

Mahere ā-tau Annual Plan 2020/21

Year 3 of the Long Term Plan 2018-2028



making this place home





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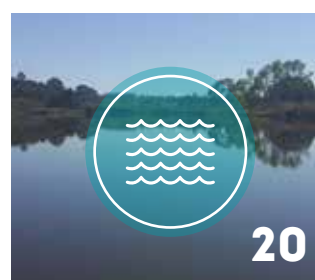
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Community Leadership



Roding and Footpaths



Water Supply



Sewerage and the Treatment and Disposal of Sewage



Stormwater Drainage



Community and Leisure Assets



Rubbish and Recycling



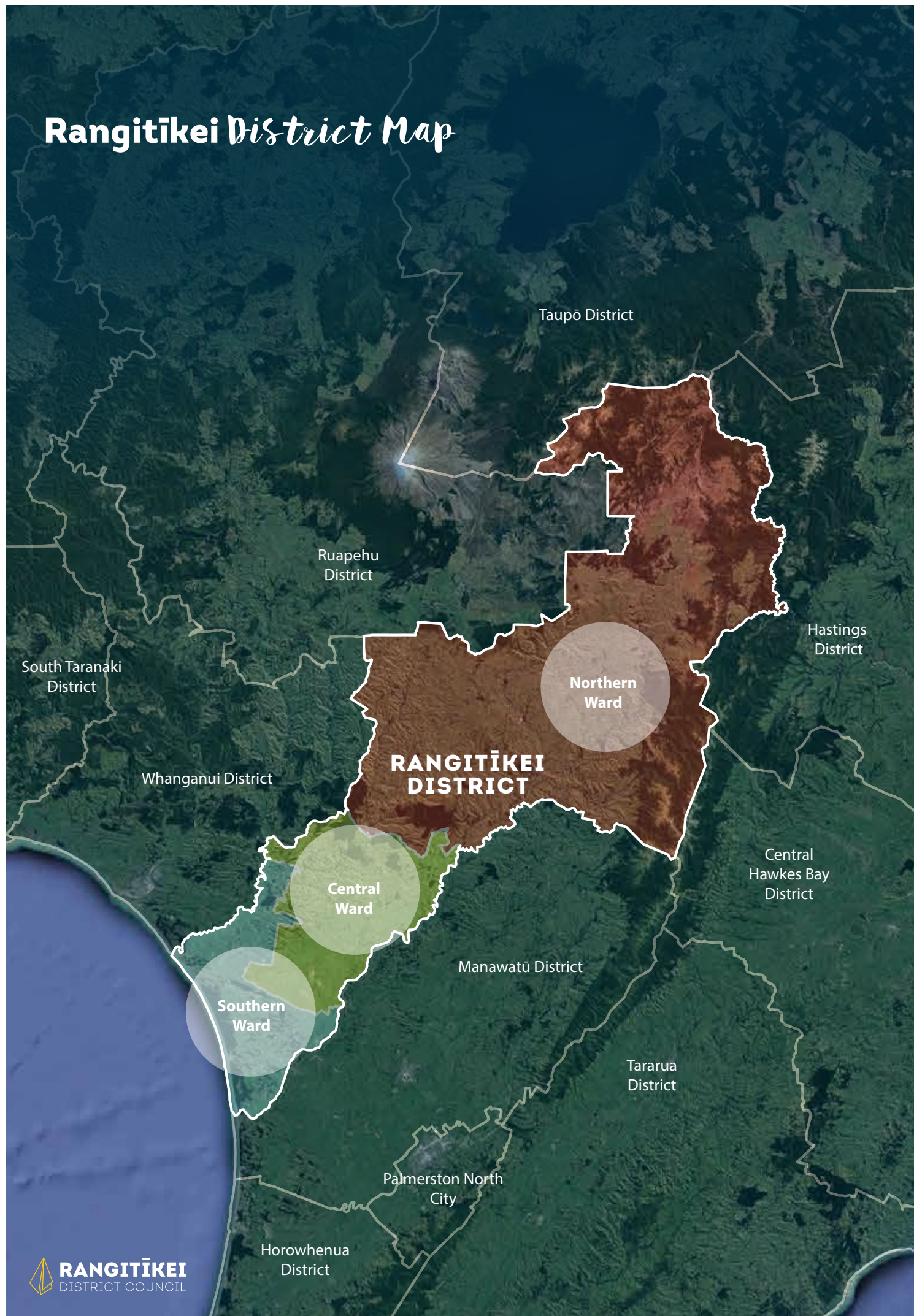
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Rangitīkei District Map



Message from the Mayor

– a very challenging year

Welcome to Rangitikei District Council's 2020/21 Annual Plan. This is the third year of the Long Term Plan (LTP); it outlines our work programmes for the next 12 months, along with information on rates.

Our 2018-28 Long Term Plan had originally projected an average rate increase of 6.27%; this has been reduced to 3.63%.

Earlier this year Council made the decision not to have a formal submission process as part of adopting the Annual Plan. It made that decision on the basis of the Annual Plan following the Long Term Plan (LTP) in direction, with no new major decisions.

I supported that decision on the basis that we would have a public and frank conversation around the Bulls Community Centre build project and that I would still continue to hold public meetings right throughout the district.

COVID-19 is a viral pandemic that swept across the world, putting a stop to any public meetings. The pandemic has impacted heavily on our economy and has resulted in significant unemployment. Council was faced with the difficult choice between slashing proposed rate increases or, as Central Government requested, continuing to develop work programmes to keep people employed. We have a very lean Council there has not been a lot of "fat to trim" however we have made reductions where possible, while continuing essential work programmes. Some programmes like the old rubbish dump at Putorino, which is threatening the Rangitikei River, simply have to be done, the strengthening of the Marton dam walls also fits into that category. Other major works are proceeding, those that we are legislatively required to do, as well as the following planned projects:

- Bulls Community Centre
- Marton Civic Centre
- Marton Water Strategy
- Taihape Memorial Park - Amenities Block

Following the adoption of this Annual Plan we will begin the process for our next Long Term Plan (2021-2031), ensuring this is done early to give the opportunity for early engagement and input, I will meet with community groups and any individuals on request. More information about dates and venues for the public meetings will be available on our website and in our community newspapers soon.

The past year has been particularly challenging for our District, firstly the drought that has been felt especially in the northern part of our district; then being struck, as a country, with the COVID-19 pandemic. I'm proud of the way our residents and businesses have reacted to both these challenges and the way we continue to look out for each other.



Andy Watson

Mayor of the Rangitikei District



Your Elected Members



His Worship the Mayor

Andy Watson
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027 617 7668



Deputy Mayor

Cr Nigel Belsham
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Cr Dave Wilson
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Cr Angus Gordon
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Cr Fiona (Fi) Dalgety
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021 222 8460



Cr Jane Dunn
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027 746 0791



Cr Richard Lambert
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027 879 2221



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Cr Gill Duncan
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Cr Brian Carter
brianandevlynrcarter@gmail.com
027 247 1812



Cr Waru Panapa
warupanapa@gmail.com
027 343 0405



Cr Tracey Hiroa
tracey.hiroa@mokaipateaservices.org.nz
021 0275 9983

 Northern Ward Representative

 Central Ward Representative

 Southern Ward Representative

Your Representatives

Community Board Members

Taihape

Ms Ann Abernethy (Chair)	06 388 9220
Ms Emma Abernethy	06 388 0777
Ms Michelle Fannin	06 388 1129
Ms Gail Larsen	06 388 1161
Cr Gill Duncan	06 388 1409
Cr Angus Gordon (non-voting)	06 388 1571
Cr Tracey Hiroa	021 275 9983

Ratana

Mr Charlie Mete (Chair)	027 418 9108
Mr Lequan Meihana	027 209 1175
Mr Jamie Nepia	020 4109 6229
Mr Charlie Rourangi	021 827 705
Cr Brian Carter	06 322 1770
Cr Jane Dunn (non-voting)	06 322 1582

Te Roopuu Ahi Kaa (Iwi Liaison Committee)*

Mr Pahia Turia (Chair)	06 344 8150	(Whangaehu)
Mr James Allen	021 261 1862	(Ngā Wairiki ki Uta)
Ms Hari Benevides	06 388 1908	(Ngāti Tamakōpiri)
Mr Thomas Curtis	021 307 610	(Ngāti Hauiti)
Mr Robert Gray	06 388 7816	(Ngāti Rangituhia)
Ms Marj Heeney	021 065 2484	(Ngāi Te Ohuake)
Mr Coral Raukawa-Manuel	06 327 6087	(Ngā Ariki)
Ms Soraya Peke-Mason	027 270 7763	(Ratana Community)
Ms Kim Savage	06 323 1164	(Ngāti Parewahawaha)
Mr Chris Shenton	06 348 0558	(Ngāti Kauae/Ngāti Tauira)
Mr Terry Steedman	021 161 2350	(Ngāti Hinemanu/Ngāti Paki)
Cr Tracey Hiroa	02102759983	(Ngāti Whitikaupeka)
Cr Waru Panapa	027 343 0405	(Council representative)

Community Committee Chairs*

Ms Laurel Mauchline Campbell	06 327 8729	(Turakina)
Mr Tyrone Barker	06 322 1206	(Bulls)
Mr Blair Jamieson	021 908 476	(Marton)
Ms Karen Kennedy	06 327 8472	(Hunterville)

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

District Licensing Committee*

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

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

The Annual Plan Process

What is an Annual Plan?

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

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

Setting the Rates

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

The Revenue and Financing Policy is on pages 153-162 of the 2018-28 Long Term Plan. A copy is available on our website www.rangitikei.govt.nz, or obtained by phoning 0800 422 522.

Whole of Council

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

Prospective Comprehensive Income Statement

Again, the variances in this statement are reflected in the Funding Impact Statements. One item that is not detailed separately in the individual funding impact statements is that of Personnel costs (i.e. staff salaries and wages). This category of expense has been revised on the basis of actual payments for 2019/20.

Interest on external borrowing

The Long Term Plan forecast interest on external borrowing to be 4.72%. The current rate from the Local Government Funding Agency is considerably less than that so, borrowing has been forecast at 3.72%, a conservative rate.

Specific Groups of Activities

A note on variations is appended to each group of activities. The most significant variations are the carry-forwards from 2019/20 to 2020/21 of several infrastructure upgrades and renewals, these infrastructure projects include large projects such as the Mangaweka Bridge and the Bulls reservoir construction, totalling \$17,419 million.

Variations from the Long Term Plan

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

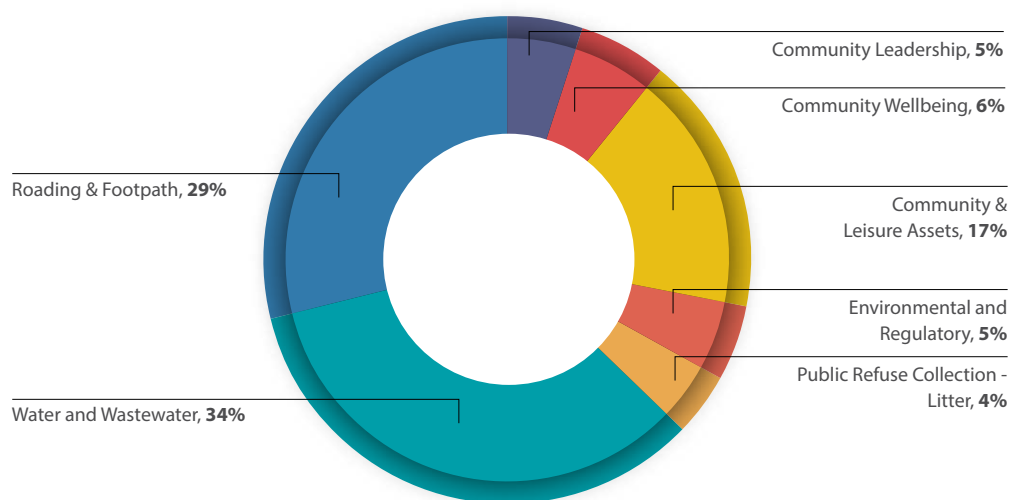
The variations from the Long Term Plan are:

- ✓ Whole of Council
- ✓ Prospective Comprehensive Income Statement
- ✓ Interest on external borrowing
- ✓ Specific groups of activities

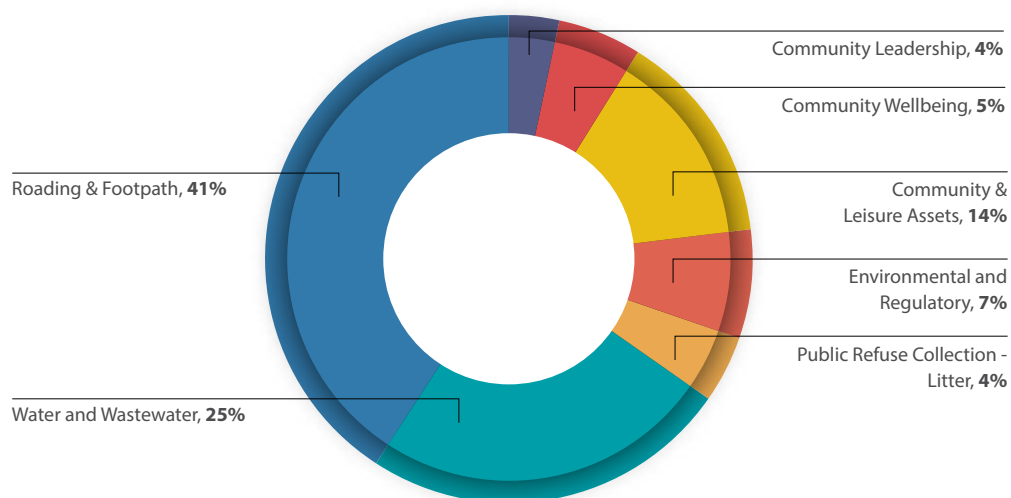
Overview – Council Expenditure and Application of Rates

These charts show the percentage of funding for each group of activity provided by Council. The first chart shows the percentage of Council's projected total operating expenditure in 2020/21. The second chart shows the percentage 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.

