

Rangitikei District Council

Draft 2015-25 Long-Term Plan – for adoption to support the Consultative Document “What’s the Plan Rangitikei...?”

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Section 1: Introduction

Message from His Worship the Mayor

This will reflect the consultation process now in progress and subsequent Council decisions

Proposed Common Statement on regional Growth and Prosperity for Council LTPs in the Horizons Region¹

Councils in the Horizons region are collaborating to facilitate economic growth and prosperity for our communities. This collaboration has seen central Government invest in a Regional Growth Study for the Horizons Region completed in April 2015. This study identified key opportunities for growing our regional economy. Government has highlighted the importance of Council's collaborating with each other and with industry and iwi to facilitate growth.

Councils in the region have also invested in the Central New Zealand Agribusiness Strategy. The strategy is an implementation plan that takes opportunities identified from the growth study and puts them into practice. The base strategy will be completed in June 2015. The strategy builds on the strength the region has in agribusiness from primary producers through to processors and research and development. Collectively the Councils in the Horizons Region see significant advantages in building on our agribusiness base and aim to double the region's agribusiness exports by 2025. As the results of the growth study and agribusiness strategy are put in place, Councils are likely to continue to invest in growing our prosperity.

¹ This statement needs to be included somewhere in the final LTP if Council engages with the regional initiative as indicated in the draft LTP.

Audit Opinion

This will be issued on the plan as adopted on 25 June 2015

Draft associated with CD 'What's the plan Rangitikei....?'

Section 2: Governance structure

Councillors

Draft associated with CD 'What's the plan Rangitikei....?'

Council structure

Draft associated with CD 'What's the plan Rangitikei....?'

Section 3: What is the Long-Term Plan?

Each local authority is required to have a long-term plan, or LTP, and to review it every three years. The LTP sets out what Council plans to do over at least the next ten years, 2015 to 2025. The first three years are discussed in detail, and the following seven are an outline. The purpose of an LTP is prescribed by section 93 of the Local Government Act 2002. It must:

- (a) describe the activities of the local authority; and
- (b) describe the community outcomes of the local authority's district or region; and
- (c) provide integrated decision-making and co-ordination of the resources of the local authority; and
- (d) provide a long-term focus for the decisions and activities of the local authority; and
- (e) provide a basis for accountability of the local authority to the community; and

The information provided in this LTP is presented in the following sections:

Section 4 contains the financial strategy which sets out how Rangitikei District Council plans to manage its financial performance over the next 10 years. It provides a guide as to how the Council will consider and approach funding and expenditure proposals when undertaking activities and determining which activities it should undertake. The benchmark disclosures prescribed by legislation form an important part of this strategy and the measures set by council for these benchmarks will provide evidence on how successful council has been.

Section 5 contains the infrastructure strategy which outlines:

- the key infrastructural service issues the Rangitikei community must address over the next 30 years;
- the main options for dealing with those issues;
- the cost and service delivery implications for residents and businesses of those options; and
- the Council's current preferred scenario for infrastructure provision.

Sections 4 and 5 together provide the basis for integrated decision-making and co-ordination of the resources available to the Council. It includes the significant forecasting assumptions that Council has made in preparing this Plan.

Section 6 looks at the key characteristics of the District and its communities. These include the characteristics of the land (topography), the economy and the population (demographics). Some analysis has been undertaken to look at the connection between the economic development and labour force projections that could affect population decline.

Section 7 looks at the current strategic environment to provide the context for this LTP. It summarises what Council has achieved over the course of the previous LTP to provide the starting point for this document. It then identifies the priority issues for Council during the current planning cycle. This section details the strategic intents and community resilience policies that Council will use to manage its activities and, finally, the community outcomes that Council is hoping to achieve with its activities and services.

Sections 6 and 7 together provide the context for a long-term focus for Council's decisions and activities.

Section 8 describes the key choices that Council took out to the public for consultation before the adoption of the final LTP. In the final LTP, it will describe the responses from the community and what Council decided to do as a result of this consultation.

Section 9 describes in more detail the activities that Council will undertake in order to achieve its community outcomes. These are organised in eight "Groups of Activities" – four of which are prescribed by the Local Government Act - and each group comprises one or more contributing activity. This section identifies any issues that relate specifically to each activity and how it contributes to Council's overall strategic direction. It outlines what Council will do (the "level of service") and the major programmes of work that will be undertaken. Finally, the cost associated with each Group of Activities is summarised and the sources of income (rates, fees and charges, external funding etc.) that Council intends to use to pay for those activities in the Group.

Section 9 also contains the "Statement of Service Provision". This outlines the key services that Council will deliver, the standard of service that our community can expect from us and our performance targets. Each year we will report against these in our Annual Report. This ensures that the LTP meets the legislative requirements to provide the basis for our accountability back to our communities.

Section 10 provides the full whole-of-Council financial information, financial policies and ten year budgets. This section, combined with section 7, fully describes the activities of the Council.

Section 11 provides other information that has been used in the development of the LTP and is useful as background or supporting material. In addition to the revenue and financing policy, there are two further statutory policies which the Local Government Act requires councils to include in the LTP. These are the “Statement on the development of Maori capacity to contribute to Council’s decision-making” and a summary of the “Significance and Engagement Policy”. This section also includes (i) an outline of the changes to levels of service that Council is proposing between this LTP and the preceding year (2014/15) and (ii) details of any variations between this LTP and two key service planning documents – the assessment of water and sanitary services and the waste management and minimisation plan.

Finally, section 12 provides required information on the Manawatu Wanganui LASS – the vehicle through which regional territorial authorities secure shared services that provide benefits to all member Councils. To date the LASS has delivered efficiencies in the areas of valuation and insurance services, vehicle fleet management, GIS mapping, archives services and subscription to economic information and databases. This section also shows Council’s management structure.

Draft associated with CD 'What's the Plan, Rangitikei'

Significant forecasting assumptions

Bearing in mind the District overview, the strategic environment and current key issues, Council has developed a set of significant forecasting assumptions which underpin this LTP.

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

elections.	community boards in Taihape and Ratana and/or introduce community boards in other communities.		Authority determines salaries for elected members. Community boards generally increase the costs to the community it serves by up to \$25,000. Community Committees are voluntary and unpaid
That implementation of the Drinking Water Standards remains mandatory for the Council's water supply schemes	Council does not achieve compliance with its six urban water supply schemes by the amended prescribed dates. Financial penalties could be imposed, and a revised capital programme (i.e. adjusted priorities) or increased borrowing to enable the prescribed dates to be met	Low	Council has committed to an upgrade programme which will enable compliance to be gained by the prescribed times
That the rules established under the Emissions Trading Scheme will not change.	That the amount of acreage eligible for exemption or inclusion in the ETS changes to include/exclude Council.	Low	Council's forestry holdings are minor and carbon credits have been purchased for blocks declared deforested.
That there will be increasingly rigorous standards for earthquake strengthening of public buildings, particularly in the District's CBDs.	That the additional requirements to meet higher standards for earthquake proofing will require strengthening or demolition of many Council buildings, affect the viability of local businesses, cause a loss of heritage buildings and increase costs to the ratepayer, that central government does not respond positively to requests for a national approach to these costs.	High	Council can budget for the strengthening of its major assets (or demolishing them and relocating operations to other safer premises or new ones) even though this would present major costs. However, the wider impact of across local businesses may expedite the decline of the main towns in the District.
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	Low/ Medium	Council has committed to a capital programme which sets targets for compliance for all discharges. There is a strong co-operative working relationship between staff at Rangitikei and Horizons, essential to secure the most cost-effective technical solution for each site

	granted may push upgrade costs beyond what has been budgeted		
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.
That the NZTA review of subsidy levels (i.e. the Financial Assistance Rate or 'FAR' for road resealing, road rehabilitation, drainage and general maintenance and for the minor improvements and bridge replacement programmes together with the One Road Network Classification), results in a certain and unambiguous subsidy level for the planning period.	The new framework means that the Council will require greater ratepayer contribution to maintain the current level of service, including the necessary emergency works.	High	Council has increased its flood damage roading reserve as a contingency against the shortfall from NZTA.
The Government subsidy of rates for ratepayers on low income will remain at current levels.	The Government reduces or abolishes this ratepayer subsidy.	Medium	The tight economic climate makes this subsidy vulnerable, particularly if it is viewed as a means by which local councils can set a higher level of rates than would otherwise be the case.
2. Demographics			
Population Change – The population of the District will decline in accordance with the mid-point between the Statistics NZ medium and low projections. This equates to a decline of 675-1040 people every five years	There is a possibility that the decline in population is substantially more than that projected by Statistics NZ. A smaller risk is that the District experiences a population increase over the ten-year period. This could mean over- or under-provision of facilities and services. A greater than expected population decline	Low	Previous projections from Statistics New Zealand have proved reasonably accurate for the Rangitikei.

	would increase pressure on remaining ratepayers.		
Ageing population – The average age of the population of the District will continue to increase and this will impact upon the Level of Service in most activity areas.	The risk is that this age group leaves the District to establish themselves in larger service centres in anticipation of the need for services. Investment in upgrade or replacement of community facilities may prove to be mis-targeted.	Low	The ageing population trend is demonstrated over a substantial period and is reflected at the national level.
That the community's resilience to recover from events such as natural disasters is adequate.	That the community is not able to respond to or recover from a major event. The current level of community resilience may be compromised by the severity and/or frequency of major events and by the declining and ageing nature of the local population. People may leave the District permanently, meaning a reduced ratepayer base.	Low/ Medium	Council has recognised the need to invest in activities that promote community cohesion and resilience, not least to ensure it is able to provide emergency management and rural fire services. The new community well-being Group of Activities attempts to focus on some of the factors affecting community resilience.
Numbers of households – the number of households will not decrease by more than 5%	The number of households decreases by more than 5%.	Low	Previous projections on household numbers in the Rangitikei have proved reasonably accurate.
Skills Shortage: There will be no significant impact on the Council's ability to deliver programmes and projects as a result of a skills shortage.	That there will be a problem in securing critical skills to keep the Council's planned activities on track.	Medium	The impact of rebuilding Christchurch on recruitment and retention of skilled staff and engaging contractors with proven competency is not yet clear. It may cause these costs to rise.
3. Physical and natural environment			
Climate change - An increasing number of storm events will mean greater damage to the roading network, heavier demand on stormwater systems and more call on staff and volunteers to be available for	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	Low/ Medium	Storm events are occurring more frequently and erratically. Borrowing beyond the parameters in the Council's liability management policy could pose issues of prudent management.

emergency management and rural fire activities	may be delayed and mean Council is non-compliant.		
Fuel prices will rise in line with BERL projections , allowing the present use of roads as the predominant mode of transport within the District for goods and people will continue to be viable.	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.
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.	That there will be a major natural disaster requiring significant additional unbudgeted expenditure and financing. The present level of government subsidy for emergency roading works may be reduced. Council may not be able to obtain (or afford) insurance sufficient cover for its infrastructure assets. Currently Council is part of a mutual insurance scheme with the local assurance protection programme for below ground assets.	Medium	The timing and scope of natural disasters cannot be predicted. However, government subsidies and Council’s own reserves provide some assurance that there will be sufficient funds for emergency work.
4. Financial environment			
Inflation – The financial information is based on inflation figures from 2016/17 onwards using the BERL indices for inflation ² .	That inflation (CPI) is greater than predicted or that operational costs do not vary in line with the BERL estimates.	Medium	The current economic conditions mean such predictions are somewhat unreliable.
Interest – Interest on external borrowing is calculated at 5% for the first year 5% for the second year, 5.5% for the third year, 6% for the fourth and fifth years, and 7% thereafter. Interest	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	Medium	The current economic conditions mean such predictions are somewhat unreliable.

