



Rangitikei District Council

Annual Plan 2017-2018

(Year 3 of the Long Term Plan 2015-2025)

NOTE:

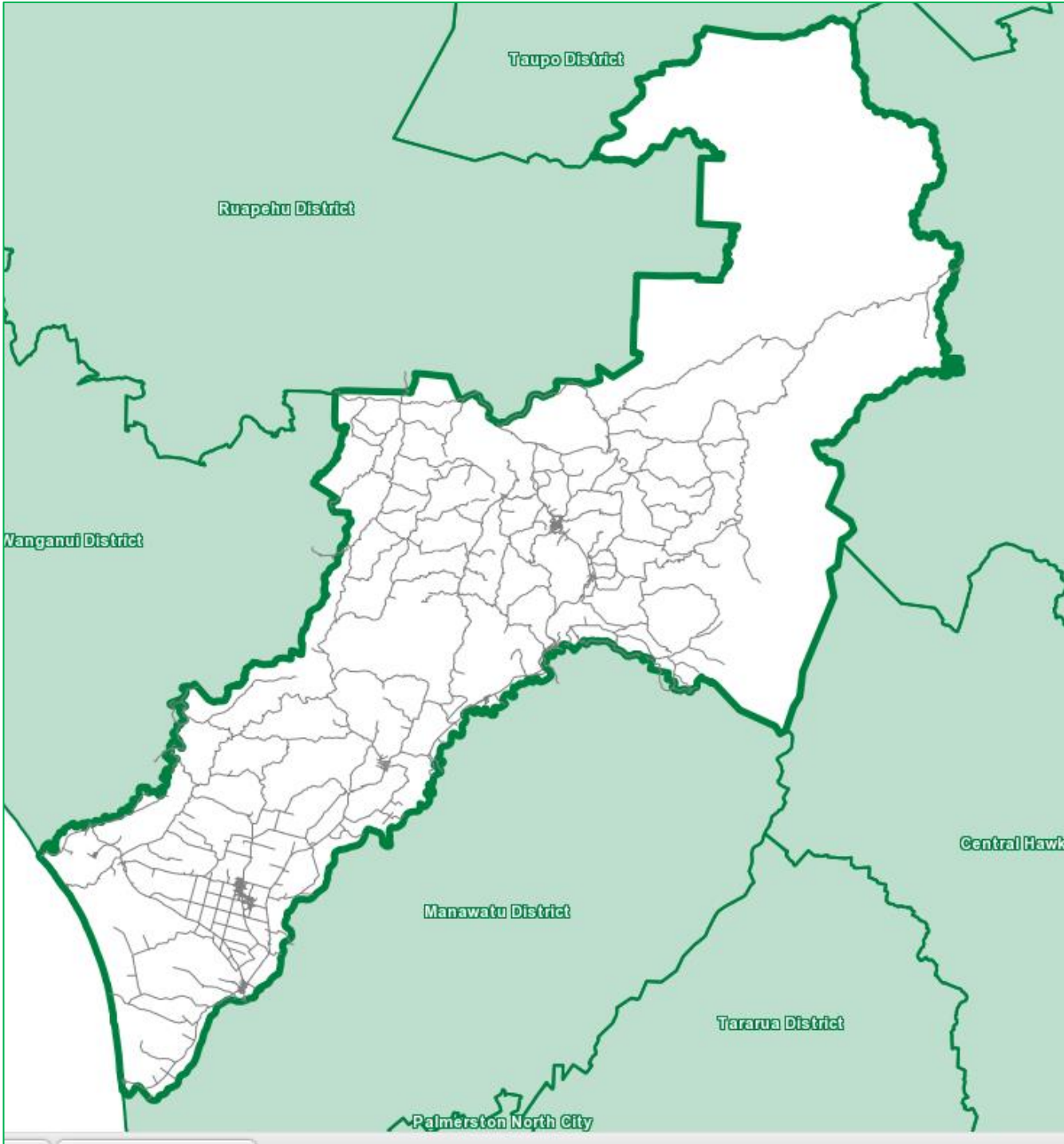
*THIS **DRAFT** IS SUPPORTING INFORMATION TO THE CONSULTATION DOCUMENT 'WHAT'S CHANGED, WHAT'S THE PLAN FOR 2017/18...?' ADOPTED BY COUNCIL ON 23 FEBRUARY 2017.*

27 February 2017

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Rangitikei



Mayor's Message

to be inserted following Council's deliberations on submissions to the Consultation Document

(See 'Why we are doing this plan' in the Consolation Document)



Andy Watson
Mayor of the Rangitikei District

Your Elected Members



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Your Representatives

Community Board Members

Taihape

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	<i>(Whangaehu)</i>
Mr Carol Raukawa-Manuel	06 327 6087	<i>(Nga Ariki Turakina)</i>
Ms Tracey Hiroa	06 388 1156	<i>(Ngati Whitikaupeka)</i>
Ms Hari Benevides	06 388 1908	<i>(Ngati Tamakopiri)</i>
Mr Thomas Curtis.....	021 307 610	<i>(Ngati Hauiti)</i>
Mr Robert Gray	06 388 7816	<i>(Ngati Rangituhia)</i>
Ms Katarina Hina.....	027 403 0609	<i>Nga Wairiki Ki Uta</i>
Ms Gaylene Nepia	027 555 4991	<i>(Ratana Community)</i>
Ms Kim Savage	06 323 1164	<i>(Ngati Parewahawaha)</i>
Mr Chris Shenton	06 348 0558	<i>(Ngati Kauae/Tauira)</i>
Mr Terry Steedman	021 161 2350	<i>(Ngati Hinemanu/Ngati Paki)</i>
Ms Naumai Wipaki.....	06 388 1335	<i>(Ngai te Ohuake)</i>
Cr Cath Ash.....	06 327 5237	<i>(Council representative)</i>

Community Committee Chairs*

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

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

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

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

The Annual Plan Process

What is an Annual Plan?

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

- contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and
- identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and
- provide integrated decision making and co-ordination of the resources of the local authority; and
- contribute to the accountability of the local authority to the community

Setting the Rates

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

The Revenue and Financing Policy in pp. 266-279 of the 2015-25 Long Term Plan. A copy is available on our website www.rangitikei.govt.nz, or obtained by phoning 0800 422 522.

Public Submissions

The Consultation Document for the Draft Annual Plan will be open for submission between 28 February 2017 and 31 March 2017 (noon). Hearings are scheduled for 20 April 2017 with deliberations on all submissions on 27 April 2016. Council anticipates adopting the final plan on 25 May 2017.

Results of deliberations on submissions to the Consultation Document for the 2017/18 Annual Plan: *“What’s changed, what’s the plan....?”*

- ✓ Altered timing and funding model for the Bulls multi-purpose community centre
- ✓ Proposed sale of surplus properties in Bulls
- ✓ Bringing forward design work for the new Marton civic centre
- ✓ Developing Taihape Memorial Park
- ✓ Upgrade of Taihape Pool
- ✓ Toilets in key river bank and other popular amenity places

This section will be completed after Council’s deliberations scheduled for 27 April 2017.

Changes from the projections for 2017/18 in the Long Term Plan noted in the Consultation Document

- Whangaehu flood resilience project
- Earthquake-prone building investigation
- Marton heritage precinct –promotion, advocacy, funding case
- Mangaweka bridge – strengthen/replace
- District promotion – taking up the legacy of Rangitikei Tourism
- Getting greater value from recreational facilities
- Options for community groups using former Taihape College
- Purchasing land at 7 King Street, Marton
- Postponement of major wastewater, water and stormwater upgrades into 2017/18
- Altered arrangements for delivering infrastructure services
- Funding for youth services
- Rangatira cemetery at Hunterville
- Fire and Emergency New Zealand (FENZ)



Proposed Multi-purpose Community Centre, Criterion Street, Bulls

Variations from the Long Term Plan

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

The variations from the Long Term Plan are:

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

Whole of Council

The funding impact statement for the whole of Council is the total of all the individual activity funding impact statements plus some treasury functions not included in activities. Consequently, the variances evident in this section reflect the variances in the individual statements which have been explained under each activity.

Prospective Comprehensive Income Statement

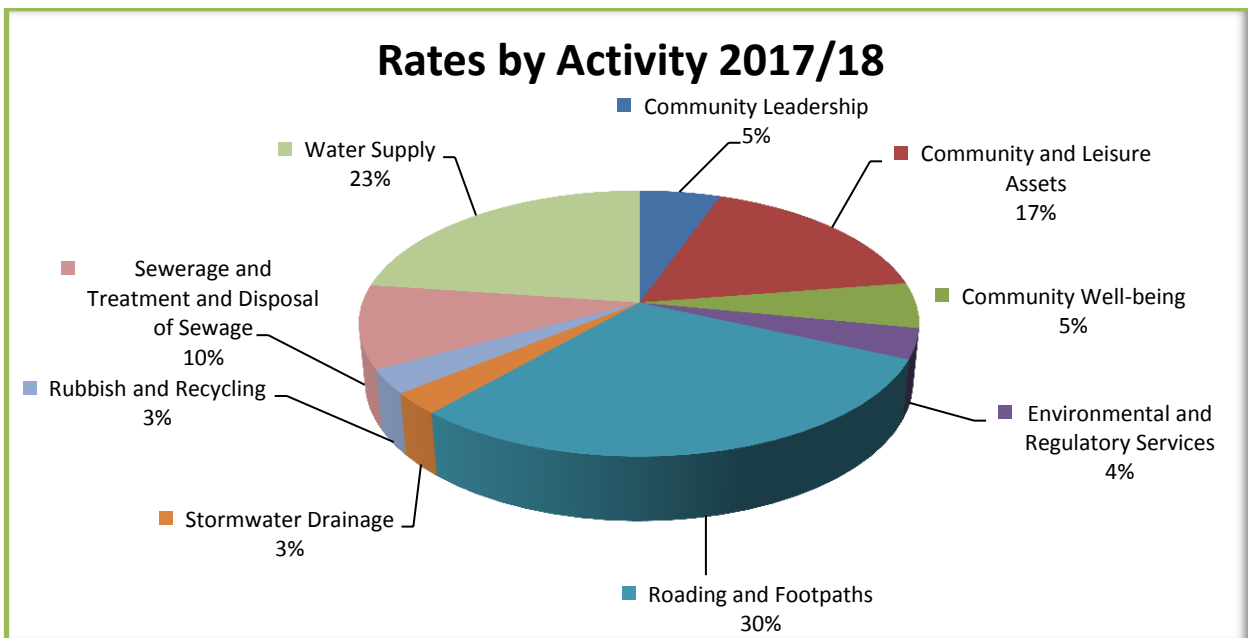
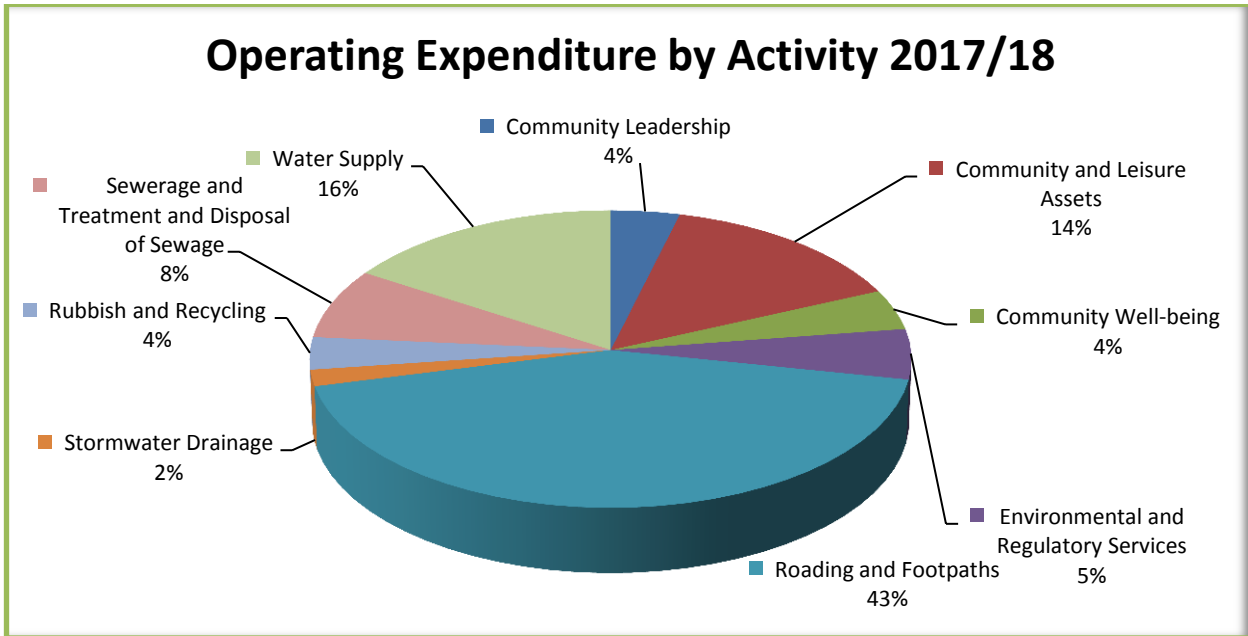
Again, the variances in this statement are reflected in the Funding Impact Statements. One item that is not detailed separately in the individual funding impact statements is that of Personnel costs (i.e. staff salaries and wages). This category of expense has been revised on the basis of actual payments for 2015/16 adjusted by expected rates of inflation.

Specific Groups of Activities

A note on variations is appended to each group of activities. The most significant variation is the carry-forward from 2016/17 to 2017/18 of several water and wastewater upgrades and renewals totalling \$7.4 million.

Overview – Council Expenditure and Application of Rates

These charts show the percentage of funding for each group of activities provided by Council. The first chart shows the percentages of Council’s projected total operating expenditure in 2017/18. The second chart shows the percentages of expenditure funded by rates. These highlight the contribution from other sources of revenue – fees and charges and government subsidies, so operating expenditure is significantly larger than the total rates received.





Rangitikei District Council

Groups of Activities

Annual Plan 2017-2018

Groups of Activities

Council's Role

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

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

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

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

The role of a local authority is to:

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

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

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

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

- Community Leadership;
- Roding and Footpaths;
- Water Supply;
- Sewerage and the Treatment and Disposal of Sewage¹;
- Stormwater Drainage;
- Community and Leisure; Assets;
- Rubbish and Recycling;
- Environmental and Regulatory;
- Community Well-being.

