



Rangitikei District Council

Annual Plan 2013-2014

(Year 2 of the 2012-22 LTP)

Adopted by resolution at Council's meeting on 30 May 2013

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Mayor's Message



This Annual Plan updates the Council's 2012-2022 Long Term Plan ("the LTP") for the year 1 July 2013 to 30 June 2014. This means the Plan focuses on what we intend to do in the coming year and what changes are being proposed to the budget (costs and revenues) forecasted in the LTP.

Work to gain full compliance with Council's wastewater treatment plants will continue, with Bulls being the major focus. Now that the Ministry of Health has confirmed its subsidy for the upgrade of Ratana's water supply, that will be implemented during the coming year. Roothing maintenance will continue as planned in the LTP; however, the replacement of Wylies Bridge (a boundary bridge with Wanganui District Council) will not be done before 2014/15. Council is not convinced that the current 50:50 share represents fairly the respective value to each district's ratepayers.

This Annual Plan provides for a rates increase of 3.19% - half that projected in the LTP for 2013/14 (and slightly less than what was proposed in the draft Annual Plan). This is the result of Council having to borrow less than it expected during 2012/13 and applying the operating surplus in the roading budget in 2011/12. In the draft Plan, Council indicated its intention to make a small change to the revenue and financing policy so that the rates increase for ratepayers is close to that average. This was a matter which some submitters felt strongly about, but Council has stayed firm on this approach. Properties in rural settlements will typically have a lower-than-average increase.

Council remains committed to a district-wide approach to funding its activities. We believe that it is the fair way to ensure that the Rangitikei has the core facilities which most residents expect to see – and which comply with government requirements. But I do realise that this approach – or at least the way in which we describe this approach with water, wastewater and stormwater – is puzzling to some and controversial for others.

A number of people outside the towns have queried why they pay a 'public good' charge for water, wastewater and stormwater when they are not connected to such services. The answer to this question is no different to the question which is sometimes posed by town residents querying their contribution to the extensive rural roading network. However, there is one significant difference – there is just one roading rate, whereas for

water, wastewater and stormwater Council has distinguished a base charge (which every property pays) from a connection charge (which is paid only by those properties which are connected to a reticulated supply).

During 2013/14, the government will continue with its change agenda for local government. While the changes in defining what councils may do (the so-called 'core services' debate) has little impact on the Rangitikei, changes in how councils undertake regulatory functions – such as in issuing building consents or dealing with dangerous dogs, may bring substantial change to how these functions are delivered to local communities, and the autonomy allowed to councils in doing this.

Public consultation on this draft plan occurred during the period 5 March 2013 to 5 April 2013. Council held its meeting to hear submitters on 18 April 2013, with sessions in both Taihape and Marton. While it wasn't possible to meet all the suggestions put forward, I certainly appreciate the contribution which submitters made to Council's thinking on a range of topics.

Chalky Leary
Mayor of the Rangitikei District

Your Elected Members



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Your Representatives

Community Board Members

Taihape

Mr Angus Gordon (Chair)	06 388-1571
Ms Gail Larsen	06 388 1161
Ms Michelle Fannin	06 388 1129
Ms Phyllis Leigh	06 388-0816
Cr Jan Byford	06 388 0194
Cr Ed Cherry	06 388 1002

Ratana

Ms Lydia Gardiner (Chair)	06 342 6971
Ms Doreen Gardiner	06 342 6702
Ms Puna Audrey Williams	06 342 6603
vacant	

Te Roopu Ahi Kaa (Iwi Liaison Committee)

Mr Pahia Turia (Chair)	06 344 8150	<i>(Whangaehu)</i>
Ms Barbara Ball	06 388 1215	<i>(Ngati Whitikaupeka)</i>
Ms Hari Benevides	06 388 1908	<i>(Ngati Tamakopiri)</i>
Mr Jim Cunningham	06 322-0843	<i>(Ngati Hauiti)</i>
Mr Mark Gray	06 388 7816	<i>(Ngati Rangituhia)</i>
Cr Soraya Peke-Mason	06 342-6838	<i>(Ratana Community)</i>
Mr Alexander Maremare	06 345 4709	<i>(Nga Ariki Turakina)</i>
Mr Jim Puki	06 327 4156	<i>(Kauangaroa)</i>
Mr Peter Richardson	06 329 3742	<i>(Ngati Parewahawaha)</i>
Mr Chris Shenton	06 348 0558	<i>(Ngati Kauae/Tauira)</i>
Mr Peter Steedman	06 388 0851	<i>(Ngati Hinemanu/Ngati Paki)</i>
Cr Lynne Sheridan	06 327 5980	<i>(Council representative)</i>

Community Committee Chairs

Mr Steve Fouhy	06 342-6741	<i>(Turakina)</i>
Mr Hew Dalrymple	06 322-1017	<i>(Bulls)</i>
Ms Michelle Bisset	06 327-6006	<i>(Marton)</i>
Mr Charlie Lewis	06 322-8782	<i>(Huntermville)</i>

The Annual Plan Process

What is an Annual Plan?

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

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

Setting the Rates

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

The Revenue and Financing Policy in pp.122-128 of the 2012-2022 Long Term Plan was amended during the development of this Annual Plan. A copy is available on our website www.rangitikei.govt.nz, or obtained by phoning 0800 422 522.

Public Submissions

The Draft Annual Plan was open for submission between 5 March 2013 and 5 April 2013. Hearings took place on 18 April 2013. On 2 May 2013, Council deliberated on all written and oral submissions and made a number of changes to the Plan. These changes are reflected in the final draft of the Plan, which was adopted by Council on 30 May 2013.

Results of Public Consultation on the Draft Plan

- ✓ Rural Water Schemes
- ✓ Hunterville Urban Water Supply
- ✓ 'Public good' charge for water, wastewater and stormwater
- ✓ Funding the Community Boards
- ✓ Assisting businesses to comply with new food handling requirements
- ✓ Community and leisure assets
- ✓ Proposed application to the Irrigation Acceleration Fund
- ✓ Increased length of season for the Council's swimming pools
- ✓ Speed calming measures in Taumaihi Street, Bulls
- ✓ Youth engagement
- ✓ Mt Stewart Reserve, Taihape

Rural Water Schemes

There is a need to adequately address the issue of the financial difficulties being faced by rural water schemes. In the past, these schemes have been sheltered from much of Council internal charging but with the re-vamp of the overhead allocation process for the last few years, none of the schemes was spared a realistic share of these costs. Consequently the level of revenue required increased, but the appropriate level of charging received only minor adjustments and could not achieve the budget for revenue. The necessary increases would have been such that the schemes could have lost participants and become unsustainable.

An added difficulty in managing these accounts is the fact that Council has determined not to "fund" depreciation for these schemes and those that have a steady programme of renewal work have no depreciation funds to fall back on. Consequently, the need for income varies from year to year, causing 'lumpiness'.

The Hunterville rural scheme in particular, has been operating at a deficit which has been increasing, and this matter was not addressed in the Long Term Plan.

As a means of alleviating the situation, the draft annual plan proposed that the internal charges for these rural schemes be met from the wider district through the general rate. This would mean that the Erewhon, Omatane and Putorino schemes would become once again financially viable. In addition, members of the Hunterville rural scheme have agreed to a substantial increase in their charges for 2013/14.

Council decided to implement this proposal.

Hunterville Urban Water Supply

This supply is linked to the Hunterville rural supply because the latter supplies the former with untreated water for distribution to users in Hunterville township. This means that if the rural supply has to increase its charges, then the costs of the urban scheme increase.

The urban supply was not included in the district wide approach to rates adopted in the long term plan as were all the other urban supplies in the district, because of the unique nature of the link to the rural scheme and the limited supply of water available. It has remained on meters and is charged on consumption only, rather than the fixed charge made in all other towns.¹

However, unlike all the other urban schemes, these ratepayers did not receive a 25% contribution from the district for the "public good" component of their costs. This is not considered equitable

¹ This different funding basis did not affect the liability by ratepayers in Hunterville for the 'public good' rate for water etc.

and the draft Plan proposed that this supply also receive a 25% contribution from the district. After allowing for this contribution, and adjusting charges in line with inflation, the scheme will continue to run up deficits which will increase the overall deficit in their working account from \$560,000 forecast at the end of 2012/13 to nearly \$2m by the end of 2022. This is clearly not sustainable, and further consideration of this issue will be needed in developing the 2015/25 Long Term Plan.²

‘Public good’ charge for water, wastewater and stormwater

In the 2012/22 Long Term Plan, Council changed the funding mechanisms for water, wastewater and storm water so that the district-wide component was made explicit. Prior to that all ratepayers had been contributing to the cost of these reticulated supplies, and this contribution was rising. The term ‘public good’ used to describe these charges seemed odd to a number of residents, particularly in the smaller settlements where such schemes did not exist. However, Council does not propose to change the term in the coming year as it has at least highlighted the need to have all ratepayers contribute to these urban schemes.

Council decided to give effect to the proposed change in the draft plan to the way in which these public good charges are calculated. In 2012/13, these charges were uniform – i.e. all ratepayers paid the same. For 2013/14 (and subsequent years) one third of these public good charges will be met through the general rate (i.e. meaning that the charges will vary according to the value of the property) and two thirds as a uniform charge.³ The effect of this approach is that lower value properties will pay less by way of a district-wide contribution, and higher-value properties will pay more.

Funding the community boards

In November 2012, Council completed the required review of its representation arrangements to apply for the October 2013 elections. Some submissions to the Council’s initial scheme suggested that the current funding mechanism to pay the costs of community board (salaries of elected members, staff time etc.) should be reconsidered, to align more closely to the way Council’s costs are funded. Those costs are funded as a uniform charge – i.e. all ratepayers pay the same.

By contrast, community boards are funded on a value-based rate levied on properties within the areas served. This means – particularly in the Taihape Ward – a very wide range in the rates paid to fund the boards. The draft Annual Plan retained that mechanism, but the Council is highlighted this as a matter in which it was interested in knowing the views of the community – especially from ratepayers who are funding the two boards.⁴

Council decided to keep the value-based rate for both community boards.

Assisting businesses comply with new food handling requirements

Council currently licenses food handling premises in the District under the Food Hygiene Regulations 1974. These requirements will be increased once the Food Bill (currently at the third reading stage in Parliament) is enacted. The likely time-frame for compliance will be within 2½ to 5 years. Some local authorities have actively encouraged participation in the Ministry of Health’s Voluntary

² There are several options. For example, Hunterville urban could be included as part of the district urban supply. This would mean that meters would no longer be used and the charges to Hunterville would be the same as for the District’s other towns. Alternatively, the current distinction between funding for rural (untreated) supply and urban (treated) supply could be removed. This would mean that ‘public good’ funding would be allocated to rural as well as urban schemes, and thus the total amount of ‘public good’ charges would increase to cover this.

³ This requires a change to the revenue and financing policy, which was consulted on in association with the consultation for the draft Annual Plan.

⁴ This would also be a change to the revenue and financing policy.

Implementation Programme which helps food-handling businesses to prepare for the new requirements. At present, there are just two food-handling businesses within the Rangitikei which are participating. By contrast, in the Ruapehu District, dedicated Council staffing has resulted in 95% of food-handling businesses participating. However, a dedicated staff resource required for this, would cost potentially \$30,000 in 2013/14 and 2014/15.

Data from the Medical Officer of Health indicates that within the Horizons region the Rangitikei District has the highest incidence per capita for salmonella and campylobacter – both are food and water-borne illnesses.

Council decided against funding a dedicated staff resource, but to encourage business to sign up to the Government's voluntary scheme.

Community and Leisure Assets

In the Long Term Plan, Council highlighted its intention to rationalise the range of community leisure assets that it provides with ratepayer funding. It particularly noted the need to look at the future of the Shelton Pavilion in Centennial Park. A steering group of sports groups and other interested parties has been meeting during the past year.

The Long Term Plan also highlighted the need to address the future of the community housing that Council provides, mainly for older residents. It indicated its intention to redevelop community housing in Wellington Road, Marton, in partnership with social and private stakeholder organisations. It is intended to pursue this during 2013/14 following Council's consideration of a positive ageing strategy for the District.

The state of access into the **Bulls Domain** was raised during submissions. To ensure a comprehensive approach is taken, Council decided to prepare a Parks and Reserve Management Plan for the Domain (as has been done for several comparable facilities elsewhere in the District).

Council also decided to provide access to the back area of **Wilson Park, Marton**, to allow more mobile homes to be accommodated at the annual Country Music festival (subject to confirmation of the best option).

Proposed application to the Irrigation Acceleration Fund

Since the adoption of the LTP, Council became aware of the Irrigation Acceleration Fund as a possible mechanism for placing the Hunterville Rural Water Supply scheme on a more sustainable basis and for helping farmers (particularly in the southern part of the District) have access to reliable supply of water. A comprehensive application would address these potential opportunities, together with others such as improved drinking water to small communities and stock water facilities.

The Ministry of Primary Industries, which administers the Fund, will fund up to 50% of approved schemes (and a similar proportion of the application itself). Council considers that making an application would be a long-term investment in developing the district's productivity, and thus its economy – particularly since the Ministry's officials provide ongoing advice during the preparation of the application so that it aligns with government thinking and is likely to succeed

Council decided to prepare such an application, at a cost of up to \$100,000 – funded \$50,000 in 2013/14 and \$50,000 in 2014/15 via the general rate.

Increased length of season for the Council's swimming pools

During 2012/13, the Council resumed direct management of the swimming pool complex at Marton. It is a significant asset for the town, with its 50 metre length being attractive to swimming clubs in other parts of the country. However, its opening season is substantially shorter than the pools in Feilding, Palmerston North and Wanganui - and this may be a deterrent to keen swimmers regularly using the Marton pool. However, a longer season will increase the operating costs and these are unlikely to be offset by similar increases in revenue.