² Figures used in this printed document have been calculated using the Forecasts of Price Level Change Adjustors produced by BERL

on Council's few remaining investments is assumed to average 1% less than the rate for external debt.	borrow in tranches, the impact of higher rates will normally be small in comparison to the total interest being paid in any one year		
Revaluation of assets – for 2017, 2020 and 2023 for assets other than land and buildings are based on projections from BERL.	That the BERL estimates are greater or less than the actual rates of inflation for those assets.	Medium	BERL's estimates have been carefully researched – but they are made in an uncertain economic climate.
Revaluation of land and building assets –assumes no material change in the value of Council owned land and buildings over the term of this Plan.	That the assumption of no change in value of these assets over the period of the Plan is incorrect – the actual revaluation may be greater or less than this.	Low	The Rangitikei District is suffering declining population and over the last two district-wide revaluations of land and buildings there has been an overall reduction in values. In the Council's last revaluation of its land and buildings, the overall reduction on book values was 2.3%
Exit from forestry – that Council will divest its forestry assets except in cases where (re)forestation is required to protect catchment areas	That timber product commodity prices fall dramatically and Council is unable to divest itself of these assets in the short to medium term.	Low	The annual revaluation of forestry assumes that trees will be replanted at the same rate as those logged (so the value remains the same over the ten years).Whilst this is somewhat weather dependent, Council's decision to exit forestry means that it can choose the best conditions under which it will divest these assets.
Community and leisure assets and network utilities: that Council will progressively rationalise its assets in these areas in response to predicted population change and that it will have fewer assets after ten years than at present	That population change does not occur as predicted and so these assets are inadequate to meet the community need. That Council and communities are unable to decide how and which assets are to be rationalised.	Low/ Medium	Population change is increasingly well-documented and evidenced. Council has identified this as priority and so asset and activity management plans have been developed to meet changing needs.
Capital Works Contracts – There will be no variations in terms of price and	There is significant change in price levels of capital works programmes which may affect the	Low	Council's capital works contracts have tight provisions governing price variations.

performance of capital works programmes.	affordability and/or level of service provided.		
That Council will be able to obtain collaboration contracts for roading allowing the Level of Service to be provided at constant prices three years at a time.	That the inflationary costs associated with roading cannot be absorbed into collaborative fixed price contracts and that there is unbudgeted expenditure associated with these inflationary increases.	Medium	The current economic conditions mean such predictions are somewhat unreliable.
That increases in prices for roading will align with the NZTA 4% inflation factor on a three yearly.	That the NZTA inflation factor is insufficient to cover the real inflationary costs associated with and that there is unbudgeted expenditure associated with these inflationary increases.	Medium	The current economic conditions mean such predictions are somewhat unreliable.
That District-wide rates will continue throughout the period of this LTP, and that there will continue to be a “public good” component in funding for the network utilities	That the balance between public/private benefit is not correct and either component becomes unaffordable to those required to contribute, that willingness to pay is confused with affordability under either scenario	Low	The public has had three years to absorb the initial variations in rates payable for services. The move to District-wide/public good funding should ensure that future cost peaks are evened out.
5. Council performance			
Levels of Service – Changes in customer expectations regarding level of service will impact on assets development and operating costs, and that Council has anticipated and/or planned for these changes.	That Council has not consulted adequately with communities to understand fully their expectations and so has planned to deliver Levels of Service that are not acceptable to the ratepayer (too high or too low).	Low	There has been significant pre-consultation work to identify customer expectations on levels of service.
Liaison with Māori – that there will be progressive inclusion and engagement of Iwi and Māori.	The urgency and extent of engagement will be viewed differently by the partners: proposals for change may create tension and ill-feeling which will be counter-productive. Joint ventures (Council and Iwi) may fail.	Low/ Medium	The Ngāti Apa claim was settled in 2010 and it is anticipated that WAI 2180 (concerning Iwi around Taihape) will be settled well before 2022. However, there is uncertainty on the extent to which Iwi whose Waitangi claims are settled will seek to collaborate and partner with the Council.

<p>Liaison with the Samoan community (Marton) – that there will be progressive inclusion and engagement of the Samoan community in Marton.</p>	<p>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.</p>	<p>Medium</p>	<p>The Samoan community is increasingly well-established within Marton and finding its voice to engage effectively with Council and other statutory stakeholders.</p>
<p>Replacement of existing assets does not mean an increase in levels of service, unless otherwise stated</p>	<p>Technological advances in replaced assets or higher national standards lead to increase levels of service</p>	<p>Low</p>	<p>Such changes would typically be highlighted in a report to Council seeking approval for the upgrade or replacement.</p>
<p>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</p>	<p>That information about the condition of assets that informs their useful life may not be accurate There will be insufficient (or excessive) provision of depreciation.</p>	<p>Low/ Medium</p>	<p>Asset data is nearing completion, and the asset management plans have been greatly improved. The financial impact of this uncertainty is that: major previously unknown faults are identified needing urgent attention; Information/data required to plan for future demand is not sufficiently accurate to ensure adequate provision i.e. that provision will exceed/not meet forecast demand; and predicted savings in operating costs are not realised because performance of the assets has been wrongly assessed.</p>
<p>Depreciation rates on planned asset acquisitions – the average lifespan of assets has been used to calculate rates as stated in the note on depreciation in the Statement of Accounting Policies.</p>	<p>Once costs for specific items are known, the depreciation may turn out to have been over-/under-stated.</p>	<p>Low</p>	<p>Because of the long lifespan of infrastructural assets, any changes in actual depreciation compared to forecast should be minimal.</p>
<p>Funding Sources for the future replacement of significant assets disclosed in the Revenue and Financing Policy are achievable.</p>	<p>Some user charges may not be achievable. Ratepayers may press for a different ‘mix’.</p>	<p>Low</p>	<p>There has been considerable work in modelling funding sources in preparing for this LTP.</p>
<p>External funding will continue to be sourced to supplement Council funding</p>	<p>That external funding is not available and that Council must either increase its contributions or</p>	<p>Medium</p>	<p>Success in securing external funding is not predictable. If external funding is used for</p>

for activities in the District that contribute to community outcomes.	lower expectations of its activity in achieving the community outcomes.		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.
Technology – Council will not integrate untested or experimental technology (including computer hardware, software, plant or devices) where it may significantly impact on the delivery of Council services.	Funding requirements for upgrades or migration to new systems may be greater than budget. Council may be unresponsive to market developments, becomes ‘stuck’ with outmoded technology and a declining level of technical support, does not use technology which aligns well with the community’s expectations and preferences or implements technological change which is unsuccessful.	Low	Council’s track record in implementing technology gradually makes these risks unlikely. Major upgrades would always be subject to formal consideration and Council’s procurement policy requirements.
That plant pests will not extend their hold on Council owned properties over the course of the LTP	That controlling plant pests will become increasingly difficult and expensive and that a suitable regimen for control may be unaffordable for the community	Low/medium	Council will be a responsible landowner. Adequate provision will be made within its budgets to ensure that the problem of plant pests is controlled on an ongoing basis.
Shared Services Arrangements: Rangitikei District Council will continue to seek shared services arrangements where the needs of the community are best served by such arrangements.	Existing Shared Services arrangement may prove less attractive than when they were entered into. The cost and the needs of the Rangitikei community may not best served by such arrangements	Low	These arrangements are typically flexible and have exit provisions.
5. 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.

Section 4: Financial Strategy

a. Introduction

Local government must be financially sustainable to continue delivering services to its communities. This involves a balancing act of keeping the services it delivers affordable by getting the best value, ensuring equity between current and future generations, fairly sharing the costs of delivering the services across different users and maintaining a strong balance sheet that can take climatic and financial shocks, which means ensuring it does not have too much debt.

In addition to these challenges, local government is a large and quite complicated business, which provides many different services, for its communities now, but also into the long-term future. Further, some members of our community have an expectation that the Council will continue to undertake new projects and increase levels of service. The changing requirements of central government, in terms of financial management and reporting requirements as well as new policy and legislative requirements, have significant influence on the Council's performance.

As a result of this environment:

- Overall expenditure is not forecast to decrease in the foreseeable future
- Council has adopted a conservative approach to its borrowings with relatively low levels of borrowing
- Council has focussed on delivering the 'must haves' "just in time" in order to minimise rates increases, and acknowledges these decisions are not always easy or popular
- Trade-off decisions will continue to be required in the future given the Council's forecast expenditure and affordability of rates.

This strategy elaborates on these challenges and outlines how they influence financial decision-making.

The Financial Strategy sets out how Rangitikei District Council plans to manage its financial performance over the next 10 years. It provides a guide as to how the Council will consider and approach funding and expenditure proposals when undertaking activities and determining which activities it should undertake. The benchmark disclosures prescribed by legislation form an important part of this strategy and the measures set by council for these benchmarks will provide evidence on how successful council has been.³

³ The full benchmark disclosure statement is on p.270.

