

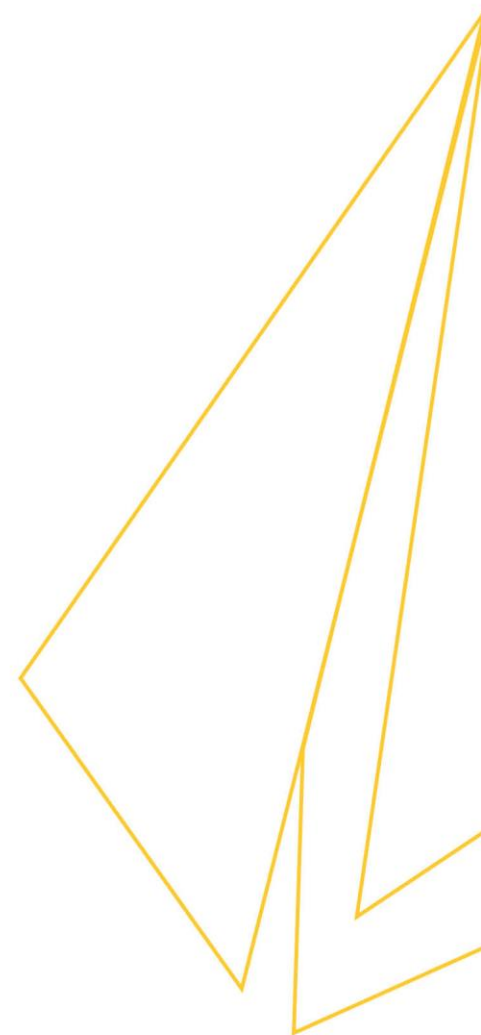


RANGITIKEI
DISTRICT COUNCIL

Rangitikei District Council

Annual Report 2018-2019

Adopted by Council resolution, 31 October 2019



Making this place home.



Images: Opening of Marton Skatepark – February 2019

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Images: Marton Dam – Planting Day, September 2018



RANGITIKEI
DISTRICT COUNCIL

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.

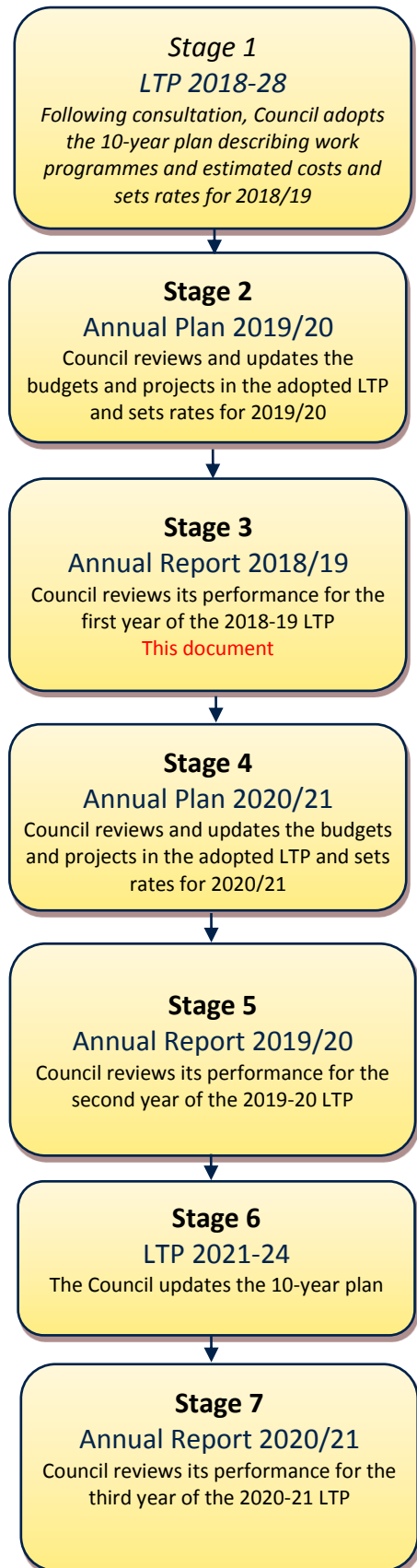
Section 3 Financial Statements and Policy Reports

Key financial statements and reports against Council policies including the Financial and Infrastructure 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 of the 2018-28 Long Term Plan 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 2018 to 30 June 2019. As well as financial results, the Annual Report includes results of the performance measures set out in the 2018-28 Long Term Plan.

Financial Performance

The statement of comprehensive revenue and expense shows operating expenditure was \$228,000 less than budget while operating revenue exceeded budget by \$1,093,000, resulting in an operating surplus before gains & losses on PPE and investments of \$2,909,000, against a budget of \$1,588,000. The surplus after tax was \$20,404,000,

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 \$600 million, largely represented by property, plant and equipment. This is a significant increase on last year's figure of \$492 million, a consequence of revaluation.

Because of a significant underspend in capital work of \$14.3 million there has been much less need to borrow externally during the year. The main causes of the underspend are delays in finding suitable land for wastewater disposal from Ratana, Marton and Bulls and the slower start of construction for the new Community Centre in Bulls.

Major achievements

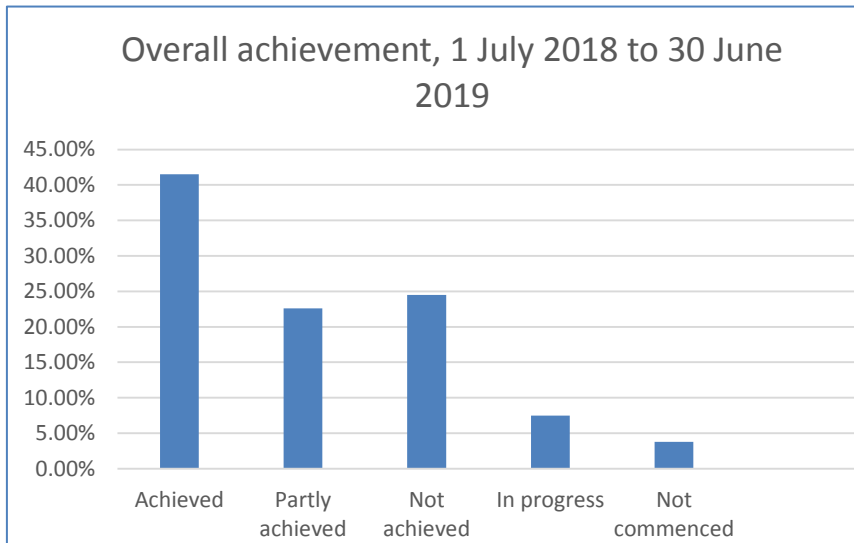
- Contract let for the construction of the new Community Centre on Criterion Street, Bulls
- Concept plans developed for options for a new Civic Centre in Marton
- Concept design for a community facility on Taihape Memorial Park (in conjunction with Clubs Taihape)
- Investigations into the merits of retaining (as distinct from demolishing) the century old Mangaweka Bridge once the new bridge is built and operational.
- Completion of a new water supply (bore and treatment plant at Ratana)
- Investigation into an alternative water supply source for Hunterville
- Continued reaccreditation of the Council as a Building Consent Authority
- Completed review of the efficiency and effectiveness of the District Plan
- Completion of the Representation Review process – resulting (after a hearing by the Local Government Commission) in the reduction of five wards (Turakina, Bulls, Marton, Hunterville, Taihape) to three wards (Northern, Central, Southern) for the October 2019 elections.

Levels of Service

This report documents results for 54 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.¹

The following chart shows the overall achievement for the year. 64% of the applicable measures were either partly or fully achieved (71% last year). However, a further 8% were in progress (0% last year).



Of the 16 mandatory measures where the measure is applicable² and data is available, six were achieved, four were partly achieved and six were not achieved. This is a reduction from last year (ten, three and three respectively).

The six 'not achieved' measures are for road crashes resulting in death or serious injury (although road condition was a possible factor in just

one of these incidents), protozoa compliance at water treatment plants (although generally higher compliance than last year), the number of complaints about the quality of the water (primarily in Marton), dry weather wastewater overflows and the number of complaints and timeliness of response to requests relating to the reticulated wastewater service.

Apart from the mandatory measures just noted, areas considered 'not achieved' compared with the target were:

- completion of annual plan actions and actual capital expenditure being less than projected),
- satisfaction (in the annual residents' survey) with the provision of and maintenance of footpaths, streetlighting and local roads
- timeliness with issuing building and resource consents, and
- growth in earnings compared with similar districts.

¹¹ The performance framework was reviewed as part of the preparation of the 2018-28 Long Term Plan and is similar to 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.

Other measures introduced into Council's performance framework for the 2015-25 Long Term Plan to cover such services have generally continued.

However. There was an expansion of measures for Community Leadership, Community and Leisure Assets and amendments to Community Well-being

² There are two components of the drinking-water measure.

Audit Report

Independent Auditor's Report

To the readers of Rangitikei District Council's annual report for the year ended 30 June 2019

The Auditor-General is the auditor of Rangitikei District Council (the District Council). The Auditor-General has appointed me, Chris Webby, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2019. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 81 to 84 and pages 86 to 137:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2019;
 - 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 in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 80, 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 statement of service provision on pages 22 to 76:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2019, 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; and
- the statement about capital expenditure for each group of activities on pages 31 to 78, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 31 to 77, 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.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 138 to 144, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

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 enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 4, 8 to 21, 85 and 146 to 151, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out a limited assurance engagement related to the District Council's debenture trust deed, which is compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council.

Chris Webby
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.

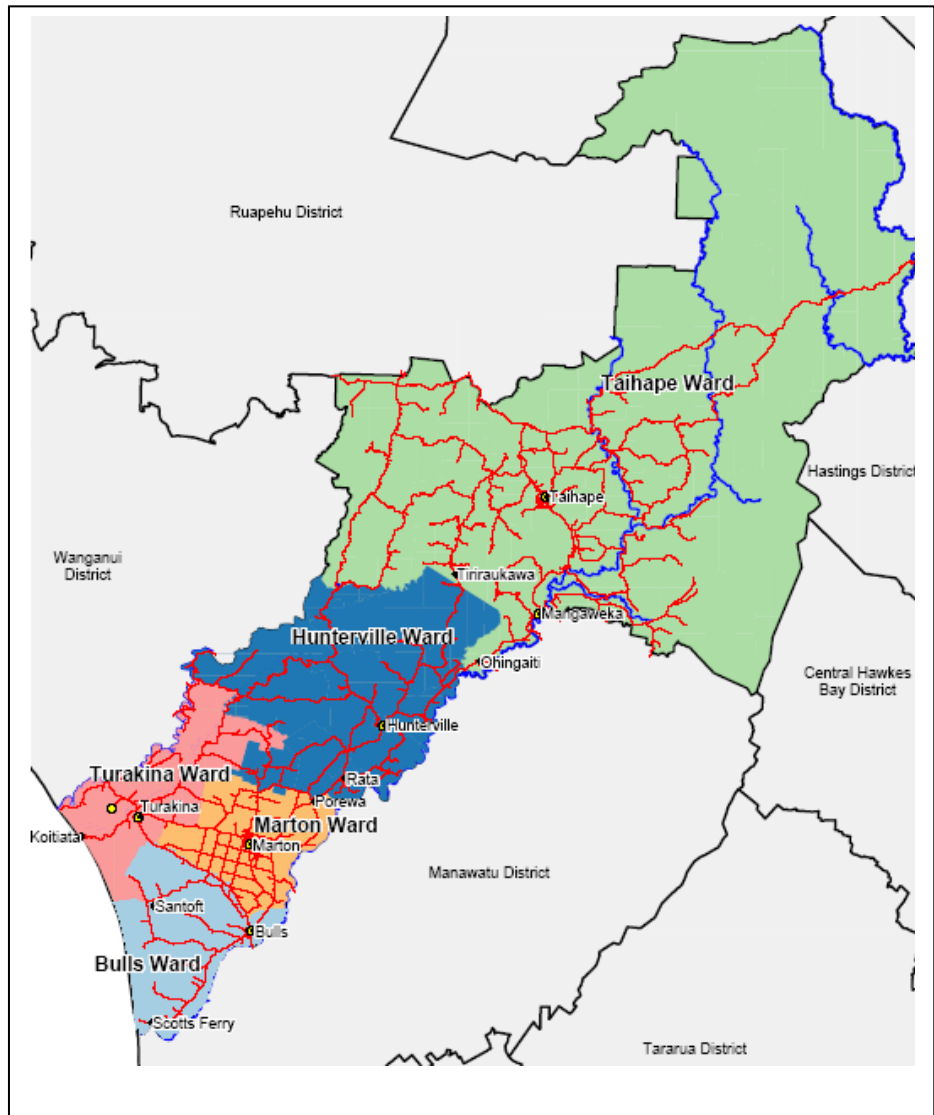
The Rangitikei River is one of New Zealand's longest rivers, starting in the Kaimanawa Ranges and flowing out to the Tasman Sea.

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).³ 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 2018, is 15,150 – up 150 from June 2017.

The number of occupied dwellings at the 2006 census (5,739) increased and was 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.



³ 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 TAUPŌ County Councils.

Rangitikei District Logo



A new logo was adopted during 2017, making it specific to the Council and including a new byline.

Rangitikei is renowned for having the most prolific kowhai stand in New Zealand, and the logo is a stylised depiction of the kowhai flower. The symbol also carries implications of shelter, direction, quality and foundation.

The logo and its strapline is gradually being rolled out through signage on facilities, stationery and other communications. Town signage, while incorporating the logo, will incorporate imagery agreed with the respective communities.

Your Elected Members (for the 2016-19 triennium)



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



Cr Nigel Belsham
Deputy Mayor
nigel.belsham@rangitikei.govt.nz
027 419 1024



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



Cr Graham Platt
graeme.p@xtra.co.nz
021 405 098



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



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



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



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



Cr Cath Ash
cr.cath.ash@gmail.com
021 524 585



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



Cr Jane Dunn
jane.dunn@outlook.co.nz
027 746 0791



Cr Dave Wilson
davewilsonrdc@gmail.co.nz
027 223 4279

Your Representatives (for the 2016-19 triennium)

Community Board Members

Taihape⁴

Ms Michelle Fannin (Chair)	06 388-1129
Ms Ann Abernethy	06 388-9220
Ms Gail Larsen	06 388-1161
Ms Yvonne Sicely.....	06 388 1070
Cr Angus Gordon	06 388 1571
Cr Ruth Rainey	06 382 5507

Ratana

Mr Charlie Mete (Chair)	027 418 9108
Mr Charlie Rourangi.....	021-827 705
Mr Thomas Tataurangi.....	022 301 5108
Ms Maata Kare Thompson	06 342 6819
Cr Soraya Peke-Mason	06 342-6838

Te Roopu Ahi Kaa (Iwi Liaison Committee)*

Mr Pahia Turia (Chair).....	06 344 8150	(Whangaehu)
Mr Carol Raukawa-Manuel	06 327 6087	(Nga Ariki Turakina)
Ms Tracey Hiroa	06 388 1156	(Ngati Whitikaupeka)
Ms Hari Benevides	06 388 1908	(Ngati Tamakopiri)
Mr Thomas Curtis.....	021 307 610	(Ngati Hauiti)
Mr Robert Gray	06 388 7816	(Ngati Rangituhia)
Ms Katarina Hina.....	027 403 0609	Nga Wairiki Ki Uta)
Ms Gaylene Nepia	027 555 4991	(Ratana Community)
Ms Kim Savage	06 323 1164	(Ngati Parewahawaha)
Mr Chris Shenton	06 348 0558	(Ngati Kauae/Tauira)
Mr Terry Steedman.....	021 161 2350	(Ngati Hinemanu/Ngati Paki)
Ms Naumai Wipaki.....	06 388 1335	(Ngai te Ohuake)
Cr Angus Gordon.....	021 111 4767	(Council representative)

Community Committee Chairs*

Ms Laurel Mauchline Campbell	06 327 8729	(Turakina)
Mr Tyrone Barker	06 322-1206	(Bulls)
Ms Carolyn Bates	06 327-8088	(Marton)
Ms Karen Kennedy	06 327 8472	(Huntermville)

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

⁴ The three Taihape Ward Councillors share the two positions on the Taihape Community Board on an annual rotating basis. Crs Gordon and Rainey are members from November 2016 to October 2017; Crs Aslett and Gordon from November 2017 to October 2018; Crs Aslett and Rainey from November 2018 to October 2019. The third Ward Councillor not appointed in any one year has full speaking (but not voting) rights: Council, 3 November 2017: 17/RDC/305.

District Licensing Committee*

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

Audit/Risk Committee*

Mr Craig O'Connell (Independent Chair)	027 446 5352
His Worship the Mayor	
The Chairs of Assets/Infrastructure, Finance/Performance and Policy/Planning Committees	

The Council's Audit Director (from Audit New Zealand) and the Internal Auditor (engaged by MW LASS) are invited to all meetings.

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

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 and 11 of the Local Government Act 2002)

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
- Roading 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 responsibilities⁵:

- 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 Rōopu Ahi Kā (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 Management Committee
- 11 Turakina Reserve Management Committee
- 12 Santoft Domain Reserve Management Committee
- 13 Rangitikei District Licensing Committee

⁵ 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.

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 April 2019, following hearing of appeals and objections by the Local Government Commission. This has changed the number of wards from five to three, essentially merging the Turakina and Bulls Wards as the Southern Ward (3 Councillors), Hunterville and Marton to be the Central Ward (5 Councillors), and a slightly enlarged Taihape Ward to be the Northern Ward (3 Councillors). The number of Councillors and the two Community Boards (Ratana and Taihape) were unchanged, except that the boundary of the Taihape Ward was adjusted to coincide with the boundary of the new Northern Ward. These changes are included in 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 for the 2016-19 triennium

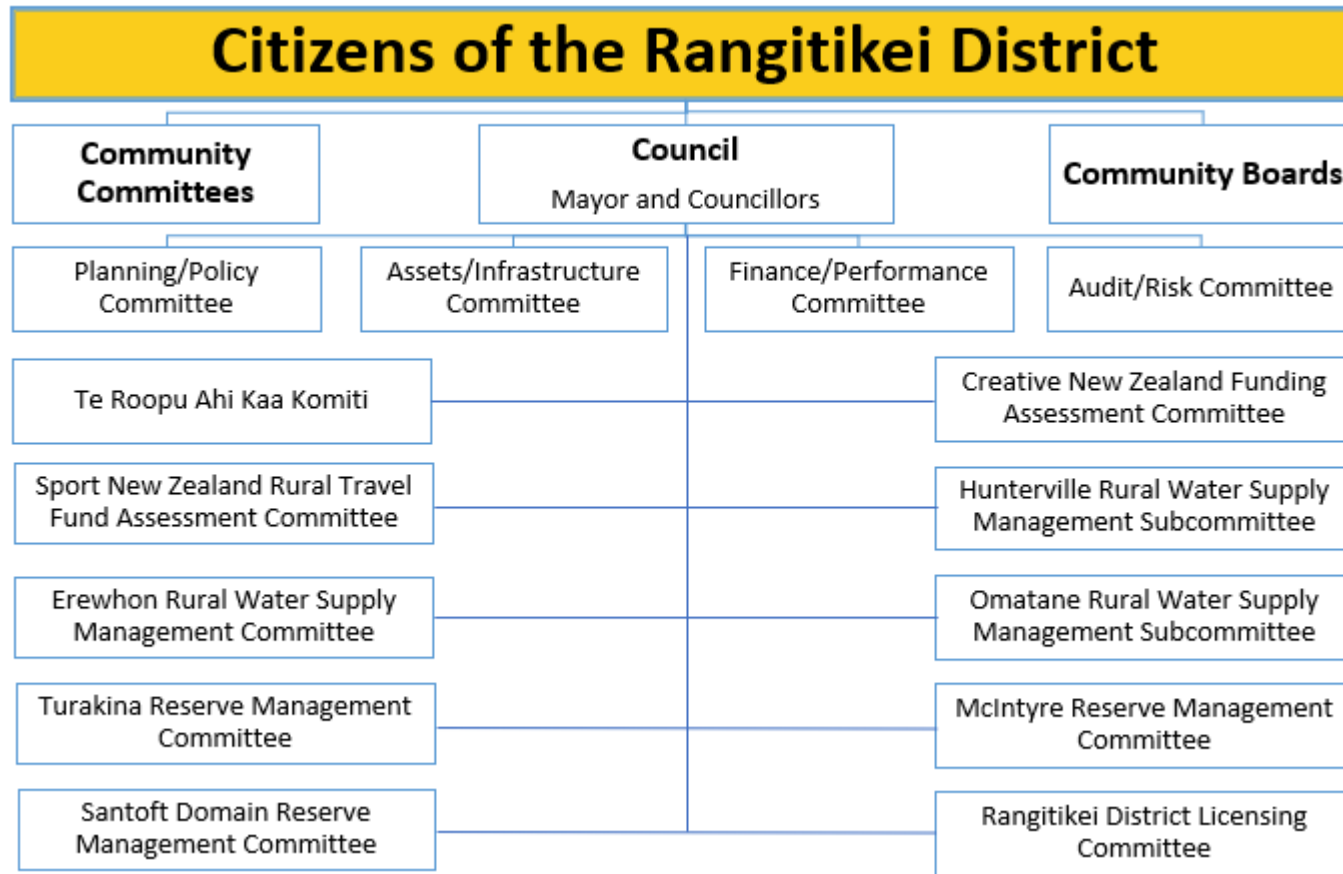
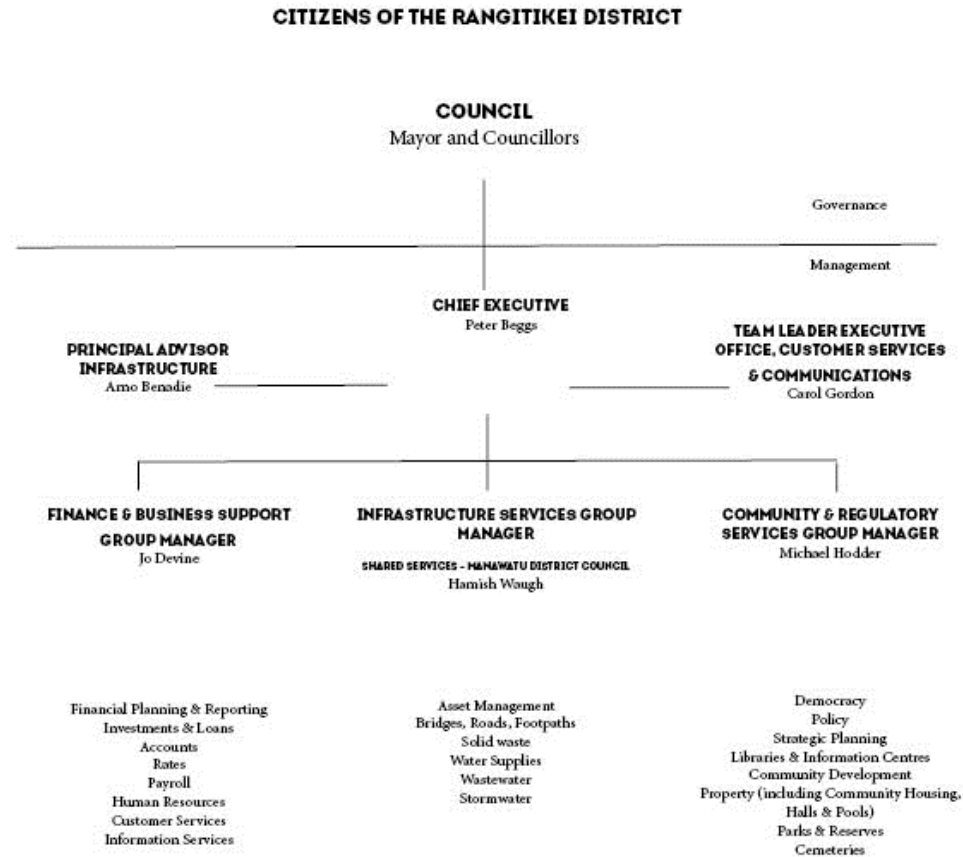


Figure 2: The Rangitikei District Council Management Structure



Statement of Compliance and Responsibility

Compliance

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 2019 fairly reflect the financial position and operations of the Rangitikei District Council.



