



Finance/Performance Committee Meeting

Order Paper

**Thursday, 26 April 2018,
9.30 am**

**Council Chamber, Rangitikei District Council
46 High Street, Marton**

Website: www.rangitikei.govt.nz

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Chair
Cr Nigel Belsham

Deputy Chair
Cr Lynne Sheridan

Membership

Councillors Cath Ash, Dean McManaway, Soraya Peke-Mason, Graeme Platt, Ruth Rainey
and Dave Wilson

His Worship the Mayor, Andy Watson (ex-officio)

Please Note: Items in this agenda may be subject to amendments or withdrawal at the meeting. It is recommended therefore that items not be reported upon until after adoption by the Council. Reporters who do not attend the meeting are requested to seek confirmation of the agenda material or proceedings of the meeting from the Chief Executive prior to any media reports being filed.

Rangitīkei District Council

Finance and Performance Committee Meeting

Order paper – Thursday 26 April 2018 – 9:30 AM



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Committee The quorum for the Finance and Performance Committee is 4

Council's Standing Orders (adopted 3 November 2016) 10.2 provide: The quorum for Council committees and sub-committees is as for Council, i.e. half the number of members if the number of members (including vacancies) is even or a majority if the number of members is odd.

1 Welcome

2 Council Prayer

3 Apologies/Leave of Absence

4 Members' Conflict of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

5 Confirmation of order of business

That, taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, be dealt with as a late item at this meeting.

6 Minutes of Previous Meeting

The minutes from the Finance/Performance Committee meeting held 29 March 2018 are attached.

Recommendation:

That the Minutes of the Finance/Performance Committee meeting held on 29 March 2018 be taken as read and verified as an accurate and correct record of the meeting.

7 Chair's Report

A report will be tabled at the meeting.

File ref: 3-CT-14-1

Recommendation:

That the Chair's Report to the Finance/Performance Committee meeting on 26 April 2018 be received.

8 Progress with strategic issues

Advocacy by His Worship the Mayor has continued for unlocking the Māori land-locked land in the north of the District.

The Hunterville/Tutaenui rural water pre-feasibility study is complete.

Progress continues with the proposed new civic/community centres in Bulls and Marton.

Consideration was given by the Policy/Planning Committee's meeting on 13 July 2017 to services provided by information centres (with a further report to Council's meeting on 27 July 2017).

Two workshop discussions have been held on economic development and District promotion and a potential budget envelope identified. A draft policy on using the legislative provisions for development agreements to incentivise housing and other developments was considered at the Finance/Performance Committee's October meeting and a revised draft considered at meeting in January 2018. A further workshop session will be arranged. Priorities for economic development are one of the key choices in the Consultation Document for the 2018-28 Long Term Plan. The Government's Provincial Growth Fund (announced in February 2018) is a potentially significant mechanism to stimulate development and growth in the Rangitikei.

In March 2018, Chorus advised an accelerated timetable for the roll-out of fibre in Rātana/Whangaehu, Marton, Mangaweka, Hunterville, Taihape and Bulls, to be completed by June 2022.

Rates modelling is part of the new financial modelling software being used as the basis of preparing the financial statements for the 2018-28 Long Term Plan.

The review of the revenue and financing policy is complete and included in the draft Long term Plan – analysis of all expenditure activities has now been undertaken in Council workshops.

Impact of forestry on roading has been considered in the roading asset management plan and in developing the Traffic and Parking Bylaw.

The Independent Assessment Board has released its report on the Council's operations under the Local Government Excellence Programme. Actions to effect the suggested improvements are in progress.

MW LASS collaboration has been used to provide insurance cover for below-ground infrastructure assets from 1 July 2017

Staff are continuing to manage the rangitikei.com website.

9 Financial Highlights and Commentary – March 2018

A memorandum is attached.

File ref: 5 FR-4-1

Recommendation:

That the 'Financial Highlights and Commentary – March 2018' to the Finance/Performance Committee on 26 April 2018, be received.

10 Property sales – monthly update

An update report will be provided if available.

11 EECA audit of power use

The report is yet to be received.

12 Delivery of Infrastructure services (Infrastructure Shared Services) Quarterly performance report - 1 January to 31 March 2018

A report is attached.

File ref:

Recommendation:

That the 'Delivery of Infrastructure services (Infrastructure Shared Services) Quarterly performance report - 1 January to 31 March 2018' to the Finance/Performance Committee on 26 April 2018, be received.

13 Questions put at previous meetings for Council advice or action:

Rata Block

Clarification is being sought on Council's ability to dispose of the land, taking into account how it was originally vested in the Rangitikei County Council and the endorsement on the title for discharged carbon liability.

Turkington and Associates fees

John Turkington charges 5% on gross value of harvest yield.

FENZ equipment and servicing the Rangitikei District

FENZ have relocated the large water tanker to Feilding, with a smaller tanker assigned to Rangitikei. This is based on the best utilisation/availability of resources across the region, and is FENZ's decision to make.

14 Update on subdivision working group

A verbal update will be provided to the meeting.

15 Late Items

16 Future Items for the Agenda

17 Next Meeting

Thursday, 31 May 2018, 9.30 am

18 Meeting Closed

Attachment 1

Rangitīkei District Council

Finance and Performance Committee Meeting

Minutes – Thursday 29 March 2018 – 9:30 a.m.



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Present: Cr Nigel Belsham
Cr Cath Ash
Cr Dean McManaway
Cr Graeme Platt
Cr Ruth Rainey
Cr Lynne Sheridan
Cr David Wilson
His Worship the Mayor, Andy Watson

Also Present: Cr Richard Aslett
Cr Angus Gordon

In attendance: Mr Ross McNeil, Chief Executive
Mr Ashley Dahl, Financial Services Team Leader
Ms Nardia Gower, Governance Administrator

Tabled Documents **Item 7:** Chair's report

1 Welcome

The meeting commenced at 9:33 am.

The Chair welcomed everyone to the meeting, with special acknowledgement of Mr Dahl.

2 Council Prayer

Cr McManaway read the Council Prayer.

3 Apologies/Leave of Absence

That the apology for absence from Cr Peke-Mason and for lateness from Cr Ash is received.

Cr Rainey / Cr McManaway. Carried

4 Members' Conflict of Interest

Members were reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

There were no declared conflicts of interest.

5 Confirmation of order of business

There was no scheduled change to the order of business.

6 Minutes of Previous Meeting

Resolved minute number	18/FPE/005	File Ref
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That the Minutes of the Finance/Performance Committee meeting held on 1 March 2018 be taken as read and verified as an accurate and correct record of the meeting.

His Worship the Mayor / Cr Wilson. Carried

7 Chair's Report

The Chair spoke to his tabled report highlighting the results of the tree harvest of Marton B and C Dam.

Further discussions are highlighted:

- Although residential properties have shown a value increase with the latest QV valuations, the commercial sector has a decrease in valuation due in part to the Building (Earthquake Prone Buildings) Amendment Act.

- Turkington and Associates as the brokers and contractors of Council harvested trees are paid a percentage of the gross revenue. In addition they are commissioned to produce an annual audit report for Council.
- Hihitahi and Marton B and C Dams Forests have been signalled as possible pilot projects for reforestation, with potential for collaboration with Government through the Provincial Growth Fund.
- The Rata Block has had nothing replanted since its harvest, with neighbours potentially interested in purchase.

Undertaking	Subject
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Staff to investigate Council's resolution to engage with Bulls to sell Rata Block, and email bullet point update on the Block to Councillors.

Undertaking	Subject
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Mr McNeil to email the Committee members details of Turkington and Associates fees and charges.

Resolved minute number	18/FPE/006	File Ref	3-CT-14-1
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That the Chair's Report to the Finance/Performance Committee meeting on 29 March 2018 be received.

Cr Belsham / Cr McManaway. Carried

Cr Gordon arrived at 9:39

8 Progress with strategic issues

The Committee noted the commentary in the agenda

9 Financial Highlights and Commentary – February 2018

Mr Dahl spoke to the report. Points raised through discussions were:

- Priority work on Community Housing is being undertaken. Funding has been set aside in 2018/19 for major works pending the outcome on the Government's position regarding their funding contributions for community housing, due in April.
- Depreciation of assets is fed back into the relevant areas of budget.
- Assets given to Fire and Emergency New Zealand (FENZ) by Council were initially acquired for a community purpose and under a good will arrangement are expected to remain servicing the district. The location of the equipment should not impede on that expectation; however, there is no way of monitoring.

Undertaking**Subject**

Mr McNeil to speak to FENZ regarding housing of equipment and servicing of district.

Resolved minute number**18/FPE/007****File Ref****5 FR-4-1**

That the 'Financial Highlights and Commentary – February 2018' to the Finance/Performance Committee on 29 March 2018, be received.

Cr McManaway / Cr Rainey. Carried

Cr Gordon left at 9:50-9:55 am.

Cr Aslett left at 10:06-10:15 am.

Cr Ash arrived at 10:09 am.

10 Half year Statement of Service report (July-December 2017)

Mr McNeil spoke to the report. Points raised through discussions were:

- Concern was raised over the high level of carry overs that occur every year.
- Community Housing carry overs were questioned when refurbishment work needs to be carried out.
- It was noted that although this report notes no fatal crashes and no serious crashes, the time period is different for which analysis is done on road network improvement requirements due to serious crashes.

Resolved minute number**18/FPE/008****File Ref****5-FR-1-2**

That the half-year Statement of Service report (July-December 2017) be received.

Cr Rainey / Cr Wilson. Carried

11 Update from Subdivision Group

No verbal update was provided.

12 Late Items

None

13 Future Items for the Agenda

No new items were proposed.

14 Next Meeting

Thursday, 26 April 2018, 9.30 am

15 Meeting Closed

10:36 am.

Confirmed/Chair: _____

Date:

Unconfirmed

Attachment 2

Memorandum

To: Financial/Performance
From: George McIrvine
Date: 16 April 2018
Subject: **Financial Highlights and Commentary – March 2018**
File: 5 FR-4-1

1 Statement of Financial Performance:

1.1 Overall

Total Revenues are below budget by \$589k YTD (Year to Date) contributing activities were;

- i. Community & Leisure Assets revenue below budget by \$951k being funding not yet received.
- ii. Community & Wellbeing revenue is below by \$75k on budget.
- iii. Other activities were up on budget by (net) \$436k.
Against the same period last year revenue is down by \$827k.

Total Rates Revenue overall is on track with budget.

Against the same period last year rates are above budget by \$171k.

1.2 Internals

Both Recoveries and Charges are lower than budget by \$401k.

1.3 Expenditures

Overall expenditure is below budget by \$652k contributing activities \$50k and greater were;

- i. Community Leadership, below by \$109k
- ii. Community & Leisure Assets, below by \$283k
- iii. Water and Wastewater, below by \$672k.
- iv. Business units, below by \$36k
- v. Other activities, below budget totalled \$114k
- vi. Roading and Footpaths below budget by \$111k, with \$125K is attributed to expenditure incurred for the Flood Damage April 2017 event.

1.4 Operating surplus

Operating surplus is above budget by \$62k.

2 Statement of Financial Position:

2.1 Overall

Council continues to maintain a strong Current Asset position, the total is \$4.0M higher than June 2017.

3 Non-Current Assets

3.1 Fixed Assets

Show a reduction in the balance of fixed assets by \$7.7M which reflects 9 months depreciation provision on council assets.

3.2 Capital and Renewal

Shows a \$7.89M spend which will be capitalised at the end of the 2017-18 financial year into fixed assets.

- i. Current spending overall is tracking at 29% of the Full Year Budget after 9 months completion of the financial year.
- ii. Roading and Footpaths spend is tracking at 57% of the Full Year Budget. There is however \$4.197M of Committed Subsidised Roading Expenditure yet to be invoiced. There will be a small carry forward relating to the Mangaweka Bridge business case funds.
- iii. Water and Wastewater spend is tracking at 20% of the Full Year Budget. There is however \$1.692M of Committed Expenditure yet to be invoiced which comes to 33%. Currently some \$4.8M in waste water is projected to be carried forward with water projected at \$813K at time of writing or 39%. Carry forwards will also be required in Community assets relating to the Bulls project.

4 Rates Debtors

Rates debtors are shown per the 6 months overdue trend chart.

5 Treasury

Funds held in March 2018 for immediate needs totalled \$10.79M

\$5.0M was placed on Term Deposit with Westpac per;

- i. Investment # 42 for \$5.0M for 29 days at 2.40% maturing on 27/04/2018

- ii. Further investigations with Craig's Partners indicates that longer investments (4-5 year preferred investment horizon) would not be appropriate based on our forecast cash requirements of \$6.5M of debt in 2019.
- iii. We investigated if there was any opportunity to place funds with LGFA for the short-term to fund other councils and this is not viable due to their low borrowing costs.
- iv. It is our intention to place these funds for 6 or 12 months with our current group of trading banks. It should be noted that the LGFA provide short term borrowing where they currently have some \$260M in short-term debt to various councils. These short-term funds cost less than breaking any investments so this is a good option for Councils as they match Capital project cashflows against their investments.

Other treasury investments totalled \$340k including forestry at \$244k. For the year to date proceeds of \$473k have been received from log harvesting. These proceeds are from the now completed felling of 8.7 hectares at the Marton Reservoir. We have budgeted that these funds are placed in a reserve to fund the projected work in B+C dam areas minimising/eliminating any impact on the rates from this project.

For further details please refer to the treasury report

6 LGFA

Please find LGFA update for your information. Note that Rural and Provincial Council debt is dropping with debt growth in Auckland and Christchurch. LGFA expect this to change with the 2019 to 2028 LTP's.

7 Future items

LGFA have a borrower day in August in Wellington which Councillors may wish to attend. Date TBA.

8 Recommendations

That the 'Financial Highlights and Commentary – March 2018' to the Finance/Performance Committee on 26 April 2018, be received.

George McIrvine
Group Manager Finance & Business Support

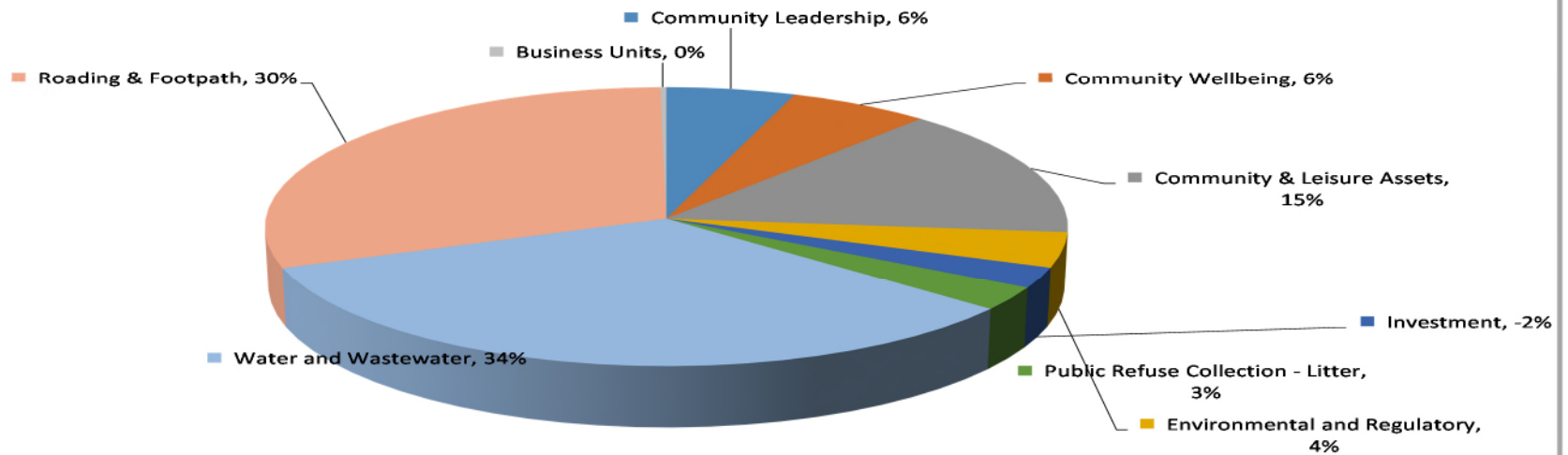
Rangitikei District Council
Statement of Financial Performance
For the 9 Months ended 31st March 2018

	2018 Actual YTD	2018 Budget YTD	2018 Variance YTD	2018 Budget FY	2018 FY Bgt Remaining	2017 Actual YTD
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Community Leadership	2	0	2	0	0	37
Community Wellbeing	63	137	-75	183	46	97
Community & Leisure Assets	1,063	2,014	-951	2,685	671	367
Environmental and Regulatory	830	717	113	956	239	840
Investment	192	180	12	240	60	175
Public Refuse Collection - Litter	418	330	88	440	110	362
Water and Wastewater	265	160	105	214	53	259
Roading & Footpath	6,342	6,229	112	8,306	2,076	7,861
Business Units	26	21	4	28	7	28
Total Revenue	9,200	9,789	-589	13,052	3,263	10,027
Community Leadership	923	771	152	1,028	257	922
Community Wellbeing	1,016	898	117	1,198	299	1,016
Community & Leisure Assets	2,520	2,639	-119	3,518	880	2,520
Environmental and Regulatory	684	593	92	790	198	684
Investment	-410	-187	-223	-249	-62	57
Public Refuse Collection - Litter	463	476	-13	635	159	433
Water and Wastewater	5,625	5,678	-52	7,570	1,893	5,470
Roading & Footpath	5,105	5,061	43	6,748	1,687	4,653
Business Units	45	43	2	57	14	45
Total Rates Revenue	15,971	15,972	-0	21,296	5,324	15,800
Total Internal Recoveries	5,803	6,205	-401	8,273	2,068	5,899
Total Internal Charges	5,803	6,205	-402	8,273	2,068	5,899
Community Leadership	452	561	-109	748	187	530
Community Wellbeing	564	612	-48	816	204	616
Community & Leisure Assets	2,316	2,598	-283	3,464	866	1,881
Environmental and Regulatory	100	166	-66	221	55	144
Investment	439	-7	446	-9	-2	460
Public Refuse Collection - Litter	747	741	6	989	247	740
Water and Wastewater	4,220	4,892	-672	6,523	1,631	3,842
Roading & Footpath	9,662	9,552	111	12,735	3,184	8,919
Business Units	4,246	4,282	-36	5,710	1,427	4,128
Total Expenses	22,747	23,399	-652	31,198	7,799	21,262
NET SURPLUS	2,424	2,362	62	3,150	788	4,565

