

Draft Annual Plan 2022/23

Proof for Council meeting

[Final design, formatting and minor editing to be done following the Council meeting]

Mihi

E ngā mana, e ngā reo, e ngā rau rangatira mā o te rohe o Rangitīkei, tēnā koutou katoa.

Mihi mahana tēnei o te Kaunihera o Rangitīkei kia tātou katoa e noho ana ki roto i te rohe nei, nau mai, whakatau mai ra.

***Whakataka te hau ki te uru,
Whakataka te hau ki te tonga,
Kia mākinakina ki uta,
Kia mātara-tara ki tai,
E hī ake ana te atakura,
He tio, he huka, he hau hū,
Tīhei Mauriora!***

The Rangitīkei District Council acknowledges all those who live within our District.

We send a warm welcome to you all.

*Cease the winds from the west
Cease the winds from the south
Let the breeze blow over the land
Let the breeze blow over the ocean
Let the red-tipped dawn come with
a sharpened air
A touch of frost, a promise of a glorious day!*



Contents – to be completed

Message from His Worship the Mayor

To be completed for the final Annual Plan.



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 114-118 of the 2021-31 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

The variances in this statement are reflected in the Funding Impact Statements.

Specific Groups of Activities

A note on variations is appended to each group of activities. The most significant variations are the carry-forwards from 2021/22 to 2022/23 of several infrastructure upgrades and renewals, these infrastructure projects include large projects such as the Marton Rail Hub and Taihape Grandstand, totalling \$16 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; Specific group of activities

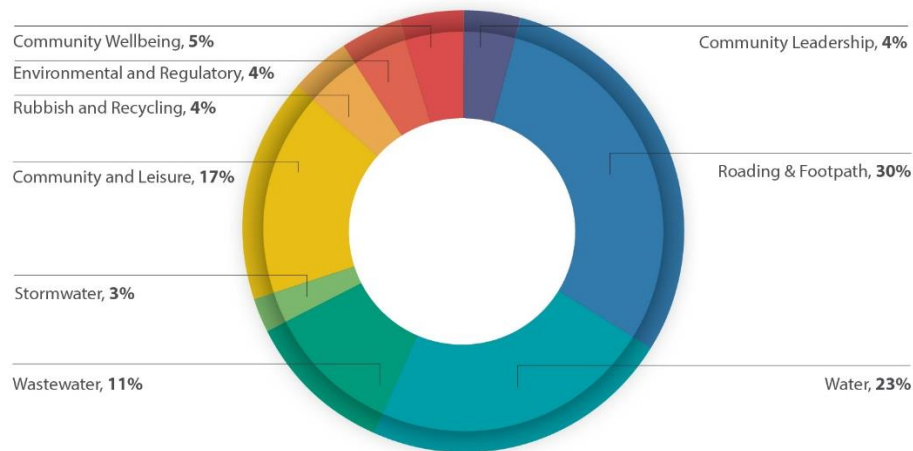
Overview – Council Expenditure and Application of Rates

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 2022/23. 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.

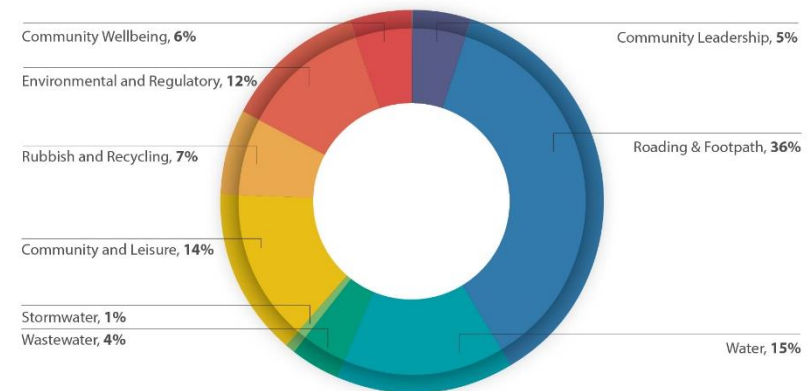
Rates by Activity 2022/23

Operating Expenditure by Activity 2022/23

Rates by Activity 2022/23



Operating Expenditure by Activity 2022/23



What we've achieved since our Long Term Plan was adopted last year:

We completed the work at Te Matapihi on the Bus Lane, in March 2022. The Town Square, including local art work, will be completed in April 2022.

Construction of the new Mangaweka Bridge has begun and is due to be completed in June 2022, one month earlier than planned.

We completed stage one of the upgrade on the RSA and Citizens Memorial Hall. This work included reroofing, asbestos removal, restoring and improving the flooring, painting, installing fire systems and heat pumps in entrance area and rewiring. Stage two will get underway shortly, this includes installing accessible bathrooms and new heating and cooling systems. A building consent has been approved for this work.

Work was completed on the remediation of the historic landfill on Putorino Road.

The new Bulls reservoir, next to the old Bulls water tower, was completed.

Planned work in the Marton Water Strategy has begun with a tender process for the construction of a new test bore underway. A tender process is also about to begin for work on the detailed design for alterations to the existing Marton Plant. The project is due to be completed in mid-2024.

Work has started on the new amenities building, Nga Awa Block, at Taihape Memorial Park. Nga Awa Block will provide sports teams with a modern changing facility that will serve our community for many years to come.

Work has begun to look at options for strengthening the Taihape Grandstand.

Marton to Bulls Wastewater Centralisation Project has begun with the construction of the pipeline from Marton to bulls. This project is expected to be completed by June 2022.

The new playground in Marton, Te Āhuru Mōwai, was completed and opened in March 2021.

The roof at the Marton pool was replaced and asbestos was removed.

We made improvements to the roof at the Marton Gym and removed the asbestos.

We have reviewed our representation to introduce Māori Wards.

We have engaged consultants to produce a Parks, Open Spaces and Sporting Facilities Strategy which will be completed by June 2022. This Strategy will provide long term guidance on the parks and open spaces that we need across the district.

An Urban Design Study for Taihape Memorial Park has commenced and will be completed by the end of June 2022. This study will help make informed decisions about what the park needs and where it should go.

We're now part-way through the development of a spatial plan for the Rangitikei. We've called this project Pae Tawhiti Rangitikei Beyond. The purpose of this project is to develop a plan that identifies community aspirations and sets out the strategic direction for future growth. So far, we've done background research, and we are near the end of the community engagement phase. The next step is to develop a draft spatial plan, that we will share with the community for submissions. Once complete, the spatial plan will guide a range of Council projects, including our infrastructure planning and district plan review.

Pou Tarāwaho Rautaki

Our Strategic Framework

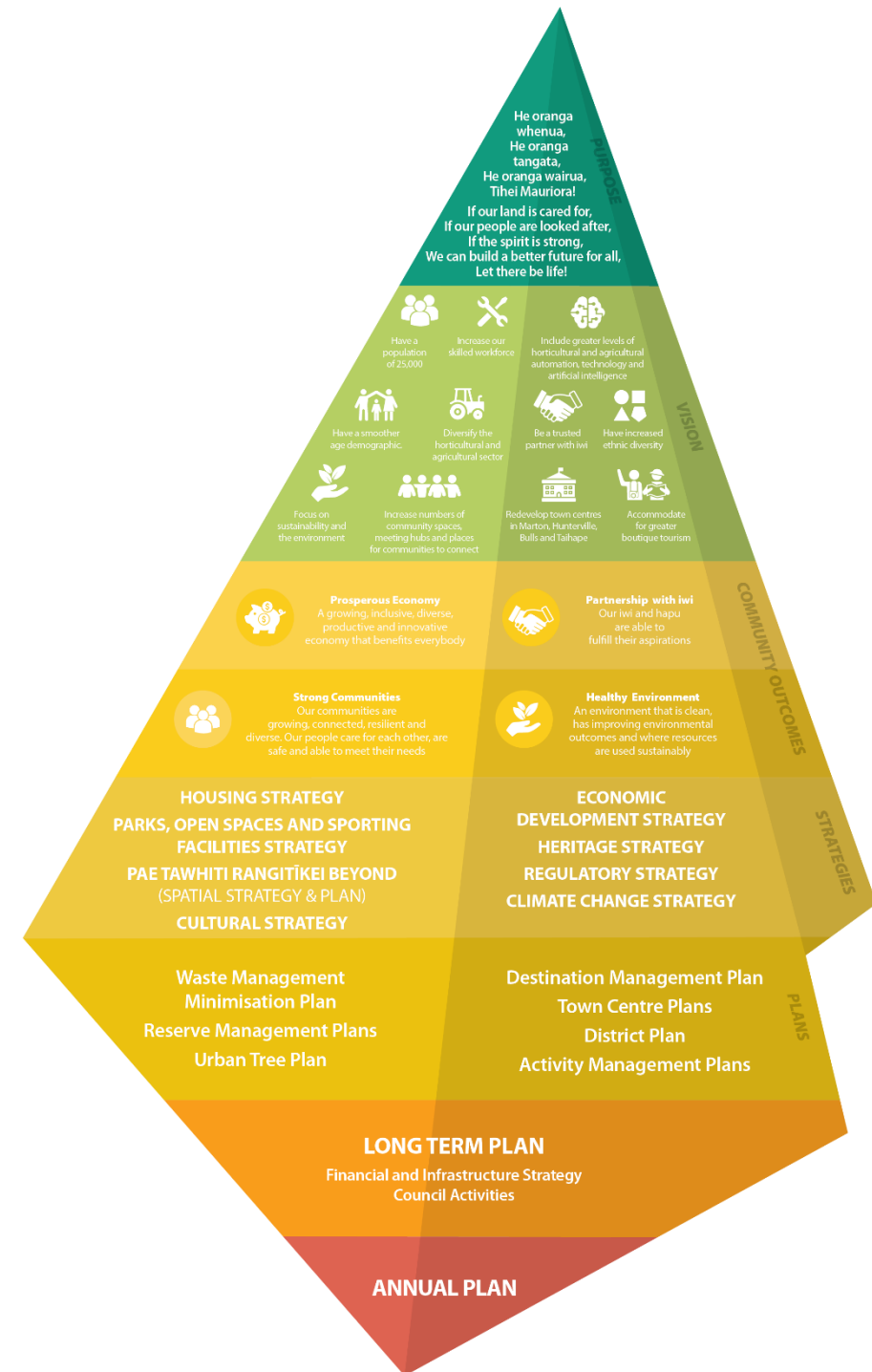
We've created a strategic framework for that tells us most important and what we're working towards. It identifies our purpose, vision, community outcomes, strategies and plans.

The strategic framework shows a hierarchy. Our purpose at the top guides everything we do, with everything below working towards achieving that purpose.

It's important to have a clear strategic framework to guide Council investment. It helps us know where we are going, and what is important so we can deliver services and projects that contribute to this.

Through this annual planning process, we have looked at the framework (see right) to ensure what we are delivering for the community is aligned with our purpose, vision and community outcomes.

The design has been developed to align with our brand - the kowhai. Rangitīkei is renowned for having the most prolific kowhai stand in New Zealand. The kowhai is a cultural and social icon and is an important and overlooked ecological feature of our District.



Council's Activities

This section outlines the activities that Council will undertake in 2022/23. These are presented as groups of activities:

- Community Leadership
- Rooding
- Water Supply
- Wastewater and Sewage Disposal
- Stormwater Drainage
- Community and Leisure Assets
- Rubbish and Recycling
- Environmental and Regulatory Services
- Community Well-being

Each section follows the same structure:

1 Overview of the group of activity

An overview of the strategic direction, rationale for the activity, identification of any negative effect of the activity and a description of the activities that make up that group of activities.

2 Major programmes

An overview of the major programmes in that group of activity, for the 2022/23 year.

3 Variations from the Long Term Plan

Identifies any changes from what was proposed in the LTP for the 2022/23 year.

4 Statement of Service Provision

The Statement of Service Provision for the intended levels of service is then provided. The Statement includes performance measures for each group of activity.

5 Funding Impact Statement

The funding impact statement identifies the sources and applications of operating funding for the activity.

Community Leadership Group of Activities

To ensure a Council that is more engaged with and connected to its communities, that represents, and is representative of, its residents.

| | |
|---|--|
| Rationale | This group of activities contributes to opportunities to participate in civic life and to have an impact over decisions that affect quality of life. |
| Significant negative effects on the local community | No significant negative effects have been identified for this group of activities |
| Contribution to community outcomes | Healthy and resilient communities Partnership with iwi Prosperous economy |
| Major aspect of the service for statement of service provision | <ol style="list-style-type: none"> 1. Completion of Annual Plan actions on time 2. Completion of capital programme 3. Commencement of Spatial Plan for the District 4. District Plan review 5. Effectiveness of communication 6. Māori responsiveness framework 7. Engagement with sector excellence programmes |

The Community Leadership group of activities is concerned with local democratic decision-making. It includes strategic planning, elections, Council, community boards and committees and iwi liaison.

What we plan to do this year

| Year | Programmes |
|-------------------------------------|---|
| Year 2 (2022/2023) | <p>Strategic Planning Annual Report 2021/22 Annual Plan 2023/24 Delivery of programme of policy and bylaw reviews Continuation of Council's Spatial Plan, including progress on actions, including any response to climate change District Plan review to continue Preparation of the pre-election report (for the 2022 election) - optional Conduct of 2022 local election</p> <p>Council Induction of Council, Community Boards/Committees for the 2022-25 triennium Preparation of Local Governance Statement and update Elected Members Handbook Preparation of order papers that ensure compliant decision-making Engagement with sector excellence programme (if appropriate)</p> <p>Iwi Liaison Māori Responsiveness Framework– review and implement actions Confirmation of Te Roopuu Ahi Kaa membership for the 2022-25 triennium</p> |

Variations from the Long Term Plan

There are no significant variations in the planned work programme.

Levels of Service from the 2021-31 Long Term Plan

| Level of Service | Measurements and Targets |
|---|--|
| Council's intended Level of Service is to: | <i>Make decisions that are robust, fair, timely, legally compliant and address critical issues, and that are communicated to the community</i> |
| Performance measure | On-time completion of, or substantially undertaken annual plan actions |
| How we will measure | Record through Council's quarterly Statement of Service Performance 2019/20 results: <ul style="list-style-type: none"> Annual plan actions – 47% |
| Years 1-3 | 90% - Annual plan actions |
| Year 4-10 | |
| Performance measure | Completion of capital programme |
| How we will measure | Record through Council's quarterly Statement of Service Performance 2019/20 results: <ul style="list-style-type: none"> Achievement of planned capital programme – 48.9% |
| Years 1-3 | 85% - planned capital programme |
| Year 4-10 | |
| Performance measure | Māori responsiveness framework |
| How we will measure | Satisfaction ratings from each member of Te Roopuu Ahi Kaa about the effectiveness of each framework outcome area. <ul style="list-style-type: none"> Governance and relationships Culture and identity Prosperity and well-being Resources and infrastructure |
| Years 1-3 | 80% or more overall satisfaction |
| Year 4-10 | |

| Level of Service | Measurements and Targets |
|---|--|
| <i>Councils Intended Level of Service is to:</i> | <i>Provide a high customer experience that satisfies the needs of the community.</i> |
| Performance measure (new) | Customer views of their experience (both the customer service and service provided) with Council. |
| How we will measure | HappyOrNot Customer Surveys. |
| Years 1-3 | Number of responses: 500 or above |
| Year 4-10 | Customer Satisfaction Index (provided via the HappyOrNot system): <ul style="list-style-type: none"> • Year 1 baseline • Year 2-10 improvement on previous year. |

Community Leadership - Funding Impact Statement

for the year ending 30 June 2023

| | 2022/23 | 2022/23 | |
|--|--------------|--------------|-------------|
| | Long-term | Annual Plan | Variance |
| | plan | | |
| | (\$000) | (\$000) | (\$000) |
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | 1,262 | 1,262 | 0 |
| Targeted rates | 84 | 84 | (0) |
| Subsidies and grants for operating purposes | - | - | - |
| Fees and charges | 55 | 55 | - |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - |
| Total operating funding (A) | 1,401 | 1,401 | - |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 781 | 801 | 20 |
| Finance costs | - | - | - |
| Internal charges and overheads applied | 618 | 618 | - |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 1,399 | 1,419 | 20 |
| Surplus (deficit) of operating funding (A - B) | 2 | (18) | (20) |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | (2) | 18 | 20 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | (2) | 18 | 20 |
| 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) | - | - | - |
| Funding balance ((A - B) + (C - D)) | 0 | 0 | 0 |

Note: Depreciation expense not included above

2

2

Roading Group of Activities

The maintenance of the current roading network as close to the current standard as possible within budget constraints

| | |
|---|---|
| Rationale | The roading group of activities provide a safe, convenient and orderly network for road users (including pedestrians, cyclists and mobility scooter users) to travel throughout the towns and wider District. This contributes to economic vitality of the District and to public safety. |
| Significant negative effects on the local community | Significant negative effects identified for this group of activities are road deaths, emissions to air from road transport and associated health impacts and traffic noise and vibration. These negative effects will be mitigated by undertaking crash reduction studies and undertaking safety improvements to the roading network, promotion alternative modes of transport such as walking and surface treatments to minimise noise. |
| Contribution to community outcomes | Healthy and resilient communities Healthy and improving environment |
| Major aspect of the service for statement of service provision | <ol style="list-style-type: none"> 1. The average quality of ride on a sealed local road network measured by smooth travel exposure 2. The percentage of the sealed road network that is resurfaced 3. The percentage of the unsealed road network which is re-metalled during the year 4. The percentage of footpaths within the District that fall within the level of service or service standard for the condition of footpaths 5. 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 6. Residents' perceptions of the provision and maintenance of footpaths, street lighting and local roads (annual survey) 7. 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. |

The Roothing group of activities consists of seven activities that contribute towards the community outcomes – pavements, drainage, structures, street lighting, traffic services, footpaths, environmental management.

