14	185
Toilets		0	0	0
Halls	Refurbishment	43	81	81
Total renewals		375	317	535
CAPITAL				
Swimming pools	Carpark Taihape	150	32	102
Libraries		0	0	0
Community housing		0	0	0
Cemeteries	Berms	9	4	16
Parks and reserves	Mangaweka campground sewerage disposal	0	100	100
Toilets		0	0	0
Halls		0	0	0
Total Capital		159	136	218

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.94-96 of the 2012-2022 LTP. 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. 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 also contracts out the collection of rubbish from public litter bins.

What we plan to do this year

- 1 Continue providing a glass recycling facility at Council's waste transfer stations.
- 2 Consider ways of getting a cost-effective arrangement for paper and cardboard recycling in Taihape.
- 3 Develop proposals (including activity/asset management plans) for inclusion in the draft 2015/25 Long Term Plan.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2014/15
Make recycling facilities available at waste transfer stations for glass, paper, metal, plastics and textiles. Special occasions for electronics (e-waste). Extend recycling facilities to include green/biodegradable waste facility at Taihape, Bulls and Marton waste transfer stations.	Waste to landfill (tonnage) ²⁵ .	4,900 tonnes to landfill.
	Waste diverted from landfill (tonnage and (percentage of total waste) ²⁶ .	Percentage of waste diverted from landfill 13%.

Variations from the Long Term Plan

The 2012/22 Long Term Plan envisaged the introduction of local recycling centres in Bulls, Marton and Taihape. It is not intended to progress this proposal. Local recycling centres are very high maintenance and so very expensive with little real gains. Other councils have tried them and removed them for precisely those reasons. In particular, glass recycling needs to be supervised or

²⁵ Calibrated records maintained at Bonny Glen landfill.

²⁶ Records maintained at waste transfer stations.

irreversible contamination results. Council considers that the better option is to continue with the upgrading of the services provided by the present waste transfer stations (and to keep them all operating). Upgraded services include green waste acceptance where sites allow this and e-waste acceptance.

The 2012/22 Long Term Plan also envisaged clean fill recycling being provided at the Taihape and Marton Waste Transfer Stations. Council does not intend to progress this proposal. There does not appear to be much demand for this; it will require a consent from Horizons Regional Council, and it was eighth out of nine priorities agreed by Council when adopting the Waste Management and Minimisation Plan in 2012.

In adopting the Waste Management and Minimisation Plan, Council agreed its waste minimisation priorities were the education programme, recycling glass, scrap metal and plastics at all waste transfer stations, provision of green recycling, recycling drop-off points in Marton and Hunterville (and subsequently at other towns in the District), paper and cardboard recycling at the Taihape waste transfer station, additional 'fly-tipping' collection and disposal, provision of clean-fill recycling and the national e-day collection. The deferral of local recycling centres enables the implementation of paper and cardboard recycling at Taihape and e-waste (prompted by the digital switch-over and the need to deal with old TVs).

The anticipated reduced costs for staff and suppliers represent the new contractual arrangement entered into by Council in 2013 for managing the waste transfer stations. This contract will run to 30 November 2019.

Rubbish and Recycling – Prospective Funding Impact Statement

For the year ending 30 June 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	116	116	108
Targeted rates	337	556	435
Subsidies and grants for operating purposes	46	48	48
Fees and charges	388	442	359
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	887	1,162	950
Applications of operating funding			
Payment to staff and suppliers	963	1,059	974
Finance costs	(18)	7	(58)
Internal charges and overheads applied	80	126	104
Other operating funding applications			
Total applications of operating funding	1,025	1,192	1,020
Surplus (deficit) of operating funding	(138)	(30)	(70)
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	(2)	210	(1)
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding	(2)	210	(1)
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	0	220	220
- to replace existing assets	6	3	3
Increase (decrease) in reserves	(146)	(43)	(294)
Increase (decrease) in investments			
Total applications of capital funding	(140)	180	(71)
Surplus (deficit) of capital funding	138	30	70
Funding balance	0	0	(0)
Note: Depreciation expense not included above	32	33	33

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, the District Plan, consent processes and a range of other regulatory functions – environmental health, liquor licensing, noise control, hazardous substances, illegal tipping/dumping, Land Information Memoranda, nuisance, vermin, communicable diseases etc. More detail is provided in pp.97-99 of the 2012-2022 Long Term Plan.

What we plan to do this year

- 1 Give effect to the reviewed District Plan and monitor any issues potentially resolved through a Council-initiated plan change.
- 2 Review Council's earthquake-prone building policy (and its implementation) in the light of government's decisions and regulations (yet to be announced).
- 3 Prepare for building accreditation renewal review (August-October 2014).
- 4 Give effect to provisions of the Sale and Supply of Alcohol Act 2012.
- 5 Give effect to provisions of the Food Bill when enacted.
- 6 Develop proposals (including activity management plans) for inclusion in the draft 2015/25 Long Term Plan.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2014/15
Provide a legally compliant service	Timeliness of processing the paperwork (building control, consent processes, licence applications) ²⁷ .	At least 92% of the processing of documentation for each of Council's regulatory and enforcement services is completed within the prescribed times.
	Possession of relevant authorisations from central government ²⁸ .	Accreditation as a building consent authority 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 2013/14.

Variations from the Long Term Plan

Increases in revenue are due to (a) the delay in implementing the new building control legislation resulting in another year of full consent fees being expected and (b) increased revenue in dog control due to recoveries for shared services being credited to this activity rather than the overhead activity which was incorrect in the Long Term Plan. Because of these two items, it has been possible to

²⁷ This includes any prescribed monitoring, such as of resource consents.

²⁸ Excluding general authorisation through legislation where no further formal accreditation is specified.

reduce rates and partially reduce brought forward deficits in operational accounts which are the reason for the changes in movement in reserves.

The liquor licensing regime (and associated fee structure) introduced on 18 December 2013 by the Sale and Supply of Alcohol Act 2012 is not expected to alter Council's net position. However, expenditure and revenue in this activity will both increase.

Environmental and Regulatory Services – Prospective Funding Impact Statement

For the year ending 30 June 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	916	979	863
Targeted rates			
Subsidies and grants for operating purposes			
Fees and charges	767	411	808
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts	10		11
Total operating funding	1,693	1,390	1,682
Applications of operating funding			
Payment to staff and suppliers	1,125	858	1,061
Finance costs	32		27
Internal charges and overheads applied	395	530	500
Other operating funding applications			
Total applications of operating funding	1,552	1,388	1,588
Surplus (deficit) of operating funding	141	2	94
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt			
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding	0	0	0
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	0	0	0
- to replace existing assets			
Increase (decrease) in reserves	141	2	94
Increase (decrease) in investments			
Total applications of capital funding	141	2	94
Surplus (deficit) of capital funding	(141)	(2)	(94)
Funding balance	0	0	0
Note: Depreciation expense not included above	3	3	3

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. It covers economic development and District promotion, including the information centres and support for town coordinators in Bulls, Taihape and Marton, emergency management and rural fire.