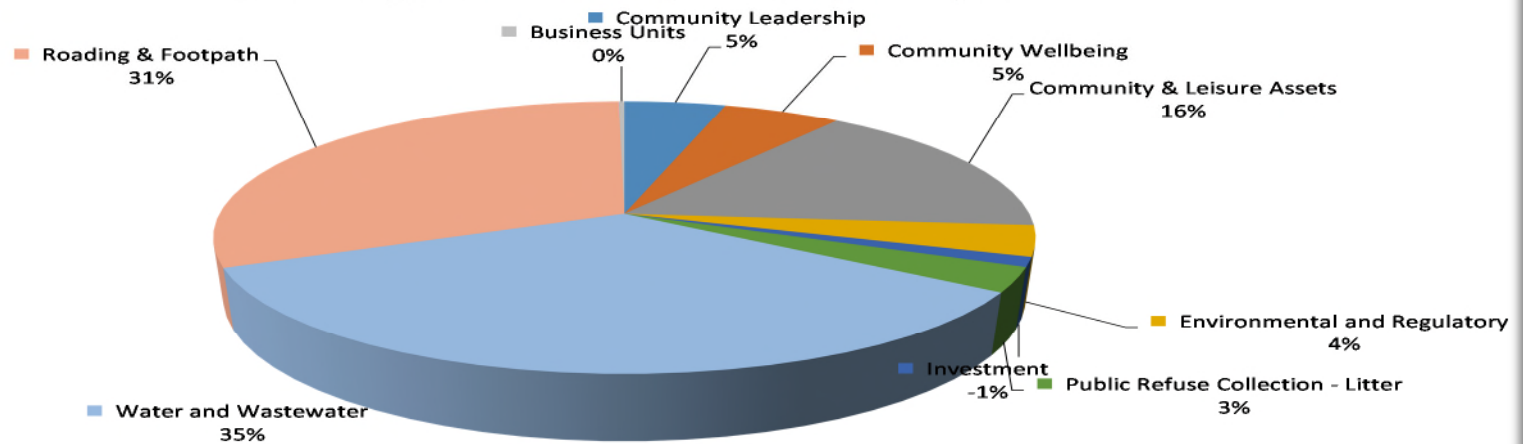
Rangitikei District Council
Statement of Financial Position
For the 9 Months ended 31st March 2018

	2018 Actuals YTD \$000	2017 Actuals LY \$000	2018 Movements \$000
Equity			
Equity	494,674	492,235	2,439
TOTAL Equity	494,674	492,235	2,439
Current Assets			
Cash and Cash Equivalents	9,786	8,080	1,706
Accounts Receivable and Accruals	1,430	3,133	-1,703
Doubtful Debts Provision	417	417	0
Other	0	0	0
TOTAL Current Assets	11,634	11,630	4
Current Liabilities			
Accounts Payable and Accruals	1,673	4,460	-2,787
Employee Related Accruals	278	429	-151
GST Payable	-106	-379	273
Other	559	551	8
TOTAL Current Liabilities	2,404	5,061	-2,657
Working Capital	9,229	6,569	2,660
Non-Current Assets			
Fixed Assets	477,342	485,048	-7,706
Capital - New	315	0	315
Capital - Renewals	7,623	0	7,623
Other Financial Assets	324	1,076	-752
Other	0	0	0
TOTAL Non-Current Assets	485,605	486,124	-519
Non-Current Liabilities			
External Loans	160	144	16
Other	0	314	-314
TOTAL Non-Current Liabilities	160	458	-298
Net Assets	494,674	492,235	2,439

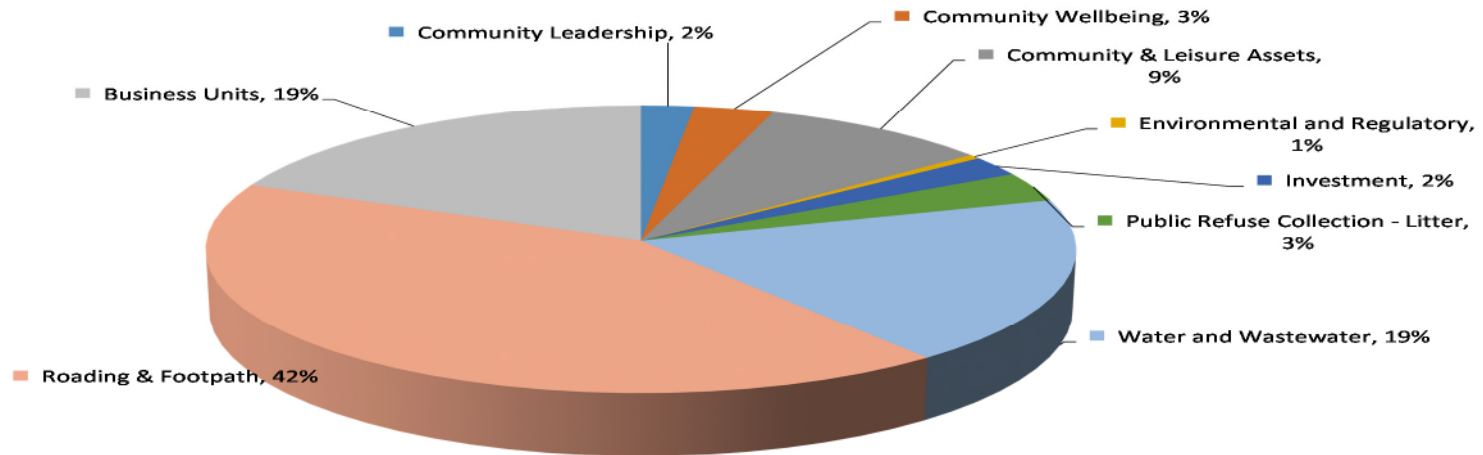
2018 Actual YTD Rates by Activity 2017/18



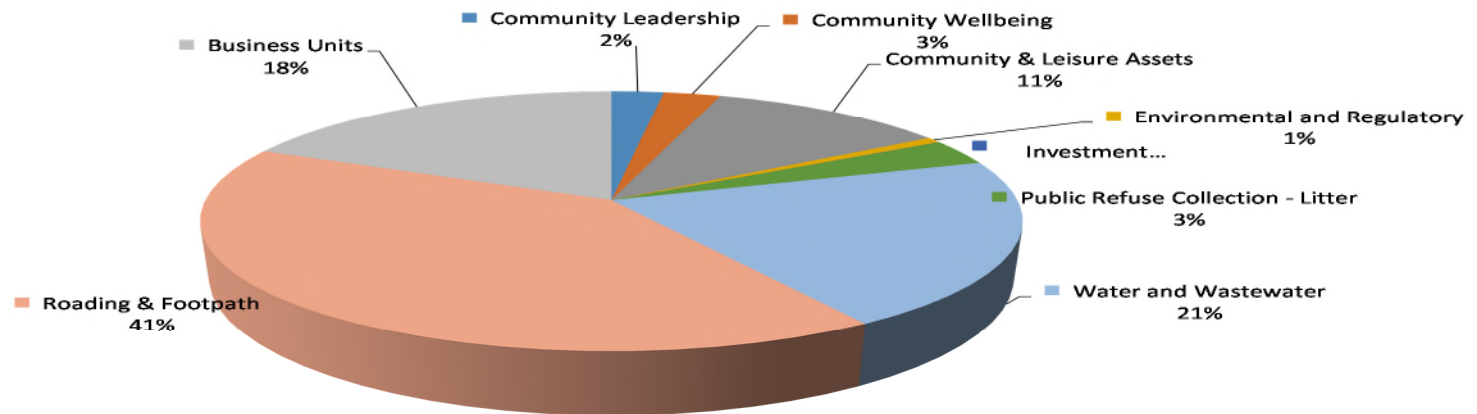
2018 Budget FY Rates by Activity 2017/18



2018 Actual YTD Operating Expenditure by Activity 2017/18



2018 Budget FY Operating Expenditure by Activity 2017/18



**Rangitikei District Council
Strategic Perspective by Activity by Operating Results
For the 9 Months ended 31st March 2018**

	2018 Actual YTD \$000	2018 Budget YTD \$000	2018 Budget FY \$000
Business Units			
Assets Business Unit	-0	43	57
CEO Business Unit	0	-0	-0
Customer Services Business Unit	0	-0	0
Finance Business Unit	-0	0	-0
Regulatory Business Unit	0	-0	-0
Business Units Total	-0	43	57
Community & Leisure Assets			
Cemetaries	43	67	89
Community Housing	-50	-202	-269
Domains	-32	81	108
Forestry Investments	390	-13	-18
Halls	78	1,218	1,624
Libraries	8	-0	-0
Public Toilets	19	47	63
Real Estate	82	25	33
Swim Centres	-6	49	65
Community & Leisure Assets Total	533	1,271	1,694
Community Leadership			
Council	69	-136	-181
Council Committees	-16	-9	-12
Elections	30	-0	-0
Ratana Community Board	-1	-1	-2
Taihape Community Board	5	-3	-4
Community & Leisure Assets Total	87	-149	-199
Community Wellbeing			
Civil Defence	-72	-4	-6
Community Awards	14	-0	0
District Promotions	122	4	5
Information Centres	59	5	6
Rural Fire	-38	0	-0
Community Wellbeing Total	85	5	6
Environmental and Regulatory			
Building	115	-0	0
District Planning	47	68	91
Dog Control	27	-24	-33
Health	-4	-14	-18
Resource Consents	49	0	-0
Stock Control	-1	0	0
Environmental and Regulatory Total	232	30	41
Investment			
Investment	-658	0	0
Investment Total	-658	0	0
Public Refuse Collection - Litter			
Landfills and Waste Transfer S	107	-11	-15
Public Refuse Collection	-23	-10	-13
Waste Minimisation	-23	4	6
Public Refuse Collection - Litter Total	61	-17	-22
Roading & Footpath			
Non Subsidised Roding	316	76	101
Subsidised Roding	989	1,140	1,520
Roading & Footpath Total	1,305	1,216	1,621
Water and Wastewater			
Rural Water	-207	22	30
Stormwater	78	15	20
Wastewater	472	1	1
Water	434	-75	-100
Water and Wastewater Total	778	-37	-49
Grand Total	2,424	2,362	3,150

**Rangitikei District Council
Activity Performance Report
For the 9 Months ended 31st March 2018**

		2018 Actual YTD	2018 Budget YTD	2018 Variance YTD	2018 Budget FY
Community & Leisure Assets	Revenue	1,063,185	2,013,948	-950,763	2,685,259
	Rates Revenue	2,519,630	2,638,881	-119,251	3,518,480
	Internal Recoveries	328,196	396,351	-68,155	528,467
	Internal Charges	1,062,920	1,180,404	117,484	1,573,844
	Expenses	2,315,502	2,598,012	282,510	3,463,993
	Net Surplus	532,589	1,270,764	-738,175	1,694,369
Cemetaries	Revenue	40,997	43,695	-2,698	58,256
	Rates Revenue	98,710	149,040	-50,330	198,715
	Internal Charges	66,628	76,248	-9,620	101,657
	Internal Recoveries	0	0	0	0
	Expenses	30,479	49,617	19,138	66,159
	Net Surplus	42,600	66,870	-24,270	89,155
Domains	Revenue	42,398	211,815	-169,417	282,425
	Rates Revenue	725,489	762,381	-36,892	1,016,503
	Internal Charges	423,671	496,323	-72,652	661,763
	Internal Recoveries	328,196	396,351	68,155	528,467
	Expenses	704,414	793,575	89,161	1,058,116
	Net Surplus	-32,002	80,649	-112,651	107,516
Forestry Investments	Revenue	472,848	0	472,848	0
	Rates Revenue	0	0	0	0
	Internal Charges	2,856	2,808	48	3,736
	Internal Recoveries	0	0	0	0
	Expenses	79,936	10,665	-69,271	14,215
	Net Surplus	390,056	-13,473	403,529	-17,951
Halls	Revenue	72,076	1,288,476	-1,216,400	1,717,967
	Rates Revenue	323,169	278,109	45,060	370,806
	Internal Charges	36,711	40,500	-3,789	54,005
	Internal Recoveries	0	0	0	0
	Expenses	280,162	308,286	28,124	411,028
	Net Surplus	78,372	1,217,799	-1,139,427	1,623,740
Libraries	Revenue	10,125	30,258	-20,133	40,344
	Rates Revenue	573,728	580,140	-6,412	773,518
	Internal Charges	388,426	409,068	-20,642	545,419
	Internal Recoveries	0	0	0	0
	Expenses	187,156	201,348	14,192	268,446
	Net Surplus	8,271	-18	8,289	-3
Public Toilets	Revenue	0	74,997	-74,997	100,000
	Rates Revenue	156,544	166,005	-9,461	221,334
	Internal Charges	26,620	28,170	-1,550	37,549
	Internal Recoveries	0	0	0	0
	Expenses	110,486	165,753	55,267	221,004
	Net Surplus	19,438	47,079	-27,641	62,781
Real Estate	Revenue	54,506	26,127	28,379	34,834
	Rates Revenue	80,270	76,167	4,103	101,558
	Internal Charges	14,474	15,156	-682	20,213
	Internal Recoveries	0	0	0	0
	Expenses	38,008	62,019	24,011	82,690
	Net Surplus	82,294	25,119	57,175	33,489
Swim Centres	Revenue	87,010	124,830	-37,820	166,433
	Rates Revenue	561,721	627,039	-65,318	836,046
	Internal Charges	52,135	56,772	-4,637	75,689
	Internal Recoveries	0	0	0	0
	Expenses	602,823	646,272	43,449	861,695
	Net Surplus	-6,227	48,825	-55,052	65,095

Activity Performance Report continued

		2018 Actual YTD	2018 Budget YTD	2018 Variance YTD	2018 Budget FY
Community Leadership	Revenue	1,500	0	1,500	0
	Rates Revenue	922,930	770,652	152,278	1,027,532
	Internal Recoveries	0	0	0	0
	Internal Charges	384,972	358,794	-26,178	478,350
	Expenses	452,060	561,312	109,252	748,407
	Net Surplus	87,399	-149,454	236,853	-199,225
Council	Revenue	283	0	283	0
	Rates Revenue	737,097	605,637	131,460	807,512
	Internal Charges	276,703	259,425	17,278	345,889
	Internal Recoveries	0	0	0	0
	Expenses	391,371	481,896	90,525	642,518
	Net Surplus	69,306	-135,684	204,990	-180,895
Council Committees	Revenue	0	0	0	0
	Rates Revenue	107,141	107,919	-779	143,891
	Internal Charges	86,875	77,994	8,881	103,986
	Internal Recoveries	0	0	0	0
	Expenses	36,548	39,249	2,701	52,326
	Net Surplus	-16,282	-9,324	-6,958	-12,421
Elections	Revenue	0	0	0	0
	Rates Revenue	33,104	11,421	21,683	15,233
	Internal Charges	2,641	2,619	22	3,484
	Internal Recoveries	0	0	0	0
	Expenses	0	8,811	8,811	11,750
	Net Surplus	30,463	-9	30,472	-1
Ratana Community Board	Revenue	0	0	0	0
	Rates Revenue	11,115	11,115	-0	14,821
	Internal Charges	4,457	4,482	-25	5,963
	Internal Recoveries	0	0	0	0
	Expenses	7,655	8,118	463	10,825
	Net Surplus	-997	-1,485	488	-1,967
Taihape Community Board	Revenue	1,217	0	1,217	0
	Rates Revenue	34,475	34,560	-86	46,075
	Internal Charges	14,296	14,274	22	19,028
	Internal Recoveries	0	0	0	0
	Expenses	16,487	23,238	6,751	30,988
	Net Surplus	4,909	-2,952	7,861	-3,941

Activity Performance Report continued

		2018	2018	2018	2018
		Actual YTD	Budget YTD	Variance YTD	Budget FY
Community Wellbeing	Revenue	62,645	137,214	-74,569	182,942
	Rates Revenue	1,015,668	898,254	117,414	1,197,684
	Internal Recoveries	0	0	0	0
	Internal Charges	429,307	418,437	-10,870	557,905
	Expenses	564,399	612,396	47,997	816,497
	Net Surplus	84,607	4,635	79,972	6,224
Civil Defence	Revenue	0	0	0	0
	Rates Revenue	78,318	136,476	-58,158	181,972
	Internal Charges	13,681	14,004	-323	18,679
	Internal Recoveries	0	0	0	0
	Expenses	136,669	126,702	-9,967	168,925
	Net Surplus	-72,032	-4,230	-67,802	-5,632
Community Awards	Revenue	25,352	23,400	1,952	31,199
	Rates Revenue	2,063	2,214	-152	2,952
	Internal Charges	4,709	4,635	74	6,179
	Internal Recoveries	0	0	0	0
	Expenses	8,970	20,988	12,018	27,972
	Net Surplus	13,736	-9	13,745	0
District Promotions	Revenue	16,826	95,175	-78,349	126,896
	Rates Revenue	513,107	439,695	73,412	586,264
	Internal Charges	142,903	132,165	10,738	176,213
	Internal Recoveries	0	0	0	0
	Expenses	264,811	398,619	133,808	531,495
	Net Surplus	122,218	4,086	118,132	5,452
Information Centres	Revenue	20,466	18,639	1,827	24,847
	Rates Revenue	290,738	283,644	7,094	378,202
	Internal Charges	219,493	231,408	-11,915	308,539
	Internal Recoveries	0	0	0	0
	Expenses	33,139	66,087	32,948	88,105
	Net Surplus	58,571	4,788	53,783	6,405
Rural Fire	Revenue	1	0	1	0
	Rates Revenue	131,444	36,225	95,219	48,294
	Internal Charges	48,520	36,225	12,295	48,295
	Internal Recoveries	0	0	0	0
	Expenses	120,809	0	-120,809	0
	Net Surplus	-37,885	0	-37,885	-1