Council asked the Chief Executive to provide a report (before the October 2013 elections) on options and costs associated with the extension of the swimming season at Council's swimming pools.

Speed calming measures in Taumaihi Street, Bulls

During submissions, Council was made aware of the risks from the use of Taumaihi Street as a detour, particularly by heavy trucks and from vehicles driving too fast. Council decided that provision should be made within existing budgets to provide speed calming measures in the street (subject to confirmation of the best option).

Youth engagement

Council reflected on the engagement of young people in the District during the past year, particularly through the events foreshadowed in the Youth Action Plan and the operation of the Marton Youth Centre. Council agreed to provide \$9,000 towards a District-wide youth engagement, to bring forward a Youth Action Plan for consideration as part of next year's Annual Plan.

Mt Stewart reserve, Taihape

Mt Stewart forms part of the Taihape Domain. Over the past ten years there has been regular and concerted effort by voluntary workers to maintain the area as weed-free pure native forest. A fire on 10 April 2013 caused significant damage to the north face, destroying an area of new native planting and the regenerating bush down the west face.

Council decided to make a budgetary provision of up to \$25,000 to make good the loss of plants and fencing.

Variations from the LTP

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

The variations from the LTP are:

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

Whole of Council

The funding impact statement for the whole of Council (which appears on pages 140-144 of the 2012/22 long term plan) is the total of all the individual activity funding impact statements plus some treasury functions not included in activities. Consequently, the variances noted in this section reflect the variances in the individual statements which have been explained under each activity.

Prospective Comprehensive Income Statement

Again, the variances in this statement (which appears on page 129 of the 2012/22 Long Term Plan) are reflected in the Funding Impact Statements. One item that is not detailed separately in the individual funding impact statements is that of Personnel costs. This category of expense has been revised on the basis of actual payments for 2011/12 adjusted by expected rates of inflation.

Emergency Works Reserve

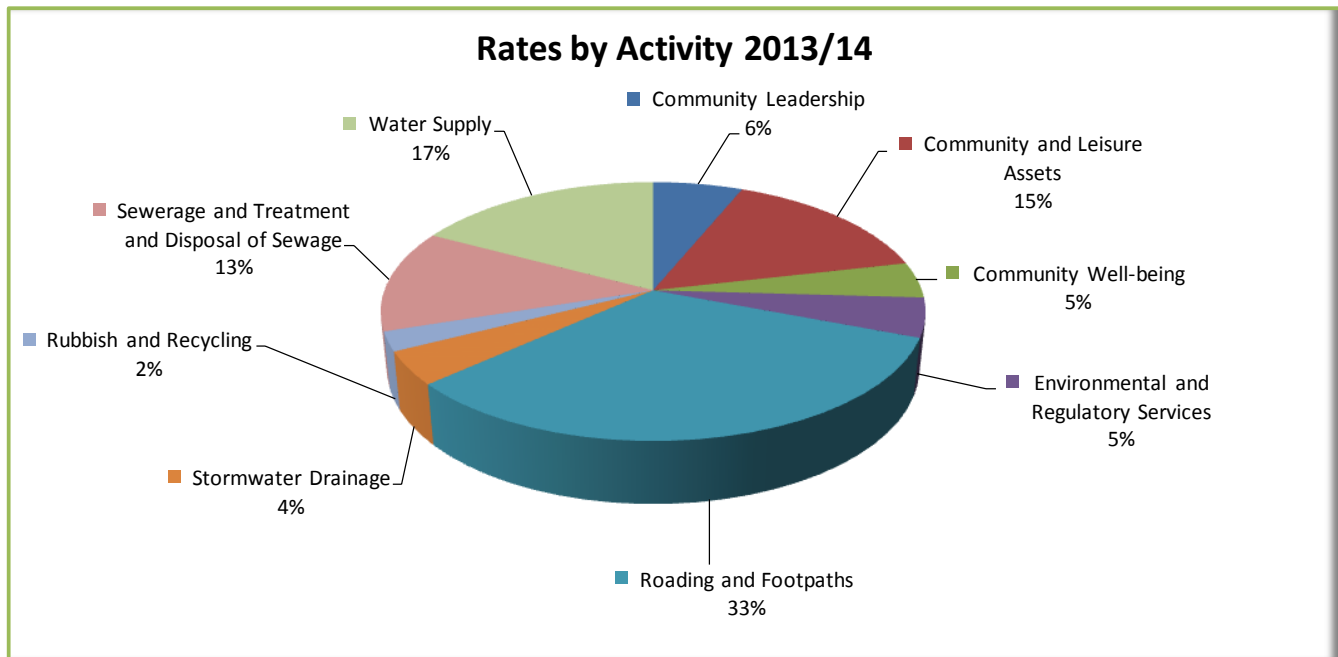
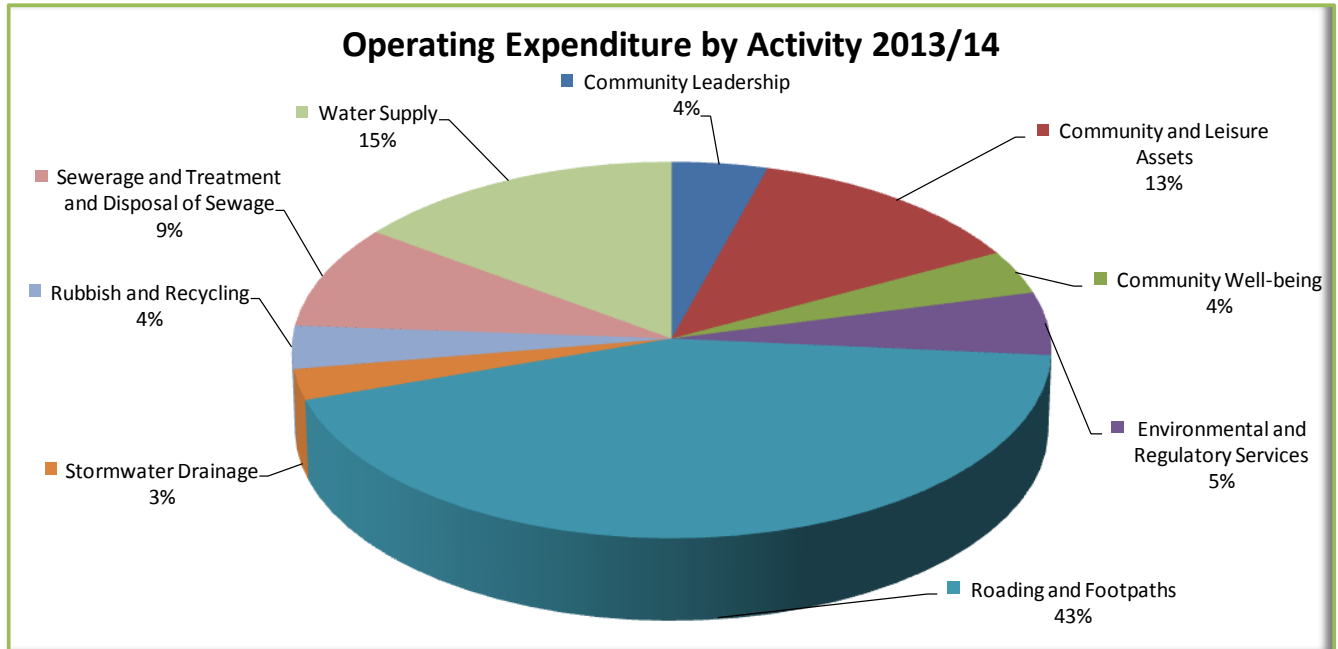
The long term plan states (p.74) that Council sets aside an emergency works of \$250,000 each year. This would mean that (if there were no withdrawals) the reserve would build up to over \$2.5 million at the end of the ten year period. Because of the likely high level of subsidies that such emergency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

Specific Groups of Activities

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

Overview – Council Expenditure and Application of Rates

These charts compare the projected expenditure in each group of activities with the allocation of rates made. These highlight the contribution from other sources of revenue – fees and charges and government subsidies, so operating expenditure is significantly larger than the total rates received.





Rangitikei District Council

Groups of Activities

Annual Plan 2013-2014

Groups of Activities

Council's Role

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

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

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

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

The role of a local authority is to:

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

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

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

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

- Community Leadership
- Roading and Footpaths
- Water Supply
- Sewerage and the Treatment and Disposal of Sewage⁵
- Stormwater Drainage
- Community and Leisure Assets
- Rubbish and Recycling
- Environmental and Regulatory
- Community Well-being



Marton Skateboard Area

⁵ This is the term prescribed in legislation for 'Wastewater'.

Community Leadership

Scope and Objectives

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

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

More detail is provided in pp.68-72 of the 2012-2022 Long Term Plan.

What we plan to do this year

- 1 Annual Report 2012/13 and pre-election report.
- 2 Annual Plan 2014/15.
- 3 Triennium election. Reappointment of Community Committees and Te Roopu Ahi Kaa.
- 4 Policy and bylaw review.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2013/14
Make decisions that are robust, fair, timely, legally compliant and address critical issues, and that are communicated to the community and followed through.	Completion of annual plan actions on time	90% of Annual Plan actions substantially undertaken or completed. All groups of activities achieved at least 77% of identified actions.
	Completion of capital programme	88% of planned capital programme expended, all network utilities groups of activities to achieve at least 77% of planned capital expenditure.

Variations from the Long Term Plan

The amount appearing as a targeted rate (\$45,000) is for the community rate to fund Ratana and Taihape community boards and was incorrectly included in the general rate line in the Long Term Plan.

Community Leadership – Prospective Funding Impact Statement

For the year ending 30 June 2014

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,110	1,158	1,116
Targeted rates (other than a targeted rate for water supply)			51
Subsidies and grants for operating purposes			
Fee, charges, and targeted rates for water supply	0	31	31
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	1,110	1,189	1,197
Applications of operating funding			
Payment to staff and suppliers	923	1,012	1,104
Finance costs			
Internal charges and overheads applied	193	201	136
Other operating funding applications			
Total applications of operating funding	1,116	1,213	1,239
Surplus (deficit) of operating funding	(6)	(24)	(42)
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt			
Gross proceeds from sale of assets			
Lump sum contributions			
Total sources of capital funding	0	0	0
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service			
- to replace existing assets			
Increase (decrease) in reserves	(6)	(24)	(42)
Increase (decrease) in investments			
Total applications of capital funding	(6)	(24)	(42)
Surplus (deficit) of capital funding	6	24	42
Funding balance	0	0	(0)
Note: Depreciation expense not included above	2	2	0

Roading and Footpaths

Scope and Objectives

This group of activities covers the roading network (including bridges), footpaths and street lighting. Roding is an important activity for the Council. A safe and orderly transportation network throughout the District is critical for the movement of people and goods as there is very limited public transport. More detail is provided in pp.73-76 of the 2012-2022 Long Term Plan.

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

Roads	Urban (km)	Rural (km)	Total (km)
Sealed	81.98	689.16 ⁶	771.14
Unsealed	2.58	448.73	451.31
Total Maintained	84.56	1137.89	1222.45

In order to maintain a high level of central Government subsidy (currently 58%), Council must meet the national standards and guidelines set by the NZTA. Council also has a responsibility under the Local Government Act 2002 to maintain the roading network to a safe standard.

What we plan to do this year

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

- 1 Rehabilitation of existing sealed roads (i.e. recycling existing sealing layers, overlaying to suitable widths and chip seal surfacing). 8.8 kilometres per year meaning an average recycle of about 60 years.
- 2 Resealing of existing sealed roads. 69.99 kilometres.
- 3 Footpath and streetlighting activity – footpath capital programme: Koraenui St, Mangaweka; Onslow St, Ohingaiti; Toia Street, Canteen St and Princess St, Marton; Swan St, Eagle St and Titi St, Taihape.
- 4 Footpath and streetlighting activity – footpath renewal: Russell St and Blackwell St, Marton.

⁶ This does not include the seal extension work currently being undertaken on the Taihape-Napier Road.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2013/14
Provide a safe roading network which allows people to travel from A to B, free of loose gravel or potholes and maintaining the level of sealed roads currently available.	Smooth travel exposure rating (i.e. NAASRA roughness counts).	96.5%
	<p>The number of callouts to the contractor, both within working hours and after-hours, with the response and resolution times (with the percentage resolved within a specified time).</p> <p>Specific note to be made of</p> <p>(i) time to respond/resolve callouts relating to potholes; and</p> <p>(ii) incidents of crashes on Council's roading network and whether the road condition was a cause of each crash.</p>	<ul style="list-style-type: none"> • 100% after-hours callouts responded to within 12 hours • 100% callouts during working hours, responded to within 6 hours • 80% of all callouts resolved (i.e. completed) within one month of the request. • Specific reference to callouts relating to potholes <p>No fatal crashes attributable to the condition of the roading network.</p>
Increase asset length and footpath renewal programme	Adequacy of provision and maintenance of footpaths, street-lighting and local roads (annual survey) ⁷ .	A greater proportion (than in the benchmark ⁸) of the sample believe that Council's service is getting better.

Variations from the Long Term Plan

An increase in subsidies predicted is due to increased expenditure in some maintenance work offset by decreased non-subsidised expenditure. The reduction in rates is due to a surplus occurring in the operating account in the 2011/12 and predicted in the current 2012/13 year, resulting in enough funds being available to bring the flood damage reserve to \$1,000,000 by the end of 2013. Consequently the transfer to that reserve has been reduced and a further reduction in rates applied to avoid a similar surplus occurring in the 2013/14 year. The difference in the movement in reserves reflects this change.

The proposed replacement of Wylies Bridge in 2013/14 has been deferred until 2014/15, subject to NZTA funding and reaching agreement with Wanganui District Council on the appropriate cost-share by Rangitikei.

