



Rangitikei
UNspoilt...

Rangitikei District Council

Annual Report 2015/16

Adopted 29 September 2016



Council's Parks team, Broadway, Marton

Contents

Section 1: Introduction	1
Role of the Annual Report.....	2
Executive Summary.....	3
Audit report.....	6
Who Are We?	9
Your Elected Members	11
Your Representatives	12
Mission Statement	13
Council’s Role	13
Statement of Compliance and Responsibility	18
Section 2: Significant Activities	19
Council Outcomes	20
Performance Reporting.....	21
Community Leadership	24
Roading and Footpaths	29
Water Supply.....	38
Sewerage and the Treatment and Disposal of Sewage	49
Stormwater Drainage	56
Community and Leisure Assets	61
Rubbish and Recycling.....	68
Environmental and Regulatory Services	71
Community Well-being	75
Section 3: Financial Statements and Policy Reports.....	81
Whole of Council – Funding Impact Statement	82
Statement of Comprehensive Revenue and Expense.....	83
Statement of Changes in Net Assets/Equity	84
Statement of Financial Position	85
Statement of Cashflows	86
Council-Controlled Organisations (CCO)	87
Notes to the Financial Statements.....	88
Benchmarks Disclosure Statement	137
Section 4: Other Information	145
Contact Details	147
Development of Māori capacity to contribute to decision-making processes.....	148
Methodology used in determining water loss from the Council’s networked reticulation system	150
Statement of Resources.....	154
Section 5: Index.....	155
Index.....	156

Note: Pagination differs from the copy signed by the Council and Audit New Zealand because the Audit report is shorter (by two pages) than allowed for in that signed copy.



Okirae Road – impact of storm event, 20-21 June 2015



Rangitikei District Council

Section 1: Introduction

Role of the Annual Report

This report has been prepared pursuant to sections 98 and 99, and Schedule 10 Part 3 of the Local Government Act 2002. The purposes of the Annual Report are twofold. First is to compare the actual activities and performance of Council in each year with the intended activities and intended levels of performance as set out in respect of the year in the Long Term Plan or Annual Plan. Second is to promote the Council's accountability to the community for the decisions it has made during the year.

This Annual Report is broken into four sections:

Section 1 Introduction

Provides an Overview of the Report.

Section 2 Significant Activities

Provides information on the Community Outcomes and summarises what Council has achieved in each group of activities, including performance indicators.

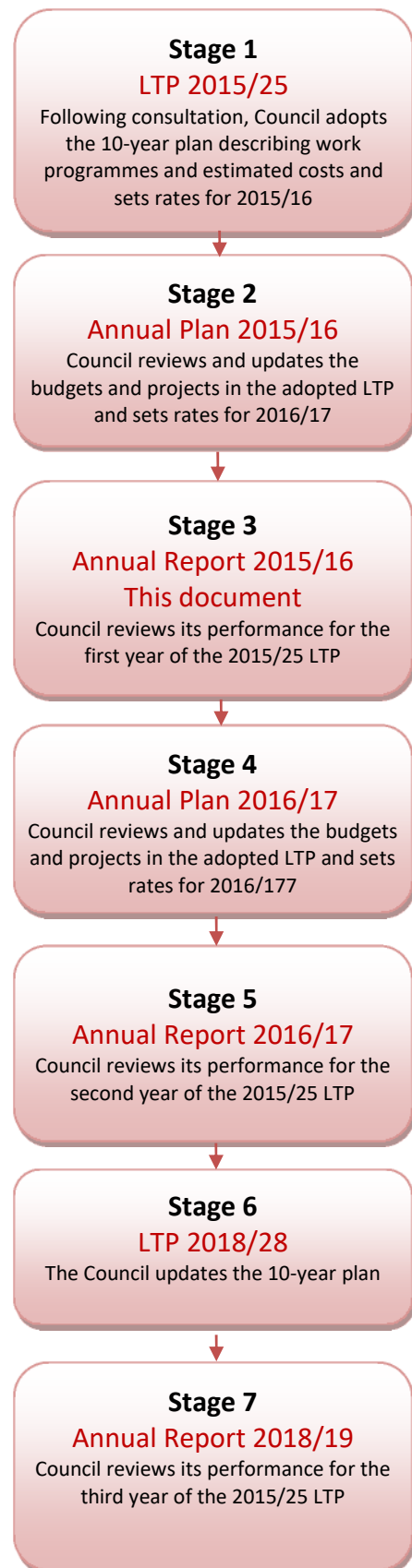
Section 3 Financial Statements and Policy Reports

Key financial statements and reports against Council policies including the Financial Strategy and the Revenue and Financing Policy in the Long Term Plan (LTP), and the Liability Management and Investment Policies.

Section 4 Other Information

Other information, including summary information about the Rangitikei District Council.

An Annual Report must be adopted within four months after the end of the financial year to which it relates.



Executive Summary

The Annual Report

The Annual Report is an essential accountability document. It sets out to explain the Council's performance in year 1 against the Long Term Plan 2015/25, and against the various legislative and accounting requirements under which the Council is required to operate.

This Annual Report is prepared according to Sections 98 and 99 and Part 3 of Schedule 10 of the Local Government Act 2002. The Annual Report measures the Council's performance for the period 1 July 2015 to 30 June 2016. As well as financial results, the Annual Report includes results of the performance measures set out in the Long Term Plan 2015/25.

Financial Performance

The statement of comprehensive revenue and expense shows operating expenditure was over budget by \$3.50 million while revenue was higher than budget by \$4.34 million, resulting in a surplus of \$1.55 million against a budget of \$0.71 million. The variances in revenue and expenditure are largely due to extensive subsidised work as a result of the June 2015 storm event.

More detailed analysis of variances is presented in note 31 of the financial statements and in the commentary on the various groups of activities.

Financial Position

Council had net assets of \$471 million, largely represented by property, plant and equipment of \$464 million.

Because of a significant underspend in capital work of \$7.5 million there has been no need to borrow further during the year. This puts the Council in a sound financial position to move into the new financial year and undertake the 2016/17 annual plan budget for capital work amounting to \$32 million.

Major achievements

- Restoring the roading network after the June 2015 storm event;
- Securing agreement with Midwest Disposals that leachate would not be accepted at the Marton wastewater treatment plant after 31 December 2017;
- Progressing the development of a new multi-purpose community centre in Bulls on the former Criterion Hotel site;
- Improving the standard of care across the Council's parks, reserves and cemeteries by using a dedicated staff team supported by specialised contractors;
- Securing government funding for a community resilience study focussing on the Whangaehu Valley and for a pre-feasibility study for a Tutaenui rural water supply scheme;
- Investigating (jointly with Manawatu District Council) the feasibility of establishing a Council Controlled Organisation to improve the benefits to both organisations from the current infrastructure shared service.

Levels of Service

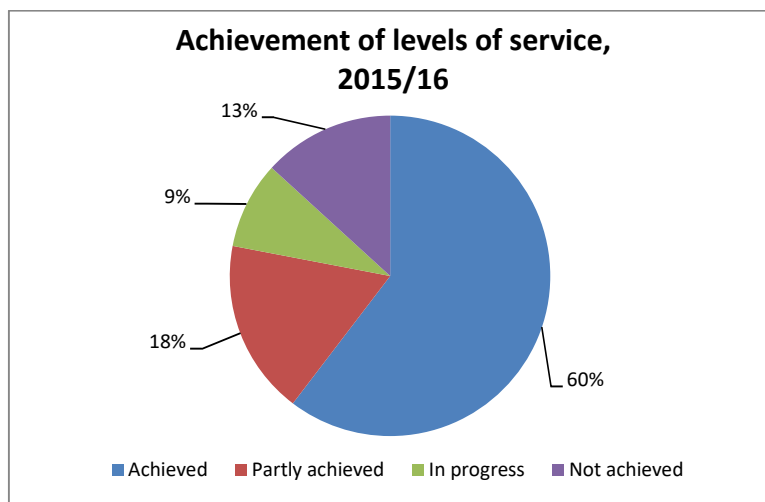
This report documents results for 40 intended levels of service across the nine activity groups.

An overall assessment of the actual levels of service compared with what was intended has a less certain basis than measuring financial performance because qualitative as well as quantitative information is used. However, the annual surveys of residents and stakeholder groups are subject to a sensitivity analysis¹.

The performance framework was reviewed as part of the preparation of the 2015-25 Long Term Plan and is considerably different from earlier years. This is because it includes the 16 mandatory performance measures for roading, water supply, wastewater and stormwater specified for all local authorities by the Department of Internal Affairs (in keeping with a requirement in the Local Government Act 2002, which took effect from 31 July 2014). Some of these measures required modification to existing systems (for customer satisfaction reporting); others required new systems (for reporting consumption of water and loss from reticulation). The mandatory measures were chosen to cover aspects of infrastructure services which every local authority delivers; there are other aspects which are not common to all authorities, such as unsealed roads or rural (non-potable) water schemes. New measures were introduced into Council's performance framework to cover such services.

Other measures were retained to provide comparability with earlier years.

The following chart shows that 60% of the intended levels of service were fully achieved, 27% were partly achieved or in progress, while 13% of the intended levels of service were not achieved². This is an improved result compared with last year.³



Of the 11 mandatory measures⁴ where the measure is applicable and data is available, 6½ were fully achieved, 3 were partly achieved, one was in progress and 1½ were not achieved. These were the response times to requests for service in roading and the lack of adequate protozoa documentation

¹ See page 24.

² This excludes those measures where the data was not available (one mandatory measure in roading, one measure for loss in rural water schemes, and one measure for use of libraries) or the measure was not applicable (three mandatory measures) in stormwater.

³ 50% achieved, 19% partly achieved, 31% not achieved.

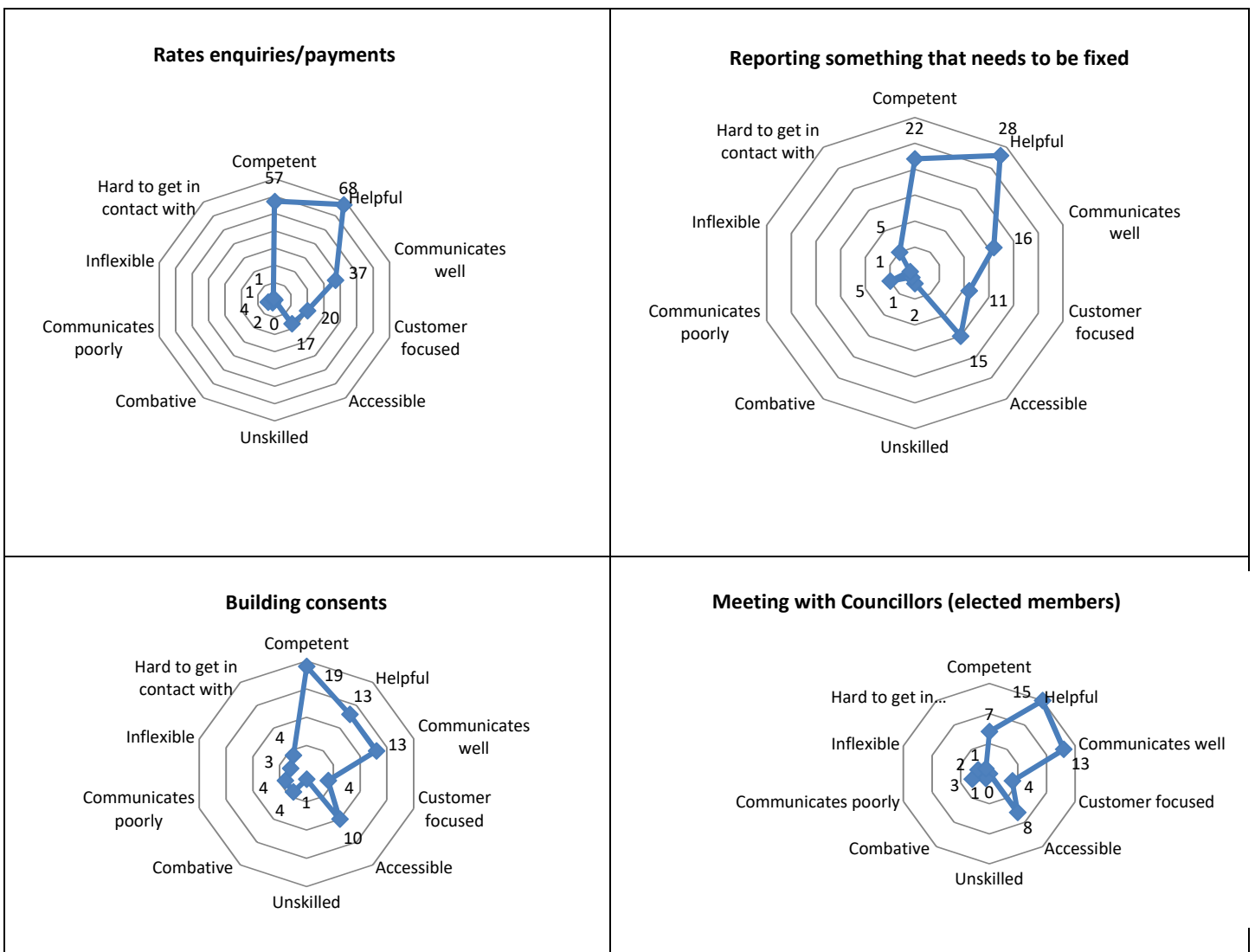
⁴ There are two components of the drinking-water measure.

for the drinking water supplies (although there was no issue with e-coli – the other half of the drinking-water measure).

Details for each group of activities are provided in section 2.

The survey of residents (used to measure what people think of the District’s roads and community facilities (i.e. libraries, pools, parks, halls, toilets, and community housing) were also used this year to gauge views about how people felt about how Council related to them in providing different services. To do this, survey respondents were presented with selected services areas⁵ and ten customer values; they were asked to select up to three service areas and three customer values per service area. Generally, most people felt that they had met with a positive reception from their interaction with Council staff/Elected Members.

Radar graphs showing the results for four service areas are given below.



⁵ Rates enquiries and payments, reporting something to be fixed, booking a Council facility, animal control, dog registration, liquor licensing, food premises registration, resource consents, building consents, information centres, meeting with Councillors.

Audit report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Rangitikei District Council's annual report for the year ended 30 June 2016

The Auditor-General is the auditor of Rangitikei District Council (the District Council). The Auditor-General has appointed me, Debbie Perera, using the staff and resources of Audit New Zealand, on her behalf, to:

- audit the information included in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the audited information);
- report on whether the District Council has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Opinion on the audited information

In our opinion:

- the financial statements on pages 85 to 137:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2016;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards;
- the funding impact statement on page 84, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;
- the levels of service on pages 27 to 79:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 30 to 82, presents fairly, in all material respects, actual capital expenditure as compared to the

RDC 2016 unmodified audit opinion

budgeted capital expenditure included in the District Council's [Long-term plan OR annual plan];

- the funding impact statement for each group of activities on pages 30 to 81, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Compliance with requirements

The District Council has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 30 to 145 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information.

Our audit was completed on 29 September 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the audited information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;

- determining the appropriateness of the reported levels of service within the District Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the District Council complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, we have no relationship with or interests in the District Council.



Debbie Perera
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand

Who Are We?

District Profile

The Rangitikei District comprises 4,500 square kilometres of mainly lush, rural land. It is a diverse district, ranging from the sand plains on the south coast – which stretch inland almost as far as Bulls – to the magnificent hill country of the upper Rangitikei. The District is characterised by its hills, which comprise 50% of the land.

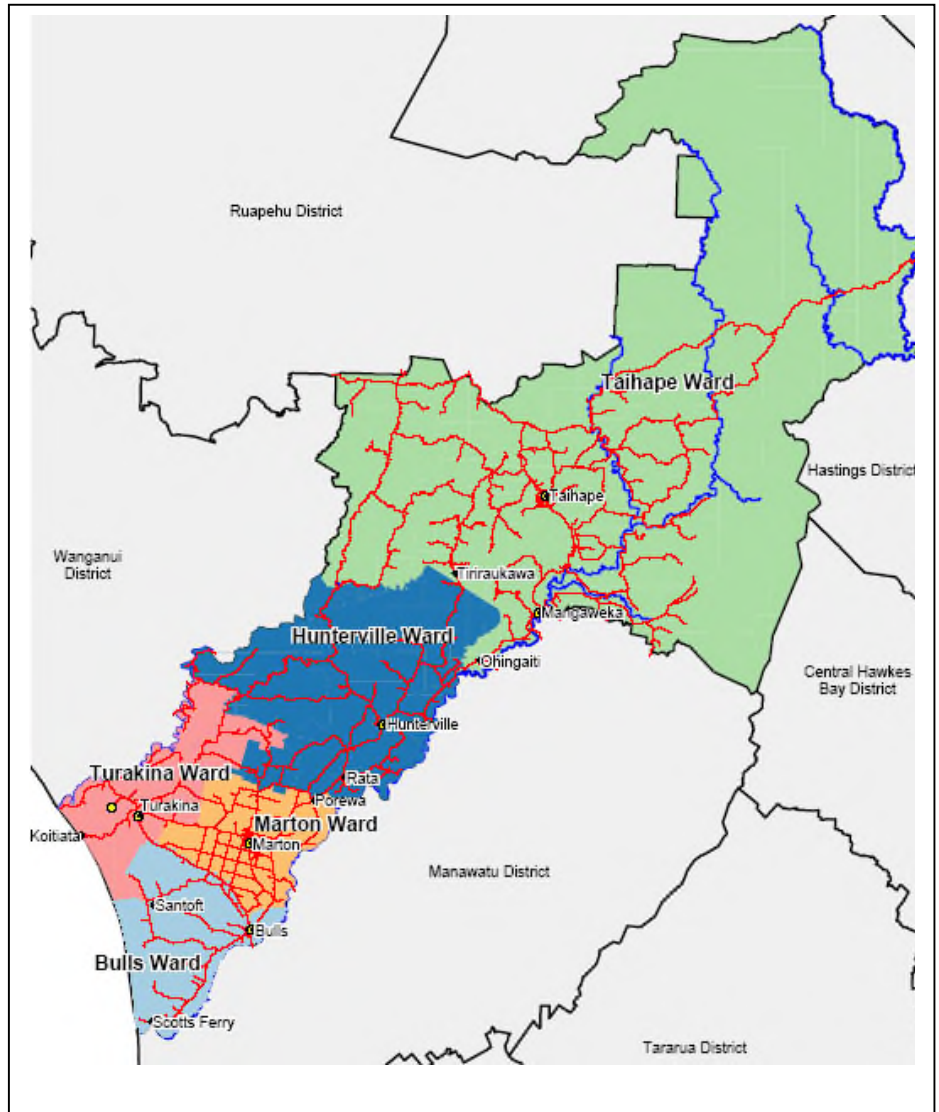
The Rangitikei River is one of New Zealand's longest rivers, starting in the Kaimanawa Ranges and flowing out to the Tasman Sea.

Demographic and Social Features

The 2013 Census was held on 5 March 2013, which showed a usually resident population of 14,019 (compared to 14,712 at the 2006 Census).⁶ There were 3,453 Maori recorded in 2006, and 3,270 in 2013. This showed a declining population, but at a slower rate since 1996. The long-term projections had been for a continuing decline, to around 12,300 by 2043.

However, the most recent estimated population for the District, as at June 2015, is 14,700 – up 100 from June 2014. This change will be primarily the effect of the recent growth in the Samoan community in Marton.

The number of occupied dwellings at the 2006 census (5,739) increased, up by 0.8% compared with a decline of 3.4% at the 2001 census, and up again slightly in the 2013 Census (5,773). However, the number of unoccupied dwellings has increased more rapidly – 768 in 2006 to 912 in 2013.



⁶ The census planned for March 2011 was cancelled, because of the February earthquake in Christchurch. It was re-scheduled and conducted on 5 March 2013.

Rangitikei District Council

The Rangitikei District Council is a territorial authority governed by the Local Government Act 2002. The Council was formed in 1989 by the amalgamation of the Rangitikei County Council, Marton Borough Council and Taihape Borough Council, along with parts of the KIWITEA and Taupo County Councils.

Rangitikei District Logo



The logo symbolises the strength of the river, a unique icon, which bisects the District. The sun's rays represent the healthy environment and the genuine natural elements of the Rangitikei culture and lifestyle.

The typography and use of colour is typical of a romanticised era in New Zealand's past and is seen in the signage and packaging from the 1920s to the 50s when the District experienced considerable growth.

Your Elected Members



His Worship the Mayor
Andy Watson
andy.watson@rangitikei.govt.nz
027 617 7668



Cr Dean McManaway
Deputy Mayor
jilden@xtra.co.nz
027 429 1292



Cr Angus Gordon
angusg@xtra.co.nz
021 111 4767



Cr Rebecca McNeil
becmcneil@live.com
021 0226 0313



Cr Nigel Belsham
nigel.leighann@xtra.co.nz
027 419 1024



Cr Soraya Peke-Mason
sorayapm@xtra.co.nz
027 270 7763



Cr Richard Aslett
mangawekagallery@xtra.co.nz
027 526 6612



Cr Cath Ash
catash@xtra.co.nz
021 524 585



Cr Lynne Sheridan
lynne.s@farmside.co.nz
06 327 5980



Cr Ruth Rainey
raineys@xtra.co.nz
021 100 8627



Cr Tim Harris
sarah_timharris@xtra.co.nz
027 535 5086



Cr Mike Jones
michael.jones@xtra.co.nz
021 626 616

Your Representatives

Taihape Community Board

Ms Michelle Fannin (Chair)	06 388 1129
Ms Gail Larsen (Deputy Chair)	06 388 1161
Dr Peter Oliver	06 388 1822
Cr Angus Gordon	021 111 4767
Cr Ruth Rainey	021 100 8627
Ms Yvonne Sicely	06 388 1070

Ratana Community Board

Ms Maata Kare Thompson (Chair)	06 342 6819
Mr Bjorn Barlien	06-342 6817
Mr Tama (Ringa) Biddle	021 0220 4951
Ms Nadine Rawhiti (Deputy Chair)	06 342 6823
Cr Soraya Peke-Mason	027 270 7763

Te Roopu Ahi Kaa (Iwi Liaison Committee)

Mr Pahia Turia (Chair).....	06 344 8150 or 027 223 9393	(Whangaehu)
Ms Barbara Ball (Deputy Chair)	06 388 1215 or 027 458 1397	(Ngati Whitikaupeka)
Ms Hari Benevides	06 388 1908 or 021 710 693	(Ngati Tamakopiri)
Mr Thomas Curtis	(Ngati Hauiti)
Mr Mark Gray.....	06 388 7816	(Ngati Rangituhia)
Mr Pai Maraku	06 342 6838	(Ratana Community)
Mr Hone Albert.....	06 345 4709	(Nga Ariki Turakina)
Ms Katarina Hina.....	06 342 5906 or 029 389 0610	(Nga Wairiki Ki Uta)
Mr Peter Richardson.....	06 329 3742	(Ngati Parewahawaha)
Mr Chris Shenton	06 348 0558	(Ngati Kauae/Tauira)
Mr Terry Steedman.....	021 161 2350	(Ngati Hinemanu/Ngati Paki)
Mr Richard Steedman	06 388 1223 or 027 491 2565	(Ngai te Ohuake)
Cr Cath Ash.....	06 327 5237 or 021 524 585	(Council representative)
Mayor Andy Watson	06 327 0099 or 027 617 7668	(Ex Officio)

Community Committee Chairs

Mr Steve Fouhy.....	06 342 6741	(Turakina)
Mr Hew Dalrymple.....	06 322 1017 or 027 450 9462	(Bulls)
Ms Anne George	06 327 7877	(Marton)
Ms Jane Watson.....	06 322 8558	(Huntermville)

Mission Statement

“Making our District thrive”

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 defines the purpose of local government is 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, 11 and 11A of the Local Government Act 2002)

In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities:

- (a) network infrastructure,*
- (b) public transport services,*
- (c) solid waste collection and disposal,*
- (d) the avoidance or mitigation of natural hazards, and*
- (e) libraries, museums, and other recreational facilities and community amenities.*

To give effect to this role, the Council has allocated its services between nine Groups of Activities, which describe the services (and levels of service) the Council provides:

- Community Leadership
- Roding 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

All of the Council's day-to-day business and long-term planning is centred on these activities and the budget requirements to keep them operational. Often sub-activities will fall out from the main activity and complement, in one way or another, the central activity.

Formation of Council

Council Committees

The Council has established various Standing Committees to monitor and assist in the effective discharging of specific responsibilities⁷:

- 1 Finance/Performance Committee (meets monthly)
- 2 Assets/Infrastructure Committee (meets monthly)
- 3 Planning/Policy Committee (meets monthly)
- 4 Audit/Risk Committee (meets quarterly)
- 5 Te Roopu Ahi Kaa (meets bi-monthly)

Committees Established for Specific Tasks (see Figure 1)

- 1 Creative New Zealand Funding Assessment Committee
- 2 Sport NZ Rural Travel Funding Committee
- 3 Turakina Community Committee
- 4 Bulls Community Committee
- 5 Marton Community Committee
- 6 Hunterville Community Committee
- 7 Hunterville Rural Water Supply Management Sub Committee
- 8 Erewhon Rural Water Supply Management Sub Committee
- 9 Omatane Rural Water Supply Management Sub Committee
- 10 McIntyre Reserve Committee
- 11 Turakina Reserve Management Committee

⁷ At its meeting on 31 July 2014, Council agreed to establish an Audit/Risk Committee, adopting a terms of reference, with a projected meeting frequency of four per year. Its first meeting was on 1 September 2015.

12 Rangitikei District Licensing Committee

Council Operations

The Council appoints a Chief Executive to be in charge of the Council operations and delegates certain powers of management to him as required under Section 42 of the Local Government Act 2002. The Chief Executive appoints staff to carry out all of the Council's significant activities.

Division of Responsibility between the Council and Management

A key to the efficient running of the Council is that there is a clear division between the role of the Council and that of Management. The Council of the Rangitikei District concentrates on setting policy and strategy, and then reviews progress. Management is concerned with implementing the Council policy and strategy.

The Council's most recent Representation Review was completed in November 2012. There were no appeals or objections, so no determination from the Local Government Commission was required. There were two minor changes to the arrangement approved in 2007. The first was a slight adjustment between the boundaries of the Bulls and Marton Wards to comply with the representation formula in the Local Electoral Act 2001. The second was to provide for a Councillor to be appointed to the Ratana Community Board as a full voting member. No changes were made to the number of members elected to the Council or to the number and boundaries of the two Community Boards at Ratana and Taihape, except that the status of the Councillor appointed to the Ratana Community Board changed from being a liaison role to a full membership. Section 19H(2) of the Local Electoral Act requires a representation review to be conducted at least every six years, so Council will be doing this prior to the 2019 local government elections.

While many of the Council's functions have been delegated, the overall responsibility for achieving the mission statement of the Council and the purposes of local government rests with the Council. The Council maintains effective systems of internal control, which includes the policies, systems and procedures established to provide measurable assurance that specific objectives of the Council will be achieved. This structure is shown in Figure 2.