Activity Performance Report continued

		2018	2018	2018	2018
		Actual YTD	Budget YTD	Variance YTD	Budget FY
Environmental and Regulatory	Revenue	830,021	716,940	113,081	955,899
	Rates Revenue	684,290	592,776	91,514	790,359
	Internal Recoveries	0	0	0	0
	Internal Charges	1,181,904	1,113,282	-68,622	1,484,380
	Expenses	100,293	165,978	65,685	221,278
	Net Surplus	232,114	30,456	201,658	40,600
Building	Revenue	245,639	215,433	30,206	287,249
	Rates Revenue	262,040	196,713	65,327	262,287
	Internal Charges	363,314	341,748	21,566	455,664
	Internal Recoveries	0	0	0	0
	Expenses	29,091	70,416	41,325	93,871
	Net Surplus	115,275	-18	115,293	1
District Planning	Revenue	10	0	10	0
	Rates Revenue	159,218	160,641	-1,424	214,182
	Internal Charges	80,392	73,647	6,745	98,196
	Internal Recoveries	0	0	0	0
	Expenses	32,248	18,585	-13,663	24,782
	Net Surplus	46,587	68,409	-21,822	91,204
Dog Control	Revenue	449,293	405,117	44,176	540,159
	Rates Revenue	158,904	114,048	44,856	152,060
	Internal Charges	565,312	531,702	33,610	708,938
	Internal Recoveries	0	0	0	0
	Expenses	16,363	11,880	-4,483	15,839
	Net Surplus	26,523	-24,417	50,940	-32,558
Health	Revenue	56,405	59,715	-3,310	79,612
	Rates Revenue	37,703	47,268	-9,565	63,025
	Internal Charges	89,228	87,885	1,343	117,182
	Internal Recoveries	0	0	0	0
	Expenses	8,761	32,634	23,873	43,500
	Net Surplus	-3,881	-13,536	9,655	-18,045
Resource Consents	Revenue	78,727	35,082	43,645	46,761
	Rates Revenue	34,212	41,211	-6,999	54,951
	Internal Charges	50,533	46,971	3,562	62,638
	Internal Recoveries	0	0	0	0
	Expenses	13,830	29,304	15,474	39,076
	Net Surplus	48,575	18	48,557	-2
Stock Control	Revenue	-52	1,593	-1,645	2,118
	Rates Revenue	32,213	32,895	-683	43,854
	Internal Charges	33,125	31,329	1,796	41,762
	Internal Recoveries	0	0	0	0
	Expenses	0	3,159	3,159	4,210
	Net Surplus	-965	0	-965	0

Activity Performance Report continued

		2018 Actual YTD	2018 Budget YTD	2018 Variance YTD	2018 Budget FY
Investment	Revenue	191,785	180,000	11,785	240,000
	Rates Revenue	-409,867	-186,723	-223,144	-248,973
	Internal Recoveries	0	0	0	0
	Internal Charges	0	0	0	0
	Expenses	439,448	-6,759	-446,207	-8,992
	Net Surplus	-657,530	36	-657,566	19

		2018 Actual YTD	2018 Budget YTD	2018 Variance YTD	2018 Budget FY
Public Refuse Collection - Litter	Revenue	418,241	330,012	88,229	440,017
	Rates Revenue	463,373	476,046	-12,673	634,722
	Internal Recoveries	0	0	0	0
	Internal Charges	72,997	81,270	8,273	108,325
	Expenses	747,190	741,420	-5,770	988,518
	Net Surplus	61,427	-16,632	78,059	-22,104
Landfills and Waste Transfer S	Revenue	375,472	285,885	89,587	381,183
	Rates Revenue	395,404	393,543	1,861	524,722
	Internal Charges	54,121	60,489	-6,368	80,634
	Internal Recoveries	0	0	0	0
	Expenses	609,324	629,892	20,568	839,828
	Net Surplus	107,431	-10,953	118,384	-14,557
Public Refuse Collection	Revenue	0	0	0	0
	Rates Revenue	67,786	82,503	-14,717	110,000
	Internal Charges	10,826	11,970	-1,144	15,946
	Internal Recoveries	0	0	0	0
	Expenses	80,308	80,361	53	107,135
	Net Surplus	-23,349	-9,828	-13,521	-13,081
Waste Minimisation	Revenue	42,769	44,127	-1,358	58,834
	Rates Revenue	183	0	183	0
	Internal Charges	8,049	8,811	-762	11,745
	Internal Recoveries	0	0	0	0
	Expenses	57,557	31,167	-26,390	41,555
	Net Surplus	-22,655	4,149	-26,804	5,534

Activity Performance Report continued

		2018 Actual YTD	2018 Budget YTD	2018 Variance YTD	2018 Budget FY
Roading & Footpath	Revenue	6,341,530	6,229,206	112,324	8,305,610
	Rates Revenue	5,104,763	5,061,321	43,442	6,748,434
	Internal Recoveries	0	0	0	0
	Internal Charges	478,793	522,954	44,161	697,249
	Expenses	9,662,167	9,551,592	-110,575	12,735,435
	Net Surplus	1,305,333	1,215,981	89,352	1,621,360
Non Subsidised Roding	Revenue	9,754	22,392	-12,638	29,859
	Rates Revenue	752,623	791,343	-38,720	1,055,129
	Internal Charges	62,795	68,265	-5,470	91,003
	Internal Recoveries	0	0	0	0
	Expenses	383,261	669,573	286,312	892,755
	Net Surplus	316,320	75,897	240,423	101,230
Subsidised Roding	Revenue	6,331,776	6,206,814	124,962	8,275,751
	Rates Revenue	4,352,140	4,269,978	82,162	5,693,305
	Internal Charges	415,997	454,689	-38,692	606,246
	Internal Recoveries	0	0	0	0
	Expenses	9,278,905	8,882,019	-396,886	11,842,680
	Net Surplus	989,013	1,140,084	-151,071	1,520,130

Activity Performance Report continued

		2018	2018	2018	2018
		Actual YTD	Budget YTD	Variance YTD	Budget FY
Water and Wastewater	Revenue	265,155	160,380	104,775	213,829
	Rates Revenue	5,625,175	5,677,551	-52,376	7,570,055
	Internal Recoveries	0	0	0	0
	Internal Charges	891,816	982,359	90,543	1,309,757
	Expenses	4,220,267	4,892,418	672,151	6,523,185
	Net Surplus	778,247	-36,846	815,093	-49,058
Rural Water	Revenue	870	8,604	-7,734	11,467
	Rates Revenue	379,226	564,192	-184,966	752,256
	Internal Charges	72,525	77,562	-5,037	103,391
	Internal Recoveries	0	0	0	0
	Expenses	514,281	473,022	-41,259	630,687
	Net Surplus	-206,710	22,212	-228,922	29,645
Stormwater	Revenue	4,701	1,773	2,928	2,362
	Rates Revenue	414,331	414,135	196	552,176
	Internal Charges	69,666	76,617	-6,952	102,158
	Internal Recoveries	0	0	0	0
	Expenses	271,271	324,306	53,035	432,381
	Net Surplus	78,095	14,985	63,110	19,999
Wastewater	Revenue	187,923	150,003	37,920	200,000
	Rates Revenue	1,763,018	1,605,258	157,760	2,140,351
	Internal Charges	226,340	247,887	-21,547	330,506
	Internal Recoveries	0	0	0	0
	Expenses	1,252,236	1,506,366	254,130	2,008,506
	Net Surplus	472,365	1,008	471,357	1,339
Water	Revenue	71,661	0	71,661	0
	Rates Revenue	3,068,599	3,093,966	-25,367	4,125,272
	Internal Charges	523,286	580,293	-57,007	773,702
	Internal Recoveries	0	0	0	0
	Expenses	2,182,478	2,588,724	406,246	3,451,611
	Net Surplus	434,497	-75,051	509,548	-100,041

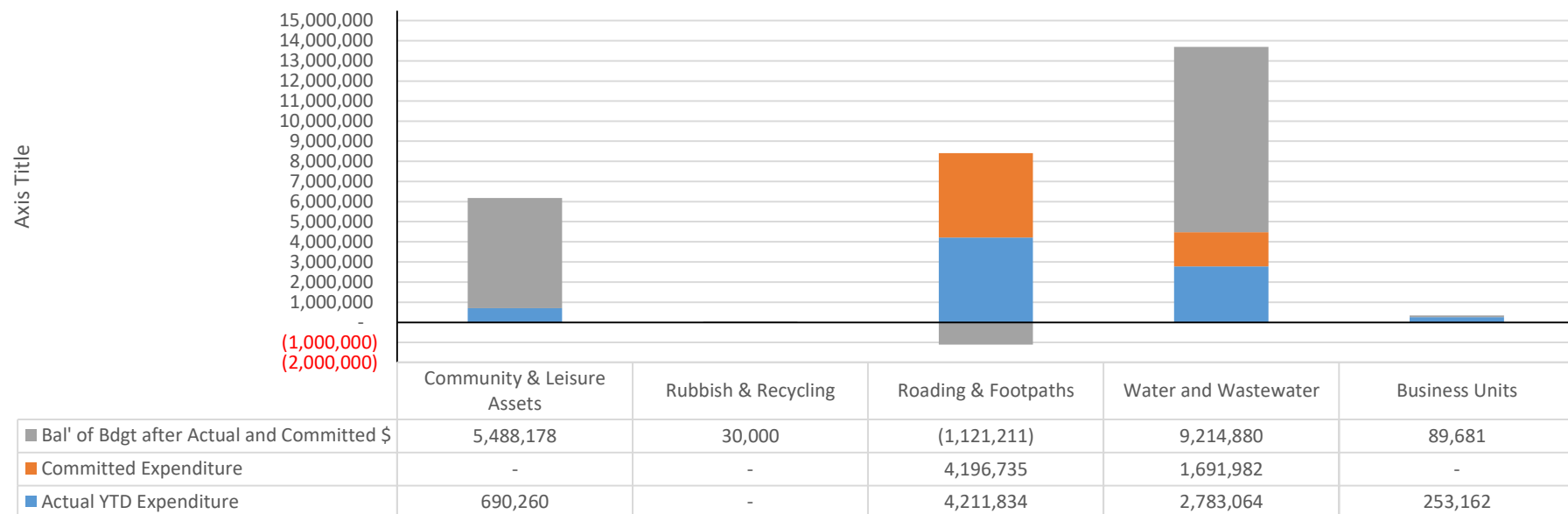
Activity Performance Report continued

		2018	2018	2018	2018
		Actual YTD	Budget YTD	Variance YTD	Budget FY
Business Units	Revenue	25,749	21,357	4,392	28,470
	Rates Revenue	45,449	43,011	2,438	57,345
	Internal Recoveries	5,475,148	5,808,411	-333,263	7,744,555
	Internal Charges	1,300,416	1,547,433	247,017	2,063,212
	Expenses	4,245,929	4,282,407	36,478	5,709,818
	Net Surplus	-0	42,939	-42,939	57,340
Assets Business Unit	Revenue	15,207	9,972	5,235	13,294
	Rates Revenue	45,449	43,011	2,438	57,345
	Internal Charges	414,856	501,120	-86,264	668,162
	Internal Recoveries	1,197,776	1,317,096	119,320	1,756,122
	Expenses	843,575	825,948	-17,627	1,101,255
	Net Surplus	0	43,011	-43,011	57,344
CEO Business Unit	Revenue	25,491	0	25,491	0
	Rates Revenue	0	0	0	0
	Internal Charges	145,866	176,904	-31,038	235,853
	Internal Recoveries	998,727	934,092	-64,635	1,245,463
	Expenses	878,352	757,233	-121,119	1,009,612
	Net Surplus	0	-45	45	-2
Customer Services Business Unit	Revenue	642	810	-168	1,076
	Rates Revenue	0	0	0	0
	Internal Charges	149,653	191,853	-42,200	255,807
	Internal Recoveries	599,398	646,596	47,198	862,133
	Expenses	450,387	455,562	5,175	607,402
	Net Surplus	-0	-9	9	0
Finance Business Unit	Revenue	-15,761	10,575	-26,336	14,100
	Rates Revenue	0	0	0	0
	Internal Charges	389,349	430,506	-41,157	574,007
	Internal Recoveries	1,821,918	2,096,811	274,893	2,795,753
	Expenses	1,416,808	1,676,871	260,063	2,235,847
	Net Surplus	0	9	-9	-1
Regulatory Business Unit	Revenue	170	0	170	0
	Rates Revenue	0	0	0	0
	Internal Charges	200,692	247,050	-46,358	329,383
	Internal Recoveries	857,330	813,816	-43,514	1,085,084
	Expenses	656,807	566,793	-90,014	755,702
	Net Surplus	0	-27	27	-1

Rangitikei District Council
Strategic Activities - Capital Expenditure and Renewals Summary
For the 9 Months ended 31st March 2018

	Actual YTD Expenditure	Committed Expenditure	Full Yr Budget	Bal' of Bdgt after Actual and Committed \$	% of Bdgt Completed & Committed
Community & Leisure Assets	690,260	-	6,178,438	5,488,178	11%
Rubbish & Recycling	-	-	30,000	30,000	0%
Roading & Footpaths	4,211,834	4,196,735	7,287,358	(1,121,211)	115%
Water and Wastewater	2,783,064	1,691,982	13,689,926	9,214,880	33%
Business Units	253,162	-	342,843	89,681	74%
TOTAL CAPITAL EXPENDITURE & RENEWALS	7,938,319	5,888,717	27,528,565	13,701,529	29%

Capital & Renewals Summary
for the 9 months to March 2018



Rangitikei District Council
Statement of Capital Works 2017/2018
for the 9 months to March 2018

for the 6 months to March 2018							
Unit	Activity	Capital Renewals/New	Details	G.L. A/c #	2018 Actuals YTD	2018 A.P. Bdgt Full Yr.	2018 Bal of Bdgt
Business Units	Assets Business Unit	Capital - Renewals	Motor Vehicle Purchases (dr)	95500701	238,574	262,000	23,426
			Motor Vehicles Sold	955007011	-6,957	0	6,957
			Office Furniture Purchases	95301705	0	10,588	10,588
			Plant Purchases	95301702	0	255	255
	Finance Business Unit	Capital - Renewals	Hardware	9260070303	0	15,000	15,000
			Hardware Servers & Core Network	9260070301	0	10,000	10,000
			PC Replacements	9260070302	14,069	30,000	15,931
			Software Purchases	92600704	7,475	15,000	7,525
Business Units Total					253,162	342,843	89,681
Community & Leisure Assets	Cemetaries	Capital - Renewals	New Capital-Berms	40701709	0	48,635	48,635
			Renewals - Contractor	40701708	22,378	59,000	36,622
	Community Housing Domains	Capital - Renewals	Renewals	4040170604	42,884	100,000	57,116
		Capital - Renewals	Campground Toilet & WW T/ment	4410170609	51,804	90,000	38,196
			Centennial Park Skateboard area	4410170610	1,485	150,000	148,515
			Park Upgrades	4410170612	14,819	105,063	90,244
			Plant & Machinery	44101702	2,694		
			Memorial Park Toilet and Changing Rm	4410170611	0	600,000	600,000
	Halls	Capital - Renewals	Renewals Buildings	4410170601	27,135	91,787	64,652
			Disposal of Land and Buildings	4090170606	0	-1,065,000	-1,065,000
			Additions Buildings - Bulls Town Hall	40901706	112,863	4,053,280	3,940,417
			Renewals	4090170601	57,690	36,263	-21,427
			Libraries	Capital - Renewals	Upgrade of Offices	40801703	0
	Buildings Marton	40801706	0		967,000	967,000	
	Furniture and Fittings	40801705	3,862		6,307	2,445	
	Library Book Purchases	40801708	61,982		105,110	43,128	
	Public Toilets	Capital - Renewals	New toilets (4)	40601709	0	125,000	125,000
			Mangaweka Toilet	4060170901	0	85,000	85,000
	Real Estate	Capital - Renewals	Renewals	2090170601	0	7,883	7,883
			Purchase of 7 King Street	2090170602	0	150,000	150,000
	Swim Centres	Capital - Renewals	Capital Additions - Plant	40001702	0	430,000	430,000
			Marton Renewals	4000170601	834	12,088	11,254
			Loan from MALT Repaid	40001720	0	16,021	16,021
			New Capital Filtration Pumping and Pool Leak	4000170203	289,689	0	-289,689
			Plant and Equipment	40001705	140	0	-140
Community & Leisure Assets Total					690,260	6,194,459	5,506,893

Rangitikei District Council
Statement of Capital Works 2017/2018 (continued)
for the 9 months to March 2018

Public Refuse Collection - Litter	Landfills and Waste Transfer S	Capital - New	Direct Pit Access Marton	5060177303	0	30,000	30,000
Public Refuse Collection - Litter Total					0	30,000	30,000