Key issues for the roading group of activities are – maintenance, low resilience of the network, forestry harvest and safety. These issues will be addressed by:

- Delivering optimised maintenance programmes to improve the reliability and cost effectiveness of the road network.
- Improving resilience of the road network by identifying risks and implementing action plans to reduce the magnitude and impact of natural hazard events.
- Developing a strategy for road maintenance and rehabilitation to minimise the impact of forestry harvest on the roading network.
- Improving the safety of the road network through installing, upgrading or amending signage, removing roadside hazards, improving sightlines, traffic calming in schools, intersection upgrades, seal widening and safety barriers.

Due to the indicative reduction in funding from Waka Kotahi, the Council has reduced the capital spend for the first three years. This has the potential impact to decrease levels of service as the Council is not able to complete the intended roading programme identified in the Roothing Activity Management Plan.

What we plan to do this year (subject to change depending on funding outcome from Waka Kotahi)

| Year | Programmes | |
|-----------------------|--|---|
| Year 2 (2022/2023) | Pavements Rehabilitation: <ul style="list-style-type: none">• Bond Street• Toe Toe Road | Bridges Strengthening: <ul style="list-style-type: none">• Various bridges for assessment Footpath Installations <ul style="list-style-type: none">• Mill Street• Wellington Road• Ngā Tawa Road Non - Subsidised <ul style="list-style-type: none">• Various non-subsidised projects |

Variations from the Long Term Plan

There are no significant variations in the planned work programme.

There has been rephasing and re-prioritisation of the work programme. Costs are escalating and resources are stretched. As a result, some projects may be deferred to future years. The situation is dynamic and will have to be monitored

Levels of Service from the 2021-2031 Long Term Plan

| Level of Service | Measurements and Targets |
|---|--|
| Council's intended Level of Service is to: | <i>Provide a sustainable roading network that is maintained in accordance with each road's significance for local communications and the local economy, taking into account the One Roding Network Classification and funding subsidies</i> |
| Performance measure (*mandatory) | *Road condition The average quality of ride on a sealed local road network measured by smooth travel exposure |
| How we will measure | The process defined in the Council's agreement with Waka Kotahi (NAASRA roughness counts) 2019/20 results: <ul style="list-style-type: none"> 94% |
| Years 1-3 | 90% or more |
| Year 4-10 | The One Network Road Classification may impact on this measure because of a smaller co-investment from the New Zealand Transport Agency because of the low volume of traffic compared with urban environments. |
| Performance measure (* mandatory) | *Road maintenance The percentage of the sealed road network that is resurfaced |
| How we will measure | Council and contractor records 2019/20 results: <ul style="list-style-type: none"> 6.2% The network has 801.05km of sealed roads. |
| Years 1-3 | 6% or more |
| Year 4-10 | The One Network Road Classification may impact on this measure |
| Performance measure | The percentage of the unsealed road network which is re-metalled during the year |
| How we will measure | Council and contractor records At least 12,000m ³ of metal placed on the unsealed network each year 2019/20 results: <ul style="list-style-type: none"> 10,557³ |
| Years 1-3 | 12,000m ³ or more |
| Year 4-10 | |

| Level of Service | Measurements and Targets |
|--|--|
| Performance measure (* mandatory) | * 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). |
| How we will measure | A five point grading system to rate footpath condition ¹ based on visual inspections: 1. Excellent 2. Good 3. Fair 4. Poor 5. Very Poor Footpaths will be assessed in approximately 100 metre lengths. |
| Years 1-3 | 90% of footpaths make up category 1 or 2 |
| Year 4-10 | |
| Performance measure (* mandatory) | *Road safety The change from the previous financial year in the number of fatalities and serious injury² crashes on the local road network expressed as a number |
| How we will measure | Police records of crashes on the Council's roading network 2019/20 results: a. Fatal crashes: 0 b. Serious injury crashes: 4 |
| Years 1-3 (a) | No fatal crashes on the Council roading network |
| Years 4-10 (a) | |
| Years 1-3 (b) | 10 or less serious injury crashes on the Council roading network |
| Years 4-10 (b) | |

¹ Such as that developed by Opus International Consultants.

² "Serious injury" is not defined in the Rules or associated guidance from the Department of Internal Affairs. At a minimum it is likely to cover all injuries requiring admission to hospital for treatment.

| Level of Service | Measurements and Targets |
|--|---|
| <i>Council's intended Level of Service is to:</i> | <i>Be responsive to community expectations over the roading network and requests for service</i> |
| Performance measure (* mandatory) | *Response 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. Results will be presented as the median. Note: Council measures resolution as well as initial attendance in response to such requests. |
| How we will measure | Contractor and Council records of requests for service. Specified standard: a. After-hours callouts - 95% responded to within 12 hours b. Working hours callouts - 95% responded to within 6 hours c. Resolution - 85% of all callouts resolved (i.e. completed) within one month of the request. d. Specific reference to callouts relating to potholes 2019/20 results: a. After-hours callouts – 61% b. Working hours callouts – 84% c. Resolution – 66% d. Requests concerning potholes – 85% |
| Years 1-3 (a) | After-hours callouts – achieve the specified standard. |
| Years 4-10 (a) | |
| Years 1-3 (b) | Working hours callouts – achieve the specified standard |
| Years 4-10 (b) | |
| Years 1-3 (c) | Resolution – achieve the specified standard |
| Years 4-10 (c) | |
| Years 1-3 (d) | Requests concerning potholes – achieve the specified standard |
| Years 4-10 (d) | |

Roading - Funding Impact Statement

for the year ending 30 June 2023

| | 2022/23 | 2022/23 | |
|--|----------------|----------------|---------------|
| | Long-term plan | Annual Plan | Variance |
| | (\$000) | (\$000) | (\$000) |
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | 143 | 143 | - |
| Targeted rates | 7,851 | 7,851 | - |
| Subsidies and grants for operating purposes | 4,143 | 4,143 | - |
| Fees and charges | 7 | 7 | - |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 144 | 144 | - |
| Total operating funding (A) | 12,288 | 12,288 | 0 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 6,722 | 6,722 | - |
| Finance costs | 138 | 93 | (45) |
| Internal charges and overheads applied | 3,070 | 3,070 | - |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 9,930 | 9,885 | (45) |
| Surplus (deficit) of operating funding (A - B) | 2,358 | 2,403 | 45 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 8,076 | 15,021 | 6,945 |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | (1,785) | 1,451 | 3,236 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | 6,291 | 16,472 | 10,181 |
| Application of capital funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | 208 | 208 | - |
| - to replace existing assets | 4,425 | 9,538 | 5,113 |
| Increase (decrease) in reserves | 4,015 | 9,128 | 5,113 |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding (D) | 8,648 | 18,874 | 10,226 |
| Surplus (deficit) of capital funding (C - D) | (2,357) | (2,402) | (45) |
| Funding balance ((A - B) + (C - D)) | 1 | 1 | - |

Note: Depreciation expense not included above

9,032

8,807

The Council does not fully fund depreciation on roading. This is because a subsidy is received on capital renewals from New Zealand Transport Agency which is used to reduce the cost to the Council.

Water Supply Group of Activities

Improving public health through the provision of water that meets New Zealand Drinking Water Standards; and fostering development in the District by meeting the requirements for commercial premises or major industries

| | |
|---|---|
| Rationale | <p>The Urban Water Supply activity ensures public health and safety through the provision of water that meets the Drinking Water Standards for New Zealand (DWSNZ). The Urban Water Supply activity can also support economic development in the District by enabling increased economic activity where supply is available.</p> <p>The Rural Water Supply activity supports economic development in the District by enabling increased economic activity where supply is available.</p> |
| Significant negative effects on the local community | <p>This activity can result in the following potential significant effects on the local community:</p> <ul style="list-style-type: none"> Human health effects as a result of the malfunction of utility installations, such as water treatment plants, insufficient flow or pressure, poor water quality to the extent that health issues arise from consumption |
| Contribution to community outcomes | <p>Healthy and resilient communities</p> <p>Healthy and improving environment</p> |
| Major aspect of the service for statement of service provision | <ol style="list-style-type: none"> The extent to which the Council's drinking water supply complies with: <ul style="list-style-type: none"> Part 4 of the drinking water standards (bacteria compliance criteria) Part 5 of the drinking water standards (protozoa compliance criteria) Compliance with resource consents (urban and rural) Number of unplanned water supply disruptions affecting multiple properties The percentage of real water loss from the Council's networked urban reticulation system The average consumption of drinking water per day per resident within the District Where the Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system (urban and rural), the following median times are measured: <ul style="list-style-type: none"> attendance for urgent call outs: from the time that the Council receives notification to the time that service personnel reach the site, and resolution of urgent call outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption attendance for non-urgent call outs: from the time that the Council receives notification to the time that service personnel reach the site, and 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 The total number of complaints (expressed per 1000 connections to the reticulated networks) received by the Council about <ul style="list-style-type: none"> drinking water clarity drinking water taste drinking water pressure or flow continuity of supply, and <p>The Council's response to any of these issues</p> <p>Random flow checks at the different supplies</p> |

What we plan to do this year

| Year | Programmes |
|-----------------------|---|
| Year 2 (2022/2023) | Water Supply Reticulation Renewals RDC Water Asset Management Strategy Construction of a new water treatment plant for Marton |

Variations from the Long Term Plan

There are no significant variations in the planned work programme.
No significant financial variations are expected.

Levels of Service from the 2021-2031 Long Term Plan

| Level of Service | Measurements and Targets |
|---|---|
| Council's intended Level of Service is to: | Provide a safe and compliant supply of drinking water |
| Performance measure (*mandatory) | *Safety of drinking water The extent to which the Council's drinking water supply complies with— <ul style="list-style-type: none"> part 4 of the drinking water standards (bacteria compliance criteria) part 5 of the drinking water standards (protozoa compliance criteria) |
| How we will measure | Routine sampling and testing ¹ Water Outlook 2019/20 results: <ul style="list-style-type: none"> a. Part 4 - No E.coli detected in any of the supplies. b. Part 5 - Protozoa compliance achieved at Mangaweka, Hunterville Urban, Marton and Rātana. Taihape and Bulls did not achieve compliance. |
| Years 1-3 (a) | No incidents of non-compliance with bacteria compliance criteria |
| Years 4-10 (a) | |
| Years 1-3 (b) | No incidents of non-compliance with protozoa compliance criteria |
| Years 4-10 (b) | |
| Council's intended Level of Service is to: | Provide reliable and efficient urban water supplies |
| Performance measure (* mandatory) | *Maintenance of the reticulation network The percentage of real water loss from the Council's networked urban reticulation system² |

This is currently done on a weekly basis by Environmental Laboratory Services in Gracefield.

¹ A description of the methodology used to calculate this must be included as part of the report

| Level of Service | Measurements and Targets |
|---|---|
| How we will measure | <p>A sampling approach will be used. Water Outlook enables SCADA ³ information to be interrogated in-house.</p> <p>2019/20 results:</p> <ul style="list-style-type: none"> • Bulls 21.5% • Hunterville Urban 54.7% • Mangaweka 36.3% • Marton 26.8% • Rātana 10.1% • Taihape 43.7% |
| Years 1-3 | Less than 40% |
| Year 4-10 | |
| Performance measure (* mandatory) | <p>*Demand management</p> <p>The average consumption of drinking water per day per resident within the District</p> |
| How we will measure | <p>Water Outlook</p> <p>2019/2020</p> <ul style="list-style-type: none"> • 539 litres per person per day |
| Years 1-3 | 600 litres per person per day |
| Years 4-10 | |
| Council's intended Level of Service is to: | <i>Be responsive to reported faults and complaints</i> |
| Performance measure (* mandatory) | <p>*Fault response time</p> <p>Where the Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the following median times are measured</p> <ol style="list-style-type: none"> attendance for urgent call outs: from the time that the Council receives notification to the time that service personnel reach the site, and resolution of urgent call outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption attendance for non-urgent call outs: from the time that the Council receives notification to the time that service personnel reach the site, and 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 |

³ Supervisory control and data acquisition – i.e. automated remote monitoring

| Level of Service | Measurements and Targets |
|--|---|
| How we will measure | <p>Request for service system</p> <p>Specified standard</p> <ul style="list-style-type: none"> a. 0.5 hour (attendance - urgent) b. 24 hours (resolution – urgent) c. 24 hours (attendance – non-urgent) d. 96 hours (resolution – non-urgent) <p>2019/20 results:</p> <ul style="list-style-type: none"> a. 26 minutes (attendance - urgent) b. 1 hour 25 minutes (resolution – urgent) c. 50 minutes (attendance – non-urgent) d. 1 hour 52 minutes hours (resolution – non-urgent) |
| Years 1-3 (a) | Attendance urgent – achieve the specified standard |
| Years 4-10 (a) | |
| Years 1-3 (b) | Resolution urgent – achieve the specified standard |
| Years 4-10 (b) | |
| Years 1-3 (c) | Attendance non-urgent – achieve the specified standard |
| Years 4-10 (c) | |
| Years 1-3 (d) | Resolution non-urgent – achieve the specified standard |
| Years 4-10 (d) | |
| Performance measure (* mandatory) | <p>*Customer satisfaction</p> <p>The total number of complaints (expressed per 1000 connections to the reticulated networks) received by the Council about</p> <ul style="list-style-type: none"> a. drinking water clarity b. drinking water taste c. drinking water odour d. drinking water pressure or flow e. continuity of supply, and f. The Council's response to any of these issues |

| Level of Service | Measurements and Targets |
|---|---|
| How we will measure | Request for service system 2019/20 results: Total complaints – 10.4/1000 a. 5/1000 b. 16/1000 c. 0 ⁴ /1000 d. 10/1000 e. 16/1000 f. Nil ⁵ |
| Years 1-3 | No more than 20 complaints per 1,000 connections |
| Years 4-10 | |
| Council's intended Level of Service is to: | Maintain compliant, reliable and efficient rural water supplies |
| Performance measure | Where the Council attends a call out in response to a fault or unplanned interruption to its water supply for rural water schemes, 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 |
| How we will measure | Request for service system Specified standard a. 48 hours b. 96 hours 2019/20 results: a. 1 hour 24 minutes b. 4 hours 10 minutes |
| Years 1-3 (a) | Attendance time – achieve the specified standard |
| Years 4-10 (a) | |

⁴ This is included in 'clarity' or 'taste' in the Council's service request system.