We strive for the Rangitikei be a great place to live as we stretch from the coast to the central plateau with Scenic Mountain and river as a backdrop to the pastoral landscapes. With this geographical spread of our District and, like many other rural councils, there are some significant challenges for Rangitikei District Council to manage. These include:

- having many small, sometimes relatively isolated communities that are dispersed across a geographically challenging district
- significant income and wealth disparity among members of our community, where some earn and own much more than others
- members of our communities having different needs and wants and ability to pay for services, which reflects the geography and disparity in disposable income amongst our community
- our geography which requires services to be provided separately to different communities across a large area (towns such Marton, Bull and Taihape are serviced by separate reticulated sewerage and water schemes instead of one centralised scheme) makes these services more expensive to deliver than if we could build one system.
- Some small communities with separate reticulation schemes may need to consider alternative approaches to ensure the services remain affordable.
- being susceptible to frequent extreme weather events which often come at significant cost to roading networks and stormwater systems.
- the population growth forecast for the District are variable between different towns; some, like Bulls being forecast to grow slightly while others have static or declining population forecasts in the north of the District
- the cost of providing local government services (the local government cost index “LGCI”) continuing to increase at a higher rate than the consumer price index often as result of increased compliance costs
- subsidies, such as Ministry of Health subsidies for sewerage schemes not continuing
- the devolution of responsibilities from central government (such as alcohol and gambling regulation) and increased standards (such as building codes) placing more mandatory requirements onto the Council, which ultimately come at a cost and with changes in central government policy affecting the funding we receive, such as the funding central government provides for our roading network which may decrease substantially.

It is against this challenging geographic, political and fiscal environment that a financial strategy needs to be set and followed by Council

In line with many rural councils in New Zealand, Rangitikei District Council currently carries low or no debt on its balance sheets although this has not always been the case and has led in the past to the sale of Council’s interest in the Bonny Glen landfill. This low level of debt implies that current rates payers have funded future ratepayer’s benefits. In the 2012 Long Term Plan there was a signal to move away from that with the level of borrowing which for the current year (2015 year) forecasted to be around \$13 million. This borrowing has not occurred due to changes in the scope and nature of the underlying projects and prudent fiscal management during that period.

b. Background and equity

Many of the assets that the Rangitikei District Council own and operate provide benefits to their respective communities over long period of time. Assets are typically constructed before future ratepayers consume the services provided by those assets.

Setting the appropriate rates levels for Council requires balancing how much expenditure should be funded by current rate payers (through rates and charges) and how much by future ratepayers (by borrowing). Council aims to fund its expenditure each year from rates, fees and charges, subsidies and grants relating to that year. Operating expenditure includes provision for depreciation (i.e. spreading the cost of an asset over its useful life). Funding taken for depreciation of an asset will be used in the first instance to repay the principal of any loan taken out for the development of that asset. Interest on loans for capital expenditure (i.e. new assets) is funded from rates. In recent benchmarking exercises and a review of rural councils' financial statements this trend is consistent with other rural councils in New Zealand which have adopted conservative funding strategies' for funding their assets.

As Council is seeking external debt, its security for borrowing will be aligned with the Liability Management Policy. This policy states that Council offers a charge over rates or rate revenue as security for general borrowing programmes.

c. Key strategy

The key financial strategy element is that Council retains its current position that it does not borrow large sums as a matter of course and funds depreciation on infrastructure in order that this infrastructure is maintained and renewed. This acknowledges the benefit to future generations. This "low borrowing and funding depreciation strategy" is consistent with many rural councils in New Zealand and Rangitikei District Council's current practice and position on this continuum. It is also a key intersection with the infrastructure strategy where simply borrowing to build assets would not be a prudent option. For example if council adopts a debt limit of \$2,500 per capita for the district this means that there is an absolute limit based on population statistics of 14,600 people in the district of around \$36.5 million of debt.

This strategy means that for some communities where demographic changes indicate there is likely to be population reduction this low debt level strategy will restrict borrowing for major scheme works and that other solutions will be found: this may mean reductions in the levels of service.

External debt will peak at \$37.64 million in 2024/25 if all capital projects proceed as planned. The result of Council's capital works programme will be more resilient infrastructure, and the Council aims to have achieved a marked improvement in compliance with the relevant national standards for water and wastewater. Community and leisure assets are likely to be fewer in number, but of better quality, with less deferred maintenance and more fit-for-purpose for the District's population.

This Long Term Plan contains a capital programme totalling \$132 million over ten years to renew or create new assets. Of this proposed expenditure, \$118.5 million is specifically for network infrastructure, as follows:

Roading	\$59.6 million
Water	\$35.7 million
Wastewater	\$20.4 million
Stormwater	\$2.8 million

d. Managing risk

Council has previously committed to funding a roading reserve of up to \$1.5 million, with annual contributions of \$100,000 once the reserve exceeds \$1 million. This is the position in the current year. However, given the uncertainties of how emergency works funding will occur from 2015/16, Council considers it is prudent to increase that reserve to \$3.5 million and increase the annual contribution. Over the next five years it is proposed to transfer, on average, \$360,000 to the reserve each year - \$100,000 of this will be funded from the higher base Funding Assistance Rate, the balance from rates. . It may be that further increases are not necessarily wholly rate funded since the base Financial Assistance Rate will increase from 58% to 62% in 2015/16 and 63% thereafter. The 'surplus' from this will be used as the base for the increased contribution to the reserve.

In addition, while Council covers insurance cover for below and above-ground assets, consideration is being given to having a debt facility in place for up to \$10 million to fund emergencies over and above existing reserves.

e. Funding depreciation

Rangitikei District Council, unlike some rural councils, funds its depreciation for most of its assets particularly infrastructure. The exceptions are for roading (due to Government funding over 50%), Community Housing (where Council is looking at other options for this activity) and the Rural Water Schemes where the participants pay for all the maintenance. This had the effect of collecting funds from current ratepayers to be invested in the District in the future which is a low risk conservative strategy. However, the dollars collected in nominal terms on historical cost of the asset do not cover the full cost of

replacing assets due to inflation and increased compliance and other costs for renewals and new capital infrastructure. Where depreciation reserves are insufficient, the required work is loan funded.⁴

f. Current and proposed benchmarks

Rates (income) affordability	Current measure	Proposed measure
This consists of measuring actual rates income to, and comparing it with, the quantified limit set on rates in the financial strategy in the long-term plan. Unfortunately, there was no quantified limit in dollar terms on rates income set, but there was a limit on increases as noted below in the next benchmark. To provide a base upon which to compare the actual, the actual rates collected for each prior year will be inflated by the quantified limit on increases.	Annually calculated based on ratio below. (000)'s Limit 2014 \$20,286 Actual 2014 \$19,735	
Rates (increases) affordability	10% excluding inflation for three years	LGCI +2% per annum. This equates to about 4.5% in 2015. (Note this was a 6.66% limit in 2014 with 3.76% actual)
Debt affordability (total interest cost)	Total interest expense on net external debt will not exceed 15% of total rates income	No change (this was 0.52% in 2014)
Debt affordability (total interest gearing)	The ratio of net external debt to annual rates income will not exceed 150%.	No change (note this was -49.8% based on available cash or near cash investments)
Debt affordability (total interest per capita)	Net external debt will not exceed \$2,500 per capita	No change from Financial strategy (This was -4 for 2014) <i>Note with declining demographics this could reduce total debt limits over time.</i>

⁴ Minor improvements (which are matters like smoothing corners, introducing roundabouts, changing Y intersections to T intersections) continue to be funded as renewals (as they have from some years). Technically, however, they increase the levels of service.

<p>Balance budget benchmark The benchmark is displayed as a percentage calculated by dividing revenue by expenses.</p>	<p>This benchmark is met if Council's revenue for the year exceeds its operating expenses.</p>	<p>No change (2014 was 107%) (note effect of large valuation movements)</p>
<p>Essential services benchmark The benchmark is displayed as a percentage calculated by dividing capital expenditure by depreciation</p>	<p>This benchmark is met if Council's capital expenditure (whether renewals or new capital) is equal to, or greater than, its depreciation charge for that year.</p>	<p>No change (2014 was 121%) Applies only to core council services</p>
<p>Debt servicing benchmark The benchmark is displayed as a percentage calculated by dividing borrowing costs by revenue.</p>	<p>This benchmark is met if Council's borrowing costs for the year are equal to, or less than, 10% of its revenue. Revenue excludes contributions, vested assets, gains on derivatives of revaluation of property, plant and equipment.</p>	<p>No change (2014 was 0.3%)</p>
<p>Debt control benchmark The benchmark is displayed as a percentage calculated by dividing actual net debt by planned net debt.</p>	<p>This is met if actual net debt at the end of the year is less than, or equal to, the net debt planned for the end of the year in its long-term plan. This tends to emphasise the need to get it right in the long-term plan! There is no opportunity to use revised figures from annual plans in the intervening years.</p>	<p>No change (2014 was -79%)</p>
<p>Operations control benchmark This benchmark is displayed as a percentage calculated by dividing actual net cashflow from operations by the planned net cash flow from operations</p>	<p>This benchmark is met if the actual net cash flow from operations for the year equals, or is greater than, the planned operations for the year.</p>	<p>No change (2014 was 122%)</p>

Council's projected performance against these benchmarks is contained in the Benchmark Disclosure Statement (page 270).

g. Other operational considerations

Council will continue to take a District-wide approach to rating across all activities as being the fairest mechanism. "District-wide" means that an urban property valued at (say) \$200,000 on Taihape, Marton or Bulls will pay the same rates for the same services. Such properties will pay different rates than a property in the rural area valued at \$200,000, because the services provided are different. The different rates for water and wastewater between town and rural properties are an example of this. The only Community Services rate remaining is to fund the two Community Boards (in Taihape and Ratana).

Where fees and charges are applied for services and facilities (i.e. building consents, hall hire), the full cost of these is not usually met by the fee or charge. A proportional fee or charge is calculated using the principles set out in the Revenue and Financing Policy.