Rates by Activity 2020/21



Operating Expenditure by Activity 2020/21



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.

Sections 10 and 11 of the Local Government Act 2002, as amended in 2019, defines the purpose of Local Government to:

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

... promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

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."





The requirement for Council (section 11A of the Local Government Act 2002) to have 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 has been repealed.¹

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

- Community Leadership
- Roding and Footpaths
- Water Supply
- Sewerage and the Treatment and Disposal of Sewage²
- Stormwater Drainage
- Community and Leisure Assets
- Rubbish and Recycling
- Environmental and Regulatory
- Community Well-being

The funding impact statements for each group of activities in this section specifically exclude depreciation because the form of these statements is prescribed by the Local Government (Financial Prudence and Reporting) Regulations 2014.

However, depreciation (or the writing off of an asset over time) is included in the prospective statement of comprehensive revenue and expenses (in the Prospective Financial Statements) because that is part of the Generally Accepted Accounting Practice standards which are required by the Local Government Act 2002. Not all depreciation is funded through rates – rural water supplies are not funded at all; there is part funding for halls, community housing swimming pools and libraries; and for roading only the non-subsidised portion of depreciation is funded.

¹ Section 10 of the Local Government (Community Well-being) Amendment Act.

² 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
- Elections.

More detail is provided on pages 90-93 of the 2018-28 Long Term Plan.



What we plan to do this year

1 Strategic planning

- a) Long Term Plan 2021-31
- b) Annual Report 2019/20
- c) Annual Plan 2021/22
- d) Deliver programme of policy and bylaw review
- e) Conduct section 17A reviews – waste transfer stations
- f) Develop programmes in response to climate change and COVID-19.

2 Council

- a) Prepare order papers that ensure compliant decision-making
- b) Internal Audit programme
- c) Engage with sector excellence programmes
- d) Draft submissions to government proposals and plans.

3 Iwi liaison

- a) Te Roopu Ahi Kaa strategic plan – implementing actions
- b) Review key outcomes from Māori community development programme for input into the 2021-31 Long Term Plan.



Council Head Office - Marton

Intended Levels of Service

Intended Levels of Service 2018-2028	Performance measure	Target for 2020/21
Make decisions that are robust, fair, timely, legally compliant and address critical issues, and that are communicated to the community and followed through.	On-time completion of, or substantially undertaken, Annual Plan actions.	94% - all Annual Plan actions. 88% - each group of activities.
	Completion of capital programme.	85% - planned capital programme expended. 70% - all network utilities groups of activities.
	Satisfaction [demonstrated in Annual Residents survey] <i>Benchmark is 2016/17 results:</i> Mean – 12% very satisfied, 28% neutral.	Increase in percentage of 'very satisfied' and decrease in percentage of 'neutral' compared with the benchmark.
	Value for money – residents' perception in annual survey <i>In 2017/18 survey (not asked in 2018/19)</i> 15% thought Rangitikei was better than other councils, 49% thought it about the same, 10% thought it was worse and 27% didn't know. <i>In 2018/19 survey</i> 7.4% thought Rangitikei 'definitely' delivered value for money, 42.4% 'satisfactory', 27.2% 'unsure/neutral', 18.7% 'not really' and 4.3% 'definitely not'.	Higher rating than in previous year.
	Effectiveness of communication <i>In 2018/19 survey:</i> Phone – 20% very satisfied, 34% neutral Council website – 15% very satisfied, 33% neutral Social media – 13% very satisfied, 43% neutral Library/information Centre – 23% very satisfied, 36% neutral Rangitikei Line – 12% very satisfied, 49% neutral Local newspapers – 17% very satisfied, 22% neutral In person – 22% very satisfied, 30% neutral.	Increase in percentage of 'very satisfied' and decrease in percentage of 'neutral' compared with the previous year.
	Māori responsiveness framework <i>Annual surveys in April</i> Governance and relationships Culture and identity Prosperity and well-being Resources and infrastructure.	Improved satisfaction from the previous year. 2019/20 is the first year the survey is conducted.
	Engagement with sector excellence programmes Council achieved a BB rating in CouncilMARK, October 2017. 16 areas for improvement were identified <i>The Australasian LG Excellence Program was deferred for 2017/18 and not undertaken in 2018/19.</i>	Improved survey ratings Percentage of suggested improvements completed under action.

Variations from the Long Term Plan

There are no significant variations in the planned work programme.

Community Leadership – Prospective Funding Impact Statement

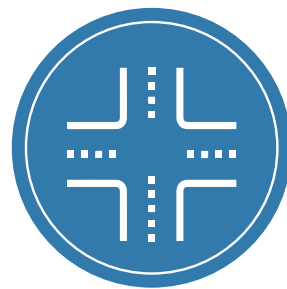
For the year ending 30 June 2021

	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,423	1,342	1,198
Targeted rates	73	73	73
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,496	1,415	1,271
Applications of operating funding			
Payment to staff and suppliers	818	814	678
Finance costs	1	-	3
Internal charges and overheads applied	675	598	589
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,494	1,412	1,270
Surplus (deficit) of operating funding (A - B)	2	3	1
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(2)	(2)	(2)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(2)	(2)	(2)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	-	-	-
Surplus (deficit) of capital funding (C - D)	(2)	(2)	(2)
Funding balance ((A - B) + (C - D))	-	1	(1)
Note: Depreciation expense not included above	2	2	2

Roading and Footpaths

Scope and Objectives

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



More detail is provided on pages 94-97 of the 2018-28 Long Term Plan.

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

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

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

What we plan to do this year

1 Pavements

- Improvements to existing roads³- total of 2200m at a cost of \$980,000
- Sealed road resurfacing – total of 46km at a cost of \$1,383,000

2 Bridges

- Replacement
 - Mangaweka Bridge –estimated cost of \$4,051,000⁴

3 Safety and resilience maintenance related works - total cost - \$1,319,300.



Mangaweka

³ Rather than strengthening forestry harvest routes, damage caused by logging traffic will be repaired under the sealed pavement maintenance programme.
⁴ The total cost of the project is funded by New Zealand Transport Agency, Manawātū District Council and Rangitikei District Council.

Intended Levels of Service

Intended Levels of Service 2018-2028	Performance measure	Target for 2020/21
Provide a sustainable network which is maintained in accordance with each road's significance for local communications and the local economy, taking into account the One Roding Network Classification and funding subsidies.	*Road condition	
	The average quality of ride on a sealed local road network, measured by smooth travel exposure.	97%.
	*Road maintenance	
	The percentage of the sealed road network that is resurfaced.	8%.
	The percentage of the unsealed road network which is retarred during the year.	At least 75%.
	*Footpaths	
	The percentage of footpaths within the District that fall within the level of service or service standard for the condition of footpaths that is set out in the Council's relevant document (such as its Annual Plan, activity management plan, asset management plan, annual works programme or Long Term Plan).	<p>At least 80% of footpath lengths in CBD areas in Bulls, Marton, Hunterville and Taihape are at grade 3 or higher.</p> <p>At least 75% of sampled footpaths lengths outside CBD areas are at grade 3 or higher.</p> <p>At least 90% of sampled footpaths assessed at grade 5 are included in upgrade programme during the following two years.</p> <p><i>Note:</i></p> <p><i>A five point grading system to rate footpath condition based on visual inspections</i></p> <ol style="list-style-type: none"> 1. Excellent 2. Good 3. Fair 4. Poor 5. Very Poor <p><i>Footpaths will be assessed in approximately 100-metre lengths. The sample of non-CBD footpaths will include ten lengths in each of Bulls, Marton and Taihape, and four lengths in Mangaweka, Hunterville and Ratana.</i></p> <p><i>The assessments will normally be conducted in November and May.</i></p>
	*Road safety	
	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number	No change or a reduction from the previous year.

Intended Levels of Service 2018-2028	Performance measure	Target for 2020/21
Be responsive to community expectations over the roading network and requests for service.	Adequacy of provision and maintenance of footpaths, street-lighting and local roads (annual survey). Report card" qualitative statements. Groups targeted for consultation: <ul style="list-style-type: none"> Residents where programmed renewal has taken place Community Boards/ Committees Community group database Business sector database. 	A greater proportion (than in the benchmark) or more than 10% of the sample believe that Council's service is getting better.
	*Responses to service requests The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the Long Term Plan. Contractor and Council records of requests for service. 2016/17 results: <ul style="list-style-type: none"> After hours callouts – 85% Working hours callouts – 72% Resolution – 70%. <i>Note: Council measures resolution as well as initial attendance in response to such requests.</i>	Meeting or exceeding the specified standard: <ul style="list-style-type: none"> After-hours callouts – 95% responded to within 12 hours Working hours callouts – 95% responded to within 6 hours Resolution - 85% of all callouts resolved (i.e. completed) within one month of the request.⁵ Specific reference to callouts relating to potholes.

Variations from the Long Term Plan

There are no significant variations in the planned work programme.
Changes in the financials reflect carry-forwards only.

⁵ There is a wide range of requests meaning times to completely resolve them will range from hours to several weeks or months, depending on urgency and work programming.