The Path to Well-being initiative began with a one-day conference in Taihape in 2010. Six theme groups, aligned to Council's community outcomes, have been established with many agencies participating to bring maximum cohesion to their work in the Rangitikei. Of particular note are the working relationships underpinned by memoranda of understanding with Rangitikei Tourism, Taihape Community Development Trust, Project Marton, Bulls and District Community Development Trust and the Otaihape Māori Komiti. These memoranda define how these organisations contribute to Council's outcomes, and funding is allocated accordingly.

This group also provides for Council's economic development initiatives. The most significant of these is the Strategic Water Assessment project, funded 50% by the Irrigation Acceleration Fund (administered by the Ministry for Primary Industries), to examine the potential for better use of the District's water resources – both above and below ground – particularly in terms of increased (but sustainable) agricultural productivity. This project started in 2013/14. Council's funding commitment is \$50,000 in each of 2013/14 and 2014/15.

Emergency management and rural fire services are provided through a service contract with Horizons Regional Council.

More detail is provided in pp.100-102 of the 2012-2022 Long Term Plan.

What we plan to do this year

- 1 Strategic Water Assessment – further investigations as a result of stage one.
- 2 Work with the Bulls community to implement the town centre plan for Bulls (including the investigation of a one-stop shop for Council services) finalised alongside this draft Annual Plan.
- 3 Support facilitated town centre planning processes in Taihape, Marton and Hunterville.
- 4 Review Council's role as a catalyst for economic development.
- 5 Facilitation of Path to Well-being theme groups.
- 6 Delivery of work programme through Memoranda of Understanding, including:
 - existing community partnerships with town co-ordinators and Rangitikei Tourism;
 - replacement programme for the Māori community partnership prototype, with Otaihape Māori Komiti;
 - long-term partnership with funding agencies which enables local services to the community (especially youth) to be strengthened.
- 7 Review options for full use of the site purchased in Kensington Road, Marton as a transport hub, with the objective that it is completely sold.

- 8 Assist Rangitikei Environmental Group with administration and/or roadside spraying (as part of its Old Man’s Beard/Biodiversity project).
- 9 Develop proposals (including activity management plans) for inclusion in the draft 2015/25 Long Term Plan.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2014/15
Provide opportunities to be actively involved in partnerships that provide community and ratepayer wins.	Partners’ view of how useful Council’s initiatives and support has been (annual survey) ²⁹	A greater proportion (than in the benchmark ³⁰) of the sample believes that Council’s service is getting better.

Variations from the Long Term Plan

The increase in rates required (\$199,000) reflects additional projects approved in consideration of submissions (including the facilitated town centre planning processes in Taihape, Marton and Hunterville) and the transfer of funding for improved broadband coverage

The investigatory work being undertaken through the Strategic Water Assessment (noted above) was not envisaged in the 2012/22 Long Term Plan, because the scope of the Government’s Irrigation Acceleration Fund and its potential application for the Rangitikei only became evident after that Plan was adopted.

²⁹ Groups which are targeted for consultation:

- Participants in Path to Well-being Theme Groups
- Community group database,
- Public sector agency database,
- Business sector database

³⁰ A “report card” produced in April/May 2012 established the benchmark of perceptions of how useful Council’s initiatives and support have been: 37% believed it was better than last year, 23% about the same, 8% worse than last year (32% didn’t know).

Community Well-being – Prospective Funding Impact Statement

For the year ending 30 June 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	838	919	1,048
Targeted rates			
Subsidies and grants for operating purposes	90	91	89
Fees and charges	30	31	81
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	958	1,041	1,218
Applications of operating funding			
Payment to staff and suppliers	872	807	1,079
Finance costs	1	2	6
Internal charges and overheads applied	176	252	178
Other operating funding applications			
Total applications of operating funding	1,049	1,061	1,263
Surplus (deficit) of operating funding	(91)	(20)	(45)
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	61	(24)	(17)
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding	61	(24)	(17)
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service			
- to replace existing assets	68	0	0
Increase (decrease) in reserves	(98)	(44)	(62)
Increase (decrease) in investments			
Total applications of capital funding	(30)	(44)	(62)
Surplus (deficit) of capital funding	91	20	45
Funding balance	0	0	(0)
Note: Depreciation expense not included above	33	33	16