Andy Watson
Mayor

31 October 2019



Peter Beggs
Chief Executive

31 October 2019



RANGITIKEI
DISTRICT COUNCIL

Rangitikei District Council

Section 2: Significant Activities

Including Funding Impact Statements by Significant Activity

Community Outcomes

Community outcomes are the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions. As part of developing the 2018-28 Long Term Plan, Council reviewed its outcomes; they are described below.

- 1 **Infrastructural service levels** - Ensuring services meet appropriate standards and are affordable.
- 2 **Economic development** - Facilitating growth through infrastructure investment, an enabling regulatory framework and collaboration.
- 3 **Future-looking community facilities** - Ensuring community facilities are future-fit and appropriately managed.
- 4 **Earthquake-prone buildings** - Reducing the people-risk from Council-owned earthquake-prone buildings and providing a leadership/support role for other earthquake-prone buildings.
- 5 **Communication/engagement and collaboration** - Ensuring communities are well-informed and engaged in decision-making, and productive partnerships are established/maintained.
- 6 **Rates level/affordability/value** - Ensuring rate levels are prudent and value to ratepayers demonstrated.
- 7 **Environment/climate change** - Responsiveness to expectations from the community and Government for more sustainable use of resources, a reduced carbon footprint, and planning for projected impacts in weather and sea-level changes.
- 8 **Regulatory performance** – Implementing an enabling regulatory framework which is explicit on whether (and how) Council will exercise any statutory discretion available to it.
- 9 **Community resilience** - Advocating for, working in partnership and supporting groups which are concerned with the well-being of the District's communities.

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

Group of activities	Community outcomes								
	1	2	3	4	5	6	7	8	9
Community leadership		•			•	•	•		
Roading and footpaths	•	•							
Water supply	•	•							
Sewerage and the treatment and disposal of sewage	•	•							
Stormwater drainage	•	•							
Community and leisure assets			•	•					
Rubbish and recycling							•		
Environmental and regulatory		•		•				•	
Community well-being		•			•		•		•

Council has not undertaken any specific measurement during the year of progress towards the achievement of those outcomes.

Identified effects of activities on the social, economic, environmental or cultural well-being of the community

The provision of a safe, convenient and well-maintained network of roads and footpaths contributes to (particularly) economic well-being by facilitating access by those conducting business within the District; it also contributes to social well-being by allowing people to connect easily with one another. However, road deaths, noise, vibrations and emissions to air from road traffic are negative impacts on social and environmental well-being.

The provision of a reliable, safe water supply contributes particularly to social well-being; the ability to provide commercial quantities of water and stock water contribute to the community's economic well-being. Malfunctioning plants impact negatively on these well-beings.

Treatment and disposal of wastewater contributes to environmental well-being by minimising impacts on aquatic life and social well-being by ensuring disposal does not impact on residents' health. Malfunctioning treatment plants and broken or blocked reticulation impact negatively on social and environmental well-being,

Parks and reserves, libraries, and swimming pools contribute to the community's social well-being by providing recreational and educational opportunities.

Well-managed and accessible waste transfer stations reduce the likelihood of fly-tipping and this contributes to environmental well-being.

Animal control, building control and planning control contribute to personal and public health and safety, i.e. social well-being.

The youth development activity contributes to social well-being by providing opportunities for youth to collaborate with others and engage in meaningful dialogue with the Council.

The hui in Te Rōpū Ahi Kā and representation from that Komiti on Council's standing committees contribute to the community's cultural well-being by promoting dialogue and understanding.

Performance Reporting

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

Achieved	Required actions have been completed <i>Or</i> 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
Partly achieved	Some outputs contributing to the intended level of service have been achieved (e.g. 3 workshops held of the 4 initially proposed) <i>Or</i> the result for the year is between 60% and 75% of the intended level of service
Achieved/ongoing	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.
In progress	No actual output has been achieved but pre-requisite processes have commenced
Not commenced	No actions to achieve the stated level of service have begun
Not achieved	None of the required actions have been undertaken <i>Or</i> the result for the year is less than half of the intended level of service <i>Or</i> 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
Not yet available	Timing of the relevant data set has been delayed or will occur in a subsequent year
Not applicable	The scope of the [mandatory] measure does not apply to the Council

* 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 2019

Background and objectives

The annual residents' survey aims to capture residents' perceptions of Council facilities and services. Results are compared with previous years. They are also used to develop improvement plans.

Sample

This year's survey was delivered to every household in the District – a change from last years which was mailed to everyone on the Rangitikei electoral roll. However, the number of respondents was down – 281 valid responses compared with 833 last year. As with last year, the delivered surveys included a link to the survey hosted in *SurveyMonkey*.

The Council's website and Council's Facebook were also utilised in the deployment of the survey online.

Response rate

The response rate is calculated on the number of letters sent out and how many were returned. The number of dwellings recorded in the 2013 Census was 5738, so the valid responses represent a response rate of 4.9%, less than the 8% for 2018.

Margin of Error

Margin of Error (MOE) is a statistic used to express the amount of random sampling error there is 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, $n = 281$, gives an overall MOE of 7 at the 95% confidence interval. These terms simply mean that if the survey were conducted 100 times, the data would be within +/- 7% of the reported percentage most of the time (95 times out of 100).

Stakeholders' survey 2019

Background and objectives

This survey aims to measure the usefulness of Council's partnership and collaborative work with stakeholder surveys. In 2019, it targeted a much smaller group of organisations – those which Council had regular interaction.

It was conducted by email.

Community Leadership

This activity focuses on the governance functions of Council, in particular leadership and planning and is concerned with local democratic decision-making. A major focus 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.

Highlights for 2018/19:

Annual Plan 2019/20 Council adopted the final Annual Plan 2019/20 on 30 June 2019 with no significant changes to the Long Term Plan 2018-28. Two points to note were Council increased its Community Led Projects funding by \$50,000. St Johns Taihape will receive \$50,000 from Council as the final donator to go towards their new facility.

Annual Report 2018/19 - The 2018/19 Annual Report was adopted by Council on 31 October 2019.

Bylaw and policy development/review - Council has also undertaken policy/bylaw work. This includes the review of the Speed Limit Bylaw to reduce the speed limit along Hendersons Line, review of the Animal Control Bylaw and the review of the Rates Remission Policy to incentivise residential development and subdivision. This is associated with development agreements for specific subdivisions.

Representation Review - The representation review for the 2019 elections has been completed. Rangitikei District is now made up of three wards, Northern, Central and Southern. The Taihape and Ratana Community Boards have remained (but the boundaries of the former coincide with the Northern Ward).

Iwi Liaison - Te Rōpu Ahi Kā has a plan for this and the values based framework moving forward. Currently ongoing

Preparation of Order Papers – Order Papers for Council, Committees, Boards, Community Committees and other meetings were delivered to ensure that decision-making was compliant and useful.

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 2018/19	Actual July 2018 – June 2019
<p>Completion of annual plan actions on time</p>	<p>90% of Annual Plan actions substantially undertaken or completed. All groups of activities achieved at least 83% of identified actions.</p> <p><i>In 2017/18, of 187 actions identified in the Annual Plan, 67% were either substantially or fully completed.</i></p>	<p>Not achieved</p> <p>47% of actions substantially undertaken or completed by 30 June 2019</p> <p>Of the 81 actions identified in the Long 2018-28 Term Plan, 35 were fully complete and a further 3 were mostly complete. 26 actions had been started and 17 deferred or considered no longer necessary.</p> <p>No group achieved at least 83% of the actions identified in the Long Term Plan 2018-28</p> <p>Community leadership 71% Roding 38% Water..... 38% Wastewater 20% Stormwater..... 33% Community & leisure assets..... 37% Rubbish and recycling..... 67% Environment & regulatory..... 33% Community well-being 75%</p> <p>Community leadership - 71%</p> <p>A main focus was to complete the representation review for the 2019 local body elections.</p> <p>Roding and footpaths - 38%</p> <p>There were some roading projects deferred to align with other projects occurring. Pavement rehabilitation and seal widening was a priority.</p> <p>Water supply - 38%</p> <p>Work on the pipe replacement on Broadway has continued.</p> <p>The majority of reticulation renewals were either complete, design was completed or underway.</p> <p>Sewerage and the treatment and disposal of sewage - 20%</p> <p>Infiltration reduction through relining programme was a priority complete</p> <p>Stormwater drainage - 33%</p> <p>There are a number of projects to be completed with the new drainage at Scotts Ferry being the biggest.</p>

Measure	Target for 2018/19	Actual July 2018 – June 2019
		<p>Community and leisure assets - 37%</p> <p>There is a mix of projects which are yet to be completed. The most significant is the delay in the construction of the Bulls Community Centre and facilities at Memorial Park in Taihape.</p> <p>Rubbish and recycling - 67%</p> <p>Greenwaste is now being accepted at Ratana and Hunterville.</p> <p>Environment and Regulatory - 33%</p> <p>The efficiency and effectiveness was a priority to get completed. Issuing of notices for potentially earthquake-prone buildings is ongoing and due for completion by January 2020.</p> <p>Community well-being - 75%</p> <p>The majority of actions for well-being were met with the economic development strategy almost being completed.</p> <p>Actions on hold</p> <p>Environmental and Regulatory</p> <p>GoShift Initiative – need to review the pilot programme first.</p> <p>Water supply</p> <p>Negotiations with the NZTA have stalled on the Bulls State Highway 1 work</p> <p>Actions deferred/carried forward</p> <p>Community leadership</p> <p>Te Roopu Ahi Kaa Strategic Plan Review.</p> <p>Roading and footpaths</p> <p>Rehabilitation: Spooners Hill Road, Taihape Napier Road 2 and Pukepapa Road. Seal widening: Makirikiri Road, Ranui Road. Bridges replacement: Mangaweka Bridge. Bridges strengthening: Kakariki Bridge, Moawhango Bridge.</p> <p>Water supply</p> <p>Water main renewals –Taihape (Hautapu River), Hunterville Water Supply upgrade, Water reticulation renewals – Erewhon, Taihape Takahe Street, Taihape Lark/Swan Street, Mangaweka Rising main, Marton Tutaenui Road trunk main</p> <p>Sewerage and the treatment and disposal of sewage</p> <p>Bulls, Marton wastewater scheme, Ratana wastewater treatment plant upgrades and</p>

Measure	Target for 2018/19	Actual July 2018 – June 2019
		<p>Papakai Road Wastewater Pump Station Upgrade. Reticulation renewals - Bulls High Street.</p> <p>Stormwater drainage</p> <p>Renewal of stormwater reticulation – Wellington road drain, Taihape – Paradise walkway, Marton ‘hotspots’ – Russell Street catchment.</p> <p>Community and leisure assets</p> <p>Continuing the implementation of Marton B and C Dams management plan</p> <p>Marton Memorial Hall Playground</p> <p>Memorial Park facilities in Taihape</p> <p>Santoft Domain upgrade led by the community</p> <p>Bulls Community Centre</p> <p>Marton Civic Centre</p> <p>Marton 24/7 toilets</p> <p>Marton main pool repainting</p> <p>Hard surface roadway at Ratana once consideration of expanding the cemetery is complete</p> <p>Mt View Roadway extension</p> <p>Rubbish and Recycling</p> <p>Section 17A review of waste transfer station service</p> <p>Environmental and regulatory services</p> <p>Continuing to undertake identification of earthquake-prone buildings as required by the Building (Earthquake-prone Buildings) Amendment Act and issuing notices.</p> <p>Community well-being</p> <p>Economic Development Strategy</p> <p>Implementation of Economic Development Strategy</p> <p>Actions no longer necessary</p> <p>Engagement with sector excellence programmes</p> <p>Collaborative economic development and District promotion services across the Horizons region – this will be superseded by the Economic Development Strategy.</p>
Completion of capital programme	85% of planned capital programme expended; all network utilities groups of activities to achieve at least 70% of planned capital expenditure.	<p>Not achieved</p> <p>Total capital expenditure for the year was \$16.788 million from a total budget of \$23.195 million (i.e. 72.3%).</p> <p>None of the network utilities groups achieved 65%</p>

Measure	Target for 2018/19	Actual July 2018 – June 2019
	(Note: The 2017/18 Annual Plan set the target for all groups of activities as 65%.)	<p>This result reflects the projects that have been carried deferred/carried forward.</p> <p>Roading and footpaths Total capital expenditure was \$6.712 million from a budget of \$7.222 million (i.e. 92.9%)</p> <p>Water supply Total capital expenditure was \$2.640 million from a budget of \$6.678 million (i.e. 39.5%)</p> <p>Sewerage and the treatment and disposal of sewage Total capital expenditure was \$507,000 from a budget of \$7.450 million (i.e. 6.8%).</p> <p>Stormwater drainage Total capital expenditure was \$264,000 from a budget of \$1.258 million (i.e. 21.0%).</p> <p>Community and leisure assets Total capital expenditure was \$3.518 million from a budget of \$4.526 million (i.e. 77.7%)</p> <p>Rubbish and recycling Total capital expenditure was \$48,000 from a budget of \$658,000 (i.e. 7.3%)</p>
#Satisfaction (new)	Increase in percentage of 'Very satisfied' and decrease in percentage of 'Neutral' compared with the benchmark.	<p>Partly achieved</p> <p>Analysis was done from the annual residents' survey, March-April 2019. However, the categorisation of results was not always the same as in previous surveys. It is, however, generally feasible to compare responses of 'very satisfied' and 'satisfied' taken together. The 2017/18 results have been revised to combine 'very satisfied' and 'satisfied' to enable a comparison with 2018/19 results. There is less comparability with the 'neutral' responses in the surveys.</p>

Measure	Target for 2018/19	Actual July 2018 – June 2019																																																
	<p>2016/17 results:</p> <table border="1" data-bbox="528 277 938 703"> <thead> <tr> <th></th> <th>Very satisfied and Satisfied</th> <th>Neutral</th> </tr> </thead> <tbody> <tr> <td>Roading</td> <td>58%</td> <td>30%</td> </tr> <tr> <td>Water</td> <td>55%</td> <td>19%</td> </tr> <tr> <td>Wastewater</td> <td>77%</td> <td>19%</td> </tr> <tr> <td>Parks/sports fields</td> <td>66%</td> <td>29%</td> </tr> <tr> <td>Pools</td> <td>60%</td> <td>29%</td> </tr> <tr> <td>Libraries</td> <td>78%</td> <td>28%</td> </tr> <tr> <td>Public toilets</td> <td>42%</td> <td>35%</td> </tr> </tbody> </table>		Very satisfied and Satisfied	Neutral	Roading	58%	30%	Water	55%	19%	Wastewater	77%	19%	Parks/sports fields	66%	29%	Pools	60%	29%	Libraries	78%	28%	Public toilets	42%	35%	<p>Community buildings were not included in the 2019 survey. Halls in 2019 survey were differently assessed from 2016/17.</p> <p>2018/19 results:</p> <table border="1" data-bbox="981 383 1391 808"> <thead> <tr> <th></th> <th>Very satisfied and Satisfied</th> <th>Neutral</th> </tr> </thead> <tbody> <tr> <td>Roading</td> <td>67%</td> <td>56%</td> </tr> <tr> <td>Water</td> <td>*</td> <td>14%</td> </tr> <tr> <td>Wastewater</td> <td>71%</td> <td>24%</td> </tr> <tr> <td>Parks/sports fields</td> <td>80%</td> <td>15%</td> </tr> <tr> <td>Pools</td> <td>79%</td> <td>::</td> </tr> <tr> <td>Libraries</td> <td>92%</td> <td>::</td> </tr> <tr> <td>Public toilets</td> <td>51%</td> <td>12%</td> </tr> </tbody> </table> <p>*No overall measure available. Satisfaction ranged from 0% in Ratana, 39% in Marton, 86% in Taihape, 87% in Hunterville, 91% in Bulls and 100% in</p>		Very satisfied and Satisfied	Neutral	Roading	67%	56%	Water	*	14%	Wastewater	71%	24%	Parks/sports fields	80%	15%	Pools	79%	::	Libraries	92%	::	Public toilets	51%	12%
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#Value for money – residents’ perceptions in annual survey (new)	<p>Higher rating than previous year.</p> <p><i>Note: These results were not recorded in the 2017/18 Annual Report.</i></p> <p>2017/18 results: 5% definitely does; 44% satisfactory; 32% unsure/neutral; 15% not really; 3% definitely not</p>	<p>Partly achieved</p> <p>7.4% of respondents considered that Council ‘definitely does deliver value for money’, 42.4% considered it was ‘at a satisfactory level’, 27.2% were unsure/neutral, 18.7% considered ‘not really’ and 4.3% stated “definitely not”.</p> <p>Analysis done from the annual residents’ survey, March-April 2019.</p>																																																
#Effectiveness of communication (new)	<p>Increase in percentage of ‘very satisfied’ and decrease in percentage of ‘neutral’ compared with benchmark</p> <p>2016/17 results:</p> <table border="1" data-bbox="528 1756 938 2040"> <thead> <tr> <th></th> <th>Very satisfied</th> <th>Neutral</th> </tr> </thead> <tbody> <tr> <td>Phone</td> <td>17%</td> <td>36%</td> </tr> <tr> <td>Council website</td> <td>13%</td> <td>35%</td> </tr> <tr> <td>Social media</td> <td>11%</td> <td>57%</td> </tr> <tr> <td>Library/ info centre</td> <td>14%</td> <td>45%</td> </tr> <tr> <td>Rangitikei Line</td> <td>5%</td> <td>71%</td> </tr> </tbody> </table>		Very satisfied	Neutral	Phone	17%	36%	Council website	13%	35%	Social media	11%	57%	Library/ info centre	14%	45%	Rangitikei Line	5%	71%	<p>Achieved</p> <p>These results are from the annual residents’ survey. In every instance there is an increase in the percentage of ‘very satisfied’ and decrease in percentage of ‘neutral’ compared with benchmark</p> <p>2018/19 results:</p> <table border="1" data-bbox="981 1749 1391 2033"> <thead> <tr> <th></th> <th>Very satisfied</th> <th>Neutral</th> </tr> </thead> <tbody> <tr> <td>Phone</td> <td>20%</td> <td>34%</td> </tr> <tr> <td>Council website</td> <td>15%</td> <td>33%</td> </tr> <tr> <td>Social media</td> <td>13%</td> <td>45%</td> </tr> <tr> <td>Library/ info centre</td> <td>23%</td> <td>36%</td> </tr> <tr> <td>Rangitikei Line</td> <td>12%</td> <td>49%</td> </tr> </tbody> </table>		Very satisfied	Neutral	Phone	20%	34%	Council website	15%	33%	Social media	13%	45%	Library/ info centre	23%	36%	Rangitikei Line	12%	49%												
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Measure	Target for 2018/19			Actual July 2018 – June 2019		
	<i>Local newspapers</i>	14%	30%	<i>Local newspapers</i>	17%	22%
	<i>In person</i>	17%	42%	<i>In person</i>	22%	30%
#Māori responsiveness framework (new)	Improved satisfaction from the previous year. <i>2018/19 will be the first year of measuring satisfaction.</i>			Not commenced While the responsiveness framework has been developed (and discussed with both Te Rōpu Ahi Kā and the Council) a survey was not undertaken during the year.		
#Engagement with sector excellence programmes (new)	Improved survey ratings. Percentage of suggested improvements completed under action.			In progress In November 2018, an analysis of the 16 recommended actions from the Independent Assessment Board's report showed 7 (44%) were completed, 8 (50%) were being worked on, and one (6%) had not been started. <i>Note: Council did not participate in the 2017/18 Australasian Local Government Performance Excellence Programme and committed to doing this for 2018/19, but subsequently withdrew.</i>		

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

Slower progress with the major capital projects (particularly the Bulls Community Centre and Marton-Bulls wastewater disposal) reduced the amount of capital expenditure for the year.

In the 2019/20 Annual Plan Council approved a total of \$11.48 million in carry-overs from 2018/ 19 to 2019/20 and subsequent years to reflect this slower progress in 2018/19.

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 forecast and actual operating surplus from the long-term plan.

Community Leadership – Funding Impact Statement

For the year ended 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,124	1,290	1,170
Targeted rates	64	70	70
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	2
Total operating funding (A)	1,188	1,360	1,242
Applications of operating funding			
Payment to staff and suppliers	1,034	781	671
Finance costs	0	0	0
Internal charges and overheads applied	201	578	615
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,235	1,359	1,286
Surplus (deficit) of operating funding (A - B)	-47	1	-45
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	-2	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	-2	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	-47	0	-45
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	-47	0	-45
Surplus (deficit) of capital funding (C - D)	47	-2	45
Funding balance ((A - B) + (C - D))	0	-1	0
Note: Depreciation expense not included above	2	2	2

Roading and Footpaths

This activity covers Council's roading network (including bridges), footpaths and street lighting. A safe roading network for users (including cyclists, pedestrians and mobility scooter users) traveling throughout the District is important for the transport of goods and people. This activity is the most significant for rates expenditure. It also receives a subsidy from central government, with a Financial Assistance Rate (FAR) of 63%.