Roading and Footpaths – Prospective Funding Impact Statement

For the year ending 30 June 2021

	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	149	168	136
Targeted rates	6,418	6,788	6,834
Subsidies and grants for operating purposes	3,417	3,485	3,496
Fees and charges	31	31	31
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	118	120	120
Total operating funding (A)	10,133	10,592	10,617
Applications of operating funding			
Payment to staff and suppliers	5,894	6,201	5,910
Finance costs	81	97	36
Internal charges and overheads applied	810	798	973
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,785	7,096	6,919
Surplus (deficit) of operating funding (A - B)	3,348	3,496	3,698
Sources of capital funding			
Subsidies and grants for capital expenditure	6,657	3,915	7,340
Development and financial contributions	-	-	-
Increase (decrease) in debt	(49)	(51)	677
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	6,608	3,864	8,017
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	10,536	6,304	12,551
Increase (decrease) in reserves	(581)	1,055	(836)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	9,955	7,359	11,715
Surplus (deficit) of capital funding (C - D)	(3,347)	(3,495)	(3,698)
Funding balance ((A - B) + (C - D))	1	1	-
Note: Depreciation expense not included above	6,729	6,996	7,777

Roading and Footpaths – Prospective Capital Works

For the year ending 30 June 2021

Category	Designated projects for 2020/21	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
RENEWALS				
Unsealed road metalling	Programmed renewals	445	480	482
Pavement rehabilitation	Programmed renewals	2,397	1,024	1,027
Drainage	Programmed renewals	614	627	629
Structure components	Programmed renewals	-	221	222
Replacement of bridges and structures	Programmed renewals	4,851	752	5,384
Asset management planning	Programmed renewals	-	52	52
Programme business case development	Programmed renewals	-	52	52
Road improvements	Programmed renewals	-	799	801
Resilience improvements	Programmed renewals	-	107	107
Minor improvements	Programmed renewals	-	212	212
Cycling facilities	Programmed renewals	-	3	3
Public transport facilities	Programmed renewals	-	6	6
Traffic services	Programmed renewals	154	157	157
Sealed road surfacing	Programmed renewals	1,480	1,445	1,449
Footpaths	Programmed renewals	245	-	-
Minor Improvements/Facilities	Programmed renewals	350	369	900
Turakina Valley Road slip	Emergency Works	-	-	1,069
Total Renewals		10,536	6,306	12,552
LEVEL OF SERVICE				
Total Level of Service		-	-	-

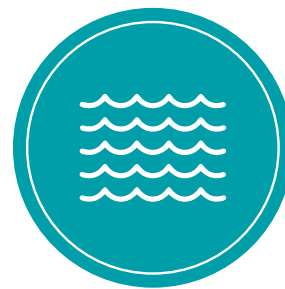
Water Supply

Scope and Objectives

This group of activities covers the provision of potable water for the urban communities of Bulls, Marton, Taihape, Hunterville, Mangaweka and Ratana. It also covers the rural water (i.e. stock water) schemes in Hunterville, Erewhon, Omatane and Putorino.⁶

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

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



What we plan to do this year

- 1 **Marton Water Strategy**
- 2 **Tutaenui Road (Marton) Water Supply trunk main replacement**
- 3 **Taihape Urban network upgrades**
- 4 **Bulls Water Strategy implementation (New Reservoir)**
- 5 **Repairs to Marton Dam in conjunction with the Marton Water Strategy**
- 6 **Hunterville Urban – new water supply investigation.**



6 Council holds the consent from Horizons for this scheme but does not administer it.
 7 Currently measured by weekly sampling and testing through Environmental Laboratory Services in Gracefield.
 8 Measured through Water Outlook.
 9 There were no unplanned disruptions in 2018/19.
 10 A description of the methodology used to calculate this must be included as part of the report.
 11 These cannot be distinguished in Council's request for service system, but are included in a-d.

Intended Levels of Service

Intended Levels of Service 2018-2028	Performance measure	Target for 2020/21
Provide a safe and compliant supply of drinking water	*Safety of drinking water The extent to which the Council's drinking water supply complies with	
	(a) part 4 of the drinking water standards (bacteria compliance criteria) ⁷	No incidents of non-compliance
	(b) part 5 of the drinking water standards (protozoa compliance criteria) ⁸	No incidents of non-compliance
	Compliance with resource consents.	No incidents of non-compliance with resource consents
Provide reliable and efficient urban water supplies	Number of unplanned water supply disruptions affecting multiple properties.	Fewer unplanned water supply disruptions affecting multiple properties than in the previous year. ⁹
	*Maintenance of the reticulation network The percentage of real water loss from the Council's networked reticulation system. ¹⁰	Less than 40%
	*Demand management The average consumption of drinking water per day per resident within the District <i>Note: This includes all water released from the urban treatment plants, irrespective of whether it is used for residential, agricultural, commercial or industrial purposes.</i>	600 litres per person per day.
Be responsive to reported faults and complaints	*Fault response time Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median times are measured	Improved timeliness compared with the previous year.
	(a) attendance for urgent callouts: from the time that the Council receives notification to the time that service personnel reach the site, and	In 2018/19 the following median times were reported:
	(b) resolution of urgent callouts: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption, and	(a) 15 minutes (b) 48 minutes (c) 10 minutes (d) 10 minutes.
	(c) attendance for non-urgent call-outs: from the time that the Council receives notification to the time that service personnel reach the site, and	
	(d) resolution of non-urgent call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption.	
	*Customer satisfaction The total number of complaints (expressed per 1000 connections to the reticulated networks) received by the Council about	Total number of complaints is less than the previous year or no more than 13 complaints per 1,000 connections.
	(a) drinking water clarity	2018/19 results
	(b) drinking water taste	Total complaints – 58.21/1000
	(c) drinking water pressure or flow	(a) 38.59/1000
	(d) continuity of supply, and	(b) 13.83/1000
	(e) the Council's response to any of these issues.	(c) 5.13/1000
	There are 4,484 connections.	(d) 0.90/1000 (e) nil. ¹¹

Intended Levels of Service 2018-2028	Performance measure	Target for 2020/21
Maintain compliant, reliable and efficient rural water supplies.	Compliance with resource consents.	No incidents of non-compliance with resource consents.
	Maintenance of the reticulation network The percentage of real water loss from the Council's networked reticulation system. ¹²	Less than 40% To date, however, it has proved impractical to determine this measure because of the use of unmetered flow restrictors and the fact that these are trickle-feed supplies which fill tanks.
	Fault response time Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median times are measured (a) attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and (b) resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption.	Fewer requests (per 1000 connections) than previous year . In 2018/19 the following median times were reported (for Hunterville only ¹³): (a) 1 hour 1 minute (b) 1 hours 45 minutes.
Ensure fire-fighting capacity in urban areas.	Random flow checks at the different supplies.	99% of checked fire hydrants are in compliance.

Variations from the Long Term Plan

There has been rephrasing and reprioritisation of the work programme as presented in the Long Term Plan. No significant financial variations are expected. Changes in the financials reflect carry-forwards only.

¹¹ A description of the methodology used to calculate this must be included as part of the report.

¹² Erewhon and Omatane rural schemes use private contractors. These are the results noted in the 2016/17 Annual Report. The figures in the 2018-28 Long Term Plan are incorrect.

Water Supply – Prospective Funding Impact Statement

For the year ending 30 June 2021

	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	5,074	5,183	5,352
Subsidies and grants for operating purposes	-	-	-
Fees and charges	36	-	37
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	5,110	5,183	5,389
Applications of operating funding			
Payment to staff and suppliers	2,455	2,132	2,217
Finance costs	567	900	663
Internal charges and overheads applied	1,013	999	1,237
Other operating funding applications	-	-	-
Total applications of operating funding (B)	4,035	4,031	4,117
Surplus (deficit) of operating funding (A - B)	1,075	1,152	1,272
Sources of capital funding			
Subsidies and grants for capital expenditure	404	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	4,997	1,908	4,610
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	5,401	1,908	4,610
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,688	844	1,457
- to replace existing assets	4,788	2,215	4,426
Increase (decrease) in reserves	-	-	-
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	6,476	3,059	5,883
Surplus (deficit) of capital funding (C - D)	(1,075)	(1,151)	(1,273)
Funding balance ((A - B) + (C - D))	-	1	(1)
Note: Depreciation expense not included above	1,409	1,514	1,637

Water Supply – Prospective Capital Works

For the year ending 30 June 2021

Category	Designated projects for 2020/21	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
RENEWALS				
Water District	Treatment and reticulation	4,463	1,973	4,061
Hunternville urban	Treatment and reticulation	26	63	25
Erewhon	Treatment and reticulation	246	126	286
Hunternville rural	Treatment and reticulation	46	47	47
Omatane	Treatment and reticulation	6	6	6
Total Renewals		4,787	2,215	4,425
LEVEL OF SERVICE				
Water District	Treatment upgrade	1,278	844	1,137
Hunternville urban	Treatment upgrade	411	-	320
Total Level of Service		1,689	844	1,457

Sewerage and the Treatment and Disposal of Sewage



Scope and Objectives

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

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

What we plan to do this year

- 1 Marton and Bulls Combined Wastewater Scheme**
 - Land Purchase
 - Finalisation of Marton/Bulls pipeline design.
- 2 Ratana Wastewater Upgrade – Secure land for discharge and complete plant upgrades.**
- 3 Wastewater Reticulation Renewals – District-wide.**
- 4 Taihape Papakai Pump Station upgrade.**



Marton's Wastewater Treatment Plant

Intended Levels of Service

Intended Levels of Service 2018-2028	Performance measure	Target for 2020/21
Provide a reliable reticulated disposal system that does not cause harm or create pollution within existing urban areas.	*Discharge compliance Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions received by the Council in relation to those resource consents.	No abatement or infringement notices, no enforcement orders and no convictions.
	Routine compliance monitoring of discharge consents.	6 out of 7 systems comply.
	*System and adequacy The number of dry weather sewerage overflows from the Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system. There are 4,226 connections.	Fewer overflows than 0.4/1000 connections.
	*Fault response time Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median times are measured. (a) attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and (b) resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption.	Improved timelines compared with the previous year. In 2018/19 the following median times were reported: (a) 37 minutes (urgent) 38 minutes (non-urgent) (b) 6 hours 54 minutes (urgent) 4 hours 23 minutes (non-urgent). <i>Dry weather overflows are included. Urgent callouts are when sewage is evident.</i> Improved median times compared with the previous year or no more than the median times reported in 2018/19.
Be responsive to reported faults and complaints.	*Customer satisfaction The total number of complaints received by the Council about any of the following: (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the Council's response to issues with its sewerage systems. ¹⁴ (b) expressed per 1,000 connections to the Council's sewerage system.	Fewer requests (per 1000 connections) than previous year or no more than 5 requests per 1,000 connections. <i>In 2018/19, the results were 5.73 per 1,000 connections.</i>

Variations from the Long Term Plan

There has been rephrasing and reprioritisation of the work programme as presented in the Long Term Plan. No significant financial variations are expected. Changes in the financials reflect carry-forwards only.

¹⁴ These are matters relating to the Council's wastewater systems recorded in the request for service system other than in (a), (b) or (c) such as complaints about wastewater overflows.

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

For the year ending 30 June 2021

	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	2,347	2,778	2,311
Subsidies and grants for operating purposes	-	-	-
Fees and charges	205	210	211
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	2,552	2,988	2,522
Applications of operating funding			
Payment to staff and suppliers	1,253	1,175	904
Finance costs	188	663	131
Internal charges and overheads applied	394	379	450
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,835	2,217	1,485
Surplus (deficit) of operating funding (A - B)	717	771	1,037
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	3,193	1,010	4,870
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	3,193	1,010	4,870
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	514	-	2,211
- to replace existing assets	3,396	1,781	4,445
Increase (decrease) in reserves	-	-	(749)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	3,910	1,781	5,907
Surplus (deficit) of capital funding (C - D)	(717)	(771)	(1,037)
Funding balance ((A - B) + (C - D))	-	-	-
Note: Depreciation expense not included above	717	771	1,037

Sewerage and Treatment and Disposal of Sewage – Prospective Capital Works

For the year ending 30 June 2021

Category	Designated projects for 2020/21	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
RENEWALS				
Sewerage District	Treatment and reticulation	3,396	1,781	4,445
Total Renewals		3,396	1,781	4,445
LEVEL OF SERVICE				
Sewerage District	Treatment plant Upgrade	513	-	2,211
Total Level of Service		513	-	2,211

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

Stormwater Drainage

Scope and Objectives

The activity provides a collection and disposal system for surface and, in some instances, sub-surface water linking both private and public reticulation through the urban communities of the Rangitikei comprising Bulls, Marton, Taihape, Hunterville, Mangaweka and Ratana.

There are also stormwater assets on a smaller scale in communities such as Utiku, Koitiata, Rakautaua and Scotts Ferry. In addition to the assets owned for the Stormwater activity, the Roding activity owns assets for drainage of roads, Horizons has an extensive network to prevent flooding, and there are also privately owned assets that connect with these other networks.

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

What we plan to do this year

- 1 **Stormwater Reticulation Renewals and improvements – District-wide.**
- 2 **Completion of the Scotts Ferry stormwater upgrades.**



Repairing pipeline - Infrastructure team

3 Bulls Walton Street stormwater repair.

Intended Levels of Service

Intended Levels of Service 2018-2028	Performance measure	Target for 2020/21
Provide a reliable collection and disposal system to each property during normal rainfall.	*Discharge compliance Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions (a) received by the Council in relation to those resource consents.	Not yet applicable – Council currently has no resource consents for stormwater. Not yet applicable.
	*System adequacy (b) The number of flooding events ¹⁵ that occurred in the District For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the Council's stormwater system).	Fewer requests (per 1000 properties) than previous year <i>In 2018/19, there were no flooding events in terms of the measure's requirements.</i> There are 4,162 properties in the District which pay the stormwater rate.
	*Customer satisfaction The number of complaints received by the Council about the performance of its stormwater system, expressed per 1,000 properties connected to the Council's stormwater system.	Fewer requests (per 1,000 connections) than previous year or no more than in 2018/19. The 2018/19 results were 3.6/1,000.
Be responsive to reported faults and complaints.	*Response time The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.	Timeliness noting the severity of the incident(s). There were no applicable results in 2019/20.