The funding impact statements for each group of activities in this section specifically exclude depreciation because the form of these statements is prescribed by the Local Government (Financial Prudence and Reporting) Regulations 2014. However, depreciation (or the writing off of an asset over time) is included in the statement of revenue and expense (in the Prospective Financial Statements) because that is part of the Generally Accepted Accounting Practice standards which are required by the Local Government Act 2002. Not all depreciation is funded through rates – swimming pools, rural

¹ This is the term prescribed in legislation for 'Wastewater'.

water supplies and community housing are not funded at all; there is part funding for halls and libraries; and for roading only the non-subsidised portion of depreciation is funded.



Enjoying time on the river

Community Leadership

Scope and Objectives

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

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

More detail is provided in pp. 132-142 of the 2015-25 Long Term Plan.

What we plan to do this year

- 1 Co-ordinate the preparation of the 2018-28 Long Term Plan, which includes –
 - developing the document so that it is a coherent story,
 - undertaking research required to describe the strategic environment,
 - reviewing the statutory policies associated with the Long-Term Plan,
 - reviewing the performance framework ('Statement of Service Provision')
 - undertaking pre-consultation on identified key issues,
 - preparing the Consultation Document, and
 - co-ordinating the formal consultation, managing deliberations and redrafting the text to reflect Council's decisions;
- 2 Commence Representation Review process²;
- 3 Prepare the non-financial information for the 2016/17 Annual Report and coordinate the development of the document and the Summary Annual Report;
- 4 Review key outcomes of the Māori Community Development Programme for input into the 2018-28 Long Term Plan;
- 5 Co-ordinate actioning recommendations following the section 17A reviews³;
- 6 Deliver programme of policy and bylaw reviews;
- 7 Co-ordinate preparation of submissions to government proposals and plans.

Intended Levels of Service

Intended Levels of Service 2015-2025	Performance measure	Target for 2017/18
Make decisions that are robust, fair, timely, legally compliant and address critical	Completion of annual plan actions on time.	88% of Annual Plan actions substantially undertaken or completed. All groups of activities

² This must be done every six years. The last review was in 2012.

³ These are the reviews of service delivery required under section 17A Local Government Act 2002. The first round of reviews must be completed by 6 August 2017.

Intended Levels of Service 2015-2025	Performance measure	Target for 2017/18
issues, and that are communicated to the community and followed through.		achieved at least 77% of identified actions.
	Completion of capital programme.	85% of planned capital programme expended, all network utilities groups of activities to achieve at least 65% of planned capital expenditure.

Variations from the Long Term Plan

The Council has appropriated \$150,000 from past surpluses to reduce the level of rates required for activities funded by the Uniform Annual General Charge. This reduction in rates is offset by a corresponding decrease in reserves.

Community Leadership – Prospective Funding Impact Statement

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,170	1,124	967
Targeted rates	61	64	61
Subsidies and grants for operating purposes			
Fees and charges	34	0	0
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding (A)	1,265	1,188	1,028
Applications of operating funding			
Payment to staff and suppliers	1,135	1,034	1,069
Finance costs			
Internal charges and overheads applied	184	201	156
Other operating funding applications			
Total applications of operating funding (B)	1,319	1,235	1,225
Surplus (deficit) of operating funding (A - B)	(54)	(47)	(197)
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt			
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	0	0	0
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service			
- to replace existing assets			
Increase (decrease) in reserves	(54)	(47)	(197)
Increase (decrease) in investments			
Total applications of capital funding (D)	(54)	(47)	(197)
Surplus (deficit) of capital funding (C - D)	54	47	197
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	2	2	2

Roading and Footpaths

Scope and Objectives

This group of activities covers the roading network (including bridges), footpaths and street lighting. A safe and orderly transportation network throughout the District is critical for the movement of people and goods as there is very limited public transport.

More detail is provided in pp. 143-152 of the 2015-25 Long Term Plan.

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

Roads	Urban (km)	Rural (km)	Total (km)
Sealed	84	712	796
Unsealed	3	426	429
Total Maintained	87	1,138	1,225

In order to maintain a high level of central Government subsidy (63% from 2016/17), Council must meet the national standards and guidelines set by the New Zealand Transport Agency. Council also has a responsibility under the Local Government Act 2002 to maintain the roading network to a safe standard.

What we plan to do this year

(in addition to contributing to the development of the 2018-28 Long Term Plan)

The proposed capital and renewal programme for roads involves:

- 1 Rehabilitation of 5.07 km of existing sealed roads⁴: Mangatipona Road (1,300m), Okirae Road (755m), Parewanui Road (1,960m), Parewanui Road (200m), Parewanui/Ferry Roads intersection (75m), Taihape-Napier Road (2) (220m) and Jeffersons Line (560m).
- 2 Sealed road resurfacing of 60.9 km (over 200 metres)⁵: Beaven Street, Broadway (Marton), Bruce Road, Bruce Street (Huntermville), Calico Line, Carlson Road, Duncan Road, Ferry Road, Follett Street, Franklin Road, Gowers Road, Griffins Road, High Street (Bulls), High Street (Marton), Jeffersons Line, Kawhatau Valley Road, Knottingly Road, Koeke Road, Koukoupou Road, Lower High Street (Marton), Main Street (Marton), Makuhou Road, Mangaone Road, Okirae Road, Onepuhi Road, Orchard Road, Otara Road, Owhakura Road, Papakai Road, Parewanui Road, Potaka Road (Huntermville), Potaka Street (Marton), Pukenua Road, Pungatawa Road, Ruahine Road, Ruanui Road, Ruatangata Road, Rupe Street East (Utiku), Rupe Street West (Utiku), Santoft Road, Soldiers Road (Rifle Range), Station Road (Marton), Swan Street, Taihape Napier Road 1, Te Moehau Road, Torea Street (Utiku), Turakina Valley Road 1, Turakina Valley Road 2, Turakina Valley Road 3, Utiku South Road.
- 3 New footpaths: Dalziel Street (Bulls), Wilson Place (Marton), and Robin Street (Taihape).

⁴ Subject to Project Feasibility Reports to determine validity for progressing to the design and construction phase.

⁵ This list is indicative and subject to alteration when and where reprioritised sites and conflicts with external activities are identified.

- 4 Footpath renewals: Kuku Street (Taihape), Mataroa Road/SH1 (Taihape), Toroa Street (Taihape), Kiwi Road (Taihape), Hendersons Line (Marton) and Broadway (Marton) north of Follett Street.
- 5 Streetlight renewals: LED replacements – 50 fittings in the area bounded by Kensington and Hawkstone Roads (but excluding Wellington Road).
- 6 Minor improvements –
 - Parewanui Road – seal widening – location subject to Safety Study
 - Turakina Valley Road 3 (Otari) RP 2075 – guardrail to bridge approaches
 - Turakina Valley Road 3 (Otiwhiti) RP 3040 – replace wire rope barrier with guardrail
 - Pungatawa Road RP 6700 – widen blind corner with large drop-off
 - *Area-Wide-Treatments – improvements in conjunction with pavement rehabilitation.
- 7 Mangaweka Bridge – replacement⁶
- 8 Turakina Valley Road – upgrade and sealing of 3.4 km section between SH3 and Mangatipona – design prior to sealing.⁷

Intended Levels of Service

Intended Levels of Service 2015-25	Performance measure	Target for 2016/17
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.	<i>*Road condition</i> The average quality of ride on a sealed local road network, measured by smooth travel exposure	96.5%.
	<i>*Road maintenance</i> The percentage of the sealed road network that is resurfaced	8%
	The percentage if the unsealed road network which is remetalled during the year	At least 75%
	<i>*Footpaths</i> 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	At least 80% of footpath lengths in CBD areas in Bulls, Marton, Hunterville and Taihape are at grade 3 or higher At least 70% of sampled footpaths lengths outside CBD areas are at grade 3 or higher

⁶ Costs for 2017/18 will be in preparing the business case analysis for the New Zealand Transport Agency and (if approved and funding confirmed) preliminary design. Construction of the bridge will occur in 2018/19.

⁷ The initial budget provision of \$67,000 will be carried forward to 2017/18, but will require supplementing because Council must cover the full cost of sealing when that is done.

Intended Levels of Service 2015-25	Performance measure	Target for 2016/17
	<p>management plan, asset management plan, annual works programme or long term plan)</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.</p> <p>The sample of non-CBD footpaths will include ten lengths in each of Bulls, Marton and Taihape, and four lengths in Mangaweka, Hunterville and Ratana.</p> <p>The assessments will normally be conducted in November and May.</p>
	<p><i>*Road safety</i></p> <p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number</p>	<p>No change or a reduction from the previous year.</p>
<p>Be responsive to community expectations over the roading network and requests for service</p>	<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>*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>	<ul style="list-style-type: none"> • 95% callouts during working hours responded to within 6 hours and 95% callouts during after-hours within 12 hours. • 85% of all callouts resolved (i.e. completed) within one month of the request.⁸ <p>Specific reference to callouts relating to potholes</p>

⁸ There is a wide range of requests meaning times to completely resolve them will range from hours to several weeks or months, depending on urgency and work programming. While 96% was the result for 2013/14, it was 85% in 2012/13; this was also the result for the first nine months of 2014/15.

Variations from the Long Term Plan

The projected targeted rates for roading are \$682,000 higher than forecast in the Long Term Plan. This includes \$400,000 to assist with the costs of replacing the century-old Mangaweka bridge over the Rangitikei River, and is reflected in the movement in reserves.

Roading and Footpaths – Prospective Funding Impact Statement

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties			
Targeted rates	6,148	6,075	6,757
Subsidies and grants for operating purposes	3,691	3,229	3,337
Fees and charges	29	30	30
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts	115	115	115
Total operating funding (A)	9,983	9,449	10,238
Applications of operating funding			
Payment to staff and suppliers	6,659	5,921	6,158
Finance costs	116	118	118
Internal charges and overheads applied	546	536	475
Other operating funding applications			
Total applications of operating funding (B)	7,321	6,575	6,751
Surplus (deficit) of operating funding (A - B)	2,662	2,874	3,487
Sources of capital funding			
Subsidies and grants for capital expenditure	8,879	3,295	3,528
Development and financial contributions			
Increase (decrease) in debt	(165)	(165)	(165)
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	8,714	3,130	3,363
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	892	594	964
- to replace existing assets	10,837	4,857	4,857
Increase (decrease) in reserves	(353)	553	1,030
Increase (decrease) in investments			
Total applications of capital funding (D)	11,376	6,004	6,851
Surplus (deficit) of capital funding (C - D)	(2,662)	(2,874)	(3,487)
Funding balance ((A - B) + (C - D))	0	0	(0)
Note: Depreciation expense not included above	6,588	6,838	6,682

Roading and Footpaths – Prospective Capital Works

For the year ending 30 June 2018

Category	Designated projects for 2017/18	2016/17	2017/18	2017/18
		Annual Plan	Long-term Plan	Annual Plan
		(\$000)	(\$000)	(\$000)
RENEWALS				
Unsealed road metalling	Programmed renewals	460	460	460
Pavement rehabilitation	Programmed renewals	1,627	1,689	1,689
Drainage	Programmed renewals	337	352	352
Structure components	Programmed renewals	209	189	189
Traffic services	Programmed renewals	225	225	225
Sealed road surfacing	Programmed renewals	1,830	1,789	1,789
Footpaths	Programmed renewals	149	153	152
Flood damage	Repair June 2015 flood damage	6,000	0	0
Total renewals		10,837	4,857	4,857
CAPITAL				
Roading	Minor safety projects	825	526	526
	Mangaweka Bridge Replacement	0	0	370
Footpaths	New footpath construction	67	68	68
Total Capital		892	594	964

Water Supply

Scope and Objectives

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

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

More detail is provided on pp. 153-160 of the 2015-25 Long Term Plan.

What we plan to do this year

(in addition to contributing to the development of the 2018-28 Long Term Plan)

- 1 Maintaining ongoing compliance with the Drinking Water Standards and resource consents
- 2 Taihape reticulation – falling main (stage 3) \$1,119,987⁹
 - Mataroa Road – water main renewal (\$470,786)
 - Kakako Road – water main renewal (\$136,731)
 - Takahe Street – water main renewal (\$45,373)
 - Mataroa Road – trunk main and rider main renewal (\$42,853)
 - Wren Street – water main renewal (\$33,357)
 - Lark Street/Swan Street water main renewal (\$29,526)
 - Kawau Road water main renewal (\$15,959)
- 3 Taihape: water treatment plant seismic strengthening and roof replacement on reservoir (\$604,000)¹⁰
- 4 Mangaweka: physical works for seismic strengthening of the treatment plant (\$558,037¹¹).
- 5 Hunterville – Milne Street water main renewal (\$115,000)
- 6 Hunterville urban water (alternative supply) – test bore and additional storage.
- 7 Hunterville rural water supply – minor works at current intake \$60,000¹²
- 8 Marton: seismic strengthening of clarifier (\$225,000), poly machine renewals and rotork valves etc. (\$70,000).
- 9 Bulls: reticulation renewals (\$538,000).
- 10 Bulls: physical works to replace one of the two Trickers Hill reservoirs and seismic strengthening work (\$933,000).¹³

⁹ Design is being done in 2016/17 and then work on those pipelined in the worst condition. Includes proposed carry-forward of \$600,000 from 2016/17.

¹⁰ Includes proposed carry-forward of \$204,000 from 2016/17.

¹¹ Full sum is proposed to be carried forward from 2016/16=7.

¹² New intake deferred pending outcome of Tutaenui pre-feasibility study.

¹³ Design, foundation work and access (including legalisation) is being done in 2016/17. Includes proposed carry-forward of \$900,000 from 2016/17.