Highlights for 2018/19:

- **Resealing** - a total of 50.7km of road was resealed this year the target was 51km.
- **Pavements** – Resilience improvements for Mangahoe Road and Parewanui Road/Ferry Road have been completed. Seal widening at the Mangatipona/Kauangaroa/Okirae Road Intersection has been completed.
- **Bridges** – The upper strengthening of Otara Bridge has completed, a subsequent inspection has identified some work needs to be done underneath the bridge. The merits of retaining the current century-old Mangaweka Bridge (alongside the planned new bridge) compared with demolition were investigated.
- **Emergency works** 2018/19 saw a number of slips, particularly in the north of the district causing road closures. Repairs on the network have continued with restoration of drop outs and rock protection.
- **Streetlights** Stages 1, 2 and 3 of the street light renewal have now been completed. The only non-LED lights remaining are a handful of parks and reserves lights, pedestrian crossing lights and some decorative lights.

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 2018/19	Actual July 2017 - June 2018
<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>97%</p> <p><i>When the measurement was last undertaken, in May-June 2018, the result was 97%. 2017/18 result was 96%.</i></p>	<p>Achieved</p> <p>96%. The road condition survey was completed on 22 February 2019.</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><i>In 2017/18, 61.5 km of road resealing completed; this is 8.5% of the sealed network.</i></p>	<p>Partly achieved</p> <p>50.7 km was sealed and 2.57 km of road rehabilitation was completed. This equates to 6.57% of the sealed network. This is a direct result of reduced funding</p>

Measure	Target for 2018/19	Actual July 2017 - June 2018
	<p>Note: a review of the RAMM database during 2018/19 has shown that the total extent of the local road network is 1,243.0 km, of which 809.7 km is sealed and 433.3 km is unsealed.</p>	from the New Zealand Transport Agency.
The percentage of the unsealed road network which is resealed during the year	<p>At least 75% of [the unsealed] network resurfaced each year – 12,000m³.</p> <p><i>In 2017/18, 95.5% of target was achieved. 11,462m³ was placed on the network.</i></p> <p><i>Note: The percentage figure is incorrect. It should have been stated as between 25% and 30%. I</i></p>	<p>Achieved</p> <p>16,748m³ of metal placed during the year.</p>
<p>*Footpaths</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 75% of sampled footpaths lengths outside CBD areas are at grade 3 or higher.</p> <p>At least 90% of sampled footpaths assessed at grade 5 are included in upgrade programme during the following two years.</p> <p>Note:</p> <p>A five point grading system to rate footpath condition based on visual inspections</p> <ol style="list-style-type: none"> 1 Excellent 2 Good 3 Fair 4 Poor 5 Very Poor <p>Footpaths will be assessed in approximately 100-metre lengths. The sample of non-CBD footpaths will include ten lengths in each of Bulls, Marton and Taihape, and four lengths in Mangaweka, Hunterville and Rātana.</p> <p>The assessments will normally be conducted in November and May.</p> <p><i>2017/18 results: 98% of combined CBD and non-CBD footpath network was rated grade 3 or better; the surveyors were unable to distinguish between CBD and non-CBD footpaths.</i></p>	<p>Achieved</p> <p>Sampling survey undertaken in August 2019.</p> <p>Roading Logistics, the company commissioned to carry out the survey, did not complete the survey in the specified time.</p> <p>93% of the sampled footpaths were grade 3 or better.</p> <p>92% of the footpath length assessed as grade 5 are included in the upgrade programme over the next two years.</p>
<p>*Road safety</p> <p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road</p>	<p>No change or a reduction from the previous year.</p> <p><i>In 2017/18 there was one fatal crash in the roading network and ten serious injury accidents.⁶</i></p>	<p>Not achieved</p> <p>There were 3 fatalities from road crashes in the year ending 30 June 2019. There were 10 serious injury accidents in the reporting period. In one instance</p>

⁶ '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.

Measure	Target for 2018/19	Actual July 2017 - June 2018
network expressed as a number		only was the road condition a possible contributing factor (because of loose material on the seal).

Level of Service		
Be responsive to community expectations over the roading network and requests for service		
Measure	Target for 2018/19	Actual July 2018 – June 2019
<p>Adequacy of provision and maintenance of footpaths, street-lighting and local roads (annual survey).</p> <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>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), 13% believed it was better than last year, 65% about the same, 21% worse than last year (2% didn’t know).</i></p>	<p>Not achieved</p> <p>5.7% believed Council’s service was better than last year, 61.3% about the same, 28.3% worse than last year (4,7% didn’t know).</p> <p>This measure comes from the annual residents’ survey, conducted March-April 2019.</p> <p>In 2017/18, 16% believed it was better than last year, 59% about the same, 20% worse than last year and 4% did not know.</p>
<p><i>*Responses to service requests</i></p> <p>The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan</p> <p><i>Note: Council measures resolution as well as initial attendance in response to such requests.</i></p>	<p>(a) 95% callouts during working hours responded to within 6 hours and</p> <p>(b) 95% callouts during after-hours responded to within 12 hours.</p> <p>(c) 85% of all callouts resolved (i.e. completed) within one month of the request.⁷</p> <p>(d) Specific reference to callouts relating to potholes.</p>	<p>Partly achieved</p> <p>(a) There were 410 footpath and road requests during working hours of which 340 (or 83%) were responded to within time (72% last year)</p> <p>(b) There were 91 footpath and road requests outside working hours, of which 75 (or 82%) were responded to within time. (85% last year)</p> <p>(c) Of the total 501 footpath and road requests, 373 (or74%) were resolved within one month. (70% last year)</p> <p>(d) 35 requests concerned potholes: 100% of these were responded to in time and 95% were resolved within one month. (55% and 63% respectively last year)</p>

⁷ 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.

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

There was no significant variation between the level of service achieved and the intended level of service.

Significant variation between acquisitions and replacement from the Long Term Plan

There was less road resealing and rehabilitation than forecast because of reduced funding from the New Zealand Transport Agency.

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

The co-investment from the New Zealand Transport Agency in 2018/19 for operating funding was \$2.036 million more than projected in the Long Term Plan (but \$1.466 million less for capital funding). This reprioritisation (for road safety improvements) contributes to the surplus of operating funding and the deficit of capital expenditure both being greater than forecast.

Roading and Footpaths – Funding Impact Statement

For the year ended 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	0	145	0
Targeted rates	6,075	6,508	6,578
Subsidies and grants for operating purposes	3,229	3,337	5,373
Fees and charges	30	30	133
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	115	115	0
Total operating funding (A)	9,449	10,135	12,084
Applications of operating funding			
Payment to staff and suppliers	5,921	5,938	7,247
Finance costs	118	101	92
Internal charges and overheads applied	536	770	458
Other operating funding applications	0	0	0
Total applications of operating funding (B)	6,575	6,809	7,797
Surplus (deficit) of operating funding (A - B)	2,874	3,326	4,287
Sources of capital funding			
Subsidies and grants for capital expenditure	3,295	4,465	2,999
Development and financial contributions	0	0	0
Increase (decrease) in debt	-165	-55	682
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)	3,130	4,410	3,681
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	594	0	0
- to replace existing assets	4,857	7,222	6,712
Increase (decrease) in reserves	553	514	1,256
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	6,004	7,736	7,968
Surplus (deficit) of capital funding (C - D)	-2,874	-3,326	-4,287
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	6,838	6,689	6,730

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 2019

Category	Designated projects for 2018/19	2018 Long- term plan (\$000)	2019 Long- term plan (\$000)	2019 Actual (\$000)
RENEWALS				
Unsealed road metalling	Programmed renewals	460	410	662
Pavement rehabilitation	Programmed renewals	1,689	2,131	1,579
Drainage	Programmed renewals	352	600	460
Structure components	Programmed renewals	189	1,647	637
Traffic services	Programmed renewals	225	190	127
Sealed road surfacing	Programmed renewals	1,789	1,631	1,617
Footpaths	Programmed renewals	152	238	171
Flood Damage	Reinstatement of damage	0	0	206
LED Lighting	Programmed renewals	0	0	201
Total renewals		4,857	6,848	5,660
CAPITAL (to improve the level of service)				
Roading	Minor safety projects	526	374	1,052
Footpaths	New footpath construction	68	0	0
Total capital		594	374	1,052
Borrowing- Internal				
For the year ended 30 June 2019				
	Balance of borrowing at start of year	2,145	0	2,360
	Funds borrowed during the year	0	0	682
	Funds repaid during the year	-165	0	0
	Balance of borrowing at end of year	1,980	-	3,042

Water Supply

This activity ensures the District's towns of Taihape, Mangaweka, Hunterville, Marton, Bulls and Ratana have a reticulated drinking water supply. Council also administers rural water schemes on behalf of subscriber/owner committees in Hunterville, Erewhon, Omatane and Putorino.

Highlights for 2018/19:

Ratana Water Treatment Plant - A key project has been the design and construction of the Ratana Water Treatment Plant. The building is constructed, with commissions works undertaken. The project is now complete.

Marton Water Treatment Plant - Improvements have also been made at the Marton Water Treatment Plant to improve water quality.

Bulls Water Strategy - The Bulls Water Strategy seeks to provide a plan for the route and size of the rising main and fire main on the State Highway between Holland Crescent and High Street. The planning phase of this project is almost complete.

Seismic Strengthening - Seismic strengthening at both the Marton and Taihape Water Treatment Plants has started. In Marton the water clarifier requires strengthening and in Taihape the reservoir requires strengthening. Both projects have had design works completed.

Watermain renewals - watermain renewals included the Taihape Falling Main, Takahe Street watermain in Taihape, Raumaewa Road watermain in Taihape and the rising main at Holland Crescent between Bridge Street and High Street in Bulls.

Hunterville Exploratory Bore - investigations are underway for the Hunterville exploratory bore which seeks to investigate the potential use of groundwater as a drinking water supply for the Hunterville community. The tender process is currently underway.

Level of Service		
Provide a safe and compliant supply of drinking water		
Measure	Target for 2018/19	Actual July 2018 – June 2019
<p><i>*Safety of drinking water</i> 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)⁸</p>	<p>No incidents of non-compliance</p> <p><i>2017/18 results: There were no incidents of E.coli.</i></p>	<p>Partly achieved</p> <p>No E.coli has been detected in any of the supplies; bacterial compliance for both the treatment plant and distribution zone for each supply was:</p> <p>Ratana.....compliant Bulls.....compliant Marton.....compliant Hunterville.....compliant</p>

⁸ Currently measured by weekly sampling and testing through Environmental Laboratory Services in Gracefield.

Measure	Target for 2018/19	Actual July 2018 – June 2019
<p>(b) part 5 of the drinking water standards (protozoa compliance criteria)⁹</p>	<p>No incidents of non-compliance</p> <p><i>2017/18 results: Protozoa compliance was at 95%.</i></p>	<p>Mangaweka.....not compliant for treatment, compliant for distribution Taihape.....compliant</p> <p>The monitoring of samples taken at Mangaweka and the frequency of monitoring there during the period 1 July 2018 to 28 February 2019 was less than provided in the standard. This is a technical non-compliance.</p> <p>Not achieved</p> <p>Protozoa compliance achieved at each plants was:</p> <p>Ratana.....not assessed Bulls.....99% Marton.....93% Huntermville.....98% Mangaweka.....99% Taihape.....98%</p> <p>The reported non-compliances related to short-term events and reporting issues in Water Outlook. In Marton (which has 53% of the District’s drinking-water supply connections), one filter out of six regularly failed to meet the compliance criteria.</p>
<p>Compliance with resource consents</p>	<p>No incidents of non-compliance with resource consents</p> <p><i>In 2017/18, this was not achieved. Water abstraction consents were applied with at all locations (except Ratana). Marton was non-compliant for its disposal outflow.</i></p>	<p>Partly achieved</p> <p>Bulls, Marton, Huntermville and Taihape were wholly compliant.</p> <p>From Council’s assessments there were non-compliances recorded as follows: Mangaweka – very slightly over the resource consent limit on two occasions due to mains breaks but within 5% of the limit. A leak has now been repaired in the trunk main to town. Ratana – over the normal limit on 8 November 2018 (due to centenary festival); also over the limit on 22 February 2019 – no explanation but days either side had much lower abstraction have been no non-compliance identified.</p> <p>Horizons Regional Council has not completed its assessment so their view of the recorded non-compliances is not known. .</p>

⁹ Measured through Water Outlook.

Level of Service		
Provide reliable and efficient urban water supplies		
Measure	Target for 2018/19	Actual July 2018 - June 2019
Number of unplanned water supply disruptions affecting multiple properties	Fewer unplanned water supply disruptions affecting multiple properties than in previous year. <i>In 2017/18, there were no unplanned water supply interruptions.</i>	Achieved There were no unplanned water interruptions during the reporting period.
* <i>Maintenance of the reticulation network</i> The percentage of real water loss from the Council's networked reticulation system ¹⁰	Less than 40%.	Achieved Average is 32.2% across the Council's network There was a wide range between the various systems in the network as is evident in the table below. The guidance for this measure anticipates a sampling approach. Water Outlook enables SCADA ^[2] information to be interrogated in-house. Last year's figures are included in brackets Bulls.....21.5% (35.4%) Huntermville Urban.....54.7% (16.1%) Mangaweka.....36.3% (29.0%) Marton..... 26.8% (35.0%) Rātana..... 10.1% (33.3%) Taihape..... 43.7% (38.3%) 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. In addition to this, ground conditions can vary. In the case of asbestos cement pipes in particular, soil pH is a strong determinant of 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.

¹⁰ A description of the methodology used to calculate this must be included as part of the annual report document. See Section 4 (pages 147-)

^[2] Supervisory control and data acquisition – i.e. automated remote monitoring.

Measure	Target for 2018/19	Actual July 2018 - June 2019																								
		<p>Taihape has had a large leak located and repaired during the trunk main upgrade.</p> <p>Leakage was also identified in Mangaweka during the financial year.</p> <p>The high value for Hunterville is caused by the ground water well driller using unmetered town water supply.</p>																								
<p>*Demand management</p> <p>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, <i>irrespective of whether it is used for residential, agricultural, commercial or industrial purposes.</i></p>	<p>600 litres per person per day</p> <p>In 2017/18, the average daily consumption of drinking water per day per resident was 577 litres.</p>	<p>Achieved</p> <p>Using the method specified by the Department of Internal Affairs, consumption across urban schemes averaged 357 litres/person/day. This is substantially lower than last year's figure.</p> <p>Note that this includes all agricultural and commercial users connected to the Council's urban schemes. Because these such extraordinary users are metered, it is feasible to estimate the consumption of other users (i.e. domestic users, who are not metered).</p> <p>This is detailed in the table below. This shows a higher net usage than last year at all locations except Hunterville.</p> <table border="1" data-bbox="916 1155 1410 1570"> <thead> <tr> <th>Supply</th> <th>Population</th> <th>Billed Unmetered* Consumption Litres/person/per day</th> </tr> </thead> <tbody> <tr> <td>Bulls</td> <td>1,720</td> <td>264</td> </tr> <tr> <td>Hunterville Urban</td> <td>420</td> <td>133</td> </tr> <tr> <td>Mangaweka</td> <td>160</td> <td>468</td> </tr> <tr> <td>Marton</td> <td>4,860</td> <td>317</td> </tr> <tr> <td>Rātana</td> <td>340</td> <td>170</td> </tr> <tr> <td>Taihape</td> <td>1,660</td> <td>514</td> </tr> <tr> <td>All urban</td> <td>9,160</td> <td>299</td> </tr> </tbody> </table> <p>*except Hunterville</p>	Supply	Population	Billed Unmetered* Consumption Litres/person/per day	Bulls	1,720	264	Hunterville Urban	420	133	Mangaweka	160	468	Marton	4,860	317	Rātana	340	170	Taihape	1,660	514	All urban	9,160	299
Supply	Population	Billed Unmetered* Consumption Litres/person/per day																								
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Level of Service

Be responsive to reported faults and complaints

Measure	Target for 2018/19	Actual July 2018 - June 2019
<p><i>*Fault response time</i> 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: from the time that the Council receives notification to the time that service personnel reach the site, and</p> <p>(b) resolution time: 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>Less than previous year.</p> <p>Results for 2017/18 were:</p> <p>(a) 7 minutes</p> <p>(b) 2 hours 2 minutes</p> <p>(c) 41 minutes</p> <p>(d) 2 hours 8 minutes</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><i>Partly achieved</i></p> <p>The median times for the reporting period are:</p> <p>(a) 15 minutes</p> <p>(b) 48 minutes</p> <p>(c) 10 minutes</p> <p>(d) 10 minutes</p> <p>The 126 dirty water complaints received in January 2019 from Marton residents were all recorded as responded to and resolved within ten minutes. These are most of the non-urgent complaints and thus are reflected in the median times being the same.</p> <p><i>Note:</i></p> <p>Last year's results were limited to the topics covered in the customer satisfaction measure, so the non-urgent attendance and resolution median times are not strictly comparable.</p>

Measure	Target for 2018/19	Actual July 2018 - June 2019
<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>(a) drinking water clarity (b) drinking water taste (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 4,484 connections</p>	<p>Total number of complaints is less than the previous year.</p> <p>In 2017/18, total complaints were 37.9 per 1,000 connections.</p>	<p>Not achieved</p> <p>58.21 complaints per 1000 connections</p> <p>(a) 38.35/1000 (b) 13.83/1000 (c) 5.13/1000 (d) 0.90/1000 (e) nil¹¹</p> <p>In addition, there were 84 complaints about water leaks throughout the network, 85 about water leaks at the meter or toby, 73 requests to replace a toby or meter, and 30 requests to locate a meter, toby or other utility.</p> <p>Marton water problems originating at the B and C Dams were a large proportion of all water complaints received.</p>

Level of Service		
Maintain compliant, reliable and efficient rural water supplies		
Measure	Target for 2018/19	Actual July 2018 - June 2019
Compliance with resource consents	<p>No incidents of non-compliance with resource consents</p> <p><i>In 2017/18, there were no incidents of non-compliance</i></p>	<p>Achieved</p> <p>Operations at Erewhon and Hunterville all complied with conditions of consent. Omatane, typically under the consented volume, was over the limit on 3 July 2018 because of a break in the watermain.</p>
<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</p>	<p>Fewer requests (per 1000 connections) than previous year (when recalculated as median times)</p>	<p>Not achieved</p> <p>Information from Hunterville scheme only as this is the only scheme where servicing is directly managed by Council. Variable results (particularly with initial</p>

¹¹ 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 in (a) to (d).

Measure	Target for 2018/19	Actual July 2018 - June 2019
<p>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>Specified standard:</p> <p>(a) 24 hours (b) 96 hours</p> <p>2017/18 results:</p> <p>(a) 22 minutes (b) 1 hour 8 minutes</p>	<p>attendance) are inevitable given the length of the reticulation.</p> <p>(a) 1 hour 1 minute (b) 4 hours 45 minutes</p>

Level of Service		
Ensure fire-fighting capacity in urban areas		
Measure	Target for 2018/19	Actual July 2018 – June 2019
Random flow checks at the different supplies	100% of checked fire hydrant installations are in compliance	<p>Achieved</p> <p>In Taihape and Marton, 80% of all hydrants were tested during the year; in Mangaweka, Hunterville, Bulls and Ratana, all hydrants were tested and found compliant.</p> <p>Since July 2017 there has been a stronger focus on full testing, with the objective of having all of them tested during the year. There are 751 hydrants in the District.</p> <p>The only hydrant tests carried out in 2017/18 was dead-end flushing.</p> <p>No issues recorded in the request for service system.</p>

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

The number of complaints about water supply was much higher than the target because of the issues with clarity and taste at Marton during summer.

Significant variation between acquisitions and replacement from the Long Term Plan

Some of the planned upgrades did not proceed or have been delayed, so actual capital expenditure was less than forecast. This includes the Bulls reservoir replacement (being reassessed as part of the Bulls Water Strategy, with \$1.325 million carried forward to 2019/20), repairs to the Marton Water treatment plant and dams (\$1.441 million carried forward to 2019/20) and completion of the new bore for Hunterville town \$400,000 carried forward to 2019/20).

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

Operating funding was greater than forecast because of increased costs from contractors and staff under the Shared Services arrangement.

Water Supply – Funding Impact Statement

For the year ended 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	110	0	118
Targeted rates	5,115	4,583	4,793
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	547
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)	5,224	4,583	5,458
Applications of operating funding			
Payment to staff and suppliers	2,014	2,034	2,728
Finance costs	1,044	528	528
Internal charges and overheads applied	716	963	709
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,774	3,525	3,966
Surplus (deficit) of operating funding (A - B)	1,450	1,058	1,492
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	1,893	5,622	1,522
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)	1,893	5,622	1,522
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	1,041	415
- to replace existing assets	3,483	5,638	2,225
Increase (decrease) in reserves	-139	0	374
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	3,344	6,679	3,014
Surplus (deficit) of capital funding (C - D)	-1,450	-1,057	-1,492
Funding balance ((A - B) + (C - D))	0	1	0
Note: Depreciation expense not included above	1,457	1,385	1,401

Water Supply – Capital Works

For the year ended 30 June 2019

Category	Designated projects for 2018/19	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
RENEWALS	(to replace existing assets)			
Marton	Treatment and reticulation	12	0	541
Taihape	Treatment and reticulation	1,577	0	1,308
Bulls	Treatment and reticulation	538	0	99
Mangaweka	Treatment and reticulation	0	0	21
Water District	Treatment and reticulation	0	5,442	180
Huntermville urban	Treatment and reticulation	115	50	28
Ratana	Treatment and reticulation	0	0	18
Erewhon	Treatment and reticulation	133	120	30
Huntermville rural	Treatment and reticulation	1,101	20	0
Omatane	Treatment and reticulation	6	6	0
Total renewals		3,483	5,638	2,225
CAPITAL	(to improve level of service)			
Marton	Reticulation upgrade	0	0	28
	Treatment upgrade	0	0	7
Taihape	Reticulation upgrade	0	0	0
	Treatment upgrade	0	0	0
Bulls	Backflow protection	0	0	0
	Reticulation upgrade	0	0	5
Huntermville rural	Reticulation	0	0	23
Mangaweka	Backflow protection	0	0	0
	Reticulation upgrade	0	0	0
Water District	Treatment upgrade	0	132	0
Huntermville urban	Backflow protection, pressure flow control	0	908	272
Ratana	Treatment upgrade	0	0	80
Total capital		0	1,040	415
Borrowing- Internal				
For the year ended 30 June 2019				
	Balance of borrowing at start of year	16,622	18,515	13,607
	Funds borrowed during the year	2,669	0	1,522
	Funds repaid during the year	-776	0	0
	Balance of borrowing at end of year	18,515	18,515	15,128

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.

Sewerage and the Treatment and Disposal of Sewage

This activity provides a reticulated wastewater disposal service for the towns of Taihape, Mangaweka, Hunterville, Marton Bulls, Ratana and Koitiata. It includes the reticulation, treatment and disposal of wastewater.