TAIHAPE BOROUGH COUNCIL.										RATE BOOK 1906 - 1907.															
A GENERAL RATE of One penny half penny in the Pound made under the provisions of "The Rating Act, 1894,"										and "The Municipal Corporations' Act, 1900," by the Taihape Borough Council, on the 19th day of August 1906, and ending on the 31st day of August 1907.															
day of August 1906, for the period commencing on the 1st day of September 1906										day of August 1906, and ending on the 31st day of August 1907.															
DESCRIPTION AND SITUATION OF PROPERTY.										GENERAL RATE		SPECIAL RATE		SPECIAL RATE		Total		Amount Paid		Date of Payment		By whom paid		Remarks	
No. in Roll	Occupier	Class	Description	District	Block	Section	Ratable Value	1/2d. in the Pound	Amount paid	1/2d. in the Pound	Amount paid	1/2d. in the Pound	Amount paid	Total	Amount Paid	Amount	Date of Payment	By whom paid	Remarks						
1366	Caroly Allen (Mrs)	Crown	Residential area	Waikato Suburban	# 27		416 0 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	8 48 0	8 48 0		1906/07	W. Bennett							
1367	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		635 0 0	3 19 0	3 19 0	3 19 0	3 19 0	3 19 0	3 19 0	12 76 0	12 76 0		1906/07	W. Bennett							
1368	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		129 0 0	1 8 0	1 8 0	1 8 0	1 8 0	1 8 0	1 8 0	7 2 0	7 2 0		1906/07	W. Bennett	Including 1/2d. rate						
1369	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		75 0 0	4 2 0	4 2 0	4 2 0	4 2 0	4 2 0	4 2 0	16 8 0	16 8 0		1906/07	W. Bennett							
1370	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		62 0 0	7 9 0	7 9 0	7 9 0	7 9 0	7 9 0	7 9 0	31 6 0	31 6 0		1906/07	W. Bennett							
1371	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		265 0 0	1 13 0	1 13 0	1 13 0	1 13 0	1 13 0	1 13 0	4 51 0	4 51 0		1906/07	W. Bennett	Including 1/2d. rate						
1372	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		150 0 0	1 8 0	1 8 0	1 8 0	1 8 0	1 8 0	1 8 0	7 2 0	7 2 0		1906/07	W. Bennett							
1373	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		196 0 0	1 10 0	1 10 0	1 10 0	1 10 0	1 10 0	1 10 0	7 84 0	7 84 0		1906/07	W. Bennett							
1374	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		237 0 0	1 14 0	1 14 0	1 14 0	1 14 0	1 14 0	1 14 0	9 48 0	9 48 0		1906/07	W. Bennett							
1375	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		575 0 0	3 11 0	3 11 0	3 11 0	3 11 0	3 11 0	3 11 0	12 15 0	12 15 0		1906/07	W. Bennett							
1376	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		132 0 0	1 6 0	1 6 0	1 6 0	1 6 0	1 6 0	1 6 0	6 7 0	6 7 0		1906/07	W. Bennett							
1377	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		430 0 0	2 3 0	2 3 0	2 3 0	2 3 0	2 3 0	2 3 0	9 4 0	9 4 0		1906/07	W. Bennett							
1378	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		1139 0 0	7 2 0	7 2 0	7 2 0	7 2 0	7 2 0	7 2 0	28 18 0	28 18 0		1906/07	W. Bennett							
1379	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		239 0 0	1 9 0	1 9 0	1 9 0	1 9 0	1 9 0	1 9 0	8 54 0	8 54 0		1906/07	W. Bennett							
1380	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		196 0 0	1 10 0	1 10 0	1 10 0	1 10 0	1 10 0	1 10 0	8 48 0	8 48 0		1906/07	W. Bennett							
1381	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		75 0 0	4 2 0	4 2 0	4 2 0	4 2 0	4 2 0	4 2 0	16 8 0	16 8 0		1906/07	W. Bennett							
1382	Caroly Allen (Mrs)	Crown	Residential	Waikato Suburban	#		193 0 0	1 11 0	1 11 0	1 11 0	1 11 0	1 11 0	1 11 0	8 48 0	8 48 0		1906/07	W. Bennett							

Taihape Borough Council Rate Book, 1906-07

RDC 00039/1/1: an item within the Rangitikei District Council's archives held In Archives Central, a regional archives facility operated by MW LASS



Rangitikei District Council

Prospective Financial Statements

Annual Plan 2014-2015

Prospective Financial Statements

The Council's Annual Plan covers the period 1 July 2014 to 30 June 2015. The Plan includes both operating and capital expenditure and 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 2014/15 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 29 May 2014. 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. It is intended that the prospective financial statements are updated annually as part of the annual plan/long-term plan process.

Local Government (Financial Reporting and Prudence) Regulations 2014

Subsequent to the notification of the draft Annual Plan for public consultation, a new set of reporting regulations was issued by the government, together with new requirements relating to prudence by local authorities. The Regulations are dated 17 March 2014.

The section on prudence does not become effective until the annual report for the year ending 30 June 2014 but some of the provisions relating to financial reporting needed to be incorporated in this annual plan for the 2014/15 year.

Of those not already included in the draft Annual Plan, the changes are relatively minor and consist of:

- a) In the funding impact statements, targeted rates for water supplied by meter have been taken out of fees and charges, and included in the line for targeted rates.
- b) In the funding impact statements, an additional line under sources of capital funding designated "other dedicated capital funding" has been included.
- c) In the prospective statement of financial position, the amount of Council's investments in council-controlled organisations and in entities listed in section 6(4) of the Local Government Act 2002 have been shown separately.

In the Local Government (Financial Reporting) Regulations 2011, a prescribed format for funding impact statements, for groups of activities in annual plans, was included. The new regulations have no such prescribed format as the Local Government Act 2002 does not specify a requirement to include such statements in an annual plan, although they are required in an annual report and long-term plan, albeit in a slightly different format. However, as the draft Annual Plan which was notified for public consultation did include funding impact statements for groups of activities, they have been retained in this final adopted Annual Plan for the 2014/15 financial year.

Prospective Statement of Comprehensive Revenue and Expense

For the year ending 30 June 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Revenue			
Rates other than targeted rates for water	18,237	19,917	18,665
Targeted rates for water	993	1,457	1,038
Finance revenue	274	326	194
Subsidies and grants	7,843	6,982	8,198
Other revenue	2,268	1,971	2,464
Total operating revenue	29,615	30,653	30,559
Expenditure			
Depreciation and amortisation expense	9,718	9,819	10,145
Personnel costs	2,578	2,528	2,481
Finance costs	659	1,227	615
Other expenses	15,767	16,045	16,024
Total operating expenditure	28,722	29,619	29,265
Operating surplus (deficit) before tax	893	1,034	1,294
Income tax expense	0	0	0
Net surplus (deficit) after tax	893	1,034	1,294
Other comprehensive revenue and expenses			
Gain on revaluation of infrastructural assets	15,172	0	0
Gain on revaluation of land and buildings	558	0	0
Total other comprehensive revenue and expenses	15,730	0	0
Total comprehensive revenue and expenses	16,623	1,034	1,294

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 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Balance as at 1 July	481,055	498,372	499,559
Total comprehensive income previously reported	16,623	1,034	1,294
Balance as at 30 June	497,678	499,406	500,853

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

Prospective Statement of Financial Position

For the year ending 30 June 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Assets			
CURRENT ASSETS			
Cash and cash equivalents	4,505	2,162	4,007
Debtors and other receivables	2,266	3,020	3,278
Prepayments	27	20	20
Other financial assets	418	5	0
Total current assets	7,216	5,207	7,305
NON-CURRENT ASSETS			
Plant, property and equipment	506,560	511,273	507,460
Intangible assets	145	235	411
Forestry assets	199	268	221
Other financial assets			
Corporate Bonds	3,559	5,162	3,635
Investments in CCOs and other similar entities	38	38	29
Total non-current assets	510,501	516,976	511,756
Total assets	517,717	522,183	519,061
Liabilities			
Current liabilities			
Creditors and other payables	3,847	4,500	3,736
Employee entitlements	228	200	203
Income in advance	303	440	353
Borrowings	1,499	1,521	1,377
Total current liabilities	5,877	6,661	5,669
Non-current liabilities			
Employee entitlements	7	10	9
Provisions	417	464	494
Borrowings	13,738	15,642	12,036
Total non-current liabilities	14,162	16,116	12,539
Total liabilities	20,039	22,777	18,208
Net assets	497,678	499,406	500,853
Equity			
Accumulated comprehensive revenue and expense	459,497	461,205	462,592
Asset revaluation reserves	33,553	33,554	33,299
Special and restricted reserves	4,628	4,647	4,962
Total equity	497,678	499,406	500,853