Roading & Footpath	Non Subsidised Roading	Capital - New	Footpath Construction	70300791	9,386	68,291	58,905	
		Capital - Renewals	Footpath Renewals	70300788	63,450	126,075	62,625	
			Renewals -Prof services	70300784	448	0	-448	
			Vehicle Crossings	70300792	1,771	26,266	24,495	
	Subsidised Roading	Capital - Renewals	Asset Management Planning P/S	7010078410	53,433	0	-53,433	
			Asset Mgmt P/S - Staff Time	7010078409	123,443	0	-123,443	
			Drainage Renewals	70100782	245,121	352,425	107,304	
			Major Bridge Refurbishment	70100796	21,500	370,000	348,500	
			Minor Safety Projects - Principal Contractor	70100795	449,872	525,677	75,805	
			Prof Services - Minor Safety	7010079405	599	0	-599	
			Sealed Road Pavement Rehabilitation	70100781	752,989	1,688,679	935,690	
			Sealed Road Surfacing	70100787	1,322,894	1,789,375	466,481	
			Flood Damage Reinstatement	70100791	0	822,000	822,000	
			Structures Components Replacements	70100783	137,058	189,163	52,105	
			Sub.Rdg.Drainage Prof.Serv.	7010078402	2,212	0	-2,212	
			Sub.Rdg.Pavement Rehab. Prf.Sr	7010078401	104,799	0	-104,799	
			Sub.Rdg.Sealed Rd Surfagc.P/S	7010078407	5,310	0	-5,310	
			Sub.Rdg.Strt.Ltng.Prof Serv.	7010078406	1,008	0	-1,008	
			Sub.Rdg.Struct.Comp.P/S	7010078403	10,842	0	-10,842	
			Sub.Rdg.Traffic Ser Rnwl P/S	7010078405	2,604	0	-2,604	
			Subsidised Roading Purchase Order Susp	70100789	13,007	0	-13,007	
			Traffic Services Renewals	70100785	199,625	224,950	25,325	
			Accelerated LED Renewals	70100784	444,639	644,332	199,693	
			Unsealed Road Metalling & Rehabilitation	70100780	222,359	460,125	237,766	
			Unsealed Road Metalling P/S	7010078408	3,290	0	-3,290	
Roading & Footpath Total				4,191,659	7,287,358	3,095,699		

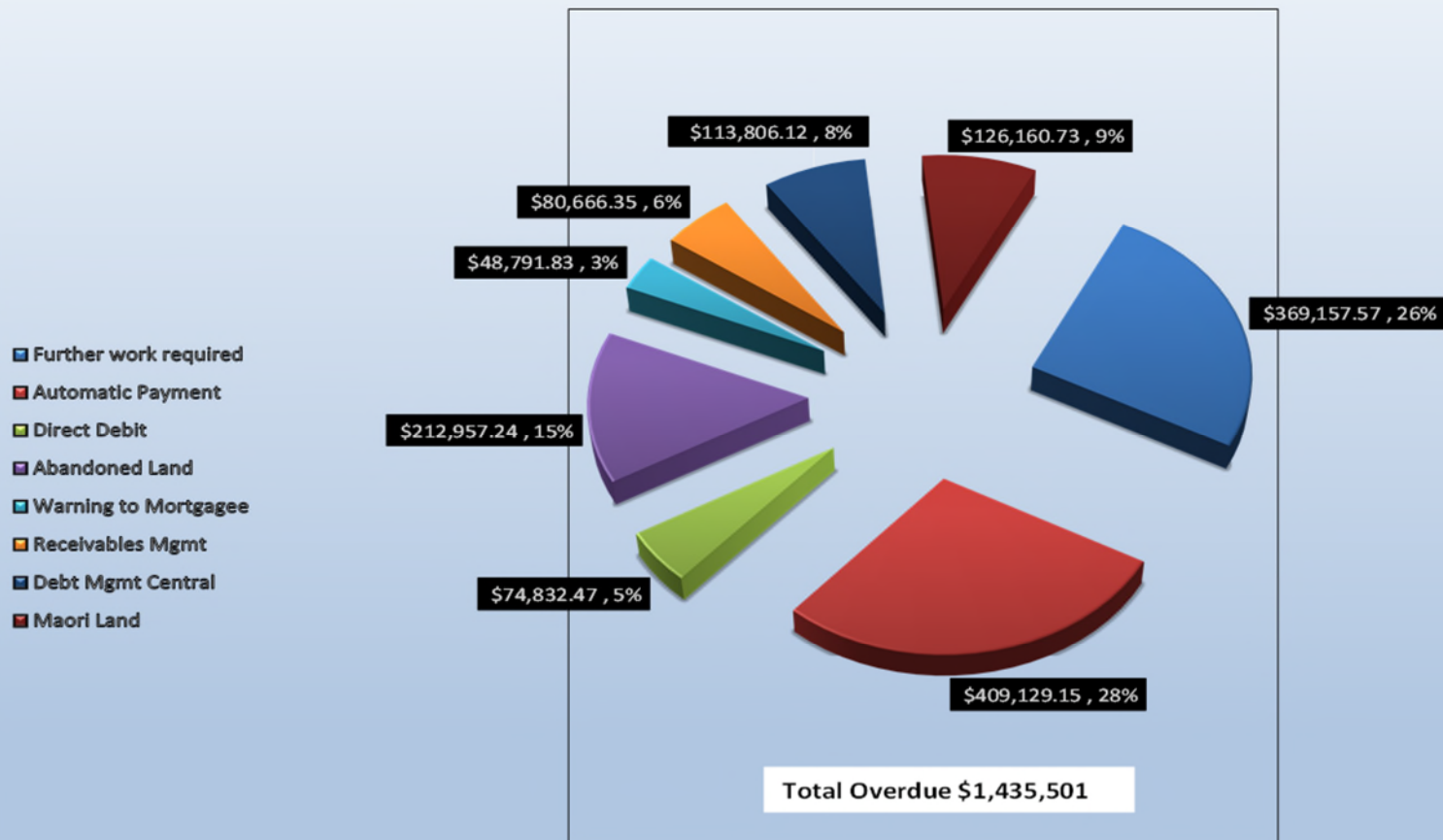
Rangitikei District Council
Statement of Capital Works 2017/2018 (continued)
for the 9 months to March 2018

Unit	Activity	Capital Renewals/New	Details	G.L. A/c #	2018 Actuals YTD	2018 Budget FY	2018 Bal of Bdt
Water and Wastewater	Rural Water	Capital - Renewals	HRWS Reticulation - Staff Time	6061777303	1,097	0	-1,097
			Erewhon Reticulation - contractor	6061676201	41,103	133,477	92,374
			HRWS Reticulation - Contractor	6061776201	1,635	0	-1,635
	Stormwater	Capital - New	HRWS Treatment - Contractor	6061776301	13,537	60,000	46,463
			Marton Reticulation - Contractor	6050177301	6,466	470,000	463,535
			Marton Reticulation - Contractor	6050176101	144,005	80,000	-64,005
		Capital - Renewals	Marton Reticulation - Staff Time	6050176103	34,350	0	-34,350
			Taihape Reticulation - Contractor	6050176111	1,222	99,003	97,781
			Taihape Reticulation - Staff Time	6050176113	2,289	0	-2,289
	Wastewater	Capital - New	Bulls Treatment - Contractor	6070177311	7,009	1,100,000	1,092,991
			Hunterville Treatment - Contractor	6070177386	2,269	0	-2,269
			Koitiata Reticulation - Contractor	6070177151	7,111	110,000	102,889
			Marton Reticulation - Contractor	6070177301	96,985	1,338,000	1,241,015
			Marton Treatment - Contractor	6070177306	11,165	778,500	767,335
			Marton Treatment - Staff Time	6070177307	5,012	0	-5,012
			Ratana Treatment - Contractor	6070177325	7,092	1,419,000	1,411,908
			Ratana Treatment - Staff Time	6070177327	165	0	-165
			Taihape Reticulation - Contractor	6070177304	250	0	-250
		Capital - Renewals	Bulls Reticulation - Contractor	6070176161	4,628	20,000	15,372
			Hunterville Reticulation - Contractor	6070176181	11,889	270,318	258,429
			Hunterville Treatment - Contractor	6070176186	638	0	-638
			Koitiata Treatment - Contractor	6070176151	2,584	0	-2,584
			Mangaweka Treatment - Contractor	6070176171	2,987	0	-2,987
			Marton Reticulation - Contractor	6070176101	224,702	411,373	186,671
			Marton Reticulation - Staff Time	6070176102	10,207	0	-10,207
			Marton Treatment - Contractor	6070176131	4,308	267,250	262,942
			Ratana Reticulation Contractor	6070176191	535	4,309	3,774
			Ratana Treatment - Contractor	6070176194	720	528,890	528,170
			Taihape Reticulation - Contractor	6070176111	51,735	1,075,793	1,024,058
			Taihape Reticulation - Staff Time	6070176112	3,304	0	-3,304

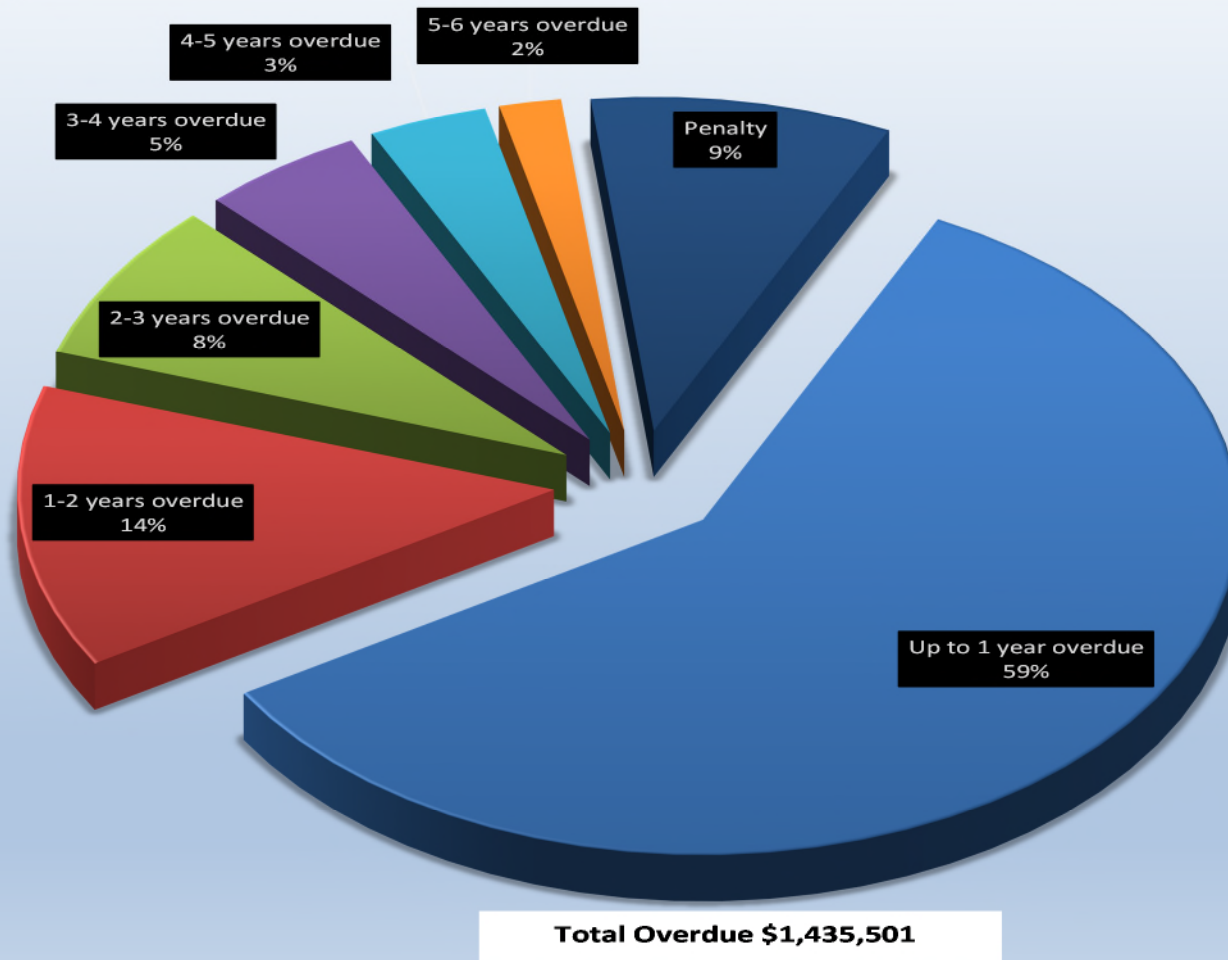
Rangitikei District Council
Statement of Capital Works 2017/2018 (Water continued)
for the 9 months to March 2018

	Water - Urban	Capital - New	Taihape Treatment - Staff Time	6070176122	630	0	-630		
			Hunterville Treatment - Contractor	6060777301	2,970	75,000	72,030		
			Hunterville Treatment - Staff Time	6060777302	1,215	0	-1,215		
			Mangaweka Treatment - Contractor	6060177371	9,982	0	-9,982		
			Marton Reticulation - Contractor	6060177301	400	0	-400		
			Marton Treatment - Contractor	6060177311	6,021	0	-6,021		
			Marton Treatment - Staff Time	6060177313	945	0	-945		
			Ratana Treatment - Contractor	6060177391	92,592	0	-92,592		
			Ratana Treatment - Staff Time	6060177392	7,395	0	-7,395		
			Taihape Treatment - Contractor	6060177331	37,874	0	-37,874		
			Taihape Treatment - Staff Time	6060177332	1,985	0	-1,985		
		Capital - Renewals	Bulls Reticulation - Contractor	6060176141	24,211	538,114	513,903		
			Bulls Reticulation - Staff Time	6060176143	6,929	0	-6,929		
			Bulls Treatment - Contractor	6060176151	45,483	900,000	854,517		
			Bulls Treatment - Staff Time	6060176153	3,507	0	-3,507		
			Hunterville Reticulation - Contractor	6060776201	4,703	115,411	110,708		
			Hunterville Reticulation - Staff Time	6060776203	879	0	-879		
			Mangaweka Reticulation - Contractor	6060176161	8,490	0	-8,490		
			Mangaweka Reticulation - Staff Time	6060176163	24,932	0	-24,932		
			Mangaweka Treatment - Contractor	6060176171	19,133	558,037	538,904		
			Marton Reticulation - Contractor	6060176101	270,926	12,451	-258,475		
			Marton Reticulation - Staff Time	6060176103	41,550	0	-41,550		
			Marton Treatment - Contractor	6060176111	112,408	270,000	157,592		
			Ratana Treatment - Staff Time	6060176193	17,003	0	-17,003		
			Taihape Reticulation - Contractor	6060176121	1,170,866	2,480,000	1,309,134		
			Taihape Reticulation - Staff Time	6060176123	102,865	0	-102,865		
			Taihape Treatment - Contractor	6060176131	29,309	575,000	545,691		
			Taihape Treatment - Staff Time	6060176133	10,333	0	-10,333		
			Water and Wastewater Total				2,756,529	13,689,926	10,933,397
			Total				7,891,610	27,544,586	19,655,670

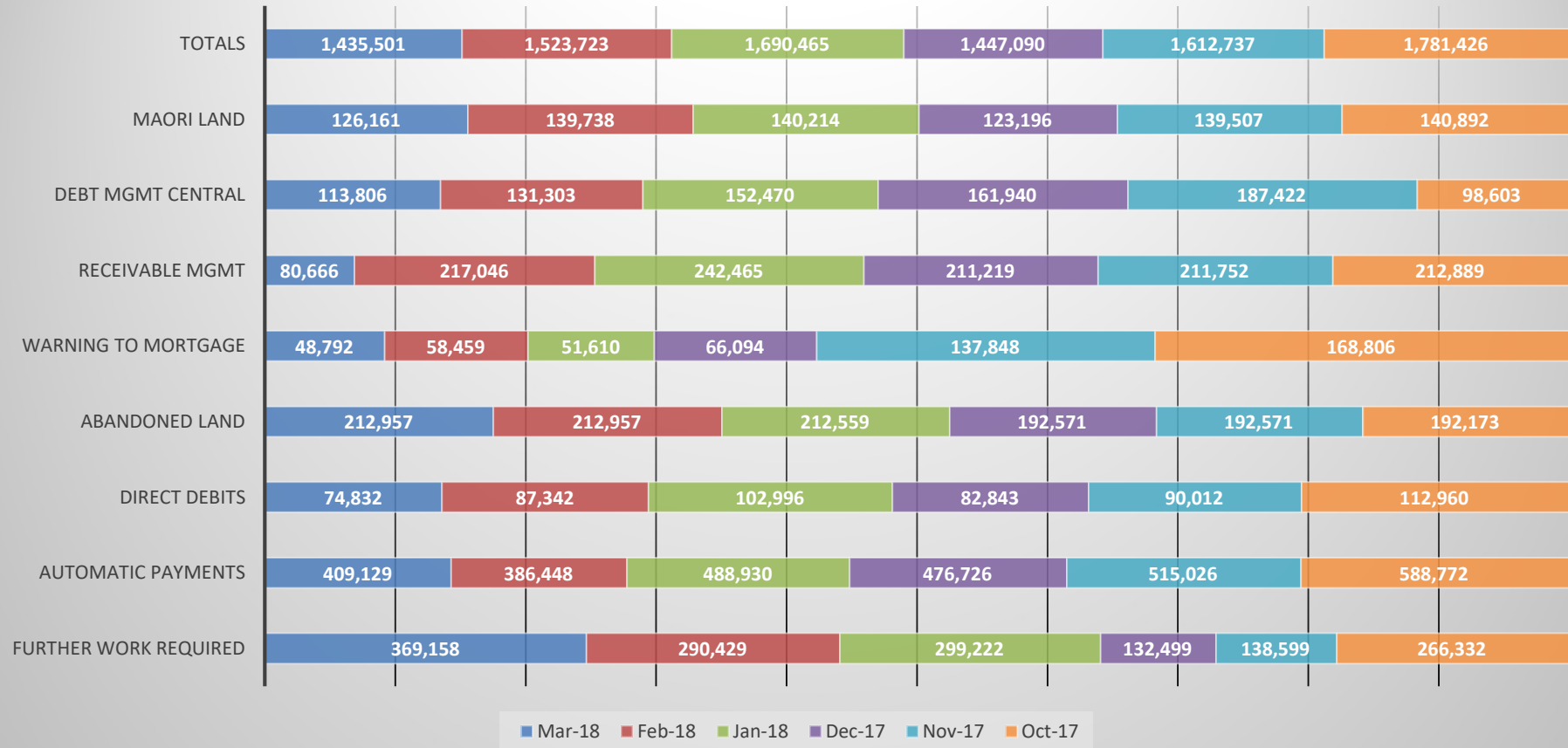
Rangitikei District Council Actions to Collect Overdue Rates @ 31/03/2018