Highlights for 2018/19:

Ratana Wastewater Treatment Plant - Funding has been secured through the Freshwater Improvement Fund to enable the disposal of treated wastewater to go to land. However, this is dependent on suitable land being identified. Negotiations for this are proceeding.

Bulls and Marton Wastewater Treatment Plants - The current consent application for the Bulls Wastewater Treatment Plant lodged with Horizons Regional Council in 2015 was put on hold pending the outcome of a business case process for a combined wastewater discharge for Marton and Bulls. Council agreed to this recommendation in August 2018. Work is proceeding on the pipeline (initially from Marton to Bulls); discussions to secure the necessary land for effluent disposal have progressed – a Heads of Agreement has been signed with Nga Wairiki Ngati Apa regarding access to suitable land south of Bulls for the disposal of wastewater. Horizons requires a consent application setting out the phased approach for the proposed wastewater arrangements for the two towns by November 2019. Associated with this, a draft Memorandum of Understanding prepared by New Zealand Defence Force for Ohakea’s wastewater is under consideration.

Marton Wastewater Treatment Plant - Council entered into a trade waste agreement with MidWest Disposals for acceptance of treated leachate.

Sewer re-lining – Sewer relining program for 2018/19 completed.

Level of Service		
Provide a reliable reticulated disposal system that does not cause harm or create pollution within existing urban areas.		
Measure	Target for 2018/19	Actual July 2018 - June 2019
<p><i>*Discharge compliance</i></p> <p>Compliance with the Council’s resource consents for discharge from its sewerage system measured by the number of:</p> <p>(a) abatement notices</p> <p>(b) infringement notices</p> <p>(c) enforcement orders, and</p> <p>(d) convictions received by the Council in relation to those resource consents</p>	<p>No abatement or infringement notices, no enforcement orders and no convictions.</p> <p><i>In 2017/18, an infringement notice was received for exceedances at Marton in ammoniacal nitrogen for the December 2017 monitoring results.</i></p>	<p>Achieved</p> <p>No other abatement or infringement notices, no enforcement orders and no convictions were received during the year.</p> <p>However, Horizons Regional Council issued an abatement notice in August 2019 concerning discharge at Papakai into the Hautapu Stream. Immediate action verified that the pump station was working as designed. Consideration is being given to ways to increase capacity for stormwater inflow and infiltration’ including relocation of the pump station.</p>

Measure	Target for 2018/19	Actual July 2018 - June 2019
<p>Routine compliance monitoring of discharge consents</p>	<p>5 out of 7 systems comply.</p> <p><i>In 2017/18 only 2/7 plants complied. 5/7 failed due to exceeding daily volume limits.</i></p>	<p>Not achieved</p> <p>Taihape and Ratana were non-compliant due to discharge volume only. Bulls was non-compliant due to discharge volumes for 13 days, as well as for total suspended solids in effluent. Marton was non-compliant for ammonia discharge downstream of the plant. Hunterville exceeded its aluminium level. Mangaweka and Koitiata were compliant.</p> <p>There are ongoing discussions with Horizons to address the need for higher discharge volume at Taihape. Horizons has agreed to process a consent variation to allow a higher discharge volume at Hunterville.</p> <p><i>The Hunterville flowmeter is reading incorrectly. Based on historical data exceedances with discharge volumes, it is likely that this has continued.</i></p>
<p><i>*System and adequacy</i></p> <p>The number of dry weather sewerage overflows from the Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system.</p>	<p>Fewer overflows than 0.4/1000 connections.</p> <p><i>2017/18 results: 0.47/1000</i></p> <p>There are 4,709 sewerage connections in the District. 'Dry weather' is noted at the time on the service request and is verifiable though Horizons rainfall records in various parts of the District.</p>	<p>Not achieved</p> <p>1.49/1000</p> <p>There were seven reported dry weather overflows, on 14 September 2018 (Bulls – cause not recorded), 1 February 2019 (Taihape – tree roots), 20 February 2019 (Taihape – baby wipes), 18 March 2019 (Taihape – baby wipes), 30 March 2019 (Hunterville – baby wipes), 16 April 2019 (Bulls – ruptured pipe), 24 April 2019 (Bulls – no evidence of overflow when visited).</p>

Level of Service

Be responsive to reported faults and complaints.

Measure	Target for 2018/19	Actual July 2018 – June 2019
<p>*Fault response time Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following <i>median times</i> are measured</p> <p>(a) attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and</p> <p>(b) resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption</p>	<p>Improved timeliness compared with the previous year.</p> <p>(a) 31 minutes (b) 3 hours 2 minutes</p> <p>Specified standard: Attendance: (a) 0.5 hour urgent (b) 24 hours non-urgent Resolution: (a) 24 hours urgent (b) 96 hours non-urgent</p> <p><i>Urgent callouts are where sewage is evident</i></p> <p>Note: this mandatory measure does not distinguish between urgent and non-urgent callouts.</p>	<p>Not achieved</p> <p>Urgent: (a) 37 minutes (b) 6 hours 54 minutes</p> <p>Non Urgent: (a) 38 minutes (b) 4 hours 23 minutes</p>
<p>*Customer satisfaction 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 systems¹²</p> <p>Expressed per 1,000 connections to the Council's sewerage system. There are 4,709 sewerage connections in the District.</p>	<p>Fewer requests (per 1000 connections) than previous year.</p> <p><i>2017/18 results: 4.03/1000 (based on 4,226 connections).</i></p>	<p>Not achieved</p> <p>(a) 0.21/1000 (b) 2.33/1000 (c) 3.19/1000 (d) nil</p> <p>i.e. a total of 5.73/1000</p> <p>There were 15 instances of blockages in 2018/19 compared with 5 in 2017/18. Dry weather overflows were also more numerous.</p>

¹² This is not separately distinguishable within the Council's service request system. Where issues are service requests, they are recorded as such.

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

The major issue continues to be exceeding the daily volume limit. In the case of Taihape and Hunterville, an improvement pathway was agreed with Horizons Regional Council to address the excessive discharge volume, the result of stormwater infiltration. That agreement includes provision of monthly reports to Horizons, which has been done. Consent variations have been lodged, and this is now being processed for Hunterville.

Significant variation between acquisitions and replacement from the Long Term Plan

Progress with the major wastewater upgrades for Ratana, Bulls and Marton has been delayed, primarily because of the longer than anticipated negotiations to secure suitable areas for disposal to land.

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

There are no significant variations between forecast and actual operating revenue and expenditure.



Images: Marton Wastewater Treatment Plant

Sewerage and Treatment and Disposal of Sewerage – Funding Impact Statement

For the year ended 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	2,613	2,240	2,561
Subsidies and grants for operating purposes	0	0	0
Fees and charges	259	200	85
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)	2,872	2,440	2,646
Applications of operating funding			
Payment to staff and suppliers	1,120	1,121	1,100
Finance costs	618	237	144
Internal charges and overheads applied	254	365	192
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,993	1,723	1,437
Surplus (deficit) of operating funding (A - B)	878	717	1,209
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	2,660	6,733	-4
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)	2,660	6,733	-4
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	1,229	50	289
- to replace existing assets	2,308	7,400	218
Increase (decrease) in reserves	1	0	698
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	3,539	7,450	1,205
Surplus (deficit) of capital funding (C - D)	- 878	-717	-1,209
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	877	717	715

Sewerage and Treatment and Disposal of Sewerage – Capital Works

For the year ended 30 June 2019

Category	Designated projects for 2018/19	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
RENEWALS	(to replace existing assets)			
Marton	Treatment and reticulation	946	0	44
Taihape	Treatment and reticulation	1,076	0	2
Bulls	Treatment and reticulation	9	0	236
Mangaweka	Treatment and reticulation	0	0	0
Huntermville	Treatment and reticulation	270	0	0
Ratana	Treatment and reticulation	7	0	0
Koitiata	Treatment and reticulation	0	0	0
Sewerage District	Treatment and reticulation	0	7,400	7
Total renewals		2,308	7,400	289
CAPITAL	(to improve level of service)			
Marton	Treatment plant upgrade	802	0	147
Taihape	Treatment plant upgrade	0	0	8
Bulls	Treatment plant upgrade	0	0	31
Huntermville	Treatment plant upgrade	0	0	14
Ratana	Treatment plant upgrade	0	50	14
Koitiata	Treatment plant upgrade	428	0	4
Total capital		1,230	50	218
Borrowing- Internal				
For the year ended 30 June 2019				
	Balance of borrowing at start of year	9,675	0	3,700
	Funds borrowed during the year	3,202	0	0
	Funds repaid during the year	-542	0	-4
	Balance of borrowing at end of year	12,335	0	3,696

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.

Stormwater Drainage

This activity provides for the disposal of storm water in Taihape, Mangaweka, Hunterville, Marton, Bulls, and Ratana.

Highlights for 2018/19:

Marton stormwater hotspots – works planned to address ongoing flooding issues in the Marton township. Work has been completed at Hammond Street and Skerman Street.

Taihape stormwater hotspots – works planned to address ongoing flooding issues in the Taihape township. Work has been completed for Goldfinch Street.

Broadway, Marton – replacement of stormwater has been completed as part of this wider project.

Management of open drains in urban areas – Council decision that it would take responsibility for open drains in urban areas.

Level of Service		
Provide a reliable collection and disposal system to each property during normal rainfall		
Measure	Target for 2018/19	Actual July 2018 - June 2019
<p>*System adequacy</p> <p>(a) The number of flooding events¹³ 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 4,162 properties in the District that pay the stormwater rate.</p>	<p><i>Achieved</i></p> <p>While flooding affected the provision of potable water in Hunterville in August 2018, it was not a flooding event that met the conditions of the measure</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>(d) convictions</p>		<p><i>Not applicable</i></p> <p>The Council has not been required to have resource consents for any of its stormwater discharges.</p>

¹³ 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

Measure	Target for 2018/19	Actual July 2018 - June 2019
received by the Council in relation to those resource consents		

Level of Service		
Be responsive to reported faults and complaints		
Measure	Target for 2018/19	Actual July 2018 – June 2019
<p>*Response time</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>	<p>Timeliness noting the severity of the incident.</p>	<p><i>Achieved</i></p> <p>There was no flooding event (that met the conditions of this measure) during the year. This was the same result for last year.</p>
<p>*Customer satisfaction</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>Fewer requests (per 1,000 connections) than previous year.</p> <p>The 2018-28 Long Term Plan shows that this is referring to the 2016/17 results: 4.12/1000 (being the year whose results were known when the Long Term Plan was compiled and adopted).</p> <p>4,122 connections.</p>	<p><i>Achieved</i></p> <p>3.6/1000</p> <p>There were 15 call-outs during this time period, of which 100% were resolved in time.</p> <p>Last year's reported result was 1.70/1000 on the basis of 7 callouts.</p>

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

Most projects were delayed (because contractors were not available) and \$750,000 has been carried forward to 2019/20 and the subsequent two years.

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

The slower pace with projects reduced operating costs and increased the operating surplus.

Stormwater Drainage – Funding Impact Statement

For the year ended 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	735	634	637
Subsidies and grants for operating purposes	0	0	0
Fees and charges	2	2	35
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)	737	636	672
Applications of operating funding			
Payment to staff and suppliers	270	205	87
Finance costs	16	25	24
Internal charges and overheads applied	74	113	112
Other operating funding applications	0	0	0
Total applications of operating funding (B)	361	343	224
Surplus (deficit) of operating funding (A - B)	376	293	448
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	-44	965	-19
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)	-44	965	-19
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	750	30
- to replace existing assets	163	508	234
Increase (decrease) in reserves	169	0	165
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	332	1,258	429
Surplus (deficit) of capital funding (C - D)	- 376	-293	-448
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	291	293	293

Stormwater Drainage – Capital Works

For the year ended 30 June 2019

Category	Designated projects for 2018/19	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
RENEWALS	(to replace existing assets)			
Marton	Reticulation	64	0	132
Taihape	Reticulation	99	0	12
Rural	Reticulation	0	0	0
Bulls	Reticulation	0	0	5
Mangaweka	Reticulation	0	0	0
Huntermville	Reticulation	0	0	5
Ratana	Reticulation	0	0	0
District	Reticulation	0	508	80
Total renewals		163	508	234
CAPITAL	(to improve level of service)			
Marton	Culverts, drains and inlet protection	0	0	12
Taihape	Culverts, drains and inlet protection	0	0	0
Rural	Culverts, drains and inlet protection	0	0	0
Bulls	Culverts, drains and inlet protection	0	0	0
Mangaweka	Culverts, drains and inlet protection	0	0	0
Huntermville	Culverts, drains and inlet protection	0	0	6
Ratana	Culverts, drains and inlet protection	0	0	0
District	Culverts, drains and inlet protection	0	750	12
Total capital		0	750	30

Borrowing – Internal

For the year ended 30 June 2019

Balance of borrowing at start of year	534	0	629
Funds borrowed during the year	0	0	0
Funds repaid during the year	-44	0	-19
Balance of borrowing at end of year	490	0	610

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.

Community and Leisure Assets

This activity includes Council's community assets – halls, community buildings, public toilets, swimming pools, property, parks and reserves, libraries, cemeteries and community housing. This group of activities provides opportunities for recreational, leisure and cultural pursuits and for social participation and interaction within the Rangitikei District.

Highlights for 2018/19:

- **Bulls Community Centre** – An agreement in principle was reached with a joint venture¹⁴ to increase the total site foot print to 3595m². Construction commenced in January 2019. Construction of the centre is set to be complete by the end of February 2020.
- **Community Housing** – Community housing inspections have been completed with heat pumps installed in all units along with thermal curtains for those tenants who did not wish to keep their own ones.
- **Community-led Projects** – There have been a range of on-going projects occurring throughout the District which have been led by the local community including, planting, playgrounds, halls and other initiatives.
- **Dudding Lake** – Fencing and planting of the effluent field at Dudding Lake has been completed. This work has ensured compliance with Council's resource consent conditions for the wastewater system at the site.
- **Hautapu River Parks** – A concept plan has been created and finalised for the future development of the site for a range of recreation purposes.
- **Taihape Memorial Park Facilities**– A site for the new facility building has been finalised. Council confirmed in June its preference for a single (2-storey) building.
- **Marton B & C Dams** – Work is ongoing at the Dams with the management plan being implemented, weed control being undertaken across the site and number of planting has been completed.
- **Public toilets** – The toilets at Mangaweka Village have now been installed.
- **Marton Skatepark**– The Marton Skatepark at Centennial Park is complete and has been a huge success for the community with the opening weekend attracting people from across the region.
- **Swimming Pools** – The re-painting projects at the Taihape pool has been completed and additional covers installed with the re-painting of Marton Pool almost complete.
- **Asbestos Management** – The removal of the old Hunterville Fire Station has been completed.
- **Dudding Lake** – The driveway at Dudding Lake has been sealed.

¹⁴ This was for the purchase of the site only. The construction of the Centre has been done solely by the Council.

Level of Service		
Provide a “good enough” range of community and leisure assets at an appropriate proximity to centres of population		
Measure	Target for 2018/19	Actual July 2018 – June 2019
Progressive improvement based on the Annual Residents Survey. ¹⁵	<p>(a) Libraries - more than 10% of the sample believes that Council’s service is ‘better than last year’.</p> <p>(b) Public swimming pools – a greater proportion (than the benchmark) or more than 10% of the sample believe that Councils service is getting better.</p> <p>(c) Sports fields and parks - a greater proportion (than the benchmark) or more than 10% of the sample believe that Councils service is getting better.</p> <p>(d) Public toilets - a greater proportion (than the benchmark) or more than 10% of the sample believe that Councils service is getting better.</p> <p>(e) Community buildings - a greater proportion (than the benchmark) or more than 10% of the sample believe that Councils service is getting better.</p> <p>(f) #Camping grounds - a greater proportion (than the benchmark) or more than 10% of the sample believe that Councils service is getting better.</p>	<p>Achieved</p> <p>(a) Libraries – 35.68% (11% in 2017/18)</p> <p>(b) Public swimming pools – 31% (17% in 2017/18)</p> <p>(c) Sports fields and parks – 19.05% (18% in 2017/18)</p> <p>(d) Public toilets – 9.4% (9% in 2017/18)</p> <p>(e) Community buildings – 18.87 (5% in 2017/18)</p> <p>(f) Camping grounds – 7.3% (A new measure in the 2018-28 Long Term Plan, so no previous year comparisons)</p> <p>These measures come from the annual residents’ survey, conducted March-April 2019.</p>

¹⁵ It is intended to take the sample from the electoral roll for residents. During the previous three years, the sample was taken from Council’s ratepayer database.

Level of Service		
#Compliance with relevant standards		
Measure	Target for 2018/19	Actual July 2018 – June 2019
Swim Centres	<p>Benchmark maintained.</p> <p><i>All swim centres to have Poolsafe accreditation.</i></p> <p><i>The Poolsafe audit process includes a documentation and procedures review, onsite inspection, a health and safety review and an improvement process, as well as staff assessments.</i></p>	<p><i>In progress</i></p> <p>Following inspections of both Swim Centres (Marton and Taihape), Council has been verbally advised of provisional accreditation. Formal notification has yet to be received.</p> <p>Both pools require microbiological testing to be completed and evacuation drills carried out.</p> <p>This will be the first time Poolsafe accreditation for some years.</p>
Community housing Compliance with the 29 criteria in the rental warrant of fitness programme (as developed by the University of Otago)	<p>Maintaining or improving compliance</p> <p>Council audit</p> <p><i>Benchmark is 2018/19 level</i></p>	<p><i>Partly achieved</i></p> <p>Annual audits have been carried out using these criteria. However they have been used to prioritise remedial work rather than provide an overall assessment.</p> <p>To meet Healthy Homes Act – fixed heating and curtains (unless tenants wished to keep their own) have been installed in all units and all units insulated (or had insulation topped up), where practical, before 1 July 2019. Heat pumps were installed in all units by 31 March 2019.</p>
Toilet buildings are well designed, safe and visible – Compliance with SNZ4241:1999 and CPTED ¹⁶ (safer design guidelines) for new or refurbished toilets	<p>Meeting the benchmark.</p> <p>Council audit</p> <p><i>Compliance – 95% or greater</i></p>	<p><i>Partly achieved</i></p> <p>Code Compliance Certificates achieved for all new toilet buildings (accessible standards). The existing toilets comply with the relevant codes when built.</p> <p>All locations comply with the CPTED focus areas – physical security, surveillance, movement control,</p>

¹⁶ Crime prevention through environmental design

		<p>management and maintenance, and defensible space.</p> <p>Accessible car parking has been provided at toilet facilities in town centres. This is yet to be actioned for Mangaweka Village, but is programmed for 2019/20 at the same time as the roading kerb and channel is renewed in this area.</p>
Levels of service for parks throughout the District consistent with the New Zealand Recreation Association parks Categories and Levels of Service guideline	<p>% compliance with Levels of Service Guideline for all parks (benchmark).</p> <p>Self audit</p>	<p><i>In progress</i></p> <p>Checklists and inspection sheets developed and in use. Marton Park being used as the test venue.</p> <p>One staff member has just completed a 12 month unit standard that was centred on the care of Marton Park. The unit standard was very detailed and aligned with an increased level of service for this park.</p>

Level of service		
Secure high use of staffed facilities		
Measure	Target for 2018/19	Actual July 2018 – June 2019
Number of users of libraries and nature of use	<p>An increase in use compared with the benchmark.</p> <p><i>In 2017/18:</i></p> <p><i>Bulls: 10,376 (5 days unrecorded)</i> <i>Marton: 30,319 (5 days unrecorded),</i> <i>Taihape: 24,939 (6 days unrecorded),</i></p> <p><i>Assuming unrecorded days have the same level of use as recorded day at each of the three libraries, this is a total estimated use count of 67,348</i></p>	<p><i>Partly achieved</i></p> <p>Bulls: 6,378 (67 days unrecorded) Marton: 23,278 (82 days unrecorded) Taihape: 17,830 (67 days unrecorded).</p> <p>Assuming unrecorded days have the same level of use as recorded days at each of the three libraries, the estimated total use count is 62,002.</p> <p>Bulls and Marton were open 302 days, Taihape was open 364 days.</p>
Number of users of pools	<p>An increase in use compared with the previous year:</p> <p><i>2017/18 season totals</i></p>	<p><i>Achieved</i></p> <p>Marton 21,749 Taihape 10,403</p>

	<p>Marton.....19,563*</p> <p>Taihape.....6,746**</p> <p>*Swim for All participants were not included in the count at Marton.</p> <p>**Taihape's count was down due to the major upgrade in the filtration and heating systems. This was completed before the start of the 2018/19 season so had no impact on the the 2018/19 result.</p>	
Occupancy of community housing	95%-100% occupancy (of whom 68% were superannuitants)	<p>Achieved</p> <p>As at 30 June 2019, the occupancy was 97% (as two units were being refurbished). 74% of the tenants were superannuitants.</p> <p>Council's housing policy (adopted in August 2018) gives priority to those over 65 with limited income, but there are a number of tenants who are younger than that who were accepted when demand for this housing was lower.</p>

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

The delay in letting the contract for the new Bulls Community Centre has meant its completion will occur during 2019/20. There has been expenditure on concept drawings for the proposed Marton Civic Centre (Broadway/High Street, Marton) which was not forecast in 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.

Community and Leisure Assets – Funding Impact Statement

For the year ended 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	3,320	3,933	3,360
Targeted rates	0	0	0
Subsidies and grants for operating purposes	34	191	596
Fees and charges	453	489	724
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	15
Total operating funding (A)	3,807	4,613	4,695
Applications of operating funding			
Payment to staff and suppliers	2,738	2,186	2,449
Finance costs	74	59	50
Internal charges and overheads applied	439	1,620	1,164
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,251	3,865	3,663
Surplus (deficit) of operating funding (A - B)	557	748	1,032
Sources of capital funding			
Subsidies and grants for capital expenditure	53	1,298	224
Development and financial contributions	0	0	0
Increase (decrease) in debt	-122	1,947	1,406
Gross proceeds from sale of assets	0	532	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	-70	3,777	1,630
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	3,184	0
- to improve the level of service	139	240	2,041
- to replace existing assets	350	1,102	1,477
Increase (decrease) in reserves	-1	48	-856
Increase (decrease) in investments	0	-50	0
Total applications of capital funding (D)	487	4,524	2,662
Surplus (deficit) of capital funding (C - D)	-557	-747	-1,032
Funding balance ((A - B) + (C - D))	0	1	0
Note: Depreciation expense not included above	882	1,090	1,084

Community and Leisure Assets – Capital Works

For the year ended 30 June 2019

Category	Designated projects for 2018/19	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
RENEWALS	(to replace existing assets)			
Swimming pools	Building and plant	12	100	54
Libraries	Furniture, books and computers	132	115	86
Community housing	Flat refurbishment	100	140	155
Cemeteries	Paving and fences	24	0	0
Parks and reserves	Landscaping and playgrounds	37	805	510
	Bulls courthouse refurbishment	0	0	0
Toilets	Building refurbishment	0	12	257
Halls	Refurbishment	36	30	86
Real Estate	Land Purchases			329
Total renewals		342	1,202	1,477
CAPITAL	(to improve level of service)			
Swimming pools	Capital improvements to plant	0	0	0
Libraries		0	100	0
Community housing		0	10	0
Cemeteries	Berms	34	77	0
	Land purchase Ratana	0	0	0
Parks and reserves	Mangaweka campground wastewater	0	204	0
	Parks upgrades	105	88	0
Property		0	0	0
Toilets		0	150	0
Halls	Taihape Town Hall	0	100	0
Halls	Bulls Community Centre	0	2,595	1,790
Halls	Bulls Community House	0	0	82
Halls	Marton Heritage Precinct	0	0	169
Total capital		139	3,324	2,041
Borrowing - Internal				
For the year ended 30 June 2019				
	Balance of borrowing at start of year	2,710	0	1,285
	Funds borrowed during the year	0	0	1,406
	Funds repaid during the year	-106	0	0
	Balance of borrowing at end of year	2,604	0	2,691

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.

