



ANNUAL PLAN

19 / 20

**The Adopted
Annual Plan for
2019/2020**

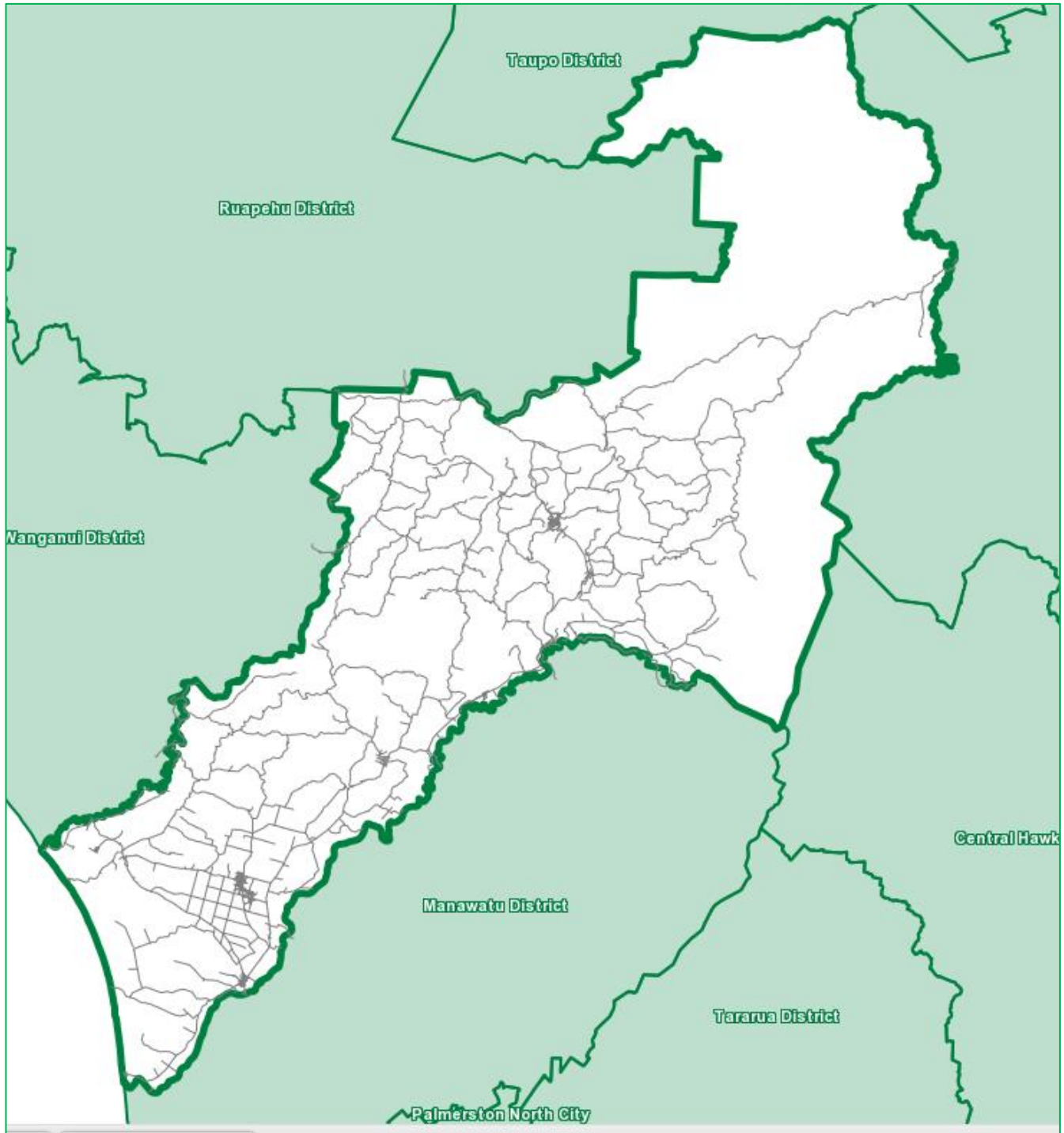


RANGITIKEI
DISTRICT COUNCIL
Making this place home.

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Rangitikei



Mayor's Message – a promising year ahead

First, I wish to thank two overlapping groups of people. First, those of you who took time to come to the public meetings held around the District during the consultation period on the draft Annual Plan; secondly, those who gave your views about the key issues of particular importance for Council – and, equally important, other matters which you wanted us to consider. This final plan is better for your participation and sharing of ideas.

This is the second year of the Long Term Plan. As such, the Annual Plan is a refresh of what the Long Term Plan anticipated would be on Council's agenda during 2019/20, and the financial implications. Much of what was planned will be done. The overall rate increase from 2018/19 to 2019/20 will be 3.94%, so very close to what was projected (3.96%) in the Consultation Document for the draft Annual Plan

We are continuing to progress the major projects. Right now the steel framework on the Criterion Street site for the new Bulls Community Centre is becoming a landmark for the town, and the community house in Walton Street, the product of so much community effort and generosity is nearing completion: when sold in the next month or so, it will make a significant contribution to the Bulls Centre project budget.

In Marton there is a feasibility study and design process underway on the best ways to use the heritage buildings on the Cobbler/Davenport and Abraham & Williams sites, associated with the development of a business case – a critical component for Council's decision-making after further public consultation in August-September 2019. In Taihape we are progressing design work for the construction of new amenity facilities on Taihape Memorial Park.

Less obvious, but of great importance, is the work towards getting Marton's treated wastewater out of the Tutaenui Stream and onto land south-west of Bulls, getting Rātana's

treated wastewater out of Lake Waipu onto land, and progressing the replacement Mangaweka Bridge (a boundary bridge shared with Manawatu District Council) and reaching a decision on the future of the present century-old bridge. We will also be progressing an issue not anticipated a year ago – the old Putorino landfill, exposed by a change in course by the Rangitikei River.

Many of you will be aware that the Government is currently giving consideration to how the three waters activities (i.e. drinking water, wastewater and stormwater) are best managed; whether there are services currently provided by central government which would be more effectively managed by local government; and how to best address the funding needs of local government. This work could result in far-reaching changes in how local councils function, with decision expected later in the year. This Annual Plan has been prepared assuming no changes to current arrangements.

Council's preference is to continue to work with our communities to help shape the District's destiny so far as we can. This is why the Long Term Plan placed emphasis on promoting economic development. This is the year when strategies will start to materialise into actions, reinforcing the trends of increasing population and increasing demand for housing. Citizenship ceremonies are now a monthly occurrence, a very tangible demonstration of a desire to live and work in the Rangitikei. Council has flagged its intention to work through a District Plan change process to facilitate housing and industrial developments.

Complementing this is a much invigorated programme for youth, including the recent formation of a Youth Council, and a stronger partnership with Iwi.

Ultimately, Council depends on the willingness of the community to engage – not only by telling us what you think through our various consultations and surveys, but also through

leadership and initiative. The just completed skatepark in Marton's Centennial Park and the Hautapu River Parks project in Taihape Memorial Park (one of New Zealand's earliest scenic reserves) are wonderful examples of this. But so too is the interest shown in various events and festivals during the year, and providing volunteer support with planting and in the libraries.

We are fortunate to live in a community that is compassionate about others and passionate about what the Rangitīkei can provide.



Andy Watson
Mayor of the Rangitīkei District

Your Elected Members



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Cr Jane Dunn
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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 Richard Aslett	06 382-5774
Cr Ruth Rainey	06 382 5507

Rātana

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 Rōpu Ahi Kā (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>
Mr Mark Pirikahu.....	021 440 969.....	<i>Nga Wairiki Ki Uta</i>
Mr Charlie Mete.....	027 418-9108.....	<i>(Rātana Community)</i>
Ms Kim Savage	06 323 1164	<i>(Ngati Parewahawaha)</i>
Mr Chris Shenton	06 348 0558	<i>(Ngati Kauae/Taura)</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 Angus Gordon.....	021 111 4167	<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

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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. 153-162 of the 2018-28 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 was open for submission between 1 April 2019 and 1 May 2019 (noon). Hearings were held on 9 May 2019 (in Marton) and 10 May 2019 (in Taihape) with deliberations on all submissions on 30 May 2019. Council adopted the final plan on 27 June 2019.

Results of deliberations on submissions to the Consultation Document

“Unfolding 19/20”

Introduction

This report provides an analysis of the written and oral submissions received by Council to its Consultation Document, “Unfolding 19/20”, with respect to the draft 2019-20 Annual Plan, having followed the due process of the special consultative procedure outlined in the Local Government Act 2002.

The key issues identified in the consultation document are considered separately. Submitters raised a number of other issues – these are discussed in paragraphs relating to Council’s relevant group of activities.

1 Summary of submissions

Consultation

- 1.1 Consultation on the draft Annual Plan 2019-20 was conducted in accordance with the requirements in section 82 of the Local Government Act 2002.
- 1.2 Submissions were open from 1 April to 1 May 2019.
- 1.3 The Mayor and Councillors hosted public meetings across the District. The Mayor also met with those who requested an individual meeting. Information about the consultation was promoted through Council’s website, Facebook page, twitter, in local newspapers, in the Rangitīkei Line and Rangitīkei Bulletin. A two-page summary of the key issues was published twice during the consultation period, in the Feilding-Rangitīkei Herald and District Monitor. Posters were displayed in the areas where the public meetings were being held. The Consultation Document was distributed widely, in Council’s main offices, libraries and information centres as well as cafes, doctor surgeries and public meeting spaces.

Overview of submissions

- 1.4 Council received a total of 83 written submissions to the Consultation Document. The list of submitters is provided as Appendix 1. Of these, eight submitters spoke to their submissions at the oral hearings held on 9 May 2019 in Marton (three) and 10 May 2019 in Taihape (five).

- 1.5 The location of the submitters is provided in [Figure 1](#) below. This figure shows that the most submissions came from residents in Taihape (34), followed by Mangaweka (12).

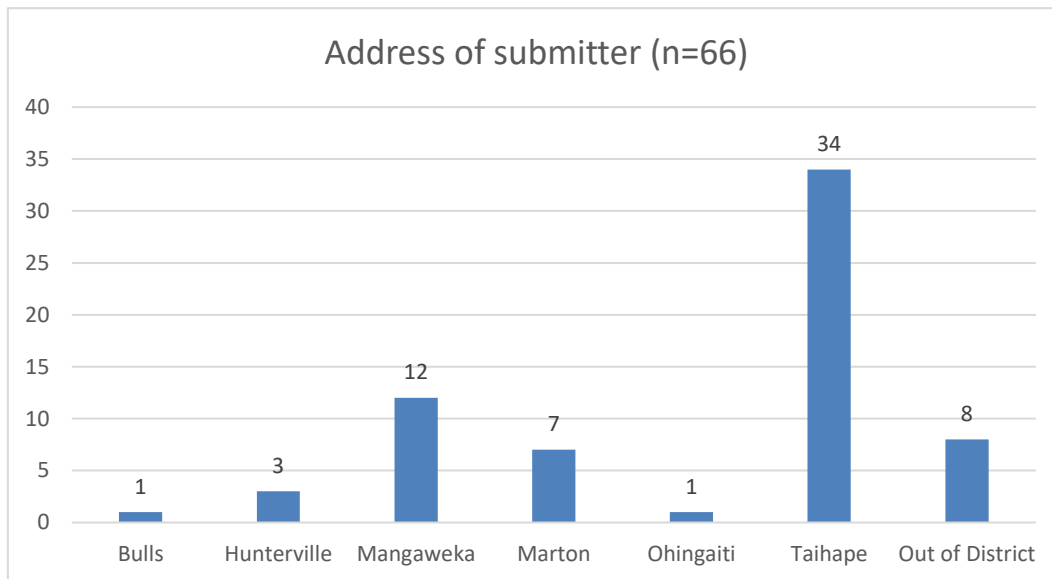


Figure 1. Address of submitter

- 1.6 There was a wide range of organisations or groups (19) that submitted on the Consultation Document ([Figure 2](#)). The list of organisations that submitted is provided as [Appendix 2](#).

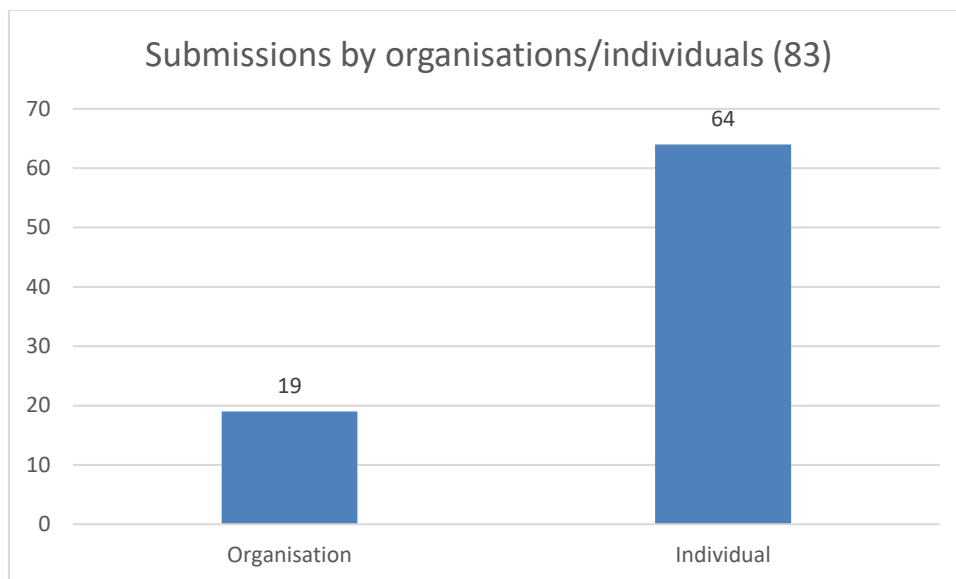


Figure 2. Submissions by organisations/individuals

2 Issue 1: Funding community-led projects

Background

- 2.1 Council asked the community whether they should increase the annual funding to community-led projects which improve facilities on Council's parks, by \$50,000.

Submissions

2.2 The overall results are provided as Figure 3 below. This shows that the majority of submitters that responded to this question (80%) indicated a preference to increase the annual funding for community-led projects.