The preparation of the LTP, triennial elections, and reviewing the District Plan are examples of expenditure spikes in particular years. The Council's approach is to smooth these out over the life of the project.

Each year Council makes provision for an operational surplus to allow for the accumulation of general or special reserves as well as emergency funds. Such reserves totalled \$4.868 million at 30 June 2014.

Council holds various short term and longer term investments such as equities, property, forestry, loans and advances and financial investments. Income from investments is used to reduce the rates requirement. The first call on the investment principal is to cover financial reserves. The balance is used to offset rates or capital expenditure. It is Council's objective to protect its investments and to optimise returns in the long term while balancing risk and return considerations. As a prudent public authority, investments are low risk. Council's Investment Policy sets out the parameters that Council must consider when investing in a new investment. When investments mature, since Council is now borrowing, investments must yield a return greater than the borrowing rate. Some areas of its investment, such as non-commercial properties, do not provide a market rate of return. Such investments are held for strategic purposes or public benefit.

Draft associated with CO What's the Plan Rangitikei 2014

Section 5: Infrastructure Strategy

a. Introduction

Infrastructure accounts for over 80% of the Council's operating expenditure and around 90% of the Council's capital expenditure. This expenditure provides the foundations on which the Rangitikei community is built – it is essential for the District's economy, the health of the community and its visitors, and critical for people's enjoyment of life in the District. However, there are critical choices to make so that these benefits are achieved to the greatest possible extent. This means there will be increasing prioritisation of those assets serving the most people and/or the areas of greatest economic significance.

This infrastructure strategy outlines:

- the key infrastructural service issues the Rangitikei community must address over the next 30 years;
- the main options for dealing with those issues;
- the cost and service delivery implications for residents and businesses of those options; and
- the Council's current preferred scenario for infrastructure provision.

The strategy covers:

- roading network – 783 km of sealed and 454 km of unsealed – valued (as at 30 June 2014) at \$325 million, with an estimated replacement cost of \$525 million;
- water supplies – 6 urban (potable) treatment and reticulation systems and 4 rural (non-potable) reticulation systems – valued (as at 30 June 2014) at \$42 million, with an estimated replacement cost of \$82 million;
- wastewater (i.e. sewage and the treatment and disposal of sewerage) – 7 reticulated systems – valued (as at 30 June 2014) at \$26 million, with an estimated replacement cost of \$48 million;
- stormwater – valued (as at 30 June 2014) at \$15 million; and an estimated replacement cost of \$24 million.
- community and leisure assets – including 3 libraries, 3 swimming pools, 7 urban halls, 15 rural halls, 9 toilets and restrooms, 10 parks and reserves, 72 community housing units – valued (as at 30 June 2014) at \$13 million.

Not surprisingly, the roading network is Council's most significant asset. Because of the rural nature of the District, around one third of properties rely on their own arrangements for potable water and disposal of sewerage. The relevant assets management plans include consideration of the quality of assets,

in terms of performance and capability. The Statement of Service Provision (at the end of section 9 of this Long Term Plan, page 186) contains the performance framework which provides a number of measures about actual and perceived performance of the assets as well as Council staff and contractors who manage them.

For the past five years, the management of Council’s roading and water infrastructure has been through a shared services arrangement led by Manawatu District Council. Such arrangements will continue or change to ensure high value for the Rangitikei community.

b. Assumptions and capital expenditure drivers

There are two inter-related decisions which Council needs to make about its investment in infrastructure.

- When should renewals take place – i.e. when does *replacement* (i.e. “like for like”) need to be scheduled?
- When should new infrastructure be *added* and when should existing infrastructure be *abandoned*?

National standards will increasingly specify the requirements for local infrastructure. A critical assumption is that the long-term projections of a declining and aging population means that the infrastructure built to service towns of (say) over 2,000 (such as Taihape and Bulls) may be servicing resident populations only two thirds or even half that number of people in 30 years’ time. There are two exceptions to this. The first, and most significant and certain, is roads, as the need to transport goods and services to and from farms is likely to increase as the anticipated increases in productivity are realised. The second, and less certain, is the expansion of the rural (non-potable) water schemes. The uncertainty is more round the nature of Council ownership and management rather than the expansion of such schemes.

Specific assumptions

The specific assumptions made by the Council (and the confidence in each of these and potential effects of uncertainty) for this infrastructure strategy are:

- 1 Useful lives of assets

Assumption	Confidence	Potential effects of uncertainty
Use of new materials in construction and maintenance of assets will reduce the reliability of data in asset management plans	Uncertain.	The characteristics of such materials are conjectural

The useful life of some significant assets will be longer than the ability or willingness of the community to afford them	Fairly certain. This reflects the projected shrinkage of the District's population.	-
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2 Growth or decline in demand for services

The increasing drive for improved agricultural productivity will maintain (f not increase) demand for high quality rural roads	Certain	
There will be increasing prioritisation on those assets serving the most people and/or the areas of greatest economic significance	Fairly certain.	This could lead to decline in service/handover of assets to community groups/individuals to manage
Increase in heavy vehicle usage will require proportionately more expenditure on arterial and connector roads	Fairly certain.	This trend may be less pronounced by greater use of rail for long-haul freight and/or more use of local transport services.
Increase in road safety hardware requirements	Certain. This reflects a current government priority which is likely to continue so long as road usage rises.	
Increased in demand for facilities for older people – passive exercise facilities, wider footpaths (including stopping bays) for scooters.	Certain. This reflects demographic projections for the District.	
Reduced demand for recreational facilities used by younger people	Fairly certain. This reflects the demographic projections for the District.	There might be a revival of interest in such pursuits, which would require Council to reconsider its approach.

Increased demand for community-based alternative services for water and wastewater	Fairly certain.	It depends on whether such low-tech solutions are able to demonstrate compliance with national and regional standards
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3 Increase or decrease in the level of service

Smaller communities could lose reticulated water supplies and need to rely on individual storage systems	Fairly certain. Costs are likely to become increasingly prohibitive.	There will be issues of water safety and fire-fighting capacity to be assured.
Wastewater disposal requirements in terms of environmental impacts will become stricter.	Certain. However, the implications of this are unclear, in terms of reticulated systems and/or implementation of alternative systems.	
There will be an increased level of service for major roads, a decrease for minor roads and no extension to the sealed roading network unless paid for by the affected parties	Fairly certain.	This will depend on the way the One roading network classification is implemented and the funding associated with it
There will be improved smoothness for footpaths (and vehicle access across them)	Fairly certain.	This will depend on the cost of maintaining the roading network being achievable within projected budgets (and the new Funding Assistance Rate)
There will be an increased level of service for those community and leisure assets associated with the key civic service centre in major towns.	Fairly certain.	Finalised designs and funding have yet to be approved. Budget constraints may constrain the assumed increase in level of service.
There will be increasing community	Certain.	

ownership/management of community and leisure assets		
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(i) Data confidence

In projecting future costs for its infrastructure, Council needs to have regard for the reliability of the information it has on its assets.

Roading

The RAMM databases are Council’s prime asset register for the network. It is routinely updated, random samples of newly collected RAMM data are QA field checked, and the databases are also continually checked during the course of their use and any anomalies are corrected when identified.

All information held in the databases is reliable. Some data fields are incomplete, but this relates to information that is unknown or cannot be readily assessed, e.g. historical information relating to construction dates, old pavement subsurface formation details etc. This would very expensive to obtain, i.e. by on site testing. This limits information that can be generated in some instances.

The confidence asset data is in the range ‘A-B’.

A Highly reliable B Reliable

Asset Class	Data confidence rating	Forecast confidence rating	Method of completing the rating assessment
Roading – carriageways and bridges	Highly reliable	Highly reliable	NZ Guidelines for Infrastructure Assessment
Roading – all other components	Reliable	Highly reliable	NZ Guidelines for Infrastructure Assessment

Water, wastewater and stormwater

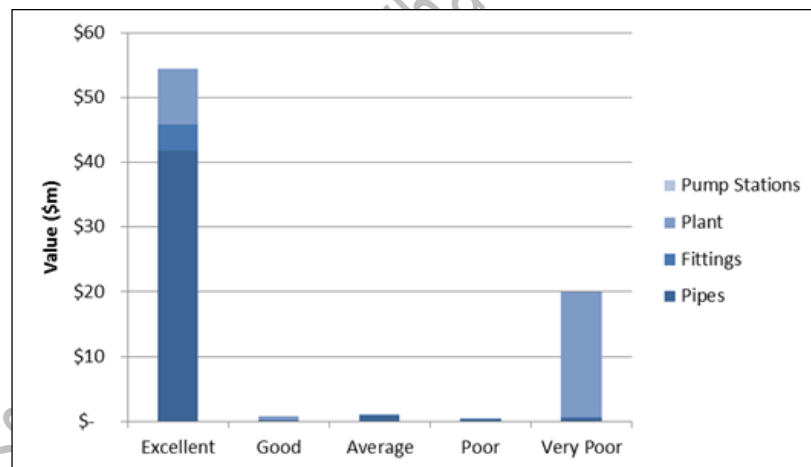
Council owns assets that in some cases are more than 100 years old, so a considerable portion of the infrastructure was created by the former Rangitikei County Council, Taihape Borough Council and Marton Borough Council.

Many of the District's water, wastewater and stormwater assets are buried, meaning they cannot be easily inspected or, in some cases, even found. Historic records are held, and modern asset information systems ensure we are constantly improving the data we have. But there are still gaps in information for certain areas or assets.

During the period 1998-1999, Council undertook a programme to digitise records on our infrastructure assets. GPS locations of known assets were recorded. This began the process of electronic record-keeping for our assets. There still remain cabinets of historic, hard copy plans that are currently being digitised through Archives Central.