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 2018/19:

Green Waste Acceptance – Green waste is now being accepted at Ratana and Hunterville.

Waste Transfer Stations - Council continued to operate its waste transfer stations in Ratana, Bulls, Marton, Hunterville, Mangaweka, and Taihape

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 2018/19	Actual July 2018 – June 2019
Waste to landfill (tonnage) ¹⁷	Less tonnage to landfill than previous year <i>In 2017/18, 4,650 tonnes went to the landfill.</i>	Partly achieved 4,720 tonnes went to the landfill, an increase of 1.5% over last year.
Waste diverted from landfill (tonnage and (percentage of total waste) ¹⁸	Percentage of waste diverted from landfill 19%. <i>In 2017/18, a total of 1,375.4 tonnes (or 22.8%) of waste was diverted.</i>	Achieved 1,419.5 tonnes of waste diverted i.e. 23.1% diversion Greenwaste..... 547.1 tonnes Glass..... 368.0 Metals..... 224.4 Paper..... 203.8 Plastics.....36.1 Tyres.....34.3 e-waste.....4.9 Haz waste.....0.9

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

The Long Term Plan forecast that a Council-managed kerbside recycling service would begin during 2019/20 and thus made a provision for the purchase of bins in 2019/20. However, this purchase did

¹⁷ Calibrated records maintained at Bonny Glen landfill.

¹⁸ Records maintained at waste transfer stations

not take place. Council made a decision to postpone implantation of such a service because of the uncertainty around the market for recycled products.

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

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



Image: New Bulls Community Centre

Rubbish and Recycling – Funding Impact Statement

For the year ended 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	96	131	90
Targeted rates	441	617	623
Subsidies and grants for operating purposes	47	0	0
Fees and charges	393	504	583
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)	978	1,252	1,296
Applications of operating funding			
Payment to staff and suppliers	951	1,093	1,028
Finance costs	-30	1	1
Internal charges and overheads applied	75	120	117
Other operating funding applications	0	0	0
Total applications of operating funding (B)	996	1,214	1,147
Surplus (deficit) of operating funding (A - B)	-18	38	149
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	654	47
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	654	47
Application of capital funding			
Capital expenditure			
- to meet additional demand	0	658	0
- to improve the level of service	0	0	48
- to replace existing assets	2	0	0
Increase (decrease) in reserves	-21	35	148
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	-19	693	196
Surplus (deficit) of capital funding (C - D)	18	-39	-149
Funding balance ((A - B) + (C - D))	0	-1	0
Note: Depreciation expense not included above	33	38	37

Rubbish and Recycling – Capital Works

For the year ended 30 June 2019

Category	Designated projects for 2018/19	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
RENEWALS	(to replace existing assets)			
Public refuse collection	District litter bins	2	0	0
Waste transfer stations	Plant renewals	0	0	0
Total renewals		2	0	0
CAPITAL				
Waste transfer stations	Plant Upgrades	0	90	48
Refuse Collections	Kerbside Rubbish & recycling	0	568	0
Total capital		0	658	48
Borrowing				
For the year ended 30 June 2019				
	Balance of borrowing at start of year	11	0	17
	Funds borrowed during the year	0	0	47
	Funds repaid during the year	-1	0	0
	Balance of borrowing at end of year	10	0	64

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.

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 Employment¹⁹) over common approaches in managing Building Control Authority functions.

Highlights for 2018/19:

- **Reaccreditation as a Building Consent Authority until February 2021.**
- **Review of Efficiency and Effectiveness of the Rangitikei District plan** – A review of the efficiency and effectiveness of the District Plan has been carried out.
- **Implementation of the Building (earthquake-prone buildings) Amendment Act**– Officers have made a start on issuing notices for potentially earthquake-prone buildings. So far 104 inspections have been carried out. (65 were assessed during 2018/19.)
- **Swimming pool fencing** – the Building (Pools) Amendment Act requires Council to inspect swimming pools every three years. Council deliberated that its 2018/19 fees and charges would allow property owners with a pool to have the required inspection fee waived but if a subsequent inspection was required there would be a fee.
- **Animal Control** – Council continued to provide animal control services for both Rangitikei and Manawatu districts under a shared services arrangement.

Level of Service		
Provide a legally compliant service		
Measure	Target for 2018/19	Actual July 2018 – June 2019
Timeliness of processing building consents and resource consents	Building consents – 98% Recourse consents – 98% <i>In 2017/18, 100% of building consents and 96% of resource consents were issued within the prescribed time</i> <i>There were 308 building consents and 55 resource consents.</i>	<i>Not achieved</i> 79% of building consents and 75% of resource consents were issued within the prescribed times. There have been 373 building consents and 63 resource consents (9 land use, 6 permitted boundary and 48 subdivision) processed. This is a pro rata increase of 21% in building consents and a doubling in the number of resource consents for subdivisions.

¹⁹ This Ministry includes the former Department of Building and Housing.

Measure	Target for 2018/19	Actual July 2018 – June 2019
		<p>261 Code Compliance Certificates were issued, all on time No abatement or infringement was issued, but there were 5 Notices to Fix.</p> <p>65 inspections of potentially earthquake-prone buildings were done.</p>
<p>Possession of relevant authorisations from central government²⁰</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.²¹</p>	<p>Achieved</p> <p>Council's accreditation was confirmed for two years from February 2019.</p> <p>Functions undertaken by Whanganui District Council on behalf of Rangitikei District Council.</p>

²⁰ Excluding general authorisation through legislation where no further formal accreditation is specified

²¹ Food Act 2014, s. 185. This added since the measure is an annual review of relevant documents.

Level of Service		
Provide regulatory compliance officers		
Measure	Target for 2018/19	Actual July 2018 – June 2019
Timeliness of response to requests for service for enforcement call-outs - animal control and environmental health	<p>% timeliness of response – this will be the benchmark for subsequent years.</p> <p><i>In 2017/18, 88% were responded to in time and 78% were completed in time.</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>89% of callouts responded to in time; 80% were resolved in time.</p> <p>There were 312 urgent call-outs for animal control of which 307 were responded to in time</p> <p>There were 502 non-urgent call-outs for animal control of which 470 were responded to in time</p> <p>There were 269 urgent call-outs for environmental health of which 209 were responded to in time</p> <p>There were 144 non-urgent call-outs for environmental health of which 109 were responded to in time</p> <p>Of the 819 call-outs for animal control, 710 were resolved in time</p> <p>Of the 412 call-outs for environmental health, 281 were resolved in time.</p>

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

The reduction in timeliness in processing building and resource consents is a reflection of increased demand and complexity of the applications. An additional building officer has been appointed.

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.

Environmental and Regulatory Services – Funding Impact Statement

For the year ended 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	823	1,185	912
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	-3
Fees and charges	914	671	998
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	16	305	445
Total operating funding (A)	1,753	2,161	2,352
Applications of operating funding			
Payment to staff and suppliers	1,158	406	800
Finance costs	-12	0	0
Internal charges and overheads applied	541	1,755	1,274
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,687	2,161	2,075
Surplus (deficit) of operating funding (A - B)	66	0	277
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	66	0	277
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	66	0	277
Surplus (deficit) of capital funding (C - D)	-66	0	-277
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	0	0	0

Community Well-being

This activity includes a range of programmes which contribute to community well-being – economic development, district promotion, information centres, community partnerships, and emergency management.

Highlights for 2018/19:

- **Community Organisations, MoU** - Council has developed MoU's with local organisations to partner with and provide them information on events and activities.
- **Youth Development** – The Youth Committee has been formed with meetings taking place at Taihape Area School and Rangitikei College on a monthly basis. Officers have continued with the ongoing facilitation of the youth zones in Taihape and Marton.
- **Support for environment and heritage** – continued administrative support for the Rangitikei Heritage Group and the Treasured Natural Environment Group. Ongoing production of a quarterly 'Rangitikei Environment' newsletter.
- **Town Signage** – New signage with icons to reflect towns identity are being erected throughout the District with Taihape, Hunterville, Turakina and Ratana Pa signage already installed.
- **Rangitikei.com** – Council has continued to manage Rangitikei.com and has carried out a survey on how the site is operating.
- **Economic Development** – Economic Development Summary Plan containing the actions, activities and programmes has been prepared for endorsement. Along with this an Economic Development Strategy is in the process of being developed.
- **Emergency management** - A contract remains in place with Horizons Regional Council to deliver Council's emergency management function.

Level of Service		
Provide opportunities to be actively involved in partnerships that provide community and ratepayer wins		
Measure	Target for 2018/19	Actual July 2018 – June 2019
Partners' view of how useful Council's initiatives and support has been (annual survey) ²² 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	% satisfaction – this will be the benchmark for subsequent years. <i>In 2017/18, 4% thought Council's service is getting better, 46% thought it about the same, 36% thought it worse and 18% did not know how to rate this.</i>	Achieved In 2018/19, 40% thought Council's service was getting better, 60% thought it about the same. None thought it worse or did not know how to rate this. Survey undertaken in May 2019.

²² Groups which are targeted for consultation:

- Participants in Path to Well-being Theme Groups
- Public sector agency database
- Participants in other partnership programmes that involve Council

Measure	Target for 2018/19	Actual July 2018 – June 2019
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.		

Level of Service

Identify and promote opportunities for economic growth in the District

Measure	Target for 2018/19	Actual July 2018 – June 2019
Rangitikei Districts GDP growth compared to the average of similar district economies.	<p>Greater than 1% against last financial year compared to the mean of similar district economies.</p> <p>Infometrics and Statistics New Zealand</p> <p><i>2017/18 results: 0.3% growth vs 2.8% nationally</i></p>	<p>Achieved</p> <p>The 'similar district' mean growth of GDP in 2018/19 was 1.145%, GDP growth in Rangitikei was 1.6%</p> <p>Nationally, there was 3.2% growth in GDP</p>
#Rangitikei District's earnings data growth compared to the average of similar districts	<p>Greater than or equal to 1% range from the last financial year compared to the mean of similar district economies.</p> <p><i>2016/17 results: Rangitikei- 2.2% vs mean of 1.4%</i></p>	<p>Not achieved</p> <p>Rangitikei's earnings data growth was 3.38% compared with the 4.02% mean for similar districts.</p> <p>Average earnings in an area are determined by a number of factors including the industries in the area, the skills required in these industries and the ability of employers to find appropriately skilled labour. By comparison, Ruapehu's earnings data grew 4.6% in 2018 while Manawatu's grew 3.7%.</p>
#the number of visits and unique visits to rangitikei.com	<p>An increase in the number of visits and unique visits to rangitikei.com compared to the benchmark.</p> <p><i>2016/17 results: visits – 83,831; unique visits – 25,401</i></p>	<p>Achieved</p> <p>The benchmark is inflated because of work undertaken by Council staff when assuming management of the site:</p> <p>For the 2018/19</p> <p>104,666 total visits</p> <p>68,033 unique (new) visits.</p>

<p>A greater proportion of young people living in the district are attending local schools.</p>	<p>An increase in the number of enrolments compared with the benchmark.</p> <p><i>2016/17 results: year 9-13 = 653</i> <i>2017/18 results: year 9-13 = 641</i></p>	<p>Partly achieved</p> <p>2018/19 result for year 9-13 is 606 students, i.e. 95% of the numbers last year.</p> <p>This is taken from the Ministry of Education's enrolment data in July.</p>

Level of Service		
<p>Provide a safe and relevant community space, acting as a gateway for skills and social development, improving educational, training or employment access, and improving access for youth related social services</p>		
Measure	Target for 2018/19	Actual July 2018 – June 2019
<p>Partners view of how useful Councils activity in youth space facilitation and advocacy has been</p>	<p>Very satisfied – 70%</p>	<p>Not commenced</p> <p>Youth spaces have been developed in both Marton and Taihape, and use monitored. A Youth Council was established (as a Committee of Council), meeting at 4-6 weekly intervals and Rangitikei Youth Awards were run (with external sponsorship) in May 2019. However, a survey of partners' views was not undertaken.</p>

Level of Service		
<p>Ensure competency in discharging Civil Defence responsibilities</p>		
Measure	Target for 2018/19	Actual July 2018 – June 2019
<p>Timing of self-assessment when the emergency Operations Centre is activated and of continued civil defence training exercises.</p>	<p>(a)Self-assessment of responsiveness and recovery following activation of the Emergency Operations Centre.</p> <p>(b)Number of civil defence exercises undertaken</p>	<p>In progress</p> <p>Introductory sessions held for all staff, with request to undertake online assessment.</p>

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

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



Image: Otara Bridge Opening – February 2019

Community Well-being – Funding Impact Statement

For the year ended 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,319	1,502	1,354
Targeted rates	0	0	0
Subsidies and grants for operating purposes	123	51	35
Fees and charges	57	13	12
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	32	10
Total operating funding (A)	1,499	1,598	1,411
Applications of operating funding			
Payment to staff and suppliers	1,238	947	755
Finance costs	1	1	0
Internal charges and overheads applied	228	648	488
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,467	1,596	1,244
Surplus (deficit) of operating funding (A - B)	32	2	167
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	-2	-1	-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)	-2	-1	-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	5	0	0
Increase (decrease) in reserves	25	3	165
Increase (decrease) in investments	0	0	0
Total applications of capital funding (D)	30	3	165
Surplus (deficit) of capital funding (C - D)	-32	-4	-167
Funding balance ((A - B) + (C - D))	0	-2	0
Note: Depreciation expense not included above	0	6	8

Community Well-being – Capital Works

For the year ended 30 June 2019

Category	Designated projects for 2018/19	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
RENEWALS	(to replace existing assets)			
Civil defence		0	0	0
Rural fire	Radio equipment and vehicles	5	0	0
Information centres		0	0	0
Total renewals		5	0	0
Borrowing - Internal				
For the year ended 30 June 2018				
Balance of borrowing at start of year		0	0	0
Funds borrowed during the year		0	0	2
Funds repaid during the year		0	0	0
Balance of borrowing at end of year		0	0	2

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.



RANGITIKEI
DISTRICT COUNCIL

Rangitikei District Council

Section 3: Financial Statements and Policy Reports

Whole of Council – Funding Impact Statement

For the year ended 30 June 2019

	2018 Annual Plan (\$000)	2018 Annual Report (\$000)	2019 Long- term plan (\$000)	2019 Actual (\$000)
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	6,495	5,872	7,006	6,715
Targeted rates	14,801	14,553	14,670	14,672
Subsidies and grants for operating purposes	3,628	5,361	3,579	6,007
Fees and charges	2,093	2,465	1,922	3,142
Interest and dividends from investments	240	217	220	164
Local authorities fuel tax, fines, infringement fees, and other receipts	121	308	467	492
Total operating funding (A)	27,378	28,776	27,864	31,091
Applications of operating funding				
Payment to staff and suppliers	20,415	21,417	21,352	21,091
Finance costs	280	1	8	49
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	20,695	21,418	21,360	21,140
Surplus (deficit) of operating funding (A - B)	6,683	7,363	6,504	10,051
Sources of capital funding				
Subsidies and grants for capital expenditure	6,929	3,779	5,762	3,223
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	12,218	(16)	10,215	2,984
Gross proceeds from sale of assets	1,065	666	714	(378)
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding (C)	20,212	4,429	16,691	5,828
Application of capital funding				
Capital expenditure				
- to meet additional demand	0	0	3,842	0
- to improve the level of service	13,733	1,308	2,081	2,823
- to replace existing assets	14,861	11,437	22,322	11,119
Increase (decrease) in reserves	(1,698)	1,775	0	1,885
Increase (decrease) in investments	0	(2,728)	(5,050)	51
Total applications of capital funding (D)	26,896	12,565	23,195	15,878
Surplus (deficit) of capital funding (C - D)	(6,684)	(7,363)	(6,504)	(10,051)
Funding balance ((A - B) + (C - D))	(1)	(0)	0	0
Note: Depreciation expense not included above	10,488	10,677	0	10,646

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 2019

	Notes	2018 Actual (\$000)	2019 Budget (\$000)	2019 Actual (\$000)
Revenue				
Rates	3	20,425	21,676	21,387
Subsidies and grants	5B	9,140	9,341	9,230
Other revenue	5A	2,993	2,390	3,633
Finance revenue	4	217	220	164
Vested and discovered assets		0	0	0
Gains	6	329	0	306
Total operating revenue		33,104	33,627	34,720
Expenditure				
Depreciation and amortisation expense	14,15	10,687	10,677	10,646
Personnel costs	7	3,857	3,830	4,306
Finance costs	4	1	8	49
Losses	6	121	0	10
Other expenses	8	17,534	17,524	16,800
Total operating expenditure		32,200	32,039	31,811
Operating surplus (deficit) before gains and losses on PPE and Investments		904	1,588	2,909
Reversal of previous losses on Roding through operating surplus (deficit)	6,34	0	0	17,495
Operating surplus (deficit) before tax		904	1,588	20,404
Income tax expense	9	0	0	0
Operating surplus (deficit) after tax		904	1,588	20,404
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	(178)	0	12
<i>Items that will not be reclassified to surplus(deficit)</i>				
Gain on revaluation of property, plant and equipment	6	0	0	86,193
Total other comprehensive revenue and expense		(178)	0	86,205
Total comprehensive revenue and expense		726	1,588	106,609

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

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2019

	Notes	2018 Actual (\$000)	2019 Budget (\$000)	2019 Actual (\$000)
Balance as at 1 July		492,235	500,341	492,961
Total comprehensive revenue and expense for the year		726	1,588	106,609
Balance as at 30 June		492,961	501,929	599,570

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

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2019

	Notes	2018 Actual (\$000)	2019 Budget (\$000)	2019 Actual (\$000)
Cash flows from operating activities				
Receipts from rates revenue		20,497	21,676	21,400
Receipts from other revenue		12,280	11,730	12,663
Interest received		217	220	164
Payments to suppliers and employees		(22,134)	(21,352)	(22,636)
Interest paid		(1)	(8)	(49)
Goods and services tax (net)		(297)	0	(78)
Net cash inflows (outflows) from operating activities	22	10,562	12,266	11,464
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		665	50	378
Receipts from sale of investments		2,540	0	2,000
Acquisition of investments		(2,000)	714	0
Purchases of property, plant and equipment		(12,831)	(28,245)	(13,110)
Purchases of intangible assets				(23)
Purchase of Biological Assets		-	0	(82)
Net cash inflows (outflows) from investing activities		(11,626)	(27,481)	(10,837)
Cash flows from financing activities				
Proceeds from borrowings		0	10,215	3,000
Repayment of borrowings		(16)	0	0
Net cash inflows (outflows) from financing activities		(16)	10,215	3,000
Net increase (decrease) in cash, and cash equivalents		(1,080)	(5,000)	3,627
Cash and cash equivalents at the beginning of the year		6,957	9,503	5,877
Cash and cash equivalents at the end of the year	10	5,877	4,503	9,504

The accompanying notes form part of these financial statements

Statement of Financial Position

For the year ended 30 June 2019

	Notes	2018 Actual (\$000)	2019 Budget (\$000)	2019 Actual (\$000)
Assets				
Current Assets				
Cash and cash equivalents	10	5,877	4,503	9,504
Debtors and Other Receivables	11	3,315	3,068	3,414
Prepayments		97	65	133
Other financial assets	12	2,000	0	0
Total current assets		11,289	7,636	13,051
Non-current assets				
Plant, property and equipment	14	486,618	510,306	593,730
Intangible assets	15	111	80	109
Forestry assets	16	53	194	63
Other financial assets				
Corporate bonds	12	30	0	79
Investment in CCOs and other similar entities	12	70	70	71
Total non-current assets		486,881	510,650	594,052
Total assets		498,169	518,286	607,103
Liabilities				
Current Liabilities				
Creditors and other payables	17	3,628	4,779	2,849
Employee entitlements	19	472	446	544
Income in advance		682	68	715
Borrowings	18	16	16	16
Other Financial Liabilities		0	379	0
Total current liabilities		4,798	5,688	4,124
Non-current liabilities				
Employee entitlements	19	6	13	7
Provisions	20	276	297	290
Borrowings	18	128	10,359	3,112
Total non-current liabilities		410	10,669	3,409
Total liabilities		5,208	16,357	7,533
Net Assets		492,961	501,929	599,570
Equity				
Accumulated funds	21	443,615	445,915	463,839
Special and restricted reserves	21	4,322	46,643	4,293
Other reserves	21	45,024	9,371	131,438
Total equity		492,961	501,929	599,570

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

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 2019²³. Other member councils passed similar resolutions. That has been extended a further three years, until 30 June 2022²⁴.

MW Regional Disaster Relief Fund Trust

After the Manawatu Wanganui Regional Disaster Relief Fund Trust was established in March 2004, each of the eight local authorities appointing trustees passed a resolution exempting the Trust for the status as a council-controlled organisation. In 2015, the administration of the Trust was transferred to Horizons Regional Council, and resolutions passed by participating councils to exempt it for the purposes of section 6(4)(i) of the Local Government Act 2002. At its meeting on 30 August 2018, Rangitikei District Council resolved that this exemption continue for a further three years, i.e. to 30 June 2021.

²³ Council, 29 September 2016: 16/RDC/230.

²⁴ Council, 26 September 2019: 19/RDC/270.

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 2019. The financial statements were authorised for issue by the Council on 31 October 2019.

Basis of Preparation

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

Statement of compliance

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

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

These financial statements comply with PBE standards

Presentation currency and rounding

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

Standards issued and not yet effective that have been early adopted

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

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council are:

Interests in other entities. In January 2017, the External Reporting Board issued new standards for interests in other entities (PBE IPSAS 34 - 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted. The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council has not yet assessed the effects of these new standards.