⁵ These cannot be distinguished in Council's request for service system, but are included in a – d.

| Level of Service | Measurements and Targets |
|------------------|---|
| Years 1-3 (b) | Resolution time: – achieve the specified standard |
| Years 4-10 (b) | |

Water Supply - Funding Impact Statement

for the year ending 30 June 2023

| | 2022/23 Long-term plan (\$000) | 2022/23 Annual Plan (\$000) | Variance (\$000) |
|--|---|-----------------------------------|---------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | - | - | - |
| Targeted rates | 6,149 | 6,202 | 53 |
| Subsidies and grants for operating purposes | - | - | - |
| Fees and charges | 60 | 60 | - |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - |
| Total operating funding (A) | 6,209 | 6,262 | 53 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 2,558 | 2,558 | - |
| Finance costs | 318 | 318 | - |
| Internal charges and overheads applied | 1,321 | 1,321 | - |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 4,197 | 4,197 | - |
| Surplus (deficit) of operating funding (A - B) | 2,012 | 2,065 | 53 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 3,804 | 4,651 | 847 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding © | 3,804 | 4,651 | 847 |
| Application of capital funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | 900 | 900 |
| - to improve the level of service | 5,186 | 5,186 | - |
| - to replace existing assets | 630 | 630 | - |
| Increase (decrease) in reserves | - | - | - |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding (D) | 5,816 | 6,716 | 900 |
| Surplus (deficit) of capital funding (C - D) | (2,011) | (2,065) | (53) |
| Funding balance ((A - B) + (C - D)) | 0 | 0 | 0 |
| <i>Note: Depreciation expense not included above</i> | <i>2,015</i> | <i>1,890</i> | |

Wastewater and Sewage Disposal Group of Activities

To provide and manage wastewater systems to protect public health and the environment

| | |
|---|---|
| Rationale | This activity contributes to the personal and public health and safety and to sustaining the natural environment |
| Significant negative effects on the local community | No significant negative effects have been identified for this group of activities, provided that discharges are in accordance with resource consents |
| Contribution to community outcomes | Healthy and resilient communities Healthy and improving environment |
| Major aspect of the service for statement of service provision | <ol style="list-style-type: none"> Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of: <ul style="list-style-type: none"> abatement notices infringement notices enforcement orders, and convictions Routine compliance monitoring of discharge consents Number of dry weather overflows from each network (response/resolution time) The number of dry weather sewage overflows from the Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system Where the Council attends to sewage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median times are measured <ul style="list-style-type: none"> attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption The total number of complaints received by the Council about any of the following: <ul style="list-style-type: none"> sewage odour sewerage system faults sewerage system blockages, and the Council's response to issues with its sewerage systems |

What we plan to do this year

| Year | Programmes |
|-----------------------|---|
| Year 2 (2022/2023) | Wastewater Reticulation Renewals RDC Wastewater Asset Management Strategy Marton to Bulls Centralisation Project Taihape WWTP Consent Application Work |

Variations from the Long Term Plan

There are no significant variations in the planned work programme although some work initially planned for 2021/22 has been rescheduled for 2022/23.

No significant financial variations are expected other than those associated with the timing of the work programme.

Levels of Service from the 2021-2031 Long Term Plan

| Level of Service | Measurements and Targets |
|---|---|
| Council's intended Level of Service is to: | Provide a reliable, reticulated disposal system that does not cause harm or create pollution within existing urban areas |
| Performance measure (* mandatory) | *Discharge compliance Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of <ol style="list-style-type: none"> abatement notices infringement notices enforcement orders, and convictions received by the Council in relation to those resource consents |
| How we will measure | 2019/20 results: Council prosecuted for wastewater discharge |
| Years 1-3 (a) | No abatement notices |
| Years 4-10 (a) | |
| Years 1-3 (b) | No infringement notices |
| Years 4-10 (b) | |
| Years 1-3 (c) | No enforcement orders |
| Years 4-10 (c) | |
| Years 1-3 (d) | No convictions |
| Years 4-10 (d) | |
| Performance measure (* mandatory) | *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 |
| How we will measure | Request for service system 2019/20 results: <ul style="list-style-type: none"> 0.21/1000 |

| Level of Service | Measurements and Targets |
|---|---|
| Years 1-3 | Fewer overflows than 3 per 1000 connections |
| Years 4-10 | |
| Council's intended Level of Service is to: | <i>Be responsive to reported faults and complaints</i> |
| Performance measure (* mandatory) | <p>* Fault response time</p> <p>Where the Council attends to sewage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median times are measured</p> <ul style="list-style-type: none"> 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 or interruption |
| How we will measure | <p>Request for service system</p> <p>Specified standard:</p> <p>Attendance</p> <ul style="list-style-type: none"> a. 0.5 hour - urgent b. (24 hours – non-urgent <p>Resolution</p> <ul style="list-style-type: none"> a. 24 hours - urgent b. 96 hours – non-urgent <p>2019/20 results (median):</p> <ul style="list-style-type: none"> a. 23 minutes b. 3 hours 30 minutes <p>Urgent callouts are where sewage is evident. The mandatory measure does not make this distinction.</p> |
| Years 1-3 (a) | Attendance – achieve the specified standard |
| Years 4-10 (a) | |
| Years 1-3 (b) | Resolution – achieve the specified standard |
| Years 4-10 (b) | |

| Level of Service | Measurements and Targets |
|-----------------------------------|--|
| Performance measure (* mandatory) | <p>*Customer satisfaction</p> <p>The total number of complaints received by the Council about any of the following:</p> <ul style="list-style-type: none"> a. sewage odour b. sewerage system faults c. sewerage system blockages, and d. the Council's response to issues with its sewerage systems <p>expressed per 1000 connections to the Councils sewerage system.</p> |
| How we will measure | <p>Request for service system</p> <p>2019/20 results:</p> <p>3.36 per 1000</p> <ul style="list-style-type: none"> a. 0.21/1000 b. 0.21/1000 c. 2.52/1000 d. 0.42 |
| Years 1-3 | Fewer requests than 6 per 1000 connections |
| Years 4-10 | |

Wastewater and Sewage Disposal - Funding Impact Statement

for the year ending 30 June 2023

| | 2022/23 Long-term plan (\$000) | 2022/23 Annual Plan (\$000) | Variance (\$000) |
|--|---|-----------------------------------|---------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | (300) | (300) | - |
| Targeted rates | 2,902 | 2,902 | - |
| Subsidies and grants for operating purposes | - | - | - |
| Fees and charges | 103 | 103 | - |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - |
| Total operating funding (A) | 2,705 | 2,705 | - |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 807 | 807 | - |
| Finance costs | 217 | 217 | - |
| Internal charges and overheads applied | 210 | 210 | - |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 1,234 | 1,234 | - |
| Surplus (deficit) of operating funding (A - B) | 1,471 | 1,471 | - |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 6,299 | 10,795 | 4,496 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | 6,299 | 10,795 | 4,496 |
| Application of capital funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | 1,200 | 1,200 |
| - to improve the level of service | 7,156 | 8,821 | 1,665 |
| - to replace existing assets | 614 | 2,245 | 1,631 |
| Increase (decrease) in reserves | - | - | - |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding (D) | 7,770 | 12,266 | 4,496 |
| Surplus (deficit) of capital funding (C - D) | (1,471) | (1,471) | - |
| Funding balance ((A - B) + (C - D)) | - | - | - |
| <i>Note: Depreciation expense not included above</i> | <i>1,470</i> | <i>1,370</i> | |

Stormwater Drainage Group of Activities

To manage the stormwater network to enable the efficient and effective disposal of stormwater in an affordable manner

| | |
|---|--|
| Rationale | The activity primarily protects people and property from damages caused by flooding. |
| Significant negative effects on the local community | <p>Significant negative effects as a result of this activity have the potential to occur as follows:</p> <ul style="list-style-type: none"> Flooding of properties. There will be times when rainfall exceeds the design of the stormwater system resulting in flooding. Ongoing improvements of the stormwater network are planned to address this issue. Council will manage stormwater throughout urban areas once stormwater reaches a Council-owned asset. This will ensure cohesive maintenance programme and reduce risks of stormwater flooding. |
| Contribution to community outcomes | <p>Healthy and resilient communities</p> <p>Healthy and improving environment</p> |
| Major aspect of the service for statement of service provision | <ol style="list-style-type: none"> Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of <ul style="list-style-type: none"> abatement notices infringement notices enforcement orders, and convictions The number of flooding events that occurred in the District. For each flooding event the number of habitable floors affected (expressed per 1000 properties connected to the Council's stormwater system). The number of complaints received by the Council about the performance of its stormwater system, expressed per 1000 properties connected to the Council's stormwater system. 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. |

What we plan to do this year

| Year | Programmes |
|-----------------------|---|
| Year 2 (2022/2023) | Open Drain Renewals Stormwater Reticulation renewals RDC Stormwater Asset Strategy Bulls Stormwater Upgrades |

Variations from the Long Term Plan

There are no significant variations in the planned work programme.

No significant financial variations are expected.

Levels of Service from the 2021-2031 Long Term Plan

| Level of Service | Measurements and Targets |
|---|---|
| Council's intended Level of Service is to: | Provide a reliable collection and disposal system to each property during normal rainfall |
| Performance measure (* mandatory) | *Discharge compliance Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of: <ul style="list-style-type: none"> a. abatement notices b. infringement notices c. enforcement orders, and d. convictions Received by the Council in relation to those resource consents. |
| How we will measure | Comply with resource consents No consents from previous years |
| Years 1-3 (a) | No abatement notices |
| Years 4-10 (a) | |
| Years 1-3 (b) | No infringement notices |
| Years 4-10 (b) | |
| Years 1-3 (c) | No enforcement orders |
| Years 4-10 (c) | |
| Years 1-3 (d) | No convictions |
| Years 4-10 (d) | |

| Level of Service | Measurements and Targets |
|--|--|
| Performance measure (* mandatory) | *System adequacy The number of flooding events¹ that occurred in the District. For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the Council's stormwater system). Note: This is a District-wide assessment |
| How we will measure | Request for service system 2019/20 results: <ul style="list-style-type: none"> There were no flooding events |
| Years 1-3 | Fewer requests than 5 per 1000 connected properties |
| Year 4-10 | |
| Council's intended Level of Service is to: | Be responsive to reported faults and complaints |
| Performance measure (* mandatory) | *Customer satisfaction The number of complaints received by the Council about the performance of its stormwater system, expressed per 1000 properties connected to the Council's stormwater system |
| How we will measure | Request for service system 2019/20 results: <ul style="list-style-type: none"> 0.24/1000 |
| Years 1-3 | Fewer requests than 5 per 1000 connected properties |
| Years 4-10 | |
| Performance measure (* mandatory) | *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. |

¹ 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

| Level of Service | Measurements and Targets |
|---------------------|--|
| How we will measure | Request for service system 2019/20 results: <ul style="list-style-type: none"> There were no flooding events |
| Years 1-3 | Two hours or less |
| Years 4-10 | |

Stormwater Drainage - Funding Impact Statement

for the year ending 30 June 2023

| | 2022/23 Long-term plan (\$000) | 2022/23 Annual Plan (\$000) | Variance (\$000) |
|--|---|-----------------------------------|---------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | | - | - |
| Targeted rates | 681 | 681 | - |
| Subsidies and grants for operating purposes | - | - | - |
| Fees and charges | 15 | 15 | - |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - |
| Total operating funding (A) | 696 | 696 | - |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 98 | 98 | - |
| Finance costs | 34 | 34 | - |
| Internal charges and overheads applied | 142 | 142 | - |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 274 | 274 | - |
| Surplus (deficit) of operating funding (A - B) | 422 | 422 | - |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 95 | 295 | 200 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | 95 | 295 | 200 |
| Application of capital funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | 412 | 612 | 200 |
| - to replace existing assets | 104 | 104 | - |
| Increase (decrease) in reserves | - | - | - |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding (D) | 516 | 716 | 200 |
| Surplus (deficit) of capital funding (C - D) | (421) | (421) | - |
| Funding balance ((A - B) + (C - D)) | 1 | 1 | - |
| <i>Note: Depreciation expense not included above</i> | 421 | 421 | |

Community and Leisure Assets Group of Activities

Providing community facilities that cater for our communities social, recreational and cultural needs.

| | |
|---|--|
| Rationale | This group of activities provides opportunities for recreational, leisure and cultural pursuits and for social participation and cohesion. |
| Significant negative effects on the local community | No significant negative effects have been identified for this group of activities. Swim Centres – Control of water pathogens is a critical part of the treatment process at the swim centres. The risk is mitigated by the type of filtration systems in use. |
| Contribution to community outcomes | Healthy and resilient communities Healthy and improving environment Partnership with iwi Prosperous economy |
| Major aspect of the service for statement of service provision | <ol style="list-style-type: none">1. Progressive improvement based on Facility Surveys<ul style="list-style-type: none">• Public libraries• Public swimming pools• Sports fields, parks and play spaces• Public toilets• Community buildings• Camping grounds2. Compliance with relevant standards and legislation<ul style="list-style-type: none">• Public libraries• Public swimming pools• Sports fields, parks and play spaces• Public toilets• Community buildings• Camping grounds |

Rangitikei District Council is the main provider of Community and Leisure Assets in the District, however, other facilities such as halls, pools, and sports fields are provided by schools and other community groups.

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.

What we plan to do this year

| Year | Programmes | |
|-----------------------|---|--|
| Year 2 (2022/2023) | Parks <ul style="list-style-type: none"> Parks Upgrade Partnership Fund Tūtaenui Reservoir – implement the management plan for the B & C Dams Memorial Park Taihape – develop and implement a plan to maximise recreational opportunities Programmed Playground renewals as identified in Year 1 - Condition Assessment Community housing <ul style="list-style-type: none"> Refurbishment of housing stock and car parking Cemeteries <ul style="list-style-type: none"> Taihape – new car park | Community buildings <ul style="list-style-type: none"> Marton Civic Centre Development – consenting and tender award Condition Assessment of buildings and programmed renewals as identified from Year 1 Condition Assessment Swimming pools <ul style="list-style-type: none"> Improve customer experience Plant & equipment renewals as identified in condition assessment |

Variations from the Long Term Plan

There are no significant variations in the planned work programme. There has been rephrasing and reprioritisation of the work programme as presented in the Long Term Plan. The Business Case for the Taihape Town Hall project launched in 2021/22. Further reconsideration of the timing of this project will occur following the completion of the business case. Funding is being sought for a toilet facility on the Taihape Napier Road to be situated near the Heritage recognised Springvale Suspension Bridge, and options for upgrading toilet facilities (including replacement) are being considered for Koitiata Campground.

No significant financial variations are expected. Changes in financials reflect carry-forwards only.