⁷ Groups which are targeted for consultation:

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

⁸ A "report card" produced in April/May 2012 established the benchmark of perceptions of adequacy of provision and maintenance of Council's footpaths, street-lighting and local roads: 13% believed it was better than last year, 71% about the same, 15% worse than last year (1% didn't know).

Roading and Footpaths – Prospective Funding Impact Statement

For the year ending 30 June 2014

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties			
Targeted rates (other than a targeted rate for water supply)	6,663	6,905	6,102
Subsidies and grants for operating purposes	2,547	2,547	2,666
Fee, charges, and targeted rates for water supply	4	4	4
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts	110	115	115
Total operating funding	9,324	9,571	8,887
Applications of operating funding			
Payment to staff and suppliers	5,182	5,206	5,298
Finance costs	146	207	160
Internal charges and overheads applied	467	493	532
Other operating funding applications			
Total applications of operating funding	5,795	5,906	5,989
Surplus (deficit) of operating funding	3,529	3,665	2,898
Sources of capital funding			
Subsidies and grants for capital expenditure	4,096	4,736	4,108
Development and financial contributions			
Increase (decrease) in debt	(48)	396	(45)
Gross proceeds from sale of assets			
Lump sum contributions			
Total sources of capital funding	4,048	5,132	4,063
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	871	1,953	875
- to replace existing assets	6,090	6,093	6,093
Increase (decrease) in reserves	616	751	(8)
Increase (decrease) in investments			
Total applications of capital funding	7,577	8,797	6,960
Surplus (deficit) of capital funding	(3,529)	(3,665)	(2,898)
Funding balance	0	0	0

Note: Depreciation expense not included above	6,258	6,446	6,448
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Roading and Footpaths – Prospective Capital Works

For the year ending 30 June 2014

Category	Designated projects for 2013/14	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
RENEWALS				
Road resealing	Total length 69.99 km	1,958	1,958	1,958
Road rehabilitation	Total length 8.8 km	2,924	2,924	2,923
Footpaths	Russell St and Blackwell St Marton	202	206	206
Drainage	Programmed maintenance	316	316	316
Traffic services	Street lights and renewals	110	110	110
General maintenance and projects	Potholes, slips etc.	580	580	580
Total renewals		6,090	6,093	6,093
CAPITAL				
Roading	Realignment and intersections	591	529	531
	Napier Taihape Road	0	62	62
	Wylies bridge	220	1,300	220
Footpaths	Karaenui St Ratana; Onslow St East Ohingaiti; Canteen St and Princess St Marton; Swan St, Eagle St and Titi St Taihape	60	62	62
Total Capital		871	1,953	875

Water Supply

Scope and Objectives

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

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

More detail is provided on pp.77-80 of the 2012-2022 Long Term Plan.

What we plan to do this year

- 1 Implement Ratana water upgrade.
- 2 Implement backflow protection at Bulls.
- 3 Install pressure reducing valves and boost pump station at Taihape.
- 4 Install backflow protection in Marton, Taihape, Bulls and Hunterville.
- 5 Install seismic flow protection and telemetry upgrade at Hunterville and Mangaweka.
- 6 Install variable speed drives for well pumps at Hunterville Rural Water Supply.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2013/14
Provide a reliable , accessible and safe water supply to properties on the urban reticulation systems	Compliance with resource consents ⁹	No incidents of non-compliance with resource consents
	Compliance with the New Zealand Drinking Water Standards ¹⁰	No incidents of E-coli detection requiring information to be passed to Ministry of Health's Drinking Water Assessor
	Number of unplanned water supply disruptions affecting multiple properties	No unplanned water supply disruptions affecting multiple properties
Provide a reliable water pressure and flow, which complies with the NZ Fire Service Fire Fighting Water Supplies Code of Practice	Random flow checks at the different supplies ¹¹	95% of fire hydrant installations are in compliance

⁹ Council has previously regarded this compliance as a measure of delivering a sustainable water supply

¹⁰ There are two distinct measures: (a) sampling and testing on a weekly basis at Environmental Laboratory Services in Gracefield, Lower Hutt of all Council's urban reticulated supplies and (b) random tests conducted by MidCentral Health.

¹¹ This measure tests whether the Council is providing a reliable water pressure and flow, which complies with the NZ Fire Service Fire Fighting Water Supplies Code of Practice

Variations from the Long Term Plan

As noted in the section on key issues, the reduction in targeted rates for water supply (water charged through meters) is necessary because it is considered that budgets in the Long Term Plan for Hunterville urban and rural supplies, and Erewhon rural supply, are not sustainable. The overall reduction in expenditure is due to a reduction in interest of \$225,000 and other costs of \$326,000.

The reduction in interest is because of a reduction in anticipated interest rates applying in the 2013/14 year (see section on assumptions) together with a re-assessment of the calculation for interest in the Long Term Plan. The reduction in expenses occurs in re-assessment of staff time applying to capital and renewals work, and a reduction in electricity and chemicals. These latter reductions were deemed to be possible based on more recent historical information than was used in the Long Term Plan. The reduction in rates income reflects these anticipated savings.

Increase in debt is due to a decision to fund some of the renewals work by loan, rather than allow the depreciation account to go further into deficit. This is reflected in the reduction in the decrease in reserves shown in the Long Term Plan.

Water Supply – Prospective Funding Impact Statement

For the year ending 30 June 2014

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties			415
Targeted rates (other than a targeted rate for water supply)	2,918	3,446	2,811
Subsidies and grants for operating purposes			
Fee, charges, and targeted rates for water supply	1,331	1,444	993
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	4,249	4,890	4,219
Applications of operating funding			
Payment to staff and suppliers	2,265	2,290	2,042
Finance costs	371	890	625
Internal charges and overheads applied	570	601	526
Other operating funding applications			
Total applications of operating funding	3,206	3,781	3,193
Surplus (deficit) of operating funding	1,043	1,109	1,027
Sources of capital funding			
Subsidies and grants for capital expenditure	200	700	900
Development and financial contributions			
Increase (decrease) in debt	1,915	1,683	2,894
Gross proceeds from sale of assets			
Lump sum contributions			
Total sources of capital funding	2,115	2,383	3,794
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	2,151	1,285	2,181
- to replace existing assets	1,447	2,719	2,687
Increase (decrease) in reserves	(440)	(512)	(47)
Increase (decrease) in investments			
Total applications of capital funding	3,158	3,492	4,821
Surplus (deficit) of capital funding	(1,043)	(1,109)	(1,027)
Funding balance	0	0	0
Note: Depreciation expense not included above	1,043	1,109	1,105

Water Supply – Prospective Capital Works

For the year ending 30 June 2014

Category	Designated projects for 2013/14	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
RENEWALS				
Marton	Treatment and reticulation	338	1,059	1,059
Taihape	Treatment and reticulation	541	988	988
Bulls	Treatment and reticulation	179	319	319
Mangaweka	Treatment and reticulation	92	28	28
Huntermville urban	Treatment and reticulation	82	29	29
Ratana	Treatment and reticulation	30	48	48
Erewhon	Treatment and reticulation	136	141	109
Huntermville rural	Treatment and reticulation	47	105	105
Omatane	Treatment and reticulation	2	2	2
Total renewals		1,447	2,719	2,687
CAPITAL				
Marton	Pressure flow control; backflow prevention	1,440	50	298
Taihape	Pressure flow control; backflow prevention	82	144	144
Bulls	Backflow prevention	148	65	65
Mangaweka	Seismic flow protection; telemetry upgrade	38	49	49
Huntermville urban	Seismic flow protection; telemetry upgrade; backflow prevention	21	63	63
Ratana	New treatment plant	215	806	1,454
Huntermville rural	Two VSD's for well pumps	207	108	108
Total Capital		2,151	1,285	2,181

Sewerage and the Treatment and Disposal of Sewage

Scope and Objectives

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

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

What we plan to do this year

- 1 Renewal of reticulation systems governed by network modelling and asset management plans
- 2 Improvement of Bulls treatment plant to meet nitrogen standard
- 3 Infiltration inflow study (to reduce stormwater overload of the wastewater system) completed for Hunterville

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2013/14
Provide a reliable, reticulated disposal system that does not cause harm or create pollution within the existing urban areas	Compliance with resource consents ¹²	100% compliance at Bulls WWTP. (Taihape, Mangaweka and Hunterville WWTP continue 100% compliant)
	Number of overflows from each network (response/ resolution time).	No single network to experience more than 3 overflows during a 12 month period. Response/ resolution time monitored and compared with benchmark.
	Number of reported blockages in Council's reticulation system per Km ¹³ The total reticulation length is 109 km.	Less than 1 blockage per 13.625Km in Council's reticulated system.

Variations from the Long Term Plan

There are no significant variations to note.

¹² In addition to the formal inspections conducted by Horizons, there are monthly samples taken upstream and downstream of the discharge, and of the effluent itself.

¹³ Council relies on reported faults to check whether there is a blockage in its system. Flow metres are not installed throughout the network to provide alerts on such blockages.

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

For the year ending 30 June 2014

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties			200
Targeted rates (other than a targeted rate for water supply)	2,277	2,667	2,191
Subsidies and grants for operating purposes			0
Fee, charges, and targeted rates for water supply	157	163	163
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	2,434	2,830	2,554
Applications of operating funding			
Payment to staff and suppliers	1,317	1,370	1,400
Finance costs	252	553	236
Internal charges and overheads applied	235	248	241
Other operating funding applications			
Total applications of operating funding	1,804	2,171	1,877
Surplus (deficit) of operating funding	630	659	677
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	1,451	1,889	3,167
Gross proceeds from sale of assets			
Lump sum contributions			
Total sources of capital funding	1,451	1,889	3,167
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	1,725	2,193	3,459
- to replace existing assets	496	1,060	1,060
Increase (decrease) in reserves	(140)	(705)	(675)
Increase (decrease) in investments			
Total applications of capital funding	2,081	2,548	3,844
Surplus (deficit) of capital funding	(630)	(659)	(677)
Funding balance	0	0	0
Note: Depreciation expense not included above	630	676	676

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

For the year ending 30 June 2014

Category	Designated projects for 2013/14	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
RENEWALS				
Marton	Treatment and reticulation	273	206	206
Taihape	Treatment and reticulation	179	79	79
Bulls	Treatment and reticulation	6	633	633
Mangaweka	Treatment and reticulation	0	94	94
Hunterville	Treatment and reticulation	13	24	24
Ratana	Treatment and reticulation	13	24	24
Koitiata	Treatment and reticulation	12	0	0
Total renewals		496	1,060	1,060
CAPITAL				
Taihape	Relocate pump station; gravity and trunk mains	1,725		708
Bulls	Treatment plant upgrade		2,020	2,578
Ratana	Process system		173	173
Total Capital		1,725	2,193	3,459

Stormwater Drainage

Scope and Objectives

This group of activities provides a collection and disposal system for surface and, in some instances, sub-surface water linking both private and public reticulation through the urban communities at Bulls, Marton, Taihape, Hunterville, Mangaweka and Ratana – and, to a limited extent, at Koitiata and Turakina.

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

What we plan to do this year

- 1 Inspect condition/capacity of the intake structures at Taihape and Marton.
- 2 Continue CCTV condition assessment programme.
- 3 Review system design parameters.
- 4 Education programme on the responsibilities of relevant parties.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2013/14
Provide a reliable collection and disposal system to each property during normal rainfall	Number of habitable dwellings which remain uninhabitable for over 24 hours in a heavy rain event (1 in 20-year storm).	In each event of 1 in 20 year storm, no more than 20 dwellings affected for more than 24 hours.
	Callouts for blocked drains and faults: Specific note to be made of time to respond and resolve callouts relating to manhole covers and inlets.	55% responded within time and 55% resolved within time. 100% resolved The targeted <i>response</i> times are 30 minutes for urgent callouts and 24 hours for other callouts. Targeted <i>resolution</i> times are 24 hours for urgent faults and 96 hours for other faults.

Variations from the Long Term Plan

There are no significant variations to note.

Stormwater Drainage – Prospective Funding Impact Statement

For the year ending 30 June 2014

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties			65
Targeted rates (other than a targeted rate for water supply)	701	778	712
Subsidies and grants for operating purposes			
Fee, charges, and targeted rates for water supply			2
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	701	778	779
Applications of operating funding			
Payment to staff and suppliers	387	405	385
Finance costs	14	39	13
Internal charges and overheads applied	114	120	111
Other operating funding applications			
Total applications of operating funding	515	564	510
Surplus (deficit) of operating funding	186	214	270
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	105	137	115
Gross proceeds from sale of assets			
Lump sum contributions			
Total sources of capital funding	105	137	115
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	166	173	173
- to replace existing assets	290	372	354
Increase (decrease) in reserves	(165)	(194)	(142)
Increase (decrease) in investments			
Total applications of capital funding	291	351	385
Surplus (deficit) of capital funding	(186)	(214)	(270)
Funding balance	0	0	(0)
Note: Depreciation expense not included above	230	239	245

Stormwater Drainage– Prospective Capital Works

For the year ending 30 June 2014

Category	Designated projects for 2013/14	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
RENEWALS				
Marton	Reticulation	80	268	253
Taihape	Reticulation	142	31	31
Rural	Reticulation	29	33	30
Bulls	Reticulation	14	15	15
Mangaweka	Reticulation	8	8	8
Huntermville	Reticulation	11	11	11
Ratana	Reticulation	6	6	6
Total renewals		290	372	354
CAPITAL				
Marton	Culverts, drains and inlet protection	32	31	31
Taihape	Culverts, drains and inlet protection	41	40	40
Rural	Culverts, drains and inlet protection	43	49	49
Bulls	Culverts, drains and inlet protection	9	9	9
Mangaweka	Culverts, drains and inlet protection	10	10	10
Huntermville	Culverts, drains and inlet protection	17	17	17
Ratana	Culverts, drains and inlet protection	14	17	17
Total Capital		166	173	173

Community and Leisure Assets

Scope and Objectives

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

What we plan to do this year

- 1 On-going review of leisure and community assets.
- 2 Touchscreen kiosks in Marton and Taihape libraries.
- 3 Implement plan (developed in 2012/13) for improvement of some units at Wellington Road, Marton. Review provision of electronic resources in the District libraries.
- 4 Progress Urban Parks and Reserve Management Planning.
- 5 Continue contributing to the provision of surveillance cameras in the main towns.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2013/14
Provide a “good enough” range of “good enough” community and leisure assets at an appropriate proximity to centres of population	<p>“Report card” produced during April/May 2012 of perceptions of the provision and maintenance of Council’s: community and leisure assets</p> <p>Public libraries¹⁴</p> <p>Public swimming pools¹⁵</p> <p>Sports fields and parks¹⁶</p> <p>Public toilets¹⁷</p> <p>Community buildings¹⁸</p> <p>Community housing¹⁹</p>	A greater proportion (than in the previous year) of the sample believes that Council’s service is getting better.