Financial instruments

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

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council has not yet assessed the effects of the new standard.

Further new relevant standards are:

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. CSE does not intend to early adopt the amendment.

PBE IPSAS 34-38

PBE IPSAS 34-38 replace the existing standards for interests in other entities (PBE IPSAS 6-8). These new standards are effective for annual periods beginning on or after 1 January 2019. CSE will apply these new standards in preparing the 30 June 2020 financial statements. No effect is expected as a result of this change.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. CSE has not yet determined how application of PBE FRS 48 will affect its statement of performance.

Summary of Significant Accounting Policies

Revenue

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

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

Revenue from non-exchange transactions

General and targeted rates

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

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

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

New Zealand Transport Agency roading subsidies

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

Other grants received

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

Vested assets

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

Direct charges – subsidised

Rendering of services – subsidised

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

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

Sale of goods – subsidised

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

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

Revenue from exchange transactions

Direct charges – full cost recovery

Sale of goods – full cost recovery

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

Interest and dividends

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

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

Expenses

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

The specific accounting policies for significant expense items are explained below.

Borrowing costs

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

Grants

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

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

Income tax

Income tax expense includes current and deferred tax.

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

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

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

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

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

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

Operating leases

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

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

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

Cash and cash equivalents

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

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

Receivables

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

Other financial assets

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

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

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

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

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

Financial assets at fair value through surplus or deficit

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

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

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

Loans and receivables

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

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

Held-to-maturity investments

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

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

Fair value through other comprehensive revenue and expense

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

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

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

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

Impairment of financial assets

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

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

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

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

Non-current assets held for sale

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

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

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

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

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

Property, plant and equipment

Property, plant and equipment consist of:

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

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

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

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

Revaluation

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

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

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

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

Additions

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

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

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

Disposals

Gains or losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When

revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

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

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

Depreciation

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

Operational and restricted assets

Buildings

Structure.....	50-150 years
Roof	40 years
Services.....	40-65 years
Internal fit out	15-40 years
Plant	30 years
Motor vehicles	6 years
Office equipment.....	10 years
Computer hardware	5 years
Library books	10 years

Infrastructural assets

Roading network

Top surface (seal)	3-20 years
Pavement sealed (base course)	60-67 years
Pavement unsealed (base course)	50-60 years
Formation.....	Not depreciated
Culverts.....	8-100 years
Footpaths	25-75 years
Drainage facilities.....	80-100 years
Traffic facilities and miscellaneous items	10-80 years
Street lights	25-70 years
Bridges.....	50-120 years

Water

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

Wastewater

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

Stormwater

Pipes.....	50-90 years
Manholes, cesspits	90 years

Waste transfer stations50 years

Service concession arrangements

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

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

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

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

Intangible assets***Software acquisition***

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

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

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

Easements

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

Carbon credits

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

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

Amortisation

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

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

Computer software..... 3-5 years

Impairment of property, plant and equipment and intangible assets

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

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

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Forestry assets

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

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

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

Payables

Short-term payables are recorded at their face value.

Borrowings

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

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

Employee benefits**Short-term employee entitlements**

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

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

Long-term employee entitlements

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

Presentation of employee entitlements

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

Superannuation schemes

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

Provisions

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

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

Landfill aftercare

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

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

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

Equity

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

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

Special reserve funds

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

Restricted reserve funds

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

Property revaluation reserves

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

Fair value through other comprehensive revenue and expense reserves

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

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council which reflect year 1 of the 2018/2028 Long – term plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Cost allocation

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

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

Critical accounting estimates and assumptions

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

Infrastructural assets

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

Critical judgements in applying accounting policies

Management has exercised the following critical judgement in applying its accounting policies For the year ended 30 June 2019.

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 2018 (\$000)	Actual 2019 (\$000)
Revenue		
Operating funding from funding impact statement	28,776	31,191
Operating revenue from statement of comprehensive revenue and expense	33,104	34,720
Difference	4,328	3,529
Reconciling items:		
Subsidies and grants for capital expenditure	3,779	3,223
Gains	329	306
FV through other comprehensive income transferred to profit and loss	221	0
Operating revenue offset against overhead expenses	0	0
Total reconciling items	4,328	3,529
Expenditure		
Application of operating funding from funding impact statement	21,413	21,140
Total operating expenditure from statement of comprehensive revenue and expense	32,200	31,811
Difference	10,787	10,671
Reconciling items:		
Depreciation and amortisation expense	10,687	10,646
Losses	121	11
Movement in provisions	(20)	14
Impairment of receivables	0	0
Operating expenditure offset by revenue from overheads	0	0
Total reconciling items	10,787	10,671

Note 3: Rates revenue	Actual 2018 (\$000)	Actual 2019 (\$000)
General rates	1,759	3,088
Uniform annual general charge	4,242	3,839
Targeted rates attributable to activities	0	0
roading	6,807	6,578
community services	61	70
libraries	0	0
solid waste disposal	528	623
wastewater	2,350	2,561
water	3,529	3,353
stormwater drainage	553	637
Targeted rates for water supply (water by volume)	1,280	1,440
Rate Penalties	566	593
Total rates	21,675	22,782
Less rates charged on Council properties	476	484
Less rates remissions	774	911
	20,425	21,387

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	240	273
Penalties and other remissions	534	638
Total remissions	774	911

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 2016/17 rates penalties of \$547k have been reclassified from other revenue to rates revenue.

Note 4: Finance revenue and finance costs	Actual 2018 (\$000)	Actual 2019 (\$000)
Finance revenue		
Interest revenue		
bank deposits	186	163
local authority and government bonds	31	1
Total finance income	217	164
Finance costs		
Interest expense		
interest on borrowings	1	49
Total finance costs	1	49
Net finance costs	216	115

Note 5A Other revenue	Actual 2018 (\$000)	Actual 2019 (\$000)
<i>Non-exchange revenue</i>		
Residential rents (community housing)	503	608
Regulatory revenue	985	1,443
Petrol tax	139	120
Other	1,366	1,462
Total other revenue	2,993	3,633

Note 5B: Subsidies & Grants		
New Zealand Transport Agency - Operational Subsidy	5,248	5,328
New Zealand Transport Agency - Capital Subsidy	3,779	2,999
Non-government grants	0	0
Other operating grants	113	903
	9,140	9,230

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

Note 6: Gains and losses	Actual 2018 (\$000)	Actual 2019 (\$000)
Operating revenue and expense		
Gains		
Non-financial instruments		
Property, plant and equipment/ forestry gains on disposal	311	296
Gain on revaluation/reversal of previous loss	34	17,495
Forestry asset revaluation gain (note 16)	18	10
Total gains	329	17,801
Losses		
Non-financial instruments		
Property, plant and equipment loss on disposal	121	10
Property, plant and equipment loss on revaluation	0	0
Total losses non-financial instruments	121	10
Other comprehensive revenue and expense		
Other gains (losses)		
Financial instruments		
Fair value through other comprehensive revenue and expense gain on revaluation	20	12
Fair value through other comprehensive revenue and expense loss on disposal	(198)	0
Fair value through other comprehensive revenue and expense loss on revaluation	0	0
Total gains (losses) financial instruments	(178)	12
Other gains (losses)		
Non-financial instruments		
Property, plant and equipment gain on revaluation	0	86,193
Total gains on non-financial instruments	0	86,205

Note 7: Personnel costs	Actual 2018 (\$000)	Actual 2019 (\$000)
Salaries and wages	3,759	4,191
Defined contribution plan employer contributions (KiwiSaver)	83	100
ACC levies	15	15
Total personnel costs	3,857	4,306

Note 8: Other expenses	Actual 2018 (\$000)	Actual 2019 (\$000)
Fees to auditors		
financial statements	120	121
fees to Audit New Zealand for other services	79	4
Emergency works	336	949
Maintenance	6,034	4,873
Contractors & Professional Services	4,401	5,184
Grants	768	647
Insurance premiums	235	450
Operating leases	6	4
Impairment of receivables (note 11)	54	11
Other operating expenses	5,501	4,557
Total other expenses	17,534	16,800

Note 9: Tax	Actual 2018 (\$000)	Actual 2019 (\$000)
Relationship between tax expense and accounting surplus		
Surplus (deficit) before tax	904	20,404
Tax at 28%	253	5,713
Plus (less) tax effect of:		
Non-taxable revenue	(253)	(5,713)
Tax expense	0	0

Note 10: Cash and cash equivalents	Actual 2018 (\$000)	Actual 2019 (\$000)
Cash at bank and on hand	3,877	4,504
Term deposits with maturities less than three months at acquisition	2,000	5,000
Total cash and cash equivalents	5,877	9,504

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 \$925,400 (2018 \$850,400) 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 2018 (\$000)	Actual 2019 (\$000)
Non-exchange receivables		
Rates receivables	1,783	1,660
Related party receivables	0	0
Other receivables	1,962	2,172
Gross debtors and other receivables	3,745	3,832
Less provision for impairment	(443)	(430)
Total non-exchange receivables	3,302	3,402
Exchange receivables		
Other receivables	13	11
Less provision for impairment	0	0
Total exchange receivables	13	11
Total Receivables	3,315	3,413

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:

	2019		
	Gross (\$000)	Impairment (\$000)	Net (\$000)
Not past due	2,042	0	2,042
Past due 31-60 days	1,038	(1)	1,037
Past due > 60 days	763	(429)	334
Total	3,843	(430)	3,413
	2018		
	Gross (\$000)	Impairment (\$000)	Net (\$000)
Not past due	2,306	0	2,306
Past due 31-60 days	427	(1)	426
Past due > 60 days	1,025	(442)	583
Total	3,758	(443)	3,315

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 2018 (\$000)	Actual 2019 (\$000)
Movements in the provision for impairment of receivables are as follows:		
At 1 July	416	443
Additional provisions made during the year		
Provision increased (reversed) during the year Per note 2 & note 8	54	11
Receivables written off during the period	(27)	(24)
As at 30 June	443	430

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



Image: Bulls Community House Project – Walton Street, Bulls

Note 12 :Other financial assets	Actual 2018 (\$000)	Actual 2019 (\$000)
Current Portion		
Term deposits with original maturities of 4-12 months	2,000	0
Corporate bonds	0	0
Total current portion	2,000	0
Non-current portion		
Corporate bonds	30	79
<i>Investments in CCOs and similar entities</i>		
Unlisted shares in New Zealand Local Government Insurance Corporation Limited	54	55
Unlisted shares in Manawatu Wanganui LASS Limited	16	16
Total investments in CCOs and similar identities	70	71
Total non-current portion	100	150
Total other financial assets	2,100	150

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 2018. 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

2019	Balances at 1 July 2018			Additional assets recognised	Current year additions	Current year disposals	Revaluation surp(def)	Current year depn	Balances at 30 June 2019			
	Cost/valuation	Accum depn	Carrying amount						Cost/valuation	Accum depn	Carrying amount	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Movements for each class of property, plant and equipment are as follows:												
Operational assets												
Land	4,090	0	4,090	0	308	0	0	(3)	4,398	(3)	4,395	
Buildings	12,455	(1,745)	10,710	0	1,986	0	0	(758)	14,700	(2,393)	12,307	
Plant and vehicles	2,801	(1,578)	1,223	0	320	(75)	0	(363)	3,049	(1,901)	1,149	
Office equipment	767	(662)	105	0	119	0	0	(30)	886	(692)	194	
Computer hardware	737	(661)	76	0	20	0	0	(53)	757	(714)	43	
Library books	2,373	(1,828)	546	0	87	0	0	(88)	2,460	(1,916)	544	
Total operational assets	23,223	(6,473)	16,750	0	3,208	(75)	0	(1,295)	25,883	(7,618)	18,632	
Infrastructural assets												
Roading network	333,130	(13,416)	319,714	0	6,712	0	97,394	(6,790)	417,028	0	417,028	
Land under roads	42,438	0	42,438	0	0	0	0	0	42,438	0	42,438	
Water systems												
treatment plants and facilities	18,813	(866)	17,947	0	472	0	3,686	(443)	21,662	0	21,662	
other assets	38,945	(1,919)	37,026	0	2,152	0	(2,726)	(980)	35,472	0	35,472	
Wastewater systems												
treatment plants and facilities	10,020	(571)	9,449	0	135	0	3,910	(285)	13,209	0	13,209	
other assets	20,483	(862)	19,620	0	389	0	261	(430)	19,842	0	19,842	
Stormwater network	16,770	(586)	16,185	0	264	0	415	(294)	16,569	0	16,569	
Waste transfer stations	1,265	(124)	1,141	0	48	0	807	(27)	1,978	(9)	1,968	
Total infrastructural assets	481,864	(18,344)	463,520	0	10,171	0	103,747	(9,249)	568,198	(9)	568,188	
Restricted assets												
Land	4,735	0	4,735	0	50	(59)	0	0	4,726	0	4,726	
Buildings	1,958	(345)	1,613	0	663	0	0	(92)	2,621	(437)	2,184	
Total restricted assets	6,693	(345)	6,348	0	713	(59)	0	(92)	7,347	(437)	6,910	
Total property, plant and equipment	511,780	(25,162)	486,618	0	14,092	(134)	103,747	(10,636)	601,795	(8,064)	593,730	

Work in progress at year end included in property, plant and equipment above comprises: buildings \$2,452,523 (2018 \$264,126) wastewater \$433,000 (2018 nil), water \$915,000 (2018 1.792M), storm water \$178,000 (2018 252,000) The additional assets recognised includes vested assets and assets transferred to council. The current year additions includes the assets constructed by council.

Note 14: Property, Plant and equipment

2018	Balances at 1 July 2017			Additional assets re-cognised \$000	Current year additions \$000	Current year disposals \$000	Revaluation surp(def) \$000	Current year depn \$000	Balances at 30 June 2018		
	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	3,958	0	3,958	0	207	(75)	0	0	4,090	0	4,090
Buildings	11,971	(878)	11,094	0	484	0	0	(868)	12,346	(1,635)	10,711
Plant and vehicles	2,675	(1,641)	1,036	0	683	(556)	0	(302)	2,801	(1,578)	1,223
Office equipment	761	(638)	423	0	6	0	0	(24)	767	(662)	105
Computer hardware	689	(598)	91	0	48	0	0	(63)	737	(661)	76
Library books	2,271	(1,743)	528	0	103	0	0	(85)	2,373	(1,828)	545
Total operational assets	22,325	(5,498)	16,830	0	1,531	(631)	0	(1,342)	23,114	(6,364)	16,750
Infrastructural assets											
Roading network	326,605	(6,687)	319,918	0	6,525	0	0	(6,729)	333,128	(13,416)	319,712
Land under roads	42,438	0	42,438	0	0	0	0	0	42,438	0	42,438
Water systems											
treatment plants and facilities	17,931	(430)	17,501	0	882	0	0	(436)	18,812	(866)	17,946
other assets	36,290	(955)	35,335	0	2,656	0	0	(964)	38,945	(1,919)	37,026
Wastewater systems											
treatment plants and facilities	9,927	(287)	9,640	0	94	0	0	(284)	10,020	(571)	9,449
other assets	19,793	(431)	19,362	0	690	0	0	(431)	20,485	(862)	19,623
Stormwater network	16,455	(293)	16,162	0	316	0	0	(293)	16,770	(586)	16,185
Waste transfer stations	1,258	(97)	1,161	0	7	0	0	(27)	1,258	(93)	1,141
Total infrastructural assets	470,697	(9,180)	461,517	0	11,170	0	0	(9,164)	481,856	(18,313)	463,520
Restricted assets											
Land	4,712	0	4,712	0	23	0	0	0	4,735	0	4,735
Buildings	1,808	(168)	1,640	0	133	0	0	(161)	1,958	(345)	1,613
Total restricted assets	6,520	(168)	6,352	0	156	0	0	(161)	6,693	(345)	6,348
Total property, plant and equipment	499,542	(14,846)	484,699	0	12,857	(631)	0	(10,667)	511,663	(25,022)	486,618

Work in progress at year end included in property, plant and equipment above comprises: buildings \$264,126 (2017 \$132,460) wastewater Nil (2017 nil), water 1.792M (2017 nil), storm water \$252,000 (2017 nil)

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 Chelsea Mudge (BCom (VPM)MPINZ), of Quotable Value Asset and Advisory. The valuation is effective at 1 July 2016. The total fair value of land and buildings valued was \$21,676,550 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 Scott McIntyre (BBIM, CTech of The Datastack. This was peer reviewed by Brian Smith (BCom CA) of Brian Smith Advisory. The valuation is effective at 30 June 2019. The total fair value of the roading network was \$417,028,000 at that date.

The roading network is valued at fair value based on the application of appropriate replacement costs and effective lives, and The Datastack 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 is not re valued. On the transition to International Financial Reporting Standards on 01/07/2006 the council elected to use the FV of land under roads as at 30/06/2005 as deemed cost.

Water, wastewater and stormwater systems

The valuation of the water, wastewater and stormwater assets was performed by Lucy Riddle (BCom), John Vessey (BE Civil, BA Econs, CP Eng), Jaimie Cable (Appleton Dip Eng Civil) of WSP Opus. The valuation is effective at 30 June 2019. The total fair value of water, wastewater and stormwater was \$108,798,000 at that date.

Water, wastewater and stormwater assets are valued at fair value using a brown fields 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	2018	2019
	(\$000)	(\$000)
Water supply		
treatment plant and facilities	27,748	30,722
other assets	70,940	75,768
Sewerage		
treatment plant and facilities	14,530	19,040
other assets	36,565	47,755
Stormwater drainage	27,537	29,642
Flood protection and control works	0	0
Roads and footpaths	564,498	622,649
Total estimated replacement cost	741,818	825,576

Note 15: Intangible assets	Computer software (\$000)	Carbon credits (\$000)	Total (\$000)
Cost			
Balance at 1 July 2018	792	96	888
Increase due to revaluation	0	9	9
Additions	0	0	0
Disposals	0	0	0
Balance at 30 June 2019	792	105	897
Balance at 1 July 2017	785	80	865
Increase due to revaluation	0	16	16
Additions	7	0	7
Disposals	0	0	0
Balance at 30 June 2018	792	96	888
Accumulated amortisation and impairment			
Balance at 1 July 2018	777	0	777
Amortisation charge	11	0	11
Disposals	0	0	0
Balance at 30 June 2019	788	0	788
Balance at 1 July 2017	760	0	760
Amortisation charge	17	0	17
Disposals	0	0	0
Balance at 30 June 2018	777	0	777
Carrying Amounts			
Balance at 30 June 2018	15	96	111
Balance at 30 June 2019	4	105	109

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 2019 using the spot market price for NZUs on the open market. Following the harvesting of the mature forest at Marton B & C Dams, Council has committed (by formal resolution in April 2017) to a programme of replanting, primarily natives. This has been discussed with the Ministry for Primary Industries, as the stocking and growth rates will be reviewed in four years' time.

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 2018 (\$000)	Actual 2019 (\$000)
Balance at 1 July	244	53
Gains (losses) arising from changes in fair values	18	10
Decreases due to sales	(209)	0
Balance at 30 June	53	63

The Council owns 9.8 hectares of forest in 3 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 2019. 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 – 8.5% pre-tax

Compound rate - 3%

Basis of log prices - current prices from southern North Island prices. Trend prices are from 12 quarter average rolling 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 2018 (\$000)	Actual 2019 (\$000)
<i>Payables under exchange transactions</i>		
Trade payables	3,060	1,430
Deposits	0	0
Accrued expenses	567	1,418
Total	3,627	2,848
<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	3,628	2,849

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 2018 (\$000)	Actual 2019 (\$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	128	112
Loan – New Zealand Local Government Funding Agency	0	3,000
Total non-current portion	128	3,112
Total borrowings	144	3,128

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.

The Council borrowed \$3,000,000 from the New Zealand Local Government Funding Agency. The terms are at a fixed interest rate of 3.12% with a maturity date of 15 April 2029.

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 2018 (\$000)	Actual 2019 (\$000)
Current Portion		
Accrued pay	130	205
Annual leave	309	300
Long service leave	33	39
Superannuation	0	
Total current portion	472	544
Non-current portion		
Accrued pay	0	0
Annual leave	0	0
Long service leave	6	7
Superannuation	0	0
Total non-current portion	6	7
Total employee entitlements	478	551

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 not expected to exceed the annual entitlement of staff, and calculations show any amounts involved are likely to be immaterial.

Note 20: Provisions	Actual 2018 (\$000)	Actual 2019 (\$000)
Landfill aftercare		
Balance at 1 July	297	276
Additional(reduction) in provisions made	0	0
Amounts used	(13)	(14)
Unused amount reversed	(22)	(22)
Discount unwind	14	50
Balance at 30 June	276	290

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 15 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 2.14% (2018 5.5%) has been used in discounting the cash outflows.