Rangitikei District Council Analysis of Overdue Rates @ 31/03/2018



March 2018 - Overdue Trend for Last 6 months



TREASURY REPORT 31/03/2018

Investments

Bank Deposits

	Maturity Date	Int Rate	Term	% of Portfolio	Amount	Comment
Westpac Current Account	Call	0.0150	Call	47%	4,713,362.52	Immediate Needs
Westpac Call Account	Call	0.0150	Call	1%	54,746.36	Immediate Needs
ASB Term Deposit 12-3211-00010480-				0%	0.00	
Westpac Term Deposit -03.0683.0195600.081				0%	0.00	Immediate Needs
Westpac Term Deposit -03.0683.0195600.081				0%	0.00	Immediate Needs
Westpac Term Deposit -03.0683.0195600.081 - 0042 see note below				49%	5,000,000.00	Immediate Needs
Cash Floats					2,130.99	
MW Lass Ltd					16,000.00	
					<u>9,786,239.87</u>	
						97% Of total pool Investment policy allows up to 100%
The Investment Policy requires that maximum any one bank of \$5m						
And maturity mix as follows	Actual	Policy				
0-3 months	100%	15%-40%				
3-6 months		10%-60%				
6 month to 2 years		10%-60%				

Note:

Westpac Term Deposit 42 for 29 Days Mature 27/04/18 \$5M Rate 2.20%

Equity Investments

	Number	Cost	Value 2017	@
Local Government Insurance Corporation	23,338	23338	54,261.00	0.54% Of total pool Investment policy allows up to 10%

CORPORATE BONDS 31/03/2018

S & P
Rating

Date of Purchase

		Effective	Coupon Rate	Face value	Fair Value 2017
Purchased 16/02/06					
Fonterra Perpetual Cap Note	none	0.0573	0.0874	191,963.00	201,735.76
Purchased 21/02/06					
Fonterra Perpetual Cap Note	none	5.73%	8.74%	280,000.00	294,072.88
Notes Redeemed 10/07/06				-443,645.00	-465,086.38
loss on Redemption					-981.01
Balance as at 30 June 2017		4.38%		28,318.00	29,741.25

25,769.38 A

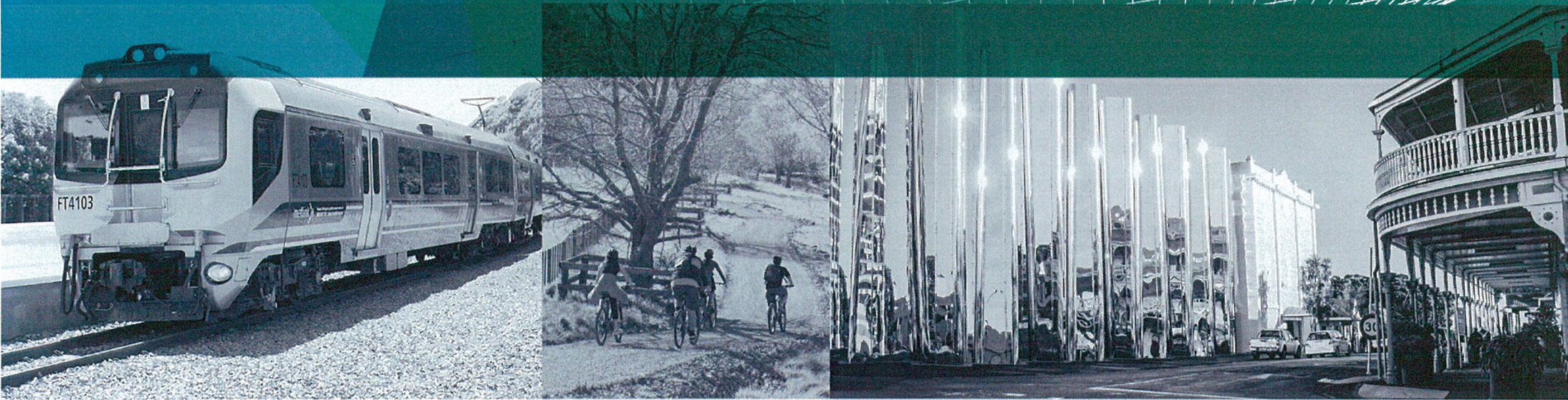
Total					25,769.38	0% Of total pool Investment policy allows up to 50%
Forestry					244,232.00	2% Of total pool Investment policy allows up to 20%

Total Investments and Cash

10,110,502.25

Appendix 1

LGFA COUNCIL UPDATE



April 2018

LGFA OBJECTIVES



☐ Primary Objective – to optimise the debt funding terms and conditions for participating local authorities:

- Savings in interest costs;
- Availability of longer term borrowings;
- Enhance certainty of access to debt markets;
- More flexible lending terms;
- Monitor quality of the asset book so that it remains of a high standard.

☐ Additional Objectives

- Operate with a view to make a profit sufficient to pay a dividend;
- Provide at least 50% of aggregate long term funding for participating local authorities;
- Ensure products and services are delivered at a cost in line with budget;
- Ensure compliance with Health and Safety at Work Act 2015;
- Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating;
- Achieve financial forecasts;
- Meet or exceed performance targets;
- Comply with Treasury policy.

Source: LGFA SOI 2017-18

DEVELOPMENTS : JANUARY 2017 TO APRIL 2018

- April 2033 bond issued April 2017
- S&P reaffirm LGFA credit rating at AA+ September 2017
- Fitch reaffirm LGFA credit rating at AA+ November 2017
- Loan book quality improved – no rating downgrades. Four councils received rating or outlook upgrade
- Council participation – two new councils join taking total participation to fifty-five councils
 - Non-Guarantors – Rangitikei District Council, Westland District Council
 - Horizons Regional Council moved from non-guarantor to guarantor
- Bespoke lending increasingly popular – 49% of long term lending in 2016-17 financial year
- Support from councils boosts LGFA market share to 95% for year to September 2017
- Australian Notes Programme established
- December 2017 \$1 billion of council loan refinancing completed
- NZ\$7.67 billion of loans outstanding to fifty-three councils as at 15 April 2018

LGFA BOND ISSUANCE

Issuance Strategy

- Match NZ Government where possible (Maturities, Coupons, Tenders, AIL paid on behalf of offshore holders)
- Announced that considering issuing a new April 2022 maturity that does not match NZGB yield curve
- Liquidity important – objective of NZ\$1 billion tranches
- NZD issuance only
- All LGFA bonds listed on NZX
- Tenders every five weeks of NZ\$125 million to NZ\$175 million in size and at least three maturities tendered

LGFA bonds on issue (NZ\$ million)

As 9 April 2018 : NZ\$7,819 million
Includes NZ\$400 million treasury stock



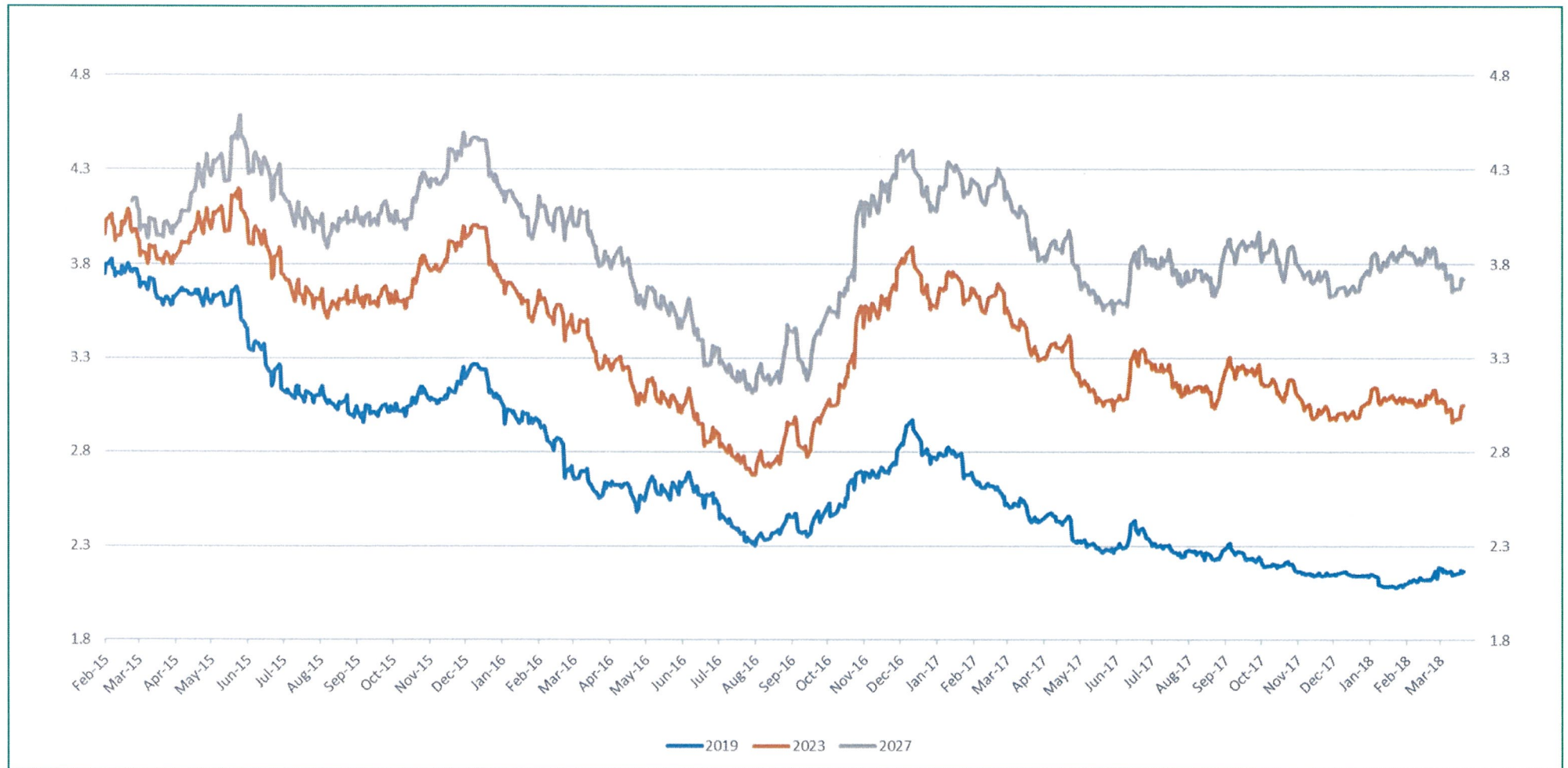
Note: 2017-18 year to date as at 9 April 2018

LGFA Bonds Issued by June Financial Year (NZ\$ million)

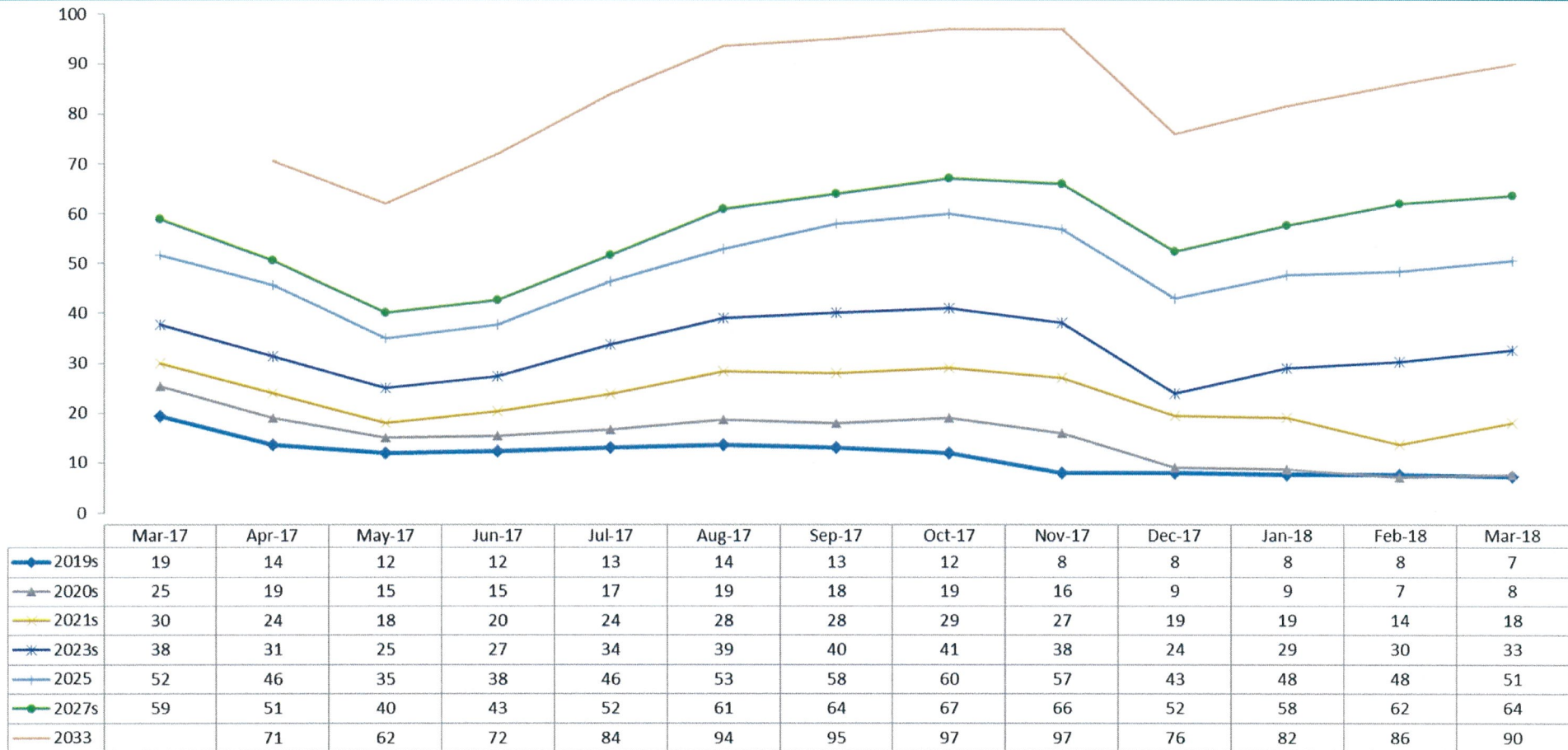
Maturity	2011-12 (5 months)	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 year to date
15-Apr-15	155	10	75				
15-Dec-17	605	245	110	55			
15-Mar-19	75	900	95	40	70	20	40
15-Apr-20				365	200	190	225
15-May-21		445	625	100	150	30	70
14-Apr-22							150
15-Apr-23			355	655	275	65	79
15-Apr-25					100	560	229
15-Apr-27				285	470	205	66
14-Apr-33						215	70
Total Volume (NZ\$ million)	835	1600	1260	1500	1265	1285	939
Average Bond Tender Size (NZ\$ million)	209	182	153	188	141	143	133
Average Issuance Term (years)	5.34 years	6.57 years	7.04 years	7.92 years	8.10 years	8.28 years	5.52 years

1. Frequent tenders in year prior to maturity – historically we held eight tenders that were 6 to 8 weeks apart. Nine tenders are scheduled for 2018.
2. Communication with councils and their advisers.
3. Ability for councils to repay their loans early (although for the December 2017's we found most councils who refinanced early then invested the surplus cash).
4. Significant borrower concentration both an advantage and disadvantage
 - our two largest borrowers (Auckland and Christchurch) having borrowed \$607 million or 50% of the total council borrowings into that maturity date.
 - our ten largest council borrowers have borrowed \$783 million or 80% of the total borrowings into that maturity date.
5. LGFA has issued a April 2033 LGFA bond maturity. This gives councils more maturity options as now able to select any maturity date up to April 2033.