Variations from the Long Term Plan

There has been rephrasing and reprioritisation of the work programme as presented in the Long Term Plan. No significant financial variations are expected. Changes in the financials reflect carry-forwards only.

Stormwater Drainage – Prospective Funding Impact Statement

For the year ending 30 June 2021

	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	669	774	592
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2	2	9
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	6	-	-
Total operating funding (A)	677	776	601
Applications of operating funding			
Payment to staff and suppliers	236	214	104
Finance costs	23	115	25
Internal charges and overheads applied	124	118	135
Other operating funding applications	-	-	-
Total applications of operating funding (B)	383	447	264
Surplus (deficit) of operating funding (A - B)	294	329	337
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	632	820	872
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	632	820	872
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	411	786	905
- to replace existing assets	668	363	550
Increase (decrease) in reserves	(153)	-	(246)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	926	1,149	1,209
Surplus (deficit) of capital funding (C - D)	(294)	(329)	(337)
Funding balance ((A - B) + (C - D))	-	-	-
Note: Depreciation expense not included above	293	330	338

Stormwater Drainage – Prospective Capital Works

For the year ending 30 June 2021

<i>Category</i>	<i>Designated projects for 2020/21</i>	<i>2019/20 Annual Plan (\$000)</i>	<i>2020/21 LTP Y3 (\$000)</i>	<i>2020/21 Annual Plan (\$000)</i>
RENEWALS				
Stormwater District	Reticulation	668	363	550
Total Renewals		668	363	550
LEVEL OF SERVICE				
Stormwater District	Culverts, drains and inlet protection	410	786	905
Total Level of Service		410	786	905

Community and Leisure Assets

Scope and Objectives

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

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

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

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

In addition, it has worked to provide better quality community housing for older people in the District and improve recreational facilities in collaboration with community groups.

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



¹⁶ Council has increased the annual funding by \$50,000 – i.e. a total annual budget of \$100,000.

¹⁷ Investigation of horses to be included in the use of the proposed shared pathway

¹⁸ Tangible support through the Parks Upgrade Partnership Scheme and including the area for mowing and grounds maintenance by the Parks and Reserves team.

¹⁹ Tangible support is \$20,000 annual grant, a one-off \$5,000 grant for fencing in reserves, and use of a surplus Council vehicle.

What we plan to do this year

1 Parks

- a) Parks Upgrade Partnership Fund¹⁶
- b) Marton B and C Dams – continue implementing the management plan for the B and C Dams (including Council decision on this being a public area)¹⁷
- c) Marton Memorial Hall Playground – community-led upgrade/redevelopment
- d) Memorial Park Taihape – develop and implement a plan to maximise recreational opportunities (collaboration with the Society of Friends of Taihape)
- e) Santoft Domain – community led upgrade
- f) Onepuhi Reserve – supporting the Onepuhi and Porewa Community Group¹⁸
- g) Support Rangitikei Environment Group¹⁹
- h) Support Ratana playground upgrade.

2 Community housing

- a) Refurbishment of housing stock
- b) Options for new/replacement facilities.

3 Cemeteries

- a) Ratana – extension
- b) Mt View (Marton) extension
- c) Turakina – revoking closed status
- d) Rangatira (Hunterville) – roadway – second coat seal
- e) Taihape – driveway extension.

4 Swimming pools

- a) Marton – re-roof and learner pool balance tank.

5 Campgrounds

- a) Mangaweka Pavilion roof renewal.

6 Public toilets

- a) Memorial Hall Playground, Marton
- b) Mangaweka Campground permanent ablution block (depending on timing and location of the new bridge)
- c) Marton Plunket restrooms - exterior painting
- d) Hunterville Plunket restrooms – exterior painting.

7 Community buildings

- a) Bulls Community Centre – construction completed and operational
- b) Marton Civic Centre Development – feasibility study and (subject to Council approval) detailed design
- c) Marton Memorial Hall – upgrade
- d) Community amenities on Taihape Memorial park
- e) Taihape Town Hall upgrade – feasibility assessment
- f) Koitiata Hall – reroof
- g) Taihape Triangle – clock tower painting
- h) Bulls Domain – re-roof changing pavilion and renew shower amenities.

Intended Levels of Service

Intended Levels of Service 2018-2028	Performance measure	Target for 2020/21
Provide a fit for purpose range of community and leisure assets.	"Report card" produced during April/May each year from a survey of residents.²⁰ Public libraries Public swimming pools Sports fields and parks Public toilets Community buildings Camping grounds.	More than 10% of the sample believe the service is 'Better than last year'. <i>Results for 2018/19</i> <i>Public libraries – 36%</i> <i>Public swimming pools – 31%</i> <i>Sports fields and parks – 19%</i> <i>Public toilets – 9%</i> <i>Community buildings – 19%</i> <i>Camping grounds – 17%.</i>
Compliance with relevant standards.	Swim Centres All swimming pools have Poolsafe accreditation.	Benchmark maintained.
	Community Housing Council records compliance with the 29 criteria in the rental warrant of fitness programme. Public toilets. Toilet buildings are well designed, safe and visible – Compliance with SNZ4241:1999 and Crime Prevention Through Environmental Design (CPTED) (safer design guidelines) for new or refurbished toilets.	Maintaining or improving compliance. Meeting the benchmark.
	Parks and reserves Levels of service for parks throughout the District consistent with the New Zealand Recreation Association Parks Categories and Levels of Service guideline.	Increased % compliance with Levels of Service Guideline for all parks compared with previous year.
Secure high use of staffed facilities.	Number of users of libraries (Automated door-count system). Number of users of pools (Door count systems or till records).	An increase in use compared with the previous year. For 2018/19, an estimated 62,002 people entered the libraries. This takes account of days when the count was not recorded. An increase in use compared with the previous year. In the 2018/19 season there were 21,749 at Marton and 10,403 at Taihape.
	Occupancy of community housing.	95%-100% occupancy of whom 70% are superannuitants <i>As at 30 June 2018, the occupancy was 97%; 74% of the tenants were superannuitants.</i>

Variations from the Long Term Plan

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

There is an increase in costs for the practical completion, furniture & fittings and decor of the Bulls Community Centre of \$2.045 million from 2019/20, this will be carry-forward into 2020/21. Additional funding is required for the town square (\$0.441M), bus lane/carpark (\$0.785M).

The Taihape Memorial Park Amenities Building has a carry-forward of \$1.2M from 2019/20 and additional funding of \$0.800M.

Community and Leisure Assets – Prospective Funding Impact Statement

For the year ending 30 June 2021

	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	4,142	4,362	4,191
Targeted rates	-	-	-
Subsidies and grants for operating purposes	2	199	27
Fees and charges	598	509	668
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	4,742	5,070	4,886
Applications of operating funding			
Payment to staff and suppliers	2,020	2,278	2,126
Finance costs	151	206	193
Internal charges and overheads applied	1,757	1,677	1,791
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,928	4,161	4,110
Surplus (deficit) of operating funding (A - B)	814	909	776
Sources of capital funding			
Subsidies and grants for capital expenditure	2,368	-	200
Development and financial contributions	-	-	-
Increase (decrease) in debt	3,322	3,864	8,722
Gross proceeds from sale of assets	1,064	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	6,754	3,864	8,922
Application of capital funding			
Capital expenditure			
- to meet additional demand	4,714	4,046	-
- to improve the level of service	1,518	141	4,065
- to replace existing assets	1,089	292	5,691
Increase (decrease) in reserves	247	294	(58)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	7,568	4,773	9,698
Surplus (deficit) of capital funding (C - D)	(814)	(909)	(776)
Funding balance ((A - B) + (C - D))	-	-	-
Note: Depreciation expense not included above	1,156	1,251	1,054

20 It is intended to take the sample by a direct mailout to all properties and publicity in local newspapers and social media.

Community and Leisure Assets – Prospective Capital Works

For the year ending 30 June 2021

Category	Designated projects for 2020/21	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
RENEWALS				
Swimming pools	Pool Covers, Painting, Reroofing, Boilers	634	78	624
Libraries	Books, furniture and computers	117	36	2,120
Community housing	Flat refurbishment	102	104	168
Parks and reserves	Landscaping and playgrounds	141	73	2,374
Toilets	Building refurbishment	28	-	25
Cemeteries	Renewals	-	-	206
Halls	Refurbishment	168	-	173
Total Renewals		1,190	291	5,690
LEVEL OF SERVICE				
Swimming pools	Space heating	-	37	-
Libraries	Marton Admin and Library centre	255	3,749	-
Cemeteries	Berms/Re- surfacing & Fencing	223	36	-
Parks and reserves	Parks Upgrades	1,459	156	125
Toilets	New Buildings	463	-	150
Forestry	Marton Dam Plan	-	-	105
Halls	Bulls Community Centre	3,731	208	3,685
Total Level of Service		6,131	4,186	4,065

Rubbish and Recycling

Scope and Objectives

Waste Minimisation Act requires territorial authorities to encourage effective and efficient waste management and minimisation.

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

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

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

In each of the main towns, Council owns waste transfer station facilities which receive rubbish and recyclables.²¹ The operation of these transfer stations is contracted out with residual waste being disposed of at the Bonny Glen landfill (which is privately owned).

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



What we plan to do this year

- 1 Undertake containment of the historic Putorino landfill exposed by the Rangitikei River changing course.**
- 2 Investigate other identified historic closed landfills not currently monitored.**

Intended Levels of Service

Intended Levels of Service 2018-2028	Performance measure	Target for 2020/21
Make recycling facilities available at waste transfer stations for glass, paper, metal, plastics, textiles and greenwaste. Special occasions for electronics (e-waste).	Waste to landfill (tonnage) ²² .	Less tonnage to landfill than previous year 4,720 tonnes in 2018/19.
	Waste diverted from landfill (tonnage and (percentage of total waste) ²³ .	Percentage of waste diverted from landfill 25%.

Variations from the Long Term Plan

There are no significant variations in the planned work programme.

There was a decision to defer the kerbside recycling until 2021/22. Council will continue to work on options for recycling.

Rubbish and Recycling – Prospective Funding Impact Statement

For the year ending 30 June 2021

	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	136	136	132
Targeted rates	586	1,572	871
Subsidies and grants for operating purposes	-	-	-
Fees and charges	554	525	566
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,276	2,233	1,569
Applications of operating funding			
Payment to staff and suppliers	1,104	1,947	1,297
Finance costs	2	30	5
Internal charges and overheads applied	127	125	143
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,233	2,102	1,445
Surplus (deficit) of operating funding (A - B)	43	131	124
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	497	(35)	(7)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	497	(35)	(7)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	501	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	39	96	117
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	540	96	117
Surplus (deficit) of capital funding (C - D)	(43)	(131)	(124)
Funding balance ((A - B) + (C - D))	-	-	-
Note: Depreciation expense not included above	43	130	123

Rubbish and Recycling – Prospective Funding Impact Statement

For the year ending 30 June 2021

Category	Designated projects for 2020/21	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
RENEWALS				
Total Renewals		-	-	-
LEVEL OF SERVICE				
Public Refuse Collections	Kerbside Rubbish & recycling	-	-	-
Waste transfer stations	Plant Upgrades	-	-	-
Landfill		500	-	-
Total Level of Service		500	-	-

Environmental and Regulatory Services



Scope and Objectives

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

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

What we plan to do this year

- 1 **Building Accreditation Reassessment.**
- 2 **Implementation of the Building (earthquake-prone buildings) Amendment Act.**
- 3 **Implementation of systematic monitoring of resource consents issued by Council.**
- 4 **Updating the District Plan to comply with national planning standards.**
- 5 **Preparation for electronic consenting.**



-
- 24 This includes any prescribed monitoring, such as resource consents.
- 25 Excluding general authorisation through legislation where no further formal accreditation is specified.
- 26 Food Act 2014, s. 185. This added since the measure is an annual review of relevant documents.