¹⁴ 22% believed it was better than last year, 55% about the same, 1% worse than last year (22% didn’t know).

¹⁵ 13% believed it was better than last year, 35% about the same, 5% worse than last year (47% didn’t know).

¹⁶ 10% believed it was better than last year, 67% about the same, 8% worse than last year (15% didn’t know).

¹⁷ 8% believed it was better than last year, 69% about the same, 11% worse than last year (13% didn’t know).

¹⁸ 5% believed it was better than last year, 75% about the same, 5% worse than last year (14% didn’t know).

¹⁹ 2% believed it is better than last year, 26% about the same, 3% worse than last year (70% don’t know).

Variations from the Long Term Plan

The increase in rates of \$203,000 is required to fund additional expenditure proposed of approximately the same amount. The additional expenditure is made of up a number of different items over a wide range of activities. Increased insurance costs have affected Community Housing, Public Toilets, Halls and Parks and Reserves. Increased depreciation (to cover the cost of renewals, or major repairs) is evident in Community Housing, and Public Toilets. While this depreciation is not funded in total, the additional expense must nevertheless be shown (although it does not require a commensurate level of rates revenue). Additional contractor day works costs are also predicted in Parks and Reserves and Community Housing. Changing the operation of the Marton swimming pool has added costs but these are offset by additional revenues. However, the increase in revenue as a result is not evident in the fees and charges line, because there has been an equivalent reduction in rental from Community Housing due to less than hoped for occupancy levels, and also from Property due to the sale of some property in this category.

The increase in debt (\$638,000) in this group of activities is because of the proposal to borrow (internally) to fund the deficit in the operating account for property which has run at a deficit in the past. If any property is sold in the future, the proceeds should be used to reduce this debt and eventually clear the loan. The movement in reserves is the clearing of this deficit by loan.

Community and Leisure Assets – Prospective Funding Impact Statement

For the year ending 30 June 2014

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,705	1,787	2,080
Targeted rates (other than a targeted rate for water supply)	687	789	764
Subsidies and grants for operating purposes	30	30	32
Fee, charges, and targeted rates for water supply	397	408	437
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	2,819	3,014	3,312
Applications of operating funding			
Payment to staff and suppliers	2,078	2,115	2,553
Finance costs	22	29	3
Internal charges and overheads applied	450	470	351
Other operating funding applications			
Total applications of operating funding	2,550	2,614	2,908
Surplus (deficit) of operating funding	269	400	405
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	72	22	735
Gross proceeds from sale of assets			
Lump sum contributions			
Total sources of capital funding	72	22	735
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	33	0	159
- to replace existing assets	340	386	375
Increase (decrease) in reserves	(32)	36	606
Increase (decrease) in investments			
Total applications of capital funding	341	422	1,140
Surplus (deficit) of capital funding	(269)	(400)	(405)
Funding balance	0	0	0
Note: Depreciation expense not included above	703	722	787

Community and Leisure Assets – Prospective Capital Works

For the year ending 30 June 2014

Category	Designated projects for 2013/14	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
RENEWALS				
Swimming pools	Building, plant and pools	173	138	88
Libraries	Books, furniture and computers	92	132	166
Community housing	Buildings	10	23	48
Cemeteries		13	5	5
Parks and reserves		26	15	25
Toilets		3	0	0
Halls		23	73	43
Total renewals		340	386	375
CAPITAL				
Swimming pools	Marton pool improvements	18	0	150
Libraries		0	0	0
Community housing		0	0	0
Cemeteries	Berms	7	0	9
Parks and reserves		0	0	0
Toilets	Perimeter cameras	8	0	0
Halls		0	0	0
Total Capital		33	0	159

Rubbish and Recycling

Scope and Objectives

This group of activities focusses on the appropriate disposal of refuse in the District. The Waste Minimisation Act requires territorial authorities to encourage effective and efficient waste management and minimisation. More detail is provided on pp.94-96 of the 2012-2022 LTP. Government's focus is on waste minimisation, or the three principles of recycling: reduce, re-use, recycle.

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

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

Council also contracts out the collection of rubbish from public litter bins.

What we plan to do this year

- 1 Continue providing a glass recycling facility at Council's waste transfer stations.
- 2 Scoped green waste scheme up and running.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2013/14
Make recycling facilities available at waste transfer stations for glass, paper, metal, plastics and textiles. Special occasions for electronics (e-waste). Extend recycling facilities to include green/biodegradable waste facility at Taihape, Bulls and Marton waste transfer stations.	Waste to landfill (tonnage) ²⁰	5,200 tonnes to landfill
	Waste diverted from landfill (tonnage and (percentage of total waste) ²¹	Percentage of waste diverted from landfill 11%

Variations from the Long Term Plan

There are no significant variations to note.

²⁰ Calibrated records maintained at Bonny Glen landfill.

²¹ Records maintained at waste transfer stations.

Rubbish and Recycling – Prospective Funding Impact Statement

For the year ending 30 June 2014

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	105	116	116
Targeted rates (other than a targeted rate for water supply)	282	337	337
Subsidies and grants for operating purposes	45	46	46
Fee, charges, and targeted rates for water supply	416	429	388
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	848	928	887
Applications of operating funding			
Payment to staff and suppliers	1,006	1,032	963
Finance costs	(19)	(10)	(18)
Internal charges and overheads applied	104	109	80
Other operating funding applications			
Total applications of operating funding	1,091	1,131	1,025
Surplus (deficit) of operating funding	(243)	(203)	(138)
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	27	(3)	(2)
Gross proceeds from sale of assets			
Lump sum contributions			
Total sources of capital funding	27	(3)	(2)
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	30	0	0
- to replace existing assets	29	6	6
Increase (decrease) in reserves	(275)	(212)	(145)
Increase (decrease) in investments			
Total applications of capital funding	(216)	(206)	(140)
Surplus (deficit) of capital funding	243	203	138
Funding balance	0	0	0
Note: Depreciation expense not included above	32	33	32

Environmental and Regulatory Services

Scope and Objectives

This group of activities is concerned with Council's regulatory functions. It comprises five separate activities – animal control, building control, the District Plan, consent processes and a range of other regulatory functions – environmental health, liquor licensing, noise control, hazardous substances, illegal tipping/dumping, Land Information Memorandums, nuisance, vermin communicable diseases etc. More detail is provided in pp.97-99 of the 2012-2022 Long Term Plan.

What we plan to do this year

- 1 Give effect to reviewed District Plan except provisions appealed to the Environment Court.
- 2 Adjustment to anticipated decision on regionalisation/centralisation of building consent administration.
- 3 Give effect to provisions of enacted Alcohol Reform Bill.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2013/14
Provide a legally compliant service	Timeliness of processing the paperwork (building control, consent processes, licence applications) ²²	At least 91% of the processing of documentation for each of Council's regulatory and enforcement services is completed within the prescribed times.
	Possession of relevant authorisations from central government ²³	Accreditation as a building consent authority maintained.
Provide regulatory compliance officers	Timeliness of response to RFS for enforcement call-outs (animal control and environmental health); within prescribed response and resolution times.	Improvement in timeliness reported in 2012/13.

Variations from the Long Term Plan

Increases in revenue are due to: the delay in implementing the new building control legislation resulting in another year of full consent fees being expected; increased revenue in dog control due to recoveries for shared services being credited to this activity rather than the overhead activity which was incorrect in the Long Term Plan. Because of these two items, it has been possible to reduce rates and partially reduce brought forward deficits in operational accounts which are the reason for the changes in movement in reserves.

Eight appeals were received to the proposed District Plan. While maximum use has been made of mediation, there will be costs to the Council in any processes required at the Environment Court. A provision of \$100,000 has been included for this purpose.

²² This includes any prescribed monitoring, such as of resource consents.

²³ Excluding general authorisation through legislation where no further formal accreditation is specified.

Environmental and Regulatory Services – Prospective Funding Impact Statement

For the year ending 30 June 2014

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	803	938	916
Targeted rates (other than a targeted rate for water supply)			
Subsidies and grants for operating purposes			
Fee, charges, and targeted rates for water supply	559	399	767
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			10
Total operating funding	1,362	1,337	1,693
Applications of operating funding			
Payment to staff and suppliers	879	836	1,125
Finance costs			32
Internal charges and overheads applied	481	499	395
Other operating funding applications			
Total applications of operating funding	1,360	1,335	1,552
Surplus (deficit) of operating funding	2	2	141
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt			
Gross proceeds from sale of assets			
Lump sum contributions			
Total sources of capital funding	0	0	0
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	25	0	
- to replace existing assets			
Increase (decrease) in reserves	(23)	2	141
Increase (decrease) in investments			
Total applications of capital funding	2	2	141
Surplus (deficit) of capital funding	(2)	(2)	(141)
Funding balance	0	0	(0)
Note: Depreciation expense not included above	3	3	3

Community Well-being

Scope and Objectives

This group of activities is where Council acts primarily as an enabler and facilitator of action rather than as a provider of services or facilities. It is primarily those activities which are community-driven, whether through individual voluntary effort or joining up activity across specific sectors. It covers economic development and District promotion, including the information centres and support for town coordinators in Bulls, Taihape and Marton, emergency management and rural fire.

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

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

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

What we plan to do this year

- 1 Facilitation of Path to Well-being theme groups.
- 2 Delivery of work programme through Memoranda of Understanding.

Intended Levels of Service

Intended Levels of Service 2012-22	Performance measure	Target for 2013/14
Provide opportunities to be actively involved in partnerships that provide community and ratepayer wins.	Partners' view of how useful Council's initiatives and support has been (annual survey) ²⁴	A greater proportion (than in the benchmark ²⁵) of the sample believe that Council's service is getting better.

Variations from the Long Term Plan

There are no significant variations to note.

²⁴ Groups which are targeted for consultation:

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

²⁵ A "report card" produced in April/May 2012 established the benchmark of perceptions of how useful Council's initiatives and support have been: 37% believed it was better than last year, 23% about the same, 8% worse than last year (32% didn't know).

Community Well-being – Prospective Funding Impact Statement

For the year ending 30 June 2014

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	856	884	838
Targeted rates (other than a targeted rate for water supply)			
Subsidies and grants for operating purposes	88	90	90
Fee, charges, and targeted rates for water supply	29	30	30
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding	973	1,004	958
Applications of operating funding			
Payment to staff and suppliers	793	787	871
Finance costs	(3)	3	1
Internal charges and overheads applied	226	235	176
Other operating funding applications			
Total applications of operating funding	1,016	1,025	1,049
Surplus (deficit) of operating funding	(43)	(21)	(91)
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	(4)	100	61
Gross proceeds from sale of assets			
Lump sum contributions			
Total sources of capital funding	(4)	100	61
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service			
- to replace existing assets	7	126	68
Increase (decrease) in reserves	(54)	(47)	(98)
Increase (decrease) in investments			
Total applications of capital funding	(47)	79	(31)
Surplus (deficit) of capital funding	43	21	91
Funding balance	0	0	0
Note: Depreciation expense not included above	12	33	33



Rangitikei District Council

Prospective Financial Statements

Annual Plan 2013-2014

Prospective Financial Statements

The Council's Annual Plan covers the period 1 July 2013 to 30 June 2014. It has been prepared only for the core Council entity and therefore does not include subsidiaries. The Plan includes both operating and capital expenditure and in this section information is only at a summary level. More detailed information can be found in the sections on each activity.

The financial information in the Annual Plan is a forecast for the purposes of Financial Reporting Standard (FRS) 42. The financial information contained in the Annual Plan may not be appropriate for any other purposes. Certain assumptions have been made at the date these statements were prepared as to future events, and as to actions Council reasonably expects to undertake. Actual results may vary materially from these forecasts, depending upon changes of circumstance that may arise during the period. In re-projecting the 2013/14 figures known events, such as the delay of certain capital projects, have been taken into account.

The prospective financial statements were authorised for issue by the Rangitikei District Council on 30 May 2013. The Rangitikei District Council is responsible for the prospective financial statements and for the assumptions which underpin all required disclosures (including the prospective financial statements). The actual results have been incorporated into this Annual Plan. It is intended that the prospective financial statements are updated annually as part of the annual plan/long-term plan process.