Intended Levels of Service

Intended Levels of Service 2015-25	Performance measure	Target for 2017/18
Provide a safe and compliant supply of drinking water	<p><i>*Safety of drinking water</i></p> <p>The extent to which the Council's drinking water supply complies with</p> <p>(a) part 4 of the drinking water standards (bacteria compliance criteria)¹⁴</p> <p>(b) part 5 of the drinking water standards (protozoa compliance criteria)¹⁵</p>	<p>No incidents of non-compliance</p> <p>No incidents of non-compliance</p>
	Compliance with resource consents	No incidents of non-compliance with resource consents
Provide reliable and efficient urban water supplies	Number of unplanned water supply disruptions affecting multiple properties	Fewer unplanned water supply disruptions affecting multiple properties than in the previous year ¹⁶ .
	<p><i>*Maintenance of the reticulation network</i></p> <p>The percentage of real water loss from the Council's networked reticulation system¹⁷</p>	Less than 40%
	<p><i>*Demand management</i></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, <u>irrespective of whether it is used for residential, agricultural, commercial or industrial purposes.</u></p>	600 litres per person per day.

¹⁴ Currently measured by weekly sampling and testing through Environmental Laboratory Services in Gracefield.

¹⁵ Measured through Water Outlook.

¹⁶ There were no unplanned disruptions in 2015/16.

¹⁷ A description of the methodology used to calculate this must be included as part of the report.

Intended Levels of Service 2015-25	Performance measure	Target for 2017/18
Be responsive to reported faults and complaints	<p><i>*Fault response time</i></p> <p>Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following <i>median times</i> are measured</p> <ul style="list-style-type: none"> (a) attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and (b) resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption (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 (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>Less than previous year.</p> <p>In 2015/16 the following median times were reported:</p> <ul style="list-style-type: none"> (a) 21 minutes (b) 1 hour 5 minutes (c) 2 hours 11 minutes (d) 16 hours 28 minutes.
	<p><i>*Customer satisfaction</i></p> <p>The total number of complaints (expressed per 1000 connections to the reticulated networks) received by the Council about</p> <ul style="list-style-type: none"> (a) drinking water clarity (b) drinking water taste (c) drinking water pressure or flow (d) continuity of supply, and <p>The Council's response to any of these issues</p>	<p>Total number of complaints is less than 45/1000.</p>
Maintain compliant, reliable and efficient rural water supplies	Compliance with resource consents	No incidents of non-compliance with resource consents
	<p><i>Maintenance of the reticulation network</i></p> <p>The percentage of real water loss from the Council's networked reticulation system¹⁸</p>	<p>Less than 40%</p> <p><i>To date, however, it has proved impractical to determine this measure because of the use of unmetered flow restrictors and the fact that these are trickle-feed supplies which fill tanks.</i></p>

¹⁸ A description of the methodology used to calculate this must be included as part of the report.

Intended Levels of Service 2015-25	Performance measure	Target for 2017/18
	<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 median times are measured</p> <p>(a) attendance for urgent call-outs: from the time that the Council receives notification to the time that service personnel reach the site, and</p> <p>(b) resolution of urgent call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption</p>	<p>Less than the previous year</p> <p>In 2015/16 the following median times were reported (for Hunterville only¹⁹):</p> <p>(a) 32 minutes (b) 2 hours 49 minutes</p>
Ensure fire-fighting capacity in urban areas	Random flow checks at the different supplies	100% of checked fire hydrants are in compliance.

Variations from the Long Term Plan

Capital expenditure is up by \$1.4 million because of upgrades at Bulls and Taihape, with a commensurate increase in debt. The Long-Term Plan projected a substantial upgrade in the Hunterville rural scheme but this has been deferred pending the outcome of the pre-feasibility study on a Tutaenui rural water scheme (which could potentially service parts of the Hunterville scheme. In addition, the impact of a separate supply for Hunterville town (currently treating the rural supply) has yet to be determined.

Finance costs are lower in 2017/18 than projected as less capital and renewal work was done in 2015/16 than projected (meaning less borrowing was needed).

Targeted rates (which include extraordinary water) are \$293,000 less than projected because of delay in the capital and renewals programmes.

¹⁹ Erewton and Omatane rural schemes use private contractors.

Water Supply – Prospective Funding Impact Statement

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	107	110	103
Targeted rates	4,637	5,115	4,822
Subsidies and grants for operating purposes			
Fees and charges			
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding (A)	4,744	5,225	4,925
Applications of operating funding			
Payment to staff and suppliers	2,059	2,014	2,226
Finance costs	600	1,044	768
Internal charges and overheads applied	776	716	649
Other operating funding applications			
Total applications of operating funding (B)	3,435	3,774	3,644
Surplus (deficit) of operating funding (A - B)	1,309	1,451	1,281
Sources of capital funding			
Subsidies and grants for capital expenditure	188	0	0
Development and financial contributions			
Increase (decrease) in debt	4,996	1,893	3,661
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	5,184	1,893	3,661
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	767	0	75
- to replace existing assets	5,844	3,483	4,882
Increase (decrease) in reserves	(118)	(139)	(15)
Increase (decrease) in investments			
Total applications of capital funding (D)	6,493	3,344	4,942
Surplus (deficit) of capital funding (C - D)	(1,309)	(1,451)	(1,281)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	1,313	1,457	1,355

Water Supply – Prospective Capital Works

For the year ending 30 June 2018

Category	Designated projects for 2017/18	2016/17	2017/18	2017/18
		Annual Plan	Long-term Plan	Annual Plan
		(\$000)	(\$000)	(\$000)
RENEWALS				
Marton	Treatment and reticulation	903	12	282
Taihape	Treatment and reticulation	2,077	1,578	2,295
Bulls	Treatment and reticulation	1,443	538	1,438
Mangaweka	Treatment and reticulation	934	0	558
Huntermville urban	Treatment and reticulation	108	115	115
Ratana	Treatment and reticulation	12	0	0
Erewhon	Treatment and reticulation	125	133	133
Huntermville rural	Treatment and reticulation	237	1,101	60
Omatane	Treatment and reticulation	5	6	0
Total renewals		5,844	3,483	4,882
CAPITAL				
Marton	Reticulation upgrade	145	0	0
	Treatment upgrade	0	0	0
Taihape	Reticulation upgrade	177	0	0
	Treatment upgrade	70	0	0
Bulls	Backflow protection	0	0	0
	Reticulation upgrade	0	0	0
Mangaweka	Reticulation upgrade	0	0	0
	Treatment upgrade	0	0	0
Huntermville urban	Treatment upgrade	0	0	75
Ratana	Treatment upgrade	375	0	0
Total Capital		767	0	75

Sewerage and the Treatment and Disposal of Sewage

Scope and Objectives

The activity provides for the process of collecting wastewater and treating it to an acceptable standard for discharge into the environment. Wastewater treatment systems are maintained in Taihape, Mangaweka, Hunterville, Marton, Koitiata, Ratana and Bulls. The age of existing infrastructure, and stricter compliance requirements, triggers the need for upgrade work as well as ongoing renewals.

More detail is provided on pp. 161-167 of the 2015-25 Long Term Plan.

What we plan to do this year

(in addition to contributing to the development of the 2018-28 Long Term Plan)

- 1 Bulls: reticulation renewal – Bulls Domain (\$20,000).
- 2 Marton: various reticulation renewals (\$411,000).
- 3 Marton – treatment renewals prior to full assessment and drafting of consent application (\$267,000).
- 4 Hunterville: reticulation renewals, including Milne Street (\$270,000).
- 5 Taihape: improvements to reticulation, including sewer main renewals in Linnet Street (\$1,075,000).
- 6 Continue review of trade waste agreements.²⁰

Carried forward from 2016/17

- 7 Bulls wastewater treatment plant upgrade in terms of the new consent requirements.
- 8 Marton wastewater treatment plant upgrade in terms of the new consent requirements.
- 9 Ratana wastewater treatment plant upgrade in terms of the new consent requirements.

Intended Levels of Service

Intended Levels of Service 2015-25	Performance measure	Target for 2017/18
Provide a reliable reticulated disposal system that does not cause harm or create pollution within existing urban areas.	<i>*Discharge compliance</i> Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions received by the Council in relation to those resource consents	No abatement or infringement notices, no enforcement orders and no convictions
	Routine compliance monitoring of discharge consents	6 out of 7 systems comply

²⁰ This was noted in the LTP specifically for MidWest Disposals.

Intended Levels of Service 2015-25	Performance measure	Target for 2017/18
	Number of overflows from each network (response/ resolution time)	No single network to experience more than 2 overflows during a 12-month period.
	* <i>System and adequacy</i> The number of dry weather sewerage overflows from the Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	Not more than one per 1,000 connections.
Be responsive to reported faults and complaints	* <i>Fault response time</i> Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following <i>median times</i> are measured (a) attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and (b) resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption	Improved timelines compared with the previous year. In 2015/16 the following median times were reported: (a) 18 minutes (b) 2 hours 44 minutes. Dry weather overflows are included.
	* <i>Customer satisfaction</i> The total number of complaints received by the Council about any of the following: (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the Council's response to issues with its sewerage systems ²¹ expressed per 1,000 connections to the Councils sewerage system.	Less than 18/1000

Variations from the Long Term Plan

Capital expenditure is \$3.62 million higher than forecast for 2017/18 in the Long Term Plan, with a commensurate increase in debt. This is because major upgrades for the Marton wastewater, Bulls wastewater and Ratana treatment plants have been carried forward from 2016/17 to 2017/18 as there is no prospect of the resource consent conditions for any of these being finalised sufficiently before 30 June 2017 to allow tenders to be called, a contract signed and work commenced. Negotiations continue with the Government for a financial contribution for the Ratana upgrade, as

²¹ These are matters relating to the Council's wastewater systems recorded in the request for service system *other than* in (a), (b) or (c) such as complaints about wastewater overflows.

expanding the treatment plant is a consequence of the subdivision at Ratana Pa; however, no subsidy is shown in the budget figures as no commitment has yet been obtained.

Finance costs are lower in 2017/18 than projected as less capital and renewal work was done in 2015/16 than projected (meaning less borrowing was needed).

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

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties			
Targeted rates	2,007	2,613	2,151
Subsidies and grants for operating purposes			
Fees and charges	301	259	200
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding (A)	2,308	2,872	2,351
Applications of operating funding			
Payment to staff and suppliers	1,144	1,120	1,191
Finance costs	190	618	204
Internal charges and overheads applied	260	254	226
Other operating funding applications			
Total applications of operating funding (B)	1,594	1,992	1,621
Surplus (deficit) of operating funding (A - B)	714	880	730
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	4,611	2,660	6,428
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	4,611	2,660	6,428
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	4,806	1,229	4,736
- to replace existing assets	1,751	2,308	2,421
Increase (decrease) in reserves	(1,232)	3	1
Increase (decrease) in investments			
Total applications of capital funding (D)	5,325	3,540	7,158
Surplus (deficit) of capital funding (C - D)	(714)	(880)	(730)
Funding balance ((A - B) + (C - D))	0	0	(0)
Note: Depreciation expense not included above	713	877	729

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

For the year ending 30 June 2018

Category	Designated projects for 2017/18	2016/17	2017/18	2017/18
		Annual Plan	Long-term Plan	Annual Plan
		(\$000)	(\$000)	(\$000)
RENEWALS				
Marton	Treatment and reticulation	380	946	679
Taihape	Treatment and reticulation	493	1,076	1,076
Bulls	Treatment and reticulation	137	9	20
Mangaweka	Treatment and reticulation	0	0	0
Huntermville	Treatment and reticulation	163	270	270
Ratana	Treatment and reticulation	526	7	376
Koitiata	Treatment and reticulation	52	0	0
Total renewals		1,751	2,308	2,421
CAPITAL				
Marton	Treatment plant upgrade	2,117	801	2,117
Taihape	Treatment plant upgrade	60	0	0
Bulls	Treatment plant upgrade	1,100	0	1,100
Huntermville	Treatment plant upgrade	0	0	0
Ratana	Treatment plant upgrade	1,419	0	1,409
Koitiata	Reticulation upgrade	110	428	110
Total Capital		4,806	1,229	4,736

Stormwater Drainage

Scope and Objectives

The activity provides a collection and disposal system for surface and, in some instances, sub-surface water linking both private and public reticulation through the urban communities of the Rangitikei comprising Bulls, Marton, Taihape, Hunterville, Mangaweka and Ratana. There are also stormwater assets on a smaller scale in communities such as Utiku, Koitiata, Rakautaua and Scotts Ferry. In addition to the assets owned for the Stormwater activity, the Roading activity owns assets for drainage of roads, Horizons has an extensive network to prevent flooding, and there are also privately owned assets that connect with these other networks.

More detail is provided on pp. 168-174 of the 2015-25 Long Term Plan.

What we plan to do this year

(in addition to contributing to the development of the 2018-28 Long Term Plan)

- 1 Marton: renewal of stormwater reticulation in Milne Street (\$80,000).
- 2 Taihape: renewal of stormwater reticulation in Missel Street (\$99,000)

Carried forward from 2016/17

- 3 Improvements to Marton stormwater reticulation (locations dependent on final modelling from Horizons Regional Council) (\$470,000).

Intended Levels of Service

Intended Levels of Service 2015-25	Performance measure	Target for 2017/18
Provide a reliable collection and disposal system to each property during normal rainfall	<p><i>*System adequacy</i></p> <p>(a) The number of flooding events²² that occurred in the District</p> <p>(b) For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the Council's stormwater system)</p>	<p>Less than 1/1000</p> <p>There are 4,122 properties in the District which pay the stormwater rate.</p>
	<p><i>*Discharge compliance</i></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>received by the Council in relation to those resource consents</p>	<p><i>Not yet applicable – Council currently has no resource consents for stormwater</i></p>

²² 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

Intended Levels of Service 2015-25	Performance measure	Target for 2017/18
Be responsive to reported faults and complaints	<p><i>*Response time</i></p> <p>The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.</p>	1 hour
	<p><i>*Customer satisfaction</i></p> <p>The number of complaints received by the Council about the performance of its stormwater system, expressed per 1,000 properties connected to the Council's stormwater system.</p>	Less than 15/1000

Variations from the Long Term Plan

Renewals work is \$470,000 higher than the Long Term Plan budget projected for 2017/18 due to the carry-forward of major work in Marton until modelling by Horizons is completed. This was to have been paid for from reserves, hence the variation in reserves movement for the same period.