Note 21: Equity	Actual 2018 (\$000)	Actual 2019 (\$000)
Accumulated funds		
Balance at 1 July	442,164	443,615
Transfers from property revaluation reserves on disposal	19	0
Other transfers	528	(180)
Surplus (deficit) for year	904	20,404
Balance at 30 June	443,615	463,839
Other reserves		
Property revaluation reserves		
Balance at 1 July	44,943	44,924
Net revaluation gains	0	86,401
Transfer to accumulated funds on disposal of property	(19)	0
Balance at 30 June	44,924	131,325
Property revaluation reserves for each class of assets consist of:		
Operational assets		
land	2,271	2,271
buildings	7,377	7,377
Infrastructural assets		
sewerage systems	8,088	12,260
water systems	16,665	17,627
stormwater drainage network	8,486	8,900
roading network	0	79,899
Restricted assets		
land	1,514	1,514
buildings	522	1,477
Total	44,924	131,325
Fair value through other comprehensive income reserve		
Balance at 1 July	278	100
Net revaluation gains (losses)	(198)	13
Transfer to net surplus/deficit	20	0
Balance at 30 June	100	113
Total other reserves	45,024	131,438

Note 21: Equity (continued)**Special and restricted reserves 2019**

Name (* denotes restricted)	Purpose	Purpose	Balance 1 Jul 18	Deposits	With- drawals	Balance 30 Jun 19
Aquatic	Capital works	Capital works	65	75	54	86
Bulls courthouse*	Maintenance of courthouse building	Maintenance of courthouse building	67	17		84
Flood damage	Road maintenance due to flooding		372	250	384	238
General purpose	Capital works		2,402			2,402
Haylock park*	Additional reserve area at park	Additional reserve area at park	29	1		30
Huntermville rural water	Water	Future loop line	199	7		206
Keep Taihape beautiful*	Property	Enhancement of Taihape	20			20
Marton land subdivision*	Parks and reserves	Improvement to reserves land	427	17		444
Marton marae*	Property	Marton marae project	4			4
McIntyre recreation*	Parks and reserves	Maintenance or upgrades of park	20	2	1	21
Putorino rural water	Water	Maintenance of scheme dam	21	1		22
Ratana sewer	Sewerage	Capital works	25	1		26
Revoked reserve land	Parks and reserves	Offset costs of other revoked land	238			238
Rural housing loan	Property	No longer required	150			150
Rural land subdivision*	Parks and reserves	Improvement to reserves land	191	7		198
Santoft domain*	Parks and reserves	Maintenance or upgrades of park	92	41	9	124
Total special and restricted reserves			4,322	419	448	4,293

Special and restricted reserves 2018			Balance	Deposits	With-	Balance
Name (* denotes restricted)	Associated activity		1 Jul 17		drawals	30 Jun 18
Aquatic	Swimming pools	Capital works	300	75	310	65
Bulls courthouse*	Property	Maintenance of courthouse building	52	15		67
Flood damage	Roading	Road maintenance due to flooding	728	250	606	372
General purpose	Capital works	Capital works	2,402			2,402
Haylock park*	Parks and reserves	Additional reserve area at park	27	2		29
Huntermville rural water	Water	Future loop line	190	9		199
Keep Taihape beautiful*	Property	Enhancement of Taihape	20			20
Marion land subdivision*	Parks and reserves	Improvement to reserves land	407	20		427
Marion marae*	Property	Marion marae project	4			4
McIntyre recreation*	Parks and reserves	Maintenance or upgrades of park	20	2	2	20
Putorino rural water	Water	Maintenance of scheme dam	20	1		21
Ratana sewer	Sewerage	Capital works	24	1		25
Revoked reserve land	Parks and reserves	Offset costs of other revoked land	238			238
Rural housing loan	Property	No longer required	150			150
Rural land subdivision*	Parks and reserves	Improvement to reserves land	181	10		191
Santoft domain*	Parks and reserves	Maintenance or upgrades of park	87	7	2	92
Total special and restricted reserves			4,850	392	920	4,322

Note 22: Reconciliation of net surplus (deficit) to net cash flow from operating activities	Actual 2018 (\$000)	Actual 2019 (\$000)
Surplus (deficit)	904	20,404
Add (less) non-cash items		
Depreciation and amortisation	10,687	10,646
Community loan repayment exchanged for accommodation	(16)	(16)
(Gains) losses in fair value on forestry assets	(18)	(10)
Reversal of previous losses on roading through operating surplus(deficit)	0	(17,495)
Movement in employee entitlements (non current)	(11)	1
	10,642	(6,876)
Add (less) items classified as investing or financing activities		
(Gains) losses on disposal of property, plant and equipment	(190)	(286)
(Gains) losses on fair value financial assets	(218)	12
	(408)	(274)
Add (less) movements in working capital items		
(Increase) decrease in prepayments	(32)	(36)
(Increase) decrease in debtors and other receivables	132	(99)
Increase (decrease) in income in advance	148	33
Increase (decrease) in creditors and other payables	(846)	(1,774)
Increase (decrease) in provisions	(21)	14
Increase (decrease) in employee entitlements	43	72
	(576)	(1,790)
Net cash inflow (outflow) from operating activities	10,562	11,464

	Actual 2018 (\$000)	Actual 2019 (\$000)
Note 23: Capital commitments and operating leases		
Capital commitments		
Property, plant and equipment		
Not later than one year	587	3,690
Later than one year and not later than five years	0	0
Total capital commitments	587	3,690

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	99	62
Later than one year and not later than five years	73	122
Later than five years	0	0
Total non-cancellable operating leases	172	184

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	32	32
Later than one year and not later than five years	81	72
Later than five years	90	78
	203	182

No contingent rents have been recognised during the period.

Note 24: Contingencies	Actual 2018 (\$000)	Actual 2019 (\$000)
Contingent Liabilities		
Emissions Trading Scheme	0	0
Building Act claims	0	0
Miscellaneous claims	0	0
Total contingent liabilities	0	0

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 2019 these four facilities have an approximate value of \$350,000.

Contingent Liabilities

In April 2013, The Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently in December 2016, CHH commenced third party proceedings against 48 Councils, including Auckland Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance certificates. The councils have applied for orders setting aside and striking out CHH's claims against them. The MOE's claim against CHH is for 833 school buildings 2 of which are located within Rangitikei District. At present there is insufficient information to conclude on potential liability and claim quantum, if any.

2017 Nil

During 2018, following substantial rainfall, the Rangitikei River changed its course in the river bed, scouring out land on the right bank near Hou Hou Road. This exposed a landfill, established by the Rangitikei County Council, which had not been used since the early 1990s. Horizons Regional Council has issued a consent which will allow the Rangitikei River to be diverted to its earlier channel, thus allowing an opportunity to examine the dump more closely. The likely approach is to erect a barrier on the river bed to prevent further erosion by the river should it change its course again. It is anticipated this will cost an estimated \$500,000.

2018 Nil

Note 25: Related party transactions	Actual 2018 (\$)	Actual 2019 (\$)
Key management personnel compensation		
<i>Councillors</i>		
Remuneration	388,462	394,412
Full-time equivalent members	12	12
<i>Senior management team, including the chief executive</i>		
Remuneration	537,710	612,121
Full-time equivalent members	3	4
Total key management personnel remuneration	926,172	1,006,533
Total full-time equivalent personnel	15	16

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

The Councillor remuneration includes annual salary, allowances for mileage \$21,728 and telephone/fax \$8,433

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	62,884	0
Other projects costs paid to the company by the Council	86,539	41,292

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 \$53,629 (2018 \$72,724).

Councillor Peke-Mason also has interests in the Aorangi Awarua Trust. During the year the Council paid the Trust \$ 4,515 (2018 \$7,390).

During the year, the Council provided Project Marton with funding amounting to \$42,377 (2018 \$39,339). 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 \$6,891.74 (2018 \$1,964) to BJW Motors Ltd for the servicing of motor vehicles.

Councillor David Wilson is a director of McVerry Crawford Motors, Marton. During the year the Council made payments of \$30,121.70 (2018 \$26,455) to McVerry Crawford Motors Ltd for the servicing of motor vehicles and associated utility parts.

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 arms length

Note: c) There are no related party transactions that are on terms more favourable than those that it is reasonable to expect the council to have adopted in dealing with a party at arms length

Note 26: Remuneration	Actual 2018	Actual 2019
	\$	\$
Chief Executive		
Ross McNeil		
Gross salary	231,300	231,680
Vehicle (market value plus FBT)	13,394	13,394
Superannuation contribution	6,939	7,218
Total remuneration	251,633	252,292

Other Council employees

Number of full-time employees	41	50
Number of full-time equivalents of part-time employees	18	18

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	40	58
\$60,000 to \$79,999	10	8
\$80,000 to \$99,999	5	8
\$100,000 to \$259,999	4	5
Total employees	59	79

Total remuneration includes the value of any non-financial benefit paid to an employee.

Note 26: Remuneration (continued)	Actual 2018 \$	Actual 2019 \$
Elected representatives		
Council		
<i>Mayor</i>		
A Watson	100,258	105,174
<i>Councillors</i>		
C Ash	21,436	21,785
R Aslett	26,577	27,647
N Belsha	37,790	39,413
A Gordon	31,530	30,179
D McManaway	32,136	31,908
S Peke-Mason	24,464	22,133
R Rainey	25,742	26,197
L Sheridan	23,362	23,753
D Wilson	21,436	21,785
G Platt	21,755	23,052
J Dunn	21,976	21,385
Total Council members remuneration	388,462	394,411
Community Boards		
<i>Taihape</i>		
M Fannin	8,780	9,835
A Abernathy	4,190	4,253
G Larsen	4,190	4,433
Y.Sicely	4,190	4,253
<i>Ratana</i>		
C Mete	4,190	4,253
C Rourangi	2,095	2,126
T Tataurangi	2,095	2,126
M Thompson	2,495	2,526
Total Community Board members remuneration	32,225	33,805
Total elected representatives remuneration	420,687	428,216

The total remuneration for each elected member is made up of annual salary, non-salary benefits and mileage. The remuneration reflects 26 pay periods. The mileage allowances for Council total \$21,728 and Telephone \$8,433. The Telephone allowance for the Community Boards total \$800.

Note 27: Severance payments

For the year ended 30 June 2019, the Council made no (2018: 2) severance payments to employees. (2018: 15,000 and 2,550).

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 2018 (\$000)	Actual 2019 (\$000)
Financial instrument categories		
<i>Financial assets</i>		
<i>Loans and receivables</i>		
Cash and cash equivalents	5,877	9,504
Debtors and other receivables	3,315	3,414
Other financial assets		
term deposits	2,000	0
Total loans and receivables	11,192	12,918
<i>Fair value through other comprehensive revenue and expense</i>		
Other financial assets		
corporate bonds	30	79
unlisted shares	70	71
Total fair value through other comprehensive revenue and expense	100	150
<i>Financial liabilities</i>		
Financial liabilities at cost		
creditors and other payables	3,628	3,010
Loans	0	3,000
community loan	144	128
Total financial liabilities	3,772	6,138

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:

	Valuation technique			
	Total (\$000)	Quoted market price (\$000)	Observable inputs (\$000)	Significant non- observable inputs (\$000)
2019				
Financial assets				
<i>Unlisted shares</i>				
New Zealand Local Government Insurance Corporation Limited	55	0	0	55
Manawatu Wanganui LASS Limited	16	0	0	16
<i>Corporate bonds</i>	79	79	0	0
2018				
Financial assets				
<i>Unlisted shares</i>				
New Zealand Local Government Insurance Corporation Limited	54	0	0	54
Manawatu Wanganui LASS Limited	16	0	0	16
<i>Corporate bonds</i>	30	30	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:

	2018	2019
Balance at 1 July	70	70
Gains (losses) recognised in the surplus or deficit		
Gains (losses) recognised in other comprehensive income	0	1
Purchases		
Balance at 30 June	70	71

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 2018 (\$000)	Actual 2019 (\$000)
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Maximum exposure to credit risk

The Council's maximum credit risk exposure for each class of financial instruments is as follows:

Cash at bank and term deposits	7,877	9,504
Debtors and other receivables	3,315	3,414
Corporate bonds	30	79
Total credit risk	11,222	12,997

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-	7,877	9,504
Total cash at bank and term deposits	7,877	9,504

Corporate bonds

AA	0	48
A+	0	0
A	0	0
A-	0	0
BBB-	30	31
Total corporate bonds	30	79

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
2019					
Creditors and other payables	2,849	2,849	2,849	0	0
Loans	3,000	3,960	96	384	3,480
Community loan	128	128	16	64	48
Total	5,977	6,937	2,961	448	3,528

2018

Creditors and other payables	3,628	3,628	3,628	0	0
Secured loans	0	0	0	0	0
Community loan	144	144	16	64	64
Total	3,772	3,772	3,644	64	64

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
2019					
Cash and cash equivalents	9,504	9,504	9,504	0	0
Debtors and other receivables	3,414	3,414	3,414	0	0
Other financial assets					
term deposits	0	0	0	0	0
corporate bonds	79	79	0	79	
Total	12,997	12,997	12,918	79	0
2018					
Cash and cash equivalents	5,877	5,877	5,877	0	0
Debtors and other receivables	3,315	3,315	3,315	0	0
Other financial assets					
term deposits	2,000	2,000	2,000	0	0
corporate bonds	30	30	0	30	
Total	11,222	11,222	11,192	30	0

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

	Note	-100bps		+100bps	
		Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000
2019					
<i>Financial Assets</i>					
Cash and cash equivalents		(95)	0	95	0
Corporate bonds		0	0	(0)	0
Total sensitivity to interest rate risk		(95)	0	95	0
2018					
<i>Financial Assets</i>					
Cash and cash equivalents		(78)	0	78	0
Corporate bonds		0	0	0	0
Total sensitivity to interest rate risk		(78)	0	78	0

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

Revenue is higher than forecast by \$1.09m mainly due other revenue received been higher than forecasted. User Fees & Charges have increased by \$559k compared to the previous year. There is also an increase in rental revenue due to increased occupancies. Finance revenue was lower by \$256k due to the decrease in interest rates for the term investments to that anticipated.

Expenditure is lower than that forecast by \$225k. Personnel costs are up by \$0.476m due mainly to employing additional staff. Finance costs are \$49K against a budget of \$8k mainly due to the timing of the drawdown of the \$3.0m loan for building development. Depreciation is lower by \$31k mainly due to the timing of the completion of the capital projects. Other expenses are under budget by \$700k due to some expenditure consolidation.

Other Comprehensive revenue and expense (Gain on revaluation of property plant & equipment) are impacted by the roading and Three Waters having a revaluation as at 30th June 2019 as opposed to that budgeted for as at 1st July 2019 which would have deferred the recognition of the increase to the next financial period. There is also a reversal of the previous loss of \$17.495m which is now recognised and reverses the losses previously recorded.

Statement of financial position

Current assets are \$5.4m higher than forecasted with cash and cash equivalents being \$5.0m higher, Debtors, Prepayments & Other financial assets are higher than forecast by \$0.41m. The increase in the cash and cash investments partly reflects a term investment of \$3.0m that is borrowings yet to be expended with the investment having a maturity date of less than 3 months, against last year current assets are higher by \$1.76m.

Non-current assets are higher than forecasted by \$83.4m mainly due to Property, plant and equipment been higher than that forecasted. The difference reflects the impact of the 30th June revaluation as opposed to the budget which was to occur on 1st July 2019. Compared to last year's actuals, Non-current assets are \$1.07m higher.

Current liabilities are \$1.56m lower than forecast with Creditors and Other payables being \$1.93.m lower, and against last year Current Liabilities are lower by \$674k.

Non-current liabilities are \$10.66m lower than the \$10.35m forecast due to lower borrowings on capital expenditure not occurring during the year but it does reflect the \$3.0m loan for the Bulls Community Centre, against last year Non-current liabilities are \$2.999m higher.

Net Assets & Equity As a result of the above net assets and equity are \$97.64m higher than forecast and are \$106.6m higher than last year.

	Actual 2018	Actual 2019
Note 32: Rating base information		
Number of rating units preceding year	8,633	8,528
	(\$000)	(\$000)
Total capital value of rating units preceding year	3,813,866	4,481,745
Total land value of rating units preceding year	2,399,050	2,855,466
Note: "preceding year" for 2019 is as at 30 June 2018 and "preceding year" for 2018 is as at 30 June 2017		

Note 33: Insurance of assets	Actual 2018 (\$000)	Actual 2019 (\$000)
Total value of assets covered by insurance contracts	59,905	65,059
Maximum amount of insurance	65,500	65,529
Total value of assets covered by financial risk sharing arrangements	135,042	140,134
Maximum amount available under those arrangements (40%)	54,016	56,054
Total value of assets that are self-insured	564,498	338,020
The value of funds maintained for that purpose	372	238

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.

The Council has a balance of \$0.238M in its Flood Damage Reserve for roading. As the damage repair work for the 2015 flood is complete this balance and the annual rates contribution is a provision for future flood events and Council's likely percentage contribution to these events in partnership with NZTA.

Note 34: Prior period error

The property, plant and equipment accounting policy along with PBE IPSAS 17 Property, Plant and Equipment requires that when you run out of revaluation reserves you expense any decrement through the surplus and deficit. That decrement gets reversed if the fair values subsequently increase.

As at 1 July 2016 Council had cumulatively expensed \$17.495 million of impairment losses for roading assets. PBE IPSAS 17 Property, Plant and Equipment requires revaluations for revalued assets to be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. The fair value assessments as at 30 June 2017 and 30 June 2018 initially concluded that there was not a material difference between the carrying amount and fair value in each of those years. This previous assessment has been reconsidered and assessed as an error as the allowable difference for a material movement between the carrying value and fair value should have been lower as any valuation movement would have been accounted for in the surplus and deficit rather than through other comprehensive revenue and expense.

If valuations were performed it is probable that a material amount of previously recognised roading impairments would have reversed, reducing expenditure in the 2017 and 2018 years.

Accounting standard PBE IPSAS 3 Accounting policies, changes in accounting estimates and errors require the Council to correct material prior period errors retrospectively. However, while it was possible at a high level to determine that there was a material prior period error, restatement has

not occurred because it has been considered impracticable to determine the amount of the error in each year at a sufficiently detailed level. This is because:

- RAMM which is the District Council's roading database is a live system which means asset information has been modified since 1 July 2016 and we cannot identify the specific information that was available at each historical point in time;
- It is difficult to allocate subsequent increases in unit rates and improvement to asset data to the relevant years; and
- Full revaluations would need to take place as at 30 June 2017 and 30 June 2018. This would be a difficult task to determine what information was available at that point in time, without using hindsight, along with the significant amount of time and cost it would take to complete.

Consequently, the prior period error has not been corrected in 2017 and 2018. Instead the reversal of the cumulative impairment losses of \$17.495 million has occurred as part of the revaluation of roading assets in the 2019 year.

Benchmarks Disclosure Statement

For year ending 30 June 2019

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

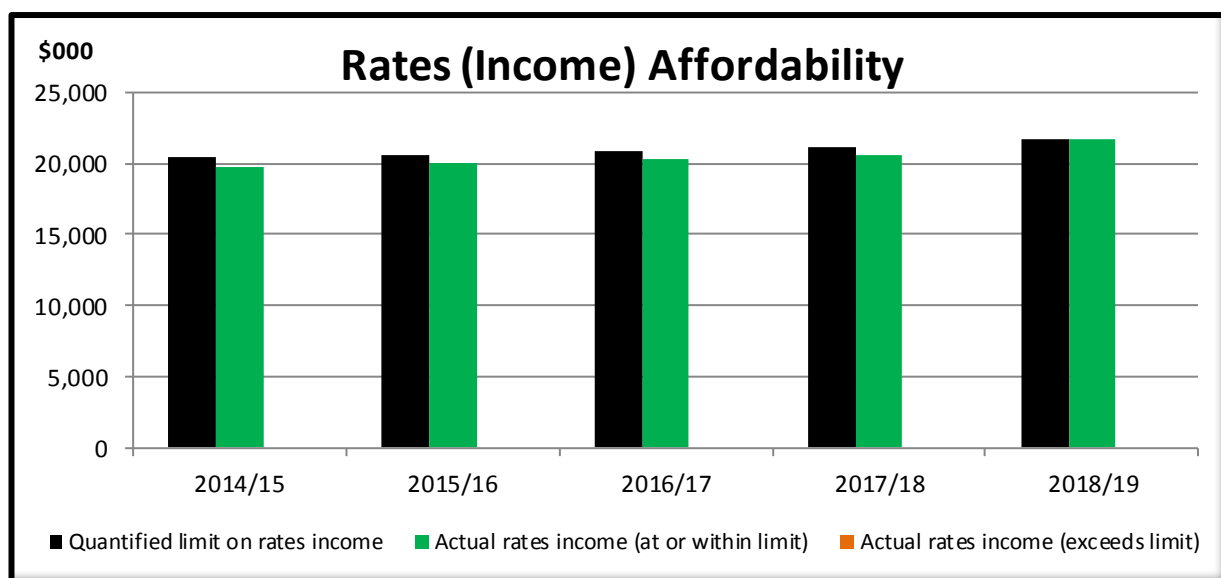
The Council meets the rates affordability benchmark if its—

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 2014/15, 2015/16, 2016/17, and 2017/18 years with the quantified limit on rates contained in the Council's 2015-2025 long term plan, and for the 2018/19 year, with the quantified limit on rates contained in the Council's 2018-2028 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).

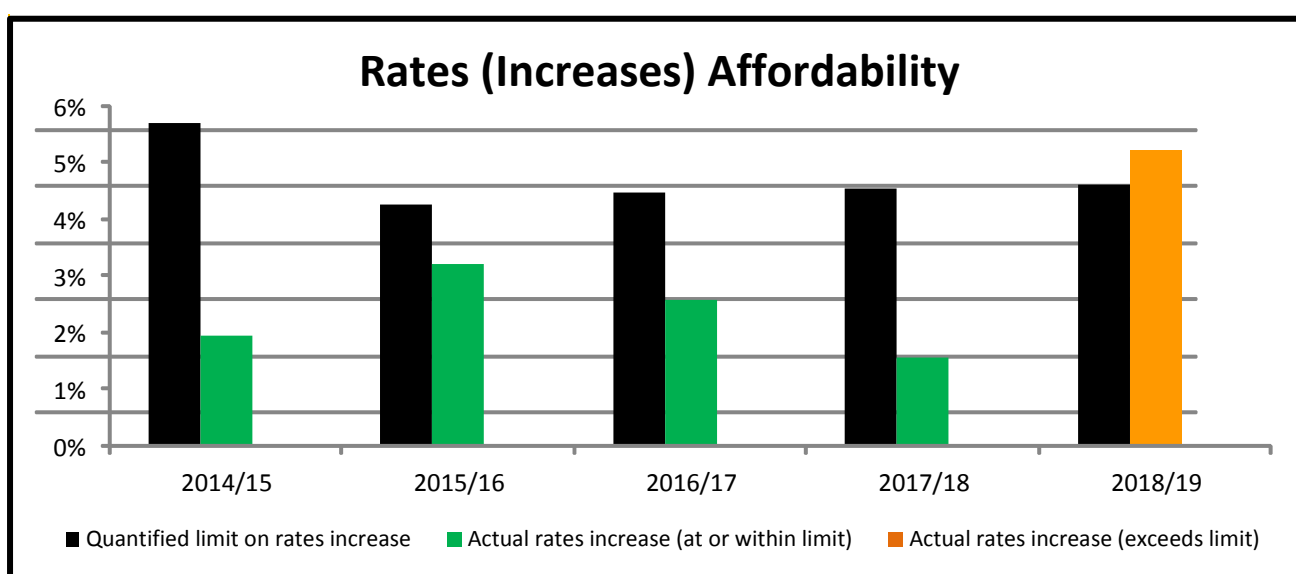


Rates (increases) affordability

The following graph compares the Council's actual rates increases for 2014/15, 2015/16, 2016/17 and 2017/18 with the quantified limit on rates increases contained in the Council's 2015-2025 long-term plan, and for 2018/19 with the limits contained in the Council's 2018-2028 long-term plan.

The quantified limits are as follows:

2014/15	5.68%
2015/16	4.24%
2016/17	4.45%
2017/18	4.53%
2018/19	4.61%



Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. For 2014/15, 2015/16, 2016/17 and 2017/18 in the financial strategy included in the 2018-28 long-term plan contains the quantified limits on borrowing. For 2018/19 it is the financial strategy included in the 2018-2028 long-term plan. Interest is defined in the current liability management policy slightly differently but for comparative purposes, the same definition has been used for 2018/19.