Prospective Comprehensive Income Statement

For the year ending 30 June 2014

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
REVENUE			
Rates other than targeted rates for water	17,670	18,847	18,238
Targeted rates for water	1,278	1,386	993
Finance revenue	322	326	274
Subsidies	7,006	8,150	7,843
Activity revenue	2,006	1,924	2,268
Total operating revenue	28,282	30,633	29,615
EXPENDITURE			
Depreciation and amortisation	9,194	9,585	9,718
Personnel costs	2,411	2,469	2,578
Finance costs	504	921	659
Other expenditure	15,387	15,646	15,767
Total operating expenditure	27,496	28,621	28,722
Operating surplus (deficit) before tax	786	2,012	893
Tax expense	0	0	0
Net surplus (deficit) after tax	786	2,012	893
OTHER COMPREHENSIVE INCOME			
Gain on revaluation of infrastructural assets	0	15,172	15,172
Gain on revaluation of land and buildings	0	558	558
Total other comprehensive income for the year	0	15,730	15,730
Total comprehensive income for the year	786	17,742	16,623

Prospective Statement of Changes in Equity

For the year ending 30 June 2014

Balance as at 1 July	479,840	480,626	481,055
Total comprehensive income	786	17,742	16,623
Total recognised revenues and expenses for the year	786	17,742	16,623
Balance as at 30 June	480,626	498,368	497,678

Prospective Balance Sheet

For the year ending 30 June 2014

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
EQUITY			
Accumulated funds	458,794	460,440	459,496
Asset revaluation reserves	17,824	33,554	33,553
Reserves	4,008	4,374	4,628
Total equity	480,626	498,368	497,678
Represented by:			
CURRENT ASSETS			
Cash and cash equivalents	1,728	1,688	4,505
Trade and other receivables	3,751	3,020	2,266
Prepayments	20	20	27
Other financial assets	5	5	418
Total current assets	5,504	4,733	7,216
LESS CURRENT LIABILITIES			
Trade and other accounts payable	4,500	4,500	3,847
Employee benefits	200	200	228
Income in advance	440	440	303
Current portion of term debt	1,192	1,387	1,499
Total current liabilities	6,332	6,527	5,877
NET WORKING CAPITAL	(828)	(1,794)	1,339
NON-CURRENT ASSETS			
Plant, property and equipment	484,769	507,617	506,560
Intangible assets	236	235	145
Biological assets	268	268	199
Other financial assets	5,263	5,200	3,598
Total non-current assets	490,536	513,320	510,502
NON-CURRENT LIABILITIES			
Employee benefits	10	10	7
Landfill aftercare liability	484	464	417
Term liabilities	8,588	12,684	13,738
Total non-current liabilities	9,082	13,158	14,162
NET ASSETS	480,626	498,368	497,678

Prospective Cashflow Statement

For the year ending 30 June 2014

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
CASH FLOW FROM OPERATING ACTIVITIES			
Cash was provided from:			
Rates	17,670	18,847	18,238
Other revenue	10,278	12,191	11,101
Interest	322	326	274
Dividends	0	0	3
	28,270	31,364	29,615
Cash was disbursed to:			
Supplies, services and employees	18,006	18,115	18,344
Interest	504	921	659
	18,510	19,036	19,004
Net cash inflow (outflow) from operating activities	9,760	12,328	10,612
CASH FLOW FROM INVESTING ACTIVITIES			
Cash was provided from:			
Proceeds from asset sales	0	0	0
Proceeds from investments	0	63	0
	0	63	0
Cash was disbursed to:			
Purchase of investments	0	0	0
Purchases of property, plant and equipment	14,236	16,721	17,901
Purchases of intangibles	0	0	0
	14,236	16,721	17,901
Net cash inflow (outflow) from investing activities	(14,236)	(16,658)	(17,901)
CASH FLOW FROM FINANCING ACTIVITIES			
Cash was provided from:			
Loans raised	4,835	5,482	8,724
Cash was disbursed to:			
Loans repaid	888	1,192	1,386
Net cash inflow (outflow) from financing activities	3,947	4,290	7,338
Net increase (decrease) in cash held	(529)	(40)	49
Add opening cash brought forward	2,257	1,728	4,456
Closing cash balance	1,728	1,688	4,505

Statement of Prospective Reserve Funds

For the year ending 30 June 2014

		Balance 1 Jul 2013 (\$000)	Deposits/ Revaluations (\$000)	Balance 30 Jun 2014 (\$000)
SPECIAL RESERVES				
Name of reserve and (activity)	Purpose			
Aquatic (Swimming Pools)	Replacement of swimming pools	0	75	75
Bulls Courthouse (Property)	Maintenance of courthouse building	18	1	19
Flood Damage (Roothing)	Road maintenance due to flooding	1,000	100	1,100
General Purpose	Capital works	2,402	0	2,402
Haylock Park (Parks)	Additional reserve area at park	24	1	25
Hunterville Rural Water (Water)	Future loop line	168	10	178
Keep Taihape Beautiful (Property)	Enhancement of Taihape	22	0	22
Marton Land Subdivision (Parks)	Improvements to recreational land	103	9	112
Marton Marae (Property)	Marton Marae project	4	0	4
McIntyre Recreation (Parks)	Maintenance or upgrades of park	21	1	22
Putorino Water (Water)	Maintenance of scheme dam	16	1	17
Ratana Sewer (Sewerage)	Capital works	20	1	21
Revoked Reserve Land (Parks)	Offset costs of other revoked land and buildings	238	0	238
Rural Housing Loan (Property)	No longer required	150	0	150
Rural Land Subdivision (Parks)	Improvements to reserves land	159	12	172
Santoft Domain (Parks)	Maintenance or upgrades of park	68	4	72
Total special reserves		4,413	215	4,628
Note: No withdrawals are proposed during the year.				
ASSET REVALUATION RESERVES				
Land		3,216	238	3,454
Buildings		4,575	320	4,895
Sewerage systems		597	927	1,524
Water supplies		5,627	1,679	7,306
Stormwater network		2,321	411	2,732
Roothing network		1,139	12,125	13,264
Solid waste		82	29	111
		17,557	15,729	33,286
Fair value through equity		267	0	267
Total asset revaluation reserves		17,824	15,729	33,553

Notes

Reconciliation of Funding Impact Statement to Comprehensive Income Statement

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
Total operating revenue from funding impact statement	23,987	25,199	24,607
Total revenue from comprehensive income statement	28,282	30,633	29,615
Variance	4,295	5,434	5,008
Reconciling item			
Subsidies and grants for capital expenditure	4,295	5,434	5,008
Total operating expenditure from funding impact statement	18,302	19,036	19,004
Total operating expenditure from comprehensive income statement	27,496	28,621	28,722
Variance	9,194	9,585	9,718
Reconciling item			
Depreciation	9,194	9,585	9,718
Rates			
General rate	1,481	1,126	2,279
Uniform annual general charge	2,619	2,747	2,991
Targeted rates			
Roading	6,663	6,905	6,102
Library	687	789	764
Solid waste	281	344	337
Wastewater	2,277	2,667	2,191
Water	2,918	3,446	2,811
Stormwater	701	778	712
Community	44	45	51
Total rates	17,671	18,847	18,238

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

Prospective Funding Impact Statement

	2012/13 Annual Plan (\$000)	2013/14 Long-term Plan (\$000)	2013/14 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	4,319	4,099	5,590
Targeted rates (other than a targeted rate for water supply)	13,631	15,038	12,968
Subsidies and grants for operating purposes	2,711	2,714	2,835
Fee, charges, and targeted rates for water supply	2,894	2,907	2,815
Interest and dividends from investments	322	326	274
Local authorities fuel tax, fines, infringement fees, and other receipts	110	115	126
Total operating funding	23,987	25,199	24,607
Applications of operating funding			
Payment to staff and suppliers	17,798	18,115	18,344
Finance costs	504	921	659
Other operating funding applications	0		
Total applications of operating funding	18,302	19,036	19,004
Surplus (deficit) of operating funding	5,685	6,163	5,604
Sources of capital funding			
Subsidies and grants for capital expenditure	4,296	5,436	5,008
Development and financial contributions			
Increase (decrease) in debt	3,947	4,291	7,338
Gross proceeds from sale of assets			
Lump sum contributions			
Total sources of capital funding	8,243	9,727	12,346
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	5,002	5,604	6,846
- to replace existing assets	9,234	11,117	11,054
Increase (decrease) in reserves	(308)	(831)	49
Increase (decrease) in investments			
Total applications of capital funding	13,928	15,890	17,950
Surplus (deficit) of capital funding	(5,685)	(6,163)	(5,604)
Funding balance	0	0	0
Note: Depreciation expense not included above	9,194	9,585	9,718

Rate types

For the year ending 30 June 2014

Source of Funding	Categories of Land	Calculation Base	Rate or Charge (inc GST)	Funding Required (inc GST)	
			<i>SUIP = separately used or inhabited part of a rating unit</i>		
		NOTE:			
General Rate	<i>(funds activities listed on next page)</i>	All rating units (excl Defence land)	Capital value	\$0.000766	\$2,611,728
		Defence land	Land value	\$0.001172	\$9,471
Uniform Annual General Charge	<i>(funds activities listed on next page)</i>	All rating units	Fixed charge per SUIP	\$455.40	\$3,439,709
Targeted Rates					
Community Services Boards	<i>(funds Taihape and Ratana Community Boards)</i>	Taihape (excl Defence land)	Capital value	\$0.000043	\$40,844
		Taihape (Defence land)	Land value	\$0.000061	\$17
		Ratana	Capital value	\$0.002069	\$17,368
Solid Waste Disposal	<i>(funds Rubbish and Recycling)</i>	All rating units	Fixed charge per SUIP	\$51.32	\$388,007
Roading	<i>(funds Roading and Footpaths)</i>	All rating units (excl Defence land)	Capital value	\$0.002049	\$6,991,401
		Defence land	Land value	\$0.003138	\$25,352
Wastewater public good	<i>(funds Sewerage)</i>	All rating units	Fixed charge per SUIP	\$60.56	\$457,824
Wastewater connected	<i>(funds Sewerage)</i>	Connected rating units	Fixed charge per number of water closets and urinals in the rating unit	\$443.21	\$2,062,272
Water public good	<i>(funds water)</i>	All rating units	Fixed charge per SUIP	\$92.06	\$695,991
Water connected	<i>(funds water)</i>	Marton, Taihape, Ratana Residential	Fixed charge per SUIP	\$569.97	\$1,981,792
		Marton, Taihape, Ratana Non-residential	Fixed charge per rating unit	\$569.97	
		Bulls, Mangaweka Residential	Fixed charge per SUIP	\$398.98	\$385,415
		Bulls, Mangaweka Non-residential	Fixed charge per rating unit	\$398.98	
Water connected transitional **	<i>(funds water)</i>	Marton, Taihape, Ratana Residential	Fixed charge per SUIP	\$47.51	\$165,178
		Marton, Taihape, Ratana	Fixed charge per rating unit	\$47.51	

Source of Funding	Categories of Land	Calculation Base	Rate or Charge (inc GST)	Funding Required (inc GST)
	Non-residential			
Water by volume <i>(funds water)</i>	Marton, Taihape, Ratana, Bulls, Mangaweka	Fixed charge per cu metre	\$1.65	\$198,442
	Bulls Riverlands	Fixed charge per cu metre	\$1.19	\$191,155
Huntermville urban <i>(funds water)</i>	Connected rating units	Fixed charge per cu metre	\$3.10	\$89,614
Huntermville rural <i>(funds water)</i>	Connected rating units	Fixed charge per unit	\$250.00	\$438,007
Erewhon rural <i>(funds water)</i>	Connected rating units	Fixed charge per unit	\$140.05	\$212,183
Omatane rural <i>(funds water)</i>	Connected rating units	Fixed charge per unit	\$127.43	\$12,743
Putorino rural <i>(funds water)</i>	Connected rating units	Land value	\$0.000565	\$4,151
Stormwater public good <i>(funds stormwater)</i>	All rating units	Fixed charge per SUIP	\$19.68	\$148,814
Stormwater urban <i>(funds stormwater)</i>	Marton, Bulls, Taihape, Mangaweka, Ratana, Huntermville	Fixed charge per rating unit	\$162.90	\$670,332
Library <i>(funds Library)</i>	All rating units	Fixed charge per SUIP	\$116.36	\$878,050
Total Rates Required	(Inclusive of GST)			<u>\$22,115,859</u>

**** Water Transitional**

"The water supply (transitional) rate is to ease the burden on Bulls and Mangaweka connected properties on moving to a district-wide charging mechanism for urban water supplies in 2012/13. The Council's present intention is for the rate to be transitional over a three year period, and 2013/2014 is the second of those three years.

DEFINITIONS**Separately Used or Inhabited Part (SUIP)**

Any part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the ratepayer and usually used as such is to be treated as separately used. Any part of a rating unit that is used as a home occupation and complies with the permitted activity performance standards in the District Plan is not be treated as separately used.