Stormwater Drainage – Prospective Funding Impact Statement

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties			
Targeted rates	637	735	552
Subsidies and grants for operating purposes			
Fees and charges	2	2	2
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding (A)	639	737	555
Applications of operating funding			
Payment to staff and suppliers	264	270	228
Finance costs	(29)	16	(51)
Internal charges and overheads applied	69	74	64
Other operating funding applications			
Total applications of operating funding (B)	304	360	241
Surplus (deficit) of operating funding (A - B)	335	377	313
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	(44)	(44)	(44)
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	(44)	(44)	(44)
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	770	0	470
- to replace existing assets	381	163	179
Increase (decrease) in reserves	(860)	170	(380)
Increase (decrease) in investments			
Total applications of capital funding (D)	291	333	269
Surplus (deficit) of capital funding (C - D)	(335)	(377)	(313)
Funding balance ((A - B) + (C - D))	0	0	(0)
Note: Depreciation expense not included above	286	291	293

Stormwater Drainage – Prospective Capital Works

For the year ending 30 June 2018

Category	Designated projects for 2017/18	2016/17	2017/18	2017/18
		Annual Plan	Long-term Plan	Annual Plan
		(\$000)	(\$000)	(\$000)
RENEWALS				
Marton	Reticulation	359	64	80
Taihape	Reticulation	22	99	99
Total renewals		381	163	179
CAPITAL				
Marton	Culverts, drains and inlet protection	500	0	470
Taihape	Culverts, drains and inlet protection	120	0	0
Bulls	Culverts, drains and inlet protection	67	0	0
Mangaweka	Culverts, drains and inlet protection	16	0	0
Hunternville	Culverts, drains and inlet protection	67	0	0
Total Capital		770	0	470

Community and Leisure Assets

Scope and Objectives

Rangitikei District Council is the main provider of Community and Leisure Assets in the District. However, it is not the only provider. Housing New Zealand provides some subsidised housing. Some local schools provide halls, pools and sports fields which are available for community use, some community and church groups own buildings which are available for hire and there are also other providers of properties to lease.

Some Council owned buildings are leased to other groups. Council remains responsible for these buildings and so they are covered by this group of activities. Some properties contain leases allowing sports clubs and organisations to operate buildings on Council land. These buildings and other lessee improvements are not covered by this Plan.

The Community and Leisure Assets group of activities includes some services as part of the facilities management. Examples of this are libraries, information centres and swimming pools.

The redevelopment of the Shelton Pavilion in Centennial Park, Marton in December 2015 kick-started Council's approach to its portfolio of community and leisure assets: fewer but better. ~~This is in line with the global "smart decline" focus as populations move through the structural ageing phase.~~ The key is to work in close consultation with residents about what community assets will enable them to have a great quality of life. During 2016/17, Council started the processes for the development of a new ablutions block in Memorial Park, Taihape, a new community centre in Bulls and a new administration/library building in Marton. In addition, it has worked to provide better quality community housing for older people in the District.

More detail is provided in pp. 175-190 in the 2015-25 Long Term Plan.

What we plan to do this year²³

(in addition to contributing to the development of the 2018-28 Long Term Plan)

- 1 Commence construction of the exterior of the multi-purpose facility in Bulls;²⁴
- 2 Consult on intended disposal of surplus sites in Bulls to help fund the new multi-purpose facility.²⁵
- 3 Complete design for the new Marton Civic Centre on Broadway/High Street;
- 4 Funnell Reserve development – Gateway to Bulls;
- 5 Commence tree replacement programme in Council's parks
- 6 Achieve wastewater run-off compliance at Dudding Lake;
- 7 Continue the upgrade programme for Council's community housing (unless the ownership and control is transferred to another organisation)
- 8 Complete upgrade to heating and filtration at the Taihape Swim Centre.

²³ This list does not include those new project proposals subject to consultation – i.e. seeking 80% financial contribution from the Regional Mid-sized Tourism Grants Fund for the installation of toilets at four locations of high amenity in the District (such as Papakai Park, in Taihape) and the identification of expanded/upgraded recreational facilities which would be a drawcard for visitors as well as being of value to residents.

²⁴ The projected date for handover is December 2018. Redeveloping the library site (including the preservation of the war memorial at the entrance) is a separate project, potentially for 2018/19 or 2019/20.

²⁵ This excludes the Information Centre, which has already been placed with an agent for sale in early 2017.

- 9 Exercise the right to purchase 7 King Street, Marton (site of waste transfer station and works/parks team depot)
- 10 Complete upgrade of roadway into the Rangatira cemetery at Hunterville.
- 11 Extend roadway at Mt View cemetery, Marton.
- 12 Plan the precise nature of the extension of the Ratana urupa including upgraded road access.
- 13 Investigate longer-term options for the community groups using the former Taihape College buildings.
- 14 Secure a new contract for the cleaning of Council properties.²⁶
- 15 Review options to deliver services for CBD cleaning, sexton duties, and maintenance at Ratana and Koitiata and start tender process for further contracts where required.²⁷

Intended Levels of Service

Intended Levels of Service 2015-25	Performance measure	Target for 2017/18
Provide a “good enough” range of “good enough” community and leisure assets at an appropriate proximity to centres of population	<p>“Report card” produced during April/May each year from a postal survey of residents.²⁸</p> <p>Public libraries; Public swimming pools; Sports fields and parks Public toilets; Community buildings and Community housing.</p>	A greater proportion (than in the previous year) or more than 10% of the sample believes that Council’s service is getting better.
Secure high use of staffed facilities	<p>Number of users of libraries (Automated door-count system)</p> <p>Number of users of pools (Door count systems or till records)</p>	<p>An increase in use compared with the previous year.</p> <p>For 2015/16, defects in the reporting software prevented any measurement. In 2013/14, 126,801 people entered the libraries – 20,373 at Bulls, 49,967 at Marton and 56,461 at Taihape.</p> <p>An increase in use compared with the previous year.</p> <p>In the 2014/15 season, there were 11,323 users at Taihape and 20,123 at Marton (including 5,500 from local schools)</p>

²⁶ Contract 1000 expires on 31 October 2017. It is District-wide.

²⁷ The current contracts: 994-996, 968, 991 and 992 expire in August 2018.

²⁸ 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.

Variations from the Long Term Plan

The increase in capital expenditure by \$5.9 million compared with the forecast for 2017/18 in the Long Term Plan is because of the amended timing to complete the proposed multi-purpose community centre in Bulls (at the former Criterion Hotel site), the accelerated timetable to design the proposed new Marton civic centre (on the site occupied by the Cobbler/Davenport/Abraham & Williams Buildings, High Street/Broadway), the planned purchase of the site occupied by the Marton waste transfer station and depot building (King Street) and deferred expenditure on the upgrade of the Taihape Pool. The increase in debt is less than the projected capital expenditure because some of it is funded from reserves.

Operating expenditure includes the provision for the Nga Tawa Astro turf (\$100,000), approved following consultation on the 2016/17 Annual Plan, but will be used only if the project achieves its external fundraising target.



Cobbler/Davenport/Abraham & Williams buildings

Broadway, Marton

Projected site for Marton civic centre

Community and Leisure Assets – Prospective Funding Impact Statement

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	3,360	3,320	3,532
Targeted rates			
Subsidies and grants for operating purposes	109	34	6
Fees and charges	441	453	473
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding (A)	3,910	3,807	4,012
Applications of operating funding			
Payment to staff and suppliers	2,943	2,738	3,061
Finance costs	22	74	39
Internal charges and overheads applied	442	439	439
Other operating funding applications			
Total applications of operating funding (B)	3,407	3,251	3,540
Surplus (deficit) of operating funding (A - B)	503	556	472
Sources of capital funding			
Subsidies and grants for capital expenditure	1,601	53	2,006
Development and financial contributions			
Increase (decrease) in debt	1,518	(122)	2,169
Gross proceeds from sale of assets	565	0	1,065
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	3,684	(69)	5,239
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	4,989	139	5,957
- to replace existing assets	712	349	439
Increase (decrease) in reserves	(1,514)	(1)	(685)
Increase (decrease) in investments			
Total applications of capital funding (D)	4,187	487	5,711
Surplus (deficit) of capital funding (C - D)	(503)	(556)	(472)
Funding balance ((A - B) + (C - D))	0	0	(0)
Note: Depreciation expense not included above	849	882	973

Community and Leisure Assets – Prospective Capital Works

For the year ending 30 June 2018

Category	Designated projects for 2017/18	2016/17	2017/18	2017/18
		Annual Plan	Long-term Plan	Annual Plan
		(\$000)	(\$000)	(\$000)
RENEWALS				
Property	Building refurbishment	27	8	8
Swimming pools	Building and plant	98	12	12
Libraries	Books, furniture and computers	181	132	132
Community housing	Flat refurbishment	175	100	100
Cemeteries	Paving and fences	60	24	59
Parks and reserves	Landscaping and playgrounds	68	37	92
Toilets	Building refurbishment	0	0	0
Halls	Refurbishment	103	36	36
Total renewals		712	349	439
CAPITAL				
Property	Purchase of 7 King Street	0	0	150
Swimming pools	Capital improvements to plant	325	0	200
Libraries	Marton civic centre/library	220	0	800
Cemeteries	Berms	36	34	49
	Land purchase Ratana	0	0	0
Parks and reserves	Mangaweka campground sewerage disposal	95	0	0
	Parks upgrades	103	105	105
	Memorial Park toilets and changing rooms	600	0	600
Halls	Bulls community centre	3,610	0	4,053
Total Capital		4,989	139	5,957

Rubbish and Recycling

Scope and Objectives

This group of activities focusses on the appropriate disposal of refuse in the District. The Waste Minimisation Act requires territorial authorities to encourage effective and efficient waste management and minimisation.

More detail is provided on pp. 191-198 of the 2015-25 Long Term Plan.

The Government's focus is on waste minimisation, or the three principles of recycling: reduce, re-use, recycle. The government pays Council \$45,000 from the funds collected in the District under the waste management levy.

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

In each of the main towns, Council owns waste transfer station facilities which receive rubbish and recyclables.²⁹ The operation of these transfer stations is contracted out with residual waste being disposed of at the Bonny Glen landfill (which is privately owned).

Council directly manages the collection of rubbish from public litter bins.

What we plan to do this year

(in addition to contributing to the development of the 2018-28 Long Term Plan)

- 1 Marton Waste Transfer Station - recycle shop - trial³⁰
- 2 Review the Waste Management and Minimisation Plan³¹

Intended Levels of Service

Intended Levels of Service 2015-25	Performance measure	Target for 2017/18
Make recycling facilities available at waste transfer stations for glass, paper, metal, plastics, textiles and greenwaste. Special occasions for electronics (e-waste).	Waste to landfill (tonnage) ³² .	4,000 tonnes to landfill.
	Waste diverted from landfill (tonnage and (percentage of total waste) ³³ .	Percentage of waste diverted from landfill 16%.

Variations from the Long Term Plan

There are no significant variations from the Long Term Plan.

²⁹ Council has made provision to purchase the land on which the Marton Waste Transfer Station is sited: see page 40.

³⁰ Fully-funded by the waste levy and the contractor.

³¹ This must be complete by 30 June 2018: Waste Management Act, section 50. Consultation will coincide with that undertaken for the 2018-28 Long Term Plan. The waste assessment (prescribed under section 51 of the WMA) must be complete before that review starts. Ideally, this work entails an analysis of all waste streams. However, as all kerb-side collection of waste in the District is done by private contractors, access to information about the characteristics of this waste is unlikely. This means the analysis is confined to waste taken to the waste transfer stations. Budget Waste takes its waste direct to the landfill.

³² Calibrated records maintained at Bonny Glen landfill.

³³ Records maintained at waste transfer stations.

Rubbish and Recycling – Prospective Funding Impact Statement

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	90	96	110
Targeted rates	488	441	525
Subsidies and grants for operating purposes	47	47	47
Fees and charges	382	393	393
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding (A)	1,007	977	1,075
Applications of operating funding			
Payment to staff and suppliers	1,003	951	1,061
Finance costs	(31)	(30)	(33)
Internal charges and overheads applied	60	75	62
Other operating funding applications			
Total applications of operating funding (B)	1,032	996	1,089
Surplus (deficit) of operating funding (A - B)	(25)	(19)	(14)
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	(1)	(1)	(1)
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	(1)	(1)	(1)
Application of capital funding			
Capital expenditure			
- to meet additional demand			30
- to improve the level of service			
- to replace existing assets	2	2	0
Increase (decrease) in reserves	(28)	(22)	(45)
Increase (decrease) in investments			
Total applications of capital funding (D)	(26)	(20)	(15)
Surplus (deficit) of capital funding (C - D)	25	19	14
Funding balance ((A - B) + (C - D))	0	0	(0)
Note: Depreciation expense not included above	34	33	34

Environmental and Regulatory Services

Scope and Objectives

This group of activities is concerned with Council's regulatory functions. It comprises five separate activities – animal control, building control, planning control, registered and licensing premises control, and other regulatory functions such as noise control (RMA and District Plan), hazardous substances, litter, land information memoranda, bylaws, vermin, communicable disease, control of amusement devices, abandoned vehicles etc.

More detail is provided in pp. 199-205 of the 2015-25 Long Term Plan.

What we plan to do this year

(in addition to contributing to the development of the 2018-28 Long Term Plan)

- 1 Give effect to the Food Act 2014 and supporting local business in the final transition year;
- 2 Continue to engage in regional collaboration over regulatory functions;
- 3 Start initial year of inspections as required by the Buildings (Pools) Amendment Act 2016 i.e. within six months of the anniversary date of each pool;³⁴
- 4 Undertake identification of earthquake-prone buildings as required by the Building (Earthquake-prone Buildings) Amendment Act;³⁵
- 5 Trial online lodgement of building consents as the first stage towards online processing.
- 6 Prepare for the enactment and implementation of the Resource Legislation Amendment Bill.³⁶

Intended Levels of Service

Intended Levels of Service 2015-25	Performance measure	Target for 2016/17
Provide a legally compliant service	Timeliness of processing the paperwork (building control, consent processes, licence applications) ³⁷ .	At least 94% of the processing of documentation for each of Council's regulatory and enforcement services is completed within the prescribed times.
	Possession of relevant authorisations from central government ³⁸ .	Accreditation as a building consent authority maintained.