Levels of Service from the 2021-2031 Long Term Plan

| Level of Service | Measurements and Targets |
|---|---|
| Council's intended Level of Service is to: | Compliance with relevant standards |
| Performance measure | All swimming pools have poolsafe accreditation |
| How we will measure | Outcome of PoolSafe Accreditation 2019/20 results <ul style="list-style-type: none"> PoolSafe Accreditation was received |
| Years 1-3 | Maintain accreditation |
| Year 4-10 | |
| Performance Measure | Council complies with criteria in rental warrant of fitness programme for community housing |
| How we will measure | Self-assessment based on the Healthy Homes Standard. 2019/20 results <ul style="list-style-type: none"> 62 of the 72 units achieved 95% or more compliance. |
| Years 1-3 | All units achieve at least 95% Compliance |
| Year 4-10 | |
| Performance Measure | New public toilet buildings are well designed, safe and visible and Compliance with SNZ4241:1999 and CPTED (safer design guidelines) for new or refurbished toilets |
| How we will measure | Percent compliance 2019/20 results <ul style="list-style-type: none"> Code Compliance Certificates achieved for all new toilet buildings All locations comply with the CPTED |
| Years 1-3 | 100% Compliance |
| Year 4-10 | |
| Performance Measure (new) | Playground compliance with NZ Standards |
| How we will measure | Internal Audits |

| Level of Service | Measurements and Targets |
|---|--|
| Years 1-3 | 80% Compliance |
| Year 4-10 | |
| <i>Councils Intended Level of Service is to:</i> | <i>Library services are welcoming and provide a space for social interaction and learning</i> |
| Performance Measure (new) | Customer rating of library facilities |
| How we will measure | HappyOrNot Customer Surveys. |
| Years 1-3 | Customer Satisfaction Index (provided via the HappyOrNot system): • 90% |
| Year 4-10 | |
| Performance Measure (new) | The number of library outreach activities and events delivered |
| How we will measure | Number of activities and events delivered. |
| Years 1-3 | 5 per year for each library |
| Year 4-10 | |
| <i>Councils Intended Level of Service is to:</i> | <i>Provide parks and sports fields that are fit for purpose</i> |
| Performance Measure (new) | Number of complaints about Council owned parks and sports fields |
| How we will measure | Request for service system. |
| Years 1-3 | 10 or less per year |
| Year 4-10 | |

Community and Leisure Assets - Funding Impact Statement

for the year ending 30 June 2023

| | 2023 Long-term plan (\$000) | 2023 Annual Plan (\$000) | Variance |
|--|--------------------------------------|--------------------------------|--------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | 4,783 | 4,783 | - |
| Targeted rates | - | 50 | 50 |
| Subsidies and grants for operating purposes | 98 | 57 | (41) |
| Fees and charges | 134 | 181 | 47 |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 676 | 676 | - |
| Total operating funding (A) | 5,691 | 5,747 | 56 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 2,330 | 2,608 | 278 |
| Finance costs | 281 | 231 | (50)) |
| Internal charges and overheads applied | 1,025 | 1,025 | - |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 3,636 | 3,864 | 228 |
| Surplus (deficit) of operating funding (A - B) | 2,055 | 1,883 | (172) |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 553 | 2,276 | 1,723 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | 553 | 2,276 | 1,723 |
| Application of capital funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | 907 | 907 | - |
| - to improve the level of service | 1,700 | 1,680 | (20) |
| - to replace existing assets | - | 1,571 | 1,571 |
| Increase (decrease) in reserves | - | - | - |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding (D) | 2,607 | 4,158 | 1,551 |
| Surplus (deficit) of capital funding (C - D) | (2,054) | (1,882) | 172 |
| Funding balance ((A - B) + (C - D)) | 1 | - | 1 |

Note: Depreciation expense not included above

2,054 1,754

Rubbish and Recycling Group of Activities

To provide sustainable waste management practices that protect public health and the environment for present and future generations.

| | |
|---|--|
| Rationale | Well-managed disposal of waste protects the environment from harm and sustains the natural environment |
| Significant negative effects on the local community | There are potentially significant negative effects to community well-being as a result of this activity: <ul style="list-style-type: none">• People on fixed incomes may find it difficult to meet rising disposal costs. This could result in an increase in fly-tipping. |
| Contribution to community outcomes | Healthy and resilient communities Healthy and improving environment |
| Major aspect of the service for statement of service provision | 1. Waste to landfill (tonnage) 2. Waste diverted from landfill (tonnage and percentage of total waste) |

The rubbish and recycling group of activities is focused on the appropriate disposal of refuse in the District. Under the Waste Minimisation Act 2008, Council has a Waste Management and Minimisation Plan, which encourages effective and efficient waste management and minimisation.

What we plan to do this year

| Year | Programmes |
|-----------------------|-------------------|
| Year 2 (2022/2023) | No major projects |

Variations from the Long Term Plan

There are no significant variations in the planned work programme.

No significant financial variations are expected.

Levels of Service from the 2021-2031 Long Term Plan

| Level of Service | Measurements and Targets |
|---|---|
| Council's intended Level of Service is to: | <p><i>Make recycling facilities available at waste transfer stations for glass, paper, metal, plastics, textiles and green waste. special occasions for electronics (e-waste)</i></p> <p><i>Council intends to continue the operation (under contract) of existing urban waste transfer stations – Rātana, Bulls, Marton, Hunterville, Mangaweka, and Taihape</i></p> |
| Performance measure | Waste to landfill (tonnage) |
| How we will measure | <p>Calibrated records maintained at Bonny Glen landfill</p> <p>2019/20 results</p> <ul style="list-style-type: none"> • 4878 tonnes to landfill |
| Years 1-3 | Less 5500 tonnes to landfill |
| Year 4-10 | |

| Level of Service | Measurements and Targets |
|----------------------------------|---|
| Performance measure (new) | Recycling available at Waste Transfer Stations throughout the District. |
| How we will measure | The delivery of recycling services at the Waste Transfer Stations. |
| Years 1-3 | Bulls, Marton, Taihape, Hunterville, Rātana provide for recycling of; glass, metal, paper, plastics (1-5), cans/tins. |
| Year 4-10 | |

Rubbish and Recycling - Funding Impact Statement

for the year ending 30 June 2023

| | 2023 Long-term plan (\$000) | 2023 Annual Plan (\$000) | Variance (\$000) |
|--|--------------------------------------|--------------------------------|---------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | 151 | 151 | - |
| Targeted rates | 1,000 | 1,000 | - |
| Subsidies and grants for operating purposes | - | - | - |
| Fees and charges | 669 | 919 | 250 |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - |
| Total operating funding (A) | 1,820 | 2,070 | 250 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 1,509 | 1,759 | 250 |
| Finance costs | 1 | 1 | - |
| Internal charges and overheads applied | 245 | 245 | - |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 1,755 | 2,005 | 250 |
| Surplus (deficit) of operating funding (A - B) | 65 | 65 | 0 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | (66) | (66) | - |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | (66) | (66) | - |
| 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) | (66) | (66) | - |
| Funding balance ((A - B) + (C - D)) | (1) | (1) | - |

Note: Depreciation expense not included above

66

66

Environmental and Regulatory Services Group of Activities

The provision of a legally compliant service as part of Council's role in protecting public safety throughout the District.

| | |
|---|---|
| Rationale | Environmental and Regulatory services are often statutory and contribute to both personal and public health and safety. Council seeks to deliver an efficient service. |
| Significant negative effects on the local community | No significant negative effects have been identified for this group of activities |
| Contribution to community outcomes | Healthy and resilient communities Healthy and improving environment |
| Major aspect of the service for statement of service provision | 1. Timeliness of processing building consents, resource consents 2. Possession of relevant authorisations from central government 3. Timeliness of response to requests for service - animal control and environmental health |

The Environmental and Regulatory Group of Activities is concerned with the regulatory functions of Council. It comprises the following separate activities – animal control, building control, planning control, other regulatory functions.

This group of activities operates mostly in a reactive environment. This means that the workload is unpredictable and yet it is one that needs to be able to respond quickly to requests for services. There are often statutory deadlines to meet and much of the work is prescribed by legislation.

Rangitikei has taken a minimalistic approach to regulatory matters – to have a complaint-based enforcement strategy focused on issue resolution. There are a small number of exceptions where it is most cost effective to move straight to enforcement and not waste resources attempting reconciliation or accommodation.

What we plan to do this year

| Year | Programmes |
|------------------------------|--|
| Year 2 (2022/2023) | Building Accreditation Reassessment Implementation of the Building (earthquake-prone buildings) Amendment Act |

Variations from the Long Term Plan

There are no significant variations in the planned work programme.

Levels of Service from the 2021-2031 Long Term Plan

| Level of Service | Measurements and Targets |
|--|---|
| <i>Council's intended Level of Service is to:</i> | <i>Provide a legally compliant service</i> |
| Performance measure | Timeliness of processing building consents and resource consents |
| How we will measure | Percentage processed within statutory timeframes. 2019/20 results: a. Building consents - 85% b. Resource consents - 71% |
| Years 1-3 (a) | Building consents – 100% |
| Years 4-10 (a) | |
| Years 1-3 (b) | Resource consents – 100% |
| Years 4-10 (b) | |
| <i>Council's intended Level of Service is to:</i> | <i>Provide regulatory compliance officers to address enforcement call outs</i> |
| Performance measure | Animal Control - Timeliness of response (i.e. the Request for Service has been acknowledged) and completion (i.e. the Request for Service has been signed off by officers). Results will be presented as the median. <ul style="list-style-type: none"> Priority 1's = Any Dog Attack / Found Dog / Rushing Dog / Wandering Stock Priority 2's = Animal Welfare Concern / Barking Dog / Property Inspection / General Enquiry / Lost Animal / Microchip Dog / Multi-dog Inspection / Roaming Dog / Animal Control Bylaw Matter |
| How we will measure | Council's request for service system 2019/20 results a. Responded in time – 83.8% b. Completed in time – 74.4% |
| Years 1-3 (a) | Responded in time – 90% a. Priority 1's - 0.5 hours b. Priority 2's - 24 hours |
| Years 4-10 (a) | |
| Years 1-3 (b) | Completed in time – 90% a. Priority 1's - 20 working days a. Priority 2's - 20 working days |
| Years 4-10 (b) | |

| Level of Service | Measurements and Targets |
|----------------------------|--|
| Performance measure | Environmental health - Timeliness of response (i.e. the site has been attended) and completion (i.e. the Request for Service has been signed off by officers). Results will be presented as the median. |
| How we will measure | Council's request for service system 2019/20 results a. Responded in time – 83.8% b. Completed in time – 74.4% |
| Years 1-3 (a) | Responded in time – 90% a. Noise Control - 1.5 hours b. Food premises - 24 hours |
| Years 4-10 (a) | |
| Years 1-3 (b) | Completed in time – 90% a. Noise Control - 2 hours b. Food premises - 72 hours |
| Years 4-10 (b) | |

Environmental and Regulatory Services - Funding Impact Statement

for the year ending 30 June 2023

| | 2023 Long-term plan (\$000) | 2023 Annual Plan (\$000) | Variance (\$000) |
|--|--------------------------------------|--------------------------------|---------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | 1,320 | 1,320 | - |
| Targeted rates | - | - | - |
| Subsidies and grants for operating purposes | - | 302 | 302 |
| Fees and charges | 1,415 | 1,325 | (90) |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 365 | 365 | - |
| Total operating funding (A) | 3,100 | 3,312 | 212 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 1,418 | 1,720 | 302 |
| Finance costs | - | - | - |
| Internal charges and overheads applied | 1,683 | 1,683 | - |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 3,101 | 3,403 | 302 |
| Surplus (deficit) of operating funding (A - B) | (1) | (90) | (91) |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | - | 90 | 90 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | - | 90 | 90 |
| 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) | - | 90 | 90 |
| Funding balance ((A - B) + (C - D)) | (1) | - | (1) |

Note: Depreciation expense not included above

- -

Community Well-being Group of Activities

To develop a culture of collaboration and partnership between agencies, organisations, communities and individuals to deliver community well-being to the District

| | |
|---|---|
| Rationale | This group of activities is concerned with those activities where collaboration and partnerships can deliver more benefits than individual action alone. |
| Significant negative effects on the local community | No significant negative effects have been identified for this group of activities. |
| Contribution to community outcomes | Healthy and resilient communities Partnership with iwi Prosperous economy |
| Major aspect of the service for statement of service provision | <ol style="list-style-type: none">1. The number of visits and unique visits to www.visitrangitikei.nz2. Number of building consents, and total number of residential dwellings3. Number of Youth Council meetings per annum - seven4. Timing of self-assessment when the Emergency Operations Centre is activated and of continued civil defence training exercises. |

The Community well-being group of activities includes – community partnerships, economic development and district promotion, youth development, information centres, and emergency management. Develop a culture of collaboration and partnership between agencies, organisations, communities and individuals to deliver community well-being to the District.

What we plan to do this year

| Year | Programmes |
|-----------------------|---|
| Year 2 (2022/2023) | <p>Community partnerships</p> <ul style="list-style-type: none"> • Contract with local organisations to develop and deliver events, activities and projects to support the well-being of people within the towns and District. • Contract with local organisations to provide a range of information, such as: • Up-to-date calendar of events, and • Community newsletters <p>Economic development and district promotion</p> <ul style="list-style-type: none"> • Management of www.visitrangitikei.nz • Implementation of the Housing Strategy • Implementation of Economic Development Strategy <p>Youth development</p> <ul style="list-style-type: none"> • Youth Council • Implement the Youth Strategic Framework <p>Emergency management</p> <ul style="list-style-type: none"> • Civil Defence – increasing the District’s resilience through: • Stakeholder partnerships • Preparedness and planning • Enhanced response capability and capacity • Community response and recovery planning • Radio network upgrade |

Variations from the Long Term Plan

There are no significant variations in the planned work programme.

No significant financial variations are expected.

Levels of Service from the 2021-2031 Long Term Plan

| Level of Service | Measurements and Targets |
|---|--|
| Council's intended Level of Service is to: | Ensure competency in discharging Civil Defence responsibilities |
| Performance measure | Timing of self-assessment when the Emergency Operations Centre is activated and of continued civil defence training exercises |
| How we will measure | a. Self-assessment of responsiveness and recovery following activation of the Emergency Operations Centre b. Number of civil defence exercises undertaken |
| Years 1-3 (a) | Self-assessment undertaken and responded to within four months of Emergency Operations Centre activation |
| Years 4-10 (a) | |
| Years 1-3 (b) | At least one exercise undertaken each year |
| Years 4-10 (b) | |
| Councils Intended Level of Service is to: | Identify and promote opportunities for economic development in the District. |
| Performance measure (new) | Implementing actions each year from the Economic Development Strategy and Housing Strategy Action Plans. |
| How we will measure | Number of actions completed per year. |
| Years 1-3 | Greater than 80% of the actions completed for each relevant year. |
| Year 4-10 | |
| Performance measure (new) | District GDP growth compared to national GDP growth. |
| How we will measure | Infometrics information on GDP growth. |
| Years 1-3 | GDP grow for the Rangitikei District is within +/-1% of national GDP growth, or better. |
| Year 4-10 | |

Community Well-being - Funding Impact Statement

for the year ending 30 June 2023

| | 2023 Long-term plan (\$000) | 2023 Annual Plan (\$000) | Variance (\$000) |
|--|--------------------------------------|--------------------------------|---------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | 1,503 | 1,503 | - |
| Targeted rates | - | - | - |
| Subsidies and grants for operating purposes | 69 | 119 | 50 |
| Fees and charges | 5 | 5 | - |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 20 | 20 | - |
| Total operating funding (A) | 1,597 | 1,647 | 50 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 1,056 | 1,139 | 83 |
| Finance costs | - | - | - |
| Internal charges and overheads applied | 531 | 531 | - |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 1,587 | 1,670 | 83 |
| Surplus (deficit) of operating funding (A - B) | 10 | (23) | (33) |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | (10) | 23 | 33 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | (10) | 23 | 33 |
| 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) | (10) | 23 | 33 |
| Funding balance ((A - B) + (C - D)) | - | - | - |

Note: Depreciation expense not included above

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Revenue and Financing Policy

Introduction

The Local Government Act 2002 (“LGA2002”) requires Council to adopt a Revenue and Financing Policy (S102) that must:

- state Council’s policies in respect of funding both operating expenses and capital expenditure from the sources available to it (S103(1)); and
- show that Council has determined its overall funding needs by identifying the most appropriate source(s) of funds to be used for each activity (S101(3)).

In accordance with the Local Government Act 2002 S101(3), Council considers the following when determining which funding source is appropriate for each activity:

- The community outcomes to which the activity primarily contributes; and
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- The period in or over which those benefits are expected to occur; and
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- The costs and benefits, including consequences for transparency.

Council also consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community. This includes consideration of matters such as affordability and predictability of rates.

These considerations will sometimes have conflicting outcomes. When Council applies these principles to identify the appropriate funding for its activities it considers the overall impact on the Community.

Part A

General Principles for revenue and funding management

- Council will manage its finances in a way that promotes the current and future interests of the community
- Consistent with S100(1) LGA2002, Council will aim to generate sufficient operating income each year to cover its operating expenses
- Council will use a mix of revenue sources to cover its operating expenses
- Council will apply the most appropriate mix of revenue sources for each of its different activities
- When determining the level of income required to cover its operating expenses Council will seek to avoid including:
 - grants with no associated operating expenditure; and
 - proceeds from disposal of assets; and
 - reserves; and
 - increases in the fair value of fixed assets (that essentially result from applying Accounting Standards at the end of each financial year); and
 - borrowings.
- Council recognises that unforeseen operating expenses may arise
- Council will seek to attract appropriate sources of external revenue to help reduce the burden on its ratepayers and residents
- Council will ensure its level of operating expenditure is managed appropriately to help constrain the levels of operating revenue required to achieve these general principles
- Council may choose to not fully fund operating expenditure in a particular year if the deficit can be funded from operating surpluses in the preceding year or subsequent years. An operating deficit will only be budgeted when beneficial to avoid significant fluctuations in rates, fees and/or charges. Such operating deficits will typically be funded from cash reserves or borrowings.
- Council will adopt a long-term view when applying these general principles.