Figure 1: The Rangitikei District Council Governance Structure

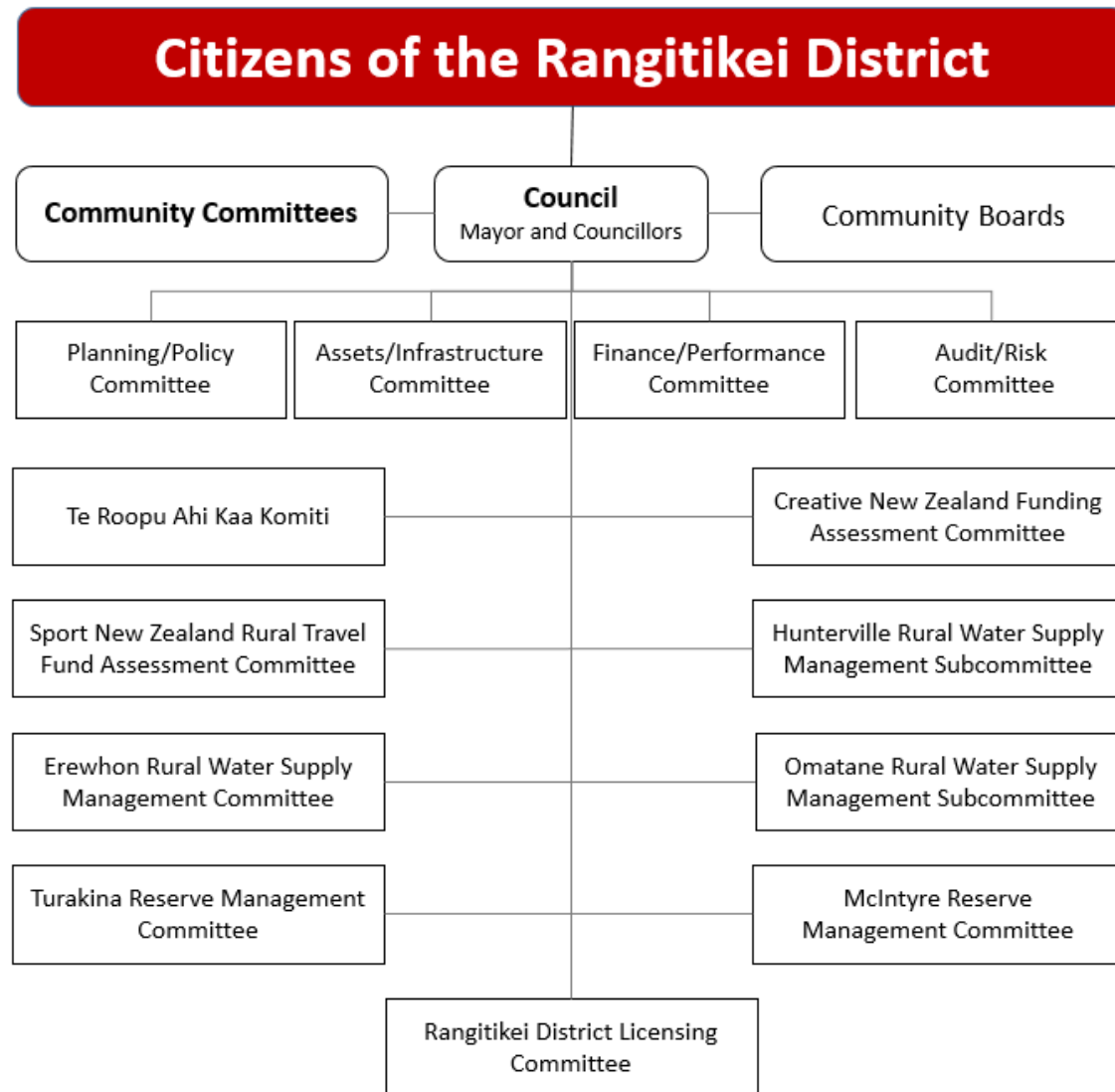
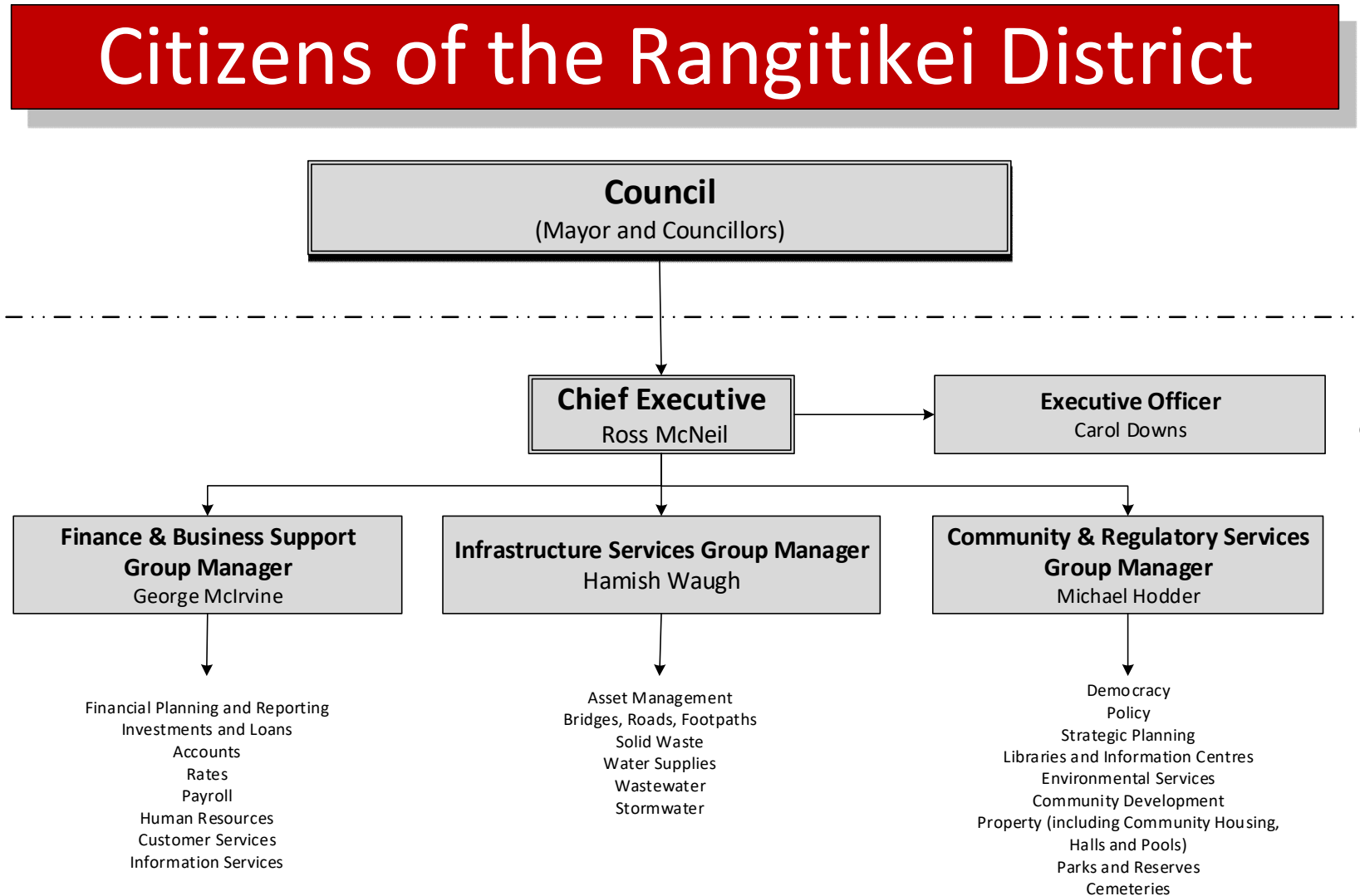


Figure 2: The Rangitikei District Council Management Structure



Statement of Compliance and Responsibility

Compliance

Council completed and adopted its 30 June 2016 Annual Report by 31 October 2016, as required by section 98(3) of the Local Government Act 2002. The Council and Management of the Rangitikei District Council confirm that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

Responsibility

The Council and Management of the Rangitikei District Council accept responsibility for the preparation of the annual Financial Statements and of the Statement of Service Performance, and the judgements used in them.

The Council and Management of the Rangitikei District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and Management of the Rangitikei District Council, the annual Financial Statements for the year ended 30 June 2016 fairly reflect the financial position and operations of the Rangitikei District Council.

Andy Watson
Mayor

29 September 2016

Ross McNeil
Chief Executive

29 September 2016



Rangitikei District Council

Section 2: Significant Activities

Including Funding Impact Statements by Significant Activity

Council Outcomes

In the 2015/25 Long Term Plan, Council retained the six outcomes adopted in the 2009/19 LTCCP and continued through the 2012/22 LTP:

- 1 Good access to health services, whether it be the GP or the hospital
- 2 A safe and caring community, through effective partnership with local policing, rescue services, neighbourhood support and local initiatives
- 3 Lifelong educational opportunities that meet the lifelong needs of all members of the community
- 4 A buoyant District economy, with effective infrastructure and attractive towns that entice growth
- 5 A treasured natural environment, with a focus on sustainable use of our land and waterways
- 6 Enjoying life in the Rangitikei, with a district identity and a reputation as a viable and attractive place to live, work and play

Council has continued to develop and support meaningful partnerships with other local statutory, community and public agencies. The Rangitikei – Path to Well-being initiative, which was launched with a conference in Taihape in April 2010, continues to engage a range of local public, private and community agencies in a range of collaborative projects. The initiative has worked through multi-agency theme groups aligned to the six Council outcomes (with outcomes 1 and 2 combining because of the overlap of interested agencies). Council's role includes providing administrative support for multi-agency meetings, advocacy and planning for collaborative projects and applying for external funding to pursue common goals.

The highlights of this partnership working are detailed in the Community Well-being Group of Activities on page 76.

Successful funding applications have been made this year for these initiatives from the Ministry for Youth Development, Whanganui Community Foundation, Ministry of Social Development, Community Facilities Lottery Fund, Lotteries Community Fund and Powerco Whanganui.

How Council's Groups of Activities relate to the six Council Outcomes

The table below illustrates how each of the council outcomes relates to the groups of activities.

Groups of activities	Community outcome					
	1	2	3	4	5	6
Community leadership	✓	✓				✓
Roading		✓	✓	✓		
Water				✓	✓	
Sewerage and the treatment and disposal of sewage				✓	✓	
Stormwater drainage		✓		✓	✓	
Community and leisure assets		✓	✓	✓	✓	✓
Rubbish and recycling					✓	
Environmental and Regulatory		✓		✓	✓	
Community Well-being		✓		✓		✓

Performance Reporting

In the Activities that follow, performance reporting against the **Target (or Intended Level of Service)** is detailed as follows:

Achieved	<p>Required actions have been completed</p> <p><i>Or where a long-term level of service is targeted, the results for the year are in keeping with the required trend to achieve the intended level of service</i></p>
Partly achieved	<p>Some outputs contributing to the intended level of service have been achieved (e.g. 3 workshops held of the 4 initially proposed)</p> <p><i>Or the result for the year is between 60% and 75% of the intended level of service</i></p>
Achieved/ongoing	<p>A particular level of service has been achieved. But it is multi-faceted and not totally time related in that there are constant actions continuously adding to it.</p>
In progress	<p>No actual output has been achieved but pre-requisite processes have commenced</p>
Not commenced	<p>No actions to achieve the stated level of service have begun</p>
Not achieved	<p>None of the required actions have been undertaken</p> <p><i>Or the result for the year is less than half of the intended level of service</i></p> <p><i>Or where a long-term level of service is targeted, the results for the year are contrary to the required trend to achieve the intended level of service</i></p>
Not yet available	<p>Timing of the relevant data set has been delayed or will occur in a subsequent year</p>
Not applicable	<p>The scope of the [mandatory] measure does not apply to the Council</p>

* in the levels of service statements which follow, denotes a mandatory measure prescribed by the Secretary of Internal Affairs under section 261B of the Local Government Act 2002.

*Note on methodology, response rate and margin of error in surveys***Residents' survey 2016***Methodology*

Unlike previous years where the residents' survey was administered as a paper copy via a letterbox drop, this year's survey utilised multiple methods in its deployment. Survey administering occurring between 7 April 2016 and 30 April 2016, capturing a sample size of 296 (n = 296). Addresses for the letterbox drop were randomly selected from the Rangitikei District electoral roll, a change from previous years where the sample was derived from the Council's rating database.

Sample

Initially 1,435 letters accompanied by a paper copy of the resident survey were mailed out to residents, randomly selected from the District's electoral roll and distributed proportionately based on each of the five District Ward's populations relative to the population of the District as a whole.

The Council's website, Council's Facebook, and the Bulls Museum website were also utilised in the deployment of the survey online, with each communication avenue containing a different link for identification purposes to an online version of the resident survey in SurveyMonkey. Council Library receipts also contain a notification and a link to complete the resident survey online.

145 residents were also selected based on those residents who had previously provided a submission to a Council public consultation in the last 12 months: they were sent an email with an online link to the resident survey housed in SurveyMonkey.

To ensure a statistical robust sample rate was captured, a further 1,000 letters were mailed out to residents containing an online link to the survey. Selection was based on a random selection from the electoral roll and proportionally distributed based on Ward population. 19 paper-based surveys were also targeted to residents currently residing in Council's community housing (7 replies).

Response rate

The response rate is calculated based on the amount of surveys sent out via mail drop (2454) and emailed (145), and how many were returned (296). For 2016, the response rate is 11%, which is down from previous years 15% (2015), 20% (2014), and 20% (2013). As Council's Facebook and Website were also utilised during survey administering, it is difficult to ascertain which of the residents from the second mail drop (1,000 letters) completed the survey online as the SurveyMonkey link sent to this group was shared with Council's website.

The reasons for this year's slightly lower response rate in comparison to previous years are twofold. Firstly, on assessment, scrutiny of the initial mail drop of 1,580 residents revealed that the mail drop was sent to members of the same family. Secondly, those in the second mail drop (1,000 residents) were not provided a paper copy of the survey but were asked to manually enter a website link to complete the survey. An assessment of Council submission returns, correlating with the survey results, shows Rangitikei residents are more inclined to respond via paper-based surveys than online methods.

Margin of Error

Margin of Error (MoE) is a statistic used to express the amount of random sampling error in a survey's results. The MoE is particularly relevant when analysing a subset of the data as smaller samples sizes incur a greater MoE. The final sample size n = 296 gives an overall margin of error +/- 5.64% at the 95% confidence interval. This is, if the observed result on the total sample of 296 respondents was 50% (point of maximum margin of error), then there is a 95% probability that the true answer falls between 44.36% and 55.64%.

Stakeholders' survey

Methodology

This study consisted of a mixture of quantitative and qualitative questions in an online survey. The survey was developed in SurveyMonkey and administered via email to stakeholders. An initial email was sent to stakeholders containing a link to the survey on 14 March 2016, giving stakeholders until 4 April to complete the survey. A follow up email was sent to stakeholders on 11 April 2016 giving them until the end of week (15 April 2016) to complete the survey. The survey was constructed internally by Rangitikei District Council.

Sample

The population size for this study consisted of 266 stakeholder email addresses provided by the Council. With 89 completed surveys equating to the sample size of $n=89$, this equates to a response rate of 35 per cent.

Margin of Error

The Margin of Error (MoE) is ± 9 per cent at a 95 per cent confidence level. This means that, if the observed result on the total sample of 89 respondents was 50 per cent (point of maximum MoE), then there is a 95 per cent probability that the true answer falls between 41 per cent and 59 per cent.

A similar principle applies when comparing survey results from different years.

Community Leadership

This group of activities is concerned with the governance functions of Council demonstrated through leadership and planning. A major challenge is getting the 'right' information to the community, clearly and concisely, so that people have an opportunity to understand the Council's view on the critical issues and decisions for the District.

This year, the last full year of the current triennium, the programme of statutory policy and bylaw review has been completed to enable a clear focus on establishing the strategic priorities for the new Council following the October 2016 local government elections. Preparation for these elections has started with the production of publicity materials pending the opening of nominations in mid July 2016.

The Annual Plan developed for 2016/17 used the altered statutory requirements for consultation – i.e. the publication of a Consultation Document ('What's new, what's changed...?') – as there were several significant proposals for the community to consider. This was associated with a programme of public meetings in various parts of the District, led by the Mayor, similar to the programme undertaken for consultation on the 2015/25 Long Term Plan.

The Heritage Strategy has been reviewed following the development in 2014/15 of town centre plans for Marton, Bulls and Taihape. This has allowed an improved presence in the strategy for tangata whenua and Te Roopu Ahi Kaa, Council's standing Iwi liaison Komiti, was closely involved in the review. The Komiti has also commenced a review of its own strategic plan as it develops strategic priorities for tangata whenua in community and economic development.

During the year Council undertook its annual survey of residents using a new in-house resource through a shared service arrangement with Whanganui District Council in Policy and Planning. This enabled additional questions to be asked of residents and stakeholders around satisfaction with Council services and with its customer service. This will inform a project in 2016/17 to incorporate higher customer service standards across the organisation, in line with a general uplifting of service standards across the local government sector.

Council has also input into a number of important proposed legislative changes including Te Ture Whenua Maori Bill, the Building (Earthquake-prone Buildings) Amendment Bill, the Residential Tenancies Amendment Bill, the Civil Defence and Emergency Management Bill, and the Resource Legislation Amendment Bill. Where feasible, the Mayor has presented the Council's case in person to the relevant Select Committee. Council has also submitted on discussion documents such as the Local Government New Zealand 'blue skies' discussion about New Zealand's resource management system, the Next Steps for Freshwater consultation document and the Better Urban Planning discussion document. It is important for Rangitikei District viewpoints to be fed into Government on those legislative and policy proposals which have potentially significant impact on the Council's delivery of services and thus Rangitikei's communities.

One of the potentially most significant projects in this group of activities was the work undertaken to investigate a possible Council Controlled Organisation (CCO) owned jointly with Manawatu District Council to manage infrastructure services across both council areas. While the investigation did not lead to a formal proposal to establish a CCO, work is continuing in 2016/17 to find an approach to assure the benefits from this type of collaboration.

Level of Service		
Make decisions that are robust, fair, timely, legally compliant and address critical issues, and that are communicated to the community and followed through		
Measure	Target for 2015/16	Actual July 2015-June 2016
Completion of annual plan actions on time	<p>83% of Annual Plan actions substantially undertaken or completed. All groups of activities achieved at least 75% of identified actions.</p> <p><i>In 2014/15, 88% of Annual Plan actions were completed. One group of activities (stormwater) achieved less than 75%.</i></p>	<p>Partly achieved</p> <p>Of 81 actions identified in the Annual Plan, 57 (i.e. 70%) were either substantially (>67%) or fully complete (100%). 21 were being actively progressed. Two actions have been replaced in the work programme by more urgent works and one was not budgeted for (and will be completed in early 2016/17).</p> <p>These actions are:</p> <ul style="list-style-type: none"> • Repainting Hunterville Pool • Bulls High St sewer main (127 to 141) • Renewals of equipment at Marton Water Treatment Plant. <p>However, all groups of activities achieved higher than 75% of actions completed as follows:</p> <ul style="list-style-type: none"> ○ Community Leadership 98% ○ Roothing 75% ○ Water Supply 76% ○ Wastewater 77% ○ Stormwater 100% ○ Community and Leisure Assets 79% ○ Rubbish and Recycling 100% ○ Environmental and Regulatory 100% ○ Community Well-Being 92%
Completion of capital programme	<p>75% of planned capital programme expended; all network utilities groups of activities to achieve at least 60% of planned capital expenditure.</p> <p>Note: This <u>excludes</u> expenditure on the emergency repairs to the roading network following the June rainfall event.</p>	<p>Not achieved</p> <p>Total capital expenditure for the year was \$11.516 million from a total budget of \$19.436 million⁸, i.e. 59%</p> <p>Roothing</p> <p>Total capital expenditure was \$3.650 million from a budget of \$4.671 million (i.e. 78%). This excludes emergency road work funding and expenditure for the June 2015 storm event. . Council agreed to carry-forward \$650,000 into 2016/17.⁹</p>

⁸ The annual plan budget was \$18.992 million. The figure noted here includes additional budget approvals during the year: \$200,000 for Ratana water softening (Council, 27 August 2015), \$193,750 brought forward from 2016/17 for clarifier at Taihape (Council, 17 December 2015), and \$50,000 from reserves for Mangaweka ablution block (Assets/Infrastructure Committee, 17 March 2016). These adjustments have been made to the quoted 2015/16 budgets for Water supply and Community & Leisure Assets.

	<p><i>In 2014/15, 51% of the planned capital programme was expended. Rooding achieved 94%; water achieved 54%, sewerage and the treatment and disposal of sewage achieved 13% and stormwater achieved 26%; community and leisure assets achieved 44%.</i></p>	<p>Water supply Total capital expenditure was \$2.675 million from a budget of \$5.102 million (i.e. 52%). This includes the additional funding for Ratana (\$200,000) and Taihape (\$193,750) mentioned in footnote 8. Council agreed to carry-forward \$1.497 million into 2016/17.</p> <p>Sewerage and the treatment and disposal of sewage Total capital expenditure was \$1.867 million from a budget of \$6.834 million (i.e. 27%) Council agreed to carry-forward \$4.409 million into 2016/17.</p> <p>Stormwater drainage Total capital expenditure was \$331,000 from a budget of \$759,000 (i.e. 44%) No carry-forwards were proposed into 2016/17.</p> <p>Community and Leisure Assets (cemeteries, halls, housing, libraries, parks and reserves, public toilets and swimming pools) Total capital expenditure was \$556,000 from a budget of \$1.722 million (i.e. 31%). This includes the additional provision for Mangaweka (\$50,000) mentioned in footnote 8. Council agreed to carry-forward \$162,390 to 2016/17.</p> <p>The major reasons for lower than budgeted delays capital expenditure were delays in consenting (28.2% of the total capital budget) and other external factors, such as ensuring adequate community engagement (27.8%). Other contributing factors were reprioritisation (13.4%), internal capacity or delays (13.2%), contractor availability (9.1%) and reduced costs or alternative funding (8.3%). Specific reasons for variances in capital expenditure from budget are commented on in the relevant group activity statement.</p>
--	---	--

Significant variations between the level of service achieved and the intended level of service

While there was a high completion of actions scheduled for 2016/17, the capital expenditure programme was well short of what was budgeted, meaning delay for some of the larger water and wastewater projects. This is commented on further in the relevant activity group statements. Management of projects to restore the roading network after the June 2015 storm event delayed some scheduled roading projects, leading to carry-forwards of some funding.

⁹ The total approval was for \$1.379 million, which included funding for some projects classed as operational.

Significant variation between acquisitions and replacement from the Long Term Plan

There were no significant variations between acquisitions and replacement.

Significant variation between forecast and actual operating surplus in the funding impact statement

There is no significant variation between the forecast and operating surplus.

Community Leadership – Funding Impact Statement

For the year ended 30 June 2016

	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,156	1,069	1,069
Targeted rates	0	59	49
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	1,156	1,128	1,118
Applications of operating funding			
Payment to staff and suppliers	960	997	1,003
Finance costs	0	0	0
Internal charges and overheads applied	220	178	158
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,180	1,175	1,161
Surplus (deficit) of operating funding (A - B)	(24)	(47)	(43)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	(24)	(47)	(43)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	(24)	(47)	(43)
Surplus (deficit) of capital funding (C - D)	24	47	43
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	2	2	2

Roading and Footpaths

This group of activities covers the Council's roading network (including bridges), footpaths and street lighting. A safe and orderly roading network throughout the District is critical for the movement of people and goods as there is very limited public transport and availability of rail. This is the most significant activity in terms of rates expenditure. It also receives the largest subsidy from central government – the Financial Assistance Rate ('FAR') of 62% increasing to 63% in 2016/17.

56 kilometres of the roading network were resurfaced. The major pavement rehabilitation work was on Wanganui Road, 0.55 km from the intersection with Pukepapa Road and Skerman Street. Undocumented utilities were a complication and meant the final seal has had to be delayed until warmer weather in spring.

The extreme rainfall on 20-21 June 2015 did substantial damage to Council's roading network. The total cost of restoring the network is estimated at \$12.7 million. Expenditure at the end of the year for this was \$6.3 million, and all work is expected to be complete by 31 December 2016. Council approved bundling of contracts by location and work characteristics, which made it feasible for several contractors, as well as Higgins, the road maintenance contractor since 1 July 2016, to do work. The New Zealand Transport Agency accepted there was a case for an enhanced Financial Assistance Rate which included 100% subsidy for remedial work on Turakina Valley Road. With the washout of the bridge on Te Hou Hou Road near SH1 during the storm event, a bailey bridge was erected and a permanent replacement bridge is now 50% complete.



Rata Bridge replacement

Bailey Bridge behind
(Te Hou Hou Road)

The storm event resulted in changes to the minor safety improvements programme with work being done on the Turakina Valley Road at Majuba Bluff (in conjunction with emergency works funding) and 200m realignment of Orchard Road.

During a routine inspection, the Mangaweka bridge (a boundary bridge with Manawatu District) was found to need urgent strengthening. A temporary weight restriction of 6 tonnes will be in place until the work is done (estimated late August 2017).

Other projects have included investigating safety issues on Mokai Road and a seal extension on Turakina Valley Road between McLeays Bridge and Mangahoe Road, which would provide an alternative sealed road to SH3 from Turakina to Whanganui.

Level of Service

Provide a sustainable network which is maintained in accordance with each road's significance for local communications and the local economy, taking into account the One Roding Network Classification and funding subsidies.

Measure	Target for 2015/16	Actual July 2015-June 2016
<p><i>*Road condition</i></p> <p>The average quality of ride on a sealed local road network, measured by smooth travel exposure</p>	<p>96.5%</p> <p><i>When the measurement was last undertaken, in June 2014, the result was 98%.</i></p>	<p><i>Not yet available</i></p> <p>A survey was completed during the year for low-level roads with remaining roads to be done in March 2017. The results from that survey coupled with existing data for high use roads show a 99% rating for the entire sealed network. MWH will validate the recent low-level road survey along with existing roughness data to confirm RAMM reporting is correct.</p> <p>For high-use roads (which deteriorate more quickly), Council uses more information than roughness surveys can provide.</p> <p>The intention is to have low-level and high-use roads surveyed in alternate years.</p>
<p><i>*Road maintenance</i></p> <p>The percentage of the sealed road network that is resurfaced</p>	<p>8% (i.e. 55km of resealing and 8.8 km of road rehabilitation). The network has 796 km of sealed road.</p> <p>In 2014/15, 61.75 km of road resealing and 6.15 km of road rehabilitation was completed: this is 8.5% of the sealed network.</p>	<p><i>Partly achieved</i></p> <p>7%. 56.275 km of resealing was completed by 31 March 2016.</p> <p>There were 31 sections in the north, totalling 16 km, 6 sections in the central area, totalling 5.8 km and 31 sections in the south totalling 34.5 km. All of this work was done over the summer, apart from isolated patches of resealing in response to the severe rainfall event during 20-21 June 2016.</p> <p>Wanganui Road (Marton) is the only pavement rehabilitation project and</p>

		<p>is currently in progress. It totals 0.55 km.</p> <p>This project started in January 2016 with an envisaged completion date in April 2016. However, the associated work with utilities delayed the project into winter so that final seal could not be applied until September 2016.</p>
<p>The percentage of the unsealed road network which is resealed during the year</p>	<p>At least 75% of [the unsealed] network resealed each year – 12,000m³.</p>	<p>Not achieved</p> <p>Resealing has been undertaken over 48 km of the unsealed road network (35%). About 8,800m³ was placed</p> <p>In addition, resealing was undertaken on emergency work sites: approximately 2km over many sections of the network.</p> <p>The long dry weather from January onwards has not been conducive to sealing. While grading did continue in the northern part of the District, the lack of moisture meant the metal unravelled again, especially on the steeper grades.</p>
<p><i>*Footpaths</i></p> <p>The percentage of footpaths within the District that fall within the level of service or service standard for the condition of footpaths that is set out in the Council's relevant document (such as its annual plan, activity management plan, asset management plan, annual works programme or long term plan)</p>	<p>At least 80% of footpath lengths in CBD areas in Bulls, Marton, Hunterville and Taihape are at grade 3 or higher</p> <p>At least 65% of sampled footpaths lengths outside CBD areas are at grade 3 or higher</p> <p>At least 90% of sampled footpaths assessed at grade 5 are included in the upgrade programme during the following two years.</p> <p>Note:</p> <p>A five point grading system to rate footpath condition based on visual inspections</p> <p>1 Excellent 2 Good</p>	<p>In progress</p> <p>In Bulls, Marton and Hunterville, 100% of footpaths were considered 1, 2 or 3; in Taihape 93% of footpaths were 1, 2 or 3.</p> <p>Taking <i>all</i> footpaths (including those in the CBD areas), the results from Briken are:</p> <p>Bulls.....94.5% Marton.....94.8% Hunterville.....100% Taihape.....87.1% Other areas.....91.3%</p> <p>However, this aggregation of results cannot be taken as definitively stating that at least 65% of footpath lengths <i>outside</i> the CBD areas are at grade 3 or higher.</p> <p>There were three lengths of footpath</p>

	<p>3 Fair 4 Poor 5 Very Poor</p> <p>Footpaths will be assessed in approximately 100-metre lengths.</p> <p>The sample of non-CBD footpaths will include ten lengths in each of Bulls, Marton and Taihape, and four lengths in Mangaweka, Hunterville and Ratana.</p> <p>The assessments will normally be conducted in November and May.</p>	<p>rated 5. One in Hautapu Street. Taihape (opposite BP) has been upgraded. The other two are the northern and southern ends of Broadway in Mangaweka. They have been inspected. They do not present an immediate concern but will be monitored. One consideration in any upgrade work is the historic characteristic of this street.</p> <p>These results come from a survey of footpaths in the District undertaken by Briken. They are much more favourable than that gained by periodic inspections of footpaths by the Roding team. The methodology used by Briken is being reviewed.</p>
<p><i>*Road safety</i></p> <p>The change from the previous financial year in the number of fatalities and serious injury¹⁰ crashes on the local road network expressed as a number</p>	<p>No change or a reduction from the previous year.</p> <p>In the nine months ending 31 March 2015 there was one fatal crash and 6 serious injury accidents on the Council's roads.</p> <p>For the full year ending 30 June 2015 there was one fatal crash on the Council's roads and 9 serious injury accidents.</p>	<p><i>Partly achieved</i></p> <p>In the nine months ending 31 March 2016 the number of fatal crashes did not change from last year but the number of serious injury crashes increased by six.</p> <p>These are provisional results for 2015/16 because of processing times</p> <p>In the nine months ending 31 March 2016, there was one fatal crash and 12 serious injury accidents on the Council's roads.</p> <p>This includes crashes at intersections with state highways.</p>

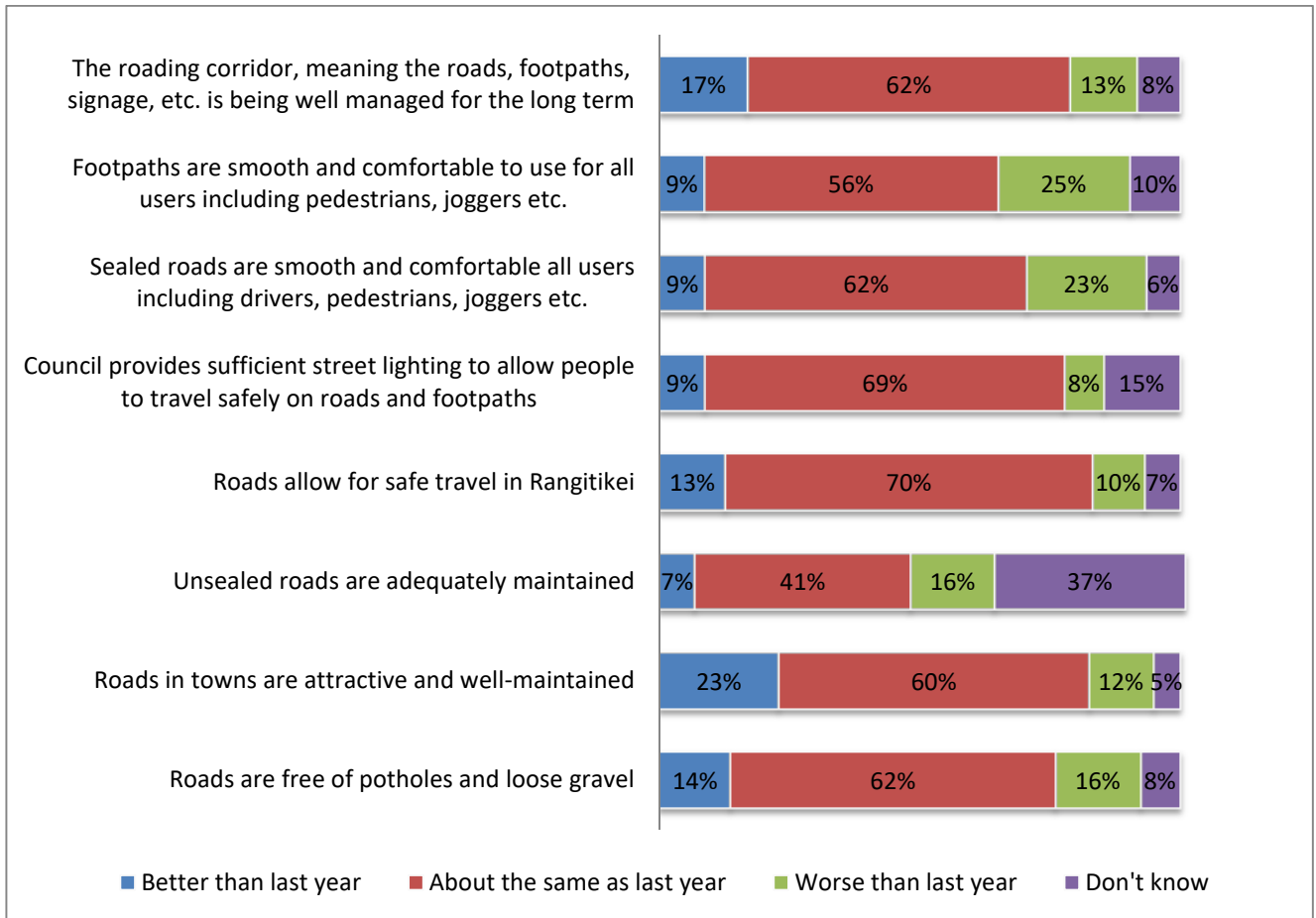
Level of Service

Be responsive to community expectations over the roading network and requests for service

Measure	Target for 2015/16	Actual July 2015-June 2016
Adequacy of provision and maintenance of footpaths, street-lighting and local roads (annual survey).	<p>A greater proportion (than in the benchmark) or more than 10% of the sample believe that Council's service is getting better</p> <p><i>In 2014/15 (the benchmark),</i></p>	<p>Achieved</p> <p>In 2015/16, 12.5% believed it was better than last year, 68% about the same, 13.5% worse than last year (6% did not know).</p>

¹⁰ 'Serious injury' is not defined in the Rules or associated guidance from the Department of Internal Affairs. At a minimum, it is likely to cover all injuries requiring admission to hospital for treatment.