³⁴ This Act comes into effect on 1 January 2017. The 'anniversary date' means (a) the date of issue of the code compliance certificate or the certificate of acceptance in respect of the pool; or (b) in the case of a pool that did not require a building consent, – (i) the date on which notice was given under section 7 of the Fencing of Swimming Pools Act 1987; or (ii) if subparagraph (i) does not apply, the date on which the existence of the pool came to the knowledge of the territorial authority

³⁵ This Act comes into effect on 1 July 2017.

³⁶ The Local Government and Environment Committee is not due to report to Parliament until 10 May 2017. The Bill proposes a number of changes to resource consent processes.

³⁷ This includes any prescribed monitoring, such as of resource consents.

³⁸ Excluding general authorisation through legislation where no further formal accreditation is specified.

Intended Levels of Service 2015-25	Performance measure	Target for 2016/17
		Functions of a registration authority and role of a recognised agency under the Food Act not subject to Ministerial Review. ³⁹

Provide regulatory compliance officers.	Timeliness of response to Requests for Service for enforcement call-outs (animal control and environmental health); within prescribed response and resolution times.	<p>Improvement in timeliness reported in 2015/16⁴⁰.</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>In 2015/16 the following response times were reported:</p> <p>86% (priority one) 89% (priority two)</p>
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Variations from the Long Term Plan

The rates requirement for this activity has reduced because revenue from fees and charges is projected to increase (reflecting the greater level of consent activity).

³⁹ Food Act 2014, s. 185. This added since the measure is an annual review of relevant documents.

⁴⁰ The Long Term Plan specifies the comparison should be with 2016/1. This is a mistake, as these results are not available, being part of the 2016/17 Annual Report.

Environmental and Regulatory Services – Prospective Funding Impact Statement

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	912	823	790
Targeted rates			
Subsidies and grants for operating purposes			
Fees and charges	891	914	950
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts	16	16	6
Total operating funding (A)	1,819	1,753	1,746
Applications of operating funding			
Payment to staff and suppliers	1,210	1,158	1,257
Finance costs	(11)	(12)	(33)
Internal charges and overheads applied	518	541	477
Other operating funding applications			
Total applications of operating funding (B)	1,717	1,687	1,702
Surplus (deficit) of operating funding (A - B)	102	66	45
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	(1)	0	0
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	(1)	0	0
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	0	0	0
- to replace existing assets			
Increase (decrease) in reserves	101	66	45
Increase (decrease) in investments			
Total applications of capital funding (D)	101	66	45
Surplus (deficit) of capital funding (C - D)	(102)	(66)	(45)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	0	0	0

Community Well-being

Scope and Objectives

This group of activities is where Council acts primarily as an enabler and facilitator of action rather than as a provider of services or facilities. It is primarily those activities which are community-driven whether through individual voluntary effort or joining up activity across specific sectors. The Group comprises:

- Community Partnerships
- Economic Development and District Promotion
- Information Centres, and
- Emergency Management.

The three major programmes which will continue to be facilitated are the Rangitikei Growth Strategy, Path to Well-being Action Plan and the work programme for the MOU agencies – all of which will be reviewed as part of the preparation for the 2018-28 Long Term Plan.

More detail is provided on pp. 206-226 of the 2015-2025 Long Term Plan.

What we plan to do this year

(in addition to contributing to the development of the 2018-28 Long Term Plan)

1. Rangitikei Growth Strategy⁴¹
 - Develop collaborative economic development and District promotion services across the Horizons region
 - Council sponsorship of events aiming to increase visitor numbers (compared to 2015/16 – the base year)
 - Council information centres to manage the rangitikei.com website
2. Participate in partnership programmes
 - Healthy Families programme (take part in Leadership Group, coordinate Rangitikei Prevention Partnership, participate in Strategy Group)
 - Whanganui/Taranaki Community Response Forum (participate as a representative from Rangitikei District)
 - Planning for Ratana Centennial celebrations, 2018
3. Safe and Caring Community Theme Group
 - Healthy Families programme: take part in Governance Group, act as local Prevention Partnership;
 - Annual achievement Scholarships for Taihape Area School and Rangitikei College
4. Youth development
 - Develop Youth Zones for young people (8-25)
 - Annual achievement scholarships for Taihape Area School and Rangitikei College
 - Rangitikei Youth Awards 2018

⁴¹ In the Long Term Plan Council committed \$100,000 for further research and support for local economic development strategies which aim to increase productivity. In addition, up to \$45,000 is budgeted annually for developing an events strategy and building up a portfolio of future industry development opportunities in the District. \$60,000 annually is set aside for implementing place-making strategies within town centre plans.

5. Heritage strategy
 - Development of a heritage inventory of Maori narratives and collections
 - Development of a heritage inventory of European/ non-indigenous settler narratives and collections
6. Enjoying Life in the Rangitikei
 - Swim-4-All programme 2017/18
 - Investigate an Open Water Safety Strategy
 - Review effectiveness of District promotion activities undertaken for the 2018-28 Long Term Plan.
7. Treasured Natural Environment
 - Support for Hautapu and Tutaenui catchment groups
 - Continue to produce and distribute the Theme Group newsletter
8. MOU work programme
 - Five + high profile events and 20 community events
 - Community newsletters distributed through Marton, Bulls and Taihape
 - Dynamic and attractive web presence for the District and towns
 - Interactive and appropriate social media opportunities
 - Community development and place-making support in Marton, Bulls and Taihape
9. **Emergency Management: [under consideration by joint council working group]**

Intended Levels of Service

Intended Levels of Service 2015-25	Performance measure	Target for 2016/18
Provide opportunities to be actively involved in partnerships that provide community and ratepayer wins	Partners' view of how useful Council's initiatives and support has been (annual survey) ⁴² The focus for the survey is those community groups within the District with whom the Council has worked. So, this excludes shared services or other contractual arrangements with other councils. It also excludes direct collaboration with central government agencies although, where these are also involved with community organisations and groups within the Rangitikei, they are invited to participate in the annual survey.	A greater proportion (than in the benchmark) or more than 10% of the sample believes that Council's service is getting better.
Identify and promote opportunities for economic growth in the District	The three key indicators of success in the Council's adopted Rangitikei Growth Strategy- i.e. *The District's GDP growth *A greater proportion of young people living in the District are	Turning the curve (in comparison with the previous year/updated official projections) is evident in at least two of the key indicators

⁴² Groups which are targeted for consultation:

- Participants in Path to Well-being Theme Groups
- Community group database (includes the District's schools)
- Public sector agency database
- Business sector database

Intended Levels of Service 2015-25	Performance measure	Target for 20167/18
	attending local schools *More people living in the District (than is currently projected by Statistics New Zealand) ⁴³	

Variations from the Long Term Plan

Rural Fire is transferred to Fire and Emergency New Zealand (FENZ) from 1 July 2017. A provision of \$39,000 is retained to cover the anticipated levy for 2017/18.

⁴³ (a) In 2013, Rangitikei's GDP growth was -0.8% and trending downwards with an increasing divergence from the national trend.

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

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

Community Well-being – Prospective Funding Impact Statement

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,354	1,319	1,192
Targeted rates			
Subsidies and grants for operating purposes	202	123	138
Fees and charges	55	57	45
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding (A)	1,611	1,499	1,375
Applications of operating funding			
Payment to staff and suppliers	1,372	1,238	1,179
Finance costs	1	1	1
Internal charges and overheads applied	208	228	183
Other operating funding applications			
Total applications of operating funding (B)	1,581	1,467	1,363
Surplus (deficit) of operating funding (A - B)	30	32	12
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	(2)	(2)	(2)
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	(2)	(2)	(2)
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service			
- to replace existing assets	5	5	0
Increase (decrease) in reserves	23	25	10
Increase (decrease) in investments			
Total applications of capital funding (D)	28	30	10
Surplus (deficit) of capital funding (C - D)	(30)	(32)	(12)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	41	40	5



Enlivening Centennial Park, Marton



Rangitikei District Council

Prospective Financial Statements

Annual Plan 2017-2018

Prospective Financial Statements

The Council's Annual Plan covers the period 1 July 2017 to 30 June 2018. The Plan includes both operating and capital expenditure: in this section, information is only at a summary level. More detailed information can be found in the sections on each activity.

The financial information in the Annual Plan is a forecast in accordance with New Zealand International Financial Reporting Standards for Public Benefit Entities (NZ IFRS PBE). The financial information contained in the Annual Plan may not be appropriate for any other purposes. Certain assumptions have been made at the date these statements were prepared as to future events, and as to actions Council reasonably expects to undertake. Actual results may vary materially from these forecasts, depending upon changes of circumstance that may arise during the period. In re-projecting the 2016/17 figures known events, such as the delay of certain capital projects, have been taken into account.

The prospective financial statements were authorised for issue by the Rangitikei District Council on **25 May 2017**. The Rangitikei District Council is responsible for the prospective financial statements and for the assumptions which underpin all required disclosures (including the prospective financial statements). The actual results have been incorporated into this Annual Plan. The prospective financial statements are updated annually as part of the annual plan/long-term plan process.

Prospective Statement of Comprehensive Revenue and Expense

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Revenue from non-exchange transactions			
Rates	20,461	21,120	20,812
Subsidies and grants	14,715	6,781	9,062
Other revenue	2,632	2,648	2,628
Revenue from exchange transactions			
Finance revenue	228	288	240
Other revenue	118	86	86
Total operating revenue	38,154	30,923	32,829
Expenditure			
Depreciation and amortisation expense	10,235	10,795	10,498
Personnel costs	3,138	2,772	3,411
Finance costs	379	1,227	296
Other expenses	17,898	16,950	16,953
Total operating expenditure	31,650	31,744	31,158
Operating surplus (deficit) before tax	6,504	(821)	1,670
Income tax expense	0	0	0
Net surplus (deficit) after tax	6,504	(821)	1,670
Other comprehensive revenue and expense			
Gain on revaluation of infrastructural assets	14,679	0	0
Gain on revaluation of land and buildings	0	0	0
Total other comprehensive revenue and expenses	14,679	0	0
Total comprehensive revenue and expense	21,183	(821)	1,670

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

Prospective Statement of Changes in Net Assets/Equity

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Balance as at 1 July	475,206	496,285	490,634
Total comprehensive for the year	21,183	(821)	1,670
Balance as at 30 June	496,389	495,464	492,304

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

Prospective Statement of Financial Position

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Assets			
CURRENT ASSETS			
Cash and cash equivalents	2,312	2,603	4,184
Debtors and other receivables from non-exchange transactions	3,720	3,182	3,436
Debtors and other receivables from exchange transactions	125	96	282
Prepayments	11	11	115
Other financial assets	522	2,515	0
Total current assets	6,690	8,407	8,016
NON-CURRENT ASSETS			
Plant, property and equipment	507,604	512,938	502,564
Intangible assets	0	5	38
Forestry assets	64	28	304
Other financial assets			
Corporate bonds	3,510	4,101	2,553
Investments in CCOs and other similar entities	29	27	67
Total non-current assets	511,207	517,099	505,526
Total assets	517,897	525,506	513,542
Liabilities			
Current liabilities			
Creditors and other payables	4,273	3,809	5,784
Employee entitlements	259	240	363
Income in advance	538	347	532
Borrowings	1,532	1,843	1,622
Total current liabilities	6,602	6,239	8,301
Non-current liabilities			
Employee entitlements	14	13	13
Provisions	292	392	270
Borrowings	14,601	23,398	12,654
Total non-current liabilities	14,907	23,803	12,937
Total liabilities	21,509	30,042	21,238
Net assets	496,389	495,464	492,304
Equity			
Accumulated comprehensive revenue and expense	444,962	443,314	441,572
Asset revaluation reserves	46,208	45,766	45,731
Special and restricted reserves	5,219	6,384	5,001
Total equity	496,389	495,464	492,304

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

Prospective Statement of Cash Flows

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Cash flows from operating activities			
Receipts from rates revenue	20,461	21,120	20,812
Receipts from other revenue	17,349	9,420	11,667
Interest received	228	288	240
Dividends received	0	0	0
Payments for suppliers and employees	(20,963)	(19,669)	(20,297)
Interest paid	(379)	(1,227)	(296)
Net cash inflow (outflow) from operating activities	16,696	9,932	12,127
Cash flows from investing activities			
Receipts from sale of property, plant and equipment	565	0	1,065
Receipts from sale of investments	0	0	0
Acquisition of investments	0	0	0
Purchases of property, plant and equipment	(32,022)	(13,358)	(25,353)
Purchases of intangible assets	0	0	0
Net cash inflow (outflow) from investing activities	(31,457)	(13,358)	(24,288)
Cash flows from financing activities			
Proceeds from borrowings	12,724	5,872	13,237
Repayment of borrowings	(1,356)	(1,647)	(1,176)
Net cash inflow (outflow) from financing activities	11,368	4,225	12,061
Net increase (decrease) in cash and cash equivalents	(3,393)	798	(100)
Cash and cash equivalents at the beginning of the year	5,705	1,805	4,284
Cash and cash equivalents at the end of the year	2,312	2,603	4,184

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

Notes – Reserves

		Balance 2017 (\$000)	Deposits (\$000)	With- drawals (\$000)	Balance 2018 (\$000)
Special and restricted reserves (* denotes restricted reserves)					
Name of reserve and (activity)	Purpose				
Aquatic (Swimming pools)	Replacement of swimming pools	300	75		375
Bulls courthouse* (Property)	Maintenance of courthouse building	43	2		46
Flood damage (Roding)	Road maintenance due to flooding	538	300		838
General purpose	Capital works	2,402	0		2,402
Haylock park* (Parks)	Additional reserve area at park	28	2		29
Huntermville rural water (Water)	Future loop line	189	10		200
Keep Taihape beautiful* (Property)	Enhancement of Taihape	20	0		20
Marton land subdivision* (Parks)	Improvements to recreational land	407	22		430
Marton marae* (Property)	Marton Marae project	4	0		4
McIntyre recreation* (Parks)	Maintenance or upgrades of park	23	1		25
Putorino rural water (Water)	Maintenance of scheme dam	19	1		20
Ratana sewer (Sewerage)	Capital works	24	1		26
Revoked reserve land (Parks)	Offset costs of other revoked land and buildings	238	0		238
Rural housing loan (Property)	No longer required	150	0		150
Rural land subdivision* (Parks)	Improvements to reserves land	101	6		107
Santoft domain* (Parks)	Maintenance or upgrades of park	86	5		91
Total special and restricted reserves		4,575	426	0	5,001
			Balance 2017 (\$000)	Revalua- tions (\$000)	Balance 2018 (\$000)
Asset revaluation reserves					
Land			2,711	0	2,711
Buildings			5,468	0	5,468
Sewerage systems			8,496	0	8,496
Water supplies			12,620	0	12,620
Stormwater network			8,174	0	8,174
Roding network			7,989	0	7,989
			45,458	0	45,458
Fair value through equity			273	0	273
Total asset revaluation reserves			45,731	0	45,731