Intended Levels of Service

Intended Levels of Service 2018-2028	Performance measure	Target for 2020/21
Provide a legally compliant service.	Timeliness of processing the paperwork (building control, consent processes, licence applications). ²⁴	Building consents - 98% Resource consents - 98%
	Possession of relevant authorisations from central government. ²⁵	Accreditation as a building consent authority maintained. Functions of a registration authority and role of a recognised agency under the Food Act not subject to Ministerial Review. ²⁶
		Accreditation maintained.
Provide regulatory compliance officers.	Timeliness of response to Requests for Service for enforcement call-outs (animal control and environmental health); within prescribed response and resolution (completion) times.	Responded in time – 96% Completed in time – 87% <i>For animal control, priority 1 (urgent) callouts (dog attack, threatening dog or stock on road) require response within 30 minutes and resolution (completion) within 24 hours; priority 2 (i.e. non-urgent) callouts require response within 24 hours and resolution (completion) within 96 hours.</i>

Variations from the Long Term Plan

The variations in the planned work programme relate to the proposed rezoning from rural to industrial and rural to residential. The cost of the District Plan changes has been recognised in 2020/21 and will be funded over the next five years.

Environmental and Regulatory Services – Prospective Funding Impact Statement

For the year ending 30 June 2021

	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,102	1,222	1,216
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	887	700	933
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	312	319	326
Total operating funding (A)	2,301	2,241	2,475
Applications of operating funding			
Payment to staff and suppliers	432	422	1,252
Finance costs	4	-	3
Internal charges and overheads applied	1,865	1,818	1,356
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,301	2,240	2,611
Surplus (deficit) of operating funding (A - B)	-	1	(136)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	136
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	136
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	-	-	-
Surplus (deficit) of capital funding (C - D)	-	-	136
Funding balance ((A - B) + (C - D))	-	1	-
Note: Depreciation expense not included above	-	-	-

Community Well-being

Scope and Objectives

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

- Community Partnerships
- Community well-being
- District Promotion
- Information Centres, and
- Emergency Management.

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



What we plan to do this year

- 1 Community Partnerships**
 - a) Contract with local organisations to develop and deliver events, activities and projects to enliven the towns and District
 - b) Contract with local organisations to provide a range of information, such as
 - Up-to date calendar of events, and
 - Community newsletters
- 2 COVID-19 recovery**
 - a) Implement agreed recovery plan
 - b) Provide administrative support for Rangitikei Mayoral Relief Fund Trust
- 3 Actions to give effect to Council's strategic vision in its four aspects (well-beings)**
 - a) Cultural development strategy
 - b) Economic development strategy
 - c) Environmental strategy
 - d) Social development strategy
- 4 Council initiated District Plan Changes**
 - a) Increasing industrial capacity
 - b) Increasing residential capacity
- 5 Youth Development**
 - a) Youth Council and networking meetings
 - b) Establish a Youth Zone in Bulls
 - c) Ongoing facilitation of the Youth Zones in Taihape, and Marton
- 6 Emergency management**
 - a) Civil Defence – lessons learned from COVID-19 state of national emergency
 - b) Civil Defence – actions and exercises to reflect the National Civil Defence Emergency Management Plan (and regional group priorities)
 - c) Civil Defence – review of contract for provision of District emergency management services

27 Groups which are targeted for consultation:

- Participants in Path to Well-being Theme Groups
- Community group database (includes the District's schools)
- Public sector agency database
- Business sector database

Intended Levels of Service

Intended Levels of Service 2018-2028	Performance measure	Target for 2020/21
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). ²⁷ <i>The focus for the survey is those community groups within the District with whom the Council has worked. So, this excludes shared services or other contractual arrangements with other councils. It also excludes direct collaboration with central government agencies although, where these are also involved with community organisations and groups within the Rangitikei, they are invited to participate in the annual survey.</i>	A greater proportion (than in the benchmark) or more than 10% of the sample believes that Council's service is getting better. Increased % satisfaction compared with previous year.
Identify and promote opportunities for economic growth in the District.	Rangitikei District's GDP growth compared to the average of similar* district** economies (*similar by geography, population, and business sector, ** Those being similar are Ruapehu, Tararua, Manawatū, and Otorohanga).	Greater than 1% against last financial year compared to the mean of similar district economies.
	Rangitikei District's earnings data (salaries, wages, self-employed income) growth compared to the average of similar* districts** (*similar by geography, population, and business sector, ** Those being similar are Ruapehu, Tararua, Manawatū, and Otorohanga).	Greater than or equal to 1% range from the last financial year compares to the mean of similar district economies.
	The number of visits and unique visits to rangitikei.com	An increase in the number of visits and unique visits to rangitikei.com compared to the previous year.
	A greater proportion of young people living in the district are attending local schools.	An increase in the number of enrolments compared with the previous year.
Provide a safe and relevant community space, acting as a gateway for skills and social development, improving educational, training or employment access, and improving access for youth related social services.	Partners view of how useful Council's activity in youth space facilitation and advocacy has been.	Very satisfied – 70%.
Ensure competency in discharging Civil Defence responsibilities.	Timing of a self-assessment when the Emergency Operations Centre is activated and of continued civil defence training exercises.	Self-assessment undertaken and responded to within four months of Emergency Operations Centre activation. At least one exercise undertaken each year involving at least half of Council staff.

Variations from the Long Term Plan

Since the Long Term Plan was adopted, the Local Government Act 2002 was amended to reinstate community well-beings. Council's strategic vision is framed around these elements. In addition, the COVID-19 response alerts since 23 March 2020 have had substantial impact on people's lives and the economy and Council is taking steps to assist in alleviating those impacts and supporting the local economy.

Community well-being now includes the additional \$500,000 provision for the Putorino landfill remediation, which will be funded over the next 10 years.

Community Well-being – Prospective Funding Impact Statement

For the year ending 30 June 2021

	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,374	1,562	1,427
Targeted rates	-	-	-
Subsidies and grants for operating purposes	67	53	62
Fees and charges	12	14	7
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	14	33	16
Total operating funding (A)	1,467	1,662	1,512
Applications of operating funding			
Payment to staff and suppliers	846	988	1,375
Finance costs	-	1	2
Internal charges and overheads applied	618	670	582
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,464	1,659	1,959
Surplus (deficit) of operating funding (A - B)	3	3	(447)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	(1)	448
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	(1)	448
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	3	3	1
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	3	3	1
Surplus (deficit) of capital funding (C - D)	(3)	(4)	447
Funding balance ((A - B) + (C - D))	-	(1)	-
Note: Depreciation expense not included above	5	6	5

Prospective *Financial Statements*

The Council's Annual Plan covers the period 1 July 2020 to 30 June 2021. The Plan includes both operating and capital expenditure: in this section, information is only at a summary level. More detailed information can be found in the sections on each activity.

The financial information in the Annual Plan is a forecast in accordance with New Zealand International Financial Reporting Standards for Public Benefit Entities (NZ IFRS PBE). The financial information contained in the Annual Plan may not be appropriate for any other purposes. Certain assumptions have been made at the date these statements were prepared as to future events, and as to actions Council reasonably expects to undertake.

Actual results may vary materially from these forecasts, depending upon changes of circumstance that may arise during the period. In re-projecting the 2018/19, figures known events, such as the delay of certain capital projects, have been taken into account.

The prospective financial statements were authorised for issue by the Rangitikei District Council on 27 June 2020. The Rangitikei District Council is responsible for the prospective financial statements and for the assumptions which underpin all required disclosures (including the prospective financial statements). The actual results have been incorporated into this Annual Plan. The prospective financial statements are updated annually as part of the Annual Plan/Long Term Plan process.



Prospective Statement of Comprehensive Revenue and Expense

For the year ending 30 June 2021

	2019/20 LTP Y1 (\$000)	2020/21 LTP Y2 (\$000)	2020/21 Annual Plan (\$000)
Revenue from non-exchange transactions			
Rates	22,531	24,175	23,349
Subsidies and grants	12,914	7,653	11,125
Other revenue	2,805	2,493	2,947
Revenue from exchange transactions			
Finance revenue	225	230	121
Other revenue	-	-	-
Total operating revenue	38,475	34,551	37,542
Expenditure			
Depreciation and amortisation expense	10,783	11,457	12,430
Personnel costs	4,417	3,958	4,801
Finance costs	117	818	138
Other expenses	17,763	19,119	18,020
Total operating expenditure	33,080	35,352	35,389
Operating surplus (deficit) before tax	5,395	(801)	2,153
Income tax expense	-	-	-
Net surplus (deficit) after tax	5,395	(801)	2,153
Other comprehensive revenue and expense			
Gain on revaluation of infrastructural assets	-	-	-
Gain on revaluation of land and buildings	26,271	-	-
Total other comprehensive revenue and expenses	26,271	-	-
Total comprehensive revenue and expense	31,666	(801)	2,153

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 2021

	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
Balance as at 1 July	494,030	531,195	603,628
Total comprehensive for the year	31,666	(801)	2,153
Balance as at 30 June	525,696	530,394	605,781

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

Prospective Statement of Financial Position

For the year ending 30 June 2021

	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
CURRENT ASSETS			
Cash and cash equivalents	6,781	4,503	9,504
Debtors and other receivables	3,382	3,204	3,413
Prepayments	97	65	133
Total current assets	10,260	7,772	13,050
NON-CURRENT ASSETS			
Plant, property and equipment	536,461	552,093	620,899
Intangible assets	111	80	105
Forestry assets	53	92	63
Other financial assets			
Corporate bonds	30	-	79
Investments in CCOs and other similar entities	70	70	71
Total non-current assets	536,725	552,335	621,217
Total assets	546,985	560,107	634,267
Liabilities			
Current liabilities			
Creditors and other payables	4,397	4,915	3,639
Employee entitlements	342	446	333
Income in advance	112	68	127
Borrowings	16	16	16
Other Financial Liabilities	-	379	-
Total current liabilities	4,867	5,824	4,115
Non-current liabilities			
Employee entitlements	6	13	13
Provisions	276	297	290
Borrowings	16,140	23,578	24,068
Total non-current liabilities	16,422	23,888	24,371
Total liabilities	21,289	29,712	28,486
Net assets	525,696	530,395	605,781
Equity			
Accumulated comprehensive revenue and expense	450,145	448,025	451,935
Asset revaluation reserves	71,294	72,998	149,553
Special and restricted reserves	4,257	9,371	4,293
Total equity	525,696	530,394	605,781

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

Prospective Statement of Cash Flows

For the year ending 30 June 2021

	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
Receipts from rates revenue	22,463	24,106	23,348
Receipts from other revenue	15,719	10,146	14,072
Interest received	225	230	121
Dividends received	-	-	-
Payments for suppliers and employees	(22,112)	(23,007)	(22,821)
Interest paid	(117)	(818)	(138)
Net cash inflow (outflow) from operating activities	16,178	10,657	14,582
Cash flows from investing activities			
Receipts from sale of property, plant and equipment	-	-	107
Receipts from sale of investments	1,221	233	-
Acquisition of investments	-	-	-
Purchases of property, plant and equipment	(30,410)	(17,163)	(37,266)
Purchases of intangible assets	-	-	-
Net cash inflow (outflow) from investing activities	(29,189)	(16,930)	(37,159)
Cash flows from financing activities			
Proceeds from borrowings	13,011	6,274	22,577
Repayment of borrowings	-	-	-
Net cash inflow (outflow) from financing activities	13,011	6,274	22,577
Net increase (decrease) in cash and cash equivalents	-	1	-
Cash and cash equivalents at the beginning of the year	6,781	4,503	9,504
Cash and cash equivalents at the end of the year	6,781	4,504	9,504