<p>“Report card” qualitative statements.</p> <p>Groups targeted for consultation:</p> <ul style="list-style-type: none"> • Residents where programmed renewal has taken place, • Community Boards/ Committees, • Community group database, • Business sector database. 	<p><i>13% believed it was better than last year, 65% about the same, 21% worse than last year (2% didn't know).</i></p>	<p>Residents were asked to rate eight statements regarding the roading network. These results are graphically presented on the following page.</p>
--	---	--



Measure	Target for 2015/16	Actual July 2015-June 2016
<p><i>*Responses to service requests</i></p> <p>The percentage of customer service requests relating to roads and footpaths to which the</p>	<ul style="list-style-type: none"> • 95% callouts during working hours responded to within 6 hours and 95% callouts during after-hours within 12 hours. • 85% of all callouts resolved 	<p>Not achieved</p> <p><i>Response time:</i></p> <p>Callout response time is unable to be reported against. While time to respond has been recorded in the Council's service</p>

<p>territorial authority responds within the time frame specified in the long term plan</p> <p><i>Note: Council measures resolution as well as initial attendance in response to such requests.</i></p>	<p>(i.e. completed) within one month of the request.¹¹</p> <p>Specific reference to callouts relating to potholes</p>	<p>request system, it is unable to be verified to contractor documentation. Council is working towards being able to report against this measure for the 2016/17 annual report.</p> <p>There were 504 footpath and road requests during working hours (431 during working hours and 73 outside working hours). These requests included 41 concerned with potholes.</p> <p><i>Resolution time:</i></p> <p>While the roading contractor has generally provided documentation of when the request was resolved and what was done, there were some anomalies noted in the reported data.</p> <p>Our records show 77% of footpath and road requests were resolved (completed) within one month. Last year 90% of all callouts were resolved within time.</p> <p>The number of callouts, particularly during working hours, is significantly higher this year than last year. This is because the scope of the measure has been widened to include all roading activity – i.e. culverts and drainage, road signs, berm mowing, roadside weeds, vegetation and trees, and street-lighting. There were 213 such requests in 2015/16.</p> <p>If this broader scope had been included in last year’s report, there would have been a total of 484 callout requests.</p>
---	--	---

Significant variations between the level of service achieved and the intended level of service

The extent of remetalling of the unsealed network was less than half of what was intended. However, the amount of metal placed was about 73% of the target. No Remetalling was feasible from January onward because of the very dry conditions. Some moisture is needed to bind the gravel.

¹¹ There is a wide range of requests meaning resolution times will range from hours to several weeks or months, depending on urgency and work programming. While 96% was the result for 2013/14, it was 85% in 2012/13; this was also the result for the first nine months of 2014/15.

Significant variation between acquisitions and replacement from the Long Term Plan

Because of the June 2015 flood event, a number of individual variances have occurred due to the inability to undertake the expected programme of works and deal with the level of repairs required due to flood damage.

The unbudgeted amount spent on capital remedial work was \$2,008,000. Approved carry-overs to 2016/17 of unspent budgets occurred in: sealed road surfacing \$330,000; structure maintenance \$20,000; and minor safety projects \$300,000. These together account for the major variances in the capital and renewal in the budget for this activity.¹²

Significant variation between forecast and actual operating surplus in the funding impact statement

The operating surplus is \$730,000 less than budgeted.

Again, this is due to the flood damage remedial work of \$4,334,010 offset in a large part by additional subsidies received of \$3,770,589 (87%) That rate of subsidy is a significant increase on the base Funding Assistance Rate of 62%, the outcome of recognition by the New Zealand Transport Agency of the scale of remedial work needed after the June 2015 storm event. In the case of the Turakina Valley Road, the subsidy was 100%.

However, as with capital and renewal work, some regular maintenance was deferred and carry-overs to 2016/17 of unspent budget were: unsealed pavement maintenance \$117,000; sealed pavement maintenance \$350,000, structures maintenance \$75,000; and environmental maintenance \$191,000. These together account for the major variances in the operating budget.



Mt Curl Road, Marton

¹² There is still an estimated \$6.0m of reinstatement work to be carried out in 2016/17.

Roading and Footpaths – Funding Impact Statement

For the year ended 30 June 2016

	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	7,033	6,087	6,148
Subsidies and grants for operating purposes	2,547	3,263	6,490
Fees and charges	4	28	1
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	121	115	114
Total operating funding (A)	9,705	9,493	12,753
Applications of operating funding			
Payment to staff and suppliers	5,231	6,104	10,112
Finance costs	216	124	124
Internal charges and overheads applied	526	461	443
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,973	6,689	10,679
Surplus (deficit) of operating funding (A - B)	3,732	2,804	2,074
Sources of capital funding			
Subsidies and grants for capital expenditure	3,965	2,766	3,875
Development and financial contributions	0	0	0
Increase (decrease) in debt	(141)	(165)	(165)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	3,824	2,601	3,710
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	
- to improve the level of service	662	591	357
- to replace existing assets	6,096	4,080	5,367
Increase (decrease) in reserves	798	734	60
Increase (decrease) in investments	0	0	
Total applications of capital funding (D)	7,556	5,405	5,784
Surplus (deficit) of capital funding (C - D)	(3,732)	(2,804)	(2,074)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	6,561	6,422	6,671

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

Roading and Footpaths – Capital Works

For the year ended 30 June 2016

Category	Designated projects for 2015/16	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
RENEWALS				
Unsealed road metalling	Programmed renewals	341	460	239
Pavement rehabilitation	Programmed renewals	2,873	684	411
Drainage	Programmed renewals	323	337	726
Structure components	Programmed renewals	252	189	228
Traffic services	Programmed renewals	220	225	53
Sealed road surfacing	Programmed renewals	2,002	2,040	1,493
Footpaths	Programmed renewals	85	145	210
Flood Damage	Reinstatement of damage	0	0	2,008
Total renewals		6,096	4,080	5,367
CAPITAL				
Roading	Minor safety projects	591	526	255
	Wylies Bridge	0	0	0
	Napier Taihape Road	0	0	10
	Ratana traffic calmers	7	0	0
Footpaths	New footpath construction	64	65	91
Total capital		662	591	357

Borrowing

For the year ended 30 June 2016

Balance of borrowing at start of year	3,234	2,475	2,475
Funds borrowed during the year	71	0	0
Funds repaid during the year	212	165	165
Balance of borrowing at end of year	3,093	2,310	2,310

All borrowing is managed through the Council's treasury function which borrows externally to maintain sufficient liquidity for day to day operations. Therefore, the loans to activities from the Council's treasury function are funded by a mix of internal and external funds.

Proportion of internal borrowing to all borrowing at 30 June	40%	46%	100%
Portion of finance costs attributable to internal borrowing	89	57	124

Water Supply

This group of activities provides readily available drinking water via a reticulation system (pipes) to meet domestic, commercial and fire-fighting requirements in the urban communities of Taihape, Mangaweka, Hunterville, Marton, Bulls and Rātana. The Council also administers rural water schemes on behalf of subscriber/owner committees in Hunterville, Erewhon, Omatane and Putorino.

During the year 1.28 km of new pipework was laid, at a cost of \$1.859 million, and 370 pipe fittings installed at a cost of \$387,982.

There was substantial progress with the Rātana water supply upgrade: the reservoir and bore installation are complete and most of the equipment needed had been manufactured and was awaiting installation. However, there were delays in getting the land entry easement agreement signed with the owner and with the construction of the shed. It is expected to commission the plant at the end of September 2016.

In Marton, the water main in Main Street was replaced and construction works were started to replace the water main in King Street. Replacement of the water main in Wanganui Road, including a new rider main, was brought forward to co-ordinate with the road reconstruction work there. In all cases, the pipework being replaced was asbestos cement.

Preliminary seismic investigations were done in Bulls (clarifier, the Mushroom and Trickers reservoir), Mangaweka (treatment plant), Taihape (reservoir) and Marton (concrete clarifier).

Design work was undertaken for the installation of tanks to service an irrigation system on Taihape Memorial Park (funding of the latter being a community project).

After consultation with residents, design for a new water main to continue the provision of a trickle flow service to properties on Dixon Way, Otaihape Road and Mangaone Valley Road has commenced.

For the first time, night flow measurement was used to estimate the loss of water from urban supplies during the year, with the approved methodology being applied to calculate the losses for each supply over the year. In addition, estimates were made of the average daily consumption.

Level of Service

Provide a safe and compliant supply of drinking water

Measure	Target for 2015/16	Actual July 2015-June 2016
<p><i>*Safety of drinking water</i></p> <p>The extent to which the Council's drinking water supply complies with</p> <p>(a) part 4 of the drinking water standards (bacteria compliance criteria)¹³</p>	<p>No incidents of non-compliance</p> <p><i>There were two incidents in 2014/15 – Hunterville and Mangaweka, attributable to sampling error.</i></p>	<p>Note: These results are provisional, pending the assessment of compliance by the independent Drinking-Water assessor.</p> <p>Achieved</p> <p>No incidents of non-compliance</p>

¹³ Currently measured by weekly sampling and testing through Environmental Laboratory Services in Gracefield.

(b) part 5 of the drinking water standards (protozoa compliance criteria) ¹⁴	<p>No incidents of non-compliance</p> <p><i>This could not be measured in 2014/15.</i></p>	<p>Not achieved</p> <p>While UV treatment has been installed at Bulls, Marton, Hunterville, Mangaweka and Hunterville, it has not been fully operational. The Drinking Water Assessor will be providing details and a plan to get all plants compliant as soon as possible in 2016/17 is being developed.</p>
Compliance with resource consents	<p>No more than two incidents of non-compliance with resource consents</p> <p><i>In 2014/15, non-compliance was reported at Mangaweka and Taihape (excessive abstraction) and at Marton (lack of abstraction records)</i></p>	<p>Achieved</p> <p><u>Taihape - comply¹⁵</u></p> <p>There are limits on the amount of abstraction from the river when the Hautapu River flows are too low. However, the raw water pipe needs to maintain a minimum flow that exceeds the low flow consent limit. A bypass line that returns the excess raw water flow back to the river has now been installed and has been operating successfully for a few months. This has remedied the non-compliance issue but the plant was non-compliant for a month or two before it became operational. A formal variation to the consent has yet to be finalised to encompass the bypass arrangement.</p> <p><u>Mangaweka – non-comply</u></p> <p>Daily abstractions repeatedly exceeded consented limits on 36 days during February-March, caused by leaks on private property – which have now been fixed. Horizons was kept informed during these investigations.</p> <p><u>Hunterville – comply - full</u></p> <p>The flow meter was out of action over April and May meant that this system was non-compliant for flow recording.</p> <p>The acceptance by Horizons of this approach was noted</p>

¹⁴ Measured through Water Outlook.

¹⁵ This assessment, and those following, are those stated in the report from Horizons Regional Council dated 10 August 2016.

		<p>in the 2014/15 Annual Report, as was the construction during this year.</p> <p><u>Marton – comply - full</u> Marton Water Treatment Plant backwash and alum sludge discharge to settling ponds exceeded consent limits in May.</p> <p><u>Bulls – comply</u> Daily abstraction limits were complied with. There was minor non-compliance when the maximum hourly abstraction rate was breached for three hours on 18 August 2015 and for one hour on 12 November 2015.</p> <p><u>Rātana – not assessed</u> The new bore has been in for three years with no abstraction during the reporting period.</p>
--	--	--



New Rātana water reservoir

Level of Service		
Provide reliable and efficient urban water supplies		
Measure	Target for 2015/16	Actual July 2015-June 2016
Number of unplanned water supply disruptions affecting multiple properties	<p>Fewer unplanned water supply disruptions affecting multiple properties than in the previous year</p> <p><i>In 2014/15, there were two unplanned disruptions in Taihape affecting multiple properties. There were no such disruptions to the other supplies.</i></p>	<p>Achieved</p> <p>There were no unplanned water interruptions during the reporting period.</p>
<p><i>*Maintenance of the reticulation network</i></p> <p>The percentage of real water loss from the Council's networked reticulation system¹⁶</p>	<p>Less than 40%.</p>	<p>Achieved</p> <p>The guidance for this measure anticipates a sampling approach. Water Outlook enables SCADA¹⁷ information to be interrogated in-house.</p> <p>Bulls.....8.5%</p> <p>Huntermville Urban.....12.4%</p> <p>Mangaweka.....14.3%</p> <p>Marton.....21,4%</p> <p>Rātana.....15.3%</p> <p>Taihape.....37.9%</p> <p>As expected, the calculated losses (at the end of the year) are less than the estimated losses from night flow measurement (37%).</p> <p>All supplies were within the target of 40%, so there are no variances (or at least exceedances) for this measure.</p> <p>Variances between schemes could be expected because each scheme is different. The reticulation within each town is of varying ages, and of varying pipe materials. Most of these towns were managed by separate local authorities in the past, and so there are legacy issues around such things as installation methods and materials.</p> <p>In addition to this, ground conditions can vary. In the case of asbestos cement pipes in particular, soil pH is a strong determinant of</p>

¹⁶ A description of the methodology used to calculate this must be included as part of the report and is part of Section 4 – Other information. Council has used method option 1 (Water Losses Benchloss Marking Software) for this report. Method option 2 (Minimum night flow analysis) is used for monthly reporting during the year.

¹⁷ Supervisory control and data acquisition – i.e. automated remote monitoring.

		<p>expected useful life. Varying water quality can also be an issue, as aggressive water can cause certain pipe materials to fail sooner. Land form is also an issue, most prominently in Taihape, where slips can generate partial failures which contribute to leakage.</p> <p>Capital expenditure and operational attention also lead to differences. In Marton several renewals have been done that would have helped to reduce leakage. In Taihape, there are a large number of renewals to be completed during 2016/17; these should have demonstrable effect in reducing leakage.</p> <p>In Mangaweka, staff were proactive in reducing leakage, as it greatly affects consent compliance. During 2016/17 the existing meters in the town will be used to detect unusually high consumption which is often a pointer to leaks.</p>																								
<p>*Demand management The average consumption of drinking water per day per resident within the District</p> <p>Note: This includes all water released from the urban treatment plants, <u>irrespective of whether it is used for residential, agricultural, commercial or industrial purposes.</u></p>	<p>600 litres per person per day</p> <p><i>In 2014/15, the average daily consumption of drinking water per day per resident in Rātana, Bulls, Hunterville (town), Mangaweka and Taihape was 600 litres. (Marton was not included.)</i></p>	<p>Achieved</p> <p>For the reporting period, consumption is estimated to be 542 litres per person per day.</p> <p>This figure includes Marton. The mandatory measures include all agricultural and commercial users connected to the Council's urban schemes. Because these users are metered, it is feasible to estimate the consumption of other users (i.e. domestic users). However, as all of Hunterville urban is metered (both residential and non-residential), this has been used to calculate the average consumption, although this will be slightly distorted by a few commercial users in the town. Lower consumption at Rātana is a reflection of the significant use of rainwater tanks there.</p> <table border="1" data-bbox="906 1529 1423 1944"> <thead> <tr> <th>Supply</th> <th>Population</th> <th>Billed Unmetered* Consumption Litres per person per day</th> </tr> </thead> <tbody> <tr> <td>Bulls</td> <td>1,800</td> <td>224.0</td> </tr> <tr> <td>Hunterville Urban</td> <td>400</td> <td>326.4</td> </tr> <tr> <td>Mangaweka</td> <td>180</td> <td>319.9</td> </tr> <tr> <td>Marton</td> <td>3,750</td> <td>365.2</td> </tr> <tr> <td>Rātana</td> <td>450</td> <td>151.1</td> </tr> <tr> <td>Taihape</td> <td>2,200</td> <td>238.3</td> </tr> <tr> <td>ALL URBAN</td> <td>8,380</td> <td>304.7</td> </tr> </tbody> </table> <p>*except Hunterville</p>	Supply	Population	Billed Unmetered* Consumption Litres per person per day	Bulls	1,800	224.0	Hunterville Urban	400	326.4	Mangaweka	180	319.9	Marton	3,750	365.2	Rātana	450	151.1	Taihape	2,200	238.3	ALL URBAN	8,380	304.7
Supply	Population	Billed Unmetered* Consumption Litres per person per day																								
Bulls	1,800	224.0																								
Hunterville Urban	400	326.4																								
Mangaweka	180	319.9																								
Marton	3,750	365.2																								
Rātana	450	151.1																								
Taihape	2,200	238.3																								
ALL URBAN	8,380	304.7																								

Level of Service		
Be responsive to reported faults and complaints		
Measure	Target for 2015/16	Actual July 2015-June 2016
<p>*Fault response time</p> <p>Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following <i>median times</i> are measured</p> <p>(a) attendance time for urgent callouts: from the time that the Council receives notification to the time that service personnel reach the site, and</p> <p>(b) resolution time for urgent callouts: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption</p> <p>(c) attendance for non-urgent call-outs: from the time that the Council receives notification to the time that service personnel reach the site, and</p> <p>(d) resolution of non-urgent call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption</p>	<p>The target attendance times are within 30 minutes for urgent callouts, within 24 hours for non-urgent callouts.</p> <p>The target resolution times are within 24 hours for urgent callouts and within 96 hours for non-urgent callouts.</p> <p><i>Urgent callouts are where supply is interrupted.</i></p>	<p>Achieved</p> <p>The median times for the reporting period are:</p> <p>a) 21 minutes b) 1 hour 5 minutes c) 2 hours 11 minutes d) 16 hours 28 minutes</p> <p>While a comparison with median times from last year is not possible, the raw results show high compliance with the Council's service standards:</p> <p>(a) 66 of 71 urgent callouts attended to within 30 minutes (b) 64 of 71 urgent callouts resolved within 24 hours (c) 258 of 270 non-urgent callouts attended to within 24 hours (d) 253 of 269 non-urgent callouts resolved within 96 hours.</p>
<p>*Customer satisfaction</p> <p>The total number of complaints (expressed per 1000 connections to the reticulated networks) received by the Council about</p>	<p>Less than 45/1,000</p> <p><i>In 2014/15 there 69 complaints (or 16 per 1,000 connections) for these matters.</i></p> <p><i>In addition, there were 157 callouts for water leaks throughout the network, 49 callouts for water leaks at the meter or toby, 45 requests to replace a toby or meter, and 20 requests to locate</i></p>	<p>Partly achieved</p> <p>17 per 1,000 connections.</p> <p>There were no multiple callers on these incidents.</p> <p>The detail is:</p> <p>(a) 54 (clarity) and 3 (taste) (b) 0 (c) 7</p>

<p>(a) drinking water clarity and taste (b) drinking water odour (c) drinking water pressure or flow (d) continuity of supply, and (e) The Council's response to any of these issues</p> <p>There are 4,268 connections</p>	<p><i>a meter, toby or other utility.</i></p>	<p>(d) 11 (e) nil¹⁸</p> <p>In addition, there were 102 complaints about water leaks throughout the network, 48 about water leaks at the meter or toby, 85 requests to replace a toby or meter, and 17 requests to locate a meter, toby or other utility.</p>
---	---	--

Level of Service

Maintain compliant, reliable and efficient rural water supplies (non-potable)

Measure	Target for 2015/16	Actual July 2015-June 2016
<p>Compliance with resource consents</p>	<p>No incidents of non-compliance with resource consents</p> <p><i>In 2014/15, there was non-compliance at Omatane because of excessive abstraction.</i></p>	<p>Achieved</p> <p><u>Hunterville – comply -full¹⁹</u> Daily abstraction rates were complied with. However, flow recording stopped on 17 March 2016 to allow for upgrades to the flow recording system to enable “blue tick” calibration.²⁰ This is required by Horizons.</p> <p><u>Erewhon – comply - full</u> Daily and hourly abstraction limits have been complied with.</p> <p><u>Omatane – comply - full</u> Daily abstraction limits (300 m³/day) were complied with apart from one reading of 389 m³ on 13 February 2016: the cause – excessive pumping, a leak or ‘wobble’ in the SCADA data – was not determined.</p>
<p>Maintenance of the reticulation network The percentage of real water loss from the Council's networked reticulation system</p>	<p>40%</p> <p>No formal assessment has yet been undertaken of water loss in the rural (non-potable) schemes: the benchmark adopted is that used for urban (potable) water</p>	<p>Not available</p> <p>This has proved impractical to determine because of the use of unmetered flow restrictors and the fact that these are trickle-feed supplies which fill tanks.</p>

¹⁸ This is intended to refer to complaints about Council's response or resolution of any of the four issues specified. They are not distinguishable within the Council's request for service system but are included within (a) to (d).

¹⁹ This assessment, and those following, are those stated in the report from Horizons Regional Council dated 10 August 2016.

²⁰ The National Environmental Standard for Measurement of Water Takes requires all water metering devices to be independently verified on installation and every five years thereafter. Suppliers are required to be accepted to the IrrigationNZ 'Blue Tick' Accredited Register. Currently there is just one such supplier in the Horizons region.

	supplies.	
<p>Fault response time</p> <p>Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median times are measured</p> <p>(a) attendance for urgent call-outs: from the time that the Council receives notification to the time that service personnel reach the site, and</p> <p>(b) resolution of urgent call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption</p>	<p>Less than benchmark</p> <p>(when recalculated as median times)</p> <p>Specified standard:</p> <p>(a) 24 hours</p> <p>(b) 96 hours</p>	<p><i>In progress</i></p> <p>The median times for the reporting period (for Hunterville only) are:</p> <p>(a) 32 mins</p> <p>(b) 2 hours 49 minutes</p> <p>Median times for 2014/15 were not calculated.</p> <p>However, the raw results for 2015/16 (Hunterville scheme only) are:</p> <p>(a) 46 of 48 callouts attended to within 24 hours</p> <p>(b) 46 of 48 callouts resolved within 96 hours</p>

Level of Service		
Ensure fire-fighting capacity in urban areas		
Measure	Target for 2015/16	Actual July 2015-June 2016
Random flow checks at the different supplies	<p>98% of checked fire hydrant installations are in compliance</p> <p><i>In 2014/15, maintenance issues with two hydrants became apparent, one in Taihape, one in Ratana.</i></p>	<p><i>In progress</i></p> <p>Programme of hydrant checks is ongoing</p>

Significant variations between the level of service achieved and the intended level of service

Non-compliance with the protozoa criteria in the drinking-water measure is the result of the systems not being fully operational.

Significant variation between acquisitions and replacement from the Long Term Plan

In **Marlon**, the renewals budget was underspent by \$216,000 due in part to some savings achieved in treatment as most works were completed as part of the up-grade. However, a further \$83,000 needs to be spent in this area for which no carry-over has yet been approved. Also in Marlon, the Broadway duplication was deferred pending a road structural assessment for which a carry-over of \$140,000 has been approved. The new bore and pumps were completed \$61,000 below budget.

In **Taihapa** renewals work, the budget was underspent by \$40,000 but a carry-over of \$129,000 had been approved of which now only \$40,000 will be required. The budget for Dixon Way of \$100,000 was not spent and a carry-over of \$70,000 was approved in the expectation that \$30,000 would be spent by balance date, but this was not achieved. Council wished to be sure of the view of the people living in this area agreed to the intended renewal work and had an opportunity to consider a higher level of service than the current trickle feed system permits. The treatment upgrade budget was underspent by \$396,000 due to considerable savings made on the clarifier and a carry-over of \$70,000 was approved to complete installation although this is now likely to cost \$135,000 for which the additional carry-over has not yet been approved.

In **Bulls**, the treatment and reticulation budget was underspent by \$739,000 due to SH1 main replacement being deferred to the 2017 year. A carry-over of \$633,000 has been approved for this but this will be \$106,000 short of the amount required and will need Council approval to do this.

In **Mangaweka**, the budget of \$140,000 for structure strengthening was underspent by \$110,000 for which a carry-over of \$80,000 has been approved. However, Council will now need to approve an additional \$30,000 carry over to complete the work following a seismic assessment.

In **Rātana**, the budget of \$765,000 in the long-term plan has been underspent by \$48,000 due to building delays but, since the plan was approved, an additional budget was approved above this figure to cover increased treatment cost and consequently a carry-over of \$375,000 to 2016/17 has been approved.

Significant variation between forecast and actual operating surplus in the funding impact statement

There is no significant variation between forecasted and actual operating surplus from the long-term plan.

Water Supply – Funding Impact Statement

For the year ended 30 June 2016

	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	0	96	93
Targeted rates	5,185	4,197	4,233
Subsidies and grants for operating purposes	0	0	0
Fees and charges	61	0	29
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	5,246	4,293	4,355
Applications of operating funding			
Payment to staff and suppliers	2,376	1,953	2,024
Finance costs	1,078	583	537
Internal charges and overheads applied	652	639	615
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,106	3,175	3,176
Surplus (deficit) of operating funding (A - B)	1,140	1,118	1,179
Sources of capital funding			
Subsidies and grants for capital expenditure	300	975	539
Development and financial contributions	0	0	0
Increase (decrease) in debt	1,528	2,623	822
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	1,828	3,598	1,361
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	810	1,998	1,086
- to replace existing assets	2,124	2,710	1,589
Increase (decrease) in reserves	34	8	(135)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	2,968	4,716	2,540
Surplus (deficit) of capital funding (C - D)	(1,140)	(1,118)	(1,179)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	1,141	1,201	1,174

Water Supply – Capital Works

For the year ended 30 June 2016

Category	Designated projects for 2015/16	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
RENEWALS				
Marton	Treatment and reticulation	536	964	748
Taihape	Treatment and reticulation	1,002	436	396
Bulls	Treatment and reticulation	104	986	247
Mangaweka	Treatment and reticulation	68	140	30
Huntermville urban	Treatment and reticulation	43	7	19
Ratana	Treatment and reticulation	105	0	4
Erewhon	Treatment and reticulation	145	116	84
Huntermville rural	Treatment and reticulation	121	56	60
Omatane	Treatment and reticulation	0	5	0
Total renewals		2,124	2,710	1,589
CAPITAL				
Marton	Reticulation upgrade	46	225	56
	Treatment upgrade	0	238	177
Taihape	Reticulation upgrade	402	100	0
	Treatment upgrade	0	475	79
Bulls	Backflow protection	77	128	32
	Reticulation upgrade	0	37	7
Huntermville rural	Reticulation	0	0	3
Mangaweka	Backflow protection	19	10	11
	Reticulation upgrade	0	20	0
Huntermville urban	Backflow protection, pressure flow control	37	0	4
Ratana	Treatment upgrade	229	765	717
Total capital		810	1,998	1,086

Borrowing

For the year ended 30 June 2016

Balance of borrowing at start of year	11,773	11,063	10,313
Funds borrowed during the year	1,891	3,121	1,295
Funds repaid during the year	363	497	473
Balance of borrowing at end of year	13,301	13,687	11,134

All borrowing is managed through the Council's treasury function which borrows externally to maintain sufficient liquidity for day-to-day operations. Therefore, the loans to activities from the Council's treasury function are funded by a mix of internal and external funds.

Proportion of internal borrowing to all borrowing at 30 June	40%	46%	100%
Portion of finance costs attributable to internal borrowing	381	256	516

Sewerage and the Treatment and Disposal of Sewage

This group of activities provides for the process of taking wastewater and making it suitable for discharge again into the environment.

During the year 2.7 km of new pipework was laid, at a cost of \$698,723, and 11 pipe fittings installed at a cost of \$66,241.

Following extensive discussion and consultation, a new consent application for the Bulls wastewater plant was filed with Horizons in April 2015. It is not yet known when a decision will be made on this. Currently all the discharge is to the Rangitikei River; under the new consent it is likely that there will be a requirement for discharge to land when conditions for that are suitable.

There have been lengthy negotiations with Midwest Disposals over acceptance of leachate from the Bonny Glen landfill into the Marton wastewater treatment plant. Withholding the leachate during summer, when the Tutaenui Stream has very low flow, showed the plant's discharge to be compliant. Council has entered into a Heads of Agreement to manage the rate of acceptance of treated leachate into the plant until 31 December 2017, when Midwest expects to have an on-site treatment facility. Council will be preparing its application for a new consent on the basis that no leachate will be accepted. A reference group has been formed with interested people from the community to discuss the future upgrade of the plant – the present consent expires in 2018.

A clarifier was installed in the Hunterville wastewater treatment plant which has resulted in an effluent discharge which is better than that specified in the consent.

There has been consultation with the Koitiata community about extending the current wastewater system in that community.

Slip-lining technology has been used successfully to replace the wastewater main in Goldings Line.

Removal of sludge has started – initially from the Hunterville wastewater treatment plant.