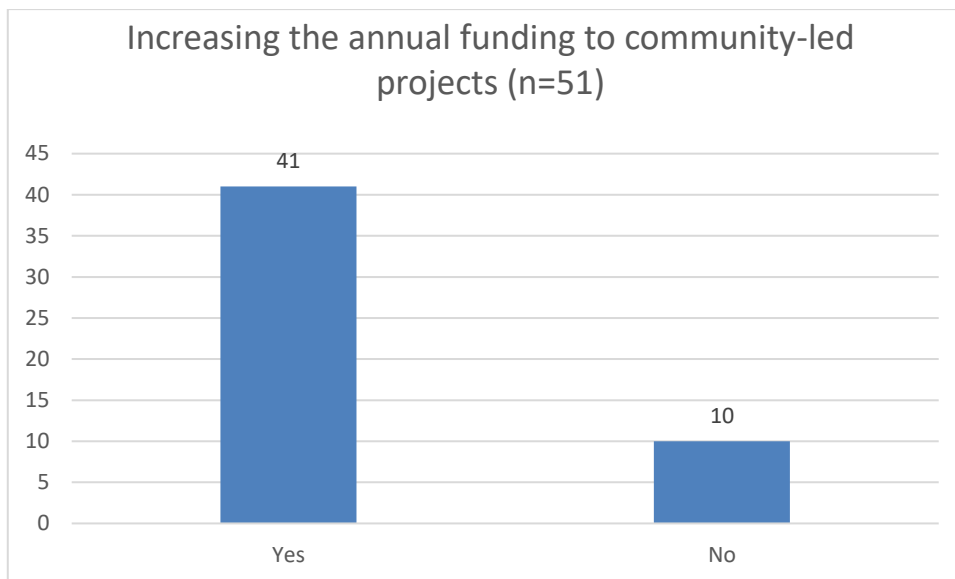


Figure 3. Responses to Issue 1: Increasing funding for community-led projects

2.3 These results have been split down to responses by the address (Figure 4).

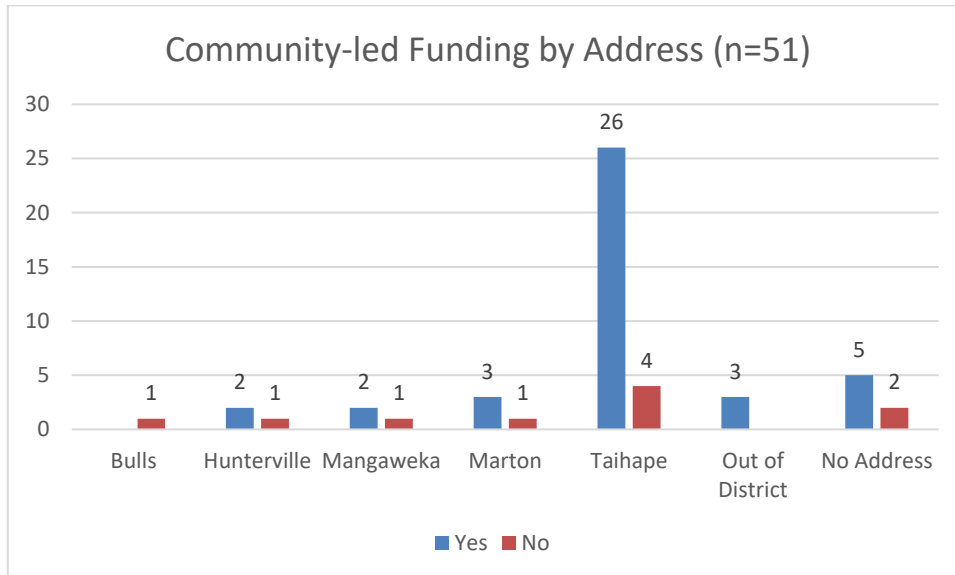


Figure 4. Responses to Community-led funding by address

2.4 Taihape received a total of 30 responses to this question with respondents heavily in favour of increasing funding. All other areas had more respondents in favour of increasing funding than those who didn't with the exception of Bulls.

Of the organisations that responded to this question seven were in favour of an increase with three not in favour of an increase. The other nine did not provide a response. The following organisations were in favour:

- Taihape Women’s Club
- Garden Club
- Onepuhi and Porewa Community Group
- Friendship and Arts in Taihape
- Rangitikei Environment Group
- Taihape Community Board
- Taihape St John Area Committee

Summary

2.5 The majority of submitters who responded to this key question were in favour of increasing funding for community-led projects. Taihape especially stands out as an area that wants to see an increase in funding.

Comments from submitters

2.6 Some of the submitters who were in favour of an increase wanted it to be more than \$50,000 with one submitter commenting that it should be the maximum possible (#003, #025, #026, #047).

2.7 A large number of submitters in favour of an increase provided comments on what the community funding should go towards. Including, parks, clubs, toilets and playgrounds.

2.8 Of those who were opposed to an increase in funding, they cited that there were more important issues and commented on specified work that they thought should be done (#005, #065, #066).

2.9 One submitter commented that annual funding should be reduced not increased (#081).

2.10 Oral submissions raised the following additional issues/comments:

- Should be a dollar for dollar value

2.11 The following further comments were provided from submitters on the issue of increasing funding for community-led projects:

- Submitter #002 commented Council should also apply to the Government’s Tourism Infrastructure Fund for the development of the new walkways in Hautapu River Park.
- Whatever is required to provide for, sufficient facilities that are fit for purpose with ongoing maintenance and security is in place to look after the facilities (#083).

Officer Comment

2.12 While the total response rate on the issue was reasonable (51), once considered at a ‘town’ basis, the number of responses were low for the main centres. The exception to this being Taihape. This illustrates the large number of submitters who would like to see more funding go towards Taihape projects.

- 2.13 The feedback indicates that most people wanted to see an increase in funding for community-led projects and those who provided comment tended to want funding for projects in their area.
- 2.14 This suggests that some areas feel that their facilities are not of the same standard as other areas and that they should receive funding. Council considers each funding application separately and determines which projects receive funding.
- 2.15 An application is being made to the third round of the Government’s Tourism Infrastructure Fund for \$270,000, which (if successful, and combined with Council’s contribution of \$30,000) would provide similar facilities as that planned for Follett Street.

3 Issue 2: Contributing to St Johns Ambulance Station in Taihape

Background

- 3.1 Council asked the community if they agree with Councils proposal to contribute \$50,000 to the cost of the new St Johns Ambulance Station in Taihape.

Submissions

- 3.2 The overall results are provided as Figure 5 below. This shows a fairly even split between those who agreed (45%) with the contribution and those who did not agree (55%).

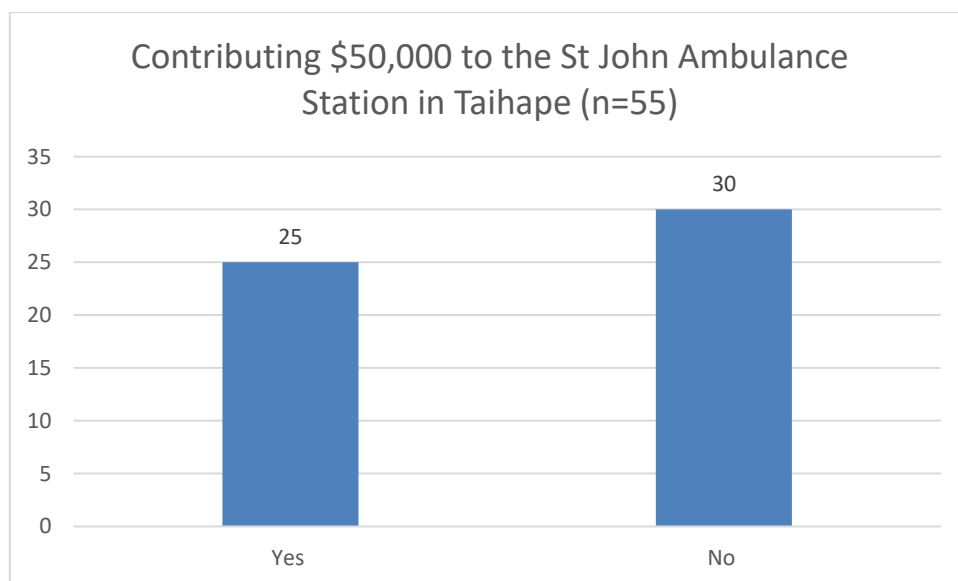


Figure 5. Responses to Issue 2: Contributing \$50,000 to the St John Ambulance Station in Taihape

- 3.3 Figure 6 compares the Taihape submitters against the rest of the submitters who responded to this question.

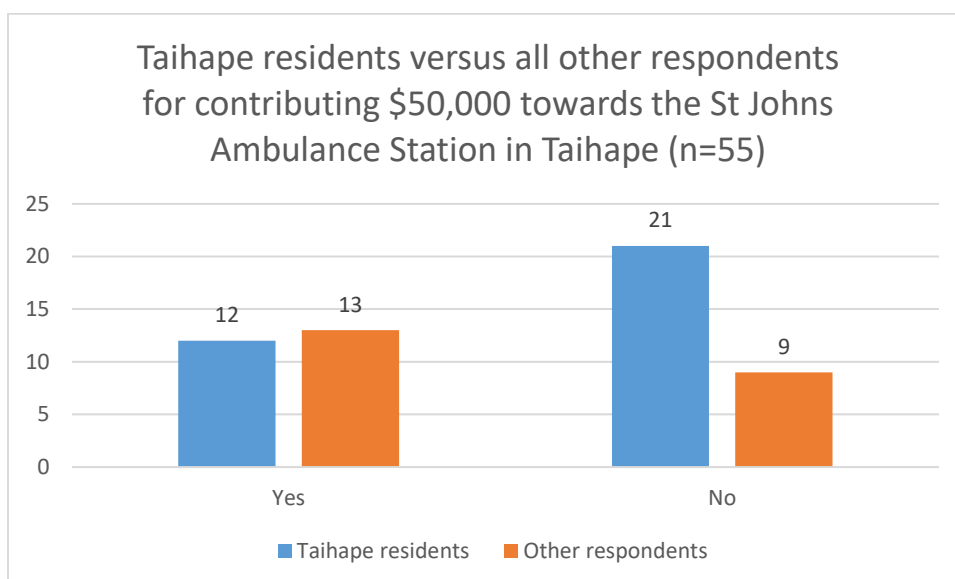


Figure 6. Taihape Submitters versus all other respondents for contributing \$50,000 towards the St Johns Ambulance Station in Taihape

Summary

- 3.4 Taihape had the most respondents (33) to this question which can be attributed to the decision affecting their local emergency service directly. Of those 33 respondents 12 agreed that Council should contribute \$50,000 for the new Ambulance Station.
- 3.5 Overall 30 respondents said no to the \$50,000 contribution, but when providing comment many of them expanded to say that the contribution should be more. This indicates that many submitters want Council to contribute with some saying it should be more than \$50,000.

Comments from submitters

- 3.6 A number of submitters responded no when asked if Council should contribute \$50,000 towards the Taihape Ambulance Station but commented that it should be more, ranging from \$100,000-\$200,000.
- 3.7 On top of providing funding Council should waive building consent fees (#073), (#077).
- 3.8 Many submitters commented that this is a critical service in an isolated area and needs the help of Council to operate at an expectable level.
- 3.9 Submitters also noted that the current building was not fit for purpose (#055, #058, #059, #061, #073).
- 3.10 Oral submissions raised the following additional issues/comments:
- We cannot approach Lotteries because at the moment there is no space in the plans for a community room and to qualify for funding from the Lottery we need to have 30% of the plan dedicated to the community.
 - There is a possibility of Dudding Trust and 4 Regions that could help.
 - The whole district should contribute not just Taihape ratepayers.
 - The project should be government funded.

3.11 The following further comments were provided from submitters on the issue contributing funding towards the new Ambulance Station:

- Submitter #002 commented that Council should not make a contribution as it should be the government providing funding and submitter #081 said it is a charity that receives millions every year and should fund itself.
- St John Ambulance must become 100 % government funded and Council should pursue this (#082).
- Taihape is not the only station in Council needing relocation costs. If you give it to one - ensure you give to Hunterville too (#019).

Officer Comment

3.12 When comparing those who agreed that Council should contribute \$50,000 towards the new St Johns Ambulance Station in Taihape with those who did not the split was even. However, when looking at the comments provided, many of the respondents who selected no were in favour of a larger contribution as opposed to no contribution at all.

3.13 The majority of submitters were in favour of Council contributing towards the new Ambulance Station, whether it be \$50,000 or a larger sum. Overall reasons for needing a contribution were that St Johns Ambulance in Taihape service a large area and help many people in the district both locals and visitors and that to supply a certain level of service they need good facilities.

3.14 Of those who were opposed to Council contributing they cited that St Johns funding should come from government not Council.

3.15 Although an integral part of responding to emergencies, ambulance services do not receive funding from central government (as the Police and Fire and Emergency New Zealand do). St John Taihape needs to build a new station, partly to satisfy requirements for having double-crewing and partly to satisfy regulations around the strength of buildings used for responding to emergencies (i.e. the IL4 building standard).

4 Issue 3: Increasing Resilience to Climate Change.

Background

4.1 Council asked the community what suggestions they had for Council to increase its resilience against climate change.

Summary

4.2 24 submitters provided feedback on how Council could improve their resilience to climate change.

Comments from submitters

4.3 Many submitters commented that culverts, drains, roads and stop banks should all be maintained to a high level, which will help in a severe weather event.

- 4.4 Plant more trees throughout the district (#025, #040).
- 4.5 Work more with Horizons to ensure waterways stay clean (#018, #059).
- 4.6 It is important to make sure appropriate rubbish and recycling facilities and services are available and well managed (#025, #056, #071, #080, #083).
- 4.7 Oral submissions raised the following additional issues:
- We need to be looking overseas to for what we can do to turn waste into electricity.
- 4.8 Council received the following additional comments on this issue:
- Consider promoting car-less days - and lobby central government to promote this (#040).
 - After the big snow I hope communications have been upgraded as Taihape could be isolated once again (#046).
 - Increase rates levy on unoccupied commercial buildings to be set aside for emergency fund (#051).

Officer Comment

- 4.9 When analysing comments from submitters a large majority wanted to see Council ensure that key infrastructure would be able to hold up to weather events that our region is prone to facing. When forecasting assumptions during the 2018-28 Long Term Plan process Council identified that disruptive effects of climate change with the biggest impact on Council Roads. With this in mind the roading programme has been reprioritized.
- 4.10 Recycling was another topic that received a lot of feedback. Council has investigated providing kerb side recycling and at this stage is on hold. It is intended to be reviewed in the future.

5 Issue 4: De-sexing and Microchipping Cats

Background

- 5.1 Council asked the community whether it should provide funding for the de-sexing and microchipping of cats.

Submissions

- 5.2 The overall results are provided as [Figure 7](#) below. This shows that 58% of submitters think Council should not provide funding, the other 42% think Council should.

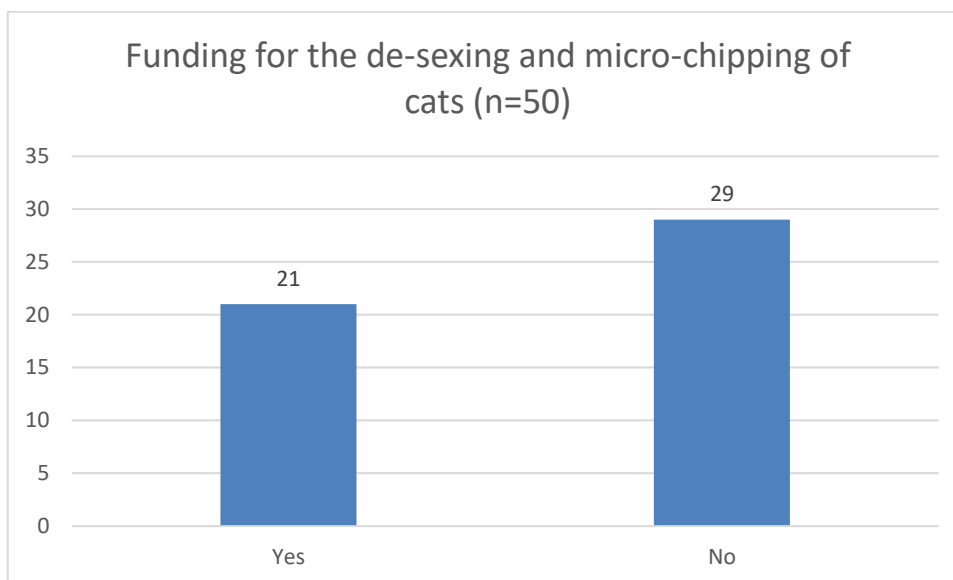


Figure 7. Responses to Issue 4: Funding the de-sexing and micro-chipping of cats

Summary

5.3 Overall submitters were not in favour of Council providing funding for the de-sexing and micro-chipping of cats. However, a number (21) of submitters wanted to see Council provide funding to this.

Comments from submitters

5.4 Of those who were not in support of Council providing funding the resounding response was that it should be the responsibility of the owner not Council to take care of this.

5.5 One submitter agreed with funding de-sexing but not micro-chipping (#062)

5.6 Trial the funding for one year (#004, #019, #058, #059, #071, #078).

5.7 A period longer than one year to see the real results it will have (#006, #040, #051, #067, #070).

5.8 Oral submissions raised the following additional issues/comments:

- Needs to be the same as dogs where they are chipped and tagged.