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

Prospective Statement of Cash Flows

For the year ending 30 June 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Cash flows from operating activities			
Receipts from rates revenue	18,238	19,918	18,665
Receipts from other revenue	11,101	10,410	11,683
Interest received	274	326	194
Dividends received	3	0	0
Payments for suppliers and employees	(18,345)	(18,573)	(18,505)
Interest paid	(659)	(1,227)	(615)
Net cash inflow (outflow) from operating activities	10,612	10,854	11,423
Cash flows from investing activities			
Receipts from sale of property, plant and equipment	0	0	0
Receipts from sale of investments	0	0	0
Acquisition of investments	0	0	0
Purchases of property, plant and equipment	(17,901)	(13,472)	(19,601)
Purchases of intangible assets	0	0	0
Net cash inflow (outflow) from investing activities	(17,901)	(13,472)	(19,601)
Cash flows from financing activities			
Proceeds from borrowings	8,724	4,479	8,415
Repayment of borrowings	(1,386)	(1,387)	(1,082)
Net cash inflow (outflow) from financing activities	7,338	3,092	7,333
Net increase (decrease) in cash and cash equivalents	49	474	(845)
Cash and cash equivalents at the beginning of the year	4,456	1,688	4,852
Cash and cash equivalents at the end of the year	4,505	2,162	4,007

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

Notes – Reserves

		Balance 2014 (\$000)	Deposits (\$000)	With- drawals (\$000)	Balance 2015 (\$000)
Special and restricted reserves (* denotes restricted reserves)					
Name of reserve and (activity)	Purpose				
Aquatic (Swimming pools)	Replacement of swimming pools	75	75	0	150
Bulls courthouse* (Property)	Maintenance of courthouse building	30	2	30	1
Flood damage (Roading)	Road maintenance due to flooding	1,100	100	0	1,200
General purpose	Capital works	2,402	0	0	2,402
Haylock park* (Parks)	Additional reserve area at park	25	2	0	27
Huntermville rural water (Water)	Future loop line	164	11	0	175
Keep Taihape beautiful* (Property)	Enhancement of Taihape	21	0	0	21
Marton land subdivision* (Parks)	Improvements to recreational land	351	23	0	374
Marton marae* (Property)	Marton Marae project	4	0	0	4
McIntyre recreation* (Parks)	Maintenance or upgrades of park	22	1	0	24
Putorino rural water (Water)	Maintenance of scheme dam	16	1	0	18
Ratana sewer (Sewerage)	Capital works	21	1	0	22
Revoked reserve land (Parks)	Offset costs of other revoked land and buildings	238	0	0	238
Rural housing loan (Property)	No longer required	150	0	0	150
Rural land subdivision* (Parks)	Improvements to reserves land	169	11	100	80
Santoft domain* (Parks)	Maintenance or upgrades of park	72	5	0	77
Total special and restricted reserves		4,860	232	130	4,962
			Balance 2014 (\$000)	Revalu- ations (\$000)	Balance 2015 (\$000)
Asset revaluation reserves					
Land			3,431	0	3,431
Buildings			5,035	0	5,035
Sewerage systems			1,351	0	1,351
Water supplies			7,223	0	7,223
Stormwater network			2,696	0	2,696
Roading network			13,263	0	13,263
Solid waste			29	0	29
			33,028	0	33,028
Fair value through equity			271	0	271
Total asset revaluation reserves			33,299	0	33,299

Reconciliation of Funding Impact Statement to Comprehensive Revenue and Expenses Statement

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Total operating revenue from funding impact statement	24,607	26,390	25,196
Total revenue from comprehensive revenue and expenses statement	29,615	30,653	30,559
Variance	5,008	4,263	5,363
Reconciling item			
Subsidies and grants for capital expenditure	5,008	4,263	5,363
Total operating expenditure from funding impact statement	19,004	19,800	19,120
Total operating expenditure from comprehensive revenue and expenses statement	28,722	29,619	29,265
Variance	9,718	9,819	10,145
Reconciling item			
Depreciation	9,718	9,819	10,145
Rates			
General rate	2,279	1,139	2,400
Uniform annual general charge	2,991	2,830	3,204
Targeted rates			
Roading	6,101	7,033	6,271
Library	764	821	715
Solid waste	337	557	435
Sewerage	2,191	2,922	1,908
Water	2,811	3,728	3,005
Storm water	712	839	674
Community	51	48	53
Total rates	18,237	19,917	18,665
Classification of property, plant and equipment			
	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Water supply	46,518	45,731	45,020
Sewerage	26,138	24,956	26,665
Stormwater	11,257	10,929	11,003
Road and footpaths	403,449	402,141	402,879
Land, buildings, community facilities, plant and equipment	23,911	22,803	21,893
Total property, plant and equipment	511,273	506,560	507,460

Whole of Council – Prospective Funding Impact Statement

For the year ending 30 June 2015

	2013/14 Annual Plan (\$000)	2014/15 Long-term Plan (\$000)	2014/15 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	5,590	4,201	6,065
Targeted rates	13,960	17,472	14,098
Subsidies and grants for operating purposes	2,835	2,717	2,835
Fees and charges	1,822	1,553	1,872
Interest and dividends from investments	274	326	194
Local authorities fuel tax, fines, infringement fees, and other receipts	126	121	132
Total operating funding	24,607	26,390	25,196
Applications of operating funding			
Payment to staff and suppliers	18,345	18,573	18,505
Finance costs	659	1,227	615
Other operating funding applications			
Total applications of operating funding	19,004	19,800	19,120
Surplus (deficit) of operating funding	5,603	6,590	6,076
Sources of capital funding			
Subsidies and grants for capital expenditure	5,008	4,263	5,363
Development and financial contributions			
Increase (decrease) in debt	7,338	3,093	7,317
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding	12,346	7,356	12,680
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	6,846	3,439	8,763
- to replace existing assets	11,054	10,033	10,838
Increase (decrease) in reserves	49	474	(845)
Increase (decrease) in investments			
Total applications of capital funding	17,949	13,946	18,756
Surplus (deficit) of capital funding	(5,603)	(6,590)	(6,076)
Funding balance	0	0	0
Note: Depreciation expense not included above	9,718	9,819	10,145