Level of Service		
Provide a reliable reticulated disposal system that does not cause harm or create pollution within existing urban areas.		
Measure	Target for 2015/16	Actual July 2015-June 2016
*Discharge compliance Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions	No abatement or infringement notices, no enforcement orders and no convictions	Achieved No abatement or infringement notices, no enforcement orders and no convictions received during the reporting period.

received by the Council in relation to those resource consents		
Routine compliance monitoring of discharge consents	<p>5 out of 7 systems comply</p> <p><i>In 2014/15, four plants were reported as non-compliant – Taihape, Hunterville, Marton and Koitiata. Reports were not received for Bulls or Mangaweka.</i></p>	<p>Not yet available/Not achieved²¹</p> <p>The full suite of compliance reports from Horizons has yet to be provided.</p> <p>Bulls has been assessed as significantly non-compliant because the quantity being discharged in to the Rangitikei River has exceeded 48% of the time what the now expired consent allows (although it would be compliant with the consent conditions now applied for). Council has put in place more regular monitoring than in previous years. The plant was compliant with other aspects of the consent which were assessed.</p> <p>No inspection was done last year; in 2013/14, the plant was considered compliant.</p> <p>Compliance reports have yet to be received for Council's other wastewater plants, but excessive amounts of discharge were released at Taihape in August 2015 following high rain events and in March 2016 when the low flow trigger limit applied. This was caused by inflow and infiltration issues: the lamella clarifier and lining of sewer mains should reduce this impact.</p> <p>There were also excess amounts of discharge at Hunterville (in August and September 2015) due to high rainfall events and high inflow and infiltration. Discussions are continuing with Horizons to provide a solution that will enable both plants to be compliant in terms of flow.</p> <p>Inflow and infiltration reduction works are under way in both areas.</p> <p>There was excessive ammonia nitrogen discharged into the Tutaenui Stream from the Marton Wastewater</p>

²¹ This assessment is used in the overall achievement statement on page 4.

		Treatment Plant in June 2016. Council's own monitoring did not identify any non-compliance during the year at Ratana.
Number of overflows from each network (response/resolution time)	No single network to experience more than 4 overflows during a 12 month period. Response/resolution time monitored and compared with benchmark] <i>In 2014/15, there were 7 overflows – one in Taihape (dry weather), two in Marton and one in Bulls (during wet weather). During the extreme rainfall on 20 June 2015, there were two overflows reported in Marton and one in Mangaweka. All were responded to within the prescribed time; one was resolved late.</i>	Achieved There were 4 overflows in Marton, 3 overflows in Taihape and one in Turakina. 6 were responded to in time and 6 were resolved in time.
<i>*System and adequacy</i> The number of dry weather sewerage overflows from the Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	Not more than one per 1,000 connections There are 4,226 sewerage connections in the District.	Partly achieved There were 5 reported dry weather overflows (i.e. 1.2/1000)

Level of Service

Be responsive to reported faults and complaints.

Measure	Target for 2015/16	Actual July 2015-June 2016
<i>*Fault response time</i> Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following <i>median times</i> are measured (a) attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and (b) resolution time: from the time that the Council	The target attendance times are within 30 minutes for such callouts.. The target resolution times are within 24 hours for such callouts	Achieved The median times for the reporting period are: a) 18 minutes b) 2 hours 44 minutes There were 20 such callouts. They include the dry weather overflows.

receives notification to the time that service personnel confirm resolution of the fault of interruption		
<p><i>*Customer satisfaction</i></p> <p>The total number of complaints received by the Council about any of the following:</p> <p>(a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the Council's response to issues with its sewerage systems²²</p> <p>expressed per 1,000 connections to the Council's sewerage system.</p>	<p>Less than 18/1,000</p> <p><i>In 2014/15 total complaints were 35 (or 8.3 per 1,000 connections.</i></p>	<p>Achieved</p> <p><i>10.2 per 1,000 connections</i></p> <p><i>There were 43 complaints received. 10 of these concerned the caravan effluent dump station in Marton.</i></p> <p>(a) 3 (b) 18 (c) 22 (d) nil</p>

Significant variations between the level of service achieved and the intended level of service

The mandatory measure for compliance with resource consents has been achieved. However, there have been breaches of conditions on occasion at several plants but to date the overall compliance rating has been received for Bulls only.

Significant variation between acquisitions and replacement from the Long Term Plan

In **Marton** treatment renewals, the budget was underspent by \$408,000 due to a complete reassessment to be carried out, and a carry-over of \$302,000 was approved to meet the commitment to a sucker truck drop off. However this will now need to be increased to the \$408,000 to meet the underspending, which Council will need to approve. The treatment plant upgrade budget of \$1,387,000 had only \$60,000 spent against it and Council has approved a carry-over of \$1,338,000 to complete the consent and works associated with this project. The under-expenditure is due to a Council's decision to delay the project pending the cessation of leachate deposits from the Bonny Glen landfill by December 2017.

In **Taihape**, the clarifier has been purchased but the foundation and pipe work still needs to be installed. The variance for this is \$189,000 under expenditure and a carry-over of \$60,000 has been approved but a further approval for a carry-over of \$113,000 will need to be approved to complete this project.

In **Bulls**, there is under expenditure of \$176,000 which was to cover the commitment to the sewer lining project and pump station renewal. A carry-over has yet to be approved for this work. Also in Bulls, the treatment plant upgrade budget of \$1,500,000 was underspent (awaiting consent notification) by \$1,261,000 and a carry-over of \$1,100,000 has been approved.

²² These are matters relating to the Council's wastewater systems recorded in the request for service system *other than* in (a), (b) or (c) such as complaints about wastewater overflows.

In **Ratana**, a budget of \$1,500,000 for an upgrade associated with the planned subdivision was underspent by \$1,428,000 and a carry-over of \$1,419,000 has been approved to complete this work. This was due to the need to wait for a land application to be complete, which could not be achieved before 30 June 2016.

In **Koitiata**, a budget of \$130,000 was not spent as consultation with residents is still taking place. A carry-over of \$110,000 has been approved for this project.

In **Hunternville**, a partial sludge removal has been carried out ahead of the long-term plan programme due to a high build up. So, although the budget was overspent by \$50,000, further expenditure will need to be authorised to complete the work. Currently there is an \$80,000 carry over approved but this will not be sufficient.

Significant variation between forecast and actual operating surplus in the funding impact statement

There is a \$0.34m increase in surplus due mainly to additional rates being received of \$0.023m.

Sewerage and Treatment and Disposal of Sewerage – Funding Impact Statement

For the year ended 30 June 2016

	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	2,922	2,306	2,537
Subsidies and grants for operating purposes	0	0	0
Fees and charges	169	242	244
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	3,091	2,548	2,781
Applications of operating funding			
Payment to staff and suppliers	1,423	1,056	1,045
Finance costs	707	201	114
Internal charges and overheads applied	274	218	209
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,404	1,475	1,368
Surplus (deficit) of operating funding (A - B)	687	1,073	1,414
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	1,344	4,816	(282)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	1,344	4,816	(282)
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	1,437	5,167	738
- to replace existing assets	696	1,667	1,129
Increase (decrease) in reserves	(102)	(945)	(736)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	2,031	5,889	1,132
Surplus (deficit) of capital funding (C - D)	(687)	(1,073)	(1,414)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	703	672	637

Sewerage and Treatment and Disposal of Sewerage – Capital Works

For the year ended 30 June 2016

Category	Designated projects for 2015/16	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
RENEWALS				
Marton	Treatment and reticulation	394	941	533
Taihape	Treatment and reticulation	90	205	219
Bulls	Treatment and reticulation	130	268	92
Mangaweka	Treatment and reticulation	40	25	15
Huntermville	Treatment and reticulation	21	220	270
Ratana	Treatment and reticulation	21	5	0
Koitiata	Treatment and reticulation	0	3	0
Total renewals		696	1,667	1,129
CAPITAL				
Marton	Treatment plant upgrade	1,437	1,387	60
Taihape	Treatment plant upgrade	0	450	261
Bulls	Treatment plant upgrade	0	1,500	239
Huntermville	Treatment plant upgrade	0	200	106
Ratana	Treatment plant upgrade	0	1,500	72
Koitiata	Treatment plant upgrade	0	130	0
Total capital		1,437	5,167	738

Borrowing

For the year ended 30 June 2016

Balance of borrowing at start of year	8,190	6,277	4,206
Funds borrowed during the year	1,752	5,167	
Funds repaid during the year	408	351	282
Balance of borrowing at end of year	9,534	11,093	3,924

All borrowing is managed through the Council's treasury function which borrows externally to maintain sufficient liquidity for day to day operations. Therefore, the loans to activities from the Council's treasury function are funded by a mix of internal and external funds.

Proportion of internal borrowing to all borrowing at 30 June	40%	46%	100%
Portion of finance costs attributable to internal borrowing	273	145	210

Stormwater Drainage

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 District's main urban centres – Taihape, Mangaweka, Hunterville, Marton, Bulls, Ratana – and, to a limited extent, at Koitiata²³.

During the year 0.51 km of new stormwater pipework was laid, at a cost of \$114,256, and 24 pipe fittings installed at a cost of \$67,681. In addition, 109 m of pipework was laid in Wanganui Road as part of the pavement rehabilitation project there – this was paid through the roading budget.

There has been considerable investigation of options (including use of CCTV footage) to deal with stormwater in Russell Street, Marton because of the flooding in the kindergarten area. Stormwater upgrades were undertaken in Dunallen Avenue and Kapuni Street, Marton, and work commenced on renewal of stormwater in Hammond Street, Marton.

There has been a review of the documentation on private and public drains as a preliminary to bringing the stormwater provisions of the Water and Related Services Bylaw into effect.

Level of Service		
Provide a reliable collection and disposal system to each property during normal rainfall		
Measure	Target for 2015/16	Actual July 2015-June 2016
<p>*System adequacy</p> <p>(a) The number of flooding events²⁴ that occurred in the District</p> <p>(b) For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the Council's stormwater system)</p>	<p>Less than 1/1000</p> <p>There are 4,122 properties in the District that pay the stormwater rate.</p>	<p>Not applicable</p> <p>No such event occurred during the reporting period.</p>
<p>*Discharge compliance</p> <p>Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of</p> <p>(a) abatement notices</p> <p>(b) infringement notices</p> <p>(c) enforcement orders, and</p>		<p>Not applicable</p> <p>The Council has not been required to have resource consents for any of its stormwater discharges.</p>

²³ The limited stormwater collection at Turakina is a roading function.

²⁴ The rules for the mandatory measures define a 'flooding event' as an overflow from a territorial authority's stormwater system that enters a habitable floor

(d) convictions received by the Council in relation to those resource consents		
--	--	--

Level of Service		
Be responsive to reported faults and complaints		
Measure	Target for 2015/16	Actual July 2015-June 2016
<p><i>*Response time</i></p> <p>The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.</p>	1 hour	<p>Not applicable</p> <p>There were no flooding events during the year within the scope of the measure</p>
<p><i>*Customer satisfaction</i></p> <p>The number of complaints received by the Council about the performance of its stormwater system, expressed per 1,000 properties connected to the Council's stormwater system.</p>	<p>Less than 15/1,000.</p> <p>There were 61 requests for service recorded in 2014/15 (or 14.8/1,000 connected properties)</p>	<p>Achieved</p> <p>8.0/1,000</p> <p>There were 33 callouts.</p>

Significant variations between the level of service achieved and the intended level of service

There were no significant variations between intended and actual levels of service.

Significant variation between acquisitions and replacement from the Long Term Plan

In **Marion**, the work in Hammond Street and Wanganui Road is still continuing. This budget was \$63,000 under spent but no carry-forward has been approved. Also, upgrades in Kapuni and Ngarina have not been completed resulting in under expenditure of \$152,000 which will be required to complete the project, but no carry forward has yet been approved.

In **Taihape**, the budget of \$100,000 for investigation of inflow and infiltration was not spent due to being funded from sewerage and the treatment and disposal of sewage.

In **Bulls**, the budget of \$50,000 for the Wilson Street budget was not spent and no carry-over has yet been approved.

In **Huntermville**, the budget of \$50,000 for investigation of inflow and infiltration was not spent due to being funded from sewerage and the treatment and disposal of sewage, and is included in that activity.

Significant variation between forecast and actual operating surplus in the funding impact statement

The additional operating surplus of \$0.26m is due to less maintenance work being carried out than expected (because of favourable weather conditions) plus very little being spent on the question of identifying public/private drains which had a budget of \$100,000. Most of this work has been done in-house and has not required the use of external contractors.

Stormwater Drainage – Funding Impact Statement

For the year ended 30 June 2016

	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	839	729	731
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	2	13
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	839	731	743
Applications of operating funding			
Payment to staff and suppliers	420	350	140
Finance costs	66	(17)	(49)
Internal charges and overheads applied	133	59	56
Other operating funding applications	0	0	0
Total applications of operating funding (B)	619	392	147
Surplus (deficit) of operating funding (A - B)	220	339	596
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	163	(44)	(44)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	163	(44)	(44)
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	173	430	78
- to replace existing assets	387	329	253
Increase (decrease) in reserves	(177)	(464)	221
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	383	295	552
Surplus (deficit) of capital funding (C - D)	(220)	(339)	(596)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	245	259	255

Stormwater Drainage – Capital Works

For the year ended 30 June 2016

Category	Designated projects for 2015/16	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
RENEWALS				
Marton	Reticulation	259	309	246
Taihape	Reticulation	42	20	2
Rural	Reticulation	38	0	0
Bulls	Reticulation	23	0	4
Mangaweka	Reticulation	8	0	0
Huntermville	Reticulation	11	0	1
Ratana	Reticulation	6	0	0
Total renewals		387	329	253
CAPITAL				
Marton	Culverts, drains and inlet protection	30	230	78
Taihape	Culverts, drains and inlet protection	39	100	0
Rural	Culverts, drains and inlet protection	56	0	0
Bulls	Culverts, drains and inlet protection	9	50	0
Mangaweka	Culverts, drains and inlet protection	10	0	0
Huntermville	Culverts, drains and inlet protection	20	50	0
Ratana	Culverts, drains and inlet protection	9	0	0
Total capital		173	430	78

Borrowing

For the year ended 30 June 2016

Balance of borrowing at start of year	1,109	622	622
Funds borrowed during the year	235	0	0
Funds repaid during the year	72	44	44
Balance of borrowing at end of year	1,272	578	578

All borrowing is managed through the Council's treasury function which borrows externally to maintain sufficient liquidity for day to day operations. Therefore, the loans to activities from the Council's treasury function are funded by a mix of internal and external funds.

Proportion of internal borrowing to all borrowing at 30 June	40%	46%	100%
Portion of finance costs attributable to internal borrowing	36	14	31

Community and Leisure Assets

This group of activities covers Council's non-infrastructure assets – halls and community buildings, public toilets, swimming pools, parks and reserves, libraries, cemeteries and community housing. The major challenge is to manage these assets to meet the changing demands on use from residents, which include changes in the age demographic, lifestyle, 'fashions' in sport and outdoor recreation, patterns of indoor activities, work-life balance and the distance people are prepared to travel to access these activities.



A significant change in the delivery of services over parks and reserves commenced in August 2015 with the formation of an internal team supported by contractors at Ratana and Koitiata, for dealing with rubbish bins in town centres, sexton duties and (initially) berm mowing in urban areas. Initiatives include reviewing all playgrounds and repairing or replacing equipment and ensuring all playing surfaces were safe and compliant, and verti-draining all playing fields.

The refurbishment of the Shelton Pavilion in Centennial Park, Marton, was completed, with the financial support of the Lottery Community Facilities Fund and Powerco Wanganui, as well as in-kind contributions from a number of local businesses.

Following the clearly expressed preference for the new Bulls multi-purpose facility to be on the site of the Criterion Hotel, Council secured an option on the site in a joint venture arrangement with the owners of the site who intend to erect a separate building. Good progress has been made on the concept drawings with the appointed architects, in consultation with key stake-holders. The site is now cleared.²⁵

Other highlights for the year include:

- A grant of \$31,000 from the JBS Dudding Trust Grant for purchase of books and other materials for the District Libraries, and self-service at Marton Library;

²⁵ An archaeological assessment is required because the first hotel on the site dates from 1876.

- Renovations and improvements at Makuhau, Ohingaiti & Tutaenui Halls, also funded by JBS Dudding Trust - \$17,000;
- Renovations and improvements to eight community flats, and investigation of alternative providers of this service;
- Health and safety audits across facilities and for operational procedures by the Parks team;
- Design for a water storage system for a community-funded irrigation system on Taihape Memorial Park;
- Transfer to Council of the management and ownership of the Rangatira cemetery at Hunterville.

Level of Service

Provide a “good enough” range of community and leisure assets at an appropriate proximity to centres of population

Measure	Target for 2015/16	Actual July 2015-June 2016
“Report card” produced during April/May each year from a postal survey of residents. ²⁶	A greater proportion (than in the benchmark) or 10% of the sample believes that Council’s service is getting better.	Partly achieved <i>Summary result are given below, with more detailed information on parks, libraries and pools following</i>
	Public libraries ²⁷	In 2015/16, 10% believed public libraries were better than last year, 76% about the same, 3% worse than last year (11% did not know). 😊 Lowest awareness among respondents was over other services such as availability of Internet and holiday programmes. The 18-29 year old demographic group gave the highest “better than last year” rating.
	Swimming pools ²⁸	In 2015/16, 23% believed swimming pools were better than last year, 58% about the same, 5% worse than last year (14% did not know). 😊 Marton respondents provided the highest “better than last year” rating.
	Sports fields and parks ²⁹	In 2015/16, 12% believed sports fields and parks were better than last year, 65% about the same, 5% worse than last year (18% did not know). 😊 21% of respondents considered maintenance and upkeep had increased from last year, a considerable gain from last year, and a reflection of the work done by the internal Parks team.
	Public toilets ³⁰	In 2015/16, 10% believed public toilets were better than last year, 50% about the same, 10% worse than last year (30% did not

²⁶ The sample was taken from the electoral roll for residents. During the previous three years, the sample was taken from Council’s ratepayer database.

²⁷ In 2014/15, 15% believed it was better than the previous year, 62% about the same, 2% worse (and 22% didn’t know)

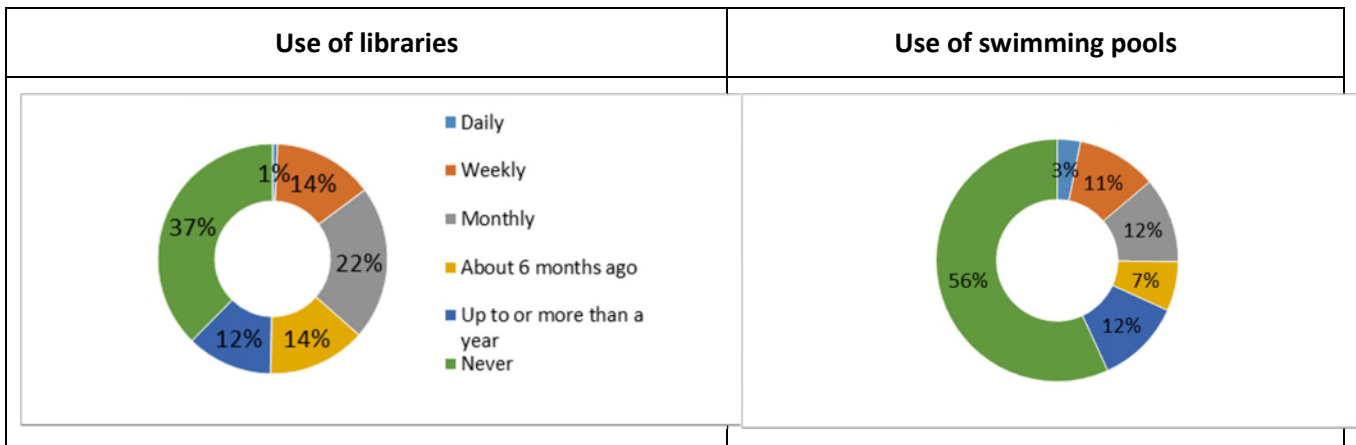
²⁸ In 2014/15, 17% believed the service was better than the previous year, 35% about the same, 5% worse (and 44% did not know).

²⁹ In 2014/15, 5% believed the service was better than the previous year, 69% about the same, 9% worse (and 16% did not know).

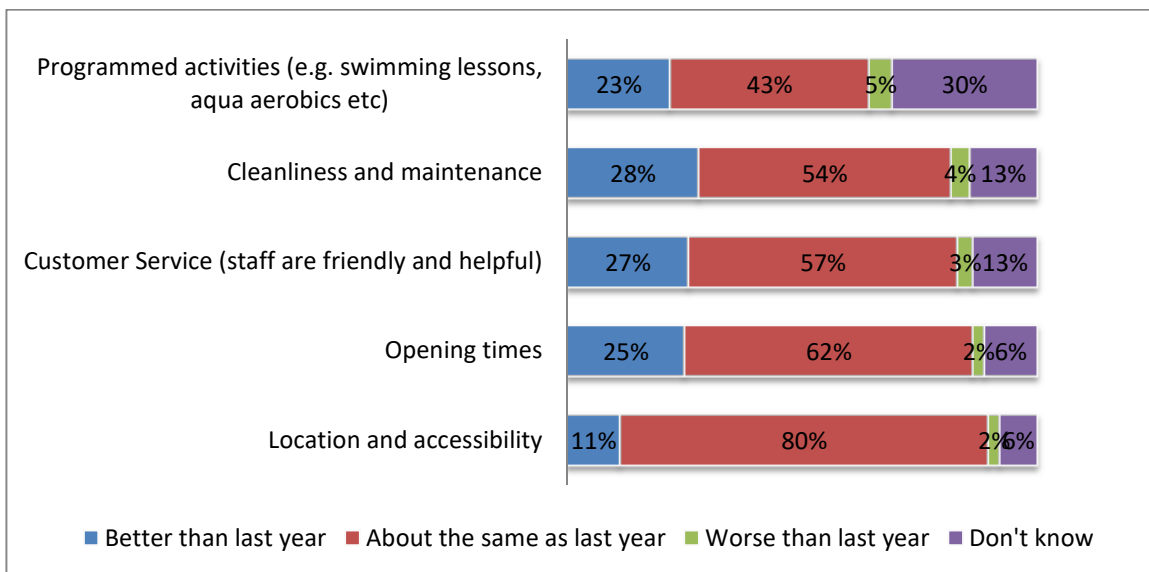
³⁰ In 2014/15, 19% believed the service was better than the previous year, 51% about the same, 18% worse (and 11% did not know).

	<p>Community buildings³¹</p> <p>Community housing³²</p>	<p>know). 😞 Closer analysis shows that a third of respondents did not know (or did not provide) a view on the maintenance and upkeep of the toilets.</p> <p>In 2015/16, 3% believed community buildings were better than last year, 65% about the same, 6% worse than last year (25% did not know). 😞</p> <p>In 2015/16, 1% believed community housing were better than last year, 18% about the same, 1% worse than last year (80% did not know). 😊</p>
--	---	--

37% of respondents used the libraries once a month (the same proportion who did not use the libraries at all). 15% of respondents used the libraries at least once a week. 26% of respondents used the pools at least once a month (in season) and 14% at least once a week. Over a half of respondents did not use the pools at all.

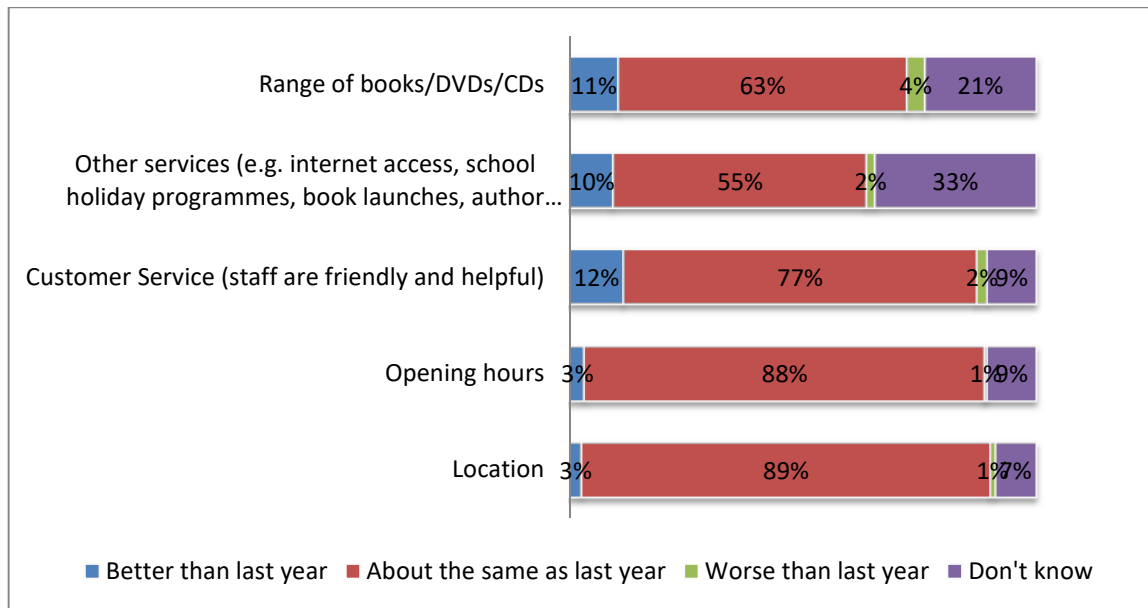


Pools

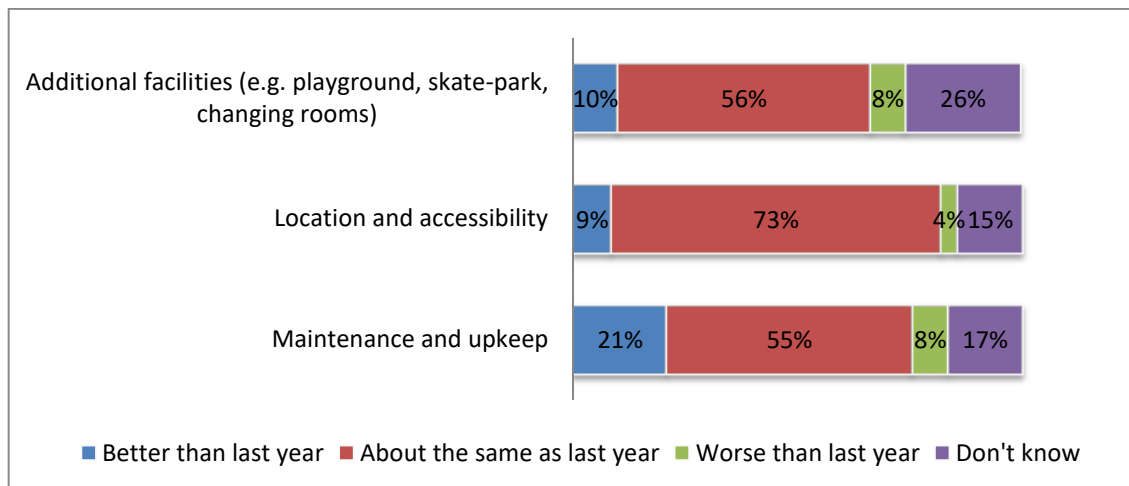


³¹ In 2014/15, 4% believed the service was better than the previous year, 67% about the same, 10% worse (and 18% did not know).
³² In 2014/15, 0% believed the service was better than the previous year, 33% about the same, 5% worse (and 62% did not know).

Libraries



Parks



Level of Service

Secure high use of staffed resources

Measure	Target for 2015/16	Actual July 2015-June 2016
Number of users of libraries	<p>An increase in use compared with the benchmark</p> <p><i>In 2013/14, 126,801 people entered the libraries:</i> <i>Bulls: 20,373</i> <i>Marion: 49,967</i> <i>Taihape: 56,461</i></p>	<p>Not yet available</p> <p>The software providing this information has not been functioning through most of the reporting period.</p>

Number of users of pools	<p>An increase in use compared with the benchmark:</p> <p><i>2013/14 season totals</i> <i> Marton 19,445</i> <i> Taihape....10,099</i></p>	<p>Achieved</p> <p>Marton: 20,123 (last year for the same period was 12,987) Schools made up 5,500 of this figure. They were not recorded last year.</p> <p>Taihape: 11,323 (last year for the same period was 13,262) The closure of the learners' and toddlers' pools for about half of the season (because of structural repairs to that part of the Pool building) is likely to have been a contributor to this reduction.</p>
--------------------------	--	---

Significant variations between the level of service achieved and the intended level of service

There were no significant variations between intended and actual levels of service.

Significant variation between acquisitions and replacement from the Long Term Plan

The main variances in this activity are due to:

- In community housing, the budget for refurbishment was under spent by \$75,000 and a carry-over for this amount has been approved.
- The Mangaweka campground toilet budget of \$95,000 has not been spent due to delays in final design and a carry-over for this amount has been approved.
- The Bulls town centre was underspent by \$750,000 and a carry-over of \$700,000 has been approved. The development of a final design took longer than anticipated, partly because the community/staff reference group raised a number of issues which it was important for the architects to address. The timetable for the Lotteries Community Facilities Fund was also a factor because Council has defined thresholds for external funding before committing to purchase of the site and letting a contract for the new building.
- The Taihape swim centre budget of \$150,000 was not spent due to delays in peer reviewing the consultant's report. A carry-over of \$150,000 has been approved for this project.

Significant variation between forecast and actual operating surplus in the funding impact statement

There is no significant variation between forecast and actual operating surplus from the long-term plan.