Residential Rating Units

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

Non-Residential Rating Units

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

Allocation of UAGC to Activities

For the year ending 30 June 2014

The table below shows how the UAGC is apportioned to activities

	Amount
Council	\$152.20
Council Committees	\$9.07
Elections	\$8.58
Swimming Pools	\$109.68
Public Toilets	\$41.95
Cemeteries	\$23.24
Parks and Reserves	\$93.07
Refuse (Litter) Collection	\$17.60
TOTAL	\$455.40

Allocation of General Rate to Activities

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

	Amount
Community Awards	\$0.01
Property	\$1.22
Building Inspection	\$10.03
District Planning	\$5.24
Dog Control	\$5.47
Health and General Inspection	\$0.17
Resource Consents	\$2.78
Stock Ranging	\$1.16
Information Centres	\$9.69
District Promotions	\$5.40
Civil Defence	\$2.68
Rural Fire	\$4.95
Halls	\$7.46
Stormwater	\$1.76
Urban Water	\$8.21
Rural Water	\$3.06
Wastewater	\$5.42
Computers and Vehicles	\$1.84
TOTAL	\$76.55

Examples of Impacts of Rating Proposals

For the year ending 30 June 2014

Location	Land Value	Capital Value	Proposed 2013/14	Actual 2012/13	Difference	Percentage
KOITIATA						
Koitiata	71,000	230,000	1,443	1,417	26	1.82%
Koitiata	71,000	144,000	1,201	1,181	20	1.67%
Koitiata	71,000	136,000	1,178	1,159	19	1.66%
Koitiata	71,000	104,000	1,088	1,070	18	1.69%
TAIHAPE COMMERCIAL						
Taihape	215,000	550,000	4,034	3,930	104	2.64%
Taihape	90,000	250,000	3,177	3,093	84	2.70%
Taihape	180,000	290,000	2,848	2,781	67	2.39%
Taihape	72,000	200,000	2,590	2,530	60	2.39%
Taihape	43,000	155,000	443	433	10	2.28%
Taihape	72,000	123,000	2,370	2,315	55	2.39%
Taihape	117,000	480,000	3,390	3,312	78	2.37%
TAIHAPE NON-COMMERCIAL						
Taihape	52,000	295,000	2,862	2,795	67	2.39%
Taihape	52,000	200,000	2,590	2,530	60	2.39%
Taihape	61,000	175,000	4,375	4,290	85	1.98%
Taihape	1,500	103,000	2,313	2,260	53	2.36%
Taihape	26,000	130,000	2,390	2,335	55	2.37%
Taihape	25,000	88,000	2,270	2,218	52	2.36%
Taihape	1,000	39,000	2,130	2,081	49	2.37%
Taihape	18,000	40,000	2,133	2,084	49	2.36%
HUNTERVILLE COMMERCIAL						
Hunternville	60,000	390,000	2,499	2,424	75	3.10%
Hunternville	65,000	335,000	3,674	3,543	131	3.70%
Hunternville	43,000	245,000	2,091	2,025	66	3.26%
Hunternville	40,000	51,000	1,545	1,491	54	3.63%
Hunternville	10,000	40,000	1,514	1,460	54	3.70%
HUNTERVILLE NON-COMMERCIAL						
Hunternville	95,000	270,000	2,161	2,091	70	3.37%
Hunternville	31,000	210,000	1,993	1,928	65	3.35%
Hunternville	21,000	114,000	1,722	1,664	58	3.51%
Hunternville	14,000	115,000	1,119	1,101	18	1.64%
Hunternville	16,000	87,000	1,646	1,590	56	3.55%
Hunternville	12,000	58,000	959	944	15	1.55%
MARTON COMMERCIAL						
Marion	88,000	465,000	5,940	5,780	160	2.76%
Marion	63,000	330,000	4,848	4,760	88	1.84%
Marion	40,000	185,000	2,540	2,482	58	2.33%
Marion	85,000	160,000	2,469	2,413	56	2.33%
Marion	54,000	160,000	3,308	3,246	62	1.92%

Location	Land Value	Capital Value	Proposed 2013/14	Actual 2012/13	Difference	Percentage
Marton	58,000	100,000	2,522	2,459	63	2.56%
MARTON INDUSTRIAL						
Marton	185,000	850,000	4,855	4,736	119	2.51%
Marton	80,000	1,475,000	8,165	7,940	225	2.84%
Marton	72,000	590,000	3,680	3,597	83	2.30%
MARTON NON-COMMERCIAL						
Marton	86,000	390,000	3,117	3,046	71	2.32%
Marton	86,000	405,000	3,159	3,087	72	2.33%
Marton	76,000	270,000	2,779	2,716	63	2.32%
Marton	60,000	220,000	2,638	2,578	60	2.34%
Marton	77,000	190,000	2,554	2,495	59	2.36%
Marton	38,000	140,000	1,970	1,934	36	1.85%
Marton	70,000	150,000	2,441	2,385	56	2.36%
Marton	60,000	140,000	2,413	2,358	55	2.33%
Marton	50,000	141,000	2,416	2,360	56	2.37%
Marton	50,000	100,000	2,300	2,247	53	2.38%
Marton	30,000	100,000	2,300	2,247	53	2.38%
Marton	22,000	83,000	2,253	2,201	52	2.34%
Marton	27,000	55,000	2,174	2,123	51	2.39%
BULLS COMMERCIAL						
Bulls	410,000	670,000	5,515	5,337	178	3.33%
Bulls	110,000	1,000,000	4,837	4,658	179	3.84%
Bulls	126,000	430,000	3,011	2,877	134	4.65%
Bulls	180,000	325,000	3,511	3,372	139	4.11%
Bulls	83,000	210,000	2,392	2,271	121	5.31%
Bulls	155,000	180,000	2,307	2,188	119	5.44%
BULLS NON-COMMERCIAL						
Bulls	95,000	625,000	11,748	11,162	586	5.25%
Bulls	97,000	250,000	2,504	2,388	116	4.86%
Bulls	67,000	200,000	2,363	2,243	120	5.37%
Bulls	63,000	155,000	2,237	2,119	118	5.56%
Bulls	53,000	150,000	2,223	2,105	118	5.59%
Bulls	46,000	150,000	2,223	2,105	118	5.59%
Bulls	56,000	123,000	2,147	2,031	116	5.70%
Bulls	63,000	80,000	2,026	1,913	113	5.89%
RATANA						
Ratana	12,000	136,000	2,683	2,581	102	3.96%
Ratana	12,000	72,000	2,371	2,294	77	3.34%
Ratana	12,000	63,000	2,327	2,254	73	3.22%
Ratana	12,000	52,000	2,273	2,205	68	3.08%
RURAL NORTH OVER \$1,000,000 CAPITAL VALUE						
Erewhon	7,350,000	8,700,000	28,040	27,418	622	2.27%
Erewhon	5,200,000	5,750,000	17,225	16,832	393	2.33%
Erewhon	3,925,000	4,775,000	15,234	14,895	339	2.28%
Erewhon	2,839,000	3,655,000	11,239	10,985	254	2.31%
Ruanui	1,450,000	2,075,000	7,520	7,360	160	2.17%

Location	Land Value	Capital Value	Proposed 2013/14	Actual 2012/13	Difference	Percentage
Awarua	1,250,000	1,650,000	6,305	6,173	132	2.14%
Te Kapua	820,000	1,125,000	4,010	3,924	86	2.19%
RURAL NORTH \$200,000 TO \$1,000,000 CAPITAL VALUE						
Erewhon	530,000	630,000	2,595	2,542	53	2.10%
Kiwitea	340,000	460,000	2,110	2,068	42	2.02%
Awarua	200,000	400,000	1,938	1,900	38	2.02%
Ohingaiti	29,000	265,000	1,553	1,524	29	1.87%
RURAL NORTH UNDER \$200,000 CAPITAL VALUE						
Awarua	15,000	215,000	1,410	1,384	26	1.86%
Ohingaiti	6,500	62,000	973	957	16	1.62%
MANGAWEKA						
Mangaweka	14,000	106,000	2,103	1,988	115	5.80%
Mangaweka	14,000	82,000	2,035	1,921	114	5.92%
Mangaweka	14,000	57,000	1,963	1,851	112	6.07%
Mangaweka	14,000	31,000	1,889	1,779	110	6.19%
RURAL SOUTH OVER \$800,000 CAPITAL VALUE						
Rangitoto	7,650,000	8,850,000	27,297	26,725	572	2.14%
Rangitoto	15,100,000	16,350,000	49,998	48,945	1,053	2.15%
Rangatira	8,780,000	12,260,000	38,486	37,684	802	2.13%
Rangatira	3,325,000	3,550,000	9,992	9,777	215	2.20%
Porewa	2,075,000	2,575,000	8,043	7,876	167	2.12%
Whangaehu	2,025,000	2,825,000	9,542	9,348	194	2.08%
Porewa	2,075,000	2,575,000	9,634	9,444	190	2.01%
Pukepapa	1,475,000	1,750,000	5,721	5,604	117	2.09%
Pukepapa	690,000	1,095,000	4,658	4,564	94	2.06%
Porewa	850,000	1,170,000	4,089	4,006	83	2.06%
RURAL SOUTH \$250,000 TO \$800,000 CAPITAL VALUE						
Porewa	230,000	600,000	2,484	2,436	48	1.98%
Pukepapa	108,000	375,000	2,468	2,439	29	1.21%
RURAL SOUTH UNDER \$250,000 CAPITAL VALUE						
Scotts Ferry	50,000	155,000	1,232	1,211	21	1.71%
Scotts Ferry	50,000	120,000	1,133	1,114	19	1.72%
Scotts Ferry	50,000	100,000	1,077	1,059	18	1.69%
Otakapu	23,000	131,000	1,164	1,145	19	1.67%
Otakapu	123,000	132,000	372	364	8	2.07%
Rangitoto	108,000	300,000	1,640	1,610	30	1.85%
RURAL LARGE DAIRY/PASTORAL						
Otairi	1,109,000	1,519,000	5,071	4,967	104	2.09%
Whangaehu	1,100,000	1,225,000	4,243	4,158	85	2.06%
Rangatira	2,300,000	3,125,000	9,591	9,390	201	2.15%
Rangatira	5,500	9,000	25	25	0	1.33%
Rangatira	1,950,000	2,500,000	7,832	7,670	162	2.12%
Porewa	1,120,000	1,960,000	6,312	6,182	130	2.11%
RURAL SOUTH INDUSTRIAL						
Porewa	275,000	4,825,000	14,994	14,694	300	2.04%
Rangitoto	270,000	2,600,000	8,114	7,944	170	2.14%

Statement of Accounting Policies

General Accounting Policies

Reporting Entity

The Rangitikei District Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand. These prospective financial statements are for the Council alone as a separate legal entity.

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

These prospective financial statements are for the year ended 30 June 2014, and are authorised for issue by the Council on 30 May 2013. Actual financial results for the period covered are likely to vary from the information presented in this Plan, and the variations may be material.

The Council manages, and reports to the residents of the District on the following operations:

Significant Activities

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

Basis of Preparation

In September 2011, the External Reporting Board issued a position paper and consultation papers proposing a new external reporting framework for public benefit entities (PBEs). The papers proposed that accounting standards for PBEs would be based on International Public Sector Accounting Standards, modified as necessary. The proposals in these papers do not provide certainty about any specific requirements of future accounting standards. Therefore, the accounting policies on which the forecast information for the year ending 30 June 2014 has been prepared are based on the current New Zealand equivalents to International Financial Reporting Standards.

The measurement base adopted is that of historical cost, modified by the revaluation of land and buildings, biological assets and certain infrastructural assets and certain financial instruments. Reliance is placed on the fact that sufficient funds are available or will be received to maintain current operations at their current level. Accrual accounting is used to match costs of services provided against revenue.

These financial statements have been prepared in accordance with generally accepted accounting practice, with one exception. That exception is the Funding Impact Statements because they do not include depreciation. That exclusion is required by the Local Government Financial Regulations 2011. The financial statements fulfil the requirements of the Local Government Act 2002; comply with

FRS 42 Prospective Financial Statements, and other applicable financial reporting standards, as appropriate to public benefit entities.

These accounting policies have been consistently applied.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars. The functional currency of the financial statements is New Zealand dollars.

There are no standards, interpretations and amendments that have been issued, but are not yet effective, that Rangitikei District Council has not applied.

Foreign currency transactions are translated into New Zealand dollars at the exchange rate ruling at the date of the transaction. Any foreign exchange gains or losses resulting are shown in the surplus or deficit.

Particular Accounting Policies

Trade and Other Receivables

Accounts Receivable are stated at their fair value and subsequently measured at amortised cost using the effective interest method, after providing for the impairment of receivables. An estimate of impairment is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Creditors and Other Payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Revenue

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

Rates revenue is recognised when levied.

Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year end, are accrued on an average usage basis.

New Zealand Transport Agency roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Grants are recognised as income when the entitlement has been established by the grantor agency. Grants received are recorded as current liabilities to the extent that they have not been paid out.

Interest earnings are recognised using the effective interest method. Dividend earnings are recognised on an accrual basis net of imputation credits.

Sales of goods are recognised when the products are sold to the customer.

When a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue.

Borrowings and Borrowing Costs

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant Expenditure

Non-discretionary grants (those grants that Rangitikei District Council is committed to give where applicants meet the specified criteria) are recognised as expenditure when the application is received. Discretionary grants are recognised as expenditure when a successful applicant is notified of the decision to award the grant.

Cashflow Statement

The following definitions have been used for the preparation of the Statement of Cashflows:

Operating Activities: Transactions and other events that are not investing or financial activities

Investing Activities: Activities relating to the acquisition, holding and disposal of fixed assets and of investment, such as securities, not falling within the definition of cash

Financial Activities: Activities, which result in changes in the size and composition of the capital structure of the Council, both equity and debt not falling within the definition of cash

Plant Property and Equipment

Plant property and equipment consists of:

Operational Assets: including land and buildings, library books, office equipment, computer hardware, plant and vehicles

Infrastructural Assets: fixed utility, solid waste and roading assets owned by Rangitikei District Council

Plant property and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

Additions are at cost or, if acquired at no cost, fair value. The initial cost, and any subsequent addition or improvement, is only recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Rangitikei District Council, and the cost of the item can be reliably measured.

Disposals

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

Revaluation

Valuations of land and buildings and infrastructural assets are carried out every three years.

Any surplus on revaluation is credited to a revaluation reserve for that asset class, which is included in the equity section of the Balance Sheet, unless it reverses a revaluation decrease of the same class of asset previously recognised in the surplus or deficit.

Any revaluation deficit is recognised in the surplus or deficit unless it directly offsets a previous surplus in the same asset class in the asset revaluation reserve.

Upon disposal any revaluation reserve relating to the asset being sold is transferred to retained earnings.

Independent valuations are carried out with sufficient regularity to ensure the carrying amount does not differ materially from the fair value. All other asset classes are carried at depreciated historical cost.

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

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

Land and Buildings

Land and buildings, including waste transfer stations, were valued as at 30 June 2011 by Kerry Stewart (FPINZ, FNZIV) of Darroch Corporate Advisory.

After initial recognition at cost operation land and buildings and infrastructural assets are carried at revalued amounts, which is the fair value on the date of the revaluation. Fair value is the amount at which the assets could be exchanged between a willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date. Where no market exists for the asset, e.g. infrastructural assets, the fair value is deemed to be depreciated replacement cost.