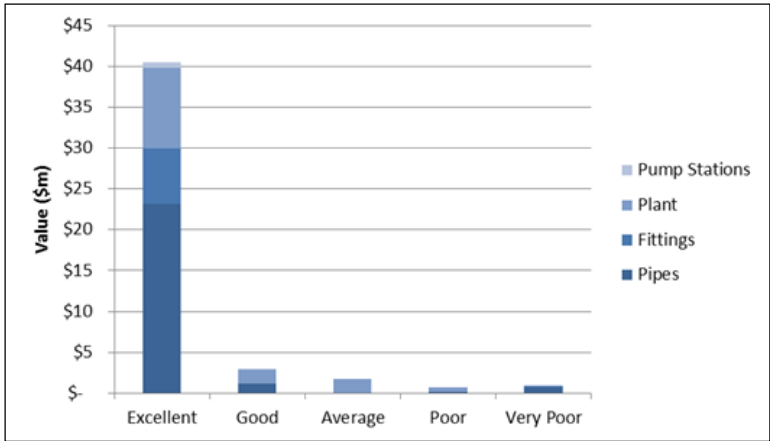
Figure A shows the confidence levels on the asset information held on our water assets. Most of the information is graded "Excellent". There is, however, a significant amount of assets for which information has been graded "Very Poor".

Figure A: Data confidence – Water



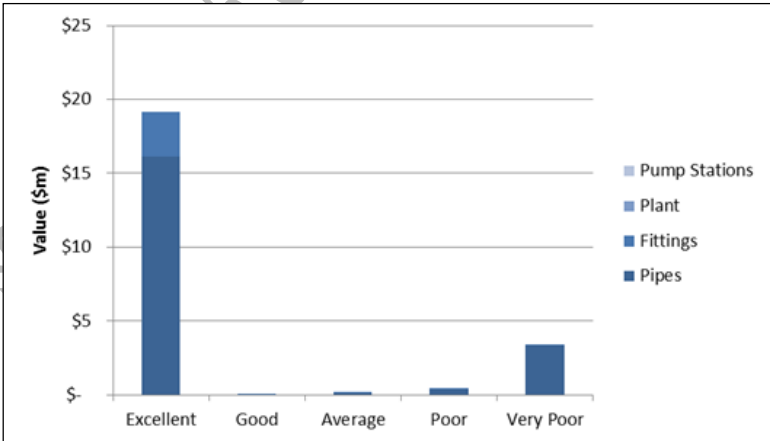
Confidence gradings for information on wastewater assets are given in Figure B. As can be seen, most wastewater asset information is reliable and has been graded "Excellent". However, there are some assets for which the information is less reliable. MWH consultants carried out componentisation work on wastewater treatment plants in recent years, so most data on those assets is reliable.

Figure B: Data Confidence – Wastewater



Data confidence for stormwater assets in Rangitikei is shown in Figure C. Similar to water, the confidence in asset information for stormwater is mostly “Excellent”, but with a significant amount graded “Very Poor”. The stormwater assets for which information is “Very Poor” are all pipes.

Figure C: Data Confidence – Stormwater



Community and leisure assets

The District's community and leisure asset base has developed over many generations to service a community with twice the current population and with very different lifestyle and community needs to today. Much of it is run-down and under-used. The previous two LTPs have signalled that rationalisation needs to occur: however, this step needs to be taken over a period of time and in close consultation with local communities. Given this intention to reduce the portfolio of assets, it is not effective or efficient to undertake an extensive data collection and inputting process for assets which are immediately identified as not necessary to the future needs of the Rangitikei communities and no longer part of the asset management process. Asset information for this group of assets is generally compiled on a site basis, rather than identifying each item at that site. No formal assessment of data confidence has been undertaken.

(ii) Lifelines

The main causes of large-scale failure of the Council's infrastructure are earthquake and river flooding, with severe storms and landslides causing most site specific failures. With roads, the consequences are primarily social and economic, with isolation and restricted access being the main issues. Despite this, there is more redundancy within the road network than any of the other lifeline utilities. This means that the roading hierarchy is not synonymous with lifelines. The major bridge risk is at Kakariki, although the SH-1 crossing at Bulls may continue to be available. The parts of the roading network most vulnerable to flooding are Kawhatau Valley Road, Te Moehau Road/Spooners Hill and Kauangaroa Road. If any of these roads is closed, practical alternative routes will provide access to some properties only. While water and wastewater treatment plants are typically out of immediate flood zones or protected by bunds, below-ground reticulation systems are vulnerable to earthquakes. Council manages this risk through its membership of the Local Assurance Protection Plan. Because an earthquake would not affect all part of the District, there is potential to cart water to locations affected by loss of supply.

Volcanic ash falling on roads is disruptive to transportation, reducing visibility because the ash is easily raised in clouds by passing vehicles. Even in relatively small ash falls, contamination of open water supplies occurs. Because the District's water takes are primarily from the Rangitikei River or bores, falling ash will have minor impact on Council's potable water supplies. The exception is Marton, but its distance from likely volcanic activity means it is unlikely to be much affected. The Calico Line bore could be used in such an emergency. However, volcanic ash falls can damage wastewater and stormwater systems because the ash is easily washed off impervious surfaces, such as roads, car parks and buildings, into these systems. Close monitoring would be undertaken.

All components of the reticulated water supply network are considered lifelines, but the trunk mains are the most critical as they are the source for fire hydrants in the towns.

c. When should infrastructure be replaced?

The expected asset lives of council's assets are set out in detail in the statement of accounting policies, at page 255 of the long-term plan. More detail is provided in the asset management plans.

Roading and footpaths

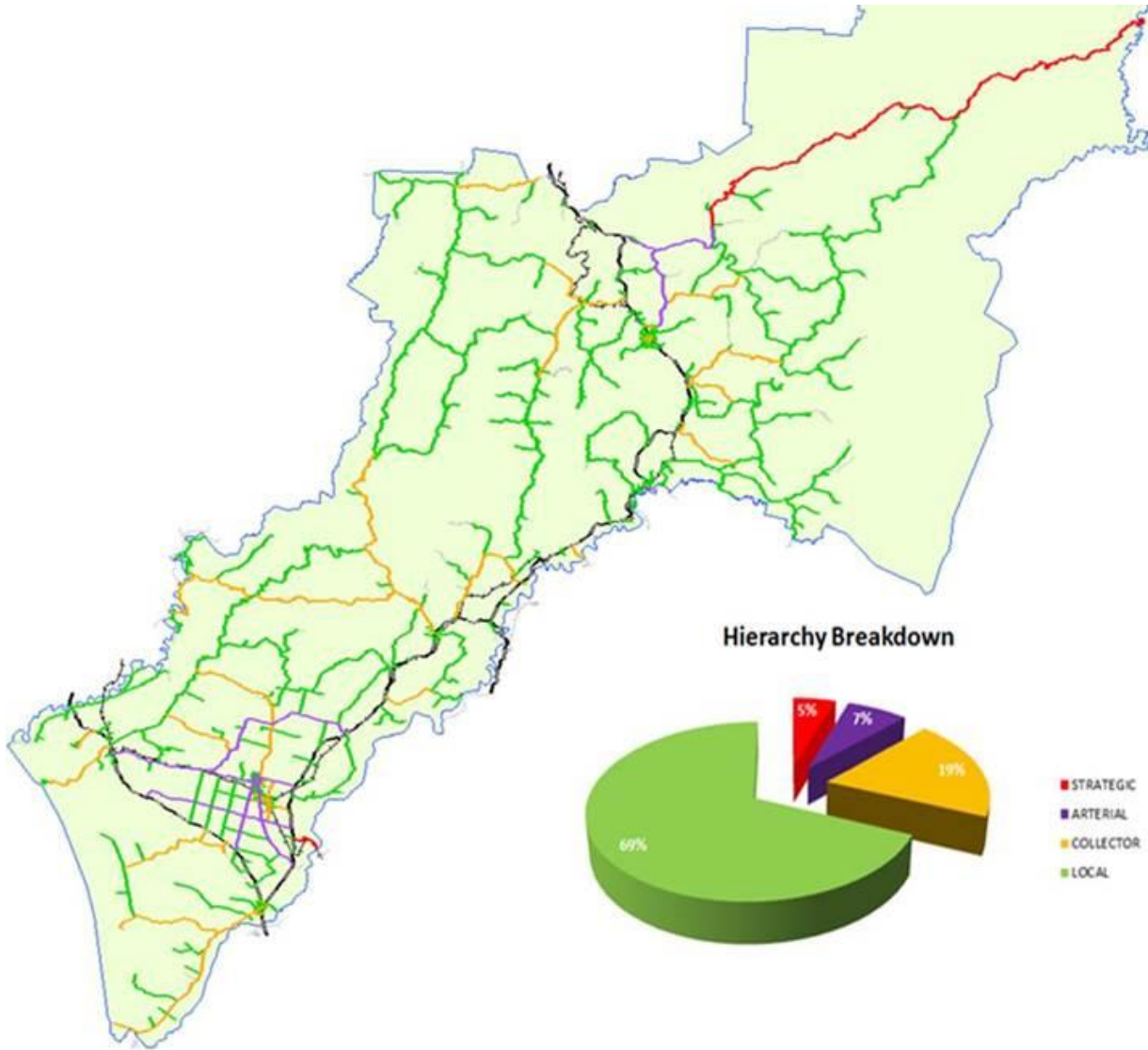
Council's road hierarchy is depicted in the map below.

The annual renewal programme for roads includes resealing and road rehabilitation (i.e. a rebuild). The programme is determined by review of data maintained in RAMM and by physical inspection. It gives effect to Council's assumption that there will be increased demand for high quality rural roads. Council will have a closer focus on the maintenance of unsealed roads and urban footpaths. The chart on page 36 projects a steady pattern of expenditure.

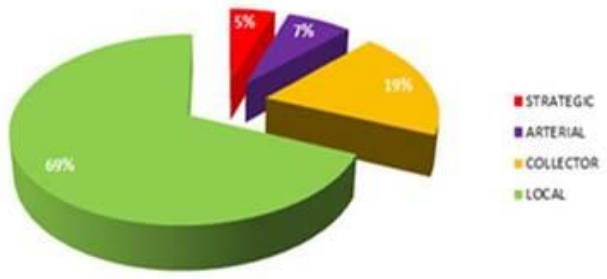
Greater frequency and severity of such events and the reduced level of grants from New Zealand Transport Agency for 'emergency works' may require a larger budgetary provision from rates to restore damaged roads to their previous condition. Council's approach to this risk is noted in the financial strategy (page 19) - increasing the roading reserve to \$3.5 million and consideration to a debt facility to fund emergencies where the response would exceed reserves. Roothing and footpaths will continue to be funded on a District-wide basis.