LGFA YIELDS – 2019s, 2023s, 2027s



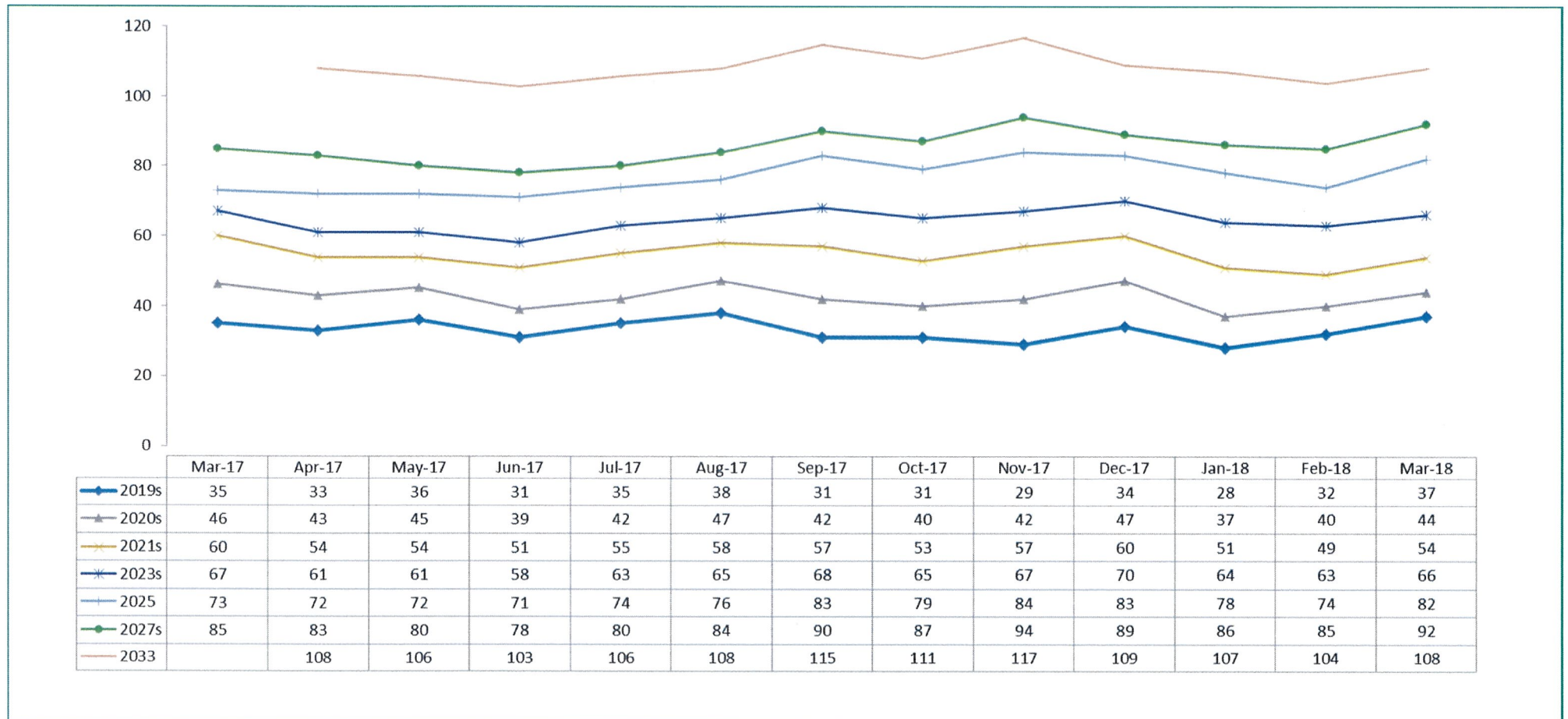
LGFA SPREADS TO SWAP (bps)



Secondary market levels as at end of each month

Source: LGFA

LGFA SPREADS TO NZGB (bps)



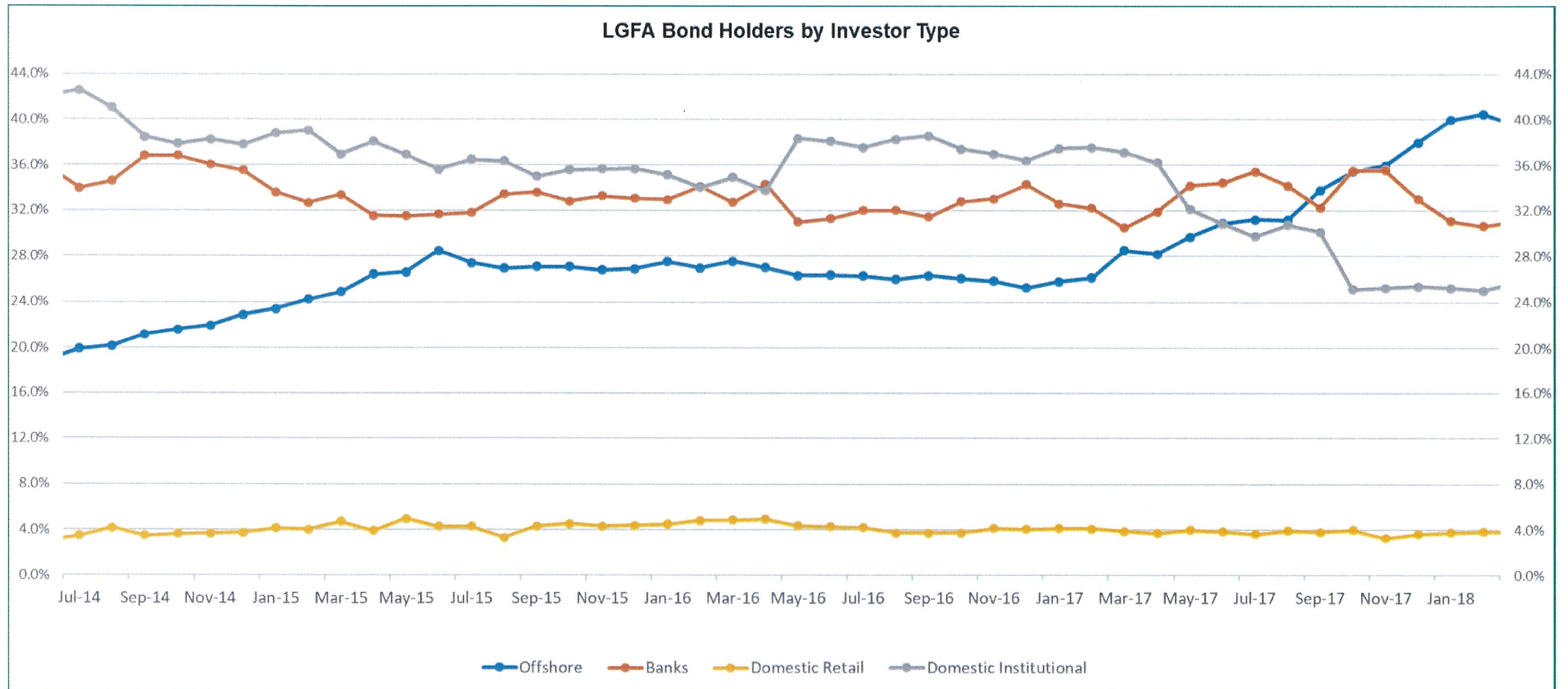
Secondary market levels as at end of each month

Source: LGFA

- ☐ Maturities from 30 days to 364 days
- ☐ Minimum amounts of \$1 million
- ☐ As at 9 April 2018, nineteen councils had borrowed \$260 million

Short Term Lending Margins	30 to 181 days	182 to 364 days
Rated Council	9 bps over BKBM	14 bps over BKBM
Unrated Council	20 bps over BKBM	25 bps over BKBM

Growing presence of offshore investors – largest holding group



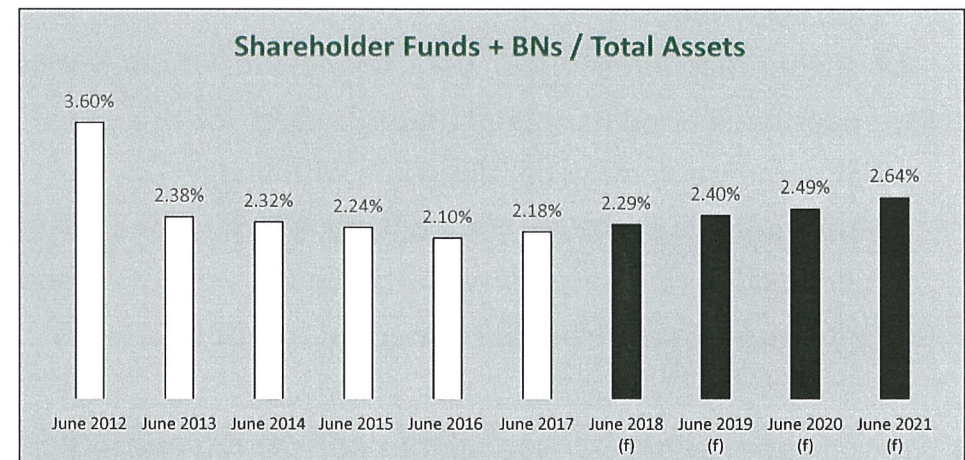
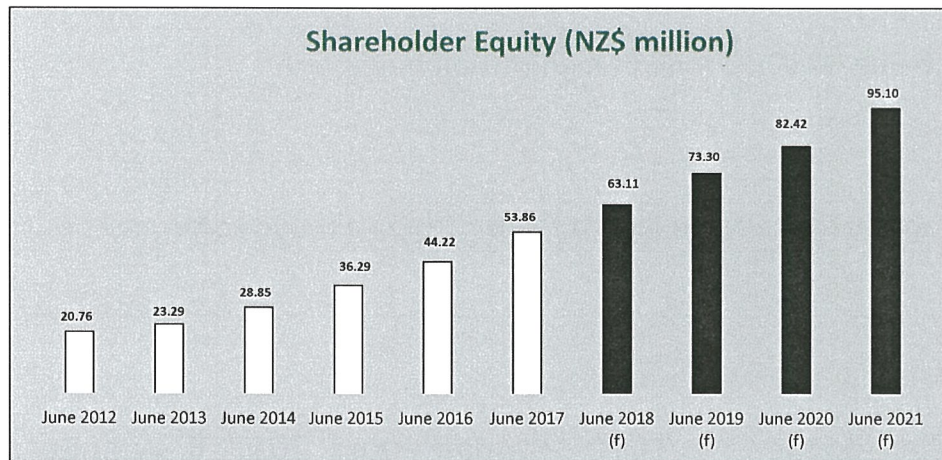
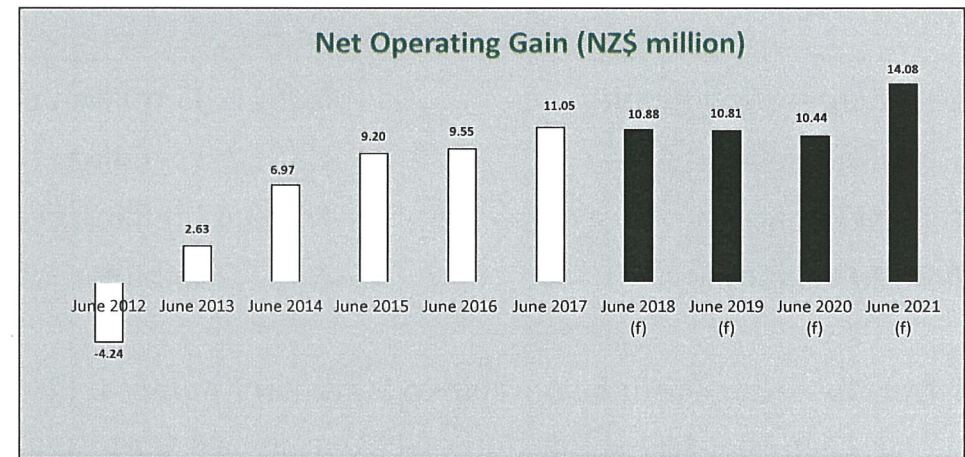
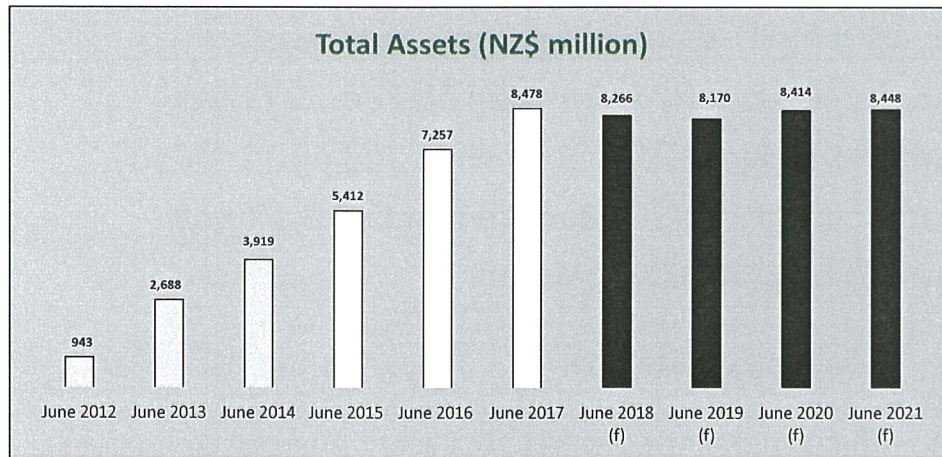
- ☐ Net Operating Profit NZ\$11.05 million compared to budget NZ\$10 million and up 15.7% yoy.
- ☐ Net Interest Income NZ\$17.51 million compared to budget NZ\$16.58 million and up 12.8% yoy.
- ☐ Total Expenses NZ\$6.47 million compared to budget NZ\$6.58 million and up 8.1% yoy.
- ☐ Bond Issuance NZ\$1.285 billion compared to budget NZ\$1.2 billion.

- ☐ Net Operating Profit favourable to Statement of Intent (2016-17)
 - ☐ Loan book higher than forecast (councils have borrowed early to refinance their December 2017 loans and placed proceeds on term deposit)
 - ☐ Higher than forecast loan book resulted in net interest income being NZ\$0.93 million higher than budgeted
- ☐ Expenses have been managed under budget for the year
 - ☐ All expense items generally in line with budget
 - ☐ Introduction of the LGFA bond lending facility (and related issuance of NZ\$350 million treasury stock) did add some costs but helped improve secondary market liquidity of LGFA bonds
- ☐ Budget figures taken from Statement of Intent (2016-17)

- ☐ Annual report (2016-17) available at http://www.lgfa.co.nz/files/documents/LGFA_AnnualReport_2017_F_Web.pdf

Source: LGFA 2016-17 Annual Report

HISTORIC AND FORECAST FINANCIAL PERFORMANCE



Forecast performance based upon assumptions outlined in LGFA Draft SOI 2018-19. The principal assumption is NZ\$1.3 billion approximately of gross issuance in each of 2018-19, 2019-20 and 2020-21 financial years.

Source: LGFA

SHAREHOLDERS

- ❑ LGFA was incorporated on 1 December 2011 with 18 foundation council shareholders and the New Zealand Government.
- ❑ On 30 November 2012 a further 12 new council shareholders joined bringing the total number of council shareholders to 30. (In addition to the New Zealand Government).

BORROWERS

- ❑ As of 9 April 2018 there are 55 councils who eligible borrowers.
- ❑ As at 9 April 2018, 53 councils had borrowed from LGFA with Bay of Plenty Regional Council and Rangitikei District Council the only non-Borrowers.
- ❑ As at 9 April 2018, the 53 councils comprised around 97% of the sector debt.

GUARANTORS

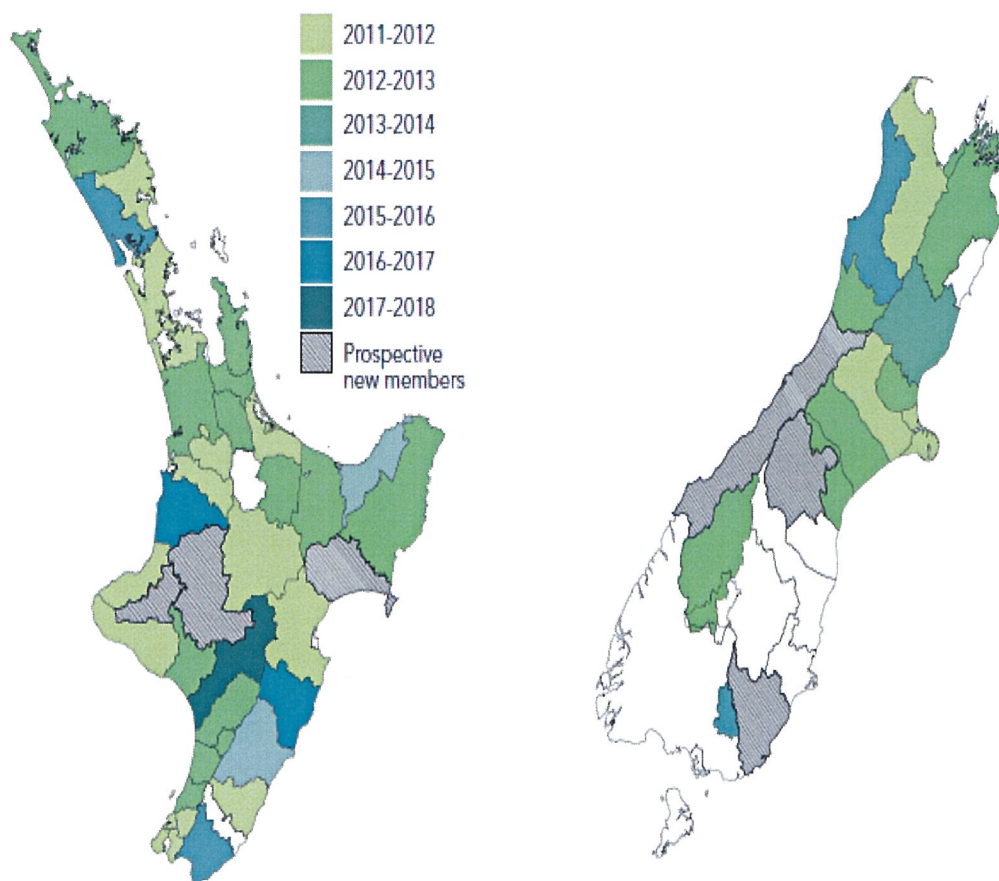
- ❑ There are 45 Guarantors of LGFA.
- ❑ Guarantors comprise:
 - All shareholders except the NZ Government
 - Any non shareholder who may borrow more than NZ\$20 million
- ❑ The only borrowers who are non-Guarantors are:
 - Buller District Council
 - Central Hawkes Bay District Council
 - Gore District Council
 - Grey District Council
 - Northland Regional Council
 - Opotiki District Council
 - Rangitikei District Council
 - South Wairarapa District Council
 - Tararua District Council
 - Westland District Council
- ❑ The security granted by each of the Guarantors under their respective Debenture Trust Deeds secures their obligations under the Guarantee.