5.9 The following further comments were provided from submitters on the issue of providing funding for de-sexing and micro-chipping cats:

- Should only be for those who can't afford it (#080)

Officer Comment

5.10 Overall feedback suggests that those who do not think Council should provide funding believe that the owner of the cat should be paying the cost, as it is their animal.

- 5.11 An analysis on the comments of those who think Council should provide funding suggests that a trial period be carried out and then an evaluation done to see where to go from there depending on its success.
- 5.12 If Council adopted the programme it would run for two or three weeks during 2019.
- 5.13 Costings have been obtained and the \$5,000 would cover around 120 cats. This would be limited to domestic cats which are owned by a Community Services card holder.

6 Issue 5: Helping with Euthanising Cats

Background

- 6.1 Council asked the community if they thought that Council should help with the costs for euthanising unwanted cats caught in traps borrowed from Council.

Summary

- 6.2 40 submitters provided feedback on whether or not Council should help with costs for euthanising unwanted cats caught in traps borrowed from Council.

Comments from submitters

- 6.3 A number of submitters expressed that they would like to see this undertaken.
- 6.4 Some submitters were not in favour of this citing the cost and consideration of the rates impact of this needs to be explained further before we can make an informed decision (#040).
- 6.5 Two submitters commented that this should be the responsibility of the SPCA (#005, #059).
- 6.6 The following further comments were provided from submitters on the issue of providing funding for de-sexing and micro-chipping cats:
- This will help increase bird numbers (#066).
 - If these are lent out to people, Council might end up being caught in an argument between two neighbours, one a cat lover - the other a cat hater. The hater will identify the cat caught on his section as "unwanted" even if it has a collar and microchip and belongs to the neighbour. This could lead to possible litigation against the council (#055).
 - If these traps are placed on public land and checked by a council operator and the cat caught is identified as a stray cat (no collar or microchip) then I agree the council should destroy those cats (#055).

Officer Comment

- 6.7 Overall, the majority of submitters to this question would like to see Council do something about lowering number of unwanted cats and agree with Council supporting the cost of this.
- 6.8 The cost of Council helping with the costs of euthanising unwanted cats caught in traps borrowed by Council has not been included in budgets. Two local Veterinary Clinics for were

contacted about how much euthanising a cat would cost with one clinic charging \$44 and the other \$80. Disposing of each euthanised cats is an additional \$20.

- 6.9 If Council were to cover the whole cost and use the least expensive clinic they could euthanise 78 cats on a budget of \$5,000. It would be hard to establish a possible success of this without a trial period to gauge interest from the community.
- 6.10 Limitations of this are the amount of traps Council has and also that cats would need to be transported to the clinic. Something to factor in is those who trap a cat during the weekend and want it to be dealt with. Carrying out this service over the weekend would cost more.
- 6.11 If Council run a trial for four weeks with a budget of up to \$1600 (24 cats excluding transport costs) officers could then report back to Council on the success of the trial.

7 Community and Leisure Assets

- 7.1 The Taihape Women's Club felt disillusioned at the short notice from the Council about their lease at 22 Tui Street. The club would like an extension on the lease until the Bowling Club rooms are modified to meet their requirements. In addition, they have requested that their rental be waived as they are non-profit organisation and want a permanent booking for the first Wednesday of every month and their own key. With the decision to move the bowling club they would not consider another move (#003).
- 7.2 Demolish Women's Club and other buildings on site (#029, #034).
- 7.3 Provide storage at the bowling club for all the groups using the Women's Club (#046).
- 7.4 Upgrade bowling and croquet rooms as soon as 30 June for clubs to move into (#028, #034).
- 7.5 Submitter comments will there be a members fee that would prevent some members using the amenity block facility and who will run the premises and keep it clean as well as on going costs (#036).
- 7.6 There is a need for a new amenities block to encourage motor homers to stay (in Taihape) but don't agree with the location, they should be closer to the road where there is already street lighting (#036).
- 7.7 Put a stop to 'Club Taihape' building a "white elephant" on Council land in Taihape (#022).
- 7.8 Submitter wants to know if a survey on positioning on the amenity block (in Taihape) has been carried out. If not the submitter suggests a survey be undertaken asking local residents where they want it (#036).
- 7.9 Taihape playground at Memorial Park is well over 20 years old, and needs upgrading badly (#005, #043, #052).
- 7.10 Remove and repair the old buildings in the town (Taihape) especially those opposite the railway platform. They are an eyesore to the travelling public. (#002).

- 7.11 Updating the town hall (Taihape). Preference would be to keep the front facade but may be too expensive (#004).
- 7.12 Demolish town hall (Taihape) and build new centre (#029).
- 7.13 Re-Roofing of the Taihape Swim Centre within the next 2 years (#058).
- 7.14 Submitter comments that the budget for re-roofing the Taihape pool could be cut down immensely by not having a roof at all (#005).
- 7.15 Get the old train tunnels opened up between Mangaweka and Utiku for cycling and walking would be great (#063).
- 7.16 To demolish the Grandstand, to make way for a new building to house;
- The information Centre
 - Library,
 - St Johns Ambulance Station
 - New Toilets
 - A Function Room to be used by tenants from The District Women’s Club (#066).

Officer Comments

- 7.17 Council are already working closely with the Women’s Club on progress to moving to the Bowling Club.
- 7.18 At its November meeting, Council confirmed the site for the new Taihape amenities building as being in location between No 3 field and the courts, encroaching on to the last court if necessary.
- 7.19 A finalised concept plan for Memorial Park in Taihape has been received from Isthmus Group. Recent progress on the project has been slow due to the weather.
- 7.20 Council has yet to explore the options for the Taihape Town Hall with the community and undertake a business case. Council intends to fully engage with the community on the future options for the site. Council will lead this process and communications, with Mayor and Councillors fully involved, as they have done and continue to do for the Bulls (and Marton) projects. Design work is scheduled to begin in 2021/22.

8 Parks and Reserves

- 8.1 Submitter thanks Parks and Reserves Team Leader Athol Sanson for his work and working with community groups (#047).
- 8.2 Council should get in touch with Railway now and get the grass cut along the fence before the overbridge at the bottom of Kiwi Road (#050).
- 8.3 Submitter requests that consideration be given to officially naming Marton Park as Marton Memorial Park (#007).

- 8.4 The submitter would like horses to be able to use the proposed walkway around the Marton Reservoir (#023).
- 8.5 The submitter would like to meet with officers more frequently if it is deemed necessary to ensure the goals remain the same (#048).

Officer Comments

- 8.6 Officers took the submitter for a site visit at Marton Reservoir.
- 8.7 Officers will be available to meet when required so that the goals of Rangitikei Environment Group and Council remain the same.

9 Rubbish and Recycling

- 9.1 Have a number of free dumpings per year as included in ones rates. Increasing rates to increase free dumping entirely (#001).
- 9.2 Every six months free rubbish collection, kerb-side everything goes (#043).
- 9.3 Dump fees are getting to be far too expensive for many residents to pay who then turn to other means to get rid of rubbish, dumping on roadsides or river banks, a bin collection service must be introduced with or without recycling bins (#082).
- 9.4 Waste and Recycling should be looked at closely (#041).
- 9.5 Continued promotion of recycling bins and encouraging people to separate their plastic, paper, green waste, cans etc. (#071).
- 9.6 Recycling depots be accessible to rural users also, given the contribution that rural ratepayers make to the rubbish core service (#053).

Officer Comments

- 9.7 Providing free dumping's/pickups would result in Council being responsible for a large amount of rubbish and also the cost that this would incur.
- 9.8 Council are going to continue to provide recycling centres for the public and will review the feasibility of kerbside recycling in the future.

10 Three Waters

- 10.1 Replace all the old drain pipes going under the roads in Taihape to solve water issues there (#036).
- 10.2 Upgrade stream in Wren Street to stop subsidence and sink holes on my property (#028).
- 10.3 Rating differentials or targeted rates for wastewater, solid waste and drinking water, more fairly require those who are benefiting or utilising the activity to provide the required rating contributions (#053).

Officer Comments

- 10.4 Council will continue to work through its infrastructure programmes including the replacement and fixing of old drain pipes.

11 Roothing

- 11.1 Reinstate dropout of the road on Swan St (Taihape) which occurred one year ago. Pay more attention to street cleaning, mowing and footpaths (#034).
- 11.2 We do not support Council taking a, fix as you go, approach to roads impacted by increased heavy traffic activities like forestry (#053).
- 11.3 Better parking and safety at the gumboot on Highway 1 (#052).
- 11.4 To more fairly recover costs for the roading rates, the submitter recommends that Council apply a differential to the roading rate, where urban and rural rate payers, differential are struck at 1, commercial and industrial struck at 2 and forestry 2.5. These differentials will enable Council to obtain a greater contribution from heavy road users, therefore enabling a more proactive maintenance schedule than what Council have proposed (#053).
- 11.5 I would like RDC to put the widening of the road at the intersection of Raumai and Parewanui into their work programme for 2019/20 (#065).
- 11.6 Fixing some of the footpaths in Taihape, SH1 between the motels and Goldfinch (#080).
- 11.7 Provide some sort of footpath between Otaihape Valley Rd and the town ship on SH1 (#080).

Officer Comments

- 11.8 The work for the dropout on Swan St has commenced.
- 11.9 Council will continue to progress with its roading programme.

12 Community Well-being

- 12.1 Help fund Gail Larson's work in re-homing cats (#036).
- 12.2 Funding or services to assist with costs of Taihape's 125th birthday (#047).
- 12.3 Update our security cameras and more around the Taihape District in the known trouble spots (#058, #059).
- 12.4 Work on an Ageing Population Strategy (#058, #059).

Officer Comments

- 12.5 The Community Initiatives Fund provide grants to groups (but not individuals) for a wide range of projects. If Gail Larsen's work was under umbrella of a local group it would be eligible for

consideration. The organisers of Taihape’s 125th birthday celebrations could seek funding support through the Events Sponsorship Scheme.

- 12.6 His Worship the Mayor has attended meetings for Taihape’s 125th Birthday but no formal requests for support have been made.

13 Community Leadership

- 13.1 Address the MOU 19/20 and see whether you are getting value for money from our rates that we pay to the Bulls and District Community Trust. (#065).
- 13.2 While quality housing stock is low, very little is being done to free up quality land, and there is a disconnect between RDC and our councillors (#083).
- 13.3 While the rates rebate was a step, it does not go far enough to encourage development. And there is no desire from Council staff to encourage developers from freeing up land and helping solve the supply issue (#083).

Officer Comments

- 13.4 MOU partnering organisations work plans and agreed activities are being monitored. The 2019/2020 draft work plans are going out for community committee/board consideration.
- 13.5 An Amendment for incentivising residential development has been made to the Rates Remission Policy in January 2019. This includes a rates remission on subdivisions for residential purposes.

14 Finances

- 14.1 Increase rates levy on unoccupied commercial buildings to be set aside for emergency fund (#051).
- 14.2 Make a significant investment in start-ups looking to deliver sustainable and eco-friendly solutions (#083).
- 14.3 Submitter comments that if developers are getting kickbacks then ratepayers should as well (#041).

Officer Comments

- 14.4 Officers are progressing on the development of an Economic Development Strategy.

15 Environment and Regulatory

- 15.1 Work with Horizons to ensure our waterways are clean and no inappropriate discharge is occurring (#018).
- 15.2 Monitor fencing of stock near waterways (#068).

- 15.3 Increase the number of trees planted and support landowners who are trying to plant natives on their property (#025, #045).
- 15.4 Develop policies to encourage greater diversification for the use of land in our district as this will go a long way towards improving resilience (#070).
- 15.5 Maintain work on eradicating Old Man's Beard (#071).
- 15.6 Our current district plan is not fit for our current housing demand (#083).

Officer Comments

- 15.7 Horizons have opportunities for landowners to apply for funding towards planting projects.
- 15.8 Rangitikei Environment Group, who are supported by Council and Horizons Regional Council, are progressing with the eradication of Old Man's Beard.
- 15.9 Officers are investigating the efficiency and effectiveness of the District Plan.

16 Other Issues

- 16.1 Rural cellular and internet connectivity is poor or non-existent for many rural homes in the Rangitikei region. What can RDC do to contribute to this (#025).
- 16.2 Some controls on bird scarers (#030)
- 16.3 Better signage and information in Taihape for visitors, highlighting heritage/history/recreation/parking/dog friendly areas (#078).
- 16.4 Submitter requests that the relocation of Kauangaroa Marae be included in annual planning budget forecasts by the Council over the next five years (#023).
- 16.5 Making ratepayers aware of their behaviours when it comes to maintaining their berms and making sure it does not go down stormwater drains (#059).
- 16.6 A large group were opposed to the removal of the Mangaweka Bridge.
- 16.7 That Council set aside \$5,000 for Rangitikei Environment Group for the maintenance of fences at Taihape Memorial Park and scenic reserves (#048).

Officer Comments

- 16.8 Crown Infrastructure Partners (CIP) are currently rolling out the second phase of the Rural Broadband Initiative which will provide improved broadband to around 10,000 rural households and businesses. CIP is partnering with the Rural Connectivity Group to cover mobile black spots. Geographic mobile coverage is currently sitting at around 50%. The mobile black spot programme is set to increase geographic coverage by 20-30%.
- 16.9 Once an economic analysis on the Mangaweka Bridge has been carried out and submitted to both Rangitikei District Council and Manawatu District Council, the feasibility of retaining the bridge will be determined.

- 16.10 Council is installing new signage in main centres around the Rangitikei.
- 16.11 Council has been requested to include the relocation of Kauangaroa Marae in the annual planning budget but no costing of a work scheme has been provided.

17 Next Steps

- 17.1 Following Council's decisions on submissions, the draft Annual Plan was amended for subsequent adoption by Council at its 27 June 2019 meeting.

18 Council's decisions

- 18.1 Council will be increasing the annual funding for community-led projects by \$50,000, to be a total annual budget of \$100,000.
- 18.2 Council will contribute \$50,000, out of general rates, towards the new St Johns Ambulance Station in Taihape, as the final funder.
- 18.3 Council is going to (as a response to climate change) continue to maintain and upgrade its infrastructure.
- 18.4 Council is going to continue to work on options for kerbside recycling.
- 18.5 Council will not be providing \$5,000 funding for the de-sexing and micro-chipping of cats.
- 18.6 Council approved a trial period of four weeks up to \$1,600 covering the full cost of euthanising unwanted cats **trapped in Council traps** following extensive publicity and officers report back.
- 18.7 Rangitikei Environment Group will continue to receive the funding level of \$20,000 and the use of surplus vehicle.
- 18.8 Council approved \$5,000 as requested by the Rangitikei Environment Group for fencing funding in the reserves.
- 18.9 Council is going to further investigate funding assistance for the new Hunterville St John Operational building.
- 18.10 Council decided that the Onepuhi Road Reserve be reinstated and that Council provide ongoing support to Onepuhi and Porewa Community Group on this project through the Parks Upgrade Partnership Scheme and including the area for mowing and grounds maintenance by the Parks & Reserves team.
- 18.11 Submitters to the retention of Mangaweka Bridge have been informed that Council will, in conjunction with Manawatu District Council, be considering the feasibility of the retaining the current Bridge once the economic analysis has been completed and submitted to both councils.
- 18.12 Council is going to investigate horses being included in the use of the proposed shared pathway around Marton Reservoir. Council is yet to formally approve this as a public area.

- 18.13 Council officers are going to meet with representatives from the Kauangaroa Marae to discuss helping support the relocation of the Marae.
- 18.14 The Mayor, Marton Ward Councillors and the Chief Executive are going to investigate a contribution with the Marton and District Historical Society for their expenses, to be brought back to Council for a decision.