Reconciliation of Funding Impact Statement to Comprehensive Revenue and Expenses Statement

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Total operating revenue from funding impact statement	27,486	27,575	27,295
Total revenue from comprehensive revenue and expenses statement	38,153	30,923	32,829
Variance	10,667	3,348	5,534
Reconciling item			
Subsidies and grants for capital expenditure	10,667	3,348	5,534
Total operating expenditure from funding impact statement	21,441	20,975	20,686
Total operating expenditure from comprehensive revenue and expenses statement	31,650	31,744	31,158
Variance	10,209	10,769	10,472
Reconciling item			
Depreciation	10,235	10,795	10,498
Landfill after-care unwind	(26)	(26)	(26)
Cost of forestry harvested	0	0	0
Total reconciling items	10,209	10,769	10,472
Rates			
General rate	2,214	1,908	1,711
Uniform annual general charge	4,270	4,169	4,234
Targeted rates			
Roading	6,147	6,075	6,757
Solid waste	488	441	525
Sewerage	2,007	2,613	2,151
Water	3,405	3,860	3,558
Water by volume (targeted rates for water)	1,232	1,255	1,264
Storm water	637	735	552
Community	61	64	61
Total rates	20,461	21,120	20,812

Whole of Council – Prospective Funding Impact Statement

For the year ending 30 June 2018

	2016/17 Annual Plan (\$000)	2017/18 Long-term Plan (\$000)	2017/18 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	6,682	6,571	6,445
Targeted rates	13,820	15,043	14,867
Subsidies and grants for operating purposes	3,560	3,433	3,528
Fees and charges	2,154	2,108	2,093
Interest and dividends from investments	224	288	240
Local authorities fuel tax, fines, infringement fees, and other receipts	130	131	121
Total operating funding (A)	26,570	27,574	27,295
Applications of operating funding			
Payment to staff and suppliers	19,372	19,748	20,390
Finance costs	402	1,227	296
Other operating funding applications			
Total applications of operating funding (B)	19,774	20,975	20,686
Surplus (deficit) of operating funding (A - B)	6,796	6,599	6,609
Sources of capital funding			
Subsidies and grants for capital expenditure	3,847	3,348	5,534
Development and financial contributions			
Increase (decrease) in debt	9,696	4,209	12,045
Gross proceeds from sale of assets	0	0	1,065
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	13,543	7,557	18,644
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	9,308	1,962	12,231
- to replace existing assets	9,684	11,396	13,122
Increase (decrease) in reserves	347	798	(100)
Increase (decrease) in investments	1,000	0	0
Total applications of capital funding (D)	20,339	14,156	25,253
Surplus (deficit) of capital funding (C - D)	(6,796)	(6,599)	(6,609)
Funding balance ((A - B) + (C - D))	0	0	(0)
Note: Depreciation expense not included above	9,798	10,795	10,498

Rate types

For the year ending 30 June 2018

Source of Funding	Categories of Land	Calculation Base	Rate or Charge (inc GST)	Funding Required (inc GST)
	NOTE:	<i>SUIP = separately used or inhabited part of a rating unit</i>		
General Rate <i>(funds activities listed on next page)</i>	All rating units (excl Defence land)	Capital value	\$0.000547	\$1,962,577
	Defence land	Land value	\$0.000842	\$4,755
Uniform Annual General Charge <i>(funds activities listed on next page)</i>	All rating units	Fixed amount per SUIP	\$644.00	\$4,869,265
Targeted Rates				
Community Services <i>(funds Taihape and Ratana Community Boards)</i>	All rating units in Taihape Community Board area	Fixed amount per rating unit	\$31.02	\$52,986
	All rating units in Ratana Community Board area	Fixed amount per rating unit	\$157.81	\$17,044
Solid Waste Disposal <i>(funds Rubbish and Recycling)</i>	All rating units	Fixed amount per SUIP	\$79.82	\$603,430
Roading <i>(funds Roading and Footpaths)</i>	All rating units (excl Defence land)	Capital value	\$0.002160	\$7,751,370
	Defence land	Land value	\$0.003327	\$18,782
Wastewater public good <i>(funds Sewerage)</i>	All rating units	Fixed amount per SUIP	\$89.42	\$676,024
Wastewater connected <i>(funds Sewerage)</i>	Rating units connected to wastewater schemes within the district	Fixed amount per number of water closets and urinals in the rating unit	\$384.86	\$1,798,071
Water public good <i>(funds water)</i>	All rating units	Fixed amount per SUIP	\$162.60	\$1,229,223
Water connected <i>(funds water)</i>	Rating units connected to Marton, Bulls, Taihape, Mangaweka, Ratana schemes: Residential	Fixed amount per SUIP	\$640.71	\$2,856,295
	Rating units connected to Marton, Bulls, Taihape, Mangaweka, Ratana schemes: Non-residential	Fixed amount per rating unit	\$640.71	
Water by volume <i>(funds water)</i>	Marton, Bulls, Taihape, Mangaweka, Ratana schemes	Fixed amount per cu metre in excess of 250m ³ per annum	\$1.99	\$401,951
	Bulls Riverlands	Fixed amount per cu metre in excess of 250m ³ per annum	\$1.39	\$210,793
Huntermville urban <i>(funds water)</i>	Connected rating units	Fixed amount per cu metre	\$3.58	\$103,581
Huntermville rural <i>(funds water)</i>	Connected rating units	Fixed amount per unit or part unit***	\$283.18	\$499,082
Erewhon rural <i>(funds water)</i>	Connected rating units	Fixed amount per unit or part unit***	\$121.05	\$231,047
Omatane rural <i>(funds water)</i>	Connected rating units	Fixed amount per unit or part unit***	\$70.09	\$6,674
Putorino rural <i>(funds water)</i>	Connected rating units	Land value	\$0.000765	\$6,187
Stormwater public good <i>(funds stormwater)</i>	All rating units	Fixed amount per SUIP	\$23.47	\$177,438
Stormwater urban <i>(funds stormwater)</i>	Marton, Bulls, Taihape, Mangaweka, Ratana, Huntermville	Fixed amount per rating unit (as identified on rating maps available to view on Council's website)	\$110.79	\$457,565
Total Rates Required	(Inclusive of GST)			\$23,934,141
***Fixed amount per unit or part unit				
A unit of water is equivalent to 365m ³ .				

Separately Used or Inhabited Part (SUIP)

Source of Funding	Categories of Land	Calculation Base	Rate or Charge (inc GST)	Funding Required (inc GST)
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A separately used or inhabited part of a rating unit includes any portion inhabited or used by [the owner/a person other than the owner], and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the ratepayer and usually used as such is to be treated as separately used. Any part of a rating unit that is used as a home occupation and complies with the permitted activity performance standards in the District Plan is not be treated as separately used. For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

Residential Rating Units

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

Non-Residential Rating Units

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

Lump Sum Rates

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

Allocation of the Uniform Annual General Charge to Activities

For the year ending 30 June 2018

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

	Amount
Council	\$122.82
Council Committees	\$21.89
Elections	\$2.32
Swimming Pools	\$130.70
Public Toilets	\$30.77
Cemeteries	\$30.22
Libraries	\$119.05
Parks and Reserves	\$154.61
Dog Control	\$11.56
Stock Ranging	\$3.34
Refuse (Litter) Collection	\$16.73
TOTAL	\$644.00

Allocation of General Rate to Activities

For the year ending 30 June 2018

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

	Amount
Community Awards	\$0.06
Property	\$2.21
Building Inspection	\$5.70
District Planning	\$4.65
Dog Control	\$1.65
Health and General Inspection	\$1.37
Resource Consents	\$1.19
Stock Ranging	\$0.48
Information Centres	\$7.86
District Promotions	\$13.86
Civil Defence	\$2.22
Rural Fire	\$1.90
Halls	\$8.06
Rural Water	\$2.25
Computers and Vehicles	\$1.25
TOTAL	\$54.70

Examples of Impacts of Rating Proposals

For the year ending 30 June 2018

Location	Land Value	Capital Value	Proposed 2017/18	Actual 2016/17	Difference	Percentage
KOITIATA						
Koitiata	60,000	205,000	1,554	1,496	58	3.90%
Koitiata	60,000	130,000	1,351	1,295	56	4.35%
Koitiata	60,000	132,000	1,357	1,300	57	4.36%
Koitiata	60,000	100,000	1,270	1,215	55	4.53%
TAIHAPE COMMERCIAL						
Taihape	195,000	500,000	3,905	3,845	60	1.57%
Taihape	81,000	220,000	3,147	3,094	53	1.72%
Taihape	160,000	265,000	2,884	2,844	40	1.41%
Taihape	65,000	180,000	2,654	2,617	37	1.42%
Taihape	39,000	139,000	376	372	4	1.17%
Taihape	65,000	117,000	2,483	2,448	35	1.45%
Taihape	105,000	360,000	3,141	3,099	42	1.37%
TAIHAPE NON-COMMERCIAL						
Taihape	47,000	265,000	2,884	2,844	40	1.41%
Taihape	47,000	180,000	2,654	2,617	37	1.42%
Taihape	55,000	155,000	4,611	4,529	82	1.82%
Taihape	1,500	103,000	2,446	2,410	36	1.48%
Taihape	23,000	112,000	2,470	2,434	36	1.48%
Taihape	23,000	265,000	2,884	2,844	40	1.41%
Taihape	1,000	39,000	2,272	2,239	33	1.49%
Taihape	16,000	40,000	2,275	2,242	33	1.47%
HUNTERVILLE COMMERCIAL						
Hunternville	60,000	390,000	5,319	5,123	196	3.83%
Hunternville	65,000	335,000	3,557	3,453	104	3.00%
Hunternville	43,000	245,000	2,158	2,100	58	2.78%
Hunternville	40,000	51,000	1,633	1,580	53	3.36%
Hunternville	10,000	40,000	1,603	1,551	52	3.37%
HUNTERVILLE NON-COMMERCIAL						
Hunternville	95,000	270,000	2,226	2,167	59	2.72%
Hunternville	31,000	190,000	2,009	1,953	56	2.89%
Hunternville	21,000	114,000	1,804	1,749	55	3.12%
Hunternville	14,000	115,000	1,311	1,255	56	4.44%
Hunternville	16,000	87,000	1,731	1,677	54	3.19%
Hunternville	12,000	58,000	1,156	1,102	54	4.93%
MARTON COMMERCIAL						
Marion	88,000	225,000	5,117	5,038	79	1.58%
Marion	63,000	280,000	4,752	4,736	16	0.35%
Marion	40,000	175,000	2,609	2,574	35	1.38%
Marion	85,000	160,000	2,569	2,534	35	1.38%
Marion	54,000	160,000	3,402	3,381	21	0.62%
Marion	58,000	100,000	2,599	2,559	40	1.56%

Location	Land Value	Capital Value	Proposed 2017/18	Actual 2016/17	Difference	Percentage
MARTON INDUSTRIAL						
Marton	148,000	680,000	4,362	4,298	64	1.48%
Marton	64,000	1,200,000	7,116	6,988	128	1.84%
Marton	68,000	420,000	3,273	3,231	42	1.29%
MARTON NON-COMMERCIAL						
Marton	82,000	385,000	3,178	3,120	58	1.86%
Marton	96,000	445,000	3,340	3,298	42	1.29%
Marton	72,000	260,000	2,840	2,802	38	1.34%
Marton	56,000	205,000	2,691	2,655	36	1.34%
Marton	73,000	175,000	2,609	2,574	35	1.38%
Marton	34,000	123,000	2,084	2,064	20	0.96%
Marton	66,000	133,000	2,496	2,462	34	1.37%
Marton	56,000	123,000	2,469	2,435	34	1.38%
Marton	46,000	124,000	2,471	2,438	33	1.37%
Marton	46,000	80,000	2,352	2,320	32	1.39%
Marton	34,000	80,000	2,352	2,320	32	1.39%
Marton	18,000	65,000	2,312	2,280	32	1.39%
Marton	23,000	52,000	2,276	2,245	31	1.40%
BULLS COMMERCIAL						
Bulls	125,000	1,000,000	5,036	4,970	66	1.32%
Bulls	113,000	430,000	3,300	3,258	42	1.29%
Bulls	160,000	280,000	4,534	4,465	69	1.54%
Bulls	75,000	210,000	2,704	2,668	36	1.36%
Bulls	140,000	155,000	2,555	2,521	34	1.36%
BULLS NON-COMMERCIAL						
Bulls	81,000	590,000	13,857	13,583	274	2.02%
Bulls	82,000	240,000	2,785	2,749	36	1.33%
Bulls	57,000	200,000	2,677	2,641	36	1.37%
Bulls	54,000	147,000	2,534	2,499	35	1.39%
Bulls	45,000	143,000	2,523	2,489	34	1.36%
Bulls	39,000	143,000	2,523	2,489	34	1.36%
Bulls	48,000	117,000	2,452	2,419	33	1.38%
Bulls	54,000	76,000	2,341	2,309	32	1.40%
TURAKINA						
Turakina	23,000	131,000	1,354	1,298	56	4.32%
Turakina	54,000	195,000	1,527	1,469	58	3.94%
RATANA						
Ratana	12,000	136,000	2,662	2,648	14	0.52%
Ratana	12,000	72,000	2,488	2,476	12	0.50%
Ratana	12,000	63,000	2,464	2,452	12	0.49%
Ratana	12,000	52,000	2,434	2,422	12	0.51%
RURAL NORTH						
Erewhon	8,075,000	9,600,000	30,020	29,535	485	1.64%
Erewhon	8,450,000	9,650,000	28,157	27,775	382	1.37%
Erewhon	4,322,000	5,291,000	16,355	16,097	258	1.60%
Erewhon	3,970,000	5,020,000	14,622	14,424	198	1.37%
Ruanui	2,350,000	3,050,000	10,287	10,093	194	1.93%
Awarua	1,380,000	1,800,000	6,903	6,745	158	2.34%
Te Kapua	900,000	1,220,000	4,333	4,245	88	2.08%