There are 78 local authorities in New Zealand comprising:

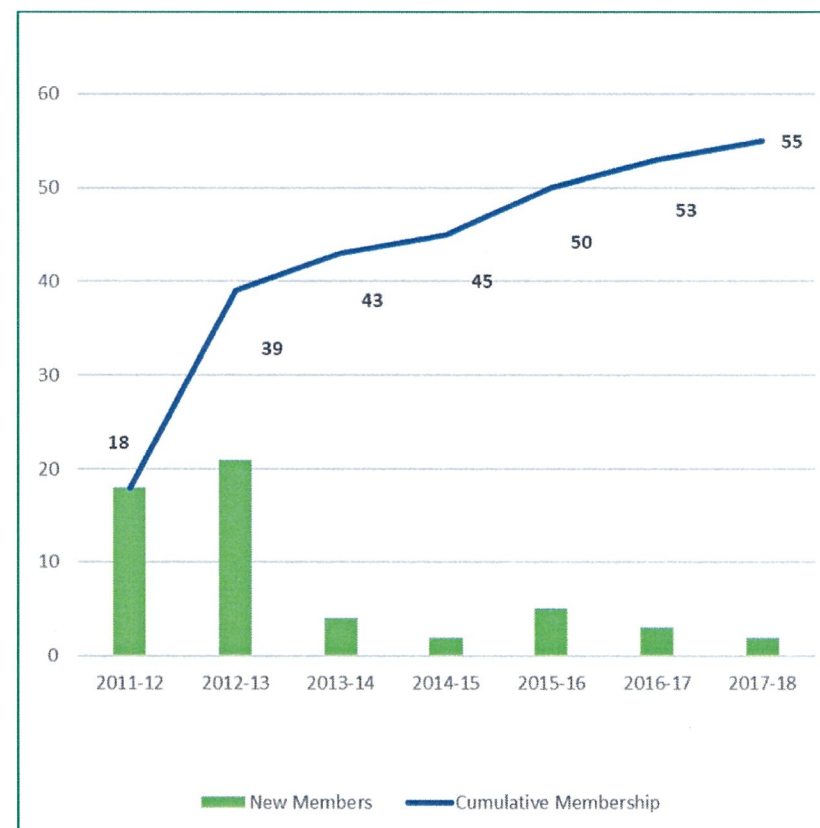
- 11 Regional Councils
- 12 City Councils (including 1 unitary)
- 54 District Councils (including 3 unitary)
- 1 Unitary Territorial Authority

LGFA PARTICIPATION

LGFA participating councils highlighted with year of joining



Participating councils by number



Source: LGFA

LGFA MEMBERS (As at 9 April 2018)



Shareholders	Total Shares (NZ\$)	Shareholding (%)	Amount borrowed (NZ\$ million)	Borrowing (%)	Share Guarantee (%)
New Zealand Government	5,000,000	11.1%			
Auckland Council	3,731,960	8.3%	2,082.0	27.1	33.7
Christchurch City Council	3,731,960	8.3%	1,639.1	21.4	8.7
Hamilton City Council	3,731,960	8.3%	285.0	3.7	3.1
Bay of Plenty Regional Council	3,731,958	8.3%	-	0.0	0.8
Wellington Regional Council	3,731,958	8.3%	305.0	4.0	3.0
Tasman District Council	3,731,958	8.3%	108.5	1.4	1.4
Tauranga City Council	3,731,958	8.3%	355.0	4.6	3.0
Wellington City Council	3,731,958	8.3%	348.0	4.5	5.7
Western Bay of Plenty District Council	3,731,958	8.3%	85.0	1.1	1.3
Whangarei District Council	1,492,784	3.3%	132.0	1.7	1.8
Hastings District Council	746,392	1.7%	70.0	0.9	1.5
Marlborough District Council	400,000	0.9%	81.9	1.1	1.3
Selwyn District Council	373,196	0.8%	15.0	0.2	0.9
Gisborne District Council	200,000	0.4%	32.1	0.4	1.1
Hauraki District Council	200,000	0.4%	38.0	0.5	0.5
Horowhenua District Council	200,000	0.4%	84.1	1.1	0.7
Hutt City Council	200,000	0.4%	137.0	1.8	2.1
Kapiti Coast District Council	200,000	0.4%	215.0	2.8	1.2
Manawatu District Council	200,000	0.4%	61.0	0.8	0.6
Masterton District Council	200,000	0.4%	52.0	0.7	0.6
New Plymouth District Council	200,000	0.4%	70.0	0.9	1.6
Otorohanga District Council	200,000	0.4%	6.0	0.1	0.2
Palmerston North City Council	200,000	0.4%	92.0	1.2	1.8
South Taranaki District Council	200,000	0.4%	62.0	0.8	0.8
Taupo District Council	200,000	0.4%	125.0	1.6	1.2
Thames-Coromandel District Council	200,000	0.4%	45.0	0.6	1.3
Waimakariri District Council	200,000	0.4%	115.1	1.5	1.1
Waipa District Council	200,000	0.4%	48.3	0.6	1.1
Whanganui District Council	200,000	0.4%	66.0	0.9	1.1
Whakatane District Council	200,000	0.4%	54.1	0.7	0.8
Total	45,000,000		6809.2	88.8	84.2

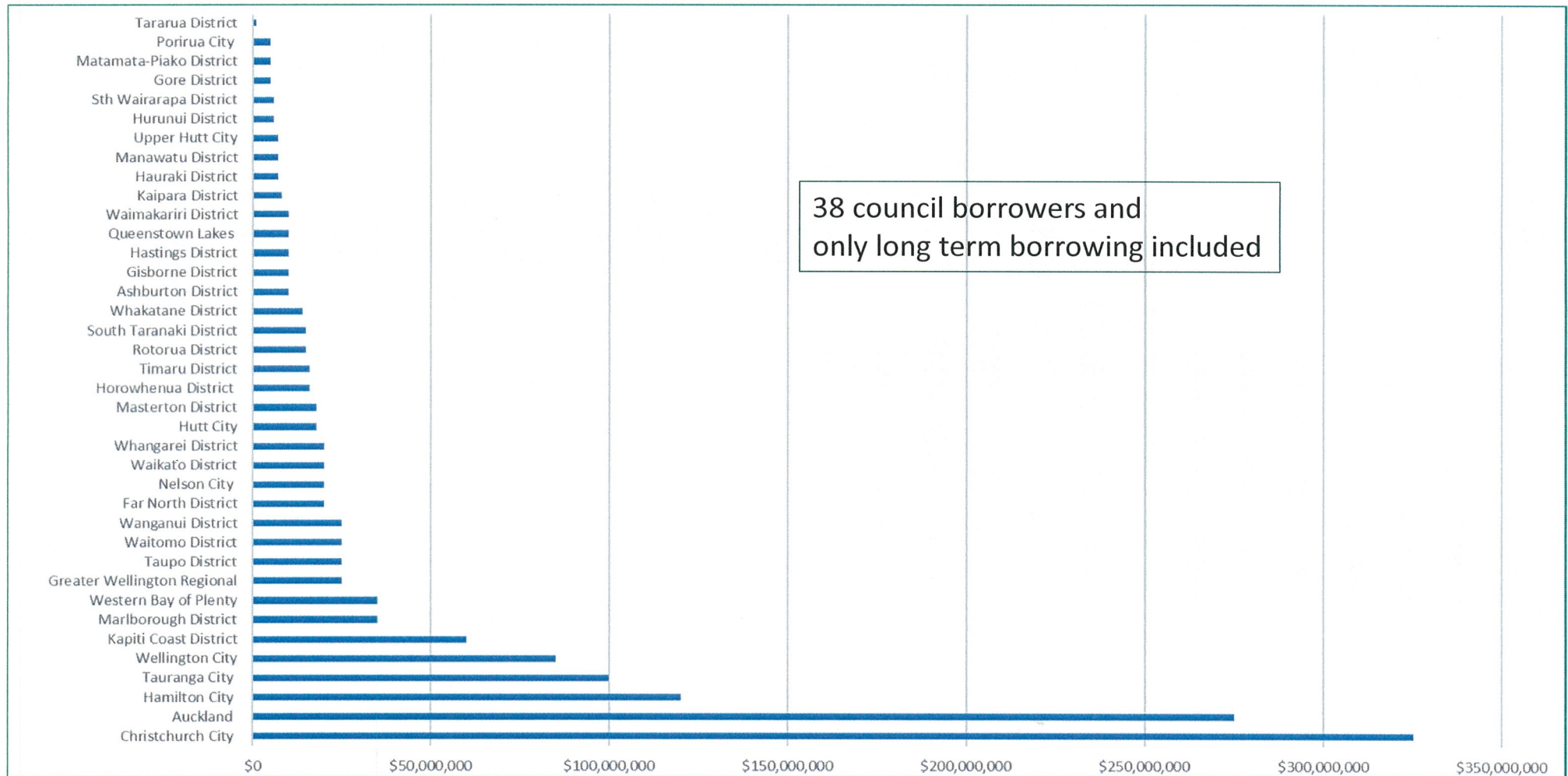
Note: Total shares includes called and uncalled shares

LGFA MEMBERS CONTINUED (As at 9 April 2018)



Borrowers and Guarantors	Amount borrowed (NZ\$ million)	Borrowing (%)	Share of Guarantee (%)
Ashburton District Council	35.1	0.5	0.7
Canterbury Regional Council	30.0	0.4	1.9
Far North District Council	30.0	0.4	1.7
Hurunui District Council	23.0	0.3	0.3
Horizons Regional Council	15.0	0.2	0.8
Kaipara District Council	42.0	0.6	0.7
Matamata-Piako District Council	24.5	0.3	0.7
Nelson City Council	60.0	0.8	1.4
Porirua City Council	43.5	0.6	1.2
Queenstown-Lakes District Council	85.1	1.1	1.3
Rotorua District Council	138.7	1.8	1.7
Timaru District Council	69.6	0.9	1.0
Upper Hutt City Council	36.5	0.5	0.7
Waikato District Council	85.0	1.1	1.5
Waitomo District Council	35.1	0.5	0.4
Total	753.1	9.8	15.8
Borrowers Only			
Buller District Council	20.0	0.3	
Central Hawkes Bay District Council	2.0	0.0	
Gore District Council	17.0	0.2	
Grey District Council	20.0	0.3	
Northland Regional Council	2.8	0.0	
Opotiki District Council	5.0	0.1	
Rangitikei District Council	0.0	0.0	
South Wairarapa District Council	17.5	0.2	
Tararua District Council	14.0	0.2	
Westland District Council	12.0	0.2	
Total	110.3	1.4	
Total Borrowing from LGFA	7604.7	100.0	

COUNCIL BORROWERS 2016-17 (\$ millions)



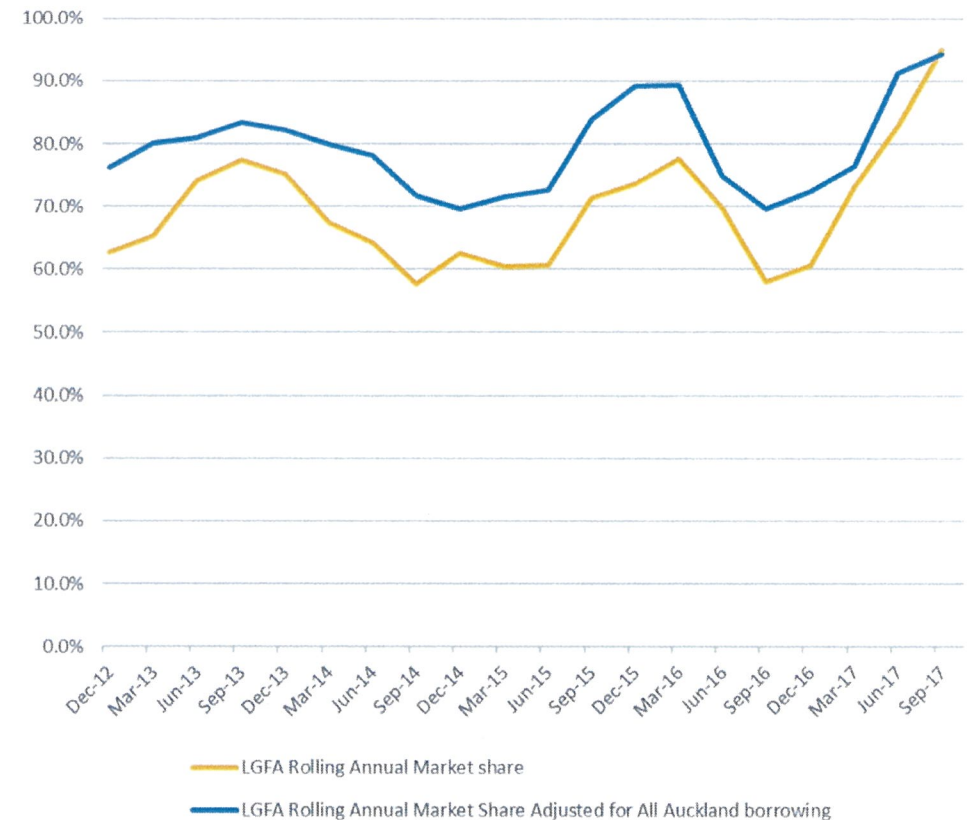
Source: LGFA

LGFA MEMBERSHIP AND MARKET SHARE

Council Borrowing 2005-2017 (NZ\$ million) calendar year



LGFA Market Share - rolling one year average



Source: PwC and LGFA

COUNCIL FINANCIAL DISTRESS - MITIGANTS

- Local Government Framework reduces risk of financial distress – no historical default by a council
- Council have own Treasury Management and borrowing policies – most have independent advice
- Council financial oversight by Office of Auditor General (OAG), Audit NZ and Department of Internal Affairs
- Councils under Local Government (Financial Reporting and Prudence) Regulations 2014 Act required to report annually on performance against six benchmarks

Rates
Affordability

Debt
Affordability

Essential
Services

Debt
Servicing

Debt Control

Operations
Control

Six step intervention process possible by Central Government



- Council required to comply with LGFA lending covenants
 - Annual attestation by council
 - LGFA credit watch-list in place
 - LGFA credit analysis and monitoring performed through the year
 - LGFA not obligated to lend to council members
- Covenant breach is an Event of Review – after 30 days LGFA can seek repayment of loans

COUNCIL FINANCIAL DISTRESS – LGFA IMPACT



- 23 LGFA member councils have credit ratings (A+ to AA range)
- LGFA undertakes detailed credit analysis of each council if they apply to join LGFA (and ongoing) - not every council has been accepted as a member
- A council default becomes a timing issue for LGFA
 - LGFA lends secured against rates revenue under Debenture Trust Deed
 - Unlikely to be other claimants on rates revenue given LGFA is the dominant lender to councils
 - Trustee appoints receiver and a special rate (property tax) levied on all properties in the council region to meet obligations (interest + principal) when due
 - Property taxes unavoidable and first ranking security over property
 - If council in financial difficulty you would expect some degree of Central Government intervention
- Sources of LGFA liquidity and additional capital
 - \$1 billion standby facility from NZ Government
 - Liquid Assets Portfolio
 - Issuance of additional LGFA Bills and Bonds
 - Conversion of Borrower Notes into equity
 - Uncalled capital of \$20 million
- LGFA Board can call upon the guarantee from councils
- **Central Government does not guarantee obligations of either LGFA or council members**

PRUDENT APPROACH TO RISK MANAGEMENT

LGFA's policy to minimise financial risks and carefully identify, manage and control all risk.

☐ Market Risk

- PDH limit of NZ\$40,000
- VAR limit of NZ\$250,000

☐ Credit Risk

All Councils that borrow from LGFA are obliged to:

- Provide security in relation to their borrowing from LGFA and related obligations.
- Issue securities (bonds/FRN/CP) to LGFA.
- Comply with their own internal borrowing policies.
- Comply with the LGFA financial covenants within either the Lending Policy or Foundation Policy

Auckland Council is limited to a maximum of 40% of LGFA's total Local Authority assets.

No more than the greater of NZ\$100 million or 33% of a Local Authority's borrowings from LGFA will mature in any 12 month period.

☐ Liquidity and Funding Risk

Cash and Investments

- LGFA manages liquidity risk by holding cash and a portfolio of liquid assets to meet obligations when they fall due.
- Only invest in NZD senior debt securities, money market deposits and registered certificates of deposits within strict counterparty limits.