**Multi-purpose Community Centre, Criterion Street, Bulls
(under construction)**

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
- ✓ Interest on external borrowing
- ✓ 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.

Interest on external borrowing

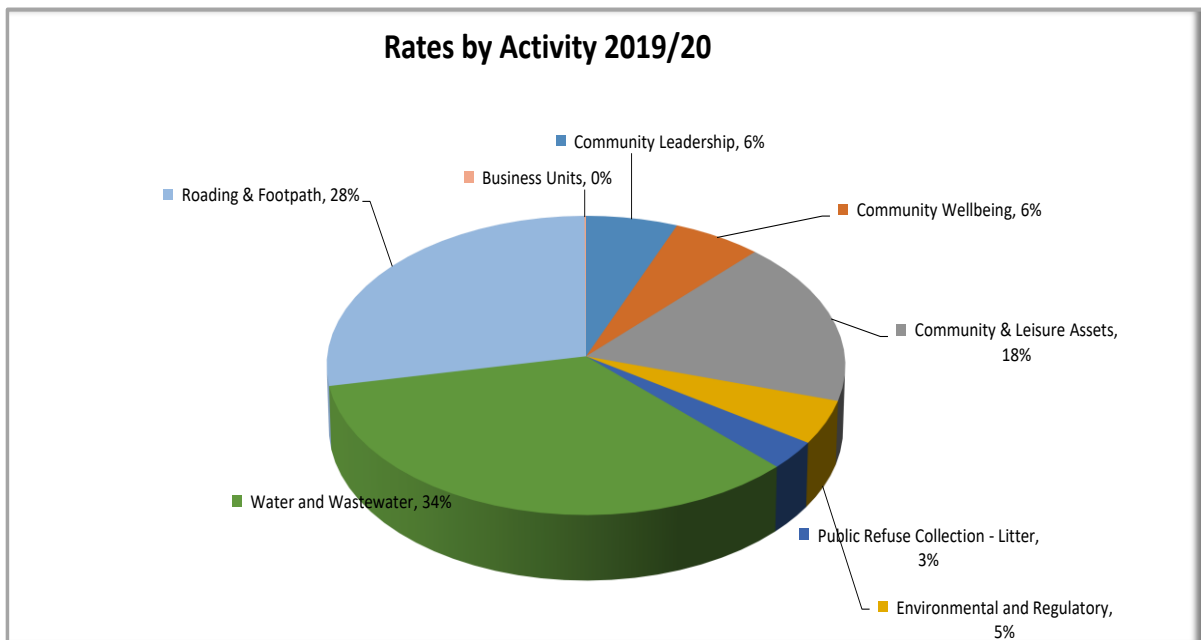
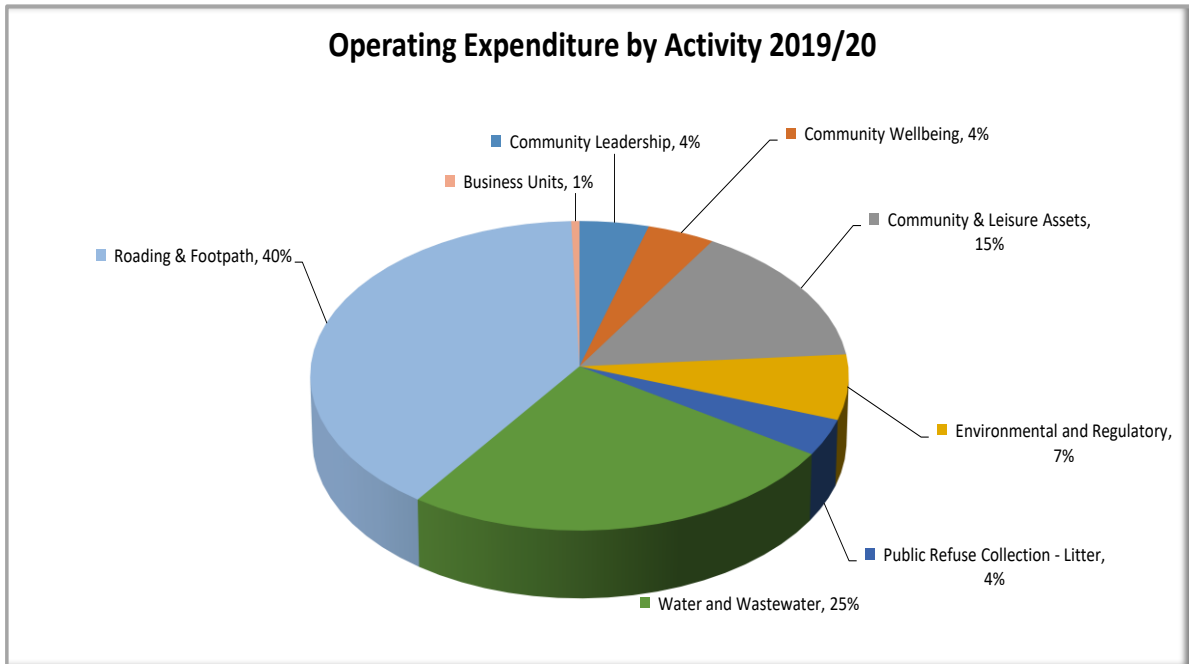
The Long Term Plan forecast interest on external borrowing to be 4.72%. The current rate from the Local Government Funding Agency is considerably less than that so, borrowing has been forecast at 3.72%, a conservative rate.

Specific Groups of Activities

A note on variations is appended to each group of activities. The most significant variations are the carry-forward from 2018/19 to 2019/20 of several water and wastewater upgrades and renewals totalling \$9.33 million and a provision of \$0.50 million to contain the old Putorino landfill exposed by the changing course of the Rangitikei River.

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 2019/20. 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
Making this place home.

RANGITIKEI DISTRICT COUNCIL

Groups of Activities

Annual Plan 2019-2020

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 2019, defines the purpose of Local Government to:

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

... promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

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)

The requirement for Council (section 11A of the Local Government Act 2002) to have 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 has been repealed.¹

To give effect to these obligations, the Council undertakes a wide range of activities. Following the approach taken in the 2018-28 Long Term Plan (pp. 89-120), these are presented in the following pages as nine distinct groups of activities:

- Community Leadership;
- Roothing and Footpaths;
- Water Supply;
- Sewerage and the Treatment and Disposal of Sewage²;
- 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 prospective statement of comprehensive revenue and expenses (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 – rural water supplies are not funded at all; there is part funding for halls, community

¹ Section 10 of the Local Government (Community Well-being) Amendment Act.

² This is the term prescribed in legislation for 'Wastewater'.

housing swimming pools and libraries; and for roading only the non-subsidised portion of depreciation is funded.



Middle country

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. 90-93 of the 2018-28 Long Term Plan.

What we plan to do this year

- 1 Strategic planning
 - a) Annual Report 2018/19
 - b) Annual Plan 2020/21
 - c) Deliver programme of policy and bylaw review
 - d) Conduct section 17A reviews – pools and waste transfer stations
 - e) Respond to climate change by continuing to maintain and upgrade its infrastructure.
- 2 Elections
 - a) Prepare the pre-election report (for the 2019 election)
 - b) Conduct the 2019 elections.
- 3 Council
 - a) Induction of Council, Community Boards/Committees for the 2019-21 triennium
 - b) Prepare the Local Governance Statement and update the Elected Members' Handbook
 - c) Prepare order papers that ensure compliant decision-making
 - d) Internal Audit programme
 - e) Engage with sector excellence programme
 - f) Draft submissions to government proposals and plans.
- 4 Iwi liaison
 - a) Te Rōpu Ahi Kā strategic plan – implementing actions
 - b) Confirming Te Rōpu Ahi Kā membership for the 2019-21 triennium
 - c) Meet with representatives from the Kauangaroa Marae to discuss helping support the relocation of the Marae.

Intended Levels of Service

Intended Levels of Service 2018-2028	Performance measure	Target for 2019/20
Make decisions that are robust, fair, timely, legally compliant and address critical issues, and that are communicated to the community and followed through.	On-time completion of, or substantially undertaken, annual plan actions	92% - all Annual Plan actions. 85% - each group of activities.
	Completion of capital programme.	85% - planned capital programme expended. 70% - all network utilities groups of activities.
	Satisfaction [demonstrated in Annual Residents survey] <i>Benchmark is 2016/17 results:</i> Mean – 12% very satisfied, 28% neutral.	Increase in percentage of ‘very satisfied’ and decrease in percentage of ‘neutral’ compared with the benchmark.
	Value for money – residents’ perception in annual survey <i>In 2016/17 survey</i> 15% thought Rangitikei was better than other councils, 49% thought it about the same, 10% thought it was worse and 27% didn’t know 5% thought Rangitikei ‘definitely’ delivered value for money, 44% ‘satisfactory’, 32% ‘unsure/neutral’, 15% ‘not really’ and 3% ‘definitely not’.	Higher rating than in previous year.
	Effectiveness of communication <i>In 2016/17 survey:</i> Phone – 17% very satisfied, 36% neutral Council website – 13% very satisfied, 35% neutral Social media – 11% very satisfied, 57% neutral Library/information Centre – 14% very satisfied, 45% neutral Rangitikei Line – 5% very satisfied, 71% neutral Local newspapers – 14% very satisfied, 30% neutral In person – 17% very satisfied, 42% neutral.	Increase in percentage of ‘very satisfied’ and decrease in percentage of ‘neutral’ compared with the previous year.
	Māori responsiveness framework <i>Annual surveys in April</i> Governance and relationships Culture and identity Prosperity and well-being Resources and infrastructure.	Improved satisfaction from the previous year. 2018/19 is the first year the survey is conducted.

Intended Levels of Service 2018-2028	Performance measure	Target for 2019/20
	<p>Engagement with sector excellence programmes</p> <p>Council achieved a BB rating in CouncilMARK, October 2017. 16 areas for improvement were identified</p> <p>The Australasian LG Excellence Program was deferred for 2017/18.</p>	<p>Improved survey ratings</p> <p>Percentage of suggested improvements completed or under action</p>

Variations from the Long Term Plan

There are no significant variations in the planned work programme.

Community Leadership – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19	2019/20	2019/20
	LTP Y1	LTP Y2	Annual Plan
	(\$000)	(\$000)	(\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,290	1,397	1,423
Targeted rates	70	72	73
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)	1,360	1,469	1,496
Applications of operating funding			
Payment to staff and suppliers	781	880	818
Finance costs			1
Internal charges and overheads applied	578	587	675
Other operating funding applications			
Total applications of operating funding (B)	1,359	1,467	1,494
Surplus (deficit) of operating funding (A - B)	1	2	2
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			
Increase (decrease) in reserves			
Increase (decrease) in investments			
Total applications of capital funding (D)	0	0	0
Surplus (deficit) of capital funding (C - D)	(2)	(2)	(2)
Funding balance ((A - B) + (C - D))	(1)	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. 94-97 of the 2018-28 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%), 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

1. Pavements

a) Resilience improvements Rehabilitation³ - total estimated cost of \$1,080,000

- Pukepapa Road (1520 m)
- Turakina Valley Rd 1 (1880m)
- Skerman Street (160 m)

b) Seal widening –total estimated cost of \$572,100⁴

- Tennant Rd
- Kie Kie Road
- Murimotu Road

2. Sealed road resurfacing

A total length of 45,430m is planned, primarily reseals (42,119m). Two coats will be 2,926m and AC 385m. The total estimated cost (including roadmarking) is \$285,362

3. Bridges

a) Replacement

- Mangaweka Bridge –estimated cost of \$4,051,000

³ Rather than strengthening forestry harvest routes, damage caused by logging traffic will be repaired under the sealed pavement maintenance programme.

⁴ \$350,000 for improvements in conjunction with the rural area wide treatment programme.

- In junction with Manawatu District Council, consider feasibility of retaining the current bridge
- b) Strengthening
 - Kakariki Bridge - \$210,000
 - Moawhango Bridge - \$210,000
 - Toe Toe Rd Bridge - \$30,000
- 4. Street Lighting
 - a) Accelerated renewal programme of LED carriageway lighting - \$117,000

Intended Levels of Service

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
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.	<p><i>*Road condition</i></p> <p>The average quality of ride on a sealed local road network, measured by smooth travel exposure</p>	97%.
	<p><i>*Road maintenance</i></p> <p>The percentage of the sealed road network that is resurfaced</p>	8%
	<p>The percentage if the unsealed road network which is remetalled during the year</p>	At least 75%
	<p><i>*Footpaths</i></p> <p>The percentage of footpaths within the District that fall within the level of service or service standard for the condition of footpaths that is set out in the Council’s relevant document (such as its annual plan, activity management plan, asset management plan, annual works programme or long term plan)</p>	<p>At least 80% of footpath lengths in CBD areas in Bulls, Marton, Hunterville and Taihape are at grade 3 or higher</p> <p>At least 75% of sampled footpaths lengths outside CBD areas are at grade 3 or higher</p> <p>At least 90% of sampled footpaths assessed at grade 5 are included in upgrade programme during the following two years.</p> <p>Note:</p> <p>A five point grading system to rate footpath condition based on visual inspections</p> <p>1 Excellent 2 Good 3 Fair 4 Poor 5 Very Poor</p> <p>Footpaths will be assessed in approximately 100-metre lengths.</p>

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
		<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 Rātana.</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>Contractor and Council records of requests for service.</p> <p>2016/17 results</p> <ul style="list-style-type: none"> • After hours callouts – 85% • Working hours callouts – 72% • Resolution – 70% <p><i>Note: Council measures resolution as well as initial attendance in response to such requests.</i></p>	<ul style="list-style-type: none"> • After-hours callouts – 95% responded to within 12 hours • Working hours callouts – 95% responded to within 6 hours • Resolution - 85% of all callouts resolved (i.e. completed) within one month of the request.⁵ • Specific reference to callouts relating to potholes

Variations from the Long Term Plan

There are no significant variations in the planned work programme.

⁵ 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.

Roading and Footpaths – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19	2019/20	2019/20
	LTP Y1	LTP Y2	Annual Plan
	(\$000)	(\$000)	(\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	145	152	149
Targeted rates	6,508	6,574	6,418
Subsidies and grants for operating purposes	3,337	3,410	3,417
Fees and charges	30	31	31
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts	115	118	118
Total operating funding (A)	10,135	10,285	10,133
Applications of operating funding			
Payment to staff and suppliers	5,939	6,070	5,894
Finance costs	101	99	81
Internal charges and overheads applied	770	784	810
Other operating funding applications			
Total applications of operating funding (B)	6,810	6,953	6,785
Surplus (deficit) of operating funding (A - B)	3,325	3,332	3,348
Sources of capital funding			
Subsidies and grants for capital expenditure	4,465	6,322	6,657
Development and financial contributions			
Increase (decrease) in debt	(55)	(31)	(49)
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	4,410	6,291	6,608
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service			
- to replace existing assets	7,222	10,137	10,536
Increase (decrease) in reserves	514	(514)	(581)
Increase (decrease) in investments			
Total applications of capital funding (D)	7,736	9,623	9,955
Surplus (deficit) of capital funding (C - D)	-3,326	-3,332	-3,348
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	6,689	6,689	6,729

Roading and Footpaths – Prospective Capital Works

For the year ending 30 June 2020

Category	Designated projects for 2019/20	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
RENEWALS				
Unsealed road metalling	Programmed renewals	410	445	445
Pavement rehabilitation	Programmed renewals	2,131	2,014	2,397
Drainage	Programmed renewals	600	613	614
Structure components	Programmed renewals	1,647	4,842	4,851
Traffic services	Programmed renewals	190	153	154
Sealed road surfacing	Programmed renewals	1,631	1,478	1,480
Footpaths	Programmed renewals	238	244	245
Minor Improvements/Facilities	Programmed renewals	374	348	350
Total renewals		7,221	10,137	10,536
CAPITAL				
Total Capital		0	0	0

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 Rātana. It also covers the rural water (i.e. stock water) schemes in Hunterville, Erewhon, Omatane and Putorino⁶.