Rate types

For the year ending 30 June 2015

Source of Funding	Categories of Land	Calculation Base	Rate or Charge (inc GST)	Funding Required (inc GST)
	NOTE:	<i>SUIP = separately used or inhabited part of a rating unit</i>		
General Rate <i>(funds activities listed on page 60)</i>	All rating units (excl Defence land)	Capital value	\$0.000803	\$2,751,241
	Defence land	Land value	\$0.001234	\$9,498
Uniform Annual General Charge <i>(funds activities listed on page 60)</i>	All rating units	Fixed amount per SUIP	\$486.45	\$3,684,955
Targeted Rates				
Community Services <i>(funds Taihape and Ratana Community Boards)</i>	Taihape (excl Defence land)	Capital value	\$0.000044	\$42,341
	Taihape (Defence land)	Land value	\$0.000064	\$17
	Ratana	Capital value	\$0.002190	\$18,495
Solid Waste Disposal <i>(funds Rubbish and Recycling)</i>	All rating units	Fixed amount per SUIP	\$66.12	\$500,589
Roading <i>(funds Roothing and Footpaths)</i>	All rating units (excl Defence land)	Capital value	\$0.002097	\$7,186,320
	Defence land	Land value	\$0.003223	\$24,810
Wastewater public good <i>(funds Sewerage)</i>	All rating units	Fixed amount per SUIP	\$52.65	\$398,537
Wastewater connected <i>(funds Sewerage)</i>	Connected rating units	Fixed amount per number of water closets and urinals in the rating unit	\$382.64	\$1,782,316
Ruru Road sewer extension loan repayment <i>(funds servicing loan to extend reticulation)</i>	Rating units situated on Ruru Road as shown on the map below. (Those rating units that have made a voluntary contribution are excluded from liability for this rate.)	Fixed amount per rating unit	\$2,579.22	\$12,896
Water public good <i>(funds water)</i>	All rating units	Fixed amount per SUIP	\$98.29	\$744,064
Water connected <i>(funds water)</i>	Marton, Taihape, Ratana schemes Residential	Fixed amount per SUIP	\$608.24	\$2,118,499
	Marton, Taihape, Ratana schemes Non-residential	Fixed amount per rating unit	\$608.24	
	Bulls, Mangaweka schemes Residential	Fixed amount per SUIP	\$486.59	\$470,534
	Bulls, Mangaweka Non-residential	Fixed amount per rating unit	\$486.59	
Water connected transitional ** <i>(funds water)</i>	Marton, Taihape, Ratana schemes Residential	Fixed amount per SUIP	\$33.77	\$117,634
	Marton, Taihape, Ratana schemes Non-residential	Fixed amount per rating unit	\$33.77	
Water by volume <i>(funds water)</i>	Marton, Taihape, Ratana, Bulls, Mangaweka schemes	Fixed amount per cu metre in excess of 250m3 per annum	\$1.65	\$225,255
	Bulls Riverlands	Fixed amount per cu metre in excess of 250m3 per annum	\$1.19	\$191,156
Hunterville urban <i>(funds water)</i>	Connected rating units	Fixed amount per cu metre	\$3.21	\$92,750

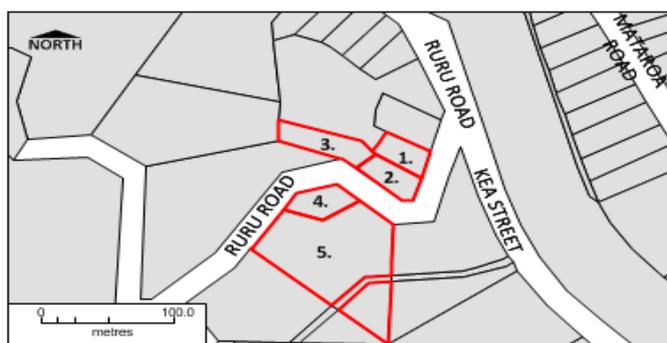
Hunterville rural (funds water)	Connected rating units	Fixed amount per unit or part unit***	\$264.90	\$464,106
Erewhon rural (funds water)	Connected rating units	Fixed amount per unit or part unit***	\$137.35	\$208,083
Omatane rural (funds water)	Connected rating units	Fixed amount per unit or part unit***	\$126.21	\$12,017
Putorino rural (funds water)	Connected rating units	Land value	\$0.000651	\$4,785
Stormwater public good (funds stormwater)	All rating units	Fixed amount per SUIP	\$18.59	\$140,723
Stormwater urban (funds stormwater)	Marton, Bulls, Taihape, Mangaweka, Ratana, Hunterville	Fixed amount per rating unit	\$154.42	\$633,886
Library (funds Library)	All rating units	Fixed amount per SUIP	\$108.85	\$822,586
Total Rates Required	(Inclusive of GST)			\$22,658,091
** Water Transitional				

The water supply (transitional) rate is to ease the burden on Bulls and Mangaweka connected properties on moving to a district-wide charging mechanism for urban water supplies in 2012/13. The Council's intention was for the rate to be transitional over a three year period, and 2014/2015 is the third, and final, of those three years.

***Fixed amount per unit or part unit

A unit of water is equivalent to 365m³.

Ruru Road sewer extension properties



1. Lot 2 DP 30250 (1353005902)
2. Lot 1 DP 7565 (1353006000)
3. Lot 1 DP 18021 (1353005901)
4. Lot 1 DP 16893 (1353006501)
5. Part Lot 4 DP 1707 (1353006500)

DEFINITIONS

Separately Used or Inhabited Part (SUIP)

Any part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. 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 to be treated as separately used.

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

With the exception of the Ruru Road sewer extension rate, the Council does not accept lump sum contributions in respect of any targeted rate.

Allocation of the Uniform Annual General Charge to Activities

For the year ending 30 June 2015

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

	Amount
Council	\$152.56
Council Committees	\$9.26
Elections	\$0.87
Swimming Pools	\$142.42
Public Toilets	\$42.90
Cemeteries	\$25.67
Parks and Reserves	\$96.31
Refuse (Litter) Collection	\$16.46
TOTAL	\$486.45

Allocation of General Rate to Activities

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

	Amount
Community Awards	\$0.03
Property	\$3.38
Building Inspection	\$9.61
District Planning	\$5.51
Dog Control	\$3.81
Health and General Inspection	\$0.60
Resource Consents	\$1.54
Stock Ranging	\$1.24
Information Centres	\$8.88
District Promotions	\$11.11
Civil Defence	\$2.63
Rural Fire	\$4.44
Halls	\$8.13
Stormwater	\$1.59
Urban Water	\$8.37
Rural Water	\$3.04
Wastewater	\$4.49
Computers and Vehicles	\$1.88
TOTAL	\$80.29