Funding of Operating Expenditure

Council will ordinarily use the following sources of income to finance its operating expenses:

General Rates (including the Uniform Annual General Charge)

Considered appropriate where it is not practicable, equitable or cost-effective to identify the individual or group of beneficiaries (or causers of costs) of the service. May be used to apply to a particular service to reduce the level of fees and charges that are required to be raised for that service.

Targeted Rates

Considered appropriate in a range of circumstances including where the service is of benefit to a specific group of ratepayers and where it is practicable and considered equitable.

Levies, fees and charges

Considered appropriate where the users of a service can be identified and charged according to their use of the service and where it is practicable and considered equitable. The level of fees and charges is set to recover the costs (either partially or fully) of providing that service.

Subsidies and Grants

Such funding is often received for a specific purpose and Council has no discretion regarding the use of such income. Generally, these funds reduce the need for Council to raise income through General Rates, Targeted Rates or Levies, Fees And Charges.

Development Contributions

Considered appropriate to fund costs associated with development.

Borrowing

Considered appropriate to fund new capital projects that deliver benefits over several years. Sometimes required to fund operating expenses such as depreciation and/or an operating deficit.

Petrol Tax

Considered appropriate to help fund costs associated with Roding and Footpaths Group.

Other (Finance income, sundry)

Considered appropriate to fund costs associated with the provision of the service to which it relates, replacement of assets and/or to decrease levels of required debt.

General Rates and Targeted Rates : Further Information

When setting the General Rates, Targeted Rates and Levies, Fees and Charges, Council balances a range of considerations including:

- The impact on the current and future social, economic, environmental and cultural well-being of the Community; and
- The most appropriate mix of funding for each of its activities (refer to Part B below)

The General Rate is used to fund activities that are predominantly provided for the benefit for the community as a whole, and individual charging for these services is viewed as being impracticable, inequitable and/or not cost-effective.

Council uses the Capital Value of properties to set the General Rate. Council may introduce rating differentials where it considers it reasonable and equitable: for example to alleviate the impact of large increases in the Capital Value of any rating category/categories relative to other rating categories. Such increases can arise where a particular rating category incurs a high increase in its capital values relative to other categories.

Council applies a Uniform Annual General Charge (UAGC) as part of the General Rate. The level of UAGC is determined by Council based on what it considers fair, equitable and necessary to provide a fair distribution of rates. Council may adjust the UAGC to alleviate the impact of large increases in any rating category/categories. Such increases can arise where a particular rating category incurs a high increase in its capital values relative to other categories.

Targeted Rates are used to fund operations, maintenance and renewal costs related to the provision of specific activities. Council may also use a Targeted Rate for a service to show clearly the costs of a service, even if the service and rate are district-wide.

Targeted Rates that are set in circumstances where the service is available to only parts of the community will be charged on a basis of service provision and will not be based on the value of the property. These rates are in the nature of a proxy for a user charge.

Generally, Council will seek to avoid:

- Large increases in any rating category. Such increases can often arise where a particular rating category incurs a high increase in its capital values relative to other categories; and
- Large 'across the board' annual rate increases. Council will aim to apply a pattern of steady, constant rate increase as opposed to a series of alternating high increases and minor increases.

Council may identify instances where some land uses receive more benefit from, or place more demands on, council services and/or may have a differing ability to pay rates. In such situations, where considered equitable, practicable and/or where this contributes to the predictability of rates, Council may elect to use rating differentials.



Funding of Capital Expenditure

General

Revenue that is collected to cover Council's depreciation charge (which forms part of Council's operating expenditure) is used to finance the replacement of capital assets.

In addition to the sources of income for operating expenditure listed above Council may use the following to fund capital expenses:

- Borrowings
- Reserves
- Proceeds from the disposal of assets

Borrowings

Council borrowings are managed as per Council's Liability Management Policy that forms part of Council's Treasury Management Policy.

Borrowings are generally used to fund capital projects that include an element of service enhancement.

Borrowing for capital expenditure enables the Council to ensure there is intergenerational equity in terms of who funds capital expenditure – the repayments are spread over the reasonably expected average life of the asset where practicable. This means today's ratepayers are not asked to fund tomorrow's assets.

Part B.































Summary of Funding Used in Activities
























Council has determined the most appropriate source(s) of funds from each of the sources listed in Part A to be used for each activity and the method of apportioning rates and other charges. The following table shows which mechanisms may be used to fund expenditure for Council's activities by group.

Where the overall level of fees and charges falls below budget alternative income sources may be required to fund that service. Conversely, where the overall level of fees and charges falls exceeds budget Council may have additional revenue to ease the financial pressure in other areas.

Council will seek to mitigate the costs to ratepayers for each of these activities by obtaining income from external sources (e.g. grants) where suitable opportunities arise.

Typically, the capital cost of expanding the range of these services may be met from grants, subsidies, donations and/or borrowings.

| Activity | General Rate | Targeted Rate | User fees/ charges | Subsidies and grants | Petrol Tax | Other |
|--|---|---|---|---|---|---|
| Community Leadership | | | | | | |
| Council and Community Boards |  |  |  | | | |
| Roading | | | | | | |
| Roading |  |  |  |  |  | |
| Water Supply | | | | | | |
| Urban water | |  |  | | | |
| Rural Water Schemes | |  | | | |  |
| Sewerage and the treatment and disposal of sewage | | | | | | |
| Wastewater | |  |  | | | |
| Stormwater | | | | | | |
| Stormwater | |  |  | | | |
| Community and leisure | | | | | | |
| Libraries |  | |  |  | | |
| Halls |  | |  |  | | |
| Swim Centres |  | |  | | | |
| Community Housing |  | |  | | | |
| Domains |  | |  | | | |
| Property |  | |  | | | |

| Activity | General Rate | Targeted Rate | User fees/charges | Subsidies and grants | Petrol Tax | Other |
|--|---|---|---|---|------------|---|
| Public Toilets |  | | | | | |
| Cemeteries |  | |  |  | | |
| Forestry |  | | | | | |
| Rubbish and recycling | | | | | | |
| Solid waste |  |  |  | | | |
| Environmental and Regulatory Services | | | | | | |
| District Planning |  | | | | | |
| Resource Consents |  | |  | | | |
| Building Services |  | |  | | | |
| Dog Control |  | |  | | |  |
| Public Health |  | |  | | | |
| Community Well-being | | | | | | |
| Civil Defence |  | | | | |  |
| District Promotions | | |  |  | |  |
| Information Centres | | | | | | |



Primary: largest source of activity funding, or within 20% of the largest source of funding



Secondary: >5% but less than 45% of the overall source of funding for the activity



Minor: <5% of the overall source of funding for the activity

Prospective Statement of Comprehensive Revenue and Expense

For the year ending 30 June 2023

| | 2021/22 LTP (\$000) | 2022/23 LTP (\$000) | 2022/23 Annual Plan (\$000) |
|--|---------------------------|---------------------------|-----------------------------------|
| Revenue | | | |
| Rates | 24,503 | 26,370 | 26,474 |
| Subsidies and grants | 18,780 | 12,388 | 19,644 |
| Other revenue | 3,544 | 4,395 | 4,063 |
| Finance revenue | 13 | 44 | 44 |
| Other revenue | - | - | 690 |
| Total operating revenue | 46,840 | 43,197 | 50,915 |
| Expenditure | | | |
| Depreciation and amortisation expense | 14,042 | 15,660 | 14,861 |
| Personnel costs | 6,632 | 6,563 | 6,868 |
| Finance costs | 496 | 965 | 765 |
| Other expenses | 19,532 | 19,713 | 21,095 |
| Total operating expenditure | 40,702 | 42,901 | 43,589 |
| Operating surplus (deficit) before tax | 6,138 | 296 | 7,326 |
| Income tax expense | - | - | - |
| Operating surplus (deficit) after tax | 6,138 | 296 | 7,326 |
| Other comprehensive revenue and expense | | | |
| <i>Items that could be reclassified to surplus(deficit)</i> | | | |
| Financial assets at fair value through other comprehensive revenue and expense | - | - | - |
| <i>Items that will not be reclassified to surplus(deficit)</i> | | | |
| Gain on revaluation of property, plant and equipment | 31,589 | 1,985 | 1,985 |
| Total other comprehensive revenue and expense | 31,589 | 1,985 | 1,985 |
| Total comprehensive revenue and expense | 37,727 | 2,281 | 9,311 |

The accompanying notes form part of these financial statements.

Prospective Statement of Changes in Net Assets/Equity

For year ending 30 June 2023

| | 2021/22 LTP (\$000) | 2022/23 LTP (\$000) | 2022/23 Annual Plan (\$000) |
|--|---------------------------|---------------------------|-----------------------------------|
| Balance as at 1 July | 611,422 | 649,149 | 642,934 |
| Total comprehensive revenue and expense for the year | 37,727 | 2,281 | 9,311 |
| Balance as at 30 June | 649,149 | 651,430 | 652,245 |

The accompanying notes form part of these financial statements.

Prospective Statement of Financial Position

For the year ending 30 June 2023

| | 2021/22 LTP (\$000) | 2022/23 LTP (\$000) | 2022/23 Annual Plan (\$000) |
|---|---------------------------|---------------------------|-----------------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 7,881 | 9,931 | 7,992 |
| Debtors and Other Receivables | 4,556 | 4,768 | 4,556 |
| Prepayments | 219 | 219 | 219 |
| Other financial assets | - | - | - |
| Total current assets | 12,656 | 14,918 | 12,767 |
| Non-current assets | | | |
| Plant, property and equipment | 677,609 | 689,358 | 693,787 |
| Intangible assets | 145 | 145 | 145 |
| Forestry assets | 71 | 71 | 71 |
| Other financial assets | | | |
| Corporate bonds | 79 | 79 | 79 |
| Investment in CCOs and other similar entities | 49 | 49 | 49 |
| Total non-current assets | 677,953 | 689,702 | 694,131 |
| Total assets | 690,609 | 704,620 | 706,898 |
| Liabilities | | | |
| Current Liabilities | | | |
| Creditors and other payables | 5,357 | 5,619 | 5,357 |
| Employee entitlements | 720 | 720 | 720 |
| Income in advance | 166 | 166 | 166 |
| Borrowings | 16 | 16 | 16 |
| Other Financial Liabilities | - | - | - |
| Total current liabilities | 6,259 | 6,521 | 6,259 |
| Non-current liabilities | | | |
| Employee entitlements | 5 | 5 | 5 |
| Provisions | 792 | 792 | 792 |
| Borrowings. | 34,404 | 46,562 | 47,597 |
| Total non-current liabilities | 35,201 | 47,359 | 48,394 |
| Total liabilities | 41,460 | 53,880 | 54,653 |
| Net Assets | 649,149 | 650,740 | 652,245 |
| Equity | | | |
| Accumulated funds | 473,593 | 473,049 | 474,704 |
| Special and restricted reserves | 4,517 | 4,667 | 4,517 |
| Other reserves | 171,039 | 173,024 | 173,024 |
| Total equity | 649,149 | 650,740 | 652,245 |

Prospective Statement of Cash Flows

For the year ending 30 June 2023

| | 2021/22 LTP (\$000) | 2022/23 LTP (\$000) | 2022/23 Annual Plan (\$000) |
|--|---------------------------|---------------------------|-----------------------------------|
| Cash flows from operating activities | | | |
| Receipts from rates revenue | 24,381 | 26,238 | 26,474 |
| Receipts from other revenue | 22,213 | 16,013 | 23,707 |
| Interest received | 13 | 44 | 44 |
| Payments to suppliers and employees | (26,033) | (26,144) | (27,962) |
| Interest paid | (496) | (965) | (765) |
| Net cash inflows (outflows) from operating activities | 20,078 | 15,186 | 21,498 |
| Cash flows from investing activities | | | |
| Receipts from sale of property, plant and equipment | - | 690 | 690 |
| Receipts from sale of investments | - | - | - |
| Acquisition of investments | - | - | - |
| Purchases of property, plant and equipment | (43,271) | (25,983) | (44,055) |
| Purchases of intangible assets | - | - | - |
| Net cash inflows (outflows) from investing activities | (43,271) | (25,293) | (43,365) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | 26,308 | 12,158 | 29,193 |
| Repayment of borrowings | - | - | - |
| Net cash inflows (outflows) from financing activities | 26,308 | 12,158 | 29,193 |
| Net increase (decrease) in cash, and cash equivalents | 3,115 | 2,051 | 7,326 |
| Cash and cash equivalents at the beginning of the year | 4,767 | 7,882 | 666 |
| Cash and cash equivalents at the end of the year | 7,882 | 9,933 | 7,992 |

Notes - Reserves

| Special and restricted reserves 2023 | | | Balance | Deposits | With- | Balance |
|--|---------------------|------------------------------------|--------------|-----------|----------|--------------|
| Name (* denotes restricted) | Associated activity | | 1 Jul 22 | | drawals | 30 Jun 23 |
| Aquatic | Swimming pools | Capital works | 161 | - | - | 161 |
| Bulls courthouse* | Property | Maintenance of courthouse building | 130 | 20 | - | 150 |
| Flood damage | Roading | Road maintenance due to flooding | 309 | - | - | 309 |
| General purpose | Capital works | Capital works | 2,402 | - | - | 2,402 |
| Haylock park* | Parks and reserves | Additional reserve area at park | 32 | 1 | - | 33 |
| Huntermville rural water | Water | Future loop line | 221 | 7 | - | 228 |
| Keep Taihape beautiful* | Property | Enhancement of Taihape | 20 | - | - | 20 |
| Marton land subdivision* | Parks and reserves | Improvement to reserves land | 476 | 16 | - | 492 |
| Marton marae* | Property | Marton marae project | 4 | - | - | 4 |
| McIntyre recreation* | Parks and reserves | Maintenance or upgrades of park | 23 | 1 | - | 24 |
| Putorino rural water | Water | Maintenance of scheme dam | 24 | 1 | - | 25 |
| Ratana sewer | Sewerage | Capital works | 28 | 1 | - | 29 |
| Revoked reserve land | Parks and reserves | Offset costs of other revoked land | 238 | - | - | 238 |
| Rural housing loan | Property | No longer required | 150 | - | - | 150 |
| Rural land subdivision* | Parks and reserves | Improvement to reserves land | 212 | 7 | - | 219 |
| Santoft domain* | Parks and reserves | Maintenance or upgrades of park | 132 | 4 | - | 136 |
| Total special and restricted reserves | | | 4,563 | 58 | - | 4,620 |

| Asset Revaluation reserves | | Balance | Deposits | With- | Balance |
|---|----------------|----------|--------------|----------|----------------|
| | | 1 Jul 22 | | drawals | 30 Jun 23 |
| | | \$000s | \$000s | \$000s | \$000s |
| Land | 8,022 | 693 | - | - | 8,715 |
| Buildings | 12,612 | 1,292 | - | - | 13,904 |
| Sewerage Systems | 14,226 | - | - | - | 14,226 |
| Water Suppliers | 21,123 | - | - | - | 21,123 |
| Stormwater | 9,909 | - | - | - | 9,909 |
| Roading | 105,016 | - | - | - | 105,016 |
| | 170,908 | | 1,985 | - | 172,893 |
| Fair value through equity | 131 | | - | - | 131 |
| Total Asset revaluation reserves | 171,039 | | 1,985 | - | 173,024 |

Reconciliation of Funding Impact Statements to Comprehensive Revenue and Expenses

For year ending 30 June 2023

| | 2020/21 LTP Y1 (\$000) | 2021/22 LTP Y2 (\$000) | 2022/23 Annual Plan (\$000) |
|---|------------------------------|------------------------------|-----------------------------------|
| Income | | | |
| Prospective Statement of Comprehensive Income and operating Revenue | 46,840 | 43,197 | 50,915 |
| Summary Funding Impact Statement | | | |
| Total operating funding | 32,746 | 34,429 | 35,894 |
| Add sources of Capital Funding | | | |
| Sources of capital funding | 14,092 | 8,076 | 15,021 |
| Total revenue | 36,838 | 42,505 | 50,915 |
| Expenditure | | | |
| Prospective statement of comprehensive income operating expenditure | 40,702 | 42,901 | 43,589 |
| Summary of Funding Impact Statement | | | |
| Total application of operating funding | 26,660 | 27,241 | 28,728 |
| Add depreciation and amortisation expense | 14,042 | 15,660 | 14,861 |
| Total expenditure | 40,702 | 42,901 | 43,589 |