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. 98-100 of the 2018-28 Long Term Plan.

What we plan to do this year

1. Marton Water Strategy
2. Tutaenui Road (Marton) Water Supply trunk main replacement.
3. Taihape Falling main replacement
4. Bulls Water Strategy implementation (New Reservoir)
5. Water reticulation Renewals – District wide
6. Replacement of turbidity meters
7. Repairs to Marton Dam
8. Hunterville Urban – new bore
9. Replacement of Mangaohane network in Erewhon rural scheme

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Provide a safe and compliant supply of drinking water	<i>*Safety of drinking water</i> The extent to which the Council's drinking water supply complies with (a) part 4 of the drinking water standards (bacteria compliance criteria) ⁷	No incidents of non-compliance
	(b) part 5 of the drinking water standards (protozoa compliance criteria) ⁸	No incidents of non-compliance
	Compliance with resource consents	No incidents of non-compliance with resource consents

⁶ Council holds the consent from Horizons for this scheme but does not administer it.

⁷ Currently measured by weekly sampling and testing through Environmental Laboratory Services in Gracefield.

⁸ Measured through Water Outlook.

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
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 ⁹ .
	<p><i>*Maintenance of the reticulation network</i> The percentage of real water loss from the Council's networked reticulation system¹⁰</p>	Less than 40%
	<p><i>*Demand management</i> 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.
Be responsive to reported faults and complaints	<p><i>*Fault response time</i> Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following <i>median times</i> are measured</p> <p>(a) attendance for urgent callouts: from the time that the Council receives notification to the time that service personnel reach the site, and</p> <p>(b) resolution of urgent callouts: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption, and</p> <p>(c) attendance for non-urgent call-outs: from the time that the Council receives notification to the time that service personnel reach the site, and</p> <p>(d) resolution of non-urgent call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption</p>	<p>Improved timeliness compared with the previous year</p> <p>In 2016/17 the following median times were reported:</p> <p>(a) 10 minutes (b) 1 hour 17 minutes (c) 19 minutes (d) 1 hour 7 minutes</p>

⁹ There were no unplanned disruptions in 2015/16.

¹⁰ A description of the methodology used to calculate this must be included as part of the report.

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
	<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 (e) the Council's response to any of these issues 	<p>Total number of complaints is less than the previous year or no more than 13 complaints per 1,000 connections.</p> <p>2016/17 results</p> <p>Total complaints – 13/1000</p> <ul style="list-style-type: none"> (a) 6.79/1000 (b) 3.5/1000 (c) 1.66/1000 (d) 0.94/1000 (e) nil¹¹
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 system¹²</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>
	<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 median times 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 	<p>Fewer requests (per 1000 connections) than previous year</p> <p>In 2016/17 the following median times were reported (for Hunterville only¹³):</p> <ul style="list-style-type: none"> (a) 22 minutes (b) 1 hours 8 minutes
Ensure fire-fighting capacity in urban areas	Random flow checks at the different supplies	99% of checked fire hydrants are in compliance.

¹¹ These cannot be distinguished in Council's request for service system, but are included in a-d.

¹² A description of the methodology used to calculate this must be included as part of the report.

¹³ Erewhon and Omatane rural schemes use private contractors. These are the results noted in the 2016/17 Annual Report. The figures in the 2018-28 Long Term Plan are incorrect.

Variations from the Long Term Plan

There has been rephrasing and reprioritisation of the work programme as presented in the Long Term Plan. No significant financial variations are expected.



Water Supply – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties			
Targeted rates	4,583	4,920	5,074
Subsidies and grants for operating purposes			
Fees and charges			36
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding (A)	4,583	4,920	5,110
Applications of operating funding			
Payment to staff and suppliers	2,035	2,086	2,455
Finance costs	528	794	567
Internal charges and overheads applied	963	982	1,013
Other operating funding applications			
Total applications of operating funding (B)	3,526	3,862	4,035
Surplus (deficit) of operating funding (A - B)	1,057	1,058	1,075
Sources of capital funding			
Subsidies and grants for capital expenditure			404
Development and financial contributions			
Increase (decrease) in debt	5,622	2,241	4,997
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	5,622	2,241	5,401
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	1,041	570	1,688
- to replace existing assets	5,638	2,729	4,788
Increase (decrease) in reserves			
Increase (decrease) in investments			
Total applications of capital funding (D)	6,679	3,299	6,476
Surplus (deficit) of capital funding (C - D)	(1,057)	(1,058)	(1,075)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	1,385	1,398	1,409

Water Supply – Prospective Capital Works

For the year ending 30 June 2020

Category	Designated projects for 2019/20	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
RENEWALS				
Water District	Treatment and reticulation	5,442	2,544	4,463
Huntermville urban	Treatment and reticulation	50	10	26
Erewhon	Treatment and reticulation	120	123	246
Huntermville rural	Treatment and reticulation	20	46	46
Omatene	Treatment and reticulation	6	6	6
Total renewals		5,638	2,729	4,787
CAPITAL				
Water District	Treatment upgrade	132	570	1,278
Huntermville urban	Treatment upgrade	908		411
Total Capital		1,040	570	1,689

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, Rātana 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. 101-103 of the 2018-28 Long Term Plan.

What we plan to do this year

- 1 Marton and Bulls Combined Wastewater Scheme
 - Land Purchase
 - Finalisation of Marton/Bulls pipeline design
- 2 Rātana Wastewater Upgrade – Land Purchase
- 3 Wastewater Reticulation Renewals – District-wide.

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
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.
	<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. Fewer overflows than 0.4/100 connections.
	<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.	Improved timelines compared with the previous year. In 2016/17 the following median times were reported:

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
	(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.	(a) 22 minutes (b) 2 hours 34 minutes. Dry weather overflows are included. Improved median times compared with the previous year or no more than the median times reported in 2016/17
Be responsive to reported faults and complaints	<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 ¹⁴ (b) expressed per 1,000 connections to the Councils sewerage system.	Fewer requests (per 1000 connections) than previous year or no more than 5 requests per 1,000 connections In 2016/17, the results were 4.49 per 1,000 connections.

Variations from the Long Term Plan

There has been rephrasing and reprioritisation of the work programme as presented in the Long Term Plan. No significant financial variations are expected.

¹⁴ 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.

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

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties			
Targeted rates	2,240	2,589	2,347
Subsidies and grants for operating purposes			
Fees and charges	200	205	205
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding (A)	2,440	2,794	2,552
Applications of operating funding			
Payment to staff and suppliers	1,121	1,149	1,253
Finance costs	237	555	188
Internal charges and overheads applied	365	372	394
Other operating funding applications			
Total applications of operating funding (B)	1,723	2,076	1,835
Surplus (deficit) of operating funding (A - B)	717	718	717
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	6,733	2,287	3,193
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	6,733	2,287	3,108
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	50		514
- to replace existing assets	7,400	3,005	3,396
Increase (decrease) in reserves			
Increase (decrease) in investments			
Total applications of capital funding (D)	7,450	3,005	3,910
Surplus (deficit) of capital funding (C - D)	(717)	(718)	(717)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	717	718	717

Sewerage and Treatment and Disposal of Sewage – Prospective Capital Works

For the year ending 30 June 2020

Category	Designated projects for 2019/20	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
RENEWALS				
Sewerage District	Treatment and reticulation	7,450	3,005	3,396
Total renewals		7,450	2,932	3,396
CAPITAL				
Sewerage District	Treatment plant Upgrade	0	0	513
Total Capital		0	0	513

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 Rātana. 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. 104-106 of the 2018-28 Long Term Plan.

What we plan to do this year

1. Stormwater Reticulation Renewals and improvements – District-wide

Intended Levels of Service

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Provide a reliable collection and disposal system to each property during normal rainfall	<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>(a) 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> <p>Not yet applicable.</p>
	<p><i>*System adequacy</i></p> <p>(b) The number of flooding events¹⁵ that occurred in the District</p> <p>For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the Council’s stormwater system).</p>	<p>Fewer requests (per 1000 properties) than previous year</p> <p>In 2016/17, there were no flooding events in terms of the measure’s requirements.</p> <p>There are 4,122 properties in the District which pay the stormwater rate.</p>
	<p><i>*Customer satisfaction</i></p> <p>The number of complaints received by the Council about the performance of its stormwater system, expressed per 1,000</p>	<p>Fewer requests (per 1,000 connections) than previous year or no more than in 2016/17</p>

¹⁵ 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 2018-28	Performance measure	Target for 2019/20
	properties connected to the Council's stormwater system.	The 2016/17 results were 4.12/1,000.
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>	<p>Timeliness noting the severity of the incident(s)</p> <p>There were no applicable results in 2016/17.</p>

Variations from the Long Term Plan

There has been rephrasing and reprioritisation of the work programme as presented in the Long Term Plan. No significant financial variations are expected

Stormwater Drainage – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties			
Targeted rates	634	694	669
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			6
Total operating funding (A)	636	696	677
Applications of operating funding			
Payment to staff and suppliers	205	210	236
Finance costs	25	71	23
Internal charges and overheads applied	113	115	124
Other operating funding applications			
Total applications of operating funding (B)	343	395	383
Surplus (deficit) of operating funding (A - B)	293	301	294
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	965	928	632
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	965	928	373
Application of capital funding			
Capital expenditure			
- to meet additional demand			
- to improve the level of service	750	769	411
- to replace existing assets	508	460	668
Increase (decrease) in reserves			(153)
Increase (decrease) in investments			
Total applications of capital funding (D)	1,258	1,229	926
Surplus (deficit) of capital funding (C - D)	(293)	(301)	(294)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	293	300	293

Stormwater Drainage – Prospective Capital Works

For the year ending 30 June 2020

Category	Designated projects for 2019/20	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
RENEWALS				
Stormwater District	Reticulation	508	460	668
Total renewals		508	460	668
CAPITAL				
Stormwater District	Culverts, drains and inlet protection	750	768	410
Total Capital		750	768	410

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. 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. 107-111 in the 2018-28 Long Term Plan.

What we plan to do this year

1. Parks
 - a) Parks Upgrade Partnership Fund¹⁶
 - b) Marton B and C Dams – implement the management plan for the B and C Dams (including Council decision on this being a public area)¹⁷
 - c) Marton Memorial Hall Playground – community-led upgrade/redevelopment
 - d) Memorial Park Taihape – develop and implement a plan to maximise recreational opportunities (collaboration with the Society of Friends of Taihape)
 - e) Santoft Domain – community led upgrade
 - f) Onepuhi Reserve – supporting the Onepuhi and Porewa Community Group¹⁸
 - g) Support Rangitikei Environment Group¹⁹
 - h) Support Rātana playground upgrade
2. Community housing
 - a) Refurbishment of housing stock

¹⁶ Council has increased the annual funding by \$50,000 – i.e. a total annual budget of \$100,000.

¹⁷ Investigation of horses to be included in the use of the proposed shared pathway

¹⁸ Tangible support through the Parks Upgrade Partnership Scheme and including the area for mowing and grounds maintenance by the Parks and Reserves team.

¹⁹ Tangible support is \$20,000 annual grant, a one-off \$5,000 grant for fencing in reserves, and use of a surplus Council vehicle.

- b) Options for new/replacement facilities
- 3. Cemeteries
 - a) Taihape – new carpark
 - b) Rangatira (Huntermville) and Mt View (Marton) extension
 - c) Turakina – revoking closed status
- 4. Swimming pools
 - a) Taihape – re-roofing
 - b) Marton – new boilers
- 5. Campgrounds – UV treatment at Dudding Lake, Koitiata and Scotts Ferry
- 6. Public toilets
 - a) Follett Street, Marton (completion)
 - b) Mangaweka Campground (depending on timing and location of the new bridge)
 - c) Additional facilities in Marton (if supplementary funding received from Tourism Infrastructure Fund)
- 7. Community buildings
 - a) Bulls Community Centre – construction (completion December 2019)
 - b) Marton Civic Centre Development – feasibility study and (subject to Council approval) detailed design
 - c) Marton Memorial Hall – repainting
 - d) Community amenities on Taihape Memorial park
 - e) Taihape Town Hall upgrade – feasibility assessment

Intended Levels of Service

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Provide a fit for purpose range of community and leisure assets	<p>“Report card” produced during April/May each year from a survey of residents.²⁰</p> <p>Public libraries; Public swimming pools; Sports fields and parks Public toilets; Community buildings and Camping grounds.</p>	<p>More than 10% of the sample believe the service is ‘Better than last year’.</p> <p>Results for 2016/17 Public libraries – 11%; Public swimming pools – 16%; Sports fields and parks – 18% Public toilets – 7%; Community buildings – 4%; and Camping grounds – 10%.</p>

²⁰ 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.

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Compliance with relevant standards	<p>Swim Centres</p> <p>All swimming pools have Poolsafe accreditation.</p>	Benchmark maintained.
	<p>Community Housing</p> <p>Council records compliance with the 29 criteria in the rental warrant of fitness programme</p> <p>Public toilets</p> <p>Toilet buildings are well designed, safe and visible – Compliance with SNZ4241:1999 and CPTED (safer design guidelines) for new or refurbished toilets</p>	<p>Maintaining or improving compliance.</p> <p>Meeting the benchmark.</p>
	<p>Parks and reserves</p> <p>Levels of service for parks throughout the District consistent with the New Zealand Recreation Association Parks Categories and Levels of Service guideline.</p>	Increased % compliance with Levels of Service Guideline for all parks compared with previous year.
Secure high use of staffed facilities	<p>Number of users of libraries (Automated door-count system)</p>	<p>An increase in use compared with the previous year.</p> <p>For 2016/17 50,918 people entered the libraries – 8,901 (21 days unrecorded) at Bulls, 18,198 at Marton (8 days unrecorded) and 23,819 (13 day unrecorded) at Taihape.</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>In the 2016/17 season there were 28,271 at Marton and 11,177 at Taihape</p>
	Occupancy of community housing	<p>95%-100% occupant of whom 70% are superannuitants</p> <p>In December 2017, occupancy was 100% of whom 60% were superannuitants</p>

Variations from the Long Term Plan

Apart from the slower progress than anticipated with the Marton Civic Centre, there are no significant variations in the planned work programme.

There is an increase in costs for the Bulls Community Centre and a carry forward of \$0.097 million from 2018/19. The Taihape Memorial Park Amenities Building has a budget of \$1.2million to date and \$0.6 million is a carry forward from 2018/19.