Examples of Impacts of Rating Proposals

For the year ending 30 June 2015

Location	Land Value	Capital Value	Proposed 2014/15	Actual 2013/14	Difference	Percentage
KOITIATA						
Koitiata	71,000	230,000	1,498	1,443	55	3.82%
Koitiata	71,000	144,000	1,249	1,201	48	3.98%
Koitiata	71,000	136,000	1,225	1,178	47	4.00%
Koitiata	71,000	104,000	1,133	1,088	44	4.08%
TAIHAPE COMMERCIAL						
Taihape	215,000	550,000	4,012	4,034	(22)	(0.55%)
Taihape	90,000	250,000	3,129	3,177	(48)	(1.51%)
Taihape	180,000	290,000	2,864	2,848	16	0.56%
Taihape	72,000	200,000	2,599	2,591	8	0.32%
Taihape	43,000	155,000	456	443	13	3.00%
Taihape	72,000	123,000	2,372	2,370	2	0.07%
Taihape	117,000	480,000	3,423	3,391	32	0.95%
TAIHAPE NON-COMMERCIAL						
Taihape	52,000	295,000	2,878	2,862	16	0.58%
Taihape	52,000	200,000	2,599	2,591	8	0.32%
Taihape	61,000	175,000	4,381	4,375	6	0.13%
Taihape	1,500	103,000	2,313	2,313	(0)	(0.00%)
Taihape	26,000	130,000	2,393	2,390	2	0.10%
Taihape	25,000	88,000	2,269	2,270	(1)	(0.06%)
Taihape	1,000	39,000	2,125	2,130	(6)	(0.26%)
Taihape	18,000	40,000	2,128	2,133	(5)	(0.25%)
HUNTERVILLE COMMERCIAL						
Hunternville	60,000	390,000	5,235	5,302	(67)	(1.27%)
Hunternville	65,000	335,000	3,487	3,674	(187)	(5.08%)
Hunternville	43,000	245,000	2,078	2,091	(13)	(0.60%)
Hunternville	40,000	51,000	1,516	1,545	(29)	(1.88%)
Hunternville	10,000	40,000	1,484	1,514	(30)	(1.98%)
HUNTERVILLE NON-COMMERCIAL						
Hunternville	95,000	270,000	2,151	2,162	(11)	(0.49%)
Hunternville	31,000	210,000	1,977	1,993	(16)	(0.78%)
Hunternville	21,000	114,000	1,699	1,722	(24)	(1.38%)
Hunternville	14,000	115,000	1,164	1,119	45	4.05%
Hunternville	16,000	87,000	1,620	1,646	(26)	(1.58%)
Hunternville	12,000	58,000	999	959	40	4.22%
MARTON COMMERCIAL						
Marion	88,000	465,000	5,722	5,940	(218)	(3.66%)
Marion	63,000	330,000	4,825	4,848	(23)	(0.47%)
Marion	40,000	185,000	2,546	2,540	7	0.27%
Marion	85,000	160,000	2,474	2,469	5	0.19%
Marion	54,000	160,000	3,307	3,308	(1)	(0.03%)
Marion	58,000	100,000	2,491	2,522	(31)	(1.22%)

MARTON INDUSTRIAL						
Marton	185,000	850,000	4,858	4,855	3	0.06%
Marton	80,000	1,475,000	8,009	8,166	(156)	(1.91%)
Marton	72,000	590,000	3,721	3,680	41	1.12%
MARTON NON-COMMERCIAL						
Marton	86,000	390,000	3,141	3,117	24	0.78%
Marton	100,000	420,000	3,228	3,201	27	0.84%
Marton	76,000	270,000	2,793	2,779	14	0.50%
Marton	60,000	220,000	2,648	2,638	10	0.37%
Marton	77,000	190,000	2,561	2,554	7	0.28%
Marton	38,000	140,000	2,033	1,970	64	3.23%
Marton	70,000	150,000	2,445	2,441	4	0.16%
Marton	60,000	140,000	2,416	2,413	3	0.12%
Marton	50,000	141,000	2,419	2,416	3	0.13%
Marton	50,000	100,000	2,300	2,300	(0)	(0.02%)
Marton	30,000	100,000	2,300	2,300	(0)	(0.02%)
Marton	22,000	83,000	2,251	2,253	(2)	(0.08%)
Marton	27,000	55,000	2,170	2,174	(4)	(0.19%)
BULLS COMMERCIAL						
Bulls	410,000	670,000	5,376	5,570	(194)	(3.49%)
Bulls	110,000	1,000,000	4,946	4,837	109	2.25%
Bulls	126,000	430,000	3,102	3,011	91	3.01%
Bulls	180,000	325,000	4,115	3,910	205	5.24%
Bulls	83,000	210,000	2,464	2,392	72	3.01%
Bulls	155,000	180,000	2,377	2,307	69	3.01%
BULLS NON-COMMERCIAL						
Bulls	95,000	625,000	12,168	11,748	420	3.58%
Bulls	97,000	250,000	2,580	2,504	75	3.01%
Bulls	67,000	200,000	2,435	2,363	71	3.01%
Bulls	63,000	155,000	2,304	2,237	67	3.01%
Bulls	53,000	150,000	2,290	2,223	67	3.01%
Bulls	46,000	150,000	2,290	2,223	67	3.01%
Bulls	56,000	123,000	2,211	2,147	65	3.01%
Bulls	63,000	80,000	2,087	2,026	61	3.01%
RATANA						
Ratana	12,000	136,000	2,702	2,683	19	0.71%
Ratana	12,000	72,000	2,376	2,371	6	0.25%
Ratana	12,000	63,000	2,331	2,327	4	0.17%
Ratana	12,000	52,000	2,275	2,273	2	0.08%
RURAL NORTH OVER \$1,000,000 CAPITAL VALUE						
Erewhon	7,350,000	8,700,000	28,936	28,046	889	3.17%
Erewhon	5,200,000	5,750,000	17,758	17,229	529	3.07%
Erewhon	3,925,000	4,775,000	15,719	15,238	481	3.16%
Erewhon	2,839,000	3,655,000	11,591	11,241	349	3.11%
Ruanui	1,450,000	2,075,000	7,770	7,521	249	3.32%
Awarua	1,250,000	1,650,000	6,519	6,306	213	3.38%
Te Kapua	820,000	1,125,000	4,143	4,011	132	3.30%
RURAL NORTH \$200,000 TO \$1,000,000 CAPITAL VALUE						
Erewhon	530,000	630,000	2,686	2,596	90	3.46%
Kiwitea	340,000	460,000	2,185	2,110	75	3.56%
Awarua	200,000	400,000	2,009	1,939	70	3.61%