Community and Leisure Assets – Funding Impact Statement

For the year ended 30 June 2016

	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,882	3,391	3,391
Targeted rates	821	0	0
Subsidies and grants for operating purposes	30	108	117
Fees and charges	421	588	514
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	3,154	4,087	4,022
Applications of operating funding			
Payment to staff and suppliers	2,163	2,773	2,537
Finance costs	28	31	26
Internal charges and overheads applied	522	349	380
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,713	3,153	2,942
Surplus (deficit) of operating funding (A - B)	441	934	1,080
Sources of capital funding			
Subsidies and grants for capital expenditure	0	106	51
Development and financial contributions	0	0	0
Increase (decrease) in debt	(41)	(8)	(164)
Gross proceeds from sale of assets	0	0	68
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	(41)	98	(45)
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	136	1,123	156
- to replace existing assets	317	549	400
Increase (decrease) in reserves	(53)	(640)	479
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	400	1,032	1,035
Surplus (deficit) of capital funding (C - D)	(441)	(934)	(1,080)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	735	811	903

Community and Leisure Assets – Capital Works

For the year ended 30 June 2016

Category	Designated projects for 2015/16	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
RENEWALS				
Swimming pools	Building and plant	56	115	40
Libraries	Furniture, books and computers	132	108	100
Community housing	Flat refurbishment	25	100	25
Cemeteries	Paving and fences	9	23	3
Parks and reserves	Landscaping and playgrounds	14	68	119
	Bulls courthouse refurbishment	0	30	23
Toilets	Building refurbishment	0	7	0
Halls	Refurbishment	81	98	90
Total renewals		317	549	400

CAPITAL				
Swimming pools	Capital improvements to plant	32	150	0
Libraries		0	0	0
Community housing		0	0	0
Cemeteries	Berms	4	8	6
	Land purchase Ratana	0	20	0
Parks and reserves	Mangaweka campground wastewater	100	95	0
	Parks upgrades	0	100	149
Property		0	0	0
Toilets		0	0	0
Halls	Bulls town centre	0	750	0
Total capital		136	1,123	156

Borrowing

For the year ended 30 June 2016

Balance of borrowing at start of year	591	1,528	1,234
Funds borrowed during the year	4	75	0
Funds repaid during the year	45	83	148
Balance of borrowing at end of year	550	1,520	1,085

All borrowing is managed through the Council's treasury function which borrows externally to maintain sufficient liquidity for day to day operations. Therefore, the loans to activities from the Council's treasury function are funded by a mix of internal and external funds. However, an exception has been permitted to allow community and leisure assets (swimming pools) to enter into an external loan with the Marton Aquatic Leisure Trust. Included in funds repaid is an amount of \$16,020 repaid to that organisation.

Proportion of internal borrowing to all borrowing at 30 June	45%	41%	86%
--	-----	-----	-----

Portion of finance costs attributable to internal borrowing	17	31	62
---	----	----	----

Rubbish and Recycling

This group of activities is focussed on the appropriate disposal of refuse in the District, an activity where central government is increasingly determining national standards that Council must meet. Council does not collect – other than from public litter bins – or dispose of rubbish within the District: this is handled by independent businesses. Council owns a network of waste transfer stations, whose operation is contracted out.

Highlights for the year were the implementation of a higher level of recycling at Ratana, making greenwaste fully operational at Taihape, and trialling extended hours at Marton. The Enviroschools programme has continued at five schools in the Rangitikei.

Level of Service		
Make recycling facilities available at waste transfer stations for glass, paper, metal, plastics, textiles and greenwaste. Special occasions for electronics (e-waste).		
Measure	Target for 2015/16	Actual July 2015-June 2016
Waste to landfill (tonnage) ³³	[No more than] 4,500 tonnes to landfill <i>In 2014/15, 4,688 tonnes went to the landfill.</i>	Achieved 4,242 tonnes went to the landfill during the year ending 30 June 2016
Waste diverted from landfill (tonnage and percentage of total waste) ³⁴	Percentage of waste diverted from landfill 12% <i>In 2014/15, a total of 710.7 tonnes (or 13.3%) of waste was diverted.</i>	Achieved 598 tonnes (or 14.3%) of waste was diverted during year. The composition of the diverted waste is: Glass.....218.6 tonnes Greenwaste.....205.0 tonnes Paper.....118.7 tonnes Metals.....28.3 tonnes Plastics.....21.8 tonnes e-Waste.....5.3 tonnes Co-mingle.....0.6 tonne

Significant variations between the level of service achieved and the intended level of service

There are no significant variations between intended and actual levels of service.

Significant variation between acquisitions and replacement from the Long Term Plan

There is no significant variation between acquisitions and replacement from the long-term plan.

Significant variation between forecast and actual operating surplus in the funding impact statement

There is no significant variation between forecast and actual operating surplus from the long-term plan

³³ Calibrated records maintained at Bonny Glen landfill.

³⁴ Records maintained at waste transfer stations

Rubbish and Recycling – Funding Impact Statement

For the year ended 30 June 2016

	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	0	86	86
Targeted rates	672	443	446
Subsidies and grants for operating purposes	48	47	54
Fees and charges	442	370	377
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	1,162	946	963
Applications of operating funding			
Payment to staff and suppliers	1,059	954	950
Finance costs	7	(30)	(32)
Internal charges and overheads applied	126	54	51
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,192	978	969
Surplus (deficit) of operating funding (A - B)	(30)	(32)	(6)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	210	(1)	(1)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	210	(1)	(1)
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	220	0	0
- to replace existing assets	3	2	7
Increase (decrease) in reserves	(43)	(35)	(13)
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	180	(33)	(7)
Surplus (deficit) of capital funding (C - D)	30	32	6
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	33	33	39

Rubbish and Recycling – Capital Works

For the year ended 30 June 2016

Category	Designated projects for 2015/16	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
RENEWALS				
Public refuse collection	District litter bins	3	2	0
Waste transfer stations	Plant renewals	0	0	7
Total renewals		3	2	7
CAPITAL				
Waste transfer stations	Create direct access to Marton pit	220	0	0
Total capital		220	0	0

Borrowing

For the year ended 30 June 2016

Balance of borrowing at start of year	33	13	13
Funds borrowed during the year	220	0	0
Funds repaid during the year	10	1	1
Balance of borrowing at end of year	243	12	12

All borrowing is managed through the Council's treasury function which borrows externally to maintain sufficient liquidity for day to day operations. Therefore, the loans to activities from the Council's treasury function are funded by a mix of internal and external funds.

Proportion of internal borrowing to all borrowing at 30 June	40%	46%	100%
Portion of finance costs attributable to internal borrowing	7	1	1

Environmental and Regulatory Services

This group of activities covers the areas where Council ensures compliance with statutory requirements in the areas of planning, development and building, liquor and other licensing, animal control and environmental health.

During the year, there has been continued collaboration with neighbouring councils (both at a regional level and within a central New Zealand cluster associated with the Ministry of Business, Innovation and Employment³⁵) over common approaches in managing Building Control Authority functions. Building consents have increased by 73 applications compared to the previous year. There has been ongoing preparation and review of accreditation requirements for the IANZ audit and re-accreditation in 2017.

Implementation of the new Food Act and grading of food handling premises under the Food Premises Bylaw has been a major focus. The Ministry for Primary Industries requires monthly reporting on enforcement activity. This function is delivered through a shared service with Whanganui District Council.

The shared service agreement for animal control with Manawatu District Council has been renewed for a further year. During the year, some assistance has been provided to Tararua District Council.

In December 2015, Council agreed to undertake a targeted review of the District Plan, with hearings conducted by an independent Commissioner. The changes subsequently considered included:

- removing the liquefaction, ground shaking, active fault and landslide hazard overlays;
- amending the flooding permitted activity standards to increase consistency with the One Plan;
- amending heritage provisions, including the addition of a schedule of values for Marton, a heritage precinct for heritage buildings in Marton and introducing the concept of offsetting;
- amending Taihape West Slip Zone provisions to increase clarity; and
- amending signage provisions and building setback rules.

The process is nearing completion with notification of the Commissioner's decision following its adoption by Council on 25 August 2016.

A successful application was made to the Ministry of Civil Defence and Emergency Management's Community Resilience Fund to fund research and development of a multi-agency collaborative approach which can realistically address the needs of residents in the flood-prone Whangaehu Valley (with applicability to other flood-prone communities elsewhere in New Zealand).

The June 2015 storm entailed inspection of a number of properties and issue of dangerous and insanitary notices.

Level of Service		
Provide a legally compliant service		
Measure	Target for 2015/16	Actual July 2015-June 2016
Timeliness of processing the paperwork (building control, consent)	At least 92% of the processing of documentation for each of Council's regulatory and	Achieved 100% of building consents and 100%

³⁵ This Ministry includes the former Department of Building and Housing.

<p>processes, licence applications)³⁶</p>	<p>enforcement services is completed within the prescribed times</p> <p><i>In 2014/15, 100% of building consents and 95% of resource consents were issued within the prescribed time</i></p> <p><i>There were 256 building consents and 38 resource consents.</i></p>	<p>of resource consents were issued within the statutory timeframes.</p> <p>There were 324 building consents and 43 resource consents.</p> <p>There were 173 applications for licences under the Sale and Supply of Alcohol Act 2012. There are no statutory timeframes for Council to comply with.</p>
<p>Possession of relevant authorisations from central government³⁷</p>	<p>Accreditation as a building consent authority maintained</p> <p>Functions of a registration authority and role of a recognised agency under the Food Act not subject to Ministerial Review.³⁸</p>	<p>Achieved</p> <p>Following a routine assessment in February 2015, Council's accreditation was confirmed for a further two years. The next assessment is provisionally scheduled for April 2017.</p> <p>The Food Act was fully in effect from 1 March 2016). The Ministry for Primary Industries has required a report on compliance activities each month from 10 April 2016.</p>

Level of Service

Provide regulatory compliance officers

<p>Timeliness of response to requests for service for enforcement call-outs (animal control and environmental health) within prescribed response and resolution times.</p>	<p>Improvement in timeliness reported in 2013/14.</p> <p><i>In 2013/14, 84% were responded to in time and 61% were completed in time. The relevant figures for 2014/15 were 87% and 81%.</i></p> <p>For animal control, priority 1 (urgent) callouts (dog attack, threatening dog or stock on road) require response within 30 minutes and resolution within 24 hours; priority 2 (i.e. non-urgent) callouts require response within 24 hours and resolution within 96 hours.</p> <p>For environmental health, there are varying times – for noise complaints, a response is required within one hour, for food issues, it is within 24 hours.</p>	<p>Achieved</p> <p>For Animal Control and Environmental Health there were 1,680 requests, of which 1,451 were responded to in time (i.e. 86%) and 1,443 completed in time (i.e. 89%)</p> <p>This was 223 more requests than last year.</p>
--	--	---

³⁶ This includes any prescribed monitoring, such as of resource consents.

³⁷ Excluding general authorisation through legislation where no further formal accreditation is specified.

³⁸ Food Act 2014, s. 185. This added since the measure is an annual review of relevant documents.



Parewanui Road, Scotts Ferry, following the June 2015 storm

Significant variations between the level of service achieved and the intended level of service

There are no significant variations between intended and actual levels of service.

Significant variation between acquisitions and replacement from the Long Term Plan

There are no significant variations between acquisitions and replacement.

Significant variation between forecast and actual operating surplus in the funding impact statement

The additional operating surplus of \$0.23m is due to additional fees from building consents and dog control.

Environmental and Regulatory Services – Funding Impact Statement

For the year ended 30 June 2016

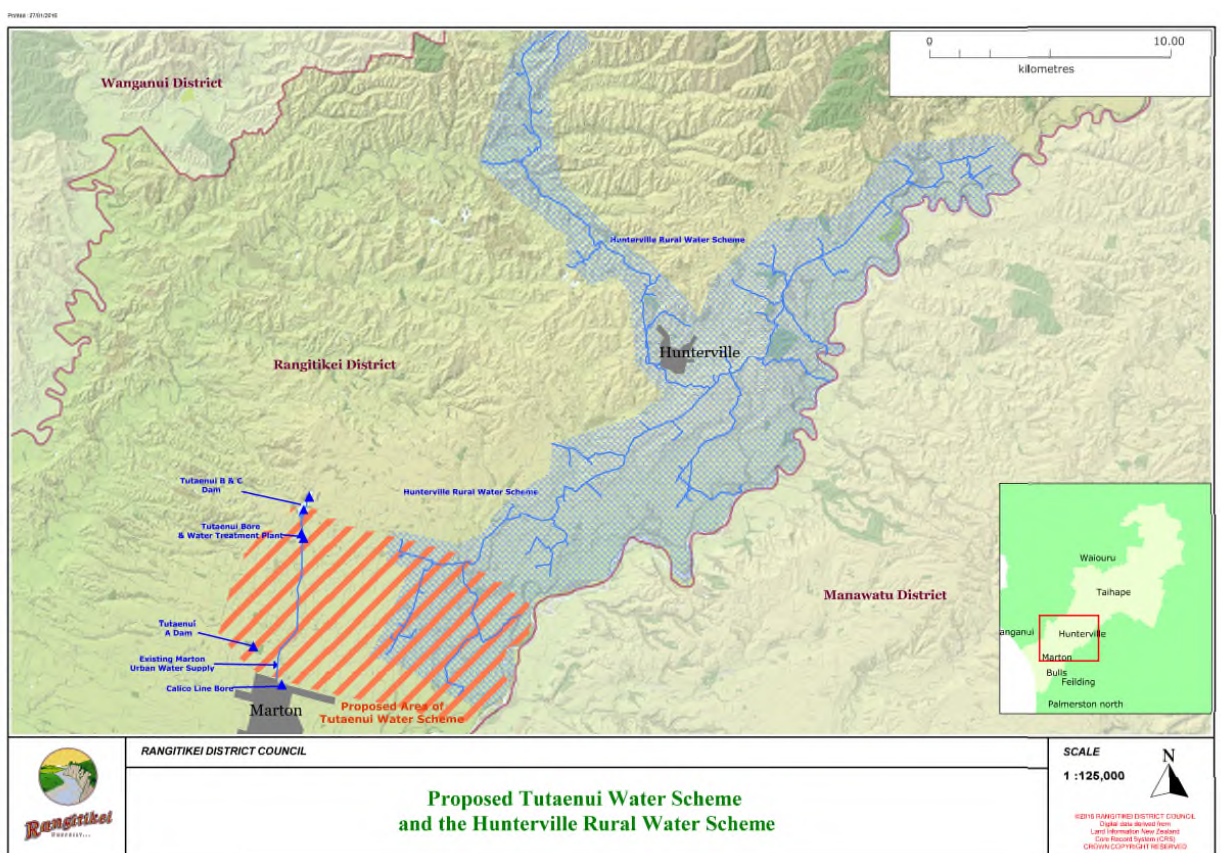
	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	979	851	851
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	411	870	1,092
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	15	22
Total operating funding (A)	1,390	1,736	1,965
Applications of operating funding			
Payment to staff and suppliers	857	1,101	1,145
Finance costs	0	4	(6)
Internal charges and overheads applied	530	491	458
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,387	1,596	1,597
Surplus (deficit) of operating funding (A - B)	3	140	368
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	3	140	368
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	3	140	368
Surplus (deficit) of capital funding (C - D)	(3)	(140)	(368)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	3	0	0

Community Well-being

This group of activities consists of Economic Development and District Promotion, Information Centres, Grants, Community Partnerships and Emergency Management and Rural Fire. These are activities where Council is primarily an enabler and facilitator of action rather than as a provider of services and facilities.

Highlights are:

- Engagement with the Regional Growth Study and the subsequent formation of Accelerate25 to formulate the action plan.³⁹
- Gaining approval from the Ministry for Primary Industries for co-funding (from the Irrigation Acceleration Fund) of a pre-feasibility study of a rural water supply scheme in the Tutaenui area⁴⁰;



- The development and submission of an Expression of interest and Digital Enablement Plan as part of central government’s second phase to rollout Ultra-fast broadband to urban and rural areas;
- The maintenance of after-school and school holiday programmes at Marton Youth Club and Taihape Youth Hutt (with support from Community Investment at the Ministry of Social Development) and development of a youth development strategy, with appropriate resources for 2016/17;

³⁹ The Ministers for Economic Development and for Primary Industries launched this action plan on 12 August 2016.

⁴⁰ See map on following page

- Delivery of a Swim for All programme with 920 primary school students throughout the District being offered subsidised swimming lessons and all children having free pool entry for swimming lessons. Funding for this was provided by the Council in partnership with Sport Whanganui, the Lottery Community Committee and Whanganui Community Foundation;
- A range of place-making initiatives to support the implementation of the Town Centre Plans in Marton, Bulls, Mangaweka and Turakina, including a youth-led development in Marton, funded through the Ministry for Social Development;
- Successful engagement with the Samoan community in southern Rangitikei leading to the first celebration of Samoan Independence Day on 6 June 2016 with cultural performances and a traditional umu (Samoan feast);
- Successful delivery of all grants programmes, including the first year of the Events Sponsorship Scheme in which Council sponsored events to deliver either community or economic benefits. The programme of 13 high profile and/or high profile, community events delivered an estimated economic impact of about \$700,000 for a ratepayer investment of \$26,000;
- The production of a quarterly 'Rangitikei Environment' Newsletter through the Treasured Natural Environment Theme Group. The newsletter is specific to the Rangitikei and provides environmental 'think pieces', updates on community and agency environmental activities and other useful environmental information;
- Continued administrative support for Rangitikei Heritage; and
- Successful delivery of the programmes of work undertaken by Bulls and District Community Trust, Project Marton, Rangitikei Tourism and Taihape Community Development Trust.

Level of Service

Provide opportunities to be actively involved in partnerships that provide community and ratepayer wins

Measure	Target for 2015/16	Actual July 2015-June 2016
<p>Partners' view of how useful Council's initiatives and support has been (annual survey)⁴¹</p> <p>The focus for the survey is those community groups within the District with whom the Council has worked. So, this excludes shared services or other contractual arrangements with other councils. It also excludes direct collaboration with central government agencies although, where these are also involved with community organisations and groups within the Rangitikei, they are invited to participate in the annual survey.</p>	<p>A greater proportion (than in the benchmark) or more than 10% of the sample believes that Council's service is getting better.</p> <p><i>In 2014/15, from the 96 responses to the survey, 17% thought Council's service is getting better, 45% thought it about the same, 3% thought it worse and 35% did not know how to rate this..</i></p>	<p>Achieved</p> <p>In 2015/16, from the 88 responses to the survey, 19% thought Council's service is getting better, 57% thought it about the same, 1.5% thought it worse and 22% did not know how to rate this.</p>

⁴¹ Groups which are targeted for consultation:

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

Level of Service		
Identify and promote opportunities for economic growth in the District		
Measure	Target for 2015/16	Actual July 2015-June 2016
<p>The three key indicators of success in the Council's adopted Rangitikei Growth Strategy- i.e.</p> <ul style="list-style-type: none"> • The District's GDP growth • A greater proportion of young people living in the District are attending local schools • More people living in the District (than is currently projected by Statistics New Zealand)⁴² 	<p>Turning the curve (in comparison with the benchmark) is evident in at least two of the key indicators</p>	<p>Achieved</p> <p>GDP growth: the Rangitikei GDP grew sharply during 2015, compared to New Zealand GDP growth and the trend is now upwards. (Infometrics data for 2013, 2014 and 2015).</p> <p>School rolls: latest school rolls (July 2015) compared to population estimates indicate that the upward trend of residents enrolled in local high schools stabilized in 2015.</p> <p>Population estimates from Statistics New Zealand show a small increase in the population since the Census 2013, tracking at above the high estimates produced from Census data (see table below).</p>

Significant variations between the level of service achieved and the intended level of service

There is no significant variation between intended and actual levels of service.

Significant variation between acquisitions and replacement from the Long Term Plan

There are no significant variations between acquisitions and replacement.

Significant variation between forecast and actual operating surplus in the funding impact statement

There is no significant variation between forecast and actual operating surplus from the long-term plan.

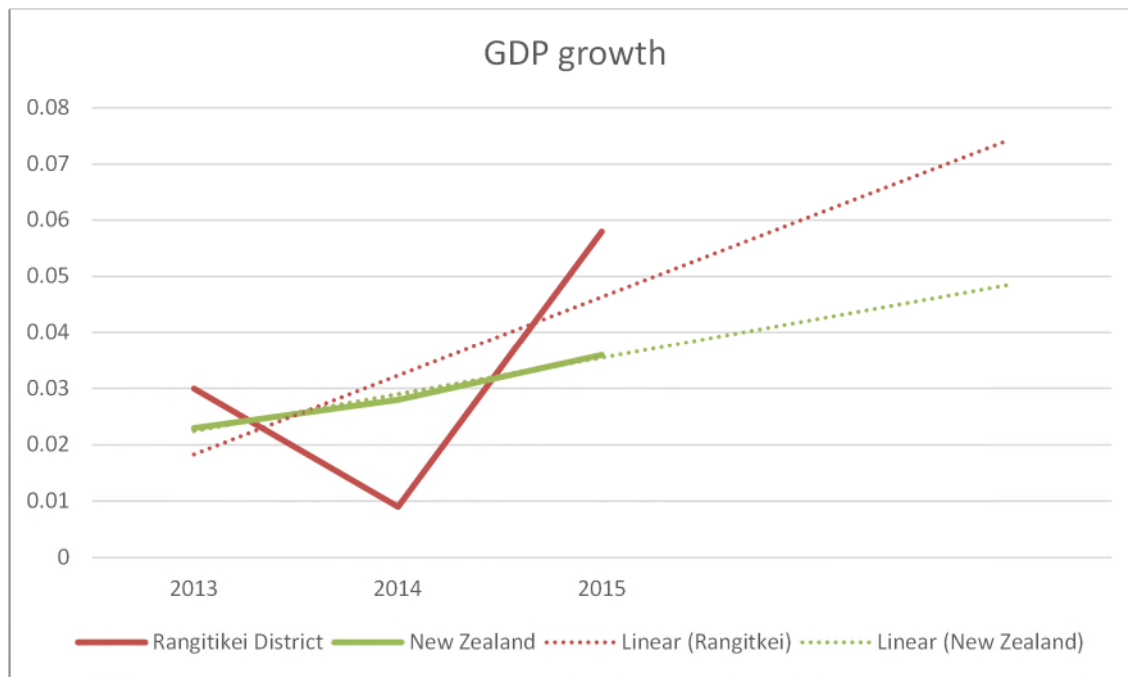
⁴² (a) In 2013, Rangitikei's GDP growth was -0.8% and trending downwards with an increasing divergence from the national trend.

(b) Based on latest available Statistics New Zealand population estimates (June 2013) and school enrolments for 2014 (TKI), 56% of residents of high school age were enrolled in local schools and trending upwards.

(c) Based on population projections from Statistics New Zealand (medium projection based on 2013 Census), the resident population is projected to decline from 14,450 in June 2013 to 13,900 in June 2028.

Population change (estimated at 30 June 2015) cf. Census 2013	
Rangitikei district	150
Mangaweka	0
Hunterville	-20
Ratana Community	20
Bulls	50
Ngamatea	0
Moawhango	-20
Pohonui-Porewa	-10
Lake Alice	10
Koitiata	0
Taihape	60
Marton	70

Source: Statistics New Zealand Subnational population estimates



Source: Infometrics Rangitikei Economic Profile

Community Well-being – Funding Impact Statement

For the year ended 30 June 2016

	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	919	1,255	1,255
Targeted rates	0	0	0
Subsidies and grants for operating purposes	91	142	79
Fees and charges	31	54	147
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	1,041	1,451	1,481
Applications of operating funding			
Payment to staff and suppliers	808	1,211	1,091
Finance costs	2	1	1
Internal charges and overheads applied	252	200	175
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,062	1,412	1,266
Surplus (deficit) of operating funding (A - B)	(21)	39	215
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(24)	(2)	(2)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	(24)	(2)	(2)
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	69	82
Increase (decrease) in reserves	(45)	(32)	132
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	(45)	37	214
Surplus (deficit) of capital funding (C - D)	21	(39)	(215)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	33	40	35

Community Well-being – Capital Works

For the year ended 30 June 2016

Category	Designated projects for 2015/16	2015 Long-term plan (\$000)	2016 Long-term plan (\$000)	2016 Actual (\$000)
RENEWALS				
Civil defence		0	0	0
Rural fire	Radio equipment and vehicles	0	70	82
Information centres		0	0	0
Total renewals		0	70	82

Borrowing

For the year ended 30 June 2016

Balance of borrowing at start of year	128	18	18
Funds borrowed during the year	0	0	0
Funds repaid during the year	24	2	2
Balance of borrowing at end of year	104	16	16

All borrowing is managed through the Council's treasury function which borrows externally to maintain sufficient liquidity for day-to-day operations. Therefore, the loans to activities from the Council's treasury function are funded by a mix of internal and external funds.

Proportion of internal borrowing to all borrowing at 30 June	40%	46%	100%
Portion of finance costs attributable to internal borrowing	3	1	1





Rangitikei
UNSPOILT...

Rangitikei District Council

Section 3: Financial Statements and Policy Reports

Whole of Council – Funding Impact Statement

For the year ending 30 June 2016

	2015 Annual plan (\$000)	2015 Annual report (\$000)	2016 Annual Plan (\$000)	2016 Actual (\$000)
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	6,065	6,015	6,682	6,639
Targeted rates	14,098	14,250	13,820	13,879
Subsidies and grants for operating purposes	2,835	3,451	3,560	6,728
Fees and charges	1,872	2,248	2,154	2,426
Interest and dividends from investments	194	373	224	331
Local authorities fuel tax, fines, infringement fees, and other receipts	132	128	130	135
Total operating funding (A)	25,196	26,465	26,570	30,138
Applications of operating funding				
Payment to staff and suppliers	18,505	17,564	19,372	21,790
Finance costs	615	(1)	402	0
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	19,120	17,563	19,774	21,790
Surplus (deficit) of operating funding (A - B)	6,076	8,902	6,796	8,348
Sources of capital funding				
Subsidies and grants for capital expenditure	5,363	4,341	3,847	4,465
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	7,317	(16)	9,696	(16)
Gross proceeds from sale of assets	0	118	0	111
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding (C)	12,680	4,443	13,543	4,560
Application of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	8,763	3,901	9,308	2,415
- to replace existing assets	10,838	9,710	9,684	9,102
Increase (decrease) in reserves	(845)	3,317	347	1,832
Increase (decrease) in investments	0	(3,583)	1,000	(441)
Total applications of capital funding (D)	18,756	13,345	20,339	12,907
Surplus (deficit) of capital funding (C - D)	(6,076)	(8,902)	(6,796)	(8,348)
Funding balance ((A - B) + (C - D))	0	0	0	(0)
Note: Depreciation expense not included above	10,145	9,834	9,798	10,151

This statement complies with the Local Government (Financial Reporting and Prudence) Regulations 2014

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2016

	Notes	2015 Actual (\$000)	2016 Budget (\$000)	2016 Actual (\$000)
Revenue from non-exchange transactions				
Rates	3	19,008	20,032	19,248
Subsidies and grants	5	7,793	7,407	11,193
Other revenue	5	2,908	2,515	2,912
Vested and discovered assets		0	0	0
Gains	6	82	0	89
Revenue from exchange transactions				
Finance revenue	4	373	224	331
Other revenue		77	239	239
Total operating revenue		30,241	30,417	34,011
Expenditure				
Depreciation and amortisation expense	14,15	9,834	9,798	10,151
Personnel costs	7	2,650	2,633	2,999
Finance costs	4	1	402	0
Losses	6	818	0	387
Other expenses	8	14,981	16,871	18,920
Total operating expenditure		28,284	29,704	32,458
Operating surplus (deficit) before revaluation losses and derecognition				
		1,957	713	1,553
Derecognition of roading infrastructure		11,981	0	0
Operating surplus (deficit) before tax		(10,024)	713	1,553
Income tax expense	9	0	0	0
Operating surplus (deficit) after tax		(10,024)	713	1,553
Other comprehensive revenue and expense				
<i>Items that could be reclassified to surplus(deficit)</i>				
Financial assets at fair value through other comprehensive revenue and expense	6	(70)	0	83
<i>Items that will not be reclassified to surplus(deficit)</i>				
Gain on revaluation of property, plant and equipment	6	0	0	0
Total other comprehensive revenue and expense		(70)	0	83
Total comprehensive revenue and expense		(10,094)	713	1,636

Explanations of major variances against budget are provided in Note 31.

The comparative figures for 2015 have been altered to reflect the changed treatment in rates remissions of \$743,000 which has been deducted from both rates revenue and other expenses. This change is also reflected in notes 2, 3, and 8.

This statement complies with the Local Government (Financial Reporting and Prudence) Regulations 2014. The accompanying notes form part of these financial statements.

Statement of Changes in Net Assets/Equity

For the year ended 30 June 2016

	Notes	Actual (\$000)	Budget (\$000)	Actual (\$000)
Balance as at 1 July		479,223	480,399	469,129
Total comprehensive revenue and expense for the year		(10,094)	713	1,636
Balance as at 30 June		469,129	481,112	470,766

Explanations of major variances against budget are provided in Note 31.

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2016

	Notes	2015 Actual (\$000)	2016 Budget (\$000)	2016 Actual (\$000)
Assets				
Current Assets				
Cash and cash equivalents	10	3,967	2,504	6,605
Receivables from non-exchange transactions	11	3,530	3,030	3,266
Receivables from exchange transactions	11	119	92	268
Prepayments		11	11	115
Other financial assets	12	522	2,515	0
Non-current assets held for sale	13	0	0	0
Total current assets		8,149	8,152	10,253
Non-current assets				
Plant, property and equipment	14	463,515	488,681	464,482
Intangible assets	15	128	95	129
Forestry assets	16	222	28	304
Other financial assets				
Corporate bonds	12	2,510	4,101	2,553
Investment in CCOs and other similar entities	12	29	27	67
Total non-current assets		466,404	492,932	467,536
Total assets		474,554	501,084	477,789
Liabilities				
Current Liabilities				
Creditors and other payables	17	4,077	3,653	5,617
Employee entitlements	19	259	240	363
Income in advance		538	347	532
Borrowings	18	16	1,425	16
Total current liabilities		4,890	5,665	6,528
Non-current liabilities				
Employee entitlements	19	14	13	13
Provisions	20	345	444	322
Borrowings	18	176	13,850	160
Total non-current liabilities		535	14,307	496
Total liabilities		5,425	19,972	7,023
Net Assets		469,129	481,112	470,766
Equity				
Accumulated funds	21	432,501	443,726	434,024
Special and restricted reserves	21	5,099	5,642	5,147
Other reserves	21	31,529	31,744	31,594
Total equity		469,129	481,112	470,766

Explanations of major variances against budget are provided in Note 31.

The accompanying notes form part of these financial statements.