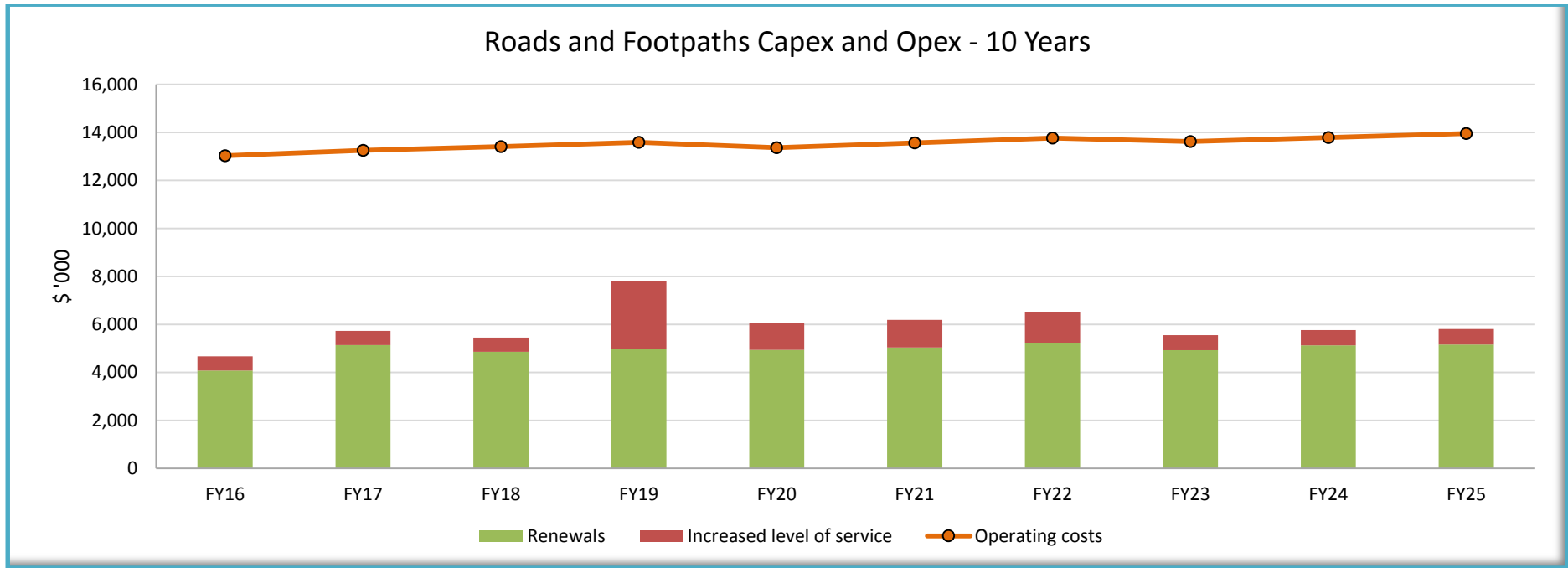
Harvesting of large tracts of pine forests typically requires a period of intensive maintenance followed by a programme of road reconstruction after the peak harvesting load has passed. Council has considered using a change to the District Plan or using a bylaw to encourage logging in the dry months to reduce that damage and to use resource consent conditions to ensure that forestry block owners carry a fair share of the cost in maintaining the network. However, since there is a national working party considering this matter, adopting a specific approach has been postponed until the results of that work have been released and evaluated.

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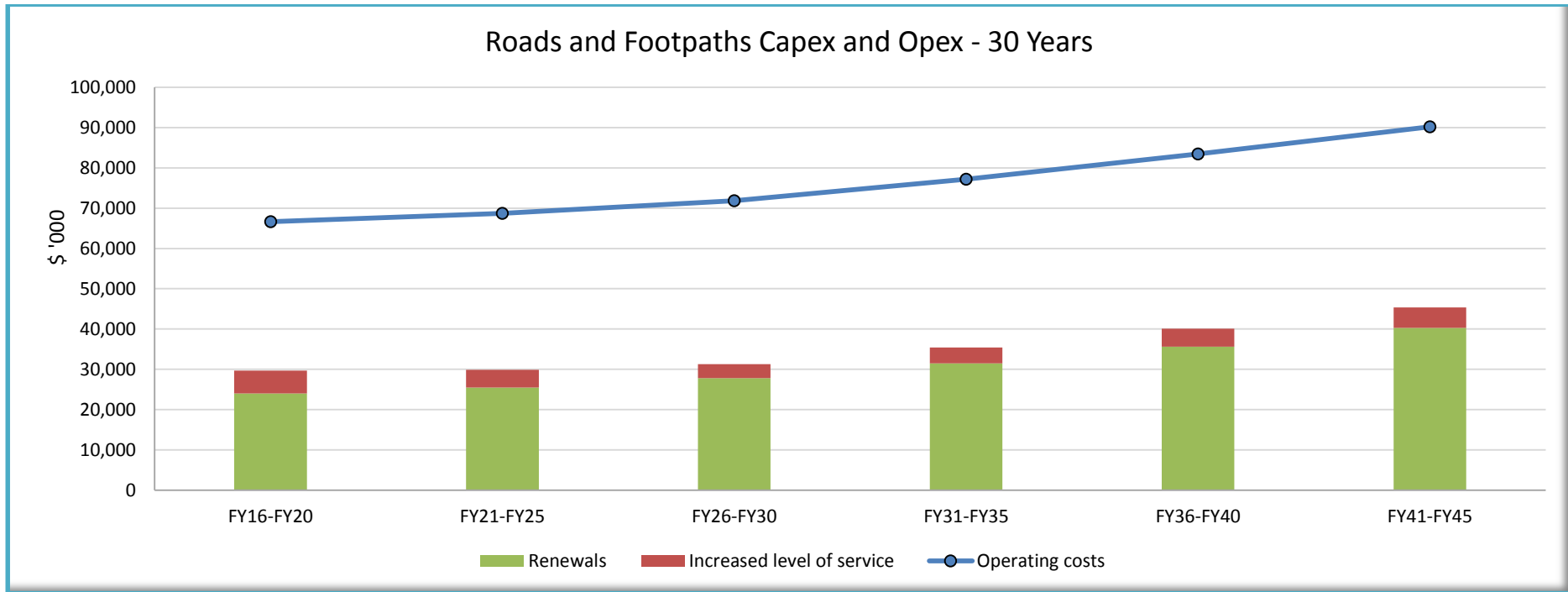
Hierarchy Breakdown





The chart above shows the projected annual costs for roading for the first ten years of this LTP. The second chart (following page) shows projected costs in five year blocks over thirty years (including the first ten years).

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Water, wastewater and stormwater

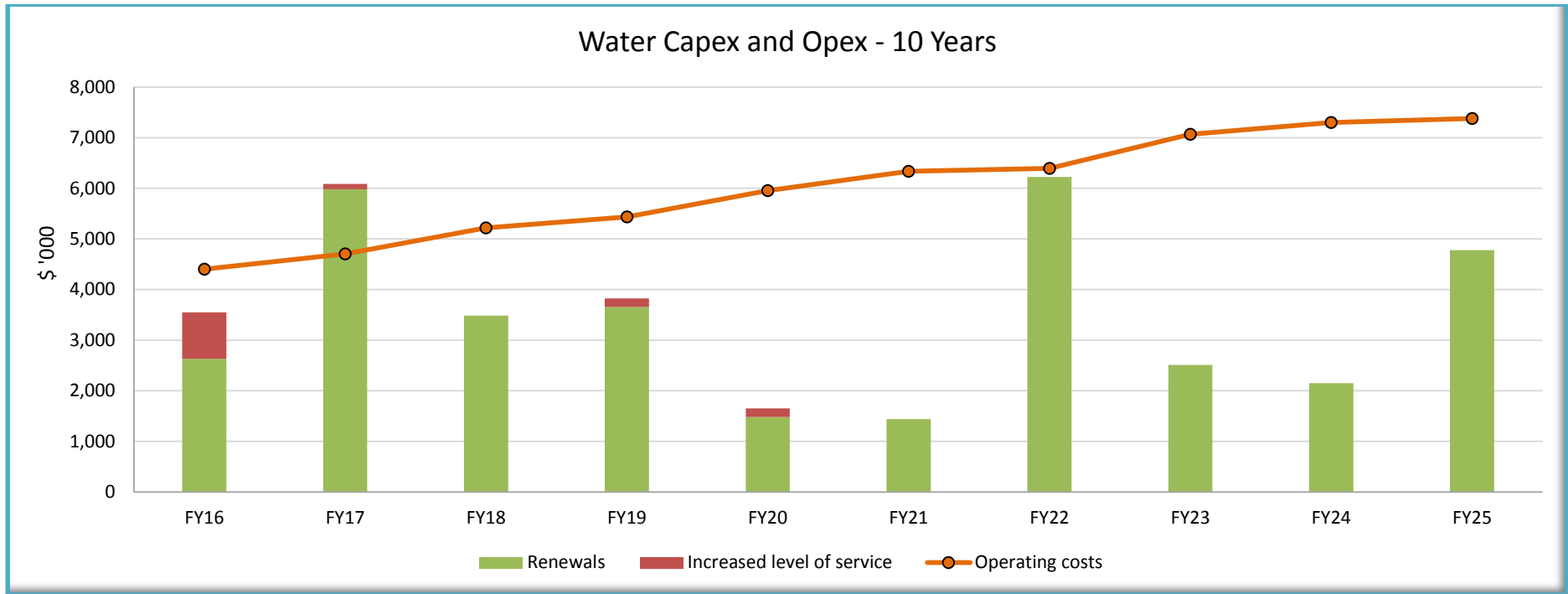
Decisions on asset renewal use a combination of condition assessment and hydraulic modelling results, together with a capacity/criticality assessment. The table below details possible selection criteria for asset renewal. In the main towns, levels of demand are likely to decline slowly in accordance with projected demographic change. However, the level of service will increase for urban water supplies as Council gives stronger emphasis to ensuring urban drinking water is safe in accordance with national standards and not wasted. There will also be a great emphasis on responsiveness to reported faults.