Ohingaiti	29,000	265,000	1,611	1,553	58	3.76%
RURAL NORTH UNDER \$200,000 CAPITAL VALUE						
Awarua	15,000	215,000	1,464	1,410	54	3.83%
Ohingaiti	6,500	62,000	1,013	973	41	4.21%
MANGAWEKA						
Mangaweka	14,000	106,000	2,167	2,103	63	3.01%
Mangaweka	14,000	82,000	2,096	2,035	61	3.01%
Mangaweka	14,000	57,000	2,022	1,963	59	3.01%
Mangaweka	14,000	31,000	1,946	1,889	57	3.01%
RURAL SOUTH OVER \$800,000 CAPITAL VALUE						
Rangitoto	7,650,000	8,850,000	28,157	27,299	858	3.14%
Rangitoto	15,100,000	16,350,000	51,568	50,002	1,565	3.13%
Rangatira	8,780,000	12,260,000	39,707	38,489	1,218	3.17%
Rangatira	3,325,000	3,550,000	10,295	9,993	301	3.01%
Porewa	2,075,000	2,575,000	8,298	8,044	254	3.16%
Whangaehu	2,025,000	2,825,000	9,854	9,543	311	3.26%
Porewa	2,075,000	2,575,000	9,960	9,635	325	3.37%
Pukepapa	1,475,000	1,770,000	5,964	5,778	186	3.22%
Pukepapa	690,000	1,095,000	4,803	4,658	145	3.11%
Porewa	850,000	1,170,000	4,224	4,089	135	3.30%
RURAL SOUTH \$250,000 TO \$800,000 CAPITAL VALUE						
Porewa	230,000	600,000	2,571	2,484	87	3.48%
Pukepapa	108,000	375,000	2,560	2,468	92	3.73%
RURAL SOUTH UNDER \$250,000 CAPITAL VALUE						
Scotts Ferry	50,000	155,000	1,280	1,232	49	3.96%
Scotts Ferry	50,000	120,000	1,179	1,133	46	4.04%
Scotts Ferry	50,000	100,000	1,121	1,077	44	4.09%
Otakapu	23,000	131,000	1,211	1,164	47	4.01%
Otakapu	123,000	132,000	383	372	11	3.02%
Rangitoto	108,000	300,000	1,701	1,640	61	3.72%
RURAL LARGE DAIRY/PASTORAL						
Otairi	1,109,000	1,519,000	5,236	5,071	165	3.24%
Whangaehu	1,100,000	1,225,000	4,383	4,244	140	3.29%
Rangatira	2,300,000	3,835,000	12,783	12,386	397	3.20%
Rangatira	5,500	9,000	26	25	1	2.95%
Rangatira	1,950,000	2,500,000	8,081	7,833	248	3.16%
Porewa	1,120,000	1,960,000	6,515	6,313	202	3.20%
RURAL SOUTH INDUSTRIAL						
Porewa	275,000	4,825,000	15,465	14,995	470	3.13%
Rangitoto	270,000	2,600,000	8,371	8,114	256	3.16%

Statement of Accounting Policies

General Accounting Policies

Statement of Accounting Policies

Reporting Entity

The Rangitikei District Council is a territorial authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The primary objectives of the Council are to provide goods and services to the community for social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZIFRS).

These prospective financial statements of the Council are for the year ended 30 June 2015, and are authorised for issue by the Council on 29 May 2014. Actual financial results for the period covered are likely to vary from the information presented in this Plan, and the variations may be material.

Basis of Preparation

Statement of compliance

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

These financial statements have been prepared in accordance with NZ GAAP. They comply with the new PBE standards based on IPSAS, and other applicable financial reporting standards, as appropriate for public benefit entities.

The financial statements also comply with FRS-42.

Measurement base

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, forestry assets, and certain financial instruments.

Functional and presentation currency

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars.

Changes in accounting policies

Where necessary, accounting policies have been revised to align with the new PBE standards based on IPSAS which becomes effective from 1 July 2014.

Standards, amendments, and interpretations issued but not yet effective and have not been early adopted

There are no standards, amendments and interpretations issued that have not been adopted.

Significant Accounting Policies

Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Grants

Government grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants are recognised as income when the entitlement has been established by the grantor agency.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Assets vested in the Council are recognised as income when control over the asset is obtained.

Interest and dividends

Interest income is recognised using the effective interest method. Interest income 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.

Borrowing costs

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

Grants expenditure

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

Discretionary grants are those grants where 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.

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 income or directly in equity.

Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset whether or not title is eventually transferred. The Council does not currently have any finance leases.

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

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.

Debtors and other receivables

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

Impairment of a receivable 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 receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments, are considered indicators that the debt 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. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

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 income.

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 income

Financial assets at fair value through other comprehensive income 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 income, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive income 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 income

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 income, 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 income 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.

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, landfill post closure, library books, plant and equipment, and motor vehicles.

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, sewer reticulation 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.

Property, plant and equipment are shown at cost or valuation, 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 income 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 income 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 income.

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.

Property, plant and equipment are initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at 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.

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.....	5-61 years
Roof	5-15 years
Services.....	5-35 years
Internal fit out	5-15 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)	5-32 years
Pavement sealed (base course)	25-70 years
Pavement unsealed (base course)	5-25 years
Formation.....	Not depreciated
Culverts.....	50-100 years
Footpaths	20-80 years
Drainage facilities.....	80 years
Traffic facilities and miscellaneous items	5-10 years
Street lights	25-50 years
Bridges.....	50-100 years

Water

Pipes	40-100 years
Pump stations.....	4-120 years
Pipe fittings.....	80 years

Wastewater

Pipes	80-120 years
Manholes.....	100 years
Treatment plant	10-90 years

Stormwater

Pipes	50-100 years
Manholes, cesspits	100 years

Waste transfer stations	50 years
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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.

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 credits received from the New Zealand Government are recognised as a grant. Subsequent 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.

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

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation, and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment at each balance date. 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.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Council would, if deprived of the asset, replace its remaining service potential.

If events or changes in circumstances indicate the carrying value of operational buildings, plant and equipment and infrastructural assets may not be recoverable, then the carrying values are reviewed for impairment.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For re-valued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit

balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a re-valued amount, the total impairment is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive income and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

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.

Creditors and other payables

Short-term creditors and other 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. Borrowings where the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date are classified as current liabilities if the Council expects to settle the liability within 12 months of the balance date.

Employment entitlements

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.

No provision is made for sick leave because absences in the coming years are expected to exceed the annual entitlement of staff and calculations show any amounts involved are likely to be immaterial.

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 expense and is included in the surplus or deficit.

Landfill aftercare provision

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 funds;
- special reserve funds;
- restricted reserves;
- property revaluation reserves; and
- fair value through other comprehensive income 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 income reserves

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive income assets.