Whole of Council – Prospective Funding Impact Statement

For year ending 30 June 2023

| | 2021/22 LTP Y1 (\$000) | 2022/23 LTP Y2 (\$000) | 2022/23 Annual Plan (\$000) |
|--|------------------------------|------------------------------|-----------------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | 7,104 | 7,702 | 7,702 |
| Targeted rates | 17,398 | 18,666 | 18,769 |
| Subsidies and grants for operating purposes | 4,668 | 4,312 | 4,623 |
| Fees and charges | 2,348 | 2,474 | 2,832 |
| Interest and dividends from investments | 13 | 44 | 44 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 1,196 | 1,231 | 1,231 |
| Total operating funding (A) | 32,746 | 34,429 | 35,201 |
| Applications of operating funding | | | |
| Payment to staff and suppliers | 26,164 | 26,276 | 27,960 |
| Finance costs | 496 | 965 | 765 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 26,660 | 27,241 | 28,725 |
| Surplus (deficit) of operating funding (A - B) | 6,086 | 7,188 | 6,476 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 14,092 | 8,076 | 15,021 |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 26,310 | 12,850 | 29,193 |
| Gross proceeds from sale of assets | - | 690 | 690 |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total sources of capital funding (C) | 40,402 | 21,616 | 44,904 |
| Application of capital funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | 8,625 | 208 | 3,499 |
| - to improve the level of service | 18,484 | 19,066 | 25,511 |
| - to replace existing assets | 16,379 | 6,840 | 15,050 |
| Increase (decrease) in reserves | 3,000 | 2,690 | 7,321 |
| Increase (decrease) in investments | - | - | - |
| Total applications of capital funding (D) | 46,488 | 28,804 | 51,380 |
| Surplus (deficit) of capital funding (C - D) | (6,086) | (7,188) | (6,476) |
| Funding balance ((A - B) + (C - D)) | - | - | - |

Rate Types

For the year ending 30 June 2023

| Source of Funding | Categories of Land | Calculation Base | Rate or Charge (inc GST) | Funding Required (inc GST) |
|---|--|---|-----------------------------|-------------------------------|
| | NOTE: | <i>SUIP = separately used or inhabited part of a rating unit</i> | | |
| General Rate | General | Capital value | \$0.000853 | \$4,807,544 |
| | General Commercial | Capital value | \$0.001039 | \$109,382 |
| | General Industrial | Capital value | \$0.001026 | \$92,750 |
| | General Utilities | Capital value | \$0.001286 | \$201,205 |
| | Defence land | Land value | \$0.001314 | \$20,661 |
| Uniform Annual General Charge <i>(funds activities listed on next page)</i> | All rating units | Fixed amount per SUIP | \$526.29 | \$4,154,805 |
| Targeted Rates | | | | |
| Community Services <i>(funds Taihape and Ratana Community Boards)</i> | All rating units in Taihape Community Board area | Fixed amount per rating unit | \$42.05 | \$71,008 |
| | All rating units in Ratana Community Board area | Fixed amount per rating unit | \$234.37 | \$25,312 |
| Solid Waste Disposal <i>(funds Rubbish and Recycling)</i> | All rating units | Fixed amount per SUIP | \$145.72 | \$1,150,545 |
| Roading <i>(funds Roading and Footpaths)</i> | All rating units (excl Defence land) | Capital value | \$0.001502 | \$8,871,169 |
| | Defence land | Land value | \$0.002267 | \$35,657 |
| | Forestry Differential | Capital value | \$0.002386 | \$180,466 |
| Wastewater public good <i>(funds Sewerage)</i> | All rating units | Fixed amount per SUIP | \$105.70 | \$834,209 |
| Wastewater connected <i>(funds Sewerage)</i> | Rating units connected to wastewater schemes within the district | Fixed amount per number of water closets and urinals in the rating unit | \$460.38 | \$2,502,626 |
| Water public good <i>(funds water)</i> | All rating units | Fixed amount per SUIP | \$167.50 | \$1,321,871 |

| | | | | |
|---|--|--|------------|--------------|
| Water connected | Rating units connected to Marton, Bulls, Taihape, Mangaweka, Ratana schemes: Residential | Fixed amount per SUIP | \$862.00 | \$3,965,613 |
| (funds water) | Rating units connected to Marton, Bulls, Taihape, Mangaweka, Ratana schemes: Non-residential | Fixed amount per SUIP | \$862.00 | |
| Water by volume | Marton, Bulls, Taihape, Mangaweka, Ratana schemes | Fixed amount per cu metre in excess of 250m3 per annum | \$2.55 | \$515,464 |
| (funds water) | Bulls ANZCO | Fixed amount per cu metre in excess of 250m3 per annum | \$1.49 | \$226,403 |
| Huntermville urban (funds water) | Connected rating units | Fixed amount per cu metre | \$4.15 | \$181,511 |
| Huntermville rural (funds water) | Connected rating units | Fixed amount per unit or part unit*** | \$382.49 | \$518,655 |
| Huntermville rural- urban (funds water) | Connected rating units | Fixed amount per unit or part unit*** | \$339.30 | \$125,543 |
| Erewhon rural (funds water) | Connected rating units | Fixed amount per unit or part unit*** | \$220.29 | \$261,132 |
| Omatane rural (funds water) | Connected rating units | Fixed amount per unit or part unit*** | \$78.15 | \$7,442 |
| Putorino rural (funds water) | Connected rating units | Land value | \$0.000956 | \$8,378 |
| Stormwater public good (funds stormwater) | All rating units | Fixed amount per SUIP | \$25.26 | \$195,668 |
| Stormwater urban (funds stormwater) | Marton, Bulls, Taihape, Mangaweka, Ratana, Huntermville | Fixed amount per rating unit (as identified on rating maps available to view on Council's website) | \$134.40 | \$587,005 |
| | | | | |
| Total Rates Required | (Inclusive of GST) | | | \$30,972,025 |

***Fixed amount per unit or part unit. A unit of water is equivalent to 365m³.

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.

Commercial, Industrial and Utilities Rating Units

Any rating unit that is used for commercial, industrial or business purposes; with a distinction for land that is occupied by District Utilities . 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.

Differentials

Council applies rating differentials where it considers it reasonable and equitable (e.g. to avoid a large increase in any particular rating category caused by relatively highervaluation increases in any rating sectors).

Lump Sum Rates

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

| Rating base information | Actual 2023 |
|---|----------------|
| Number of rating units preceding year | 8,703 |
| | (\$000) |
| Total capital value of rating units preceding year | 6,324,393 |
| Total land value of rating units preceding year | 4,112,689 |
| Note: "preceding year" for 2022 is as at 30 June 2021 | |

Allocation of UAGC to Activities

For the year ending 30 June 2023

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

Allocation of UAGC to Activities

For the year ending 30 June 2023

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

| | Amount |
|------------------------------|-----------------|
| Community Leadership | \$1.16 |
| Cemeteries | \$5.87 |
| Community Housing | \$3.88 |
| Domains | \$93.26 |
| Forestry | \$3.99 |
| Halls | \$72.12 |
| Libraries | \$147.32 |
| Public Toilets | \$10.21 |
| Real Estate | \$3.02 |
| Swim Centres | \$94.38 |
| Environmental and Regulatory | \$69.02 |
| Refuse (Litter) Collection | \$22.05 |
| TOTAL | \$526.29 |

Allocation of General Rate to Activities

For the year ending 30 June 2023

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

| | Amount |
|---------------------|----------------|
| Council | \$16.52 |
| Council Committees | \$2.77 |
| Civil Defence | \$3.68 |
| Community Awards | \$0.06 |
| District Promotions | \$12.89 |
| Information Centres | \$6.47 |
| Cemeteries | \$1.52 |
| Community Housing | \$0.07 |
| Domains | \$12.54 |
| Forestry | \$0.09 |
| Halls | \$3.11 |
| Public Toilets | \$2.51 |
| Real Estate | \$1.27 |
| Swim Centres | \$6.62 |
| Building | \$6.17 |
| District Planning | \$4.59 |
| Health | \$1.83 |
| Resource Consent | \$0.42 |
| Roading | \$2.19 |
| TOTAL | \$85.32 |

Examples of Impact of Rating Proposals

For year ending 30 June 2023

| Location | | Land Value | Capital Value | Forecast 2022/23 | Actual 2021/22 | Difference | Percentage |
|-----------------------------------|----------------|------------|---------------|---------------------|-------------------|------------|------------|
| KOITIATA | | | | | | | |
| Koitiata | Wainui St | 107,000 | 435,000 | 1,995 | 1,882 | 113 | 6.00% |
| Koitiata | Omana St | 107,000 | 300,000 | 1,677 | 1,584 | 93 | 5.88% |
| Koitiata | Wainui St | 107,000 | 310,000 | 1,700 | 1,606 | 95 | 5.89% |
| Koitiata | Omana St | 107,000 | 235,000 | 1,524 | 1,440 | 84 | 5.80% |
| TAIHAPE COMMERCIAL | | | | | | | |
| Taihape | Hautapu St | 550,000 | 2,800,000 | 9,983 | 9,418 | 566 | 6.01% |
| Taihape | Hautapu St | 280,000 | 710,000 | 4,602 | 4,353 | 249 | 5.72% |
| Taihape | Hautapu St | 110,000 | 185,000 | 3,365 | 3,193 | 172 | 5.38% |
| Taihape | Hautapu St | 170,000 | 195,000 | 2,928 | 2,765 | 163 | 5.91% |
| Taihape | Hautapu St | 102,000 | 170,000 | 2,870 | 2,710 | 160 | 5.89% |
| Taihape | Kuku St | 105,000 | 215,000 | 2,976 | 2,809 | 166 | 5.92% |
| Taihape | Huia St | 160,000 | 405,000 | 3,423 | 3,229 | 194 | 6.01% |
| TAIHAPE NON-COMMERCIAL | | | | | | | |
| Taihape | Pukeko St | 93,000 | 435,000 | 3,494 | 3,295 | 199 | 6.03% |
| Taihape | Pukeko St | 93,000 | 325,000 | 3,235 | 3,052 | 182 | 5.98% |
| Taihape | Huia St | 108,000 | 290,000 | 5,445 | 5,142 | 303 | 5.90% |
| Taihape | Paradise Tce | 30,000 | 225,000 | 2,999 | 2,831 | 168 | 5.92% |
| Taihape | Swan St | 51,000 | 235,000 | 3,023 | 2,853 | 169 | 5.93% |
| Taihape | Titi St | 51,000 | 460,000 | 3,552 | 3,350 | 202 | 6.04% |
| Taihape | Kaka Rd | 29,000 | 140,000 | 2,799 | 2,644 | 155 | 5.87% |
| Taihape | Linnet | 50,000 | 170,000 | 2,870 | 2,710 | 160 | 5.89% |
| HUNTERVILLE COMMERCIAL | | | | | | | |
| Hunterville | Milne St | 165,000 | 620,000 | 5,887 | 5,561 | 326 | 5.86% |
| Hunterville | Bruce St | 70,000 | 355,000 | 2,401 | 2,267 | 134 | 5.92% |
| Hunterville | Bruce St | 80,000 | 107,000 | 1,817 | 1,719 | 98 | 5.68% |
| HUNTERVILLE NON-COMMERCIAL | | | | | | | |
| Hunterville | Feltham Street | 180,000 | 550,000 | 2,860 | 2,698 | 163 | 6.03% |
| Hunterville | Milne Street | 58,000 | 260,000 | 2,177 | 2,057 | 120 | 5.84% |
| Hunterville | Main Road | 39,000 | 180,000 | 1,394 | 1,319 | 75 | 5.72% |
| Hunterville | Milne Street | 44,000 | 215,000 | 2,072 | 1,958 | 114 | 5.80% |
| Hunterville | Kotukutuku St | 32,000 | 185,000 | 1,406 | 1,330 | 76 | 5.73% |
| MARTON COMMERCIAL | | | | | | | |
| Marion | Broadway | 105,000 | 270,000 | 5,478 | 5,192 | 286 | 5.50% |
| Marion | Broadway | 86,000 | 170,000 | 2,828 | 2,671 | 157 | 5.86% |
| Marion | Wellington Rd | 320,000 | 445,000 | 3,475 | 3,278 | 197 | 6.01% |
| Marion | Broadway | 100,000 | 225,000 | 4,049 | 3,830 | 219 | 5.73% |

| | | | | | | | |
|--------|----------|---------|---------|-------|-------|-----|-------|
| Marton | Broadway | 100,000 | 101,000 | 2,895 | 2,744 | 152 | 5.52% |
|--------|----------|---------|---------|-------|-------|-----|-------|

| Location | | Land Value | Capital Value | Forecast 2022/23 | Actual 2021/22 | Difference | Percentage |
|----------|--|------------|---------------|---------------------|-------------------|------------|------------|
|----------|--|------------|---------------|---------------------|-------------------|------------|------------|

| | | | | | | | |
|------------------------------|----------------|---------|-----------|--------|-------|-----|-------|
| MARTON INDUSTRIAL | | | | | | | |
| Marton | Russell St | 470,000 | 1,260,000 | 5,855 | 5,528 | 327 | 5.91% |
| Marton | Station Rd | 415,000 | 2,340,000 | 10,009 | 9,489 | 521 | 5.49% |
| Marton | Wellington Rd | 300,000 | 780,000 | 4,264 | 4,018 | 246 | 6.13% |
| MARTON NON-COMMERCIAL | | | | | | | |
| Marton | Mcilwaine Pl | 120,000 | 550,000 | 3,722 | 3,510 | 212 | 6.05% |
| Marton | Mcilwaine Pl | 300,000 | 600,000 | 3,840 | 3,620 | 220 | 6.07% |
| Marton | Armagh Terrace | 185,000 | 465,000 | 3,522 | 3,322 | 200 | 6.02% |
| Marton | Calico Line | 180,000 | 410,000 | 3,393 | 3,201 | 192 | 5.99% |
| Marton | Grey St | 180,000 | 385,000 | 3,334 | 3,146 | 188 | 5.98% |
| Marton | Pukepapa Rd | 148,000 | 330,000 | 2,744 | 2,591 | 153 | 5.89% |
| Marton | Maunder St | 180,000 | 410,000 | 3,393 | 3,201 | 192 | 5.99% |
| Marton | Wellington Rd | 194,000 | 330,000 | 3,204 | 3,024 | 180 | 5.96% |
| Marton | Ross St | 93,000 | 330,000 | 3,204 | 3,024 | 180 | 5.96% |
| Marton | Oxford St | 112,000 | 280,000 | 3,087 | 2,914 | 173 | 5.93% |
| Marton | Barton St | 80,000 | 280,000 | 3,087 | 2,914 | 173 | 5.93% |
| Marton | Alexander St | 115,000 | 260,000 | 3,039 | 2,870 | 170 | 5.92% |
| Marton | Fergusson St | 55,000 | 245,000 | 3,004 | 2,837 | 168 | 5.91% |
| BULLS COMMERCIAL | | | | | | | |
| Bulls | Bridge St | 240,000 | 1,480,000 | 6,142 | 5,789 | 354 | 6.11% |
| Bulls | High St | 205,000 | 580,000 | 3,793 | 3,576 | 217 | 6.06% |
| Bulls | Bridge St | 250,000 | 440,000 | 5,296 | 5,001 | 295 | 5.90% |
| Bulls | Bridge St | 140,000 | 325,000 | 3,193 | 3,013 | 179 | 5.95% |
| Bulls | Bridge St | 215,000 | 275,000 | 3,075 | 2,903 | 172 | 5.93% |
| BULLS NON-COMMERCIAL | | | | | | | |
| Bulls | Gorton St | 265,000 | 480,000 | 3,558 | 3,355 | 202 | 6.02% |
| Bulls | Mansell Cres | 131,000 | 425,000 | 3,428 | 3,234 | 194 | 6.00% |
| Bulls | Meads Pl | 128,000 | 315,000 | 3,169 | 2,991 | 178 | 5.95% |
| Bulls | Flower St | 128,000 | 350,000 | 3,251 | 3,068 | 183 | 5.97% |
| Bulls | Bridge St | 124,000 | 375,000 | 3,310 | 3,124 | 187 | 5.98% |
| Bulls | Watson St | 128,000 | 300,000 | 3,134 | 2,958 | 176 | 5.94% |
| Bulls | Hammond St | 130,000 | 250,000 | 3,016 | 2,848 | 168 | 5.91% |
| TURAKINA | | | | | | | |
| Turakina | Simpson St | 48,000 | 270,000 | 1,606 | 1,518 | 89 | 5.84% |
| Turakina | Franklin St | 95,000 | 340,000 | 1,771 | 1,672 | 99 | 5.92% |
| RATANA | | | | | | | |
| Ratana | Taitokorau St | 42,000 | 325,000 | 3,427 | 3,232 | 195 | 6.04% |
| Ratana | Ratana Rd | 42,000 | 200,000 | 3,133 | 2,956 | 177 | 5.99% |
| Ratana | Waipounamu St | 42,000 | 230,000 | 3,203 | 3,022 | 181 | 6.00% |
| Ratana | Kiateri St | 42,000 | 144,000 | 3,001 | 2,832 | 169 | 5.96% |