Statement of Cashflows

For the year ended 30 June 2016

	Notes	2015 Actual (\$000)	2016 Budget (\$000)	2016 Actual (\$000)
Cash flows from operating activities				
Receipts from rates revenue		18,962	20,031	19,331
Receipts from other revenue		10,396	10,071	14,430
Interest received		370	224	364
Payments to suppliers and employees		(17,687)	(19,297)	(21,033)
Interest paid		0	(402)	0
Goods and services tax (net)		(38)	0	45
Net cash inflows (outflows) from operating activities	22	12,003	10,627	13,137
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		118	0	111
Receipts from sale of investments		3,500	0	500
Acquisition of investments		0	(1,000)	(26)
Purchases of property, plant and equipment		(13,104)	(18,992)	(11,087)
Purchases of intangible assets		(14)	0	0
Net cash inflows (outflows) from investing activities		(9,500)	(19,992)	(10,501)
Cash flows from financing activities				
Proceeds from borrowings		0	10,863	0
Repayment of borrowings		0	(1,151)	0
Net cash inflows (outflows) from financing activities		0	9,712	0
Net increase (decrease) in cash, and cash equivalents		2,503	347	2,636
Cash and cash equivalents at the beginning of the year		1,466	2,157	3,969
Cash and cash equivalents at the end of the year	10	3,969	2,504	6,605

The accompanying notes form part of these financial statements

Council-Controlled Organisations (CCO)

Manawatu-Wanganui LASS Limited

This company was set up in 2008 by seven local councils to investigate the possibilities of economies of scale by joint procurement.

Rangitikei District Council owns one seventh or 14% of this company and has a \$16,000 share capital.

The company is treated as a CCO under the Local Government Act 2002 but in March 2013 Rangitikei District Council resolved that it is exempt for the purposes of section 6(4)(i) of that Act until 30 June 2016. Other member councils passed similar resolutions.



Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies

Reporting Entity

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

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

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

The financial statements of the Council are for the year ended 30 June 2016. The financial statements were authorised for issue by the Council on 29 September 2016.

Basis of Preparation

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

Statement of compliance

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

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

These financial statements comply with PBE standards

Presentation currency and rounding

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

Standards issued and not yet effective and not early adopted

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

Summary of Significant Accounting Policies

Revenue

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

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

Revenue from non-exchange transactions*General and targeted rates*

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

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

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

New Zealand Transport Agency roading subsidies

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

Other grants received

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

Vested assets

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

*Direct charges – subsidised**Rendering of services – subsidised*

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

Revenue from such subsidised services is recognised when the Council issues the invoice or bill for the service. Revenue is recognised as the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council) if the service is not completed.

Sale of goods – subsidised

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

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

Revenue from exchange transactions

Direct charges – full cost recovery

Sale of goods – full cost recovery

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

Interest and dividends

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

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

Expenses

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

The specific accounting policies for significant expense items are explained below

Borrowing costs

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

Grants

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

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

Income tax

Income tax expense includes current and deferred tax.

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

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

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

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

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

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

Operating leases

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

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

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

Cash and cash equivalents

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

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

Receivables

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

Other financial assets

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

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

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

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

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

Financial assets at fair value through surplus or deficit

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

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

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

Loans and receivables

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

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

Held-to-maturity investments

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

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

Fair value through other comprehensive revenue and expense

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

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

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

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

Impairment of financial assets

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

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

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

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

Non-current assets held for sale

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

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

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

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

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

Property, plant and equipment

Property, plant and equipment consist of:

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

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

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

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

Revaluation

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

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

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

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

Additions

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

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

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

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

Subsequent costs

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

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

Depreciation

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

Operational and restricted assets

Buildings

Structure.....	50-170 years
Roof	40 years
Services.....	40-65 years
Internal fit out	15-40 years
Plant	30 years
Motor vehicles	6 years
Office equipment.....	10 years
Computer hardware	5 years
Library books	10 years

Infrastructural assets

Roading network

Top surface (seal)	3-16 years
Pavement sealed (base course)	67 years
Pavement unsealed (base course)	60 years
Formation.....	Not depreciated
Culverts.....	10-100 years
Footpaths	25-75 years
Drainage facilities.....	80-100 years
Traffic facilities and miscellaneous items	15-80 years
Street lights	50-70 years
Bridges.....	75-120 years

Water

Pipes	30-90 years
Pump stations.....	5-100 years
Pipe fittings.....	25-50 years

Wastewater

Pipes	50-100 years
Manholes.....	100 years
Treatment plant	5-100 years

Stormwater

Pipes.....	50-90 years
Manholes, cesspits	100 years
Waste transfer stations	50 years

Service concession arrangements

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

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

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

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

Intangible assets***Software acquisition***

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

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

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

Easements

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

Carbon credits

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

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

Amortisation

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

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

Computer software..... 3-5 years

Impairment of property, plant and equipment and intangible assets

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

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Forestry assets

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

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

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

Payables

Short-term payables are recorded at their face value.

Borrowings

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

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

Employee benefits**Short-term employee entitlements**

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

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

Long-term employee entitlements

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

Presentation of employee entitlements

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

Superannuation schemes

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

Provisions

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

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

Landfill aftercare

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

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

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

Equity

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

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

Special reserve funds

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

Restricted reserve funds

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

Property revaluation reserves

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

Fair value through other comprehensive revenue and expense reserves

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

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2015/16 annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Cost allocation

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

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

Critical accounting estimates and assumptions

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

Infrastructural assets

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

Critical judgements in applying accounting policies

Management has exercised the following critical judgement in applying its accounting policies for the year ended 30 June 2016.

Classification of property

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

Note 2: Reconciliation of funding impact statement to statement of comprehensive revenue and expense	Actual 2015 (\$000)	Actual 2016 (\$000)
Revenue		
Operating funding from funding impact statement	26,465	30,138
Operating revenue from statement of comprehensive revenue and expense	30,241	34,011
Difference	3,776	3,873
Reconciling items:		
Subsidies and grants for capital expenditure	4,342	4,465
Rates remissions	(743)	(749)
Gains	82	89
Operating revenue offset against overhead expenses	95	69
Total reconciling items	3,776	3,873
Expenditure		
Application of operating funding from funding impact statement	17,563	21,790
Total operating expenditure from statement of comprehensive revenue and expense	28,243	32,458
Difference	10,680	10,668
Reconciling items:		
Depreciation and amortisation expense	9,834	10,149
Losses	818	387
Movement in provisions	(125)	(22)
Impairment of receivables	58	84
Operating expenditure offset by revenue from overheads	95	69
Total reconciling items	10,680	10,668

Note 3: Rates revenue	Actual 2015 (\$000)	Actual 2016 (\$000)
General rates	2,428	2,182
Uniform annual general charge	3,205	4,069
Targeted rates attributable to activities		
roading	6,339	6,148
community services	52	48
libraries	715	0
solid waste disposal	435	446
wastewater	2,102	2,537
water	3,019	3,121
stormwater drainage	674	731
Targeted rates for water supply (water by volume)	1,177	1,112
Total rates	20,146	20,394
Less rates charged on Council properties	395	397
Less rates remissions	743	749
	19,008	19,248

Rates remissions

The Council's rates remission policy allows rates to be remitted on: development; community sporting and other not-for-profit organisations; contiguous rating units owned or leased by a single ratepayer; multiple toilet pans; penalties; land affected by natural calamity; and, land protected for natural conservation purposes.

Multiple toilet pans	230	271
Penalties and other remissions	513	478
Total remissions	743	749

Non-rateable land

Under the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens, and reserves. These non-rateable properties may be subject to targeted rates in respect of wastewater and water supply. Non-rateable land does not constitute a remission under the Council's rates remission policy.

Note: Because of the difficulty in obtaining detailed analysis of remissions by category, they have been amalgamated into the two categories above. The comparative has been also altered to reflect this.

Note 4: Finance revenue and finance costs	Actual 2015 (\$000)	Actual 2016 (\$000)
Finance revenue		
Interest revenue		
bank deposits	168	168
local authority and government bonds	205	163
Total finance income	373	331
Finance costs		
Interest expense		
interest on borrowings	1	0
Total finance costs	1	0
Net finance costs	372	331

Note 5: Other non-exchange revenue and subsidies	Actual 2015 (\$000)	Actual 2016 (\$000)
<i>Non-exchange revenue</i>		
Rates penalties	514	522
Residential rents (community housing)	247	295
Regulatory revenue	765	803
Petrol tax	118	114
Other	1,264	1,178
Total other revenue	2,908	2,912
<i>Subsidies</i>		
New Zealand Transport Agency	7,474	10,365
Other government grants	94	539
Non-government grants	145	232
General subsidies	80	57
	7,793	11,193

There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies recognised in the statement of comprehensive income.

Note 6: Gains and losses	Actual 2015 (\$000)	Actual 2016 (\$000)
Operating revenue and expense		
Gains		
Non-financial instruments		
Property, plant and equipment gains on disposal	46	7
Forestry asset revaluation gain (note 16)	36	82
Total gains	82	89
Losses		
Non-financial instruments		
Property, plant and equipment loss on disposal	818	387
Total losses non-financial instruments	818	387
Other comprehensive revenue and expense		
Other gains (losses)		
Financial instruments		
Fair value through other comprehensive revenue and expense gain on revaluation	13	105
Fair value through other comprehensive revenue and expense loss on disposal	0	(22)
Fair value through other comprehensive revenue and expense loss on revaluation	(83)	0
Total gains (losses) financial instruments	(70)	83
Other gains (losses)		
Non-financial instruments		
Property, plant and equipment gain on revaluation	0	0
Total gains on non-financial instruments	0	0

Note 7: Personnel costs	Actual 2015 (\$000)	Actual 2016 (\$000)
Salaries and wages	2,584	2,927
Defined contribution plan employer contributions (KiwiSaver)	52	63
ACC levies	14	9
Total personnel costs	2,650	2,999

Note 8: Other expenses	Actual 2015 (\$000)	Actual 2016 (\$000)
Fees to auditors		
financial statements	106	108
disbursements	7	7
fees to Audit New Zealand for other services	75	0
Emergency works	547	4,349
Maintenance	4,415	4,467
Professional services	1,918	1,916
Contractors	2,323	2,230
Grants	478	250
Elected members remuneration (note 26)	367	372
Consultants and legal fees	274	408
Insurance premiums	268	268
Operating leases	86	35
Impairment of receivables (note 2)	57	84
Other operating expenses	4,060	4,426
Total other expenses	14,981	18,920

The fees to Audit New Zealand for other services in the year ending 30 June 2015, were for the audit of the Council's 2015-25 consultation document and long-term plan.

Note 9: Tax	Actual 2015 (\$000)	Actual 2016 (\$000)
Relationship between tax expense and accounting surplus		
Surplus (deficit) before tax	(10,024)	1,553
Tax at 28%	0	435
Plus (less) tax effect of:		
Non-taxable income	0	(435)
Tax expense	0	0

Note 10: Cash and cash equivalents	Actual 2015 (\$000)	Actual 2016 (\$000)
Cash at bank and on hand	967	3,105
Term deposits with maturities less than three months at acquisition	3,000	3,500
Total cash and cash equivalents	3,967	6,605

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

The Council holds unspent funds, included in cash at bank and investments, of \$783,445 (2015 \$855,836) that are subject to restrictions. These unspent funds relate to funds received from various sources but to be used for specific purposes. They include the Council's restricted reserves, and grants from agencies that have been unspent at balance date.

Note 11: Receivables	Actual 2015 (\$000)	Actual 2016 (\$000)
Non-exchange receivables		
Rates receivables	1,628	1,713
Related party receivables	0	0
Other receivables	2,176	1,874
Gross debtors and other receivables	3,804	3,587
Less provision for impairment	(274)	(321)
Total non-exchange receivables	3,530	3,266
Exchange receivables		
Other receivables	119	268
Less provision for impairment	0	0
Total exchange receivables	119	268

Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms. Therefore, the carrying value of debtors and other receivables approximates their value.

Impairment

The Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding rates. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then the Council can, in most cases, apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit. Accordingly, the Council only provides for impairment of rates in those circumstances where an enforced sale or lease is not possible. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material. Repayment plans do not alter the ageing profile of the debt in the Council's records.

The ageing profile of receivables at year end is detailed below:

	2016		
	Gross (\$000)	Impairment (\$000)	Net (\$000)
Not past due	1,940	0	1,940
Past due 1-60 days	487	(1)	486
Past due > 60 days	1,428	(320)	1,108
Total	3,855	(321)	3,534

	2015		
	Gross (\$000)	Impairment (\$000)	Net (\$000)
Not past due	2,142	0	2,142
Past due 1-60 days	429	(13)	416
Past due > 60 days	1,352	(261)	1,091
Total	3,923	(274)	3,649

The impairment provision has been calculated based on a review of overdue receivables and an analysis of the Council's past collection history and debt write-offs. All receivables greater than 30 days in age are considered past due.

Receivables (continued)	Actual 2015 (\$000)	Actual 2016 (\$000)
--------------------------------	------------------------------------	------------------------------------

The impairment provision has been calculated based on a review of overdue receivables and an analysis of the Council's past collection history and debt write-offs. All receivables greater than 30 days in age are considered past due.

Movements in the provision for impairment of receivables are as follows:

At 1 July	255	275
Additional provisions made during the year		
Provision increased (reversed) during the year	58	83
Receivables written off during the period	(38)	(37)
As at 30 June	275	321

The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Note 12 :Other financial assets	Actual 2015 (\$000)	Actual 2015 (\$000)
Current Portion		
Term deposits with original maturities of 4-12 months	0	0
Corporate bonds	522	0
Total current portion	522	0
Non-current portion		
Corporate bonds	2,510	2,553
<i>Investments in CCOs and similar entities</i>		
Unlisted shares in New Zealand Local Government Insurance Corporation Limited	28	51
Unlisted shares in Manawatu Wanganui LASS Limited	1	16
Total investments in CCOs and similar identities	29	67
Total non-current portion	2,539	2,620
Total other financial assets	3,061	2,620

*Fair value*Term deposits

The carrying amount of term deposits approximates their fair value.

Corporate bonds

The fair value of corporate bonds has been determined by reference to published price quotations in an active market.

Unlisted shares

The fair value of unlisted shares in New Zealand Local Government Insurance Corporation Limited was determined by using the net asset backing of shares at 31 December 2015. The fair value of the unlisted share in Manawatu Wanganui LASS Limited was determined to be the nominal amount paid for the shares (\$16,000).

Manawatu Wanganui LASS Limited is a Council Controlled Organisation under the Local Government Act 2002 but the Council has resolved that it is exempt for the purposes of section 6(4)(i) of that Act.

Impairment

There were no impairment expenses or provisions for other financial assets. At balance date, none of these financial assets was either past due or impaired.

Note 13: Non-current assets held for sale

The Council has a number of properties, most of which are of low value, that it wishes to dispose of. None of these is included as non-current assets held for sale because they are not being actively marketed and do not fall within the criteria set out in PBE IFRS 5 Non-current Assets Held for Sale.

Note 14: Property, Plant and equipment

2016	Balances at 1 July 2015			Additional assets re-recognised \$000	Current year additions \$000	Current year disposals \$000	Reversed depn on disposals \$000	Current year depn \$000	Balances at 30 June 2016		
	Cost/valuation \$000	Accum depn \$000	Carrying amount \$000						Cost/valuation \$000	Accum depn \$000	Carrying amount \$000
Movements for each class of property, plant and equipment are as follows:											
Operational assets											
Land	3,407	0	3,407	0	0	(68)	0	0	3,339	0	3,339
Buildings	10,855	(1,370)	9,485	0	154	0	0	(694)	11,009	(2,064)	8,945
Plant and vehicles	2,225	(1,165)	1,060	0	455	(70)	41	(311)	2,610	(1,435)	1,175
Office equipment	699	(594)	105	0	39	(1)	0	(21)	737	(615)	122
Computer hardware	602	(399)	203	0	49	0	0	(101)	651	(500)	151
Library books	2,082	(1,572)	510	0	95	0	0	(86)	2,177	(1,658)	519
Total operational assets	19,870	(5,100)	14,770	0	792	(139)	41	(1,213)	20,523	(6,272)	14,251
Infrastructural assets											
Roading network	326,634	(12,651)	313,983	0	5,723	0	0	(6,671)	332,357	(19,322)	313,035
Land under roads	42,438	0	42,438	0	0	0	0	0	42,438	0	42,438
Water systems	0		0						0		
treatment plants and facilities	20,285	(775)	19,510	0	1,616	(105)	9	(445)	21,796	(1,211)	20,585
other assets	26,167	(1,549)	24,618	0	1,058	(154)	24	(728)	27,071	(2,253)	24,818
Wastewater systems	0		0						0		
treatment plants and facilities	10,486	(552)	9,934	0	841	0	0	(283)	11,327	(835)	10,492
other assets	16,999	(678)	16,321	0	1,026	(113)	0	(353)	17,912	(1,031)	16,881
Stormwater network	15,288	(505)	14,783	0	330	(46)	0	(255)	15,572	(760)	14,812
Waste transfer stations	1,252	(43)	1,209	0	6	0	0	(27)	1,258	(70)	1,188
Total infrastructural assets	459,549	(16,753)	442,796	0	10,600	(418)	33	(8,762)	469,731	(25,482)	444,249
Restricted assets											
Land	4,210	0	4,210	0	5	0	0	0	4,215	0	4,215
Buildings	1,932	(193)	1,739	0	141	0	0	(113)	2,073	(306)	1,767
Total restricted assets	6,142	(193)	5,949	0	146	0	0	(113)	6,288	(306)	5,982
Total property, plant and equipment	485,561	(22,046)	463,515	0	11,538	(557)	74	(10,088)	496,542	(32,060)	464,482

Work in progress at year end included in property, plant and equipment above comprises: buildings \$52,821 (2015 nil) wastewater \$2,981,962 (2015 \$1,928,328), water \$1,326,130 (2015 \$1,793,870), storm water \$383,667 (2015 \$263,864), roading \$80,521 (2015 \$0).

Note 14: Property, Plant and equipment

2015	Balances at 1 July 2014			Additional assets re-recognised \$000	Current year additions \$000	Current year disposals \$000	Reversed depn on disposals \$000	Current year de-recognition \$000	Current year depn \$000	Balances at 30 June 2015		
	Cost/valuation \$000	Accum depn \$000	Carrying amount \$000							Cost/valuation \$000	Accum depn \$000	Carrying amount \$000
	Movements for each class of property, plant and equipment are as follows:											
Operational assets												
Land	3,387	0	3,387	0	43	(23)	0	0	0	3,407	0	3,407
Buildings	10,760	(685)	10,075	0	95	0	0	0	(685)	10,855	(1,370)	9,485
Plant and vehicles	2,224	(1,149)	1,074	0	330	(329)	206	0	(222)	2,225	(1,165)	1,060
Office equipment	683	(577)	106	0	16	0	0	0	(17)	699	(594)	105
Computer hardware	551	(300)	251	0	51	0	0	0	(99)	602	(399)	203
Library books	1,990	(1,487)	503	0	92	0	0	0	(85)	2,082	(1,572)	510
Total operational assets	19,595	(4,198)	15,396	0	627	(352)	206	0	(1,108)	19,870	(5,100)	14,770
Infrastructural assets												
Roading network	331,391	(6,209)	325,182	0	7,224	0	0	(11,981)	(6,442)	326,634	(12,651)	313,983
Land under roads	42,438	0	42,438	0	0	0	0	0	0	42,438	0	42,438
Water systems										0		
treatment plants and facilities	18,580	(256)	18,324	0	1,705	0	0	0	(519)	20,285	(775)	19,510
other assets	24,450	(869)	23,581	0	2,376	(659)	32	0	(712)	26,167	(1,549)	24,618
Wastewater systems										0		
treatment plants and facilities	10,183	(282)	9,901	0	303	0	0	0	(270)	10,486	(552)	9,934
other assets	16,324	(342)	15,982	0	800	(125)	5	0	(341)	16,999	(678)	16,321
Stormwater network	15,098	(251)	14,847	0	205	(15)	0	0	(254)	15,288	(505)	14,783
Waste transfer stations	1,008	(21)	987	0	244	0	0	0	(22)	1,252	(43)	1,209
Total infrastructural assets	459,472	(8,230)	451,242	0	12,857	(799)	37	(11,981)	(8,560)	459,549	(16,753)	442,796
Restricted assets												
Land	4,183	0	4,183	0	27	0	0	0	0	4,210	0	4,210
Buildings	1,833	(87)	1,746	0	99	0	0	0	(106)	1,932	(193)	1,739
Total restricted assets	6,016	(87)	5,929	0	126	0	0	0	(106)	6,142	(193)	5,949
Total property, plant and equipment	485,083	(12,515)	472,567	0	13,610	(1,151)	243	(11,981)	(9,774)	485,561	(22,046)	463,515

Work in progress at year end included in property, plant and equipment above comprises: wastewater \$1,928,328 (2014 \$1,499,733), water \$1,793,870 (2014 \$228,663), storm water \$263,864 (2014 \$339,926).

Note 14: Property, plant and equipment (continued)*Valuation*Land and buildings (operational, restricted and infrastructural)

The valuation of land and buildings was performed by independent registered valuers, Andrew Parkyn (BCom (VPM), PG Dip Com, SPINZ, ANZIV) and Ashton Gibbard (BBS (VPM)), of Quotable Value Asset and Advisory. The valuation is effective at 1 July 2013. The total fair value of land and buildings valued was \$20,439,750 at that date.

Land and buildings are valued at fair value using market-based evidence where available. Where not available, depreciated replacement value has been used. All major buildings were also inspected and underwent a review of their condition rating when taking their fair value into consideration.

Infrastructural assets

Roading network

The valuation of the roading network was performed independently by Will Skeggs (LLB, BCom), David Jeffrey (BBS, ACMA) of GHD Pty Ltd. The valuation is effective at 1 July 2013. The total fair value of the roading network was \$364,526,823 at that date.

The roading network is valued at fair value based on the application of appropriate replacement costs and effective lives, and GHD Pty Ltd's experience of other local authorities' transport asset components. They are within the ranges specified in the New Zealand Infrastructural Valuation and Depreciation Guidelines. Land under roads, a component of the roading network, was not revalued.

Water, wastewater and stormwater systems

The valuation of the water, wastewater and stormwater assets was performed by James Torrie (BE) of Rangitikei District Council. The valuation was reviewed by Robert van Bentum (BAgrSc, MPhil (Eng) CPEng, MIPENZ) and Wayne Hodson (BE/BEng, CPEng, MIPENZ) both of MWH New Zealand Limited. The valuation is effective at 1 July 2013. The total fair value of water, wastewater and stormwater was \$81,946,688 at that date.

Water, wastewater and stormwater assets are valued at fair value using a brownfields approach that assumes the surface above underground components will need to be removed and then replaced. Current contract costs have been used to determine the value of materials.

Estimated replacement cost of major infrastructure	2015 (\$000)	2016 (\$000)
Water supply		
treatment plant and facilities	31,341	33,927
other assets	53,867	54,105
Sewerage		
treatment plant and facilities	15,959	16,825
other assets	35,463	36,554
Stormwater drainage	25,112	25,479
Flood protection and control works	0	
Roads and footpaths	522,503	548,726
Total estimated replacement cost	684,245	715,616

Note 15: Intangible assets	Computer software (\$000)	Carbon credits (\$000)	Total (\$000)
Cost			
Balance at 1 July 2015	775	30	805
Increase due to revaluation	0	51	51
Additions	18	0	18
Disposals	(8)	0	(8)
Balance at 30 June 2016	785	81	866
Balance at 1 July 2014	761	19	780
Increase due to revaluation	0	11	11
Additions	14	0	14
Disposals	0	0	0
Balance at 30 June 2015	775	30	805
Accumulated amortisation and impairment			
Balance at 1 July 2015	677	0	677
Amortisation charge	60	0	60
Disposals	0	0	0
Balance at 30 June 2016	737	0	737
Balance at 1 July 2014	620	0	620
Amortisation charge	57	0	57
Disposals	0	0	0
Balance at 30 June 2015	677	0	677
Carrying Amounts			
Balance at 1 July 2014	141	19	160
Balance at 30 June and 1 July 2015	98	30	128
Balance at 30 June 2016	48	81	129

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Carbon credits

The Council holds carbon credits for the purpose of meeting its obligations under the Emissions Trading Scheme for carbon emissions from its forestry operations. The Council is required to forfeit carbon credits for emissions for any forests not replanted four years after deforestation. The carbon credits were revalued at 30 June 2016 using the spot market price for NZUs on the open market.

Impairment

There were no impairment expenses or provisions for intangible assets. At balance date, none of these intangible assets was impaired. Carbon credits are not impaired but recorded at current market value because the Council still has forests to be harvested in which case the credits may well be used to satisfy non-replanting requirements.

Note 16: Forestry assets	Actual 2015 (\$000)	Actual 2016 (\$000)
Balance at 1 July	186	222
Gains (losses) arising from changes in fair values	36	82
Decreases due to sales	0	0
Balance at 30 June	222	304

The Council owns 21.3 hectares of forest in 7 stands at varying stages of maturity.

There are no restrictions over the title of forestry assets. No forestry assets are pledged as security for liabilities.

Valuation assumptions

Independent valuers, Allan Bell & Associates, have valued forestry assets at 30 June 2016. Information from recent and past harvesting operations has been used in the valuation including predicted yield, harvest costs, potential markets, and log prices. The following significant valuation assumptions have been adopted in determining fair value of forestry assets:

- *Basis for value*- stand-based schedules using discounted future cashflows and, where applicable, compound costs.
- *Discount rate* - 10% pre-tax.
- *Compound rate* - 3%.
- *Basis of log prices* - current prices from southern North Island prices during March, April and May 2016. Trend prices are from 12 quarter average log prices in the southern North Island.

Financial risk management

The Council is exposed to financial risks arising from fluctuations in the price of timber. As a long-term forestry investor, the Council does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risk associated with a decline in timber prices. The Council regularly reviews timber prices in considering the need for active financial risk management.

Note 17: Creditors and other payables	Actual 2015 (\$000)	Actual 2016 (\$000)
<i>Payables under exchange transactions</i>		
Trade payables	3,158	4,883
Deposits	461	480
Accrued expenses	457	253
Total	4,076	5,616
<i>Payables under non-exchange transactions</i>		
Income tax payable	0	0
Other taxes (e.g. GST and FBT)	1	1
Total	1	1
Total creditors and other payables	4,077	5,617

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

Note 18: Borrowings	Actual 2015 (\$000)	Actual 2016 (\$000)
Current portion		
Secured bank loans	0	0
Community loan	16	16
Total current portion	16	16
Non-current portion		
Secured bank loans	0	0
Community loan	176	160
Total non-current portion	176	160
Total borrowings	192	176

Secured loans

The Council had no secured debt at balance date.

Community loan

The Council purchased property, plant and equipment from the Marton Aquatic Leisure Trust for the Marton swim centre. The purchase was financed by way of a loan from the Trust which is interest free. The Council has signed a lease agreement for 15 years with the Trust. The annual lease rental will be applied to repaying the loan so that it is extinguished at the end of the lease term.

Security

The Council's bank loans, if any, are secured over the Council's rates.

The community loan is unsecured.

Fair value

The carrying amounts of borrowings approximates their fair value as discounting is not considered significant.

Internal borrowing

Information about internal borrowing is provided under each group of activities in the annual report. Interest charged on internal borrowing for the year was 5%. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Note 19: Employee entitlements	Actual 2015 (\$000)	Actual 2016 (\$000)
Current Portion		
Accrued pay	69	88
Annual leave	180	250
Long service leave	9	25
Superannuation	1	0
Total current portion	259	363
Non-current portion		
Accrued pay	0	0
Annual leave	0	0
Long service leave	14	13
Superannuation	0	0
Total non-current portion	14	13
Total employee entitlements	273	376

Long service leave

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

Sick leave

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

Note 20: Provisions	Actual 2014 (\$000)	Actual 2015 (\$000)
Landfill aftercare		
Balance at 1 July	470	345
Additional(reduction) in provisions made	(98)	0
Amounts used	(27)	(26)
Unused amount reversed	(23)	(14)
Discount unwind	23	17
Balance at 30 June	345	322

The Council has responsibility to provide ongoing maintenance and monitoring of its 17 closed landfill sites.

The management of the landfills will influence the timing of recognition of some liabilities. The cash outflows for landfill post-closure costs are expected to occur over the next 19 years. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and legal requirements.

A discount rate of 5.5% (2015 5.5%) has been used in discounting the cash outflows.