Accounting for Revaluation

Infrastructural Assets

Infrastructural assets are fixed utility systems that provide a continuing service to the community, and are assets not generally regarded as tradable, such as roads, water, wastewater and stormwater systems. Infrastructural assets, apart from waste transfer stations, have been valued at fair value determined on an optimised depreciated replacement cost at the 30 June 2011.

Experienced independent valuers perform Rangitikei District Council's infrastructural asset revaluation.

For roading assets the valuation was carried out by Julian Watts (BAppSc – AgEng), Jayanthi Rangamuwa (BSc(Eng)) and Ian Marshall of GHD and reviewed by David Jeffrey (BBS ACMA) Principal Infrastructure Strategy Consultant at GHD Wellington.

For water, wastewater and stormwater the valuation was carried out internally by James Torrie (BE) of Rangitikei District Council and peer reviewed jointly by the following persons: Technical review by Robert van Bentum (BAgrSc, MPhil (Eng), CPEng, MIPENZ) of MWH NZ Ltd and Financial review by Brian Smith (BE).

It is Council's policy to revalue infrastructural assets every three years. Stormwater, wastewater and water assets have been valued using a "brown fields" approach, i.e. it assumes the surface above the pipes will need to be removed and then replaced.

Land under roads was valued based on the fair value of adjacent land as determined by Kerry Stewart (FPINZ, FNZIV) of Darroch Corporate Advisory as at 30 June 2011. Additions to assets between valuations are recorded at cost.

Total fair value of property valued by each valuer as at 30/06/2011	
	Council 2011 \$000
Kerry Stewart of Darroch Corporate Advisory (Land and Buildings)	18,710
Julian Watts of GHD (Roading Assets)	387,663
James Torrie of Rangitikei District Council (Infrastructure)	62,126
Kerry Stewart of Darroch Corporate Advisory (Land under roads)	42,439

These prospective financial statements have included revaluations of infrastructural assets and land and buildings at 30 June 2014.

Depreciation/Amortisation

Depreciation/amortisation is provided on a straight-line basis on all tangible and intangible assets other than land and road formation at rates calculated to allocate the assets cost or valuation less estimated residual value over their estimated useful lives.

Major Depreciation/Amortisation Periods

Fixed Assets

Buildings

Structure	5-61 years
Roof.....	5-15 years
Services	5-35 years
Internal Fit Out.....	5-15 years
Plant	30 years
Plant and Vehicles.....	5-15 years
Office Equipment.....	10 years
Computer Hardware	5 years
Software – intangible assets.....	3-5 years
Library Books	10 years

Decline in Service Potential (DISP) of Infrastructure Assets

The economic lives of infrastructural assets are very long and, as yet, uncertain. There are a number of factors that act on these assets to affect their economic lives. On-going efforts are underway to improve our knowledge on the condition of infrastructural assets.

Improvements have taken place in Rangitikei District Council's asset management data over the last year, particularly the data relating to its utilities services. The Council is now confident that the "straight line depreciation" approach provides a realistic result when used for calculating the annual decline in service potential (DISP) for all infrastructural assets.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Major Infrastructure Asset Depreciation Periods

Roads

Roads Top Surface (Seal).....	5-32 years
Pavement (Basecourse)	
Sealed	25-70 years
Unsealed	5-25 years
Formation.....	Not depreciated
Culverts	50-100 years
Footpaths	20-80 years
Drainage Facilities	80 years
Traffic Facilities and Miscellaneous Items	5-10 years
Street Lights	25-50 years

Bridges 50-100 years

Water Reticulation

Pipes.....	40-100 years
Pump Stations	4-120 years
Pipe Fittings.....	80 years

Wastewater Reticulation

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

Stormwater Systems

Pipes.....	50-100 years
Manholes, Cesspits	100 years

Waste Transfer Stations 50 years

Measurement Base

Capital Expenditure: Expenditure on new or additional assets that have been acquired or constructed with the intention of being used on a continued basis (more than 12 months).

Renewal Expenditure: Expenditure of a significant nature that is expected to increase the service potential of an existing infrastructural asset. This may include significant repairs or replacement. All renewal expenditure is capitalised and added to the value of the asset.

Maintenance Expenditure: Expenditure that is required to maintain an asset in its current state and where, as a result of the expenditure, there is no additional future benefit. All maintenance expenditure is expensed in the year in which it has occurred.

Intangible Assets

Computer software: Acquired computer software is capitalised on the basis of the cost incurred to buy and bring the software to use. Costs are amortised over the useful life of the software, which is between three and five years.

Easement costs: are not considered material and any costs are written off in the year they are expended.

Impairment of property, plant and equipment and intangible assets

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

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

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 the revaluation reserve. 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 total impairment loss is recognised in the surplus or deficit.

Rangitikei District Council's assets do not generate direct cash inflows, and cannot therefore use the profitability of cash generating units to assess if impairment has occurred. Rangitikei District Council instead annually tests for internal and external factors, which may indicate that the carrying value of its assets exceeds depreciated replacement cost, which could indicate that impairment has occurred.

If any such indication exists and where the carrying values are found to exceed the estimated recoverable amount or depreciated replacement cost, the assets are written down to their depreciated replacement cost.

Provisions

Where there is uncertainty over the amount and timing of a future liability, and Rangitikei District Council has a present obligation to meet that liability, and where the amount can be reliably estimated and it is probable that expenditure will be required to settle the obligation, then Rangitikei District Council recognises a provision. The provision is measured at the present value of the expenditure using a pre-tax discount rate based on the time value of money and risks specific to the obligation. The landfill aftercare provision detailed in the next paragraph is the only such provision currently recognised by Rangitikei District Council.

Landfill Post Closure Costs: Rangitikei District Council has a legal obligation to provide an on-going maintenance and monitoring service at its closed landfills. A provision for post closure cost is recognised as a liability when the obligation for post closure arises.

The provision is measured based on the present value of future cashflows 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.

Goods and Services Tax

All items in the financial statement are exclusive of GST with the exception of accounts receivable and payable, which are stated GST inclusive. Where GST is not recoverable as an input tax credit then it is recognised as part of the related asset or expense.

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Income tax, in relation to the current surplus or deficit, is made up of current and deferred tax.

Current tax is the income tax payable on the taxable surplus for the year, plus or minus any adjustments to previous years. It is calculated using rates that have been enacted or substantively enacted by the balance date.

Deferred tax is the amount of income tax payable or recoverable in future years due to temporary differences and unused tax losses. Deferred tax liabilities are recognised for all temporary differences, but deferred tax assets are only recognised where it is likely that future surpluses will enable those assets to be realised. Deferred tax is calculated at the tax rate likely to apply in the period the asset or liability is realised.

Current tax and deferred tax are charged to the surplus or deficit, except when it relates to items charged or credited directly to equity, when it will be dealt with in equity.

Inventories

Inventories are valued at the lower of cost (determined on a first-in first-out basis) and current replacement cost. This valuation includes allowances for slow moving and obsolete inventories. Any write-downs from cost to current replacement cost are included in the surplus or deficit.

Financial Assets

The Council classifies its financial assets into four categories:

- 1 Financial assets at fair value through profit or loss.
- 2 Held to maturity investments.
- 3 Loans and receivables.
- 4 Financial assets at fair value through equity.

The classification depends on the purpose for which the assets were acquired and is reviewed at each balance date.

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

Purchase and sales of investments are recognised on trade-date, the date on which Rangitikei District Council commits to buy or sell the asset. Financial assets are derecognised on the date when the right to receive cash flows from the asset has expired or been transferred, and the Rangitikei District Council has substantially transferred the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on the quoted bid price at balance sheet date.

The fair value of financial instruments not traded in active markets is determined using valuation techniques.

The four categories of financial assets are:

- 1 Financial assets at fair value through profit and loss. There are two sub-categories - financial assets held for trading and those designated at fair value through profit and loss. At present Rangitikei District Council does not hold any financial assets in this category.
- 2 Held to maturity investments. These are assets with fixed or determinable payments and fixed maturities that Rangitikei District Council intends to hold to maturity. After initial recognition they are measured at amortised cost. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.
- 3 Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Rangitikei District Council's loans and receivables comprise cash and cash equivalents, debtors and other receivables, term deposits, community and related party loans.

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

At present Rangitikei District Council **have loans** to Community Groups.

- 4 Financial assets at fair value through equity, financial assets which are not in any of the above categories. They include Investments held long term but which may be realised before maturity and shareholdings Rangitikei District Council holds for strategic purposes. Investments in this category include New Zealand Local Government Insurance shares and corporate bonds.

After initial recognition, these investments are carried at fair value. Gains and losses are recognised in equity, except for impairment losses, which are recognised in the surplus or deficit. In the case of impairment, any cumulative losses previously recognised in equity will be taken to profit and loss, even if the asset has not been derecognised. On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the surplus or deficit.

Impairment of financial assets

At each balance sheet date, Rangitikei District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Impairment of a loan or a receivable is established when there is objective evidence that Rangitikei District Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the

receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock and related party and community loans is established when there is objective evidence that the Rangitikei District Council will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy and default in payments are considered indicators that the instrument is impaired. Impairment losses are carried into the surplus or deficit.

For equity investments classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) is removed from equity and recognised in the surplus or deficit. Impairment losses recognised in the surplus or deficit on equity investments are not reversed through the surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents include cash in 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 surplus or deficit.

Biological Assets

Forestry assets are revalued annually by an independent valuer, at fair value less point of sale costs. Fair value is determined based on the present value of expected cash flows discounted at a current market determined pre-tax 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.

Any gains or losses in valuation are taken to the surplus or deficit. They are then transferred to an operational reserve, as it is not considered prudent to use these gains before they are realised.

The costs to maintain the forestry asset are included in the surplus or deficit.

Equity

Equity is the community's interest in the parent and group as measured by total assets less total liabilities. Public equity is segregated and classified into a number of reserves to enable clearer identification of the specified uses that the Council and the group make of its accumulated surpluses. The components of equity are:

- Accumulated funds
- Reserve and special funds
- Trusts and bequests
- Special funds
- Council-created reserves
- Asset revaluation reserves
- Fair value through equity reserve

Reserves

Reserves are a component of equity representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Rangitikei District Council.

Restricted reserves are those reserves subject to specific conditions accepted as binding by Rangitikei District Council and which Rangitikei District Council 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.

Rangitikei District Council created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

A. Special reserves that have interest credited to include:

- 1 Land subdivision reserves
- 2 Library reserve
- 3 Bulls Domain
- 4 McIntyre Domain
- 5 Hunterville Water
- 6 Putorino Water
- 7 Ratana Water
- 8 Santoft Domain

B. Special reserves that do NOT have interest credited to include:

- 1 Swimming Pools reserve
- 2 Road Flood Damage
- 3 General Purpose
- 4 Keep Taihape Beautiful
- 5 Rural Housing
- 6 Revoked Reserves Land
- 7 Marton Marae Fund

Funding Impact Statements

The funding impact statements report the net cost of services for significant activities of Rangitikei District Council, and are represented by the cost of providing the service less all revenue that can be allocated to these activities.

Cost of Allocation

Rangitikei District Council has derived the net cost of service for each significant activity of the Council using the cost allocation system outlined below.

Cost Allocation Policy

Direct costs are charged directly to significant activities. Corporate overheads are charged to significant activities based on income and expenditure drivers.

Criteria for Direct and Corporate Overheads

The cost of all service and technical support units of Rangitikei District Council have been allocated in full to the significant activities.

“Direct costs” are those costs directly attributable to a significant activity. This includes staff time and incorporates the full costs to Rangitikei District Council of employing those staff.

“Corporate overheads” are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Leases

In an operating lease, where the lessors effectively retain all substantial risks and benefits of ownership of the leased item, lease payments are charged as expenses in the periods in which they are incurred.

Rangitikei District Council does not have any finance leases - where the risks and rewards incidental to owning an asset are substantially transferred to the lessee.

Non-Current Assets held for Sale

These are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets for sale are held at the lower of their carrying amount and fair value less costs to sell. Impairment losses are recognised in the surplus or deficit and increases in fair value (less costs to sell) are recognised up to the level of any previously recognised impairment loss. They are not depreciated or amortised.

Employment Benefits

Employee benefits that Rangitikei District Council expects to be settled within 12 months of balance date are measured on nominal values based on accrued entitlements at current rates of pay. These include accrued salary and wages, accrued holiday pay and long service leave.

Rangitikei District Council does not make a provision for sick leave to the extent that absences in the coming years will exceed the annual entitlement of staff as calculations show any amounts involved are likely to be immaterial.

Long Service Leave

Entitlements that are payable beyond 12 months, such as long service leave, 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. The amount is not material to the accounts as few staff members are actually entitled to long service leave so no actuarial basis has been used.

Superannuation schemes

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

Rangitikei District Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the board of trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Presentation of Employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities 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.

Critical accounting estimates and assumptions

In preparing these financial statements, Rangitikei District Council has made estimates and assumptions concerning the future, which may or may not be the same as the actual. Estimates and assumptions are continually evaluated and are based on historical experience and what is considered to be a reasonable expectation of future events. Areas of uncertainty where assumptions have been made are:

Landfill aftercare provision

Infrastructural assets – A number of assumptions have been made:

- The actual condition of an asset may not reflect the value that Rangitikei District Council carries that asset in its books. This is particularly so for assets which are underground and difficult to assess the actual condition of, such as water, wastewater and stormwater assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates of the useful remaining lives of an asset. These will naturally vary with such things as soil type, rainfall, amount of traffic, natural disaster and other things. Rangitikei District Council could be over or under-estimating these, but is obviously making assumptions based on the best knowledge available.

Critical Judgements in applying Rangitikei District Council's Accounting Policies

Management has exercised the following critical judgement in applying its accounting policies for the year ending 30th June 2014. Rangitikei District Council owns a number of properties maintained primarily to provide community housing. These are not held as investments but to provide a service to the community. Therefore the properties are shown as part of Plant, Property and Equipment.