**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 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	3,933	4,151	4,142
Targeted rates			
Subsidies and grants for operating purposes	191	195	2
Fees and charges	489	498	598
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding (A)	4,613	4,844	4,742
Applications of operating funding			
Payment to staff and suppliers	2,187	2,230	2,020
Finance costs	59	153	151
Internal charges and overheads applied	1,620	1,648	1,757
Other operating funding applications			
Total applications of operating funding (B)	3,866	4,031	3,928
Surplus (deficit) of operating funding (A - B)	747	813	814
Sources of capital funding			
Subsidies and grants for capital expenditure	1,298	1,323	2,368
Development and financial contributions			
Increase (decrease) in debt	1,947	995	3,322
Gross proceeds from sale of assets	532	532	1,064
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	3,777	2,850	6,754
Application of capital funding			
Capital expenditure			
- to meet additional demand	3,184	2,948	4,714
- to improve the level of service	240	102	1,518
- to replace existing assets	1,102	429	1,089
Increase (decrease) in reserves	48	286	247
Increase (decrease) in investments	(50)	(102)	
Total applications of capital funding (D)	4,524	3,663	7,568
Surplus (deficit) of capital funding (C - D)	(747)	(813)	(814)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	1,090	1,149	1,156

Community and Leisure Assets – Prospective Capital Works

For the year ending 30 June 2020

Category	Designated projects for 2019/20	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
RENEWALS				
Swimming pools	Pool Covers Painting	100		31
Swimming pools	Buildings- Reroof/Insulation		123	552
Swimming pools	Boilers		51	51
Libraries	Books, furniture and computers	115	117	117
Community housing	Flat refurbishment	140	102	102
Parks and reserves	Landscaping and playgrounds	805	71	141
Toilets	Building refurbishment	12	15	28
Halls	Refurbishment	30	51	168
Total renewals		1,202	530	1,190
CAPITAL				
Libraries	Marton Admin and Library centre	100	255	255
Community housing	Insulation	10		
Cemeteries	Berms/Re- surfacing & Fencing	77	46	187
	Land purchase Ratana			36
Parks and reserves	Mangaweka campground	204		122
	Parks upgrades	88		1,337
Toilets	New public toilets	150		463
Halls	Taihape Town Hall	100		102
Halls	Bulls Community Centre- Furniture			102
Halls	Bulls Community Centre	2,595	2,647	3,527
Total Capital		3,324	2,948	6,131

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. 112-113 of the 2018-28 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.²¹ 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

1. Undertake containment of the historic Putorino landfill exposed by the Rangitikei River changing course.
2. Investigate other identified historic closed landfills not currently monitored.

Intended Levels of Service

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
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) ²² .	Less tonnage to landfill than previous year 5,123 tonnes in 2016/17
	Waste diverted from landfill (tonnage and (percentage of total waste) ²³ .	Percentage of waste diverted from landfill 22%

Variations from the Long Term Plan

There are no significant variations in the planned work programme.

There was a decision to defer the kerbside recycling until 2021/22. Council will continue to work on options for recycling. There is also a provision of \$0.5million in regard to containing the Putorino landfill.

²¹ Council has made provision to purchase the land on which the Marton Waste Transfer Station is sited: see page 40.

²² Calibrated records maintained at Bonny Glen landfill.

²³ Records maintained at waste transfer stations.

Rubbish and Recycling – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	131	133	136
Targeted rates	617	1,538	586
Subsidies and grants for operating purposes			
Fees and charges	504	514	554
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
Total operating funding (A)	1,252	2,185	1,276
Applications of operating funding			
Payment to staff and suppliers	1,092	1,907	1,104
Finance costs	1	32	2
Internal charges and overheads applied	120	123	127
Other operating funding applications			
Total applications of operating funding (B)	1,215	2,062	1,233
Surplus (deficit) of operating funding (A - B)	39	123	43
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	654	(36)	497
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	654	(36)	497
Application of capital funding			
Capital expenditure			
- to meet additional demand	658		
- to improve the level of service			501
- to replace existing assets			
Increase (decrease) in reserves	35	87	39
Increase (decrease) in investments			
Total applications of capital funding (D)	693	87	540
Surplus (deficit) of capital funding (C - D)	(39)	(123)	(43)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	38	124	43

Rubbish and Recycling – Prospective Funding Impact Statement

For the year ending 30 June 2020

Category	Designated projects for 2019/20	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
RENEWALS				
Total renewals		0	0	0
CAPITAL				
Public Refuse Collections	Kerbside Rubbish & recycling	568		
Waste transfer stations	Plant Upgrades	90		
Landfill				500
Total Capital		658	0	500

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. 114-116 of the 2018-28 Long Term Plan.

What we plan to do this year

- 1 Building Accreditation Reassessment
- 2 Implementation of the Building (earthquake-prone buildings) Amendment Act
- 3 Trial period of four weeks (up to \$1,600) covering the full cost of euthanising cats trapped in Council traps following extensive publicity and offers' report back.

Intended Levels of Service

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
Provide a legally compliant service	Timeliness of processing the paperwork (building control, consent processes, licence applications) ²⁴ .	At least 94% of the processing of documentation for each of Council's regulatory and enforcement services is completed within the prescribed times. Building consents - 98% Resource consents - 98%
	Possession of relevant authorisations from central government ²⁵ .	Accreditation as a building consent authority maintained. Functions of a registration authority and role of a recognised agency under the Food Act not subject to Ministerial Review. ²⁶ Accreditation maintained
Provide regulatory compliance officers.	Timeliness of response to Requests for Service for enforcement call-outs (animal control and environmental health); within	Improvement in timeliness reported in 2015/16 ²⁷ . 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-

²⁴ This includes any prescribed monitoring, such as of resource consents.

²⁵ Excluding general authorisation through legislation where no further formal accreditation is specified.

²⁶ Food Act 2014, s. 185. This added since the measure is an annual review of relevant documents.

²⁷ 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.

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
	prescribed response and resolution times.	urgent) callouts require response within 24 hours and resolution within 96 hours. In 2015/16 the following response times were reported: 86% (priority one) 89% (priority two) Responded in time 92% Completed in time 83%

Variations from the Long Term Plan

There are no significant variations in the planned work programme.

The Revenue and Financing Policy has been considered in determining the nature and source of revenue collected. This is evidenced by the anticipated increase in Fees and Charges which has an impact of reducing the General rates amount.

Environmental and Regulatory Services – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,185	1,204	1,102
Targeted rates			
Subsidies and grants for operating purposes			
Fees and charges	671	686	887
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts	305	312	312
Total operating funding (A)	2,161	2,202	2,301
Applications of operating funding			
Payment to staff and suppliers	406	416	432
Finance costs			4
Internal charges and overheads applied	1,755	1,786	1,865
Other operating funding applications			
Total applications of operating funding (B)	2,161	2,202	2,301
Surplus (deficit) of operating funding (A - B)	0	0	0
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			
Increase (decrease) in investments			
Total applications of capital funding (D)	0	0	0
Surplus (deficit) of capital funding (C - D)	0	0	0
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.

More detail is provided on pp. 117-120 of the 2018-28 Long Term Plan.

What we plan to do this year

- 1 Community Partnerships
 - a) Contract with local organisations to develop and deliver events, activities and projects to enliven the towns and District
 - b) Contract with local organisations to provide a range of information, such as
 - Up-to date calendar of events, and
 - Community newsletters
 - c) Investigate contribution to the Marton and Districts Historical Society for their expenses (to be brought back to Council for a decision)
 - d) Investigate funding assistance for the new Hunterville St John Operational building.²⁸
- 2 Economic development and district promotion
 - a) Management of Rangitikei.com
 - b) Implementaion of Economic Development Strategy
- 3 Youth Development
 - a) Youth Committee and networking meetings
 - b) Establishment of a Youth Zone in Bulls
 - c) Ongoing facilitation of the Youth Zones in Taihape, and Marton
- 4 Emergency management
 - a) Civil Defence – increasing the District’s resilience

²⁸ Council agreed to contribute \$50,000, out of general rates, towards the new St Johns Ambulance Station in Taihape, as the final funder.

Intended Levels of Service

Intended Levels of Service 2018-28	Performance measure	Target for 2019/20
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) ²⁹ 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. Increased % satisfaction compared with previous year
Identify and promote opportunities for economic growth in the District	Rangitikei District's GDP growth compared to the average of similar* district** economies (*similar by geography, population, and business sector, ** Those being similar are Ruapehu, Tararua, Manawatū, and Otorohanga)	Greater than 1% against last financial year compared to the mean of similar district economies
	Rangitikei District's earnings data (salaries, wages, self-employed income) growth compared to the average of similar* districts** (*similar by geography, population, and business sector, ** Those being similar are Ruapehu, Tararua, Manawatū, and Otorohanga)	Greater than or equal to 1% range from the last financial year compares to the mean of similar district economies
	The number of visits and unique visits to Rangitikei.com	An increase in the number of visits and unique visits to Rangitikei.com compared to the previous year
	A greater proportion of young people living in the district are attending local schools	An increase in the number of enrolments compared with the previous year
Provide a safe and relevant community space, acting as a gateway for skills and social development, improving educational, training or employment access, and improving access for youth related social services	Partners view of how useful Council's activity in youth space facilitation and advocacy has been	Very satisfied – 70%

²⁹ 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 2018-28	Performance measure	Target for 2019/20
Ensure competency in discharging Civil Defence responsibilities	Timing of a self-assessment when the Emergency Operations Centre is activated and of continued civil defence training exercises	Self-assessment undertaken and responded to within four months of Emergency Operations Centre activation. At least one exercise undertaken each year involving at least half of Council staff

Variations from the Long Term Plan

There are no significant variations in the planned work programme.

Community Well-being – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,502	1,532	1374
Targeted rates			
Subsidies and grants for operating purposes	51	52	67
Fees and charges	13	13	12
Interest and dividends from investments			14
Local authorities fuel tax, fines, infringement fees, and other receipts	32	32	14
Total operating funding (A)	1,598	1,629	1,467
Applications of operating funding			
Payment to staff and suppliers	945	965	846
Finance costs	1	1	
Internal charges and overheads applied	648	659	618
Other operating funding applications			
Total applications of operating funding (B)	1,594	1,625	1,464
Surplus (deficit) of operating funding (A - B)	4	4	3
Sources of capital funding			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	(1)	(1)	
Gross proceeds from sale of assets			
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	(1)	(1)	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	3	3	3
Increase (decrease) in investments			
Total applications of capital funding (D)	3	3	3
Surplus (deficit) of capital funding (C - D)	(4)	(4)	(3)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	6	6	5



RANGITIKEI
DISTRICT COUNCIL
Making this place home.

RANGITIKEI DISTRICT COUNCIL

Prospective Financial Statements

Annual Plan 2019-2020

Prospective Financial Statements

The Council's Annual Plan covers the period 1 July 2019 to 30 June 2020. 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 2018/19, 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 27 June 2019. 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 2020

	2018/19	2019/20	2019/20
	LTP Y1	LTP Y2	Annual Plan
	(\$000)	(\$000)	(\$000)
Revenue from non-exchange transactions			
Rates	21,676	22,955	22,531
Subsidies and grants	9,341	11,303	12,914
Other revenue	2,390	2,440	2,805
Revenue from exchange transactions			
Finance revenue	220	225	225
Other revenue			0
Total operating revenue	33,627	36,923	38,475
Expenditure			
Depreciation and amortisation expense	10,677	10,842	10,783
Personnel costs	3,830	3,892	4,417
Finance costs	8	490	117
Other expenses	17,524	18,789	17,763
Total operating expenditure	32,039	34,013	33,080
Operating surplus (deficit) before tax	1,588	2,910	5,395
Income tax expense			
Net surplus (deficit) after tax	1,588	2,910	5,395
Other comprehensive revenue and expense			
Gain on revaluation of infrastructural assets			
Gain on revaluation of land and buildings		26,356	26,271
Total other comprehensive revenue and expenses	0	26,356	26,271
Total comprehensive revenue and expense	1,588	29,266	31,666

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 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
Balance as at 1 July	500,341	501,929	494,376
Total comprehensive for the year	1,588	29,266	31,666
Balance as at 30 June	501,929	531,195	525,696

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

Prospective Statement of Financial Position

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
CURRENT ASSETS			
Cash and cash equivalents	4,503	4,503	6,781
Debtors and other receivables	3,068	3,135	3,382
Prepayments	65	65	97
Total current assets	7,636	7,303	10,260
NON-CURRENT ASSETS			
Plant, property and equipment	510,306	546,620	536,461
Intangible assets	80	80	111
Forestry assets	194	92	53
Other financial assets			
Corporate bonds			30
Investments in CCOs and other similar entities	70	70	70
Total non-current assets	510,650	546,862	536,725
Total assets	518,286	554,565	546,985
Liabilities			
Current liabilities			
Creditors and other payables	4,779	4,846	4,397
Employee entitlements	446	446	342
Income in advance	68	68	112
Borrowings	16	16	16
Other Financial Liabilities	379	379	
Total current liabilities	5,688	5,755	4,866
Non-current liabilities			
Employee entitlements	13	13	6
Provisions	297	297	276
Borrowings	10,359	17,304	16,140
Total non-current liabilities	10,669	17,614	16,422
Total liabilities	16,357	23,369	21,289
Net assets	501,929	531,196	525,696
Equity			
Accumulated comprehensive revenue and expense	445,915	448,826	450,145
Asset revaluation reserves	46,643	72,998	71,294
Special and restricted reserves	9,371	9,371	4,257
Total equity	501,929	531,195	525,696

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

Prospective Statement of Cash Flows

For the year ending 30 June 2020

	2018/19 LTP Y1 (\$000)	2019/20 LTP Y2 (\$000)	2019/20 Annual Plan (\$000)
Receipts from rates revenue	21,676	22,887	22,463
Receipts from other revenue	11,730	13,743	15,719
Interest received	220	225	225
Dividends received			
Payments for suppliers and employees	(21,352)	(22,613)	(22,113)
Interest paid	(8)	(490)	(117)
Net cash inflow (outflow) from operating activities	12,266	13,752	16,177
Cash flows from investing activities			
Receipts from sale of property, plant and equipment	50	102	
Receipts from sale of investments		689	1221
Acquisition of investments	714		
Purchases of property, plant and equipment	(28,245)	(21,489)	(30,410)
Purchases of intangible assets			
Net cash inflow (outflow) from investing activities	(27,481)	(20,698)	(29,189)
Cash flows from financing activities			
Proceeds from borrowings	10,215	6,945	13,011
Repayment of borrowings			
Net cash inflow (outflow) from financing activities	10,215	6,945	13,011
Net increase (decrease) in cash and cash equivalents	(5,000)	(1)	(1)
Cash and cash equivalents at the beginning of the year	9,503	4,503	6,781
Cash and cash equivalents at the end of the year	4,503	4,502	6,780

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

Notes – Reserves

		Balance 2019 (\$000)	Deposits (\$000)	With- drawals (\$000)	Balance 2020 (\$000)
Special and restricted reserves (* denotes restricted reserves)					
Name of reserve and (activity)	Purpose				
Aquatic (Swimming pools)	Replacement of swimming pools	65			65
Bulls courthouse* (Property)	Maintenance of courthouse building	67			67
Flood damage (Roading)	Road maintenance due to flooding	372			372
General purpose	Capital works	2,402			2,402
Haylock park* (Parks)	Additional reserve area at park	29			29
Huntermville rural water (Water)	Future loop line	199			199
Keep Taihape beautiful* (Property)	Enhancement of Taihape	20			20
Marton land subdivision* (Parks)	Improvements to recreational land	427			427
Marton marae* (Property)	Marton Marae project	4			4
McIntyre recreation* (Parks)	Maintenance or upgrades of park	20			20
Putorino rural water (Water)	Maintenance of scheme dam	21			21
Ratana sewer (Sewerage)	Capital works	25			25
Revoked reserve land (Parks)	Offset costs of other revoked land and buildings	238			238
Rural housing loan (Property)	No longer required	150			150
Rural land subdivision* (Parks)	Improvements to reserves land	191			191
Santoft domain* (Parks)	Maintenance or upgrades of park	92			92
Total special and restricted reserves		4,322			4,322
			Balance 2019 (\$000)	Revalua- tions (\$000)	Balance 2020 (\$000)
Asset revaluation reserves					
Land			3,786	0	3,786
Buildings			7,899	0	7,899
Sewerage systems			8,088	0	8,088
Water supplies			16,665	0	16,665
Stormwater network			8,486	0	8,486
			44,924	0	44,924
Fair value through equity			100	0	100
Total asset revaluation reserves			45,024	0	45,024

Reconciliation of funding impact statement to comprehensive revenue and expenses statement