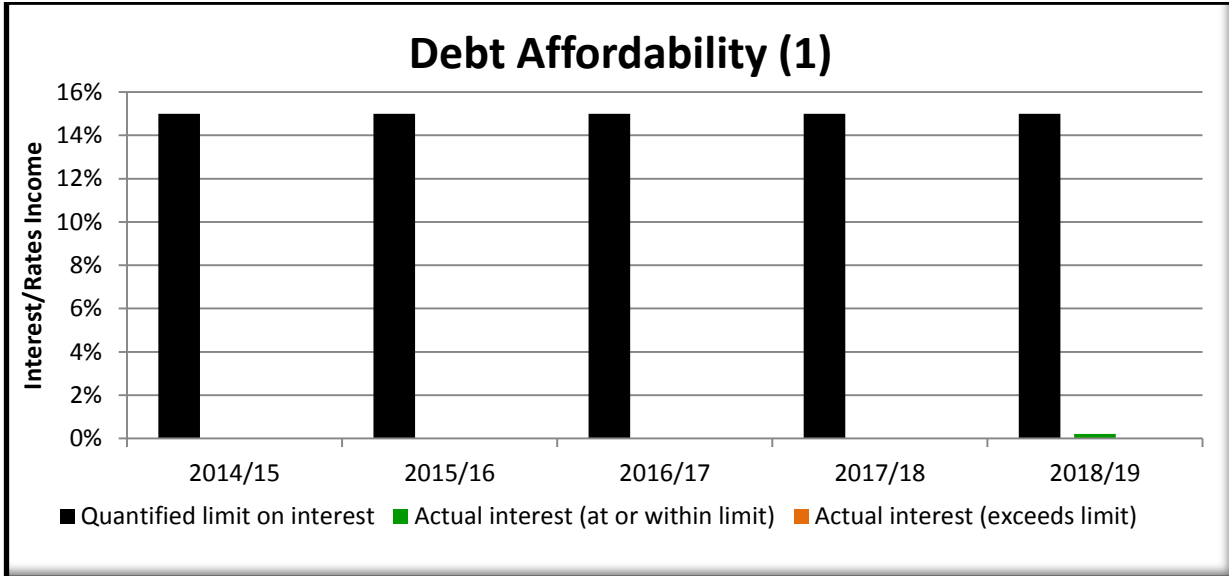
The limits are as follows:

interest expense on net external debt will not exceed 15% of total rates income; Debt Affordability (1)

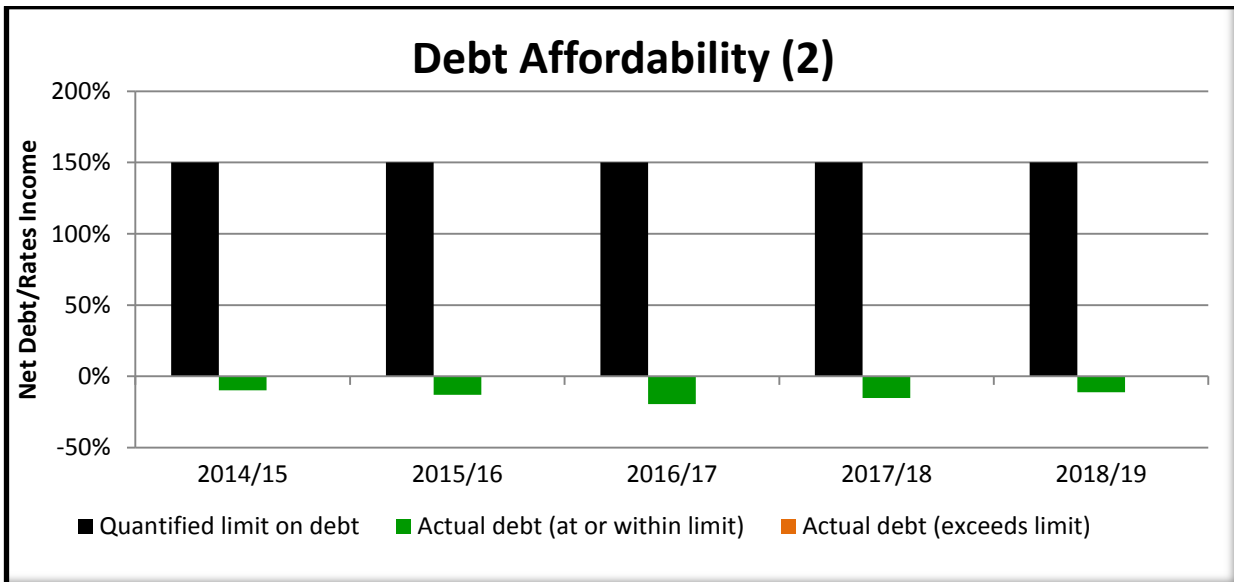
the ratio of net external debt to annual rates income will not exceed 150%; Debt Affordability (2) and, net external debt per capita will not exceed \$2,500 for the last ensuing five years. Debt Affordability (3) -31,074

(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.)

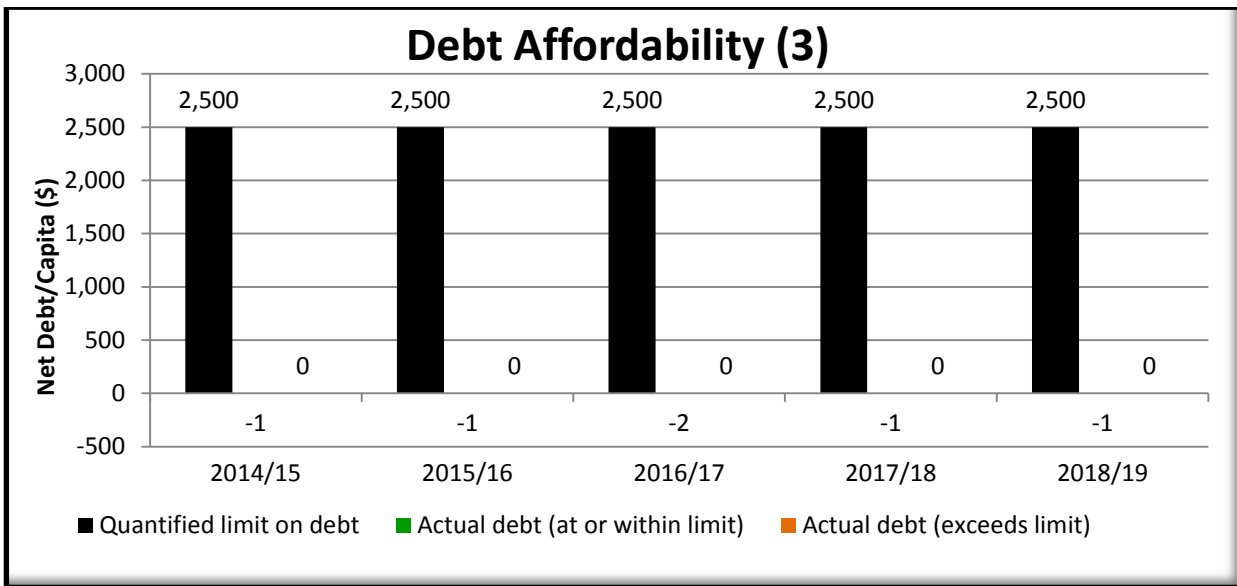
The following graph compares the Council's actual interest expense as a proportion of total rates income.



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 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.)

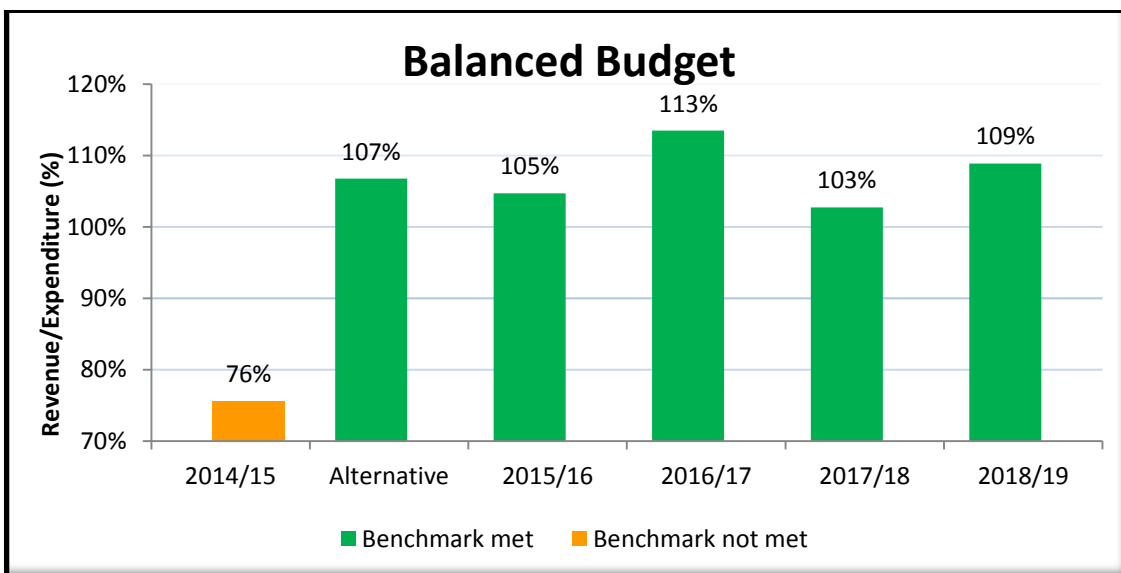


Balanced budget benchmark

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.

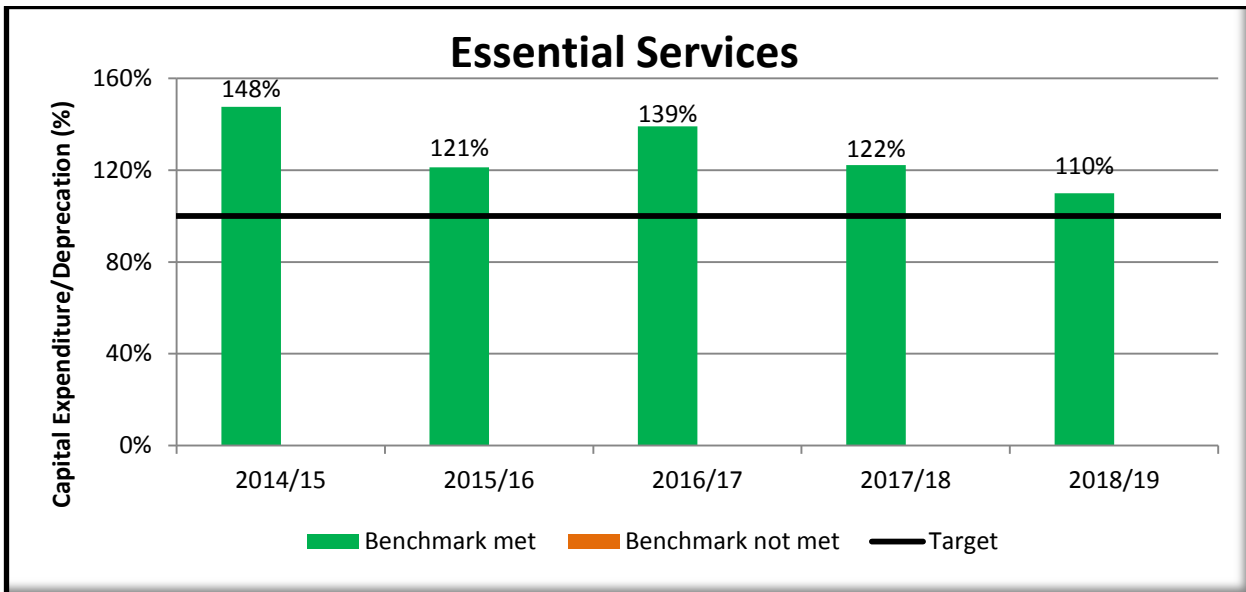
Note: The Council derecognised roading infrastructure amounting to \$11.981m in the year ended 30 June 2015 for extensive flood damage that occurred in June 2015. The alternative bar to the graph for that year indicates the position had this write-down not taken place, and more realistically indicates 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.)

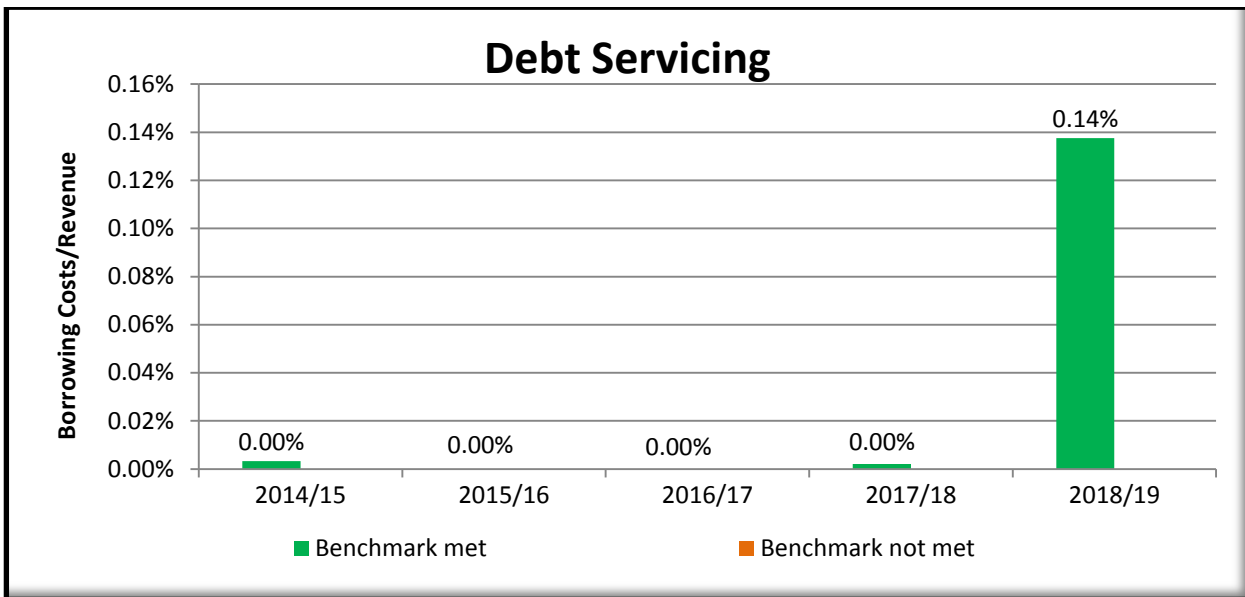
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Network services is defined in the regulations as infrastructure related to water supply, sewerage and the treatment and disposal of sewage, storm water drainage, 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.

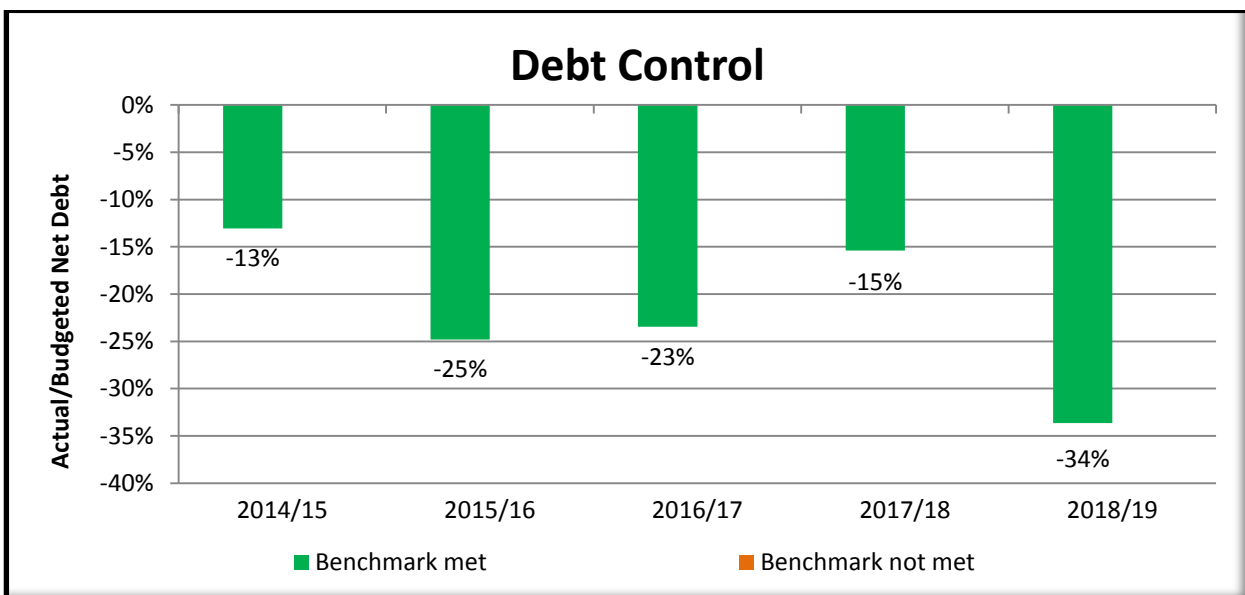


Debt control benchmark

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 net debt. This benchmark has used the 2012/22 long-term plan for the first three years. The 2017/18 year has been taken from the 2015/25 long-term plan and the final year 2018/19 has been taken from the 2018/28 long-term plan.

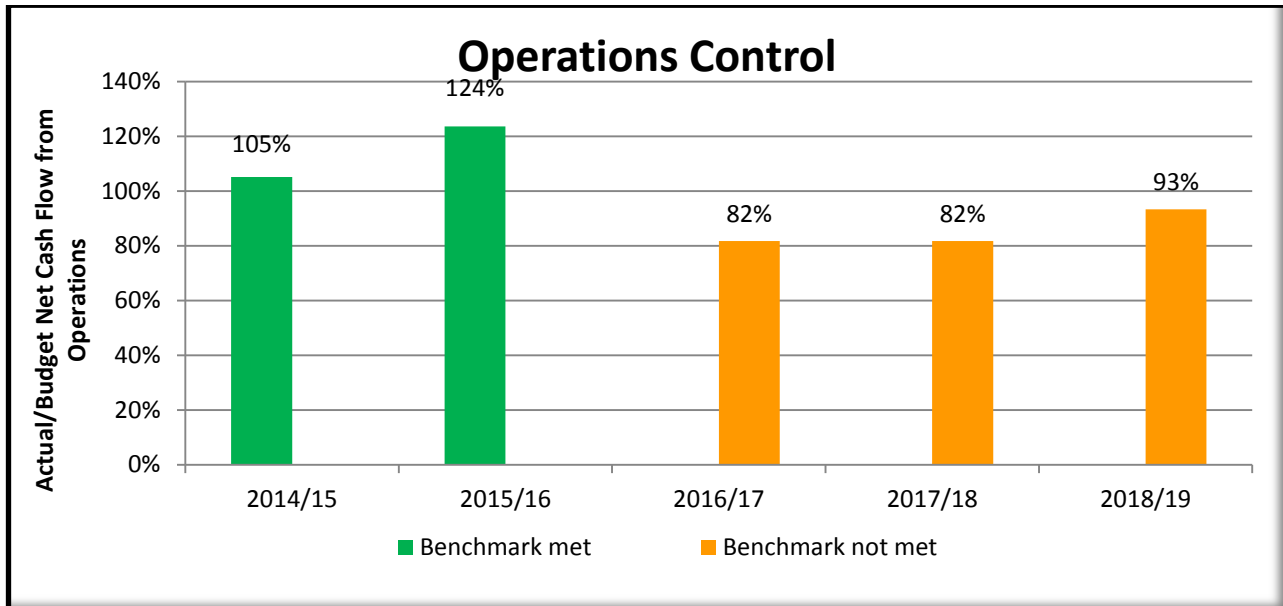
(The graph shows negative values when financial liabilities are less than financial assets, excluding trade and other receivables.)



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
DISTRICT COUNCIL

Rangitikei District Council

Section 4: Other Information

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Email

info@rangitikei.govt.nz

Website

www.rangitikei.govt.nz

Mayor and Councillors

Contact details for the Mayor and Councillors are located on page 10.

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

Contact details are provided on page 11.

Methodology used in determining water loss from the Council’s networked reticulation system

This is an extract from guidelines issued by the Department of Internal Affairs in July 2014. It relates to the performance measure on page 44.

In 2010 Water New Zealand assembled the water loss guidelines (WLG) for water loss management based on International Water Association (IWA) methodology:

https://12240-console.memberconnex.com/Folder?Action=View%20File&Folder_id=101&File=100503_waterloss_guidelines.pdf

What Is Water Loss

In any water supply system the infrastructure will deteriorate with age whatever its nature. Water losses will increase over time if nothing is done, due to increased leakage from pipes, meter under-registration or failure, and data handling errors (customer and network systems). Network efficiency is a combination of the natural deterioration of the infrastructure and monitoring equipment and the processes that have been put into place by the water suppliers to mitigate against this. This is illustrated in the ‘standard’ annual water balance shown in Figure 1 below.

Figure 1: Annual Water Balance used in BenchlossNZ and CheckCalcsNZ

Own Sources	System Input	Water Exported			Billed Water Exported to other Systems	Revenue Water
		Water Supplied	Authorised Consumption	Billed Authorised Consumption	Billed Metered Consumption by Registered Customers	
	Billed Unmetered Consumption by Registered Customers					
Water Losses	Unbilled Authorised Consumption		Metered	Non-Revenue Water		
	Apparent Losses		Unmetered			
	Real Losses	Unauthorised Consumption Customer Metering Under-registration Leakage on Mains Leakage and Overflows at Service Reservoirs Leakage on Service Connections up to the street/property boundary				

The standard IWA terminology for assessing water losses can be abbreviated as follows:

System Input Value is the annual volume input to the water supply/system;

Authorised Consumption is the annual volume of metered and/or non-metered water taken by registered customers, the water supplier and others that are implicitly or explicitly authorised to do so;

Non-Revenue Water (NRW) is the difference between System Input Volume and Billed Authorised Consumption;

Water Losses is the difference between System Input Volume and Authorised Consumption and consists of Apparent Losses and Real Losses;

Apparent Losses consist of Unauthorised Consumption and all types of meter inaccuracies;

Real Losses are the annual volumes lost through all types of leaks, bursts and overflows on mains, service reservoirs and service connections, up to the point of the customer meter.

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; and
- **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	7,971 ²⁵
Non-rateable Properties	585
Gross Capital Value	\$4,490,565,100
Net Capital Value	\$4,309,560,200
Gross Land Value	\$2,852,716,550
Net Land Value	\$2,778,916,350
Date of Last Revision of Values	July 2017
Length of Roads	1,229 km
• Sealed	802 km
• Unsealed	427 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

²⁵ There were 7,934 rateable properties in the District in 2017/18, 8,043 in 2016/17, 8,042 in 2015/16, and 8,474 in 2014/15. The reduction in 2015/16 was 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.



Image: Opening of Toilets – Mangaweka December 2018



Image: Installation of Toilets - Hunterville – December 2018



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Section 5: Index

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