Goods and Services Tax

All items in the financial statement are exclusive of Goods and Services Tax (GST) except for receivables and payables, which are stated GST inclusive. 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.

Cost allocation

The cost of each significant activity has been derived 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, estimates and assumptions have been made 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 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 ending 30 June 2015. Rangitikei District Council owns a number of properties maintained primarily to provide community housing. These are not held as investments but to provide a service to the community. Therefore the properties are shown as part of Plant, Property and Equipment.

Change in Accounting Policies

These accounting policies are applied in a consistent manner except where the move to the new PBE standards based on IPSAS has occurred.

Statement of Prospective Financial Information

These prospective financial statements were authorised for issue by the Rangitikei District Council on 29 May 2014. 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 77) 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 period ending 30 June 2015 and it is prepared in accordance with the Act. Caution should be exercised in using these financial statements for any other purpose.

Significant Forecasting Assumptions

These forecasting assumptions are taken from the 2012/22 Long Term Plan. Changes made are the assumption around the structure of elected representation (since that was finalised for the 2013 elections) and in the interest rates to for 2013/14 and 2014/15.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
1. Government			
That the current Territorial Authority boundaries are unchanged 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.
Levels of Service 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.
That implementation of the Drinking Water Standards remains mandatory for the Council's water supply schemes (from July 2014 to July 2015, depending on their size).	The implementation dates for mandatory compliance are brought forward or Council does not achieve compliance with its six urban water supply schemes by the amended prescribed dates. 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.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
That the rules established under the Emissions Trading Scheme 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. The greatest financial liability would come from a decision not to replant.
That there will be increasingly rigorous standards for earthquake strengthening 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.	Medium	Strengthening the Marton Council offices and library building or demolishing them and relocating operations to other safer premises (or new ones) would present major costs. Possible sources of funds are government subsidies (if available), increased debt, or reprioritisation of major capital works.
Resource Consents 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 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.
NZTA subsidy levels (i.e. the Financial Assistance Rate or 'FAR' of 58% (for road resealing, road rehabilitation, drainage and general maintenance) and 68% (for the minor improvements and bridge replacement programmes) remain as at present and that the	NZTA will decrease the level of subsidy and alter the specification for subsidies. The consequence of this would be that the ratepayer contribution to roading costs may become greater than forecast – impacting on other services or increasing the overall rates requirement or requiring a reduction in the level of service for roading.	Low	NZTA commits to a three-year programme, so change is unlikely during that time. The change will be known in advance of preparing the 2015/25 Long Term Plan.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
specification will not change (including the current higher rates for emergency work).			
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.
2. Demographics			
<p>Population Change The population of the District will decline in accordance with Statistics NZ medium projection. This equates to a decline of 500 people every five years .</p>	<p>There is a possibility that the decline in population is substantially more than that projected by Statistics NZ. A smaller risk is that the District experiences a population increase over the ten-year period. This could mean over- or under-provision of facilities and services.</p> <p>A greater than expected population decline would increase pressure on remaining ratepayers.</p>	Low	<p>Previous projections from Statistics New Zealand have proved reasonably accurate for the Rangitikei.</p> <p>The 2013 Census results showed that the District's population declined by 693 people. However, this was unevenly spread – Taihape declined by 279 (15.5%), Bulls by 144 (8.7%) and Marton by 132 people (2.8%).</p>
<p>Ageing population 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.</p>	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, is reflected at the national level.
That the community's resilience 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	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 Community Well-being Group of Activities attempts to focus on some of the factors affecting

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
	base.		community resilience.
Numbers of households 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.
Skills Shortage 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.
3. Physical and natural environment			
Climate change 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 of prudent management.
Fuel prices will rise in line with BERL projections, 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.
Natural Disasters 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	That there will be a major natural disaster requiring significant additional unbudgeted expenditure and financing. The present high level of government subsidy for emergency roading works may be reduced. Council may not be able to	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.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
subsidies for emergency work on roads.	obtain (or afford) insurance sufficient cover for its infrastructure assets. Currently Council is part of a mutual insurance scheme with the local assurance protection programme for below ground assets.		
4. Financial environment			
Inflation The financial information is based on inflation figures from 2013/14 onwards using the BERL indices for inflation ³¹ .	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.
Interest on external borrowing is calculated at 5.15% for the first year, 5.70% for the second year, 6.75% for the third year, and 7.10% thereafter. Interest on Council's few remaining investments averages 6.3%.	That interest rates will change from those used (as provided by the Council's banker). 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.	Medium	The current economic conditions mean such predictions are somewhat unreliable.
Revaluation of assets for 2014, 2017 and 2020 are based on projections from BERL. 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).	That the BERL estimates are greater or less than the actual rates of inflation for those assets. That the rate of replanting and logging do not align.	Medium	BERL's estimates have been carefully researched – but they are made in an uncertain economic climate. Weather conditions may make alignment of replanting and logging difficult to achieve in some years.
Capital Works Contracts 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.

³¹ Figures used in this printed document have been calculated using the Forecasts of Price Level Change Adjustors produced by BERL in September 2011.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
That Council will be able to obtain collaboration contracts for roading 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.
Increases in prices for roading will align with the NZTA 4% inflation factor on a three yearly cycle.	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.
5. Council performance			
Levels of Service 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.
Liaison with Māori 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.	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.
Replacement of existing assets 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.
Useful lives of assets are described in the Statement of Accounting Policies and have been derived from accurate predictions contained in	That information about the condition of assets that informs their useful life may not be accurate. There will be insufficient (or excessive) provision of	Medium/ High	Asset data is incomplete, and the asset management plans need further improvement. The financial impact of this uncertainty is that: <ul style="list-style-type: none"> Major previously

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
the Asset Management Plans	depreciation.		<p>unknown faults are identified needing urgent attention;</p> <ul style="list-style-type: none"> • 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.
<p>Depreciation rates on planned asset acquisitions</p> <p>The average lifespan of assets has been used to calculate rates as stated in the note on depreciation in the Statement of Accounting Policies.</p>	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.
<p>Funding Sources for the future replacement of significant assets</p> <p>disclosed in the Revenue and Financing Policy are achievable.</p>	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 the 2012/22 LTP.
<p>Technology – 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.</p>	<p>Funding requirements for upgrades or migration to new systems may be greater than budget.</p> <p>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</p>	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.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
	implements technological change which is unsuccessful.		
<p>Shared Services Arrangements Rangitikei District Council will continue to seek shared services arrangements where the needs of the community are best served by such arrangements.</p>	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 be best served by such arrangements.	Low	These arrangements are typically flexible and have exit provisions.

End of document