DMO standby facility

- The New Zealand Debt Management Office provides a committed liquidity facility up to NZ\$1 billion in size that LGFA can draw upon to meet any exceptional and temporary liquidity shortfall.
- Currently the facility size is set by LGFA at NZ\$800 million (as at 30 September 2017)

Financial covenant	Lending policy covenants	Foundation policy covenants
Net Debt / Total Revenue	<175%	<250%
Net Interest / Total Revenue	<20%	<20%
Net interest / Annual Rates Income	<25%	<30%
Liquidity	>110%	>110%

Liquidity position as at 30 September 2017	NZ\$ million
Cash and cash equivalents	\$23.5
Deposits and Marketable Securities	\$214.3
NZDMO Liquidity Facility	\$800.0
Total	\$1,037.8

Source: LGFA

NEW ZEALAND COUNCILS WITH CREDIT RATINGS



Council	S&P	Fitch	Moody's
Auckland Council	AA		Aa2
Dunedin City Council	AA		
Greater Wellington Regional Council	AA		
Hastings District Council	AA		
Hutt City Council	AA		
Invercargill City Council		AA Negative	
Marlborough District Council	AA		
Nelson City Council	AA		
New Plymouth District Council	AA		
Palmerston North City Council	AA		
Porirua City Council	AA		
Taupo District Council	AA		
Waimakariri District Council	AA		
Wellington City Council	AA		
Whangarei District Council	AA		
Western Bay of Plenty District Council	AA		
Hamilton City Council		AA-	
Queenstown Lakes District Council		AA-	
Rotorua Lakes District Council		AA-	
South Taranaki District Council	AA-		
Tasman District Council	AA- Positive		
Timaru District Council		AA-	
Whanganui District Council	AA- Positive		
Christchurch City Council	A+		
Horowhenua District Council	A+		
Kapiti Coast District Council	A+		
Tauranga City Council	A+		

27 councils in New Zealand have credit ratings – 25 are members of LGFA

Over 2014, 2015, 2016, 2017

- **Taupo, Nelson, South Taranaki, Western Bay of Plenty (twice) and Whangarei District Councils were upgraded**
- **Whanganui and Tasman District Councils are currently on positive outlook**
- **Christchurch removed from negative outlook**
- **No Council ratings were downgraded**

Source: S&P, Fitch, LGFA

S&P RATING CHANGES OVER THE PAST FOUR YEARS

Council	Action	Date
Taupo District Council	Outlook Revised from Stable to Positive	May 30, 2014
Western Bay of Plenty District Council	Upgraded from A+ to AA-	Oct 14, 2014
Whangarei District Council	Outlook Revised from Stable to Positive	May 19, 2015
Taupo District Council	Upgraded from AA- to AA	May 25, 2015
South Taranaki District Council	Outlook Revised from Stable to Positive	May 29, 2015
Christchurch City Council	Outlook Revised from Negative to Stable	Dec 7, 2015
Nelson City Council	Upgraded from AA- to AA	Nov 23, 2015
Whangarei District Council	Upgraded from AA- to AA	May 19, 2016
Western Bay of Plenty District Council	Outlook Revised from Stable to Positive	Sep 22, 2017
Tasman District Council	Outlook Revised from Stable to Positive	Oct 27, 2016
Invercargill Council (non LGFA member)	Outlook Revised from Stable to Negative	Dec 02, 2016
South Taranaki District Council	Upgraded from A+ to AA-	May 19, 2017
Whanganui District Council	Outlook revised from Stable to Positive	June 28 2017
Western Bay of Plenty District Council	Upgraded from AA- to AA	Sep 22, 2017
Invercargill Council (non LGFA member)	Outlook revised from Negative to Stable	Dec 05, 2017

As at 9 April 2018

Source: S&P, Moodys, Fitch

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LOCAL AND REGIONAL GOVERNMENT CREDIT RATINGS - A GLOBAL COMPARISON

S&P Rating	Definition
AAA	Australia Capital Territory, New South Wales, State of Victoria, British Columbia, Oslo, Stockholm, Zurich, State of Bavaria
AA+	Queensland, Western Australia, Tasmania, Calgary, Edmonton, Paris, Basel,
AA	South Australia, Province of Manitoba, Vancouver, Toronto, Winnipeg, Ottawa, Brussels, Cannes, Lyon, New York City, Los Angeles, Hawaii, San Francisco, Greater London Authority, Seoul
AA-	Tokyo, Yokohama, Province of Ontario, Geneva, Miami, California State, Kansas State, Illinois State
A+	Montreal, Province of New Brunswick, Nova Scotia, Quebec, Prague, Tokyo, Osaka
A	New Orleans, State of New Jersey, Marseille
A-	State of Sarawak
BBB+	Buenos Aires, Chicago, Barcelona, Madrid
BBB	Sofia
BBB-	Milan, Rome, Turin,
BB+	Moscow
BB	
BB-	Valencia
Below BB-	Buenos Aires, Kyiv

**New Zealand Councils all sit
within the AA to A+ band**

LENDING TO COUNCIL MEMBERS BY EXTERNAL CREDIT RATING

External Credit Rating (S&P, Fitch)	Lending (NZ\$ million)	Lending (%)	Number of Councils
AA	\$3,746.5	48.2%	14
AA-	\$819.9	11.0%	7
A+	\$2,293.2	29.5%	4
Unrated	\$818.1	11.3%	30
Total	\$7,672.7	100%	55

As at 9 April 2018

Note: Two council members has yet to borrow from LGFA
Includes long and short term lending

Source: LGFA

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HISTORICAL COUNCIL GROSS DEBT

Year ended June	Gross Debt (\$ million)	Percentage Change
2008	4,114	n.a.
2009	5,232	27.1%
2010	7,024	34.2%
2011	8,646	23.1%
2012	10,007	15.7%
2013	11,368	13.6%
2014	11,786	3.7%
2015	13,091	11.1%
2016	13,839	5.7%
2017	15,168	9.6%

Note: Debt is at parent level except for Auckland Council which is at group level.
2015/25 LTP's forecast gross debt at June 2017 of \$16.5 billion (actual was \$1.35 billion lower).

CHANGE IN NET DEBT LEVELS

Group	2017 (\$ million)	2016 (\$ million)	2015 (\$ million)	2014 (\$ million)	Per Head Pop 2017 (\$)	Per Head Pop 2016 (\$)	Per Head Pop 2015 (\$)	Per Head Pop 2014 (\$)
All Councils	10,609	9,727	9,494	8,769	2,213	2,072	2,066	1,944
Rural	131	157	168	169	421	516	546	558
Provincial	868	847	965	1,074	644	636	761	860
Metro (excl Auckland)	2,164	1,905	2,054	1,926	1,651	1,480	1,627	1,549
Regional	-232	-282	-422	-421	-79	-98	-151	-154
Unitary	255	234	251	248	1,293	1,206	1,316	1,330
Auckland Council	7,424	6,866	6,478	5,773	4,480	4,254	4,127	3,781

Source: LGFA using data from individual council annual reports / Statistics NZ 27

LGFA FINANCIAL COVENANTS – MEMBER COUNCIL OUTCOMES FOR JUNE 2017 YEAR

LGFA Financial Covenants – member councils as at 30 June 2017 with an external credit rating (22)

Foundation Policy Covenant	Net Debt / Total Revenue <250%	Net Interest / Total Revenue <20%	Net Interest / Rates <30%
Range of councils compliance	-129.5% to 202.2%	0.9% to 10.8%	1.0% to 18.5%

LGFA Financial Covenants – member councils as at 30 June 2017 without an external credit rating (28)

Lending Policy Covenant	Net Debt / Total Revenue <175%	Net Interest / Total Revenue <20%	Net Interest / Rates <25%
Range of councils compliance	-154.7% to 146.2%	-8.6% to 6.6%	-21.9% to 10.1%

- Note some negative outcomes due to some councils having negative Net Debt i.e. financial assets and investments > borrowings
- LGFA councils operating within financial covenants
- Ranges highlights the differences between councils
- Sufficient financial headroom for most councils
- Improvement from 2014 for most councils
 - Revenue increased
 - Interest rates lower
 - Capex and debt restrained

Source: LGFA using data from individual council annual reports

PERFORMANCE UNDER LGFA COVENANTS

LGFA Member Councils with an external credit rating (23 in 2017, 22 in 2016, 20 in 2015 and 17 in both 2014 and 2013)

Financial Covenant	2017	2016	2015	2014	2013
Net Debt to Revenue	86.0%	87.9%	96.4%	104.7%	111.8%
Net Interest to Revenue	5.3%	6.1%	6.8%	6.6%	7.3%
Net Interest to Rates	8.1%	9.1%	10.0%	9.6%	11.1%

LGFA Member Unrated Councils (30 in 2017, 28 in 2016, 25 in 2015, 26 in 2014 and 21 in 2013)

Financial Covenant	2017	2016	2015	2014	2013
Net Debt to Revenue	29.9%	32.4%	38.2%	42.6%	52.5%
Net Interest to Revenue	1.8%	2.2%	2.4%	2.9%	3.2%
Net Interest to Rates	2.6%	2.9%	3.1%	4.0%	4.1%

2012-22 AND 2015-25 LTP GROSS DEBT FORECASTS FOR LOCAL GOVERNMENT SECTOR

NZ\$ millions

2012-22 LTP	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Gross Debt	10,073	11,755	13,584	14,967	15,659	16,641	17,499	18,266	19,240	19,653	20,135
% Change		16.7%	15.6%	10.2%	4.6%	6.3%	5.2%	4.4%	5.3%	2.2%	2.5%

2015-25 LTP	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Gross Debt	14,119	14,941	16,527	17,440	17,821	18,445	18,943	19,554	19,913	20,031	20,036
% Change		5.8%	10.6%	5.5%	2.2%	3.5%	2.7%	3.2%	1.8%	0.6%	0.0%

	2015	2016	2017	2018	2019	2020	2021	2022
Gross Debt Difference between the two LTPs	-848	-718	-114	-59	-445	-795	-710	-581

Note: 2016-2022 numbers adjusted to incorporate Christchurch which only produced a 3 year plan

Source: LGFA using data from individual council Long Term Plans (LTPs)

WEBSITE AND CONTACTS

Providing diversified funding sources for NZ local authorities

The LGFA provides more efficient funding costs and diversified funding sources for New Zealand local authorities. We provide investors with a new source of securities rated at AA+ by international credit ratings agencies Standard and Poor's and Fitch Ratings.

[More about what we do](#) [About Investing in LGFA](#)

August 2017
LGFA An Overview
DIE LGFA im Überblick (DE)
LGFA 概観 (JP)

Features

Press Release: The 2017 LGFA Annual Report has been released »	31 Aug 2017
Notice of Repo Outstandings as at 31 July 2017 »	1 Aug 2017
Press Release: The LGFA Quarterly Report to Shareholders for June 2017 has been released »	1 Aug 2017
Notice of Repo Outstandings as at 30 June 2017 »	3 Jul 2017
Press Release: The LGFA Statement of Intent 2017/18 has been released »	27 Jun 2017

Securities Issuance

Next tender date 4 Oct 2017
LGFA Bonds
Results of Tender 49 have been published [View Here >>](#)
[View full bond tender schedule »](#) [View tender results »](#)

Next tender date 13 Sep 2017
LGFA Bills
Results of Tender 23 have been published [View Here >>](#)
[View full bill tender schedule »](#) [View tender results »](#)

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Attachment 3

Delivery of Infrastructure Services (Infrastructure Shared Services)

Quarterly Performance Report – 1 January to 31 March 2018

Introduction

In December 2017 Manawatu District Council (MDC) and Rangitikei District Council (RDC) signed an updated agreement for the on-going delivery of Infrastructure Services to RDC by MDC. That agreement established the scope of services, the relative responsibilities and respective performance measures for the on-going delivery of infrastructure shared services (ISS).

MDC's performance against the ISS agreement is reported on a quarterly basis. This report covers the period 1 January to 31 March 2018.

Key Performance Indicators (KPIs)

The following performance framework applies to the ISS agreement. Performance against the measures is reported below.

Key Performance Area	Measure	Performance Target	Performance Outcome	Comment
Health and Safety				
Health and Safety	Infrastructure Services delivered and activities undertaken in accordance with RDC's workplace Health and Safety programme	Achieved/ Not Achieved	Achieved	
Health and Safety	Infrastructure Services team will participate actively in RDC's Health and Safety Committee	Achieved/ Not Achieved	Achieved	
Health and Safety	No breaches of Health and Safety obligations	100%	100%	No reported breaches
Operations				
Water/Wastewater Treatment	Treatment plants operated and maintained in accordance with good industry practice, public health standards and resource consent requirements	Achieved/ Not Achieved	Partly Achieved	Bonny Glen leachate acceptance at Marton WWTP in December 2017 resulted in a one-off non-compliance for ammonia. Higher chlorine levels at Marton WTP in March resulted in unexpected discolouration of water due to bio-film scouring

				Consent variations to address non-compliant flows at Taihape and Hunterville.
Water, Wastewater and Stormwater Reticulation	Reticulation managed and maintained in accordance with good industry practice, public health standards/resource consent requirements and customer service standards	Achieved/ Not Achieved	Mostly Achieved	Periodic water discolouration in Marton supply where no obvious cause apparent
Roading	Road maintenance contract is managed in accordance with good industry practice and the provisions of the contract, and contractor performs in accordance with contract provisions (and non-performance is recognised, dealt with and reported)	Achieved/ Not Achieved	Mostly Achieved	Contractor responsiveness can be improved
Roading	NZTA subsidy claims are prepared and submitted each month, in an accurate and timely manner	100%	On Track	Significant funds are involved in subsidy claims, so timeliness is critical to maximise value for RDC
Solid Waste	Refuse Transfer Stations managed in accordance with good industry practice and the provisions of the contract, and contractor performs in accordance with contract provisions (and non-performance is recognised, dealt with and reported)	Achieved/ Not Achieved	Mostly Achieved	Undesirable build-up of waste occurring at Taihape RTS due to contractor equipment unavailability - now resolved

Programme Planning and Delivery				
Roading	The 3 yearly Roading programme is prepared having regard to asset management plans, RDC priorities and funding availability, and submitted in accordance with NZTA's quality and timing requirements.	Achieved/ Not Achieved	Achieved	
Capital Works and Renewals	Capital Works/Renewal programmes for 3 Waters, Roading and Solid Waste activities are prepared and delivered in accordance with good industry practice, and within the agreed quality, timeliness and budget parameters set by RDC.	90%	In progress	Year-end measure.
Reporting	Reports on programme delivery are prepared on a monthly basis as required by RDC	100%	100%	All reports prepared and submitted as required. Note a new reporting requirement to cover performance of MidWest Disposals regarding management/disposal of treated Bonny Glen leachate

Project Management				
Project Management	All projects are scoped and managed in accordance with good industry practice, and the required outputs/outcomes are achieved, particularly in relation to quality and timeliness	Achieved/ Not Achieved	Partly Achieved	Slow progress in advancing the commissioning of the new Ratana water treatment plant. Broadway, Marton, project now to be completed by end of June

				2018, but the original due date was end of December 2017
Financial Management	All projects are delivered to the required standard within the budget available, unless a budget variation process is undertaken and an adjusted budget approved by RDC's Chief Executive or Council as appropriate.	Achieved/ Not Achieved	Mostly Achieved	System now in place for more active monthly tracking of project expenditure

Asset Management				
Activity/Asset Management Plans	Plans are prepared and updated in accordance with good industry practice within agreed timeframes	Achieved / Not Achieved	Achieved	AMPs prepared/updated as part of LTP development
Policy/Strategy	Information to assist with RDC policy/strategy development and implementation is fit for purpose and timely	Achieved/ Not Achieved	Achieved	

Customer Service				
Engagement with Customers	Engagement with internal/external customers is courteous, professional and in accordance with RDC's Customer Service Standards	Achieved/ Not Achieved	Achieved	
Response Times	Requests for Service are to be actioned within agreed response and resolution times with the required supporting documentation	90%	Mostly achieved	87% first response, 84% resolution (roads and footpath and water supply)

Information Management and Reporting				
Database Management	RAMM and AssetFinder are updated in an accurate and timely manner	Achieved/ Not Achieved	Partly Achieved	Asset Capitalisation/ Reconciliation not completed in a timely manner for LTP process
Records Management	Information relating to the activities and services provided within the scope of this agreement is saved into RDCs information management system(s) in an accurate and timely manner, so that effective access/retrieval can be achieved as required	Achieved/ Not Achieved	Partly Achieved	Reports are still frequently saved into SharePoint by RDC staff. Issue of emails yet to be addressed.
Reporting	Routine monthly and project approval reports are prepared and submitted in accordance with meeting timings/requirements, and exception/issue reporting promptly to the RDC Chief Executive	100%	98%	Reports generally completed/submitted as required for period, although updates for Ratana water projects could have been more frequent/timely

Budget Planning and Management				
Budget Planning	Draft budgets for Annual and Long Term Plans are prepared as agreed (quality and timeliness)	Achieved/ Not Achieved	Partly Achieved	LTP capex/renewal budgets for 3 Waters did not contain required level of detail – issue identified through audit review
Financial Management	Approved budgets are well managed and progress reported monthly, with expected variances appropriately signalled ahead of time	Achieved/ Not Achieved	Mostly Achieved	

Value Management	Management of budgets and programme delivery demonstrate a 'best value' approach	Achieved/ Not Achieved	Mostly Achieved	Introduction of slip-lining and project bundling examples of value-add approach
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Procurement				
Procurement	All procurement to be undertaken in accordance with RDC's Procurement Policy and financial management system	100%	100%	Greater use of TenderLink would provide a more effective/ efficient document management regime for RDC
Authorisation	All procurement and payments within the scope of this agreement are to be authorised in accordance with RDC's Delegations Policy/Register.	100%	100%	

Performance Excellence				
Continuous Improvement	The Infrastructure Services team will develop, maintain and deliver on a continuous improvement plan (as agreed with RDC's Chief Executive), and regularly report on progress on making lasting improvements in the delivery of Infrastructure Services	Achieved/ Not Achieved	In Progress	Draft 2018 improvement plans prepared
Collaboration	The Infrastructure Services team will collaborate within RDC and with external stakeholders/agencies in order to maximise the effectiveness of Infrastructure Services	Achieved/ Not Achieved	Achieved	Improved responsiveness to planners in providing information relevant to resource consents

Governance support				
Engagement	The Infrastructure Services team provides support for the Assets/Infrastructure Committee and attends and assists other Council/Committee meetings as required by RDC's Chief Executive	Achieved/ Not Achieved	Achieved	
Official Information Requests (LGOIMA)	Prepare responses, within agreed timeframes, to referred questions for finalisation with RDC's Chief Executive	Achieved/ Not Achieved	Achieved	