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

Notes – Reserves

For the year ending 30 June 2021

		Balance 2020 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Balance 2021 (\$000)
Special and restricted reserves (* denotes restricted reserves)					
Name of reserve and (activity)	Purpose				
Aquatic (Swimming pools)	Replacement of swimming pools	161	75	-	236
Bulls courthouse* (Property)	Maintenance of courthouse building	75	14	-	89
Flood damage (Roading)	Road maintenance due to flooding	238	-	-	238
General purpose	Capital works	2,402	-	-	2,402
Haylock park* (Parks)	Additional reserve area at park	31	1	-	32
Huntermville rural water (Water)	Future loop line	210	5	-	215
Keep Taihape beautiful* (Property)	Enhancement of Taihape	20	-	-	20
Marton land subdivision* (Parks)	Improvements to recreational land	453	9	-	462
Marton marae* (Property)	Marton Marae project	4	-	-	4
McIntyre recreation* (Parks)	Maintenance or upgrades of park	22	-	-	22
Putorino rural water (Water)	Maintenance of scheme dam	22	1	-	23
Ratana sewer (Sewerage)	Capital works	27	1	-	28
Revoked reserve land (Parks)	Offset costs of other revoked land and buildings	238	-	-	238
Rural housing loan (Property)	No longer required	150	-	-	150
Rural land subdivision* (Parks)	Improvements to reserves land	201	4	-	205
Santoft domain* (Parks)	Maintenance or upgrades of park	128	3	-	131
Total special and restricted reserves		4,382	113	-	4,495
			Deposits (\$000)	Withdrawals (\$000)	Balance 2021 (\$000)
Asset revaluation reserves					
Land			7,479	-	7,479
Buildings			10,181	-	10,181
Sewerage systems			9,536	-	9,536
Water supplies			23,850	-	23,850
Stormwater network			9,968	-	9,968
			61,014	-	61,014
Fair value through equity			131	-	131
Total asset revaluation reserves			61,145	-	61,145

Reconciliation of funding impact statement to comprehensive revenue and expenses statement

For the year ending 30 June 2021

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
Income			
Prospective Statement of Comprehensive Income	38,475	34,551	37,542
Summary Funding Impact Statement			
Total operating funding	29,047	30,636	30,001
Add Sources of Capital Funding			
Sources of capital funding	9,428	3,915	7,541
Total Revenue	38,475	34,551	37,542
Expenditure			
Prospective Statement of Comprehensive Income			
Operating Expenditure	33,080	35,352	35,389
Summary Funding Impact Statement			
Total application of operating funding	22,297	23,894	22,959
Add Depreciation and Amortisation Expense	10,783	11,457	12,430
Total Expenditure	33,080	35,351	35,389

Whole of Council - Prospective Funding Impact Statement

For the year ending 30 June 2021

	2019/20 Annual Plan (\$000)	2020/21 LTP Y3 (\$000)	2020/21 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	7,345	6,987	7,314
Targeted rates	15,186	17,188	16,034
Subsidies and grants for operating purposes	3,486	3,738	3,585
Fees and charges	2,339	2,005	2,469
Interest and dividends from investments	225	230	121
Local authorities fuel tax, fines, infringement fees, and other receipts	466	488	478
Total operating funding (A)	29,047	30,636	30,001
Applications of operating funding			
Payment to staff and suppliers	22,181	23,075	22,822
Finance costs	117	818	138
Other operating funding applications	-	-	-
Total applications of operating funding (B)	22,298	23,893	22,960
Surplus (deficit) of operating funding (A - B)	6,749	6,743	7,041
Sources of capital funding			
Subsidies and grants for capital expenditure	9,428	3,915	7,540
Development and financial contributions	-	-	-
Increase (decrease) in debt	13,011	6,274	22,577
Gross proceeds from sale of assets	1,221	233	107
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	23,660	10,422	30,224
Application of capital funding			
Capital expenditure			
- to meet additional demand	4,714	4,046	-
- to improve the level of service	4,631	1,771	8,794
- to replace existing assets	21,064	11,346	28,472
Increase (decrease) in reserves	-	-	-
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	30,409	17,163	37,266
Surplus (deficit) of capital funding (C - D)	(6,749)	(6,741)	(7,042)
Funding balance ((A - B) + (C - D))	-	2	(1)

Rate Types

For the year ending 30 June 2021

Source of Funding	Categories of Land	Calculation Base	Rate or Charge (inc GST)	Funding Required (inc GST)
	NOTE:	SUIP = separately used or inhabited part of a rating unit		
General Rate (funds activities listed on page 56)	All rating units (excl. Defence land)	Capital value	\$0.000813	\$3,471,740
	Defence land	Land value	\$0.001253	\$7,544
Uniform Annual General Charge (funds activities listed on page 56)	All rating units	Fixed amount per SUIP	\$610.13	\$4,691,573
Targeted Rates				
Community Services (funds Taihape and Ratana Community Boards ²⁸)	All rating units in Taihape Community Board area	Fixed amount per rating unit	\$36.47	\$61,814
	All rating units in Ratana Community Board area	Fixed amount per rating unit	\$204.02	\$22,034
Solid Waste Disposal (funds Rubbish and Recycling)	All rating units	Fixed amount per SUIP	\$130.22	\$1,001,559
Roading (funds Roading and Footpaths)	All rating units (excl. Defence land)	Capital value	\$0.001836	\$7,842,597
	Defence land	Land value	\$0.002831	\$17,042
Wastewater public good (funds Sewerage)	All rating units	Fixed amount per SUIP	\$88.23	\$664,402
Wastewater connected (funds Sewerage)	Rating units connected to wastewater schemes within the district	Fixed amount per number of water closets and urinals in the rating unit	\$418.87	\$1,993,205
Water public good (funds water)	All rating units	Fixed amount per SUIP	\$149.59	\$1,150,699
Water connected (funds water)	Rating units connected to Marton, Bulls, Taihape, Mangaweka, Ratana schemes: Residential	Fixed amount per SUIP	\$762.81	\$3,452,098
	Rating units connected to Marton, Bulls, Taihape, Mangaweka, Ratana schemes: Non-residential	Fixed amount per rating unit	\$762.81	

²⁸ Areas as determined by the Local Government Commission, 28 March 2007.

Source of Funding	Categories of Land	Calculation Base	Rate or Charge (inc GST)	Funding Required (inc GST)
Water by volume (funds water)	Marton, Bulls, Taihape, Mangaweka, Ratana schemes	Fixed amount per cu metre in excess of 250m3 per annum	\$2.15	\$707,258
	Bulls Riverlands	Fixed amount per cu metre in excess of 250m3 per annum	\$1.39	\$210,793
Hunternville urban (funds water)	Connected rating units	Fixed amount per cu metre	\$3.77	\$135,828
Hunternville rural (funds water)	Connected rating units	Fixed amount per unit or part unit***	\$356.50	\$483,414
Hunternville rural - urban (funds water)	Connected rating units	Fixed amount per unit or part unit***	\$316.25	\$117,013
Erewhon rural (funds water)	Connected rating units	Fixed amount per unit or part unit***	\$121.04	\$186,523
Omatane rural (funds water)	Connected rating units	Fixed amount per unit or part unit***	\$72.84	\$6,936
Putorino rural (funds water)	Connected rating units	Land value	\$0.000778	\$7,293
Stormwater public good (funds stormwater)	All rating units	Fixed amount per SUIP	\$22.14	\$510,992
Stormwater urban (funds stormwater)	Marton, Bulls, Taihape, Mangaweka, Ratana, Hunternville	Fixed amount per rating unit (as identified on rating maps available to view on Council's website)	\$121.25	\$510,992
Total Rates Required	(Inclusive of GST)			\$25,652,379

***Fixed amount per unit or part unit

Separately Used or Inhabited Part (SUIP)

A separately used or inhabited part of a rating unit includes any portion inhabited or used by [the owner/a person other than the owner], and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the ratepayer and usually used as such is to be treated as separately used. Any part of a rating unit that is used as a home occupation and complies with the permitted activity performance standards in the District Plan is not be treated as separately used. For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

Residential Rating Units

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

Non-Residential Rating Units

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

Lump Sum Rates

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

Insulation Rates

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

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

Allocation of UAGC to Activities

For the year ending 30 June 2021

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

	Amount
Community Leadership	\$1.05
Cemeteries	\$14.54
Community Housing	\$3.32
Domains	\$152.53
Forestry	\$3.45
Halls	\$73.65
Libraries	\$131.68
Public Toilets	\$24.32
Real Estate	\$10.72
Swim Centres	\$113.51
Environmental and Regulatory	\$61.66
Refuse (Litter) Collection	\$19.71
TOTAL	\$610.13

Allocation of General Rate to Activities

For the year ending 30 June 2021

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

	Amount
Community Leadership	\$22.94
Civil Defence	\$4.38
Community Awards	\$0.08
District Promotions	\$15.34
Information Centres	\$7.69
Cemeteries	\$0.47
Community Housing	\$0.11
Domains	\$4.91
Forestry	\$0.11
Halls	\$2.37
Public Toilets	\$0.78
Real Estate	\$0.35
Swim Centres	\$3.66
Building	\$7.34
District Planning	\$5.46
Health	\$2.18
Resource Consent	\$0.50
Roading	\$2.61
TOTAL	\$81.27

Examples of Impacts of Rating Proposals

For the year ending 30 June 2021

Location		Land Value	Capital Value	Forecast 2020/21	Actual 2019/20	Difference	Percentage
KOITIATA							
Koitiata	Wainui St	65,000	230,000	1,608	1,549	58	3.77%
Koitiata	Omana St	65,000	160,000	1,422	1,370	52	3.78%
Koitiata	Wainui St	65,000	165,000	1,435	1,383	52	3.78%
Koitiata	Omana St	65,000	125,000	1,330	1,281	48	3.78%
TAIHAPE COMMERCIAL							
Taihape	Hautapu St	550,000	2,370,000	9,453	9,256	197	2.12%
Taihape	Hautapu St	205,000	410,000	3,843	3,803	39	1.03%
Taihape	Hautapu St	85,000	175,000	3,220	3,203	17	0.53%
Taihape	Hautapu St	170,000	215,000	2,907	2,857	50	1.74%
Taihape	Hautapu St	68,000	146,000	2,725	2,681	43	1.61%
Taihape	Kuku St	68,000	104,000	2,613	2,574	39	1.52%
Taihape	Huia St	111,000	325,000	3,199	3,138	60	1.92%
TAIHAPE NON-COMMERCIAL							
Taihape	Pukeko St	55,000	330,000	3,212	3,151	61	1.93%
Taihape	Pukeko St	55,000	225,000	2,934	2,883	51	1.76%
Taihape	Huia St	65,000	190,000	5,021	4,926	95	1.93%
Taihape	Paradise Tce	3,000	128,000	2,677	2,635	42	1.57%
Taihape	Swan St	27,000	139,000	2,706	2,663	43	1.60%
Taihape	Titi St	27,000	350,000	3,265	3,202	63	1.96%
Taihape	Kaka Rd	2,000	48,000	2,465	2,431	34	1.39%
Taihape	Linnet	19,000	50,000	2,470	2,436	34	1.40%
HUNTERVILLE COMMERCIAL							
Hunternville	Milne St	71,000	455,000	5,578	5,530	49	0.88%
Hunternville	Bruce St	76,000	265,000	3,497	3,569	-72	-2.01%
Hunternville	Bruce St	50,000	285,000	2,293	2,276	18	0.77%
Hunternville	Bruce St	47,000	59,000	1,695	1,699	-4	-0.23%
HUNTERVILLE NON-COMMERCIAL							
Hunternville	Feltham St	114,000	370,000	2,519	2,493	26	1.03%
Hunternville	Feltham St	37,000	23,000				
Hunternville	Milne St	25,000	137,000	1,901	1,898	3	0.18%
Hunternville	Main Rd	17,000	127,000	1,335	1,286	49	3.78%
Hunternville	Milne St	19,000	104,000	1,814	1,814	0	0.02%
Hunternville	Kotukutuku St	14,000	70,000	1,184	1,141	43	3.79%
MARTON COMMERCIAL							
Marton	High St	92,000	180,000	5,426	5,469	-43	-0.78%
Marton	Broadway	66,000	200,000	4,985	4,898	87	1.78%
Marton	Broadway	42,000	121,000	2,622	2,580	42	1.64%
Marton	Wellington Rd	89,000	155,000	2,712	2,666	46	1.71%
Marton	Broadway	57,000	126,000	3,607	3,539	69	1.94%
Marton	Broadway	55,000	61,000	2,672	2,650	22	0.83%