Location	Land Value	Capital Value	Proposed 2017/18	Actual 2016/17	Difference	Percentage
Erewhon	580,000	690,000	2,898	2,824	74	2.64%
Kiwitea	375,000	500,000	2,384	2,315	69	2.98%
Awarua	200,000	400,000	2,113	2,047	66	3.24%
Ohingaiti	29,000	265,000	1,748	1,686	62	3.67%
Awarua	15,000	215,000	1,612	1,552	60	3.89%
Ohingaiti	6,500	62,000	1,198	1,142	56	4.92%
MANGAWEKA						
Mangaweka	14,000	106,000	2,454	2,418	36	1.48%
Mangaweka	14,000	82,000	2,389	2,354	35	1.47%
Mangaweka	14,000	57,000	2,321	2,287	34	1.49%
Mangaweka	14,000	45,000	2,289	2,255	34	1.49%
RURAL SOUTH						
Rangitoto	14,200,000	15,850,000	48,909	48,143	766	1.59%
Rangatira	9,700,000	13,350,000	41,141	40,449	692	1.71%
Rangatira	3,575,000	3,800,000	10,288	10,182	106	1.04%
Porewa	4,640,000	5,730,000	18,512	18,191	321	1.76%
Whangaehu	2,230,000	3,070,000	10,311	10,119	192	1.89%
Porewa	3,510,000	4,060,000	13,990	13,717	273	1.99%
Pukepapa	1,475,000	1,770,000	5,792	5,689	103	1.80%
Pukepapa	690,000	1,125,000	4,797	4,749	48	1.00%
Porewa	930,000	1,250,000	4,384	4,296	88	2.04%
Pukepapa	108,000	375,000	2,655	2,614	41	1.58%
Scotts Ferry	50,000	155,000	1,419	1,362	57	4.18%
Scotts Ferry	50,000	140,000	1,378	1,322	56	4.26%
Scotts Ferry	50,000	130,000	1,351	1,295	56	4.35%
Otakapu	23,000	131,000	1,354	1,298	56	4.31%
Rangitoto	108,000	300,000	1,812	1,751	61	3.46%
RURAL LARGE DAIRY/PASTORAL						
Otairi	1,109,000	1,600,000	5,331	5,233	98	1.88%
Whangaehu	1,200,000	1,230,000	3,330	3,296	34	1.04%
Rangatira	2,300,000	3,890,000	12,531	12,316	215	1.74%
Rangatira	5,500	9,000	24	24	0	1.53%
Rangatira	1,950,000	2,500,000	7,768	7,645	123	1.61%
Porewa	3,000,000	4,110,000	13,126	12,906	220	1.71%
RURAL SOUTH INDUSTRIAL						
Porewa	275,000	4,840,000	14,744	14,577	167	1.15%
Rangitoto	270,000	2,600,000	8,039	7,913	126	1.59%

Accounting Policies

Reporting Entity

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

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

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

The prospective financial statements of the Council are for the year ending 30 June 2018. Actual financial results for the period covered are likely to vary from the information presented in this annual plan.

Basis of Preparation

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

Statement of compliance

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

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

These prospective financial statements comply with PBE standards

Presentation currency and rounding

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

Standards issued and not yet effective and not early adopted

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

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.

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 this is on delivery of the goods, and when the amount of revenue can be measured reliably. It is probable that the economic benefits or service potential associated with the transaction will flow to the Council.

Interest and dividends

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

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

Expenses

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

The specific accounting policies for significant expense items are explained below

Borrowing costs

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

Grants

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

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

Income tax

Income tax expense includes current and deferred tax.

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

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

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

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

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

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

Operating leases

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

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

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

Cash and cash equivalents

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

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

Receivables

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

Other financial assets

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

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

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

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

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

Financial assets at fair value through surplus or deficit

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

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

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

Loans and receivables

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

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

Held-to-maturity investments

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

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

Fair value through other comprehensive revenue and expense

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

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

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

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

Impairment of financial assets

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

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

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

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

Non-current assets held for sale

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

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

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

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

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

Property, plant and equipment

Property, plant and equipment consist of:

Operational assets – These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

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

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

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

Revaluation

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

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

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

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

Additions

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

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

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

Disposals

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

Subsequent costs

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

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

Depreciation

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

Operational and restricted assets

Buildings

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

Infrastructural assets

Roading network

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

Water

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

Wastewater

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

Stormwater

Pipes	50-90 years
Manholes, cesspits	100 years
<u>Waste transfer stations</u>	50 years

Service concession arrangements

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

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

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

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

Intangible assets*Software acquisition*

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

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

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

Easements

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

Carbon credits

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

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

Amortisation

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

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

Computer software 3-5 years

Impairment of property, plant and equipment and intangible assets

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

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Forestry assets

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

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

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

Payables

Short-term payables are recorded at their face value.

Borrowings

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

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

Employee benefits

Short-term employee entitlements

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

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

Long-term employee entitlements

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

Presentation of employee entitlements

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

Superannuation schemes

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

Provisions

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

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

Landfill aftercare

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

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

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

Equity

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

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

Special reserve funds

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

Restricted reserve funds

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

Property revaluation reserves

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

Fair value through other comprehensive revenue and expense reserves

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

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

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

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage based on time, staff number and floor area.

Critical accounting estimates and assumptions

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

Infrastructural assets

- The actual condition of an asset may not reflect the carrying amount of the asset. This is particularly so for assets which are underground and difficult to assess the actual condition of, such as water, wastewater and storm water 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 2015.

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.

Statement of prospective financial information

These prospective financial statements were authorised for issue by the Rangitikei District Council on 25 May 2017. The Council is responsible for these prospective financial statements, including the appropriateness of the assumptions and other disclosures. Changes to the significant forecasting assumptions (commencing on page 82) may lead to a material difference between information in the prospective financial statements and the actual financial results prepared in future reporting periods. The Council's planning processes are governed by the Local Government Act 2002. The Act requires the Council to prepare a ten-year long-term plan

(the “LTP”) every three years and an annual plan which updates the LTP by exception in the intervening years. This is the Rangitikei District Council’s annual plan for the year ending 30 June 2018 which is the third year of the 2015/25 LTP. Caution should be exercised in using these prospective financial statements for any other purpose.

Annual Plan disclosure statement for year ending 30 June 2018

What is the purpose of this statement?

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

The Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark	Financial Strategy Target	Planned	Met
Rates affordability			
• income	Not greater than \$0.927m	\$0.325m	Yes
• increases	Not greater than 4.53%	1.72%	Yes
Debt affordability			
• interest expense to rates income	Not greater than 15%	1.42%	Yes
• external debt to rates income	Not greater than 150%	64%	Yes
• external debt per capita	Not greater than \$2,500	\$1,116	Yes
Balanced budget	Not less than 100%	99%	No
Essential services	Not less than 100%	191%	Yes
Debt servicing	Not greater than 10%	1%	Yes

Notes

1 Rates affordability benchmark

(1) For this benchmark,—

(a) the Council's planned rates income for the year is compared with the quantified limit on rates contained in the financial strategy included in the Council's long-term plan; and

(b) the Council's planned rates increase for the year is compared with the quantified limit on rates increases for the year contained in the financial strategy included in the Council's long-term plan.

(2) The Council meets the rates affordability benchmark if—

(a) its planned rates income for the year equals or is less than the quantified limit on rates; and

(b) its planned rates increase for the year equals or is less than the quantified limit on rates increases.

2 Debt affordability benchmarks

(1) For this benchmark,—

(a) the council's planned interest expense as a proportion of annual rates income is compared with the quantified limit contained in the financial strategy included in the council's long-term plan.

(b) the Council's planned net external debt as a proportion of annual rates income is compared with the quantified limit contained in the financial strategy included in the Council's long-term plan.

(c) the Council's planned debt per capita of population is compared with the quantified limit contained in the financial strategy included in the Council's long-term plan.

(2) The Council meets the rates affordability benchmark if—

(a) the Council's interest expense equals or is less than the quantified limit on interest.

(b) the Council's external debt equals or is less than the quantified limit on debt

(c) the Council's debt per capita equals or is less than the quantified limit on debt.

3 Balanced budget benchmark

(1) For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

(2) The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4 Essential services benchmark

(1) For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

(2) The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5 Debt servicing benchmark

(1) For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

(2) Because Statistics New Zealand projects that the council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Significant Forecasting Assumptions

These forecasting assumptions are taken from the 2015/25 Long Term Plan. Footnotes show additional considerations arising in 2017/18.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
1 Government			
That the current Territorial Authority boundaries are unchanged i.e. that Rangitikei District continues to be a separate administrative entity	A government drive towards amalgamation sets aside the normal processes for communities to determine the boundaries for their local government. The Council will waste time and money worrying about this	Medium	The local services provided by the Council will still need to be provided locally, so the cost of the service provision is unlikely to change significantly
That the regulatory functions assigned to local councils will not be centralised.	The government will centralise (or regionalise) some regulatory functions of local councils. Council invests resources to continue a function, or divests resources to discontinue a function, and the change does not proceed as planned.	Medium	There has been vacillation over these discussions. The impact on Council is that budget projections for such functions may prove to be inaccurate.
Levels of Service – Changes in government legislation and regulation will impact on assets development and operating costs and that Council has anticipated and/or planned for these changes.	That Council will overlook an important piece of regulation or legislation in its planning, or that the impact of new regulations/legislation has not been identified.	Low	Information circulated within the sector makes it unlikely that such an oversight would occur.
Governance – the structure of the elected representation will not change from that adopted for the 2013 elections.	There is a review of representation required in 2018. It may reduce councillor numbers and/or change ward boundaries and/or remove community boards in Taihape and Ratana and/or introduce community boards in other communities.	Low	Costs are unlikely to change significantly if councillor numbers change because of the mechanism whereby the Remuneration Authority determines salaries for elected members. Community boards generally increase the costs to the community it serves by up to \$25,000. Community Committees are voluntary and unpaid.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
That implementation of the Drinking Water Standards remains mandatory for the Council's water supply schemes	Council does not achieve compliance with its six urban water supply schemes by the amended prescribed dates. ⁴⁴ Financial penalties could be imposed, and a revised capital programme (i.e. adjusted priorities) or increased borrowing to enable the prescribed dates to be met	Low	Council has committed to an upgrade programme which will enable compliance to be gained by the prescribed times.
That the rules established under the Emissions Trading Scheme will not change.	That the amount of acreage eligible for exemption or inclusion in the ETS changes to include/exclude Council.	Low	Council's forestry holdings are minor and carbon credits have been purchased for blocks declared deforested.
That there will be increasingly rigorous standards for earthquake strengthening of public buildings, particularly in the District's CBDs.	That the additional requirements to meet higher standards for earthquake proofing will require strengthening or demolition of many Council buildings, affect the viability of local businesses, cause a loss of heritage buildings and increase costs to the ratepayer, that central government does not respond positively to requests for a national approach to these costs.	High	An estimate undertaken in 2014 for Local Government New Zealand was a likely cost in the range of \$20 to \$35 million for Council-owned buildings. Detailed costings have been undertaken for the Taihape Town Hall and the Bulls Library: these totalled \$2.725 million. Council can budget for the strengthening of its major assets (or demolishing them and relocating operations to other safer premises or new ones) even though this would present major costs. However, the wider impact of across local businesses may expedite the decline of the main towns in the District.

⁴⁴ The outcome of the enquiry into the Havelock North gastro outbreak may increase the monitoring requirements on potable water supplies (and thus the cost of doing this). A requirement to chlorinate all potable water supplies should not have any effect as all Rangitikei's supplies are chlorinated now.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
Resource Consents – Conditions on Council's resource consents renewals will be met and all consents will be renewed.	That conditions on resource consents are changed to the point that the investment required from the community is too high/unaffordable. Council may face substantial fines (and even litigation) for continuing non-compliance. Investigations before a resource consent is granted may push upgrade costs beyond what has been budgeted	Low/ Medium	Council has committed to a capital programme which sets targets for compliance for all discharges. There is a strong co-operative working relationship between staff at Rangitikei and Horizons, essential to secure the most cost-effective technical solution for each site
NZTA will approve the programmes proposed for minor improvements and bridge replacements	The programmes will not be approved. This risk is greater for the proposed bridge replacement programme as these are deemed capital works by NZTA and are prioritised on a regional basis.	Low/ Medium	The projected rates requirement for the local share of either (or both) of these programmes will not be used.
The new criteria for emergency works will leave a funding shortfall despite the enhanced basic Funding Assistance Rate (or 'FAR') from NZTA (62% in 2015/16 and 63% in subsequent years)	Council will require greater ratepayer contribution to ensure the necessary emergency works. Note: the implications of the One Network Road Classification are not yet certain, but do not take effect until 2018/19.	High	Council has increased its flood damage roading reserve as a contingency against the shortfall from NZTA. ⁴⁵
The Government subsidy of rates for ratepayers on low income will remain at current levels.	The Government reduces or abolishes this ratepayer subsidy.	Medium	The tight economic climate makes this subsidy vulnerable, particularly if it is viewed as a means by which local councils can set a higher level of rates than would otherwise be the case.