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Renewal Selection Criteria

Priority	Renewal Criteria
1 (high)	<ul style="list-style-type: none"> Asset failure has occurred and renewal is the most cost effective option Asset failure of a critical system or component is imminent Does not meet level of service Does not meet legislative requirement Fault has, or is liable to become a public health risk
2	<ul style="list-style-type: none"> Failure of non-critical asset is imminent and renewal is the most efficient lifecycle cost alternative Fault causes repeated problems Road upgrading scheduled for the current financial year Complaints, re-leaks, water shortages, dirty water
3	<ul style="list-style-type: none"> Reticulation maintenance is high Difficult to repair, due to fragile nature of material, or obsolescence
4	Existing assets have a low level of flexibility and efficiency compared with replacement alternative
5 (Low)	Existing asset materials or types are such that known problems will develop in time

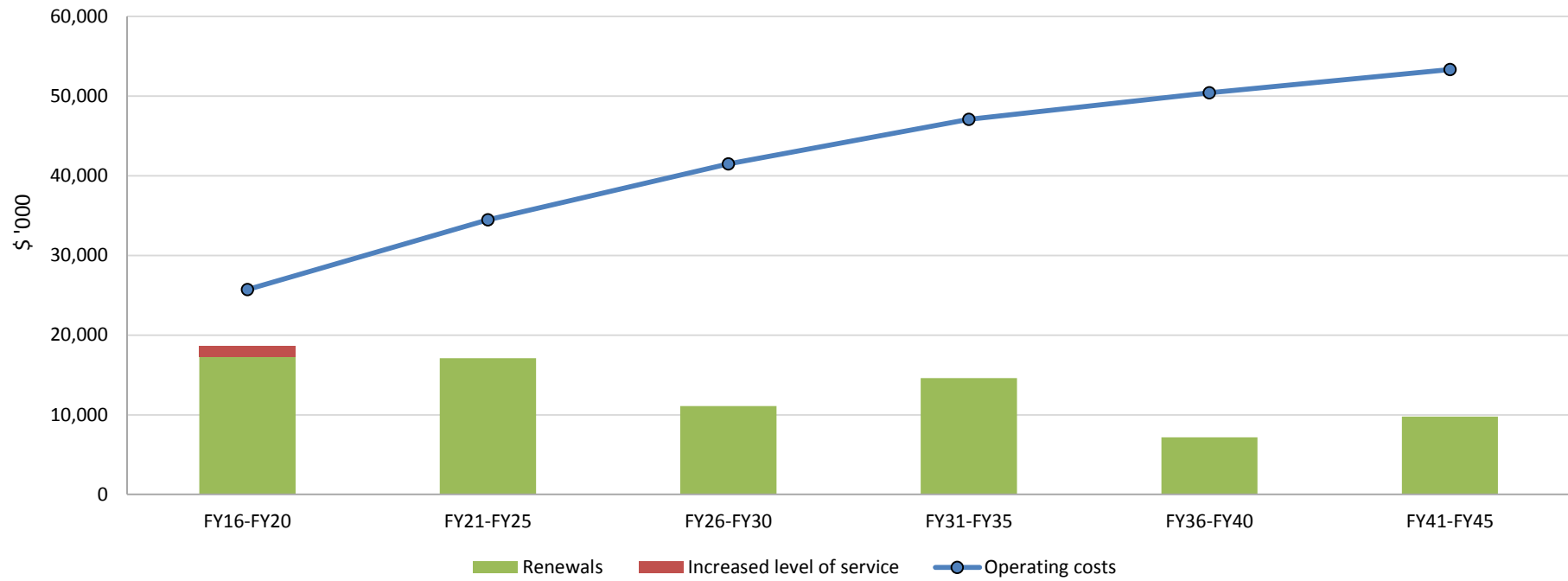
Renewal forecasts are generated by Council's AssetFinda system, which calculates renewal programmes based on asset age, remaining useful life and condition. The graph below shows projected operating and capital costs for the Council's water, sewer and stormwater reticulation. The first shows the annual costs projected for the first ten years of the Plan. The second shows projected costs in five-year blocks over thirty years (including the first ten years). In practice, it is not critical that every particular pipe is replaced in the specific year indicated by AssetFinda. Before finalising this Long Term Plan, Council may further smooth the planned replacement programmes over successive years so that funding demands on ratepayers are kept as even as possible. Work that affects street surfaces will be integrated with the Council's street resealing programme.



The spike in 2016/17 is the projected cost of upgrading the Marton wastewater treatment plant ahead of the expiry of the consent.

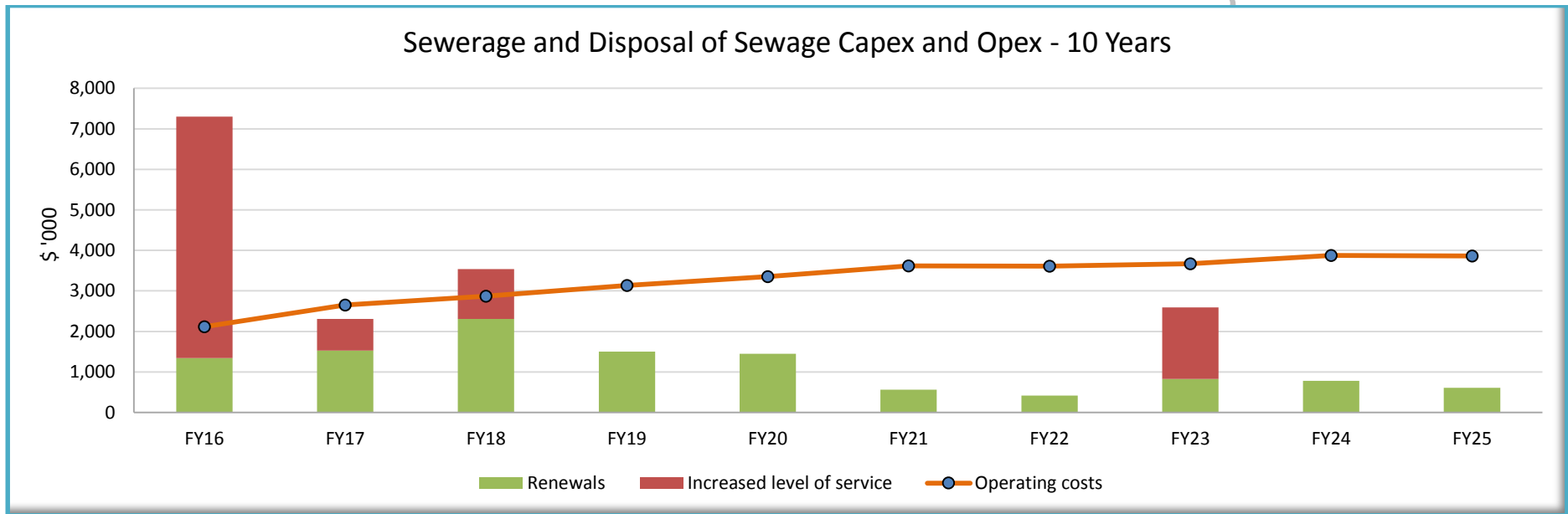
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Water Capex and Opex - 30 Years



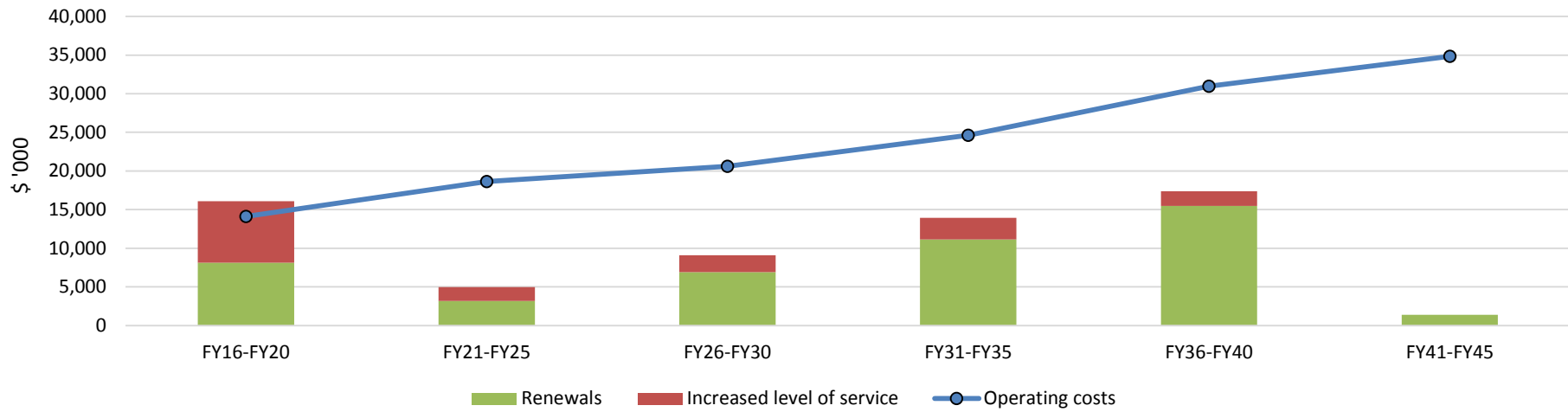
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Wastewater