| Location | | Land Value | Capital Value | Forecast 2022/23 | Actual 2021/22 | Difference | Percentage |
|-----------------------------------|------------------|------------|---------------|---------------------|-------------------|------------|------------|
| RURAL NORTH | | | | | | | |
| Erewhon | Farm Properties | 24,850,000 | 27,900,000 | 70,621 | 66,288 | 4,333 | 6.54% |
| Erewhon | Farm Properties | 12,800,000 | 14,710,000 | 38,563 | 36,204 | 2,358 | 6.51% |
| Erewhon | Farm Properties | 15,750,000 | 17,300,000 | 42,720 | 40,080 | 2,640 | 6.59% |
| Erewhon | Farm Properties | 8,462,000 | 9,627,000 | 24,652 | 23,138 | 1,514 | 6.54% |
| Erewhon | Farm Properties | 7,849,000 | 9,098,000 | 22,436 | 21,049 | 1,387 | 6.59% |
| Ruanui | Farm Properties | 4,640,000 | 5,460,000 | 14,840 | 13,938 | 902 | 6.48% |
| Awarua | Farm Properties | 2,740,000 | 3,240,000 | 9,612 | 9,036 | 577 | 6.38% |
| Te Kapua | Rural Properties | 3,350,000 | 3,920,000 | 10,243 | 9,616 | 627 | 6.52% |
| Kiwhitea | Rural Properties | 770,000 | 870,000 | 3,061 | 2,881 | 180 | 6.24% |
| Awarua | Rural Properties | 405,000 | 690,000 | 2,637 | 2,484 | 153 | 6.17% |
| Ohingaiti | Onslow Rd | 175,000 | 435,000 | 1,637 | 1,546 | 91 | 5.89% |
| Awarua | Rural Properties | 40,000 | 410,000 | 2,037 | 1,921 | 116 | 6.03% |
| Ohingaiti | Onslow Rd | 25,000 | 175,000 | 1,978 | 1,866 | 112 | 6.02% |
| Turakina | SH3 | 54,000 | 305,000 | 1,425 | 1,347 | 78 | 5.77% |
| MANGAWEKA | | | | | | | |
| Mangaweka | Kawakawa | 39,000 | 220,000 | 2,987 | 2,820 | 167 | 5.92% |
| Mangaweka | Mangawara | 39,000 | 180,000 | 2,893 | 2,732 | 161 | 5.90% |
| Mangaweka | Main Rd | 39,000 | 310,000 | 3,199 | 3,019 | 180 | 5.97% |
| Mangaweka | Main Rd | 17,000 | 54,000 | 2,754 | 2,602 | 152 | 5.86% |
| RURAL SOUTH | | | | | | | |
| Rangitoto | Farm Properties | 26,700,000 | 29,300,000 | 74,817 | 70,223 | 4,594 | 6.54% |
| Rangitira | Farm Properties | 12,050,000 | 16,000,000 | 42,529 | 39,935 | 2,593 | 6.49% |
| Rangitoto | Farm Properties | 485,000 | 520,000 | 2,195 | 2,070 | 125 | 6.06% |
| Porewa | Farm Properties | 5,560,000 | 6,760,000 | 18,830 | 17,690 | 1,139 | 6.44% |
| Whangaehu | Farm Properties | 4,410,000 | 5,430,000 | 14,727 | 13,832 | 895 | 6.47% |
| Porewa | Farm Properties | 4,630,000 | 5,320,000 | 15,439 | 14,511 | 928 | 6.39% |
| Pukepapa | Farm Properties | 3,060,000 | 3,460,000 | 9,118 | 8,561 | 557 | 6.50% |
| Pukepapa | Farm Properties | 990,000 | 1,520,000 | 5,546 | 5,219 | 327 | 6.27% |
| Porewa | Farm Properties | 410,000 | 1,040,000 | 3,019 | 2,842 | 177 | 6.22% |
| Pukepapa | Farm Properties | 700,000 | 980,000 | 3,278 | 3,085 | 193 | 6.25% |
| Porewa | Farm Properties | 390,000 | 840,000 | 2,948 | 2,776 | 172 | 6.21% |
| Pukepapa | Farm Properties | 175,000 | 600,000 | 3,245 | 3,059 | 187 | 6.11% |
| Scotts Ferry | Residential | 105,000 | 495,000 | 2,136 | 2,014 | 122 | 6.04% |
| Scotts Ferry | Residential | 75,000 | 360,000 | 1,818 | 1,716 | 102 | 5.94% |
| Scotts Ferry | Residential | 75,000 | 320,000 | 1,724 | 1,628 | 96 | 5.90% |
| Scotts Ferry | Residential | 75,000 | 335,000 | 1,759 | 1,661 | 98 | 5.91% |
| Otakapu | Residential | 48,000 | 270,000 | 1,606 | 1,518 | 89 | 5.84% |
| Rangitoto | Residential | 175,000 | 475,000 | 2,089 | 1,970 | 119 | 6.03% |
| Rangitoto | Residential | 48,000 | 125,000 | 1,265 | 1,197 | 67 | 5.63% |
| RURAL LARGE DAIRY/PASTORAL | | | | | | | |
| Whangaehu | Rural Properties | 1,650,000 | 1,710,000 | 4,027 | 3,776 | 251 | 6.65% |
| Rangatira | Rural Properties | 5,430,000 | 7,730,000 | 20,143 | 18,911 | 1,233 | 6.52% |
| Rangatira | Rural Properties | 7,000 | 11,000 | 26 | 24 | 2 | 6.65% |

| | | | | | | | |
|-------------------------------|------------------|-----------|------------|--------|--------|-------|-------|
| Porewa | Rural Properties | 3,000,000 | 3,990,000 | 11,478 | 10,785 | 692 | 6.42% |
| RURAL SOUTH INDUSTRIAL | | | | | | | |
| Porewa | Industrial | 400,000 | 5,500,000 | 14,784 | 13,878 | 906 | 6.53% |
| Greatford | Industrial | 4,000,000 | 12,900,000 | 31,347 | 29,405 | 1,942 | 6.61% |
| Rangitoto | Industrial | 260,000 | 2,750,000 | 7,893 | 7,413 | 481 | 6.48% |

Summary of Significant 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 prospective financial statements of the Council are for the years ending 30 June 2022 to 30 June 2031. Actual financial results for the period covered are likely to vary from the information presented in this Long Term Plan and may be material.

Basis of preparation

The prospective 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 prospective 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).

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

These prospective financial statements comply with PBE FRS 42 .

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.

Comparative information

The 2020/21 Annual Plan (adopted by Council on 25 June 2020) has been provided as a comparator for these consolidated financial statements. The closing balance in this comparative differs from the opening position used to prepare these consolidated prospective financial statements, which are based on the most up-to-date forecast information.

Standards issued and not yet effective and not early adopted

There are currently no standards that have been issued which are not yet effective.

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.

Waka Kotahi NZ (New Zealand Transport Agency) roading subsidies

The Council receives funding assistance from the Waka Kotahi NZ, 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 this is on delivery of the goods, and when the amount of revenue can be measured reliably. 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 the amount due, less an allowance for expected credit losses (ECL).

The Council apply the simplified ECL model of recognizing lifetime ECL for receivables.

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

Rates are “written off”

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

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

Other financial assets

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

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

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

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

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

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

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

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

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

Financial assets in this category that are equity instruments designated as FVOCRE are subsequently measured at fair value with fair value gains and losses recognized in other comprehensive revenue or expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognized in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council do not hold any instruments in this category.

Subsequent measurement of financial assets at FVTSD

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

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

Instruments in this category include the Councils bonds and LGFA borrower notes.

Expected Credit Loss (ECL)

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative

and qualitative information and analysis based on Councils historical experience and informed credit assessment and included forward-looking information.

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

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

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

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

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 50-170 years

Roof 40 years

Services 40-65 years

Plant Internal fit out 15-40 years

30 years

Motor vehicles 6 years

Office equipment 10 years

Computer hardware 5 years

Library books 10 years

Infrastructural assets Rooding network

Top surface (seal) 3-16 years

Pavement sealed (base course) 67 years

Pavement unsealed (base course) 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 50-70 years

Bridges 75-120 years

Water

Pipes 30-90 years

Pump stations 5-100 years

Pipe fittings 25-50 years

Wastewater

Pipes 5-100 years

Manholes 100 years

Treatment plant 5-100 years

Stormwater

Pipes 50-90 years

Manholes, cesspits 100 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 revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

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

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

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

For non-cash-generating assets, value in use is 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 the amount payable.

Borrowings

Borrowings are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowing's balance.

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 "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.

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 carrying amount of the asset. This is particularly so for assets that 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.

Significant judgements, estimates and assumptions

The preparation of the financial statements requires judgements, estimates and assumptions. Application is based on future expectations as well as historical, experience and other factors, as appropriate to the particular circumstances.

Significant judgements, estimates and assumptions have been applied in measuring certain provisions and property, plant and equipment revaluations. For example, the Council owns several 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.

See page 153 for the Council's significant forecasting assumptions.

Statement of prospective financial information DAVE TO CHECK

These prospective financial statements were authorised for issue by the Rangitikei District Council on xx June 2022. 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 XX) 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 10-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 2023 which is the second year of the 2021-31 long Term Plan. Caution should be exercised in using these prospective financial statements for any other purpose.

Annual Plan Disclosure Statement

For the year ending 30 June 2023

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 | | Limit | Planned | Met |
|-------------------------------------|---|---------------------------|----------------------------------|----------|----------|-----|
| Rates affordability | | | | | | |
| | Rates income - quantified limit | | | | | |
| | | Capped at 7.5% | excluding newly introduced rates | \$26.88m | \$26.83m | Yes |
| | | | including newly introduced rates | \$26.88m | \$26.93m | No |
| | Rates increase - quantified limit | | | | | |
| | | Capped at 7.5% | excluding newly introduced rates | 7.50% | 7.29% | Yes |
| | | | including newly introduced rates | 7.50% | 7.70% | No |
| | Council is proposing two rates for 2022/23 that were not considered when setting the Rates Limits for 2022/23 and considers it appropriate to 'set them aside' when assessing this Benchmark (the Benchmark did not include them either). | | | | | |
| Debt affordability benchmark | | | | | | |
| | Interest payments to total revenue | | | 20% | 1% | Yes |
| | Interest payments to rates revenue | | | 25% | 3% | Yes |
| | Net debt to total revenue | | | 175% | 90% | Yes |
| | Liquidity | | | 110% | 127% | Yes |
| Balanced budget benchmark | | | | 100% | 116% | Yes |
| Essential services benchmark | | | | 100% | 297% | Yes |
| Debt servicing benchmark | | | | 10% | 2% | 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.

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● Central Ward
● Northern Ward
● Southern Ward

Rangitikei District Council

Management Structure



Significant Forecasting Assumptions

Bearing in mind the District overview, the strategic environment and current key issues, as part of the development for the 2021-2031 LTP Council produced a set of significant forecasting assumptions that underpin the LTP and this Annual Plan:

| Forecasting assumption | Risk | Reasons and Financial Effect of Uncertainty | Level of uncertainty | Potential Consequence |
|---|--|---|----------------------|-----------------------|
| | | | Risk | |
| 1 Government ¹ | | | | |
| That the current Territorial Authority boundaries are unchanged i.e. that Rangitikei District continues to be a separate administrative entity. | There is no drive for amalgamation presently. So it could be assumed that boundaries will not change | 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, the outcome from the review of Three Waters could have an impact on the services provided, however, this is not contemplated in the 2021-2031 LTP. | Low | High |
| | | | Medium | |
| 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. | There has been vacillation over these discussions but no evidence yet that it is a priority for the Government. The impact on Council is that budget projections for such functions may prove to be inaccurate. | Low | Medium |
| | | | Low | |

¹ Disclosure: Council has prepared this plan on the assumption its existing purpose, functions, roles, structures and governance will continue for the life of the 2021-2031 Long Term Plan (in particular for years 1-3) while the 'Future for Local Government' review is undertaken by Central Government. This review includes, but is not limited to:

- roles, functions, and partnerships
- representation and governance and
- funding and financing

While the review could recommend significant change to what local government is and does, there is no information available on the likely direction for the review at this time.

Council considers it unlikely that any recommendations could take effect before 1 July 2024 – particularly for changes to roles or functions. Any changes that are made will be incorporated in the 2024-34 long-term plan.

| Forecasting assumption | Risk | Reasons and Financial Effect of Uncertainty | Level of uncertainty | Potential Consequence |
|--|---|---|----------------------|-----------------------|
| | | | Risk | |
| Levels of Service – Changes in government legislation and regulation will impact on assets development and operating costs and that Council has anticipated and/or planned for these changes. | That Council will overlook an important piece of regulation or legislation in its planning, or that the impact of new regulations/legislation has not been identified. | Information circulated within the sector makes it unlikely that such an oversight would occur. | Low | Medium |
| | | | Low/Medium | |
| The introduction of the Three Waters Reform by Central Government has implications for all councils. Council will continue with its current approach, for this LTP, and will continue to provide the Three Waters and improve services to work towards better asset management practices, but this is ultimately dependent on Central Government's final decision. | Uncertainty around financial set-up of what the Government is proposing. If debt is incurred now, we are unsure of who will be responsible for it in the future. | The Government is proposing to establish four publicly-owned entities to take responsibility of drinking water, wastewater and stormwater infrastructure across New Zealand. Cabinet has agreed to the proposed boundaries of the four water providers, further details on the proposed water services entities, including governance arrangements, the role of iwi, and how they would be regulated. However, the Government remains interested in continuing discussion with local government and iwi/Māori most affected by the proposed boundaries for feedback on these before progressing them in legislation. An outcome could be that capital budget is spent capital on the 'wrong' assets (e.g. on Three Waters, then this function is removed from us and we could have spent the money on another asset). | High | High |
| | | | High | |
| That implementation of the Drinking Water Standards remains mandatory for the Council's water supply schemes and that 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). | 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 the subscribers to these schemes. | Low | High |
| | | | Medium/High | |

| Forecasting assumption | Risk | Reasons and Financial Effect of Uncertainty | Level of uncertainty | Potential Consequence |
|---|--|--|----------------------|-----------------------|
| | | | Risk | |
| 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. | 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. | Medium | High |
| | | | Medium/High | |
| That the statutory requirements for earthquake-strengthening of public buildings will continue under the Government. | That Council does not secure adequate external funding for new public buildings to replace those that need strengthening. | There is strong competition for external funding. If sufficient external funding is not secured, earthquake-prone buildings will have to be strengthened or demolished. | Low | Medium |
| | | | Low/Medium | |
| 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. | Council has committed to a capital programme that sets targets for compliance for all discharges and has presented this to Horizons. 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. | Low | Medium |
| | | | Low | |
| Waka Kotahi (NZTA) will approve the programmes proposed for minor improvements on the roading network and bridge replacements. | The total proposed programmes will not be approved. This risk is greater for the proposed bridge replacement programme as these are deemed capital works by Waka Kotahi and are prioritised on a regional basis. | 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 Waka Kotahi NZ funding. | Medium | Medium |
| | | | Medium | |
| Waka Kotahi (NZTA) will extend the current financial assistance rate to footpaths. Footpath programmes have been changed to subsidised roading. | The programme will be determined by Waka Kotahi criteria rather than local preferences. | 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. | Medium | Low |
| | | | Low | |