Location		Land Value	Capital Value	Forecast 2020/21	Actual 2019/20	Difference	Percentage
MARTON INDUSTRIAL							
Marton	Russell St	235,000	810,000	4,866	4,787	79	1.65%
Marton	Station Rd	102,000	1,450,000	8,027	7,989	38	0.47%
Marton	Wellington Rd	72,000	455,000	3,506	3,432	74	2.16%
MARTON NON-COMMERCIAL							
Marton	McIlwaine Pl	71,000	410,000	3,387	3,317	70	2.11%
Marton	McIlwaine Pl	97,000	455,000	3,506	3,432	74	2.16%
Marton	Armagh Terrace	76,000	320,000	3,149	3,088	61	1.98%
Marton	Calico Line	61,000	270,000	3,016	2,960	57	1.91%
Marton	Grey St	76,000	235,000	2,924	2,871	53	1.85%
Marton	Pukepapa Rd	41,000	175,000	2,346	2,269	77	3.38%
Marton	Maunder St	70,000	235,000	2,924	2,871	53	1.85%
Marton	Wellington Rd	61,000	175,000	2,765	2,717	47	1.75%
Marton	Ross St	52,000	175,000	2,765	2,717	47	1.75%
Marton	Oxford St	52,000	119,000	2,617	2,574	42	1.64%
Marton	Barton St	41,000	119,000	2,617	2,574	42	1.64%
Marton	Alexander St	26,000	100,000	2,566	2,526	40	1.60%
Marton	Fergusson St	31,000	86,000	2,529	2,490	39	1.57%
BULLS COMMERCIAL							
Bulls	Bridge St	165,000	1,100,000	5,424	5,303	121	2.28%
Bulls	High St	133,000	450,000	3,493	3,420	74	2.15%
Bulls	Bridge St	190,000	280,000	4,804	4,670	134	2.88%
Bulls	Bridge St	88,000	230,000	2,911	2,858	53	1.84%
Bulls	Bridge St	165,000	180,000	2,778	2,730	48	1.76%
BULLS NON-COMMERCIAL							
Bulls	High St	128,000	875,000				
Bulls	Gorton St	97,000	300,000	3,096	3,037	59	1.96%
Bulls	Mansell Cres	67,000	250,000	2,964	2,909	55	1.88%
Bulls	Meads Pl	64,000	180,000	2,778	2,730	48	1.76%
Bulls	Flower St	53,000	175,000	2,765	2,717	47	1.75%
Bulls	Bridge St	46,000	200,000	2,831	2,781	50	1.79%
Bulls	Watson St	57,000	147,000	2,691	2,646	45	1.69%
Bulls	Hammond St	64,000	95,000	2,553	2,513	40	1.59%
TURAKINA							
Turakina	Simpson St	23,000	144,000	1,380	1,330	50	3.78%
Turakina	Franklin St	54,000	215,000	1,568	1,511	57	3.77%
RATANA							
Ratana	Taitokorau St	14,000	165,000	2,942	2,888	54	1.87%
Ratana	Ratana Rd	14,000	86,000	2,733	2,687	46	1.73%
Ratana	Waipounamu St	14,000	76,000	2,707	2,661	45	1.71%
Ratana	Kiateri St	14,000	62,000	2,670	2,625	44	1.68%
RURAL NORTH							
Erewhon	Farm Properties	18,400,000	20,800,000	61,117	58,919	2,198	3.73%
Erewhon	Farm Properties	9,700,000	11,400,000	34,224	32,994	1,230	3.73%
Erewhon	Farm Properties	10,100,000	11,500,000	32,492	31,325	1,166	3.72%
Erewhon	Farm Properties	5,177,000	6,269,000	18,637	17,969	668	3.72%

Location		Land Value	Capital Value	Forecast 2020/21	Actual 2019/20	Difference	Percentage
Erewhon	Farm Properties	4,757,000	5,927,000	16,733	16,134	599	3.71%
Ruanui	Farm Properties	2,810,000	3,570,000	11,489	11,077	411	3.71%
Awarua	Farm Properties	1,660,000	2,125,000	7,662	7,388	274	3.71%
Te Kapua	Rural Properties	1,080,000	1,435,000	4,836	4,664	172	3.68%
Kiwitea	Rural Properties	450,000	590,000	2,598	2,506	91	3.64%
Awarua	Rural Properties	240,000	460,000	2,253	2,174	79	3.63%
Ruanui	Farm Properties	29,000	265,000	1,737	1,676	60	3.60%
Ohingaiti	Onslow Rd	108,000	260,000	1,724	1,664	60	3.59%
Awarua	Rural Properties	18,000	235,000	1,657	1,600	57	3.59%
Ohingaiti	Onslow Rd	8,000	68,000	1,215	1,173	42	3.54%
Turakina	SH3	27,000	180,000	1,475	1,421	54	3.78%
MANGAWEKA							
Mangaweka	Kawakawa	17,000	127,000	2,674	2,633	41	1.57%
Mangaweka	Mangawara	17,000	98,000	2,597	2,559	39	1.51%
Mangaweka	Main Rd	17,000	68,000	2,518	2,482	36	1.44%
Mangaweka	Main Rd	17,000	54,000	2,481	2,446	34	1.41%
RURAL SOUTH							
Rangitoto	Farm Properties	17,500,000	19,500,000	57,637	55,562	2,076	3.74%
Rangatira	Farm Properties	11,000,000	14,460,000	43,290	41,731	1,559	3.74%
Rangitoto	Farm Properties	3,960,000	4,270,000	12,308	11,865	443	3.73%
Porewa	Farm Properties	5,500,000	6,750,000	20,873	20,121	752	3.74%
Whangaehu	Farm Properties	2,680,000	3,610,000	11,558	11,141	417	3.74%
Porewa	Farm Properties	4,210,000	4,820,000	15,761	15,193	569	3.74%
Pukepapa	Farm Properties	1,770,000	2,090,000	6,534	6,298	236	3.74%
Pukepapa	Farm Properties	830,000	1,310,000	5,352	5,167	185	3.57%
Porewa	Farm Properties	1,120,000	1,470,000	4,892	4,715	176	3.74%
Pukepapa	Farm Properties	640,000	895,000	3,369	3,247	122	3.75%
Porewa	Farm Properties	260,000	660,000	2,746	2,647	99	3.75%
Pukepapa	Farm Properties	108,000	415,000	2,860	2,744	116	4.24%
Scotts Ferry	Residential	45,000	320,000	1,846	1,779	67	3.77%
Scotts Ferry	Residential	30,000	165,000	1,435	1,383	52	3.78%
Scotts Ferry	Residential	30,000	145,000	1,382	1,332	50	3.78%
Scotts Ferry	Residential	30,000	135,000	1,356	1,307	49	3.78%
Otakapu	Residential	23,000	144,000	1,380	1,330	50	3.78%
Rangitoto	Residential	108,000	300,000	1,793	1,728	65	3.77%
Rangitoto	Residential	23,000	61,000	1,160	1,118	42	3.79%
RURAL LARGE DAIRY/PASTORAL							
Whangaehu	Rural Properties	1,500,000	1,554,000	4,116	3,968	148	3.73%
Rangatira	Rural Properties	4,900,000	7,200,000	21,066	20,308	759	3.74%
Rangatira	Rural Properties	6,500	10,500	28	27	1	3.73%
Porewa	Rural Properties	2,590,000	4,830,000	14,789	14,256	533	3.74%
RURAL SOUTH INDUSTRIAL							
Porewa		320,000	4,870,000	14,660	14,119	541	3.83%
Greatford		4,200,000	11,100,000	30,397	29,304	1,093	3.73%
Rangitoto		310,000	2,620,000	7,938	7,652	286	3.74%

Accounting Policies

Reporting Entity

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

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

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

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

Basis of Preparation

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

Statement of compliance

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

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

These financial statements comply with PBE standards

Presentation currency and rounding

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

Standards issued and not yet effective that have been early adopted

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

Impairment of Revalued Assets

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

Standards issued and not yet effective and not early adopted

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

the effects of these new standards.

Financial instruments

In January 2017, the External Reporting Board issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.
- The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council has not yet assessed the effects of the new standard.

Summary of Significant Accounting Policies

Revenue

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

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

Revenue from non-exchange transactions

General and targeted rates

General and targeted rates are set annually and invoiced within the year. The Council recognises revenue from rates when the Council has set the rates and provided the rates assessment. The Council considers the payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

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

New Zealand Transport Agency roading subsidies

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

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

Vested assets

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

Direct charges – subsidised

Rendering of services – subsidised

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

Revenue from such subsidised services is recognised when the Council issues the invoice or bill for the service. Revenue is recognised as the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold

payment from the Council) if the service is not completed.

Sale of goods – subsidised

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

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

Revenue from exchange transactions

Direct charges – full cost recovery

Sale of goods – full cost recovery

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

Interest and dividends

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

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

Expenses

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

The specific accounting policies for significant expense items are explained below

Borrowing costs

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

Grants

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

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

Income tax

Income tax expense includes current and deferred tax.

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

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used in the computation of the taxable surplus.

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

or settle the carrying amount of its assets and liabilities.

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

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

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

Operating leases

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

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

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

Cash and cash equivalents

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

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

Receivables

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

Other financial assets

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

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

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

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

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

Financial assets at fair value through surplus or deficit

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

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

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

Loans and receivables

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

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment.

Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Held-to-maturity investments

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

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

Fair value through other comprehensive revenue and expense

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

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

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

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

Impairment of financial assets

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

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

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

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

Non-current assets held for sale

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

their carrying amount and fair value less costs to sell.

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

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

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

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

Property, plant and equipment

Property, plant and equipment consist of:

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

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

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

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

Revaluation

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

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

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

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

Additions

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

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

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired

through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

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

Subsequent costs

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

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

Depreciation

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

Operational and restricted assets

Buildings

Structure	50-150 years
Roof	40 years
Services	40-65 years
Internal fit out	15-40 years

Plant 30 years

Motor vehicles 6 years

Office equipment 10 years

Computer hardware 5 years

Library books 10 years

Infrastructural assets

Roading network

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

Water

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

Wastewater

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

Stormwater

Pipes	50-90 years
Manholes, cesspits	90 years

Waste transfer stations

50 years

Service concession arrangements

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

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

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

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

Intangible assets

Software acquisition

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

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

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

Easements

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

Carbon credits

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

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

Amortisation

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

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

Computer software

3-5 years

Impairment of property, plant and equipment and intangible assets

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

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

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

deficit.

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Forestry assets

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

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

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

Payables

Short-term payables are recorded at their face value.

Borrowings

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

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

Employee benefits

Short-term employee entitlements

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

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

Long-term employee entitlements

Long-term employee entitlements consists of long service leave that is payable beyond 12 months and have been calculated on the likely future entitlements accruing to staff, based on the years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and current salary. As there are few staff members that are actually entitled to long service leave, the total accrual is not considered to be material and no actuarial basis has been used.

Presentation of employee entitlements

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

Superannuation schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are

recognised as an expense in the surplus or deficit when incurred.

Provisions

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

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate base that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included under "finance costs".

Landfill aftercare

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

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

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

Equity

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

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

Special reserve funds

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

Restricted reserve funds

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

Property revaluation reserves

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

Fair value through other comprehensive revenue and expense reserves

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

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2020/21 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Cost allocation

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

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

Critical accounting estimates and assumptions

In preparing these financial statements, the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Infrastructural assets

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

Critical judgements in applying accounting policies

Management has exercised the following critical judgement in applying its accounting policies for the year ended 30 June 2021.

Classification of property

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

Statement of prospective financial information

These prospective financial statements were authorised for issue by the Rangitikei District Council on 27 June 2020. 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 74) may lead to a material difference between information in the prospective financial statements and the actual financial results prepared in future reporting periods. The Council's planning processes are governed by the Local Government Act 2002. The Act requires the Council to prepare a ten-year long-term plan (the "LTP") every three years and an Annual Plan which updates the LTP by exception in the intervening years. This is the Rangitikei District Council's Annual Plan for the year ending 30 June 2021 which is the second year of the 2018-28 long-term plan. Caution should be exercised in using these prospective financial statements for any other purpose.

Annual Plan *Disclosure Statement* for year ending 30 June 2021

What is the purpose of this statement?

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

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

Benchmark	Financial Strategy Target	Planned	Met
Rates affordability			
• quantified limit	Not greater than \$24.144M	\$23.349M	Yes
• increases	Not greater than 4.53%	3.63%	Yes
Debt affordability			
• interest expense to rates income	Not greater than 15%	0.6%	Yes
• external debt to rates income	Not greater than 150%	103.1%	Yes
• external debt per capita	Not greater than \$2,500	\$1,603	Yes
Balanced budget	Not less than 100%	106.1%	Yes
Essential services	Not less than 100%	246.04%	Yes
Debt servicing	Not greater than 10%	0.37%	Yes

Notes

1 Rates affordability benchmark

(1) For this benchmark,—

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

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

- a) its planned rates income for the year equals or is less than the quantified limit on rates; and
- b) its planned rates increase for the year equals or is less than the quantified limit on rates increases.