Note 21: Equity	Actual 2015 (\$000)	Actual 2016 (\$000)
Accumulated funds		
Balance at 1 July	442,610	432,500
Transfers from property revaluation reserves on disposal	145	40
Other transfers	(231)	(69)
Surplus (deficit) for year	(10,024)	1,553
Balance at 30 June	432,500	434,024
Other reserves		
Property revaluation reserves		
Balance at 1 July	31,484	31,339
Net revaluation gains	0	0
Transfer to accumulated funds on disposal of property	(145)	(40)
Balance at 30 June	31,339	31,299
Property revaluation reserves for each class of assets consist of:		
Operational assets		
land	1,587	1,615
buildings	5,063	5,063
Infrastructural assets		
sewerage systems	6,667	6,640
water systems	9,493	9,476
stormwater drainage network	7,028	7,004
roading network		
Restricted assets		
land	1,096	1,096
buildings	405	405
Total	31,339	31,299
Fair value through other comprehensive income reserve		
Balance at 1 July	260	190
Net revaluation gains (losses)	(70)	105
Balance at 30 June	190	295
Total other reserves	31,529	31,594

Note 21: Equity (continued)**Special and restricted reserves 2016**

Name (* denotes restricted)	Associated activity	Purpose	Balance 1 Jul 15	Deposits	With- drawals	Balance 30 Jun 16
Aquatic	Swimming pools	Capital works	150	75		225
Bulls courthouse*	Property	Maintenance of courthouse building	51	13	23	41
Flood damage	Roading	Road maintenance due to flooding	1,200	0	62	1,138
General purpose	Capital works	Capital works	2,402	0		2,402
Haylock park*	Parks and reserves	Additional reserve area at park	25	1		26
Hunterville rural water	Water	Future loop line	172	9		181
Keep Taihape beautiful*	Property	Enhancement of Taihape	20	0		20
Marton land subdivision*	Parks and reserves	Improvement to reserves land	369	19		388
Marton marae*	Property	Marton marae project	4	0		4
McIntyre recreation*	Parks and reserves	Maintenance or upgrades of park	21	1		22
Putorino rural water	Water	Maintenance of scheme dam	18	1		19
Ratana sewer	Sewerage	Capital works	22	1		23
Revoked reserve land	Parks and reserves	Offset costs of other revoked land	238	0		238
Rural housing loan	Property	No longer required	150	0		150
Rural land subdivision*	Parks and reserves	Improvement to reserves land	178	9		187
Santoft domain*	Parks and reserves	Maintenance or upgrades of park	79	4		83
Total special and restricted reserves			5,099	133	85	5,147

Special and restricted reserves 2015

Name (* denotes restricted)	Associated activity	Purpose	Balance 1 Jul 14	Deposits	With- drawals	Balance 30 Jun 15
Aquatic	Swimming pools	Capital works	75	75		150
Bulls courthouse*	Property	Maintenance of courthouse building	39	12		51
Flood damage	Roading	Road maintenance due to flooding	1,100	100		1,200
General purpose	Capital works	Capital works	2,402	0		2,402
Haylock park*	Parks and reserves	Additional reserve area at park	25	1	1	25
Hunterville rural water	Water	Future loop line	163	9		172
Keep Taihape beautiful*	Property	Enhancement of Taihape	21	0	1	20
Marton land subdivision*	Parks and reserves	Improvement to reserves land	350	19		369
Marton marae*	Property	Marton marae project	4	0		4
McIntyre recreation*	Parks and reserves	Maintenance or upgrades of park	22	1	2	21
Putorino rural water	Water	Maintenance of scheme dam	17	1		18
Ratana sewer	Sewerage	Capital works	21	1		22
Revoked reserve land	Parks and reserves	Offset costs of other revoked land	238	0		238
Rural housing loan	Property	No longer required	150	0		150
Rural land subdivision*	Parks and reserves	Improvement to reserves land	169	9		178
Santoft domain*	Parks and reserves	Maintenance or upgrades of park	72	7		79
Total special and restricted reserves			4,868	235	4	5,099

Note 22: Reconciliation of net surplus (deficit) to net cash flow from operating activities	Actual 2015 (\$000)	Actual 2016 (\$000)
Surplus (deficit)	(10,024)	1,553
Add (less) non-cash items		
Depreciation and amortisation	9,834	10,151
Community loan repayment exchanged for accommodation	(16)	(16)
(Gains) losses in fair value on forestry assets	(36)	(82)
	9,782	10,053
Add (less) items classified as investing or financing activities		
(Gains) losses on disposal of property, plant and equipment	772	381
(Gains) losses on derecognition of property, plant and equipment	11,981	0
	12,753	381
Add (less) movements in working capital items		
(Increase) decrease in prepayments	0	(104)
(Increase) decrease in debtors and other receivables	(583)	119
Increase (decrease) in income in advance	191	(6)
Increase (decrease) in creditors and other payables	(12)	1,061
Increase (decrease) in provisions	(125)	(23)
Increase (decrease) in employee entitlements	20	103
	(509)	1,150
Net cash inflow (outflow) from operating activities	12,002	13,137

Note 23: Capital commitments and operating leases	Actual 2015 (\$000)	Actual 2016 (\$000)
Capital commitments		
Property, plant and equipment		
Not later than one year	275	2,800
Later than one year and not later than five years	0	2,000
Total capital commitments	275	4,800

These commitments may include some items that may turn out to be of an operational nature, rather than capital.

Operating leases as lessee

The Council leases property, plant and equipment in the normal course of its business. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

Not later than one year	97	235
Later than one year and not later than five years	182	235
Later than five years	0	0
Total non-cancellable operating leases	279	470

Operating leases as lessor

Some property, including reserves land, is leased under operating leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

Not later than one year	28	26
Later than one year and not later than five years	93	80
Later than five years	151	139
	272	245

No contingent rents have been recognised during the period.

Note 24: Contingencies	Actual 2015 (\$000)	Actual 2016 (\$000)
Contingent Liabilities		
Emissions Trading Scheme	0	0
Building Act claims	0	0
Miscellaneous claims	0	0
Total contingent liabilities	0	0

There are no known contingencies at balance date.

Contingent Assets

Private facilities

The Council has identified four facilities (for example, club rooms) on its reserves land owned by third parties that are not specified to be removed under the terms of their leases. The Council will gain control of these assets only if the various clubs vacate the facilities. Until this event occurs, the assets are not recognised as assets in the statement of financial position. As at 30 June 2016 these four facilities have an approximate value of \$350,000.

Note 25: Related party transactions	Actual 2015 (\$)	Actual 2016 (\$)
Key management personnel compensation		
<i>Councillors</i>		
Remuneration	339,201	343,367
Full-time equivalent members	12	12
<i>Senior management team, including the chief executive</i>		
Remuneration	503,239	517,421
Full-time equivalent members	3	3
Total key management personnel remuneration	842,440	860,788
Total full-time equivalent personnel	15	15

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent is taken as the number of Councillors.

The Council is a one-seventh shareholder in Manawatu Wanganui LASS Limited. Transactions between the Council and the company are disclosed below:

Regional archives project costs paid to the company by the Council	62,113	56,659
Other projects costs paid to the company by the Council	90,390	59,016
Purchase of additional shares in the company	0	15,000

The following transactions have all been supplied on normal commercial terms

During the year, the Council paid for a service contract to the Ratana Communal Board of Trustees, of which Councillor Soraya Peke-Mason is a member. This service cost \$87,748 (2015 \$64,729). Councillor Peke-Mason also has interests in the Aorangi Awarua Trust. During the year the Council paid the Trust \$ 2922 (2015 \$5,775) for easement costs.

During the year, the Council provided Rangitikei Tourism Incorporated with funding amounting to \$19,714 (2015 \$21,667). Councillor Rebecca McNeil is an employee of this organisation.

During the year, the Council provided Project Marton with funding amounting to \$38,660 (2015 \$38,697). Councillor Cathryn Ash is an employee of Project Marton.

Councillor Nigel Belsham is a director of BJW Motors Ltd, Marton. During the year the Council made payments of \$3,958 (2015 \$825) to BJW Motors Ltd for the servicing of motor vehicles.

During the year, the Council gave grants to several entities on which Councillors served as board members or board chairs.

During the year, Councillors and senior management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as the payment of rates etc).

Note: a) All amounts quoted in this disclosure are GST inclusive (where applicable).

Note: b) All transactions have been conducted at arm's length.

Note 26: Remuneration	Actual 2015 \$	Actual 2016 \$
Chief Executive		
Ross McNeil		
Gross salary	203,184	219,232
Vehicle (market value plus FBT)	10,294	10,588
Superannuation contribution	6,096	6,577
Total remuneration	219,574	236,397
Other Council employees		
Number of full-time employees	28	35
Number of full-time equivalents of part-time employees	13	11
A full-time employee is determined on the basis of a 40-hour working week		
Total annual remuneration by band for employees as at 30 June		
less than \$60,000 per annum	37	42
\$60,001 to \$80,000	6	7
\$80,001 to \$220,000	7	7
Total employees	50	56
Total remuneration includes the value of any non-financial benefit paid to an employee.		

Note 26: Remuneration (continued)	Actual 2015 \$	Actual 2016 \$
Elected representatives		
Council		
<i>Mayor</i>		
A Watson	87,240	92,659
<i>Councillors</i>		
C Ash	19,491	19,500
R Aslett	30,495	27,610
N Belsham	24,794	24,803
A Gordon	24,923	26,706
T Harris	19,091	19,121
M Jones	22,556	22,592
D McManaway	26,957	26,980
R McNeil	19,491	19,500
S Peke-Mason	19,874	19,793
R Rainey	20,623	20,478
L Sheridan	23,666	23,625
Total Council members remuneration	339,201	343,367
Community Boards		
<i>Taihape</i>		
M Fannin	8,024	7,873
A Green	808	0
G Larsen	3,500	3,500
P Oliver	3,655	3,500
Y.Sicely	1,938	3,500
<i>Ratana</i>		
B Barlein	2,000	2,000
T Biddle	2,000	2,000
N Rawhiti	2,000	2,000
M Thompson	4,400	4,400
P Williams		
Total Community Board members remuneration	28,325	28,773
Total elected representatives remuneration	367,526	372,140

The total remuneration for each elected member is made up of annual salary, non-salary benefits and mileage.

Note 27: Severance payments

For the year ended 30 June 2016, the Council made no severance payments to employees (2015 none).

Note 28: Events after balance date

Council has not become aware of any events after balance date that require disclosure.

Note 29A: Financial instrument categories	Actual 2015 (\$000)	Actual 2016 (\$000)
Financial instrument categories		
<i>Financial assets</i>		
<i>Loans and receivables</i>		
Cash and cash equivalents	3,967	6,605
Debtors and other receivables	3,649	3,534
Other financial assets		
term deposits	0	0
Total loans and receivables	7,616	10,139
<i>Fair value through other comprehensive revenue and expense</i>		
Other financial assets		
corporate bonds	3,032	2,553
unlisted shares	29	67
Total fair value through other comprehensive revenue and expense	3,061	2,620
<i>Financial liabilities</i>		
Financial liabilities at cost		
creditors and other payables	4,077	5,617
secured loans	0	0
community loan	192	176
Total financial liabilities	4,269	5,793

Note 29B: Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

* Quoted market price (level 1) - Financial instruments with quoted prices for identical instruments in active markets.

* Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

* Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Total (\$000)	Valuation technique		
		Quoted market price (\$000)	Observable inputs (\$000)	Significant non-observable inputs (\$000)

2016**Financial assets***Unlisted shares*

New Zealand Local Government Insurance

Corporation Limited	51	0	0	51
---------------------	----	---	---	----

Manawatu Wanganui LASS Limited	16	0	0	16
--------------------------------	----	---	---	----

<i>Corporate bonds</i>	2553	2553	0	0
------------------------	------	------	---	---

2015**Financial assets***Unlisted shares*

New Zealand Local Government Insurance

Corporation Limited	28	0	0	28
---------------------	----	---	---	----

Manawatu Wanganui LASS Limited	1	0	0	1
--------------------------------	---	---	---	---

<i>Corporate bonds</i>	3032	3032	0	0
------------------------	------	------	---	---

There were no transfers between the different levels of the fair value hierarchy.

The table below provides a reconciliation from the opening balance to the closing balance for level 3 fair value measurements:

	2015	2016
Balance at 1 July	27	29
Gains (losses) recognised in the surplus or deficit	2	
Gains (losses) recognised in other comprehensive income	0	11
Purchases	0	27
Balance at 30 June	29	67

Note 29C: Financial instrument risks

The Council has policies to manage the risks associated with financial instruments. The Council is risk averse and seeks to minimise exposure from its treasury activities. It has established liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk*Price risk*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through other comprehensive income. Equity security price risk is not managed as the only share investments are unlisted shares in New Zealand Local Government Insurance Corporation Limited, and, Manawatu Wanganui LASS Limited.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Council has no financial instruments with foreign currency components and is therefore not exposed to currency risk.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Council to fair value interest rate risk. The Council's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements. The Council currently has no fixed interest rate debt or investments.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Council to cash flow interest rate risk. The Council currently has no variable interest rate debt or investments.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Council, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and corporate bonds, which gives rise to credit risk. The Council only invests in deposits with registered banks and in high grade corporate bonds, and limits the amount of credit exposure to any one institution. Investments are made only in banks and companies with specified credit ratings.

Note 29C: Financial instrument risks (continued)	Actual 2015 (\$000)	Actual 2016 (\$000)
<i>Maximum exposure to credit risk</i>		
The Council's maximum credit risk exposure for each class of financial instruments is as follows:		
Cash at bank and term deposits	3,967	6,605
Debtors and other receivables	3,649	3,534
Corporate bonds	3,032	2,553
Total credit risk	10,648	12,692

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by references to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

Counterparties with credit ratings

Cash at bank and term deposits

AA-	3,967	6,605
Total cash at bank and term deposits	3,967	6,605

Corporate bonds

AA	1,541	1,597
A+	0	0
A	0	0
A-	551	0
BBB-	940	956
Total corporate bonds	3,032	2,553

Debtors and other receivables arise mainly from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a liability management policy.

Note 29C: Financial instrument risks (continued)**Contractual maturity analysis of financial liabilities**

The table below analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Further interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1 to 5 years \$000	More than 5 years \$000
2016					
Creditors and other payables	5,617	5,617	5,617	0	0
Secured loans	0	0	0	0	0
Community loan	176	176	16	80	80
Total	5,793	5,793	5,633	80	80
2015					
Creditors and other payables	4,077	4,077	4,077	0	0
Secured loans	0	0	0	0	0
Community loan	192	192	16	80	96
Total	4,269	4,269	4,093	80	96

Contractual maturity analysis of financial assets

The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1 to 5 years \$000	More than 5 years \$000
2016					
Cash and cash equivalents	6,605	6,605	6,605	0	0
Debtors and other receivables	3,534	3,534	3,534	0	0
Other financial assets					
term deposits	0	0	0	0	0
corporate bonds	2,553	2,553	0	1,597	956
Total	12,692	12,692	10,139	1,597	956
2015					
Cash and cash equivalents	3,967	3,967	3,967	0	0
Debtors and other receivables	3,649	3,649	3,649	0	0
Other financial assets					
term deposits	0	0	0	0	0
corporate bonds	3,032	3,032	522	1,541	969
Total	10,648	10,648	8,138	1,541	969

Note 29C: Financial instrument risks (continued)**Sensitivity analysis**

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at balance date.

Interest rate risk

		-100bps		+100bps	
	Note	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000
2016					
<i>Financial Assets</i>					
Cash and cash equivalents		(66)	0	66	0
Corporate bonds		(25)	0	0	25
Total sensitivity to interest rate risk		(91)	0	66	25
2015					
<i>Financial Assets</i>					
Cash and cash equivalents		(40)	0	40	0
Corporate bonds		(30)	0	0	30
Total sensitivity to interest rate risk		(70)	0	40	30

Explanation of interest rate sensitivity risk

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis point (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1%.

Note 30: Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act (2002) (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its long-term plan (LTP) and in its annual plans (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

The Council has the following Council-created reserves:

Special Reserves

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

Restricted Reserves

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

Note 31: Explanation of major variances against budget

Explanations for major variances from the Council's budget figures in the 2015-16 Annual Plan are as follows:

Statement of comprehensive revenue and expense

Revenue is higher than forecast by \$3.6m mainly due to additional subsidy received because of extensive remedial work following the June 2015 flood event (\$3.79m) together with increased other revenue of \$0.40m which is very close to the actual figures for the preceding year, and is a continuation of that increased revenue flow.

Expenditure is higher than forecast by \$2.8m. Personnel costs are up by \$0.36m due mainly to employing additional staff to bring the maintenance of parks and reserves in-house. Finance costs are nil against a budget of \$0.40m due to no external loans being raised. Losses of \$0.38m are not budgeted for as they are unknown until they actually occur. Other expenses are up by \$2.0m because of flood damage remedial work partly offset by some savings in cost achieved overall. (Further details of other expenses may be found in note 8.)

The surplus of \$1.55m is \$0.84 higher than budget due to the variances explained above.

Statement of financial position

The increase in cash and cash equivalents of \$4.1m is due to a higher level of revenue than forecast and the realisation of a corporate bond of \$0.5m and sale of property, plant and equipment of \$0.11m

Property, plant and equipment is \$24m less than budget because of the previous year's derecognition of roading of \$12m, plus the fact that of budgeted capital expenditure of \$19m, only \$9.5m was spent. The balance is due to write-off of disposals together with increased depreciation. Reasons for under-expenditure may be found in the individual activity reports.

Current liabilities are \$0.86m higher than budget and \$1.6m on the previous year. This is due mainly to increased liability for contracts dealing with remedial work for roading at balance date.

Borrowings were budgeted to be \$15.0m. This borrowing has not occurred because capital works was underspent by \$7.5m and surplus cash flows were greater than forecast (see note above). Also, at the time the budget was set, it was expected that borrowing would occur in the 2014/15 year which also did not eventuate.

Note 32: Rating base information	Actual 2015	Actual 2016
Number of rating units preceding year	9,073	9,069
	(\$000)	(\$000)
Total capital value of rating units preceding year	3,656,994	3,790,698
Total land value of rating units preceding year	2,295,022	2,398,378

Note: "preceding year" for 2016 is as at 30 June 2015 and "preceding year" for 2015 is as at 30 June 2014.

Note 33: Insurance of assets	Actual 2015	Actual 2016
	(\$000)	(\$000)
Total value of assets covered by insurance contracts	65,491	67,059
Maximum amount of insurance	57,221	64,889
Total value of assets covered by financial risk sharing arrangements	117,218	116,138
Maximum amount available under those arrangements (40%)	46,887	46,455
Total value of assets that are self-insured	534,886	548,986
The value of funds maintained for that purpose	1,200	1,138

It is anticipated (but cannot be guaranteed) that under the terms contained in the Guide to the Civil Defence Emergency Plan, central government may fund 60% of the qualifying cost of reinstating essential infrastructure assets in the event of a major disaster.

Although the funds maintained for self-insurance are \$1.138m at balance date, much of this will be expended in repairing the roading network as a result of the June 2015 flood.

Benchmarks Disclosure Statement

For year ending 30 June 2016

What is the purpose of this statement?

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

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations).

Rates affordability benchmarks

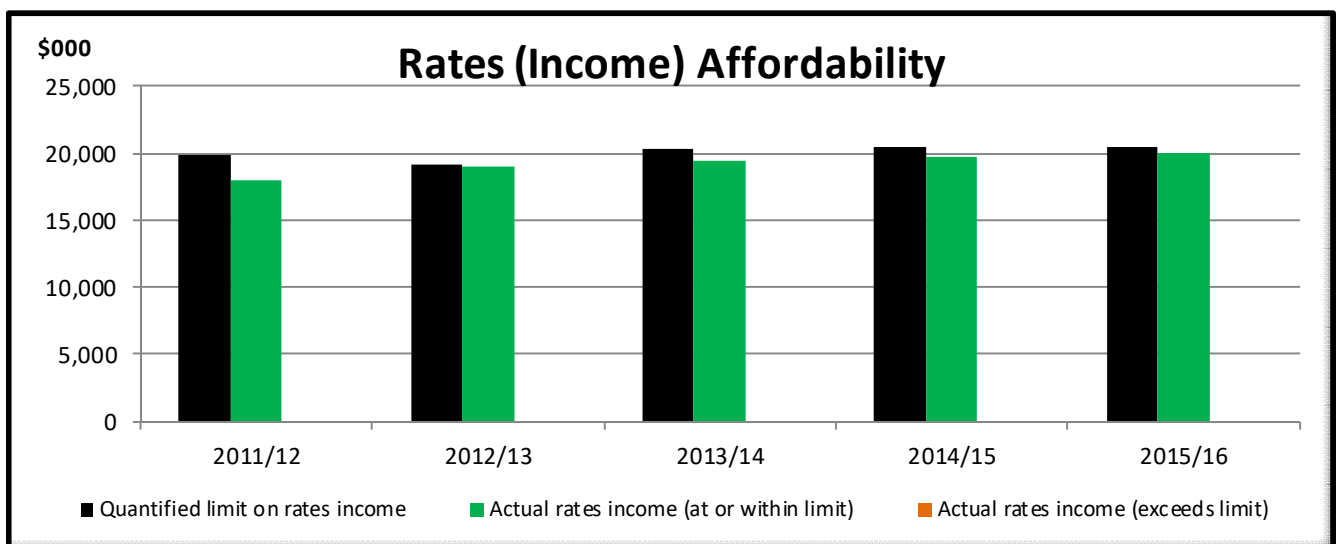
The Council meets the rates affordability benchmark if its—

- actual rates income equals or is less than each quantified limit on rates; and
- actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

The following graph compares the Council's actual rates income for 2011/12 with the quantified limit based on the projections forecast in the Message from the Mayor in the 2009/19 long-term council community plan. For the 2012/13, 2013/14 and 2014/15 years with the quantified limit on rates contained in the Council's 2012/22 long-term plan, and for the 2015/16 year, with the limits on rates contained in the 2015/25 long-term plan.

All limits are based on the previous year's actual rates income adjusted for the projected maximum rates increases noted in the next benchmark (rates increases affordability).



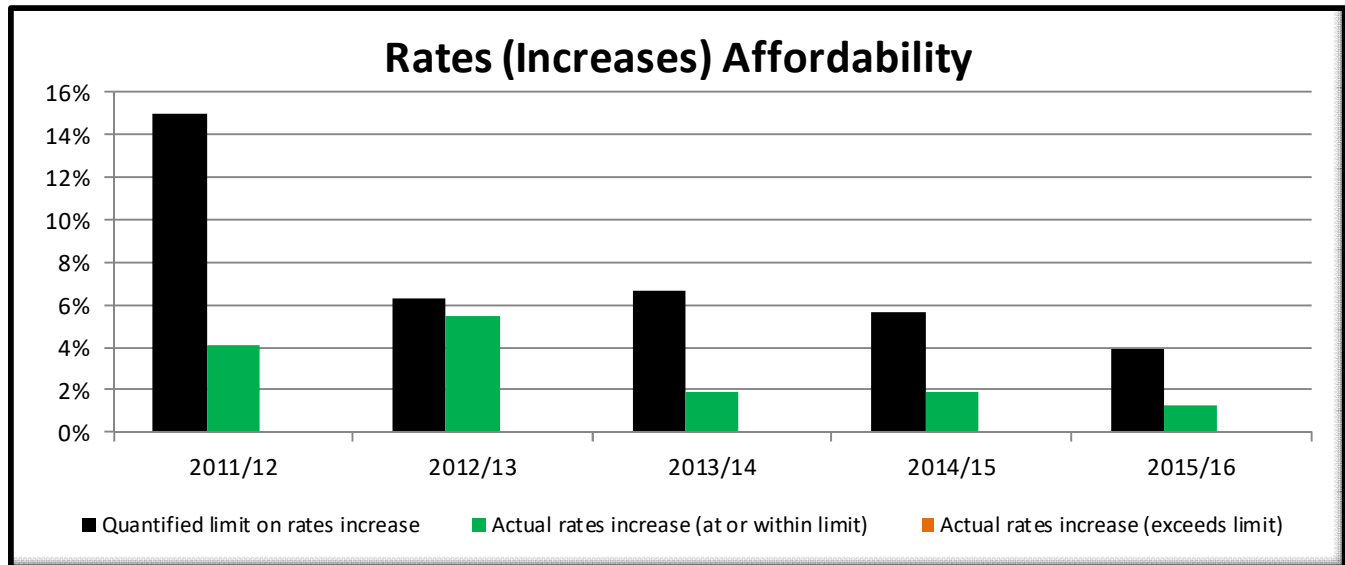
Rates (increases) affordability

The following graph compares the Council's actual rates increases for 2011/12, with the quantified limit based on the projections forecast in the Message from the Mayor in the 2009/19 long-term council community plan. For the 2012/13, 2013/14, and 2014/15 years with the quantified limit on

rates increases contained in the Council's 2012/22 long-term plan, and for 2015/16 with the limits contained in the Council's 2015/16 long-term plan.

The quantified limits are as follows:

- 2011/12 15%
- 2012/13 6.34%
- 2013/14 6.66%
- 2014/15 5.68%
- 2015/16 3.9%



Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

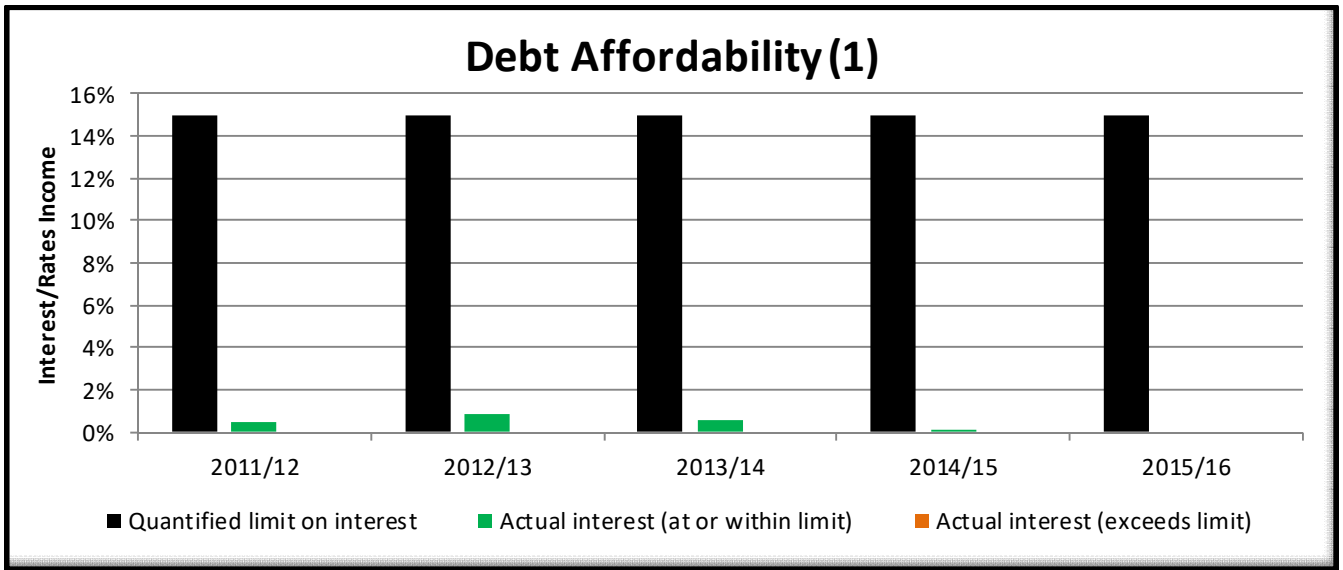
The Council has three quantified limits on borrowing. For the first year the limits are found in the liability management policy in the 2009/19 long-term council community plan, and for 2012/13, 2013/14 and 2014/15 in the financial strategy included in the 2012/22 long-term plan. Interest is defined in the current liability management slightly differently but for comparative purposes, the same definition has been used for 2015/16.

The limits are as follows:

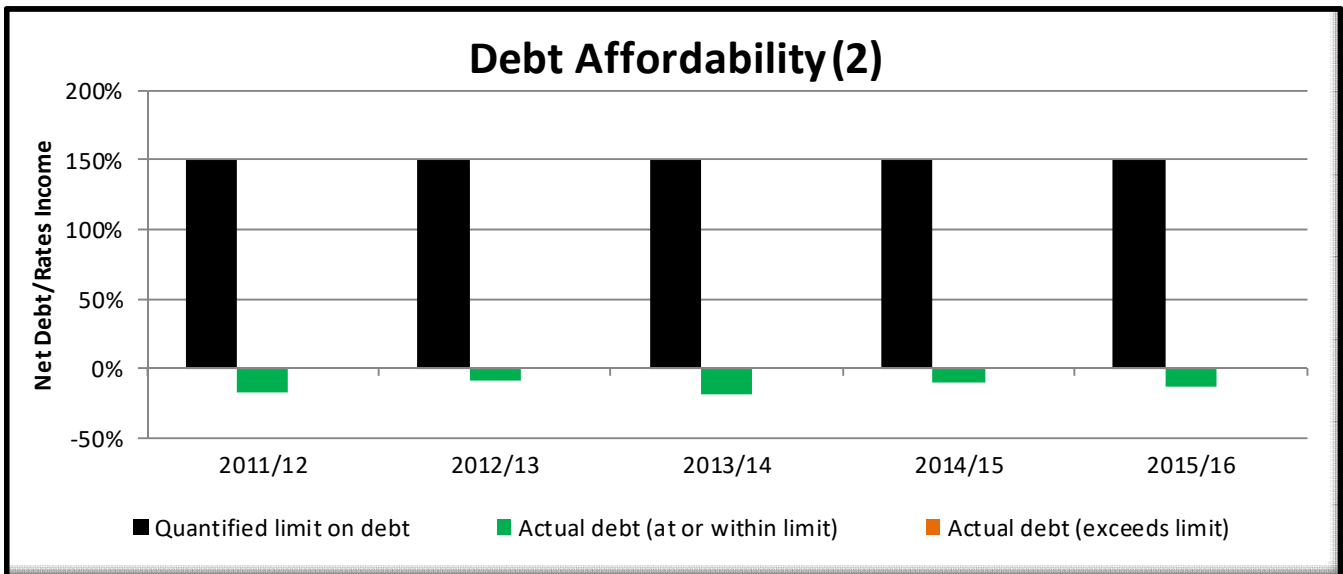
- interest expense on net external debt will not exceed 15% of total rates income;
- the ratio of net external debt to annual rates income will not exceed 150%; and,
- net external debt per capita will not exceed \$1,400 for the first year, and \$2,500 for last ensuing four years.

(Note: Council's current liability management policy defines "net debt", but the definition is slightly different to the definition laid down in the regulations. For the purposes of this benchmarking exercise, the same definition stated in the regulations has been used.)

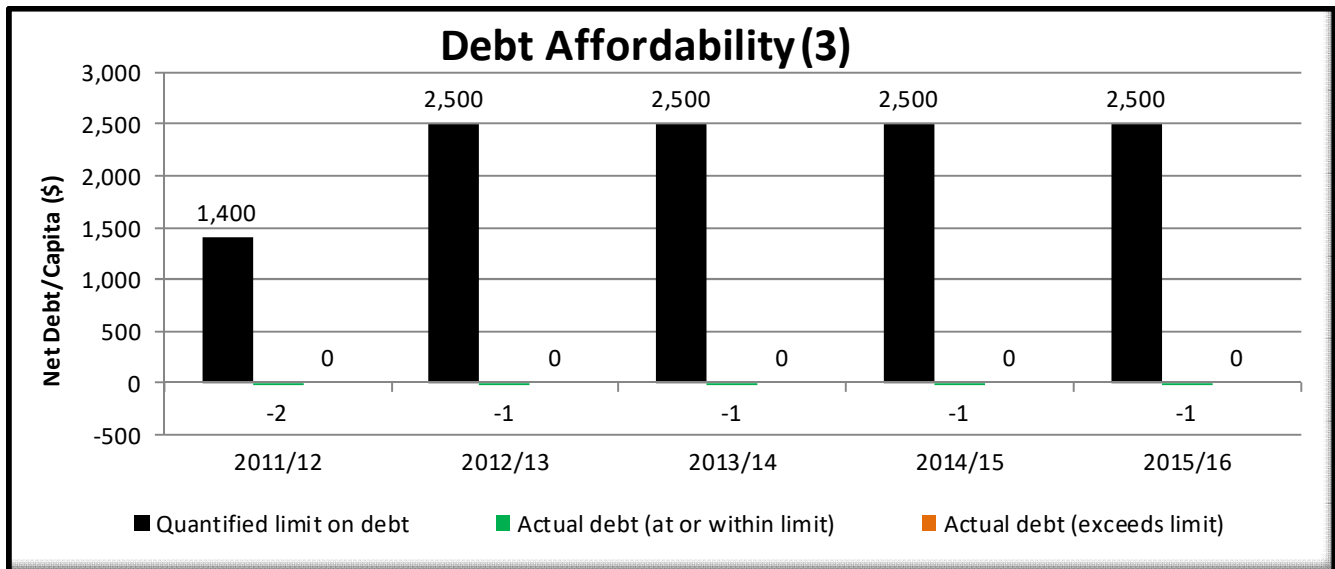
The following graph compares the Council's actual interest expense as a proportion of total rates income.