Change in Accounting Policies

These accounting policies are applied in a consistent manner.

Statement of Prospective Financial Information

These prospective financial statements were authorised for issue by the Rangitikei District Council on 30 May 2013. 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 69) may lead to a material difference between information in the prospective financial statements and the actual financial results prepared in future reporting periods. The Council's planning processes are governed by the Local Government Act 2002. The Act requires the Council to prepare a ten-year long-term plan ("the LTP") every three years and an annual plan which updates the LTP by exception in the intervening years. This is the Rangitikei District Council's annual plan for the period ending 30 June 2014 and it is prepared in accordance with the Act. Caution should be exercised in using these financial statements for any other purpose.

Significant forecasting assumptions

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

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
1. Government			
That the current Territorial Authority boundaries are unchanged i.e. that Rangitikei District continues to be a separate administrative entity	A government drive towards amalgamation sets aside the normal processes for communities to determine the boundaries for their local government. The Council will waste time and money worrying about this.	Medium	The local services provided by the Council will still need to be provided locally, so the cost of the service provision is unlikely to change significantly.
That the regulatory functions assigned to local councils will not be centralised.	The government will centralise (or regionalise) some regulatory functions of local councils. Council invests resources to continue a function, or divests resources to discontinue a function, and the change does not proceed as planned.	Medium	There has been vacillation over these discussions. The impact on Council is that budget projections for such functions may prove to be inaccurate.
Levels of Service – Changes in government legislation and regulation will impact on assets development and operating costs and that Council has anticipated and/or planned for these changes.	That Council will overlook an important piece of regulation or legislation in its planning, or that the impact of new regulations/legislation has not been identified.	Low	Information circulated within the sector makes it unlikely that such an oversight would occur.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
That implementation of the Drinking Water Standards remains mandatory for the Council's water supply schemes (from July 2014 to July 2015, depending on their size)	<p>The implementation dates for mandatory compliance are brought forward or Council does not achieve compliance with its six urban water supply schemes by the amended prescribed dates.</p> <p>Financial penalties could be imposed, and a revised capital programme (i.e. adjusted priorities) or increased borrowing to enable the prescribed dates to be met.</p>	Low	Council has committed to an upgrade programme which will enable compliance to be gained by the prescribed times.
That the rules established under the Emissions Trading Scheme will not change.	That the amount of acreage eligible for exemption or inclusion in the ETS changes to include/exclude Council.	Low	Council's forestry holdings are minor. The greatest financial liability would come from a decision not to replant – this has been estimated as \$646,000.
That there will be increasingly rigorous standards for earthquake strengthening of public buildings, particularly in the District's CBDs.	That the additional requirements to meet higher standards for earthquake proofing will require strengthening or demolition of many Council buildings, affect the viability of local businesses, cause a loss of heritage buildings and increase costs to the ratepayer.	Medium	Strengthening the Marton Council offices and library building or demolishing them and relocating operations to other safer premises (or new ones) would present major costs. Possible sources of funds are government subsidies (if available), increased debt, or reprioritisation of major capital works.
Resource Consents – Conditions on Council's resource consents renewals will be met and all consents will be renewed.	<p>That conditions on resource consents are changed to the point that the investment required from the community is too high/unaffordable.</p> <p>Council may face substantial fines (and even litigation) for continuing non-compliance. Investigations before resource consent is granted may push upgrade costs beyond what has been budgeted.</p>	Low/ Medium	Council has committed to a capital programme which sets targets for compliance for all discharges. There is a strong co-operative working relationship between staff at Rangitikei and Horizons, essential to secure the most cost-effective technical solution for each site.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
NZTA will approve the programmes proposed for minor improvements and bridge replacements	The programmes will not be approved. This risk is greater for the proposed bridge replacement programme as these are deemed capital works by NZTA and are prioritised on a regional basis.	Low/ Medium	The projected rates requirement for the local share of either (or both) of these programmes will not be used.
NZTA subsidy levels (i.e. the Financial Assistance Rate or 'FAR' of 58% (for road resealing, road rehabilitation, drainage and general maintenance) and 68% (for the minor improvements and bridge replacement programmes) remain as at present and that the specification will not change (including the current higher rates for emergency work).	NZTA will decrease the level of subsidy and alter the specification for subsidies. The consequence of this would be that the ratepayer contribution to roading costs may become greater than forecast – impacting on other services or increasing the overall rates requirement or requiring a reduction in the level of service for roading.	Low	NZTA commits to a three-year programme, so change is unlikely during that time.
The Government subsidy of rates for ratepayers on low income will remain at current levels.	The Government reduces or abolishes this ratepayer subsidy.	Medium	The tight economic climate makes this subsidy vulnerable, particularly if it is viewed as a means by which local councils can set a higher level of rates than would otherwise be the case.
2. Demographics			
Population Change – The population of the District will decline in accordance with Statistics NZ medium projection. This equates to a decline of 500 people every five years	There is a possibility that the decline in population is substantially more than that projected by Statistics NZ. A smaller risk is that the District experiences a population increase over the ten-year period. This could mean over- or under-provision of facilities and services. A greater than expected population decline would increase pressure on remaining ratepayers.	Low	Previous projections from Statistics New Zealand have proved reasonably accurate for the Rangitikei.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
Ageing population – The average age of the population of the District will continue to increase and this will impact upon the Level of Service in most activity areas.	The risk is that this age group leaves the District to establish themselves in larger service centres in anticipation of the need for services. Investment in upgrade or replacement of community facilities may prove to be mis-targeted.	Low	The ageing population trend is demonstrated over a substantial period, is reflected at the national level.
That the community's resilience to recover from events such as natural disasters is adequate.	That the community is not able to respond to or recover from a major event. The current level of community resilience may be compromised by the severity and/or frequency of major events and by the declining and ageing nature of the local population. People may leave the District permanently, meaning a reduced ratepayer base.	Low/ Medium	Council has recognised the need to invest in activities that promote community cohesion and resilience, not least to ensure it is able to provide emergency management and rural fire services. The new Community Well-being Group of Activities attempts to focus on some of the factors affecting community resilience.
Numbers of households – the number of households will not decrease by more than 5%	The number of households decreases by more than 5%.	Low	Previous projections on household numbers in the Rangitikei have proved reasonably accurate.
Skills Shortage: There will be no significant impact on the Council's ability to deliver programmes and projects as a result of a skills shortage.	That there will be a problem in securing critical skills to keep the Council's planned activities on track.	Medium	The impact of rebuilding Christchurch on recruitment and retention of skilled staff and engaging contractors with proven competency is not yet clear. It may cause these costs to rise.
3. Physical and natural environment			
Climate change - An increasing number of storm events will mean greater damage to the roading network, heavier demand on stormwater systems and more call on staff and volunteers to be available for emergency management and rural fire activities	That severe storm events occur so frequently or so close to one another that Council is unable to fund all the necessary repairs in a reasonable time without breaching its liability management policy. Capital work on water and wastewater plants may be delayed and mean Council is non-compliant.	Low/ Medium	Storm events are occurring more frequently and erratically. Borrowing beyond the parameters in the Council's liability management policy could pose issues of prudent management.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
<p>Fuel prices will rise in line with BERL projections, allowing the present use of roads as the predominant mode of transport within the District for goods and people will continue to be viable.</p>	<p>Petrol and diesel could become increasingly unaffordable marginalising businesses (including farms) remote from the larger centres of population and access to rail. Agricultural production prices would rise.</p> <p>The ratepayer base could fall as a result.</p>	Low	<p>BERL estimates have been carefully researched. However, there has been a historical volatility to petroleum prices on the world market.</p>
<p>Natural Disasters – All natural disasters requiring emergency work will be funded out of normal operating budgets or reserves created for this purpose or (in the case of infrastructure) Council’s insurance policies or government subsidies for emergency work on roads.</p>	<p>That there will be a major natural disaster requiring significant additional unbudgeted expenditure and financing.</p> <p>The present high level of government subsidy for emergency roading works may be reduced.</p> <p>Council may not be able to obtain (or afford) insurance sufficient cover for its infrastructure assets.</p> <p>Currently Council is part of a mutual insurance scheme with the local assurance protection programme for below ground assets.</p>	Medium	<p>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.</p>
4. Financial environment			
<p>Inflation – The financial information is based on inflation figures from 2013/14 onwards using the BERL indices for inflation²⁶.</p>	<p>That inflation (CPI) is greater than predicted or that operational costs do not vary in line with the BERL estimates.</p>	Medium	<p>The current economic conditions mean such predictions are somewhat unreliable.</p>

²⁶ Figures used in this printed document have been calculated using the Forecasts of Price Level Change Adjustors produced by BERL in September 2011.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
Interest on external borrowing is calculated at 5.15% for the first year, 5.70% for the second year, 6.75% for the third year, and 7.10% thereafter. Interest on Council's few remaining investments averages 6.3%.	That interest rates will change from those used (as provided by the Council's banker). Actual costs of external borrowing may be higher than projected. However, because Council borrows in tranches, the impact of higher rates will normally be small in comparison to the total interest being paid in any one year.	Medium	The current economic conditions mean such predictions are somewhat unreliable.
Revaluation of assets – for 2014, 2017 and 2020 are based on projections from BERL. The annual revaluation of forestry assumes that trees will be replanted at the same rate as those logged (so the value remains the same over the ten years).	That the BERL estimates are greater or less than the actual rates of inflation for those assets. That the rate of replanting and logging do not align.	Medium	BERL's estimates have been carefully researched – but they are made in an uncertain economic climate. Weather conditions may make alignment of replanting and logging difficult to achieve in some years.
Capital Works Contracts – There will be no variations in terms of price and performance of capital works programmes.	There is significant change in price levels of capital works programmes which may affect the affordability and/or level of service provided.	Low	Council's capital works contracts have tight provisions governing price variations.
That Council will be able to obtain collaboration contracts for roading allowing the Level of Service to be provided at constant prices three years at a time.	That the inflationary costs associated with roading cannot be absorbed into collaborative fixed price contracts and that there is unbudgeted expenditure associated with these inflationary increases.	Medium	The current economic conditions mean such predictions are somewhat unreliable.
That increases in prices for roading will align with the NZTA 4% inflation factor on a three yearly cycle.	That the NZTA inflation factor is insufficient to cover the real inflationary costs associated with and that there is unbudgeted expenditure associated with these inflationary increases.	Medium	The current economic conditions mean such predictions are somewhat unreliable.
5. Council performance			
Levels of Service – Changes in customer expectations regarding	That Council has not consulted adequately with communities to understand fully their	Low	There has been significant pre-consultation work to identify customer

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
level of service will impact on assets development and operating costs, and that Council has anticipated and/or planned for these changes.	expectations and so has planned to deliver Levels of Service that are not acceptable to the ratepayer (too high or too low).		expectations on levels of service.
Liaison with Māori – that there will be progressive inclusion and engagement of Iwi and Māori.	The urgency and extent of engagement will be viewed differently by the partners: proposals for change may create tension and ill-feeling which will be counter-productive. Joint ventures (Council and Iwi) may fail.	Medium	The Ngāti Apa claim was settled in 2010 and it is anticipated that WAI 2180 (concerning Iwi around Taihape) will be settled well before 2022. However, there is uncertainty on the extent to which Iwi whose Waitangi claims are settled will seek to collaborate and partner with the Council.
Replacement of existing assets does not mean an increase in levels of service, unless otherwise stated	Technological advances in replaced assets or higher national standards lead to increase levels of service.	Low	Such changes would typically be highlighted in a report to Council seeking approval for the upgrade or replacement.
Useful lives of assets are described in the Statement of Accounting Policies and have been derived from accurate predictions contained in the Asset Management Plans	That information about the condition of assets that informs their useful life may not be accurate. There will be insufficient (or excessive) provision of depreciation.	Medium/ High	Asset data is incomplete, and the asset management plans need further improvement. The financial impact of this uncertainty is that: <ul style="list-style-type: none"> • Major previously unknown faults are identified needing urgent attention; • Information/data required to plan for future demand is not sufficiently accurate to ensure adequate provision ie 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.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and Financial Effect of Uncertainty
<p>Depreciation rates on planned asset acquisitions – the average lifespan of assets has been used to calculate rates as stated in the note on depreciation in the Statement of Accounting Policies.</p>	<p>Once costs for specific items are known, the depreciation may turn out to have been over-/under-stated.</p>	<p>Low</p>	<p>Because of the long lifespan of infrastructural assets, any changes in actual depreciation compared to forecast should be minimal.</p>
<p>Funding Sources for the future replacement of significant assets disclosed in the Revenue and Financing Policy are achievable.</p>	<p>Some user charges may not be achievable. Ratepayers may press for a different ‘mix’.</p>	<p>Low</p>	<p>There has been considerable work in modelling funding sources in preparing for the 2012/22 LTP.</p>
<p>Technology – Council will not integrate untested or experimental technology (including computer hardware, software, plant or devices) where it may significantly impact on the delivery of Council services.</p>	<p>Funding requirements for upgrades or migration to new systems may be greater than budget.</p> <p>Council may be unresponsive to market developments, becomes ‘stuck’ with outmoded technology and a declining level of technical support, does not use technology which aligns well with the community’s expectations and preferences or implements technological change which is unsuccessful.</p>	<p>Low</p>	<p>Council’s track record in implementing technology gradually makes these risks unlikely. Major upgrades would always be subject to formal consideration and Council’s procurement policy requirements.</p>
<p>Shared Services Arrangements:</p> <p>Rangitikei District Council will continue to seek shared services arrangements where the needs of the community are best served by such arrangements.</p>	<p>Existing Shared Services arrangement may prove less attractive than when they were entered into. The cost and the needs of the Rangitikei community may not best served by such arrangements.</p>	<p>Low</p>	<p>These arrangements are typically flexible and have exit provisions.</p>

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