2 Debt affordability benchmarks

(1) For this benchmark,—

- a) the Council's planned interest expense as a proportion of annual rates income is compared with the quantified limit contained in the financial strategy included in the Council's Long Term Plan.
- b) the Council's planned net external debt as a proportion of annual rates income is compared with the quantified limit contained in the financial strategy included in the Council's Long Term Plan.
- c) the Council's planned debt per capita of population is compared with the quantified limit contained in the financial strategy included in the Council's long-term plan.

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

- a) the Council's interest expense equals or is less than the quantified limit on interest.
- b) the Council's external debt equals or is less than the quantified limit on debt
- c) the Council's debt per capita equals or is less than the quantified limit on debt.

3 Balanced budget benchmark

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

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

4 Essential services benchmark

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

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

5 Debt servicing benchmark

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

(2) Because Statistics New Zealand projects that the Council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Significant Forecasting Assumptions

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

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
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 but no evidence yet that it is a priority for the new government. . 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 anticipates and/or plans 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 and there will be greater focus on compliance as a result of government decisions on the Havelock North Drinking Water Inquiry.	Council's six urban water supply schemes do not achieve compliance with a more rigorous standard (or stricter enforcement of the standard). It is not yet clear whether the drinking-water standard will be extended to rural non-potable (i.e. currently untreated) supplies.	Medium	While all six urban water supply schemes are chlorinated, there could be additional cost from a more rigorous standard; financial penalties might be imposed; and a revised capital programme may be necessary. Requiring rural (non-potable) schemes to meet the drinking-water standard could be a significant cost for scheme subscribers.
That reduction of water losses from reticulated supplies is made mandatory.	That the water loss reduction requirements set mean the Council's renewal programme for reticulation has to be substantially accelerated. More frequent (than annual) reporting may be required	Low	The priority for government action is unknown (but the data is readily accessible in the annual reporting of the mandatory performance measures for all councils). An accelerated programme could be very costly.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
That the statutory requirements for earthquake-strengthening of public buildings will continue under the new government.	That Council does not secure adequate external funding for new public buildings to replace those that need strengthening	Medium	There is strong competition for external funding. If sufficient external funding is not secured, some earthquake-prone buildings may have to be strengthened or demolished. It was estimated in 2014 that strengthening of Council-owned buildings would cost between \$20 and \$35 million. However, following the required public consultation, Council resolved that there were no priority areas within the District, meaning the prescribed times to meet strengthening requirements have not been reduced.
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 a resource consent is granted may push upgrade costs beyond what has been budgeted	Medium/ High	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 or needs to be increased to cover the lack of NZTA funding.
NZTA will extend the current financial assistance rate to footpaths .	The programme will be determined by NZTA criteria rather than local preferences	Low	The extent of co-investment may change. Council may seek to increase the unsubsidised footpath or roading programme rather than treat the co-investment as reducing the local share (i.e. rates) requirement.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
The new criteria for emergency works on the roading network will leave a funding shortfall beyond the enhanced basic Funding Assistance Rate (or 'FAR') from NZTA (currently 63%).	Council will require greater ratepayer contribution to ensure the necessary emergency works.	Medium	The emergency FAR paid for damage from the storm event in June 2015 averaged about 85%. The flood damage reserve as at 30 June 2017 was \$728,000. It was increased by \$250,000 in 2017/18 and 2018/19.
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

Population Change – The population of the District will change in accordance with the high projections from the Statistics NZ projections based on 2013 Census (14,550 in 2013). This shows an increase to 15,600 by 2023 and to 15,900 by 2043.	The risk is twofold. If the medium projection is what materialises, this shows an increase to 14,900 by 2033 but a decrease to 13,550 by 2043. A greater than expected population decline would increase pressure on remaining ratepayers.	Low	The results of the Census in March 2018 (expected to be available by October 2018 – but delayed until after the adoption of this Annual Plan) could show a different demographic. In addition, the reasons for the growth (largely internal migration) may not continue to apply. However, the likely range of population change would not significantly impact on provision of infrastructure, facilities or services.
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.	The risk is that this age group leaves the District to establish themselves in larger service centres in anticipation of the need for services. Investment in upgrade or replacement of community facilities may prove to be mis-targeted.	Low	The ageing population trend is demonstrated over a substantial period and is reflected at the national level.
That the 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 base.	Low/ Medium	Council has recognised the need to invest in activities that promote community cohesion and resilience, and is increasing its investment in emergency management capability.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
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 shared services arrangement for infrastructure provides a larger and more varied work structure which helps recruitment. The quieter lifestyle in the Rangitikei compared with New Zealand's metro areas is also a drawback.
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 with 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 subsidies for emergency work on roads.	That there will be a major natural disaster requiring significant additional unbudgeted expenditure and financing. The present level of government subsidy for emergency roading works may be reduced. Council may not be able to obtain (or afford) insurance sufficient cover for its infrastructure assets.	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. Council is part of an insurance scheme negotiated with neighbouring councils for above-ground and below-ground assets, so the risk is shared.
Changes to land use reflecting economic conditions or concern for environmental impacts will have minimal effect on rates revenue.	That the changes are of significant scale and lead to decreases/increases in population and/or the District's valuation.	Low	Land use conversion (e.g. to manuka honey) or retiring hill country land from pasture are largely influenced by the market and government policy. There could be impacts on rating values and jobs – the latter potentially changing the District's demographics.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
4 Financial environment			
Inflation – The financial information is based on inflation figures for 2019/20 onwards using the BERL indices for inflation. Infrastructure inflation adjustment adjustors are based on forecasted category adjustors; staff costs are inflated based on the Local Government Cost Index (LGCI); all salary and wage rates 'Local Government Sector and Other' inflation rates are based on LGCI, average annual % change (Total).	That inflation (CPI) is greater than predicted or that operational costs do not vary in line with the BERL estimates.	Low/ Medium	The new government may introduce policies which cause variations from the BERL indices.
Interest – Interest on external borrowing is calculated at 4.72% for each of the first three years of the 2018-28 Long Term Plan, increasing to 4.82%, 4.92%, 5.22%, 5.42%, 5.82% and 6.62% over the following seven years.	That interest rates will change from those used (as researched by Council). 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	Economic conditions may change. If interest rates increased (or decreased) by 1% in (for example) 2024/25 (where finance costs are projected to be \$1.791 million), total interest payable would increase (or decrease) by \$340,227 which represents 1.25% of the projected rates for 2024/25.
Three-yearly revaluation of assets (i.e. excluding land and buildings) are based on projections from BERL.	That the BERL estimates are greater or less than the actual rates of inflation for those assets.	Low/ Medium	BERL's estimates have been carefully researched – but economic conditions may change.
Three-yearly revaluation of land and building assets are undertaken on a consistent basis using the BERL inflation adjustors. .	That the assumed value of these assets over the period of the Plan is incorrect – the actual revaluation may be greater or less than this.	Low	Economic conditions may change. Valuations for earthquake-prone buildings may fall at a disproportionate rate
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. Council has committed to develop an integrated contract management policy (based on the Contract Management Guidelines issued by the Municipal Association of Victoria).

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
Interim consents for wastewater discharges at Bulls, Marton and Ratana – Horizons will grant interim consents for five years to allow full consideration of the most cost-effective options in each of these places.	That Horizons does not agree to grant interim consents or requires stringent conditions.	Medium	The granting of interim consents is at the discretion of Horizons. Not granting them or requiring stringent conditions would impose additional costs.
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.	Low/Medium	Economic conditions may change.
That District-wide rates will continue throughout the period of this LTP, and that there will continue to be a “public good” component in funding for the network utilities	That the balance between public/private benefit is not correct and either component becomes unaffordable to those required to contribute, that willingness to pay is confused with affordability under either scenario.	Low	The uncertainty depends on the robustness of the estimated costs for upgrading and replacing the 3 waters infrastructure and community /civic centres.

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 – that there will be progressive inclusion and engagement of Iwi and Māori.	The urgency and extent of engagement will be viewed differently by the partners: proposals for change may create tension and ill-feeling which will be counter-productive. Joint ventures (Council and Iwi) may fail. Iwi intent to use the Mana Whakahone o Rohe process is not known. The extent of ongoing Council's commitment in the Ngāti Rangī settlement over the Whangāehu River has yet to be clarified.	Medium	The Ngāti Apa claim was settled in 2010. The Ngāti Rangī claims was settled in 2017. 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. Council appointed a Strategic Adviser Iwi/Hapu effective 11 June 2018.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
Liaison with the Samoan community (Marton) – that there will be progressive inclusion and engagement of the Samoan community in Marton.	The urgency and extent of engagement will be viewed differently by Council and Samoan leaders: proposals for change may create tension and ill-feeling which will be counter-productive.	Low/ Medium	The Samoan community is increasingly well-established within Marton and finding its voice to engage effectively with Council and other statutory stakeholders.
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 the Asset Management Plans.	That information about the condition of assets that informs their useful life is not completely accurate – for example, historical information about construction dates and pavement subsurface formation details and below-ground water, wastewater and stormwater reticulation systems. There will be insufficient (or excessive) provision of depreciation.	Medium	While there has been improvement in asset data capture and in asset management plans, but there are still uncertainties with the following: <ul style="list-style-type: none"> • major previously unknown faults are identified needing urgent attention; • information/data required to plan for future demand is not sufficiently accurate to ensure adequate provision i.e. that provision will exceed/ not meet forecast demand; and • predicted savings in operating costs are not realised because performance of the assets has been wrongly assessed.
Depreciation rates on planned asset acquisitions – the average lifespan of assets has been used to calculate rates as stated in the note on depreciation in the Statement of Accounting Policies.	Once costs for specific items are known, the depreciation may turn out to have been over-/under-stated.	Low	Because of the long lifespan of infrastructural assets, any changes in actual depreciation compared to forecast should be minimal.
Funding Sources for the future replacement of significant assets disclosed in the Revenue and Financing Policy, Financial Strategy and Infrastructure Strategy are achievable.	Some user charges may not be achievable. Ratepayers may press for a different 'mix'.	Low	There has been considerable work in modelling funding sources in preparing for this LTP.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
External funding will continue to be sourced to supplement Council funding for activities in the District that contribute to community outcomes.	That external funding is not available and that Council must either increase its contributions or lower expectations of its activity in achieving the community outcomes.	Medium	Success in securing external funding is not predictable. If external funding is used for what is perceived to be essential services, then there is a real danger that the community will feel let down if these services are withdrawn. The relevance to the Provincial Growth Fund of Council's proposals for opening up land-locked land and improving community infrastructure and employment opportunities have yet to be determined.
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.	Existing Shared Services arrangement may prove less attractive than when they were entered into. The cost and the needs of the Rangitikei community may not best served by such arrangements.	Low	These arrangements are typically flexible and have exit provisions.
6 Economic performance			
That Council is able to influence small scale changes in the local economic environment which will add up to make an impact on the District's economic development	That Council will apply resources to secure economic development but is ineffective in the face of global economic trends.	Medium	Council will take a measured, evidence-based and risk averse approach to economic development initiatives.

Table 3.2: Adjustors: % per annum charge

Year ending	Planning and regulation	Roothing	Transport	Community activities	Water and Environmental
	PR	RD	TR	CA	WE
	% change (on year earlier)				
Jun 18	2.0	1.7	1.8	1.9	1.7
Jun 19	3.1	2.2	2.6	1.9	3.5
Jun 20	2.1	2.2	2.1	2.2	2.4
Jun 21	2.2	2.3	2.3	2.1	2.4
Jun 22	2.2	2.4	2.3	2.1	2.4
Jun 23	2.2	2.4	2.3	2.2	2.4
Jun 24	2.3	2.5	2.4	2.2	2.5
Jun 25	2.3	2.5	2.4	2.3	2.5
Jun 26	2.3	2.6	2.4	2.3	2.6
Jun 27	2.4	2.6	2.5	2.3	2.6
Jun 28	2.4	2.6	2.5	2.4	2.6
Jun 29	2.4	2.7	2.5	2.4	2.7
Jun 30	2.5	2.7	2.6	2.5	2.7
20-year avge %pa	2.1	2.4	2.2	2.1	2.4

20-year average calculated using 2010 to 2030 actuals and forecasts

BERL

End of document.





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