	2018/19 Annual Plan (\$000)	2019/20 Long-term Plan (\$000)	2019/20 Annual Plan (\$000)
Income			
Prospective Statement of Comprehensive Income	33,627	36,923	38,475
Summary Funding Impact Statement			
Total operating funding	27,864	29,276	29,025
Add Sources of Capital Funding			
Sources of capital funding	5,763	7,646	9,428
Total Revenue	33,627	36,921	38,475
Expenditure			
Prospective Statement of Comprehensive Income			
Operating Expenditure	32,039	34,013	33,080
Summary Funding Impact Statement			
Total application of operating funding	21,362	23,171	22,298
Add Depreciation and Amortisation Expense	10,677	10,842	10,783
Total Expenditure	32,039	34,013	33,081

Whole of Council – Prospective Funding Impact Statement

For the year ending 30 June 2020

	2018/19	2019/20	2019/20
	LTP Y1	LTP Y2	Annual Plan
	(\$000)	(\$000)	(\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	7,006	6,549	7,345
Targeted rates	14,670	16,405	15,186
Subsidies and grants for operating purposes	3,579	3,657	3,486
Fees and charges	1,922	1,963	2,339
Interest and dividends from investments	220	225	225
Local authorities fuel tax, fines, infringement fees, and other receipts	467	477	466
Total operating funding (A)	27,864	29,276	29,047
Applications of operating funding			
Payment to staff and suppliers	21,352	22,679	22,181
Finance costs	8	490	117
Other operating funding applications			
Total applications of operating funding (B)	21,360	23,169	22,298
Surplus (deficit) of operating funding (A - B)	6,504	6,107	6,749
Sources of capital funding			
Subsidies and grants for capital expenditure	5,762	7,646	9,428
Development and financial contributions			
Increase (decrease) in debt	10,215	6,945	13,011
Gross proceeds from sale of assets	714	689	1,221
Lump sum contributions			
Other dedicated capital funding			
Total sources of capital funding (C)	16,691	15,280	23,660
Application of capital funding			
Capital expenditure			
- to meet additional demand	3,842	2,948	4,714
- to improve the level of service	2,081	1,441	4,631
- to replace existing assets	22,322	17,100	21,064
Increase (decrease) in reserves			
Increase (decrease) in investments	(5,050)	(102)	
Total applications of capital funding (D)	23,195	21,387	30,409
Surplus (deficit) of capital funding (C - D)	(6,504)	(6,107)	(6,749)
Funding balance ((A - B) + (C - D))	0	0	0
Note: Depreciation expense not included above	0	0	0

Rate Types

For the year ending 30 June 2020

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	\$0.000818	\$3,469,645
	Defence land	Land value	\$0.001253	\$7,539
Uniform Annual General Charge <i>(funds activities listed on next page)</i>	All rating units	Fixed amount per SUIP	\$619.09	\$4,733,721
Targeted Rates				
Community Services <i>(funds Taihape and Rātana Community Boards³⁰)</i>	All rating units in Taihape Community Board area	Fixed amount per rating unit	\$37.97	\$63,217
	All rating units in Rātana Community Board area	Fixed amount per rating unit	\$196.58	\$21,230
Solid Waste Disposal <i>(funds Rubbish and Recycling)</i>	All rating units	Fixed amount per SUIP	\$88.16	\$674,128
Roading <i>(funds Roading and Footpaths)</i>	All rating units (excl Defence land)	Capital value	\$0.001736	\$7,364,778
	Defence land	Land value	\$0.002659	\$16,003
Wastewater public good <i>(funds Sewerage)</i>	All rating units	Fixed amount per SUIP	\$88.23	\$674,717
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	\$448.02	\$2,024,148
Water public good <i>(funds water)</i>	All rating units	Fixed amount per SUIP	\$141.24	\$1,079,994
Water connected <i>(funds water)</i>	Rating units connected to Marton, Bulls, Taihape, Mangaweka, Rātana schemes: Residential	Fixed amount per SUIP	\$772.40	\$3,239,983
	Rating units connected to Marton, Bulls, Taihape, Mangaweka, Rātana schemes: Non-residential	Fixed amount per rating unit	\$772.40	
Water by volume <i>(funds water)</i>	Marton, Bulls, Taihape, Mangaweka, Rātana schemes	Fixed amount per cu metre in excess of 250m3 per annum	\$2.07	\$418,495
	Bulls Riverlands	Fixed amount per cu metre in excess of 250m3 per annum	\$1.39	\$210,793
Huntermville urban <i>(funds water)</i>	Connected rating units	Fixed amount per cu metre	\$3.68	\$106,170
Huntermville rural <i>(funds water)</i>	Connected rating units	Fixed amount per unit or part unit***	\$339.25	\$460,023
Huntermville rural- urban	Connected rating units	Fixed amount per unit or part unit***	\$316.25	\$117,013
Erewhon rural <i>(funds water)</i>	Connected rating units	Fixed amount per unit or part unit***	\$121.05	\$186,523
Omatane rural <i>(funds water)</i>	Connected rating units	Fixed amount per unit or part unit***	\$71.62	\$6,820
Putorino rural <i>(funds water)</i>	Connected rating units	Land value	\$0.000848	\$7,957
Stormwater public good <i>(funds stormwater)</i>	All rating units	Fixed amount per SUIP	\$25.16	\$192,319
Stormwater urban <i>(funds stormwater)</i>	Marton, Bulls, Taihape, Mangaweka, Rātana, Huntermville	Fixed amount per rating unit (as identified on rating maps available to view on Council's website)	\$138.24	\$576,956
Total Rates Required	(Inclusive of GST)			\$25,652,379
***Fixed amount per unit or part unit				

³⁰ Areas as determined by the Local Government Commission, 28 March 2007.

Source of Funding	Categories of Land	Calculation Base	Rate or Charge (inc GST)	Funding Required (inc GST)
A unit of water is equivalent to 365m ³ .				

Separately Used or Inhabited Part (SUIP)

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.

Insulation Rates

In 2018/19 Council implemented a voluntary targeted rate to allow ratepayers to insulate and/or install heating at their property based on the following conditions and criteria:

- The ratepayer must be up-to-date with their rate payments.
- The ratepayer must have a good payment history (no arrears or a payment plan in place).
- An approved installer of insulation must be used.
- There is no limit on the number of ratepayers who are able to be involved in this scheme.
- The loan will be to a maximum value of \$5,000 per property.
- The loan is for a maximum term of 9 years
- The interest on the loan is set at 7% per annum.

Allocation of UAGC to Activities

For the year ending 30 June 2020

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

	Amount
Community Leadership	\$14.78
Cemeteries	\$12.40
Community Housing	\$4.95
Domains	\$164.31
Forestry	\$2.44
Halls	\$49.38
Libraries	\$138.52
Public Toilets	\$32.31
Real Estate	\$9.56
Swim Centres	\$112.25
Environmental and Regulatory	\$57.81
Refuse (Litter) Collection	\$20.38
TOTAL	\$619.09

Allocation of General Rate to Activities

For the year ending 30 June 2020

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

	Amount
Community Leadership	\$25.80
Civil Defence	\$4.37
Community Awards	\$0.10
District Promotions	\$15.09
Information Centres	\$7.10
Cemeteries	\$0.40
Community Housing	\$0.16
Domains	\$5.30
Forestry	\$0.08
Halls	\$1.59
Public Toilets	\$1.04
Real Estate	\$0.31
Swim Centres	\$3.62
Building	\$6.16
District Planning	\$5.29
Health	\$1.37
Resource Consent	\$1.11
Roading	\$2.88
TOTAL	\$81.77

Examples of Impacts of Rating Proposals

For the year ending 30 June 2020

Location		Land Value	Capital Value	Proposed 2019/20	Actual 2018/19	Difference	Percentage
KOITIATA							
Koitiata	Wainui St	65,000	230,000	1,549	1,501	48	3.22%
Koitiata	Omana St	65,000	160,000	1,370	1,320	50	3.80%
Koitiata	Wainui St	65,000	165,000	1,383	1,333	50	3.75%
Koitiata	Omana St	65,000	125,000	1,281	1,230	51	4.16%
TAIHAPE COMMERCIAL							
Taihape	Hautapu St	550,000	2,370,000	9,256	9,124	132	1.44%
Taihape	Hautapu St	205,000	410,000	3,803	3,635	168	4.62%
Taihape	Hautapu St	85,000	175,000	3,203	3,029	174	5.76%
Taihape	Hautapu St	170,000	215,000	2,857	2,701	156	5.79%
Taihape	Hautapu St	68,000	146,000	2,681	2,523	158	6.27%
Taihape	Kuku St	68,000	104,000	2,574	2,415	159	6.60%
Taihape	Huia St	111,000	325,000	3,138	2,985	153	5.14%
TAIHAPE NON-COMMERCIAL							
Taihape	Pukeko St	55,000	330,000	3,151	2,998	153	5.11%
Taihape	Pukeko St	55,000	225,000	2,883	2,727	156	5.73%
Taihape	Huia St	65,000	190,000	4,926	4,615	311	6.74%
Taihape	Paradise Tce	3,000	128,000	2,635	2,477	159	6.41%
Taihape	Swan St	27,000	139,000	2,663	2,505	158	6.33%
Taihape	Titi St	27,000	350,000	3,202	3,049	153	5.01%
Taihape	Kaka Rd	2,000	48,000	2,431	2,270	161	7.09%
Taihape	Linnet	19,000	50,000	2,436	2,275	161	7.07%
HUNTERVILLE COMMERCIAL							
Huntermville	Milne St	71,000	455,000	5,530	5,321	208	3.92%
Huntermville	Bruce St	76,000	265,000	3,569	3,447	122	3.53%
Huntermville	Bruce St	50,000	285,000	2,276	2,206	70	3.18%
Huntermville	Bruce St	47,000	59,000	1,699	1,623	76	4.70%
HUNTERVILLE NON-COMMERCIAL							
Huntermville	Feltham Street	114,000	370,000	2,493	2,425	68	2.79%
Huntermville	Feltham Street	37,000	23,000	1,609	1,530	80	5.21%
Huntermville	Milne Street	25,000	137,000	1,898	1,824	74	4.06%
Huntermville	Main Road	17,000	127,000	1,286	1,235	51	4.13%
Huntermville	Milne Street	19,000	104,000	1,814	1,739	75	4.31%
Huntermville	Kotukutuku St	14,000	70,000	1,141	1,088	53	4.84%
MARTON COMMERCIAL							
Marton	High St	92,000	180,000	5,469	5,154	314	6.10%
Marton	Broadway	66,000	200,000	4,898	4,552	346	7.59%
Marton	Broadway	42,000	121,000	2,580	2,422	157	6.49%
Marton	Wellington Rd	89,000	155,000	2,666	2,510	156	6.22%
Marton	Broadway	57,000	126,000	3,539	3,291	248	7.54%
Marton	Broadway	55,000	61,000	2,650	2,483	167	6.74%

Location		Land Value	Capital Value	Proposed 2019/20	Actual 2018/19	Difference	Percentage
MARTON INDUSTRIAL							
Marton	Russell St	235,000	810,000	4,787	4,631	155	3.35%
Marton	Station Rd	102,000	1,450,000	7,989	7,792	197	2.53%
Marton	Wellington Rd	72,000	455,000	3,432	3,284	148	4.51%
MARTON NON-COMMERCIAL							
Marton	Mcilwaine Pl	71,000	410,000	3,317	3,168	149	4.71%
Marton	Mcilwaine Pl	97,000	455,000	3,432	3,284	148	4.51%
Marton	Armagh Terrace	76,000	320,000	3,088	2,936	152	5.17%
Marton	Calico Line	61,000	270,000	2,960	2,807	153	5.45%
Marton	Grey St	76,000	235,000	2,871	2,717	154	5.67%
Marton	Pukepapa Rd	41,000	175,000	2,269	2,131	139	6.51%
Marton	Maunder St	70,000	235,000	2,871	2,717	154	5.67%
Marton	Wellington Rd	61,000	175,000	2,717	2,562	156	6.08%
Marton	Ross St	52,000	175,000	2,717	2,562	156	6.08%
Marton	Oxford St	52,000	119,000	2,574	2,417	157	6.50%
Marton	Barton St	41,000	119,000	2,574	2,417	157	6.50%
Marton	Alexander St	26,000	100,000	2,526	2,368	158	6.66%
Marton	Fergusson St	31,000	86,000	2,490	2,332	158	6.78%
BULLS COMMERCIAL							
Bulls	Bridge St	165,000	1,100,000	5,303	5,164	139	2.69%
Bulls	High St	133,000	450,000	3,420	3,271	148	4.53%
Bulls	Bridge St	190,000	280,000	4,670	4,380	290	6.62%
Bulls	Bridge St	88,000	230,000	2,858	2,704	154	5.70%
Bulls	Bridge St	165,000	180,000	2,730	2,575	156	6.04%
BULLS NON-COMMERCIAL							
Bulls	High St	128,000	875,000	15,154	14,259	895	6.27%
Bulls	Gorton St	97,000	300,000	3,037	2,884	152	5.28%
Bulls	Mansell Cres	67,000	250,000	2,909	2,755	154	5.57%
Bulls	Meads Pl	64,000	180,000	2,730	2,575	156	6.04%
Bulls	Flower St	53,000	175,000	2,717	2,562	156	6.08%
Bulls	Bridge St	46,000	200,000	2,781	2,626	155	5.90%
Bulls	Watson St	57,000	147,000	2,646	2,489	156	6.28%
Bulls	Hammond St	64,000	95,000	2,513	2,355	158	6.70%
TURAKINA							
Turakina	Simpson St	23,000	144,000	1,330	1,279	51	3.96%
Turakina	Franklin St	54,000	215,000	1,511	1,462	49	3.33%
RATANA							
Ratana	Taitokorau St	14,000	165,000	2,888	2,725	164	6.02%
Ratana	Ratana Rd	14,000	86,000	2,687	2,521	166	6.59%
Ratana	Waipounamu St	14,000	76,000	2,661	2,495	166	6.67%
Ratana	Kiateri St	14,000	62,000	2,625	2,459	167	6.78%
RURAL NORTH							
Erewhon	Farm Properties	18,400,000	20,800,000	58,919	59,157	-238	-0.40%
Erewhon	Farm Properties	9,700,000	11,400,000	32,994	33,084	-91	-0.27%
Erewhon	Farm Properties	10,100,000	11,500,000	31,325	31,528	-202	-0.64%
Erewhon	Farm Properties	5,177,000	6,269,000	17,969	18,029	-60	-0.33%
Erewhon	Farm Properties	4,757,000	5,927,000	16,134	16,239	-105	-0.65%
Ruanui	Farm Properties	2,810,000	3,570,000	11,077	11,064	14	0.12%
Awarua	Farm Properties	1,660,000	2,125,000	7,388	7,335	53	0.72%