| Forecasting assumption | Risk | Reasons and Financial Effect of Uncertainty | Level of uncertainty | Potential Consequence |
|---|--|--|----------------------|-----------------------|
| | | | Risk | |
| The new criteria for emergency works on the roading network will leave a funding shortfall despite the enhanced basic Funding Assistance Rate (or 'FAR') from Waka Kotahi (NZTA) (2021/22 65%, 2022/23 64%, 2023/24 63%) | Council will require greater ratepayer contribution or debt to ensure the necessary emergency works. | The emergency FAR paid for damage from the storm event in June 2015 averaged about 85%. | Medium | Medium |
| | | | Medium/High | |
| The Government subsidy of rates for ratepayers on low income will remain at current levels. | The Government reduces or abolishes this ratepayer subsidy. | 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. | Low/Medium | Medium/High |
| | | | Medium | |
| 2 Demographics | | | | |
| Population Change–The population of the District will continue to grow based on anecdotal evidence from the number of building consents and subdivisions. -Building consents 17/18: 3,074 -Building consents 19/20*: 3,954 -Subdivisions 17/18: 28 -Subdivisions 19/20*: 45 * There was a halt on resource consents being processed during the 2020 Level Four COVID-19 lockdown. Both the high and medium scenarios from the July 2020 Infometrics report on population growth show an increase in population for the Rangitikei District. | The risk is ensuring growth is managed commensurate with land and infrastructure availability. | The results of the 2018 Census Data were inaccurate creating uncertainty, however, Infometrics data continues to show population growth in the District. The likely range of population change would not significantly impact on provision of infrastructure, facilities or services. The employment of a specialist Growth Planner/Spatial Planner is required to support managed growth. | Low | Low/Medium |
| | | | Low | |

| Forecasting assumption | Risk | Reasons and Financial Effect of Uncertainty | Level of uncertainty | Potential Consequence |
|--|---|--|----------------------|-----------------------|
| | | | Risk | |
| 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. | The ageing population trend is demonstrated over a substantial period and is reflected at the national level. | Low | Medium |
| | | | Low/Medium | |
| 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 ageing nature of the local population. People may leave the District permanently, meaning a reduced ratepayer base. | Council has recognised the need to invest in activities that promote community cohesion and resilience, and is increasing its investment in emergency management capability. | Medium | Medium/High |
| | | | Medium/High | |
| | | | | |
| 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 being competitive in securing critical skills to keep the Council's planned activities on track. | <p>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 drawcard.</p> <p>In addition, Council is developing a workplace culture and interest in order to incentivise potential new staff.</p> | Medium | High |
| | | | Medium | |

| Forecasting assumption | Risk | Reasons and Financial Effect of Uncertainty | Level of uncertainty | Potential Consequence |
|---|--|---|----------------------|-----------------------|
| | | | Risk | |
| 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 with its resource consents. | 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. | Medium | Medium/High |
| | | | Medium | |
| 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. | 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. Currently Council is part of an insurance scheme negotiated with neighbouring councils for above-ground and below-ground assets, so the risk is shared. | Medium | High |
| | | | High | |
| 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. Opening up more land to residential leading to development will put more pressure on Council service | Land use conversion (e.g. to mānuka 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. | Low | Medium |
| | | | Medium | |

| Forecasting assumption | Risk | Reasons and Financial Effect of Uncertainty | Level of uncertainty | Potential Consequence |
|--|--|--|----------------------|-----------------------|
| | | | Risk | |
| 4 Financial environment | | | | |
| Inflation – The financial information is based on inflation figures from 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. | The new Government may introduce policies that cause variations from the BERL indices. | Low/Medium | Medium |
| | | | Medium | |
| Interest – Interest on external borrowing is calculated at 2% for the first two years, steadily increasing to 3.5% over the following years. | That interest rates will change from those used. 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. | Economic conditions may change. Financial effect will be driven by changes to forecast interest rates and also changes to the timing of taking on new debt. The impact of a 1% interest rate variance on \$5m of new debt is \$50k pa. | Low | High |
| | | | Medium | |
| Three-yearly revaluation of infrastructure assets (i.e. excluding land and buildings) are to be completed by a valuer and also based on projections from BERL. | That the BERL estimates are greater or less than the actual rates of inflation for those assets. | BERL’s estimates have been carefully researched – but economic conditions may change. | Low | High |
| | | | Low/Medium | |
| Three-yearly revaluation of land and building assets are undertaken on a consistent basis using the BERL inflation adjusters. | 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. | Economic conditions may change. Valuations for earthquake-prone buildings may fall at a disproportionate rate. | Low | Low/Medium |
| | | | Medium | |

| Forecasting assumption | Risk | Reasons and Financial Effect of Uncertainty | Level of uncertainty | Potential Consequence |
|---|---|--|----------------------|-----------------------|
| | | | Risk | |
| 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 that may affect the affordability and/or level of service provided. There is potential risk that there will not be enough contractors to undertake programmed work. | 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). | Low | Medium |
| | | | Medium | |
| Interim consents for wastewater discharges at Bulls, Marton and Rātana – 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. | The granting of interim consents is at the discretion of Horizons. Not granting them or requiring stringent conditions would impose additional costs. | Low | Medium/High |
| | | | Medium | |
| Capital budget – The Council will be able to deliver on its capital programme as outlined in proposed work programmes associated with the Long Term Plan. The plan sees a major increase in capital expenditure over the 10 years. Particularly in the Three Waters activity. This increase is significantly above the level of capital funding Council has been able to successfully deliver historically. | There is a risk that Council cannot spend its capital budget due to too much work across the region resulting in a lack of available contractors. Market forces may force prices to be increased. | Council may not be able to spend its capital budget when it is scheduled so by spreading the budget it minimizes this risk. Capital budgets could be unspent. | High ² | High |
| | | | High | |

² Disclosure: Potential affects are

- Impacts on the cost of capital expenditure because the timing is delayed
- Impacts to funding sources
- Impacts on operational expenditure
- How Council will consider the impacts of the delay on future capital expenditure work programmes.

| Forecasting assumption | Risk | Reasons and Financial Effect of Uncertainty | Level of uncertainty | Potential Consequence |
|---|---|---|----------------------|-----------------------|
| | | | Risk | |
| 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. | Economic conditions may change | Low/Medium | Medium |
| | | | Medium | |
| 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. | The uncertainty depends on the robustness of the estimated costs for upgrading and replacing the Three Waters infrastructure and community /civic centres. | Low | Medium |
| | | | Low | |
| 5 Council performance | | | | |
| Levels of Service – Service level changes may be initiated from increased community expectations or demand, a need to vary level of services across the District due to local expectations, or changes as a result of Government legislation or regional policy. These may impose new or increased levels of service. | Significantly enhanced or altered levels of service are demanded by the community or are imposed by the Government on local authorities in one or more areas. | Increased or improved service levels inevitably require additional cost and/or resources to provide them. | Medium | Medium |
| | | | Medium | |
| Liaise with iwi and Māori – that there will be on going inclusion and engagement with iwi in our District and Māori in our communities. | The urgency and extent of engagement will be viewed differently by Council and iwi: proposals for change may create tension and ill-feeling, which will be counter-productive. Joint ventures (Council and iwi) may fail. Iwi intend to use the Mana Whakahono a Rohe process. The extent of on going Council's commitment in the Ngāti Rangi settlement over the Whangaehu River has yet to be determined. | The Ngāti Apa claim was settled in 2010. The Ngāti Rangi claims were settled in 2017. It is anticipated that WAI 2180 (concerning iwi around Taihape and Mokai-Patea) will be settled before 2022. There is certainty on the extent to which Ngāti Apa, whose Waitangi claims are settled, will seek to collaborate and partner with the Council. However, there is still uncertainty with how Ngāti Rangi will seek to collaborate and partner with the Council. | Low | Medium |
| | | | Low | |

| Forecasting assumption | Risk | Reasons and Financial Effect of Uncertainty | Level of uncertainty | Potential Consequence |
|--|---|--|----------------------|-----------------------|
| | | | Risk | |
| 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. | The Samoan community is increasingly well-established within the Marton community and currently finding its voice to engage effectively with Council and other statutory stakeholders. | Low | Low |
| | | | Low | |
| 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. | Such changes would typically be highlighted in a report to Council seeking approval for the upgrade or replacement. | Low | Medium |
| | | | Low | |
| <p>The impact of COVID-19 on Council's service and financial performance.</p> <p>The future of COVID-19 is unclear with continued community outbreaks in the country's larger populated areas, mainly Auckland, which has the potential to spread into the District leading to tighter restrictions on the local community.</p> <p>Council does not rely on revenue from facilities, e.g. parking tickets, fines venues and events, etc. which has significantly affected other councils.</p> <p>COVID-19 will impact the economy's GDP at a national level for a long period of time but these effects are not likely to last as long at a district level. This can predominantly be attributed to Rangitikei's agricultural sector, which drives the District's GDP and was able to operate through the level 3 and 4 lockdown (March-May 2020).</p> | <p>Main risks to Council are loss of local businesses and halts on infrastructure improvements and upgrades due the time it takes to access some resources.</p> <p>Rangitikei District's population is already experiencing growth. This growth could be higher than projected if more citizens and residents return to the District from overseas, or other areas in New Zealand.</p> <p>The potential impact to the community from COVID-19 is the wellness of residents and their livelihoods through job losses and/or business closure.</p> <p>There is a potential risk of loss of rating revenue; as Council's main source of revenue is from rates. If rates are not able to be paid, due to hardship caused by the re-emergence of COVID-19 or a long period of lockdown this has the potential to have an impact on Council's ability to spend.</p> | <p>While parts of New Zealand have had re-emergence of COVID-19 community cases and periods of lockdown, this is not the case for the Rangitikei District, which has largely been able to continue on a near-normal basis. This may not be the case in the future.</p> <p>If cases were to emerge in the District this could impact the economy.</p> <p>Short periods of lockdown are not expected to have a major impact.</p> <p>There is also the risk of another pandemic that is not COVID-19.</p> | Low/Medium | Low/Medium |
| | | | Medium/High | |

| Forecasting assumption | Risk | Reasons and Financial Effect of Uncertainty | Level of uncertainty | Potential Consequence |
|--|---|---|----------------------|-----------------------|
| | | | Risk | |
| 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. | 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. | Medium | Low/Medium |
| | | | Medium/High | |
| Depreciation rates are factored into 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. | Because of the long lifespan of infrastructural assets, any changes in actual depreciation compared to forecast should be minimal. | Low | Low/Medium |
| | | | Low | |
| 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'. | There has been considerable work in modelling funding sources in preparing for this LTP. | Medium | Medium |
| | | | Medium | |

| Forecasting assumption | Risk | Reasons and Financial Effect of Uncertainty | Level of uncertainty | Potential Consequence |
|---|--|--|----------------------|-----------------------|
| | | | Risk | |
| 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. | 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. | Low | Medium |
| | | | Medium/High | |
| Shared Services Arrangements: Rangitīkei 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 Rangitīkei community may not be best served by such arrangements. | These arrangements are typically flexible and have exit provisions. | Low | Low |
| | | | Medium | |
| 6 Economic performance | | | | |
| That Council is able to influence 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. | Council will take a measured, evidence-based and risk averse approach to economic development initiatives and collaborate with neighboring councils and relevant agencies. | Low | Low |
| | | | Medium | |

Glossary of Terms

AMP – Asset Management Plan.

AS – Australian Standards.

BERL - Business and Economic Research Limited (www.berl.co.nz).

Capex – capital expenditure.

CBD – Central Business District.

CCO - council controlled organisation.

CCTV - closed circuit television.

CE – Chief Executive.

Community Board Members – elected representatives of either the Taihape or Rātana Community Board.

Community outcomes - community outcomes means the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions. Rangitikei District Council has six community outcomes.

Council Services – services that Council provides e.g. wastewater, roading, libraries.

CPI - Consumer Price Index.

DISP – Decline in Service Potential (depreciation).

DP – District Plan.

E. Coli - a common type of bacteria that can cause human sickness.

Elected Representative – people that have been elected to represent the district, ward or township these include the Mayor, Councillors and Community Board members. Elected Members are all paid to represent their community.

EOC - Emergency Operations Centre - a centre for response locally to national or local emergencies.

ETS - Emissions Trading Scheme - the introduction of a price on greenhouse gases to provide an incentive for New Zealanders to reduce emissions and plant more trees.

Exacerbator pays principle - reflects the costs to all ratepayers of the actions or inactions of others. It has been used to develop funding systems in the past for flood and river control schemes where properties situated on the uplands have been assessed for flood and river control schemes because water-run off from these properties contributes to flooding in low lying areas downstream. The exacerbator pays principle is an instance of the user pays principle.

FAR – Funding Assistance Rate (the central government support for local roading programmes).

FIS – Funding Impact Statement.

GDP - Gross Domestic Product - The total market value of all final goods and services produced in a country in a given year, equal to total consumer, investment and Government spending, plus the value of exports, minus the value of imports.

GPS – The Global Positioning System (GPS) is a space-based satellite navigation system that provides location and time information in all weather conditions, anywhere on or near the earth where there is an unobstructed line of sight to four or more GPS satellites.

I/I - inflow and infiltration. This refers to stormwater entering wastewater systems.

Intergenerational Equity - to spread the costs of assets that have a long life over current and future ratepayers.

ISO – The International Organization for Standardization (ISO) is an international standard-setting body composed of representatives from various national standards organizations.

LASS – Local Authorities Shared Services. MW LASS is the Horizons (Manawātū-Whanganui) LASS and a CCO.

Level of Service – describes the quality of service that Council proposes to provide e.g. for recycling – Council proposed to provide only glass recycling facilities as opposed to providing a full range of recycling.

LGA 2002 – Local Government Act 2002.

LGCI – Local Government Cost Index.

LIMS – Land Information Memorandum.

LTP – Long Term Plan - 10 year plan that Council reviews every three years. The LTP specifies all of Council's services and the quality of each services Council intends to provide throughout the 10 years. It also outlines the proposed rate take for each of the 10 years to cover the services provided. The draft LTP goes out for public consultation before being altered and adopted by Council.

MOU – Memorandum of Understanding.

NZS – New Zealand Standards.

NZTA - Waka Kotahi NZ (New Zealand Transport Agency).

OECD - Organisation for Economic Co-operation and Development (OECD) provides a forum in which governments can work together to share experiences and seek solutions to common problems.

ONRC –The One Network Road Classification (ONRC) involves categorising roads based on the functions they perform as part of an integrated national network. The classification will help local government and the Transport Agency to plan, invest in, maintain and operate the road network in a more strategic, consistent and affordable way throughout the country.

Opex – operational expenditure.

Oral Hearing – a specific time when a submitter can speak to Council on topics raised in their submission. Submitters are given 10 minutes each to speak to Councillors. It is common for submitters to split this into five minutes to speak and five minutes to answer question from Councillors.

Papakāinga – development of housing on ancestral land, usually held in the form of multiply-owned Māori land.

Protozoa - any of a large group of single-celled, usually microscopic, organisms, such as amoebas.

QA – Quality Assured.

RAMM –Road Assessment and Maintenance Management (software).

Ratepayer – a person who owns property in the district and pays rates to the Council.

Rates – a tax on property owners. The amount of rates paid is based on the value of the property together with uniform or targeted charges for Council services provided. Rates are where most of Council's money comes from.

RMA - Resource Management Act 1991.

SPARC - Sport and Recreation New Zealand (www.sparc.org.nz). Now known as Sport NZ.

Submission – the written document that details a person's opinion of the draft plan. Only during the consultation period will submissions be accepted. The submission form also asks whether a submitter wishes to speak at an oral hearing. A written submission must be presented for a person to speak at an oral hearing.

Submitter – a person who makes a submission.

SUIP – Separately used or inhabited part (see full definition on page 128).

Tangata Whenua - is a Māori term that literally means "people of the land". It can refer to either a specific group of people with historical claims to a district, or more broadly the Māori people as a whole.

UAGC - Uniform Annual General Charge.

UV – ultraviolet.

Waahi Tapu – sacred ground.

WTP – water treatment plant.

WTS – waste transfer station.

WMMP – waste management and minimisation plan.

WWTP – wastewater treatment p