⁴⁵ NZTA granted 91% as the enhanced FAR to cover damage from the June 2015 rainfall event. Under the arrangements for the emergency FAR the Council would have received 95%.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
2 Demographics			
Population Change – The population of the District will decline in accordance with the medium projections from the Statistics NZ projections based on 2013 Census. This equates to a decline of 150 people in the five years to 2018 rising to 650 people in the five years 2038-2043 ⁴⁶	There is a possibility that the decline in population is substantially more than that projected by Statistics NZ. A smaller risk is that the District experiences a population increase over the ten-year period. This could mean over- or under-provision of facilities and services. A greater than expected population decline would increase pressure on remaining ratepayers.	Low	Previous projections from Statistics New Zealand have proved reasonably accurate for the Rangitikei.
Ageing population – The average age of the population of the District will continue to increase and this will impact upon the Level of Service in most activity areas.	The risk is that this age group leaves the District to establish themselves in larger service centres in anticipation of the need for services. Investment in upgrade or replacement of community facilities may prove to be mis-targeted.	Low	The ageing population trend is demonstrated over a substantial period and is reflected at the national level.
That the community's resilience to recover from events such as natural disasters is adequate.	That the community is not able to respond to or recover from a major event. The current level of community resilience may be compromised by the severity and/or frequency of major events and by the declining and ageing nature of the local population. People may leave the District permanently, meaning a reduced ratepayer base.	Low/ Medium	Council has recognised the need to invest in activities that promote community cohesion and resilience, not least to ensure it is able to provide emergency management and rural fire services. The new community well-being Group of Activities attempts to focus on some of the factors affecting community resilience.
Numbers of households – the number of households will not decrease by more than 5%	The number of households decreases by more than 5%.	Low	Previous projections on household numbers in the Rangitikei have proved reasonably accurate.

⁴⁶ During 2016/17, the population decline was reversed, largely due to the arrival of Samoan workers and their families in the southern part of the District. However, while this flows into a medium projection increase in the District's population (to 14,950) by 30 June 2018, the updated 30-year projections (December 2016) from Statistics New Zealand show a reduction in the District's estimated population (to 14,900) by 30 June 2013, with continuous decline after that, so that the projected reduction in population between 2013 and 2043 is 1,000.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
Skills Shortage: There will be no significant impact on the Council's ability to deliver programmes and projects as a result of a skills shortage.	That there will be a problem in securing critical skills to keep the Council's planned activities on track.	Medium	The impact of rebuilding Christchurch on recruitment and retention of skilled staff and engaging contractors with proven competency is not yet clear. It may cause these costs to rise.
3 Physical and natural environment			
Climate change - An increasing number of storm events will mean greater damage to the roading network, heavier demand on stormwater systems and more call on staff and volunteers to be available for emergency management and rural fire activities	That severe storm events occur so frequently or so close to one another that Council is unable to fund all the necessary repairs in a reasonable time without breaching its liability management policy. Capital work on water and wastewater plants may be delayed and mean Council is non-compliant.	Low/ Medium	Storm events are occurring more frequently and erratically. Borrowing beyond the parameters in the Council's liability management policy could pose issues with prudent management.
Fuel prices will rise in line with BERL projections⁴⁷ , allowing the present use of roads as the predominant mode of transport within the District for goods and people will continue to be viable.	Petrol and diesel could become increasingly unaffordable marginalising businesses (including farms) remote from the larger centres of population and access to rail. Agricultural production prices would rise. The ratepayer base could fall as a result.	Low	BERL estimates have been carefully researched. However, there has been a historical volatility to petroleum prices on the world market.

⁴⁷ See extract from the BERL 2014 update on p.20. This reproduces Table 3 – Adjustors: % per annual change

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
Natural Disasters – All natural disasters requiring emergency work will be funded out of normal operating budgets or reserves created for this purpose or (in the case of infrastructure) Council’s insurance policies or government subsidies for emergency work on roads.	<p>That there will be a major natural disaster requiring significant additional unbudgeted expenditure and financing.</p> <p>The present level of government subsidy for emergency roading works may be reduced.</p> <p>Council may not be able to obtain (or afford) insurance sufficient cover for its infrastructure assets.</p> <p>Currently Council is part of a mutual insurance scheme with the local assurance protection programme for below ground assets.</p>	Medium	The timing and scope of natural disasters cannot be predicted. However, government subsidies and Council’s own reserves provide some assurance that there will be sufficient funds for emergency work.
4 Financial environment			
Inflation – The financial information is based on inflation figures for 2016/17 onwards using the BERL indices for inflation ⁴⁸ .	That inflation (CPI) is greater than predicted or that operational costs do not vary in line with the BERL estimates.	Medium	The current economic conditions mean such predictions are somewhat unreliable.
Interest – Interest on external borrowing is calculated at 5%. Interest on Council’s few remaining investments is assumed to average 1% less than the rate for external debt.	<p>That interest rates will change from those used (as researched by Council).</p> <p>Actual costs of external borrowing may be higher than projected. However, because Council borrows in tranches, the impact of higher rates will normally be small in comparison to the total interest being paid in any one year</p>	Medium	The current economic conditions mean such predictions are somewhat unreliable. If interest rates increased (or decreased) by 1% in 2024/25 (the year of highest debt level in this Long Term Plan), total interest payable would increase (or decrease) by \$377,080 which represents 1.5% of the projected rates for 2014/15.
Revaluation of assets – for 2016/17 for assets other than land and buildings are based on projections from BERL.	That the BERL estimates are greater or less than the actual rates of inflation for those assets.	Medium	BERL’s estimates have been carefully researched – but they are made in an uncertain economic climate.

⁴⁸ Figures used in this printed document have been calculated using the Forecasts of Price Level Change Adjustors produced by BERL

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
Revaluation of land and building assets –assumes no material change in the value of Council owned land and buildings over the term of this Plan.	That the assumption of no change in value of these assets over the period of the Plan is incorrect – the actual revaluation may be greater or less than this.	Low	The Rangitikei District is suffering declining population and over the last two district-wide revaluations of land and buildings there has been an overall reduction in values. In the Council's last revaluation of its land and buildings, the overall reduction on book values was 2.3%
Exit from forestry – that Council will divest its forestry assets except in cases where (re)forestation is required to protect catchment areas	That timber product commodity prices fall dramatically and Council is unable to divest itself of these assets in the short to medium term.	Low	The annual revaluation of forestry assumes that trees will be replanted at the same rate as those logged (so the value remains the same over the ten years).Whilst this is somewhat weather dependent, Council's decision to exit forestry means that it can choose the best conditions under which it will divest these assets. ⁴⁹
Community and leisure assets and network utilities: that Council will progressively rationalise its assets in these areas in response to predicted population change and that it will have fewer assets after ten years than at present	That population change does not occur as predicted and so these assets are inadequate to meet the community need. That Council and communities are unable to decide how and which assets are to be rationalised.	Low/ Medium	Population change is increasingly well-documented and evidenced. Council has identified this as priority and so asset and activity management plans have been developed to meet changing needs.
Capital Works Contracts – There will be no variations in terms of price and performance of capital works programmes.	There is significant change in price levels of capital works programmes which may affect the affordability and/or level of service provided.	Low	Council's capital works contracts have tight provisions governing price variations.

⁴⁹ The stands of mature pine in Marton B and C Dams (11.5 ha) are scheduled for harvesting in autumn 2017. Council has yet to determine whether they will be replanted or whether to deem the area deforested (and meet the associated carbon liability) so that long-term native planting/regeneration is feasible.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
That Council will be able to obtain collaboration contracts for roading allowing the Level of Service to be provided at constant prices three years at a time.	That the inflationary costs associated with roading cannot be absorbed into collaborative fixed price contracts and that there is unbudgeted expenditure associated with these inflationary increases.	Medium	The current economic conditions mean such predictions are somewhat unreliable.
That increases in prices for roading will align with the NZTA 2.5% inflation factor on a three yearly.	That the NZTA inflation factor is insufficient to cover the real inflationary costs associated with and that there is unbudgeted expenditure associated with these inflationary increases.	Medium	The current economic conditions mean such predictions are somewhat unreliable.
That District-wide rates will continue throughout the period of this LTP, and that there will continue to be a “public good” component in funding for the network utilities	That the balance between public/private benefit is not correct and either component becomes unaffordable to those required to contribute, that willingness to pay is confused with affordability under either scenario	Low	The public has had three years to absorb the initial variations in rates payable for services. The move to District-wide/public good funding should ensure that future cost peaks are evened out.
5 Council performance			
Levels of Service – Changes in customer expectations regarding level of service will impact on assets development and operating costs, and that Council has anticipated and/or planned for these changes.	That Council has not consulted adequately with communities to understand fully their expectations and so has planned to deliver Levels of Service that are not acceptable to the ratepayer (too high or too low).	Low	There has been significant pre-consultation work to identify customer expectations on levels of service.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
Liaison with Māori – that there will be progressive inclusion and engagement of Iwi and Māori.	The urgency and extent of engagement will be viewed differently by the partners: proposals for change may create tension and ill-feeling which will be counter-productive. Joint ventures (Council and Iwi) may fail.	Low/ Medium	The Ngāti Apa claim was settled in 2010 and it is anticipated that WAI 2180 (concerning Iwi around Taihape) will be settled well before 2022. However, there is uncertainty on the extent to which Iwi whose Waitangi claims are settled will seek to collaborate and partner with the Council. ⁵⁰
Liaison with the Samoan community (Marton) – that there will be progressive inclusion and engagement of the Samoan community in Marton.	The urgency and extent of engagement will be viewed differently by the partners: proposals for change may create tension and ill-feeling which will be counter-productive.	Medium	The Samoan community is increasingly well-established within Marton and finding its voice to engage effectively with Council and other statutory stakeholders.
Replacement of existing assets does not mean an increase in levels of service, unless otherwise stated	Technological advances in replaced assets or higher national standards lead to increase levels of service	Low	Such changes would typically be highlighted in a report to Council seeking approval for the upgrade or replacement.
Useful lives of assets are described in the Statement of Accounting Policies and have been derived from accurate predictions contained in the Asset Management Plans	That information about the condition of assets that informs their useful life is not completely accurate – for example, historical information about construction dates and pavement subsurface formation details and below-ground water, wastewater and stormwater reticulation systems There will be insufficient (or excessive) provision of depreciation.	Medium	Asset data is nearing completion, and the asset management plans have been greatly improved. The financial impact of this uncertainty is that: major previously unknown faults are identified needing urgent attention; information/data required to plan for future demand is not sufficiently accurate to ensure adequate provision i.e. that provision will exceed/not meet forecast demand; and predicted savings in operating costs are not realised because performance of the assets has been wrongly assessed.

⁵⁰ Since August 2015, Ngati Rangī has engaged with the Council over its Treaty claims; however, the rohe is primarily in the Whanganui and Ruapehu District.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
Depreciation rates on planned asset acquisitions – the average lifespan of assets has been used to calculate rates as stated in the note on depreciation in the Statement of Accounting Policies.	Once costs for specific items are known, the depreciation may turn out to have been over-/under-stated.	Low	Because of the long lifespan of infrastructural assets, any changes in actual depreciation compared to forecast should be minimal.
Funding Sources for the future replacement of significant assets disclosed in the Revenue and Financing Policy, Financial Strategy and Infrastructure Strategy are achievable.	Some user charges may not be achievable. Ratepayers may press for a different 'mix'.	Low	There has been considerable work in modelling funding sources in preparing for this LTP.
External funding will continue to be sourced to supplement Council funding for activities in the District that contribute to community outcomes.	That external funding is not available and that Council must either increase its contributions or lower expectations of its activity in achieving the community outcomes.	Medium	Success in securing external funding is not predictable. If external funding is used for what is perceived to be essential services, then there is a real danger that the community will feel let down if these services are withdrawn. ⁵¹
Technology – Council will not integrate untested or experimental technology (including computer hardware, software, plant or devices) where it may significantly impact on the delivery of Council services.	Funding requirements for upgrades or migration to new systems may be greater than budget. Council may be unresponsive to market developments, becomes 'stuck' with outmoded technology and a declining level of technical support, does not use technology which aligns well with the community's expectations and preferences or implements technological change which is unsuccessful.	Low	Council's track record in implementing technology gradually makes these risks unlikely. Major upgrades would always be subject to formal consideration and Council's procurement policy requirements.

⁵¹ This risk also applies to the planned civic/community centre upgrades in the main towns, starting with Bulls.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
That plant pests will not extend their hold on Council owned properties over the course of the LTP	That controlling plant pests will become increasingly difficult and expensive and that a suitable regimen for control may be unaffordable for the community	Low/medium	Council will be a responsible landowner. Adequate provision will be made within its budgets to ensure that the problem of plant pests is controlled on an ongoing basis.
Shared Services Arrangements: Rangitikei District Council will continue to seek shared services arrangements where the needs of the community are best served by such arrangements.	Existing Shared Services arrangement may prove less attractive than when they were entered into. The cost and the needs of the Rangitikei community may not best served by such arrangements	Low	These arrangements are typically flexible and have exit provisions.
6 Economic performance			
That Council is able to influence small scale changes in the local economic environment which will add up to make an impact on the District's economic development	That Council will apply resources to secure economic development but is ineffective in the face of global economic trends	Medium	Council will take a measured, evidence-based and risk averse approach to economic development initiatives.

Table 3: Adjustors: % per annum change

	Road	Property	Water	Energy	Staff	Other	Earth-moving	Pipelines	Private sector wages
Year ending	%pa change								
Jun 12	5.2	3.3	6.0	15.4	2.3	2.4	4.7	3.1	2.1
Jun 13	1.1	1.7	-2.8	-1.8	2.1	2.9	2.1	-2.7	1.9
Jun 14	0.7	1.9	-2.1	1.3	1.9	1.8	2.8	-2.5	1.7
Jun 15	0.4	1.9	4.7	4.2	1.6	1.5	1.7	1.8	1.7
Jun 16	1.2	2.2	5.2	3.5	1.8	2.3	1.8	2.1	1.7
Jun 17	1.4	2.4	3.8	3.8	1.9	2.5	2.6	2.5	1.8
Jun 18	2.2	2.5	3.0	3.9	2.0	2.6	2.4	2.6	1.9
Jun 19	2.4	2.6	3.2	4.1	2.1	2.7	2.0	2.8	2.0
Jun 20	2.5	2.8	3.3	4.3	2.2	2.9	2.1	2.9	2.1
Jun 21	2.7	2.9	3.5	4.5	2.3	3.0	2.3	3.1	2.1
Jun 22	2.8	3.0	3.7	4.7	2.4	3.1	2.4	3.2	2.2
Jun 23	3.0	3.2	3.8	4.9	2.5	3.3	2.5	3.4	2.3
Jun 24	3.1	3.3	4.0	5.1	2.6	3.4	2.9	3.5	2.4
Jun 25	3.3	3.4	4.2	5.3	2.7	3.6	3.1	3.6	2.5
20-year avge %pa	3.2	2.9	3.5	4.7	2.4	3.0	3.0	3.0	2.2

Source:BERL

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