Location		Land Value	Capital Value	Proposed 2019/20	Actual 2018/19	Difference	Percentage
Te Kapua	Rural Properties	1,080,000	1,435,000	4,664	4,647	17	0.37%
Kiwitea	Rural Properties	450,000	590,000	2,506	2,466	40	1.63%
Awarua	Rural Properties	240,000	460,000	2,174	2,131	44	2.06%
Ruanui	Farm Properties	29,000	265,000	1,676	1,627	49	3.02%
Ohingaiti	Onslow Rd	108,000	260,000	1,664	1,614	49	3.05%
Awarua	Rural Properties	18,000	235,000	1,600	1,550	50	3.22%
Ohingaiti	Onslow Rd	8,000	68,000	1,173	1,119	55	4.87%
Turakina	SH3	27,000	180,000	1,421	1,372	50	3.62%
MANGAWEKA							
Mangaweka	Kawakawa	17,000	127,000	2,633	2,474	159	6.42%
Mangaweka	Mangawara	17,000	98,000	2,559	2,399	160	6.65%
Mangaweka	Main Rd	17,000	68,000	2,482	2,322	160	6.91%
Mangaweka	Main Rd	17,000	54,000	2,446	2,286	161	7.04%
RURAL SOUTH							
Rangitoto	Farm Properties	17,500,000	19,500,000	55,562	55,766	-204	-0.37%
Rangatira	Farm Properties	11,000,000	14,460,000	41,731	41,852	-121	-0.29%
Rangitoto	Farm Properties	3,960,000	4,270,000	11,865	11,926	-62	-0.52%
Porewa	Farm Properties	5,500,000	6,750,000	20,121	20,141	-20	-0.10%
Whangaehu	Farm Properties	2,680,000	3,610,000	11,141	11,131	11	0.10%
Porewa	Farm Properties	4,210,000	4,820,000	15,193	15,161	32	0.21%
Pukepapa	Farm Properties	1,770,000	2,110,000	6,298	6,301	-2	-0.04%
Pukepapa	Farm Properties	830,000	1,310,000	5,167	5,060	108	2.13%
Porewa	Farm Properties	1,120,000	1,470,000	4,715	4,701	14	0.31%
Pukepapa	Farm Properties	640,000	895,000	3,247	3,217	30	0.94%
Porewa	Farm Properties	260,000	660,000	2,647	2,611	37	1.40%
Pukepapa	Farm Properties	108,000	415,000	2,744	2,618	126	4.81%
Scotts Ferry	Residential	45,000	320,000	1,779	1,733	46	2.64%
Scotts Ferry	Residential	30,000	165,000	1,383	1,333	50	3.75%
Scotts Ferry	Residential	30,000	145,000	1,332	1,282	51	3.95%
Scotts Ferry	Residential	30,000	160,000	1,307	1,256	51	4.05%
Otakapu	Residential	23,000	144,000	1,330	1,279	51	3.96%
Rangitoto	Residential	108,000	300,000	1,728	1,682	46	2.76%
Rangitoto	Residential	23,000	61,000	1,118	1,065	53	4.97%
RURAL LARGE DAIRY/PASTORAL							
Whangaehu	Rural Properties	1,500,000	1,554,000	3,968	4,010	-42	-1.06%
Rangatira	Rural Properties	4,900,000	7,200,000	20,308	20,395	-87	-0.43%
Rangatira	Rural Properties	6,500	10,500	27	27	0	0.00%
Porewa	Rural Properties	2,590,000	4,830,000	14,256	14,279	-23	-0.16%
RURAL SOUTH INDUSTRIAL							
Porewa		320,000	4,870,000	14,119	14,115	4	0.03%
Greatford		4,200,000	11,100,000	29,304	29,552	-248	-0.84%
Rangitoto		310,000	2,620,000	7,652	7,669	-17	-0.22%

Accounting Policies

Reporting Entity

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

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

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

The financial statements of the Council are for the year ended 30 June 2020. The financial statements were authorised for issue by the Council on 27 June 2019.

Basis of Preparation

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

Statement of compliance

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

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

These financial statements comply with PBE standards

Presentation currency and rounding

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

Standards issued and not yet effective that have been early adopted

There are currently no standards that have been issued which are not yet effective. Standards and amendments issued but not yet effective that have been early adopted and which are relevant to the Council are:

Impairment of Revalued Assets

In April 2017, the External Reporting Board issued Impairment of Revalued Assets, which now scopes in revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment assets measured at cost were scoped into the impairment accounting standards. The Council has early adopted this amendment in preparing its 30 June 2018 financial statements. From the 30 June 2018 year onwards, the Council is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, the Council is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. The Council can therefore impair a revalued asset without having to revalue the entire class of-asset to which the asset belongs.

Standards issued and not yet effective and not early adopted

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

Financial instruments

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

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

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

Summary of Significant Accounting Policies

Revenue

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

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

Revenue from non-exchange transactions

General and targeted rates

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

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

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

New Zealand Transport Agency roading subsidies

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies

are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

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

Vested assets

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

Direct charges – subsidised

Rendering of services – subsidised

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

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

Sale of goods – subsidised

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

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

Revenue from exchange transactions

Direct charges – full cost recovery

Sale of goods – full cost recovery

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

Interest and dividends

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

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

Expenses

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

The specific accounting policies for significant expense items are explained below

Borrowing costs

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

Grants

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

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

Income tax

Income tax expense includes current and deferred tax.

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

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

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

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

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

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

Operating leases

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

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

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

Cash and cash equivalents

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

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

Receivables

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

Other financial assets

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

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

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

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

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

Financial assets at fair value through surplus or deficit

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

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

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

Loans and receivables

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

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

Held-to-maturity investments

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

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

Fair value through other comprehensive revenue and expense

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

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

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

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

Impairment of financial assets

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

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

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

Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

Non-current assets held for sale

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

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

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

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

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

Property, plant and equipment

Property, plant and equipment consist of:

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

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

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

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

Revaluation

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

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

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

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

Additions

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

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

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

Disposals

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

Subsequent costs

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

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

Depreciation

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

Operational and restricted assets

Buildings

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

Infrastructural assets

Roading network

Top surface (seal)	3-20 years
Pavement sealed (base course)	60-67 years
Pavement unsealed (base course)	50-60 years
Formation.....	Not depreciated
Culverts.....	10-100 years
Footpaths	25-75 years
Drainage facilities.....	80-100 years
Traffic facilities and miscellaneous items	15-80 years
Street lights	25-70 years
Bridges.....	50-120 years

Water

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

Wastewater

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

Stormwater

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

Service concession arrangements

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

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

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

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

Intangible assets

Software acquisition

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

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

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

Easements

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

Carbon credits

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

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

Amortisation

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

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

Computer software 3-5 years

Impairment of property, plant and equipment and intangible assets

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

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

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Forestry assets

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

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

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

Payables

Short-term payables are recorded at their face value.

Borrowings

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

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

Employee benefits

Short-term employee entitlements

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

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

Long-term employee entitlements

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

Presentation of employee entitlements

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

Superannuation schemes

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

Provisions

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

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

Landfill aftercare

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

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

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

Equity

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

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

Special reserve funds

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

Restricted reserve funds

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

Property revaluation reserves

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

Fair value through other comprehensive revenue and expense reserves

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

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2017/18 annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Cost allocation

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

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

Critical accounting estimates and assumptions

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

Infrastructural assets

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

Critical judgements in applying accounting policies

Management has exercised the following critical judgement in applying its accounting policies for the year ended 30 June 2018.

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 27 June 2019. 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 94) 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 2020 which is the second year of the 2018-28 long-term plan. Caution should be exercised in using these prospective financial statements for any other purpose.

Annual Plan disclosure statement for year ending 30 June 2020

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			
• increases	Not greater than 4.53%	3.96%	Yes
Debt affordability			
• interest expense to rates income	Not greater than 15%	0.3%	Yes
• external debt to rates income	Not greater than 150%	51.3%	Yes
• external debt per capita	Not greater than \$2,500	\$782	Yes
Balanced budget	Not less than 100%	116.6%	Yes
Essential services	Not less than 100%	210.63%	Yes
Debt servicing	Not greater than 10%	0.21%	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 2018-28 Long Term Plan. Changes are *italicised*

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 but no evidence yet that it is a priority for the new government. . 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 anticipates and/ or plans for these changes.	That Council will overlook an important piece of regulation or legislation in its planning, or that the impact of new regulations/legislation has not been identified.	Low	Information circulated within the sector makes it unlikely that such an oversight would occur.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
That implementation of the Drinking Water Standards remains mandatory for the Council's water supply schemes and there will be greater focus on compliance as a result of government decisions on the Havelock North Drinking Water Inquiry	Council's six urban water supply schemes do not achieve compliance with a more rigorous standard (or stricter enforcement of the standard). It is not yet clear whether the drinking-water standard will be extended to rural non-potable (i.e. currently untreated) supplies.	Medium	While all six urban water supply schemes are chlorinated, there could be additional cost from a more rigorous standard; financial penalties might be imposed; and a revised capital programme may be necessary. Requiring rural (non-potable) schemes to meet the drinking-water standard could be a significant cost for scheme subscribers.
That reduction of water losses from reticulated supplies is made mandatory	That the water loss reduction requirements set mean the Council's renewal programme for reticulation has to be substantially accelerated. More frequent (than annual) reporting may be required	Low	The priority for government action is unknown (but the data is readily accessible in the annual reporting of the mandatory performance measures for all councils). An accelerated programme could be very costly.
That the statutory requirements for earthquake-strengthening of public buildings will continue under the new government.	That Council does not secure adequate external funding for new public buildings to replace those that need strengthening	Medium	There is strong competition for external funding. If sufficient external funding is not secured, some earthquake-prone buildings may have to be strengthened or demolished. It was estimated in 2014 that strengthening of Council-owned buildings would cost between \$20 and \$35 million. o However, following the required public consultation, Council resolved that there were no priority areas within the District, meaning the prescribed times to meet strengthening requirements have not been reduced.

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	Medium/ High	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 or needs to be increased to cover the lack of NZTA funding.
NZTA will extend the current financial assistance rate to footpaths	The programme will be determined by NZTA criteria rather than local preferences	Low	The extent of co-investment may change. Council may seek to increase the unsubsidised footpath or roading programme rather than treat the co-investment as reducing the local share (i.e. rates) requirement.
The new criteria for emergency works on the roading network will leave a funding shortfall beyond the enhanced basic Funding Assistance Rate (or 'FAR') from NZTA (currently 63%).	Council will require greater ratepayer contribution to ensure the necessary emergency works.	Medium	The emergency FAR paid for damage from the storm event in June 2015 averaged about 85%. The flood damage reserve as at 30 June 2017 was \$728,000. It was increased by \$250,000 in 2017/18 and 2018/19
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.

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 <i>change</i> in accordance with the high projections from the Statistics NZ projections based on 2013 Census (14,550 in 2013). This shows an increase to 15,600 by 2023 and to 15,900 by 20143.	The risk is twofold. If the medium projection is what materialises, this shows an increase to 14,900 by 2033 but a decrease to 13,550 by 2043. A greater than expected population decline would increase pressure on remaining ratepayers.	Low	The results of the Census in March 2018 (expected to be available by October 2018 – but delayed until after the adoption of this Annual Plan) could show a different demographic. In addition, the reasons for the growth (largely internal migration) may not continue to apply. However, the likely range of population change would not significantly impact on provision of infrastructure, facilities or services.
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, and is increasing its investment in emergency management capability.

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 shared services arrangement for infrastructure provides a larger and more varied work structure which helps recruitment. The quieter lifestyle in the Rangitikei compared with New Zealand's metro areas is also a drawcard.
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 projections³¹ , 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.

³¹ See extract from the BERL 2018 update on p.110. 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>	Medium	<p>The timing and scope of natural disasters cannot be predicted. However, government subsidies and Council’s own reserves provide some assurance that there will be sufficient funds for emergency work.</p> <p>Council is part of an insurance scheme negotiated with neighbouring councils for above-ground and below-ground assets, so the risk is shared.</p>
Changes to land use reflecting economic conditions or concern for environmental impacts will have minimal effect on rates revenue	That the changes are of significant scale and lead to decreases/increases in population and/or the District’s valuation.	Low	Land use conversion (e.g. to manuka honey) or retiring hill country land from pasture are largely influenced by the market and government policy. There could be impacts on rating values and jobs – the latter potentially changing the District’s demographics.
4 Financial environment			
Inflation – The financial information is based on inflation figures for 2019/20 onwards using the BERL indices for inflation ³² . Infrastructure inflation adjustment adjustors are based on forecasted category adjustors; staff costs are inflated based on the Local Government Cost Index (LGCI): all salary and wage rates ‘Local Government Sector and Other’ inflation rates are based on LGCI, average annual % change (Total).	That inflation (CPI) is greater than predicted or that operational costs do not vary in line with the BERL estimates.	Low/ Medium	The new government may introduce policies which cause variations from the BERL indices.

³² 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
Interest – Interest on external borrowing is calculated at 4.72% for each of the first three years of the 2018-28 Long Term Plan, increasing to 4.82%, 4.92%, 5.22%, 5.42%, 5.82% and 6.62% over the following seven years.	That interest rates will change from those used (as researched by Council). Actual costs of external borrowing may be higher than projected. However, because Council borrows in tranches, the impact of higher rates will normally be small in comparison to the total interest being paid in any one year	Medium	Economic conditions may change. If interest rates increased (or decreased) by 1% in (for example) 2024/25 (where finance costs are projected to be \$1.791 million), total interest payable would increase (or decrease) by \$340,227 which represents 1.25% of the projected rates for 2024/25.
Three-yearly revaluation of assets (i.e. excluding 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.	Low/ Medium	BERL's estimates have been carefully researched – but economic conditions may change. .
Three-yearly revaluation of land and building assets are undertaken on a consistent basis using the BERL inflation adjustors. .	That the assumed value of these assets over the period of the Plan is incorrect – the actual revaluation may be greater or less than this.	Low	Economic conditions may change. Valuations for earthquake-prone buildings may fall at a disproportionate rate
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. Council has committed to develop an integrated contract management policy (based on the Contract Management Guidelines issued by the Municipal Association of Victoria).
Interim consents for wastewater discharges at Bulls, Marton and Rātana – Horizons will grant interim consents for five years to allow full consideration of the most cost-effective options in each of these places.	That Horizons does not agree to grant interim consents or requires stringent conditions.	Medium	The granting of interim consents is at the discretion of Horizons. Not granting them or requiring stringent conditions would impose additional costs.

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.	Low/Medium	Economic conditions may change.
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 uncertainty depends on the robustness of the estimated costs for upgrading and replacing the 3 waters infrastructure and community /civic centres.
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.
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. Iwi intent to use the Mana Whakahone o Rohe process is not known. The extent of ongoing Council’s commitment in the Ngati Rangi settlement over the Whangaehu River has yet to be clarified.	Medium	The Ngāti Apa claim was settled in 2010. The Ngati Rangi claims was settled in 2017. 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. Council appointed a Strategic Adviser Iwi/hapū effective 11 June 2018.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
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 Council and Samoan leaders: proposals for change may create tension and ill-feeling which will be counter-productive.	Low/ 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	While there has been improvement in asset data capture and in asset management plans, but there are still uncertainties with the following: <ul style="list-style-type: none"> • major previously unknown faults are identified needing urgent attention; • information/data required to plan for future demand is not sufficiently accurate to ensure adequate provision 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.

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. The relevance to the Provincial Growth Fund of Council’s proposals for opening up land-locked land and improving community infrastructure and employment opportunities have yet to be determined.
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.

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTP)	Reasons and financial effect of uncertainty
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 3.2: Adjustors: % per annum change

Label Year ending	Adjustors					
	Planning and regulation <i>PR</i>	Rooding Transport <i>RD TR</i>		Community activities <i>CA</i>	Water and Environmental <i>WE</i>	
		% change (on year earlier)				
Jun-16	0.8	1.4	1.1	1.6	2.1	
Jun-17	1.4	1.6	1.6	1.8	1.2	
Jun-18	2.0	1.7	1.8	1.9	1.7	
Jun-19	2.9	4.5	3.6	3.4	2.8	
Jun-20	2.2	2.4	2.3	2.1	2.7	
Jun-21	2.2	2.3	2.3	2.1	2.5	
Jun-22	2.1	2.0	2.1	1.8	2.2	
Jun-23	2.2	2.1	2.2	1.9	2.3	
Jun-24	2.2	2.2	2.2	2.0	2.4	
Jun-25	2.3	2.3	2.3	2.1	2.5	
Jun-26	2.3	2.4	2.4	2.2	2.6	
Jun-27	2.4	2.5	2.4	2.3	2.7	
Jun-28	2.5	2.6	2.5	2.4	2.8	
Jun-29	2.5	2.7	2.5	2.5	2.8	
20-year avge %pa	2.1	2.4	2.2	2.1	2.4	

20-year average calculated using 2009 to 2029 actuals and forecasts

BERL

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