The following graph compares the Council's actual net debt as a proportion of annual rates income. (The graph shows negative values when financial liabilities are less than financial assets, excluding trade and other receivables.)



The following graph compares the Council's actual net debt divided by the total population of the district to provide a per capita outcome. (The graph shows negative values when financial liabilities are less than financial assets, excluding trade and other receivables.)

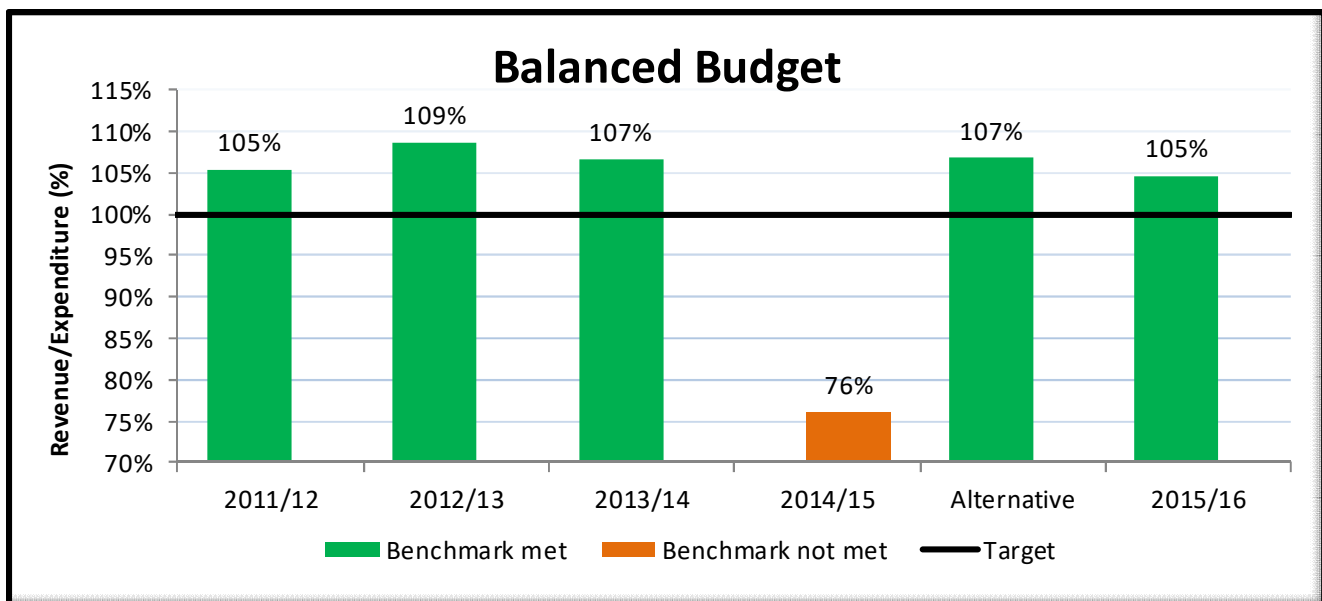


Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

Note: The Council derecognised roading infrastructure amounting to \$11.981m in the year ended 30 June 2015 for extensive flood damage that occurred in June 2015. The alternative bar to the graph for that year indicates the position had this write-down not taken place, and more realistically indicates that the Council has met its operational budget, as the derecognition is a non-cash item and does not directly affect the Council's operating surplus.

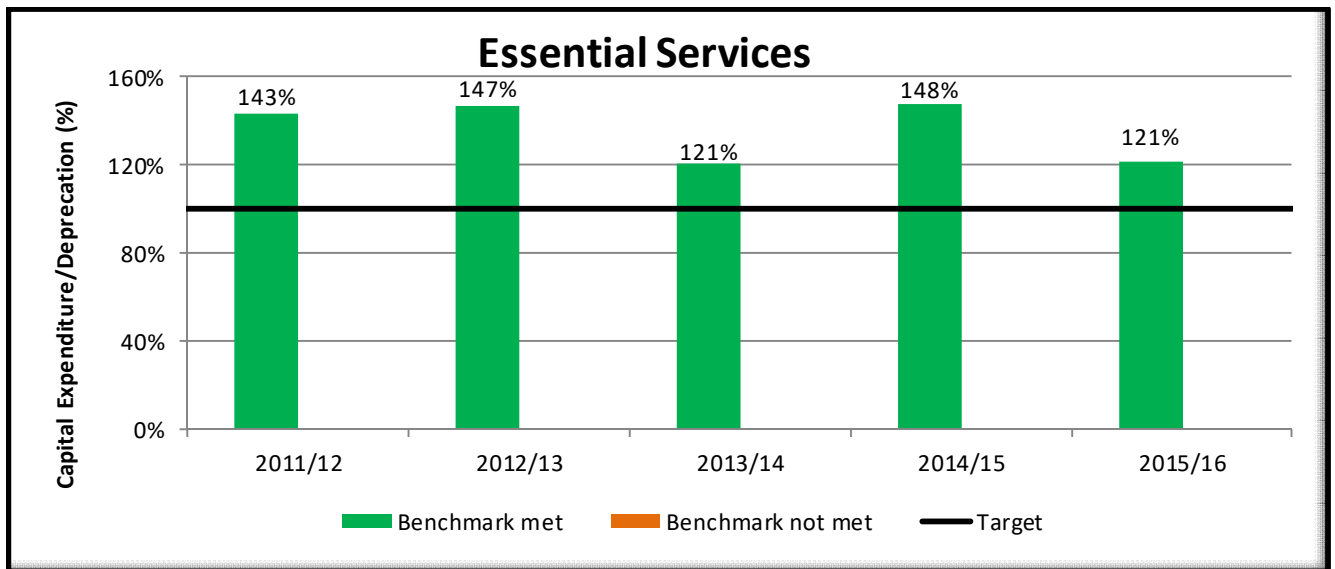


Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. (Capital work includes both renewals of existing infrastructure as well as new capital work undertaken.)

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

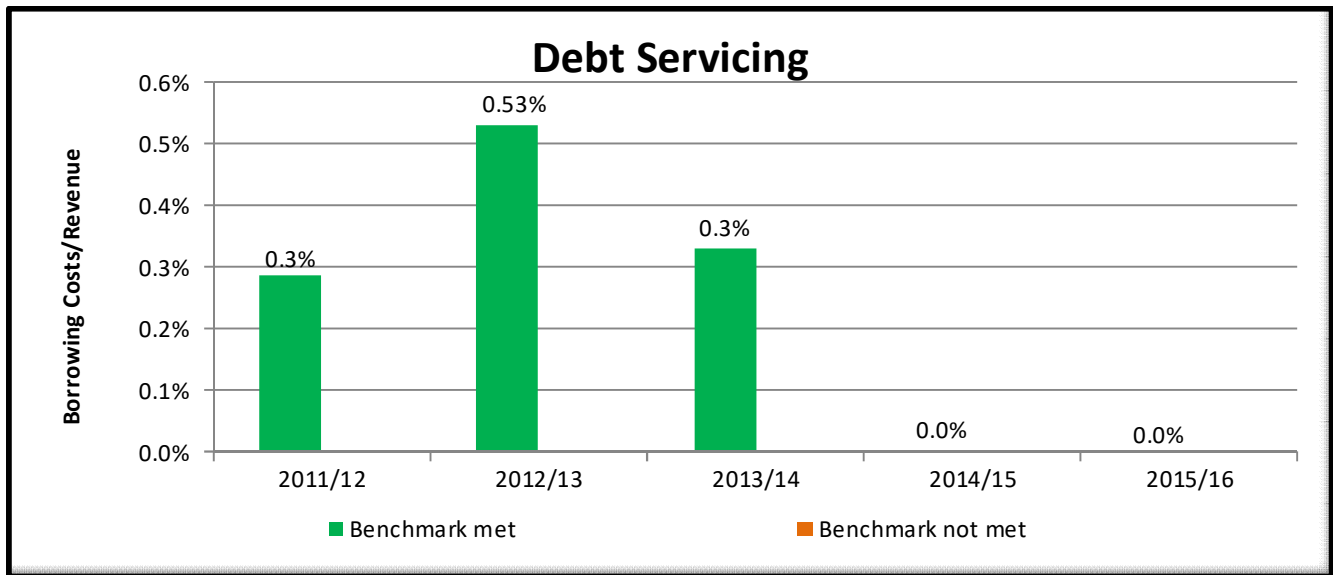
Network services is defined in the regulations as infrastructure related to water supply, sewerage and the treatment and disposal of sewage, storm water drainage, flood protection and control works, and the provision of roads and footpaths. The Council owns no infrastructure related to flood protection and control work.



Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will decline over the next 15 years, the Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



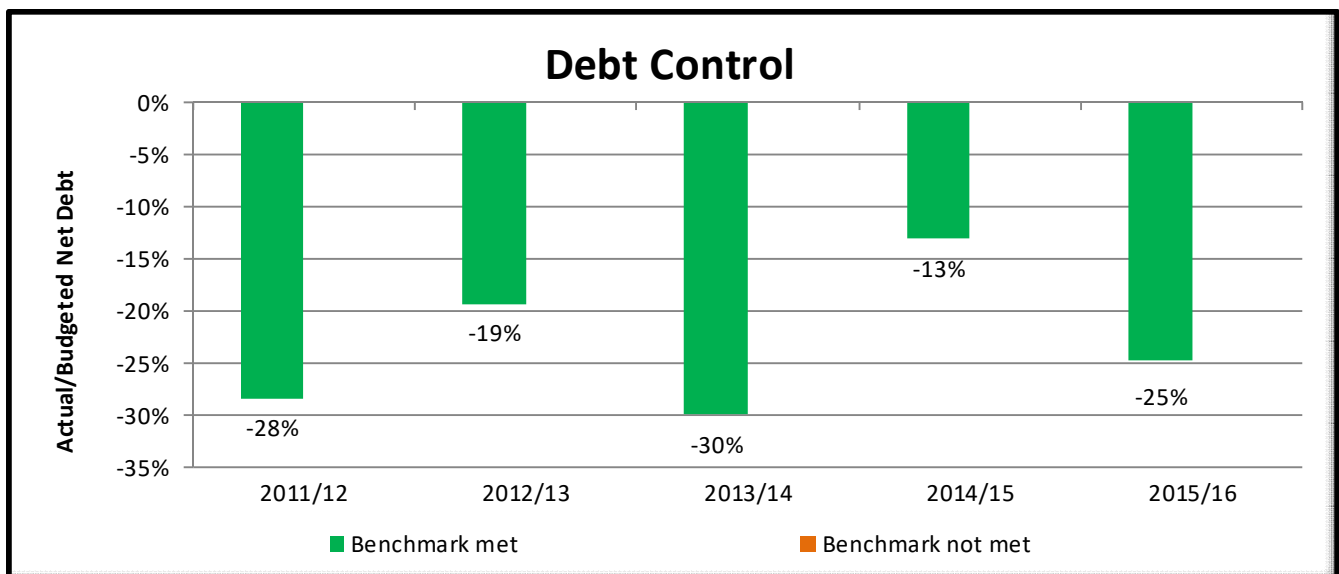
Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). (The graph shows negative values when financial liabilities are less than financial assets, excluding rate and other receivables.)

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

The regulations do not state what plans the Council should use when determining planned debt. This benchmark has used the projected debt levels in 2009/19 long-term council community plan for the first year, and the 2012/22 long-term plan for the next three years. The final year (2015/16) has been taken from the 2015/25 long-term plan.

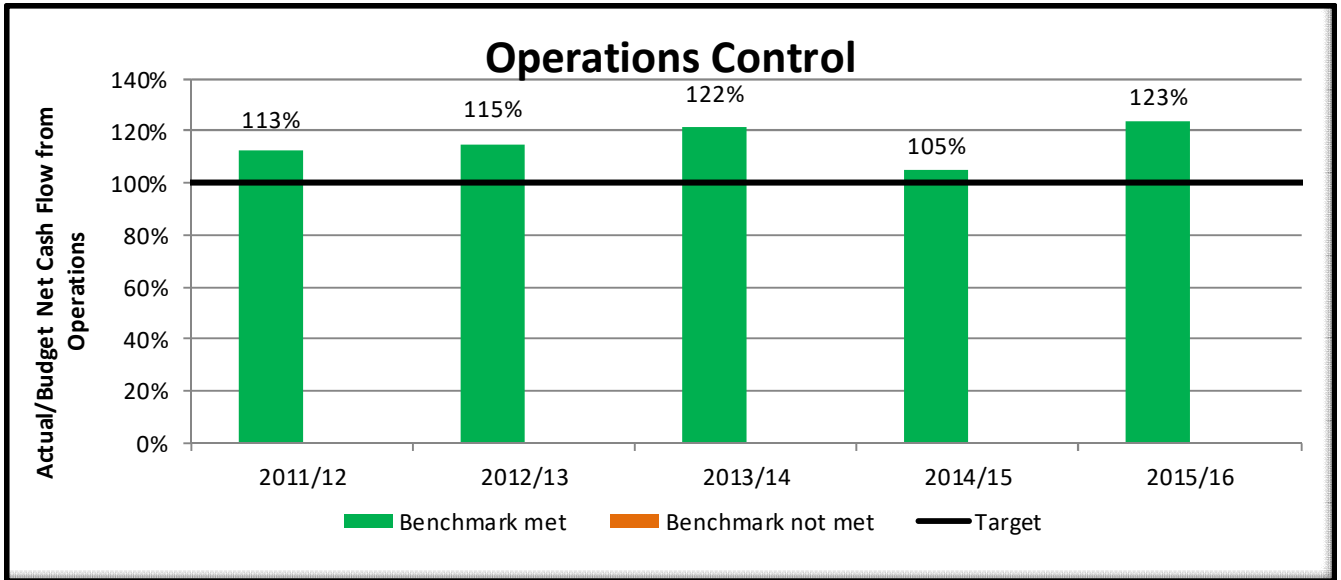
(The graph shows negative values when financial liabilities are less than financial assets, excluding trade and other receivables.)



Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.







Rangitikei
UNSPOILT...

Rangitikei District Council

Section 4: Other Information



Contact Details

Council Offices

Marton

46 High Street
Private Bag 1102
Marton 4741

Tel 06 327 0099
0800 422 522
Fax 06 327 6970

Taihape Library and Service Centre

90-92 Hautapu Street
Taihape 4720

Tel 06 388 0604
Fax 06 388 1919

Bulls Library and Service Centre

73 High Street
Bulls 4818

Tel 06 327 0083
Fax 06 322 0113

Email

info@rangitikei.govt.nz

Website

www.rangitikei.govt.nz

Mayor and Councillors

Contact details for the Mayor and Councillors are located on page 13.

Members of Community Boards, Te Roopu Ahi Kaa and Community Committees

Contact details are provided on page 14.

Development of Māori capacity to contribute to decision-making processes

Introduction

Clause 8 of Schedule 10 of the Local Government Act 2002 requires that the Council outline any steps it might take to foster the development of Māori capacity building to contribute to its decision-making processes, over the period covered by this plan.

The key provision in the Local Government Act 2002 regarding the Council's relationship with Māori is section 81, which requires all councils to fulfil three primary tasks:

- a) Establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and
- b) Consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and
- c) Provide relevant documentation to Māori for the purposes of the above two paragraphs.

The Memorandum of Understanding: Tutohinga

The Memorandum of Understanding, initially signed in 1998, recognises the fundamental role of Iwi in the District and the essential partnership between Iwi and the Rangitikei District Council. The key mechanism for delivering on the partnership intent of the Memorandum is Te Roopu Ahi Kaa, a standing advisory committee of the Council. Tangata Whēnua of the District are represented on the Komiti, as is the Ratana Community. Komiti members are regularly briefed on Council matters and specifically offered a lead role in reviews of policies/statements of particular relevance to Māori.

To give effect to the intent of the Memorandum of Understanding: Tutohinga, the Council and Te Roopu Ahi Kaa are committed to looking for more effective ways to ensure that Māori are well informed, have an ability to have input into processes and, when they do so, understand the reasons for the Council's response. A pilot Māori community development programme, undertaken during 2011-2014, provided for facilitated Hui of iwi/Hapu from the northern rohe to pre-caucus before Komiti meetings. As a result, Council has developed a policy and strategy for unlocking Māori landlocked land and is in the process of developing a policy to recognise iwi/Hapu interests in Council-owned land that is declared surplus.

The Memorandum of Understanding: Tutohinga is subject to review at the same time as each Representation Review. The last review was in 2012 and the next will begin in August 2018⁴³.

Strategic Planning

Te Roopu Ahi Kaa has adopted a strategic plan which is subject to regular review. This plan identifies a number of actions to achieve three goals – building stronger relationships between Council and Te Roopu Ahi Kaa, building stronger relationships between Council and Iwi, hapu, whanau and Māori communities, and building cultural awareness.

Every three years, Council adopts the Long Term Plan, supplemented annually with an Annual Plan. Council will ensure that there is an annual opportunity for iwi to engage with Council's strategic planning process, including the schedule of capital and renewal works, major programmes, policy review development etc.

⁴³ In between these times of comprehensive review, the Komiti may recommend changes to its membership to reflect the needs and views of Iwi/hapu of the District.

Council will also ensure that other tributary strategies – for example, arts, heritage, and economic development – receive particular input from iwi/hapu and from Te Roopu Ahi Kaa

Council will welcome the opportunity to receive the strategic and other management plans from iwi/Hapu in order to ensure alignment of its own strategies and plans where possible and appropriate, and with particular reference to the requirements of the Resource Management Act 1991.

Building on current strategies

One of the early components of the Representation Review is consideration whether one or Māori wards should be established in the District. Council will continue to refer this matter to the Komiti for its consideration at each Representation Review. At the most recent review, in August 2011, the Komiti did not make a recommendation on this proposal. Instead it resolved that the future of Te Roopu Ahi Kaa as an advisor group be considered against the value of direct relationships between Iwi and Council. Further workshop discussion has clarified that this is not an 'either-or' question but one of establishing complementary relationships, understanding both the potential advantages and disadvantages of both. Council expects this discussion to be ongoing and to develop as the relationship between Council and iwi organisations in the district matures.

The Post Treaty Settlement Environment

Finalisation of Treaty claims is a significant development in the Rangitikei. The Council is aware that in a post-settlement phase, iwi with Mana Whēnua have obligations to all people in the rohe.

Ngati Apa's claim is the first claim to be settled in the District and so is of particular significance to the District. It has resulted in addressing a number of longstanding grievances that some Iwi and Hapu in our District have had with the Crown. The settlement will also result in commercial and cultural redress that is likely to change the business and cultural landscape within the region. Council will seek to establish a Memorandum of Understanding with Ngati Apa which supports the realisation of these benefits and Ngati Apa has also expressed interest in seeking closer working relationships with Council. At present the Taihape claim is proceeding. Settlement is some time away but, when this is done, it is also likely to promote stronger working relationships with Council.

The impacts of the Settlements/Acts on Council's business, resourcing levels and processes are not fully known at this stage. Council will need to review its position on fostering Māori participation in decision-making in the near future. The Iwi Advisory Komiti is an opportunity for Iwi/hapu without the capacity to engage independently to engage in a relationship with Council. However, the Iwi Advisory Komiti does not pre-empt the opportunity for individual Iwi/hapu to have a direct relationship with Council.

Steps Council is taking to foster the development of Māori capacity to contribute to decision-making processes

Council is committed to working with Māori and Tangata Whēnua and to build internal capacity and capability, not least to support the requirements given effect to by the Treaty Settlements. In addition to commitments contained elsewhere in this statement, Council will:

- Continue to allocate a budget for a Māori Community Development Programme to be distributed by the Komiti in accordance with its own processes. This programme is designed to increase the capacity of Māori to contribute to local decision-making, and strengthen relationships between iwi organisations/marae and Council (including through the development of individual MOU).
- Continue to provide a training budget for Te Roopu Ahi Kaa and encourage and support this to be used strategically to build capacity and capability – perhaps to bring keynote speakers to the District and/or to provide training for Komiti members in local government processes.

Methods to Measure Water Loss

To measure the water being lost in a distribution system the first approach is to conduct a water balance or night flow measurement. This enables the water supplier to determine the water supplied, consumed and lost in the distribution system.

It is recommended that users refer to the WLG and, in particular, Section 7 as it details the requirements at both basic and advanced levels.

Measuring leakage should be approached in the follow way:

1. Categorise the size of water supply system as large, medium or small as outlined in the table below:

Table 1: Approaches for Assessing Real Losses Based on Size of System

System	Number of Service Connections	Residential Customers Metered i.e. Universal metering	Recommended Method for Assessing Real Losses
Large	> 10,000	Yes	Annual water balance with confidence limits – BenchlossNZ or CheckCalcsNZ software
		No	Annual water balance with confidence limits / Minimum night flow (MNF) Analysis – BenchlossNZ or CheckCalcsNZ software
Medium	2,500 to 10,000	Yes	Annual water balance with confidence limits – BenchlossNZ or CheckCalcsNZ software
		No	Minimum night flow (MNF) Analysis – verify against water balance
Small	< 2,500	Yes	Annual water balance with confidence limits – BenchlossNZ or CheckCalcsNZ software
		No	Minimum night flow (MNF) Analysis

2. Estimating the level of losses in the network should use one of the recommended methods from Table 1:

- a. Method option 1: Water Balance – refer WLG Section 2.3

The Water Losses Benchloss Marking Software (Benchloss NZ and CheckCalcs NZ) was developed for Water NZ, (NZ Water and Wastes Association) refer to WLG Section 2.2 and is available free from Water NZ direct.

The first step in using the water balance components of the software is to determine the Unavoidable Annual Real Losses (UARL) using the following for each system:

- Length of mains = Total length of transmission and distribution mains;
- Number of service connections = Total number of metered accounts minus the total number of sub-meters plus the estimate number of unmetered service connections;
- Average Operating Pressure = System operating pressure i.e. estimate from weighted average ground levels and average pressure at zone inlets (reservoir, WTP);
- Number of Properties – Broken into residential/non-residential, metered and unmetered;

- Residential Population – Total population supplied from the system.

The next stage is to enter the detailed consumption data for authorised consumption as follows, which feeds directly into the 'WaterBal' Worksheet:

- Start and finish dates = Period for which the water balance and consumption data is calculated over, typically annually;
- Billed Water Exported = Volume of water extracted to a different system, if any;
- Billed Metered = number of residential and non-residential properties and billed volume;
- Billed Unmetered Consumption = number of residential / non-residential properties and estimated average usage (Litres/connection/day);
- Unbilled Metered Consumption = specify customer and recorded volume i.e. Council depot.
- Unbilled Unmetered Consumption = for example, hydrant flushing: an estimate is given and confidence limits used accordingly.

For the systems with 'unmetered residential properties', the largest single component of error is likely to be assumed consumption 'per property per day', and most effort should be spent on assessing that component rather than the minor components.

System data previously input is brought forward into the 'WaterBal' sheet. The next set of data required is the system inputs (own sources and water imported), as follows:

- System input = Source input + water imported. This is the total annual volume (or period) of water input to a system from the water supplier's treatment works and/or, where no treatment is provided, the volume of water input from other water suppliers.

The water losses volume is then calculated by subtracting the volume of authorised consumption from the system input volume. The apparent losses are then presented and then deducted from the water losses to determine the annual volume of real losses.

The next step is to assess the apparent losses consisting of unauthorised consumption and customer metering under-registration. Unauthorised consumption such as illegal connections or meter by-pass is then specified for each system. For customer meters under-registration a percentage is specified for the number of meters that are estimated to be under-registration for residential, non-residential and other meters. The estimated 95% confidence limits should be entered accordingly.

The Current Annual Real Losses (CARL) is calculated based on the difference between water losses and apparent losses, with the calculated 95% confidence limits shown in the lower and upper bands.

The 'PICalcs' sheet is used to calculate basic and detailed system operational performance indicators for real losses. The calculation provides a breakdown of the components of Non-Revenue Water expressed as a percentage of volume of system input. The components are:

- Unbilled Consumption
- Apparent Losses
- Real Losses – **This value is to be reported as one of the Non-Financial Performance Measures for Water Supply.**

b. Method option 2: Minimum Night Flow Analysis – refer WLG Sections 3.3, 4.4 and Appendix A

To use the minimum night flow (MNF) analysis method the following steps should be adopted:

- Arrange to measure night flow into the system or zone i.e. permanent/temporary meter, reservoir drop test;

- Record or estimate the average zonal night pressure (AZNP);
- Identify the time of year and days of the weeks when night consumption is likely to be at a minimum, typically during winter when there is less likely to be outside water use e.g. irrigation;
- Identify any 24-hour consumers and measure through data logging or meter reading during the night flow analysis time period;
- Measure the MNF over 1-hour between the hours of 01:00 to 03:00, together with the AZNP, preferably over a week period;
- The legitimate customer night consumption allowance is to be estimated and deducted from the MNF. For unmetered residential customers a value between 2.0 and 2.5 Litres/conn/hr is recommended. However, it is also recommended that further analysis is carried out to improve confidence;
- The real losses can be calculated from the MNF minus the customer night consumption allowances and any measured night consumption;
- **The real losses, expressed as a percentage of total annual system input, is to be reported as one of the Non-Financial Performance Measures for Water Supply.**

Statement of Resources

Area	4,538 sq km
Population	14,019
<i>Census 2013</i>	
Rateable Properties	8,042 ⁴⁴
Non-rateable Properties	595
Gross Capital Value	\$3,796,745,500
Net Capital Value	\$3,625,771,650
Gross Land Value	\$2,394,258,850
Net Land Value	\$2,331,233,850
Date of Last Revision of Values	July 2014
Length of Roads	1,225 km
• Sealed	796 km
• Unsealed	429 km
Water Supplies	
• Urban	6
• Rural	4
Wastewater Systems	7
Solid Waste Disposal Sites (Landfills)	0
Waste Transfer Stations	5
Amenity Buildings	
• Libraries	3
• Swimming Pools	3
• Halls – Urban	7
• Houses	3
• Halls – Rural	15
• Pensioner Flats	72
• Toilets and Restrooms	9
• Parks and Reserves	10

⁴⁴ Last year reported 8,474 rateable properties in the District. The reduction is the result of the requirement from the Valuer-General for contiguous rural properties in the same ownership to be considered as a single property for rating purposes. This is likely to be the reason for the small reduction in land value compared with a year ago.



Rangitikei
UNSPOILT...

Rangitikei District Council

Section 5: Index

Index

- A**
- accounting policies, 100, 101, 102, 109, 113, 114
 - animal control, 5, 80, 81
 - assets, 3, 20, 29, 39, 52, 60, 66, 68, 74, 78, 83, 90, 94, 95, 97, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 112, 113, 114, 123, 124, 125, 126, 127, 128, 129, 134, 138, 142, 143, 150, 152, 153, 156, 157, 158
- B**
- benchmark, 35, 49, 50, 57, 69, 72, 73, 86, 87, 153, 154, 156, 157, 158, 159
 - borrowing, 41, 53, 62, 67, 75, 76, 79, 91, 102, 131, 151, 154, 157
 - bridges, 31
 - building consents, 5, 81, 82, 101
 - Bulls and District Community Trust, 86
- C**
- capital works, 151
 - cemeteries, 3, 26, 68
 - chief executive, 139
 - community and leisure assets, 26, 69, 75
 - contingencies, 113, 117, 138
 - contracts, 31, 151, 152
 - council outcomes, 20
 - customer satisfaction, 4
 - customer service, 25, 36
- D**
- debt affordability, 154
 - debtors, 105, 121, 136, 146
 - dog control, 82
 - drinking water, 5, 43, 47, 48
- E**
- economic development, 25, 165
 - employees, 98, 140, 142
 - environmental health, 80, 81
- F**
- financial assets, 97, 104, 105, 113, 123, 142, 145, 146, 147, 155, 158
 - financial instruments, 104, 118, 143, 145, 146, 156, 157
 - flooding, 63, 64, 80
 - food handling, 80
 - footpaths, 31, 33, 35, 36, 127, 157
 - forestry assets, 110, 129, 136
 - funds, 41, 53, 62, 67, 75, 79, 91, 97, 101, 102, 108, 112, 120, 134, 146, 149, 150, 152
- H**
- halls, 5, 26, 68
 - health services, 20
 - heritage, 80, 165
 - housing, 5, 23, 26, 68, 69, 73, 75, 114, 117
- I**
- insurance, 152
 - intangible assets, 98, 110, 128
 - irrigation, 43, 69, 170
- L**
- leachate, 3, 55, 58
 - leases, 103, 119, 137, 138
 - legislation, 81, 100
 - libraries, 4, 5, 13, 26, 68, 69, 70, 72, 116
- M**
- mission statement, 15
- N**
- natural environment, 20
- P**
- parks, 3, 5, 26, 68, 69, 107, 151
 - performance, 2, 3, 4, 13, 22, 64, 153, 167, 169
 - population, 9, 23, 24, 69, 87, 89, 155, 157, 169
 - Project Marton, 86, 139
 - public toilets, 26, 68, 69
- R**
- Rangitikei Tourism, 86, 139
 - rates, 29, 31, 39, 49, 52, 59, 60, 66, 74, 78, 83, 90, 94, 96, 98, 101, 102, 103, 108, 110, 111, 116, 121, 131, 139, 145, 146, 149, 153, 154, 155
 - rates affordability, 153
 - remuneration, 119, 139, 140, 141
 - resilience, 3
 - resource consents, 5, 44, 49, 55, 58, 63, 81
 - revaluation, 95, 107, 108, 112, 113, 118, 128, 134
 - rural water supply, 3, 85
- S**
- severance payments, 142
 - shared service, 3, 25, 80, 86
 - stormwater drainage, 116, 134
 - subsidies, 32, 37, 101, 117
 - surveys, 4, 23, 24, 32
 - swimming pools, 26, 68, 69, 70, 75
- T**
- Taihape Community Development Trust, 86
 - Te Roopu Ahi Kaa, 12, 14, 25, 163, 164, 165, 166
- W**
- water supply, 4, 43, 46, 116, 157, 167, 168

Intentionally blank – end of document