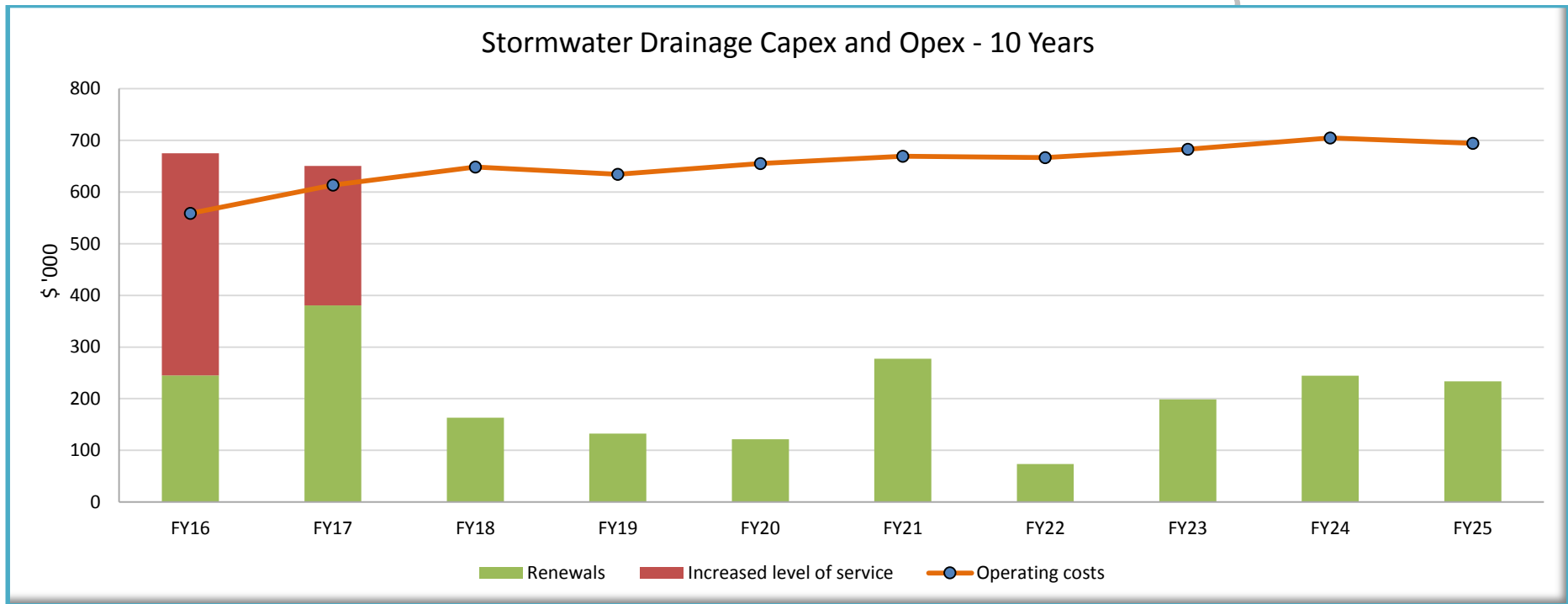
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Sewerage and Disposal of Sewage - 30 Years

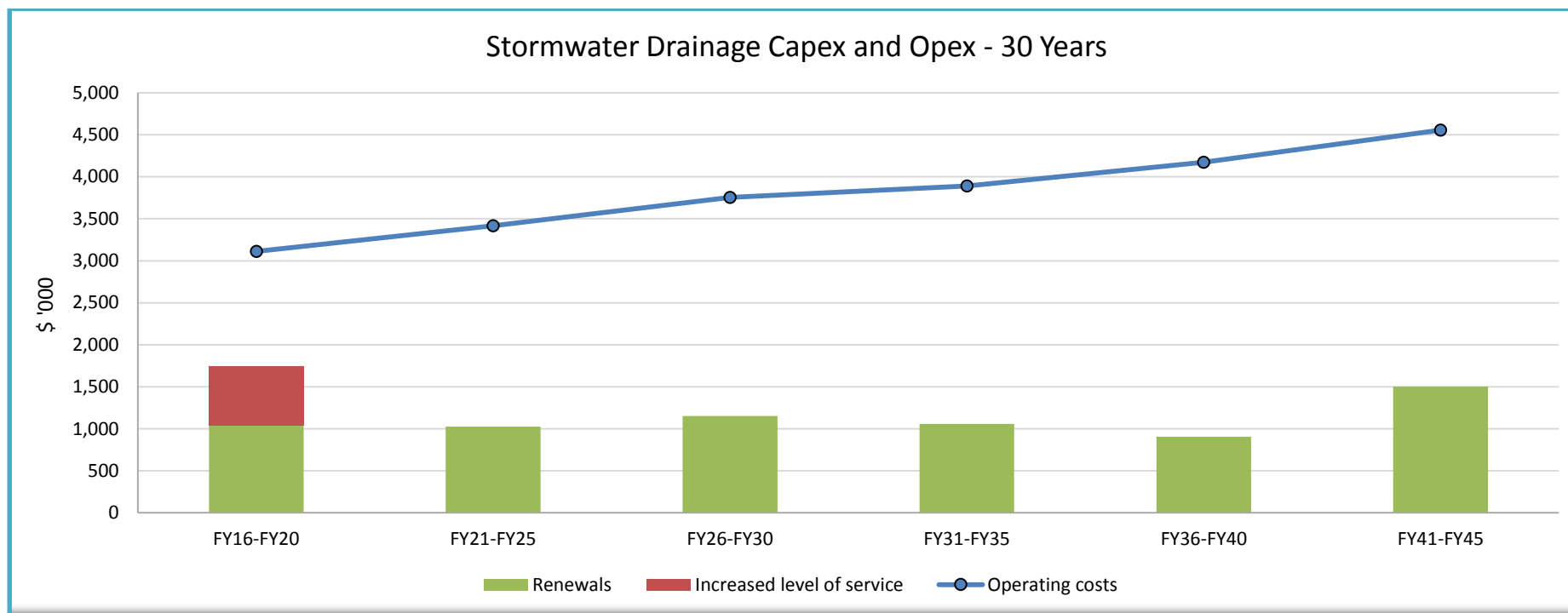


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Stormwater



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In making these projections, Council has assumed that the current state of engineering technology remains unchanged. Undoubtedly there will be use of new materials in construction and maintenance of assets, but the characteristics of such materials and their availability after suitable testing is conjectural. This means that projections of the cost of renewal are likely to be higher than will prove the case. There will continue to be developments that both lower the cost of replacing pipes, for example by using trenchless construction technologies, and allow pipes to be treated in ways that extend their lives for several decades, for example by inserting new linings in existing pipes. In addition, these projections assume all existing schemes – with the exception of Mangaweka wastewater - will continue until 2045/46. The considerations noted in the likely scenarios suggest this is unlikely to be the case so, to that extent, the projections may be higher than is actually the case.

Council uses a combination of physical inspection and CCTV to construct its knowledge of the condition of the water, wastewater and stormwater networks. For example, it has revealed that much of the Hunterville wastewater reticulation was subject to inundation. CCTV is not practical for water pipes.

These charts show higher investment during the first decade (particularly the first three years) followed by a lower level over the ensuing 20 years. Further work is being done to check the feasibility of spreading this work over a longer period.

Typically storm water pipes have a longer life than water and sewer pipes. Therefore, over the life of this strategy, there is a relatively constant storm water renewals programme. Over half the projected investment is for Taihape's network, which is more dense than in Bulls and Marton because of the much steeper gradients and consequent high-flow velocities. In addition, Taihape was originally built with a combined stormwater/wastewater system which is currently being separated. CCTV has shown up a number of illegal connections to the stormwater network.

By contrast, the projected operational costs for these activities are stable during this thirty year period.

The financial strategy notes Council's commitment to a District-wide approach to funding. This helps smooth the costs and keeps systems affordable. The revenue and financing policy provides that 20-25% of the costs of Council's urban reticulation systems will be funded by each separately used or inhabited part of a rating unit.

Community and leisure assets

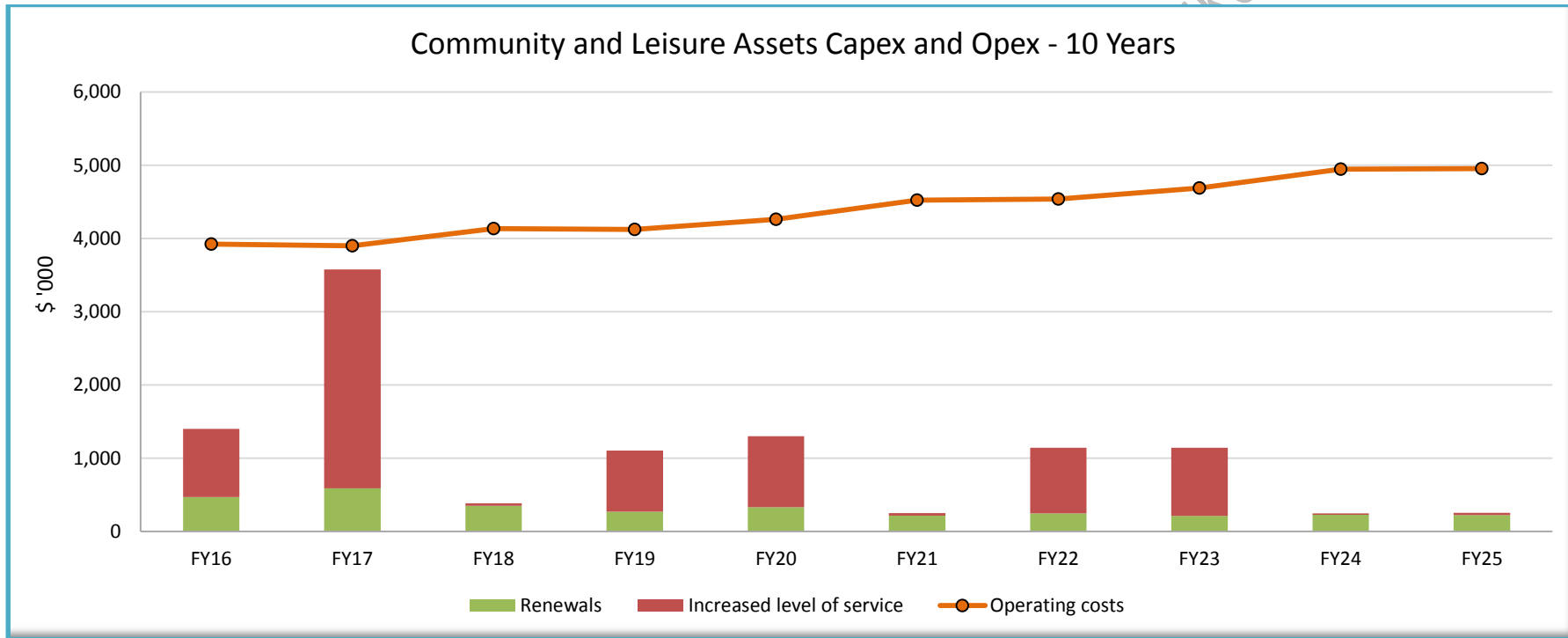
In the 2012/22 Long Term Plan, Council limited funding depreciation for parks, halls and public toilets to 50%. This is in line with its intention to rationalise its portfolio of these assets and have fewer facilities in the future. However, given its other intent, to have better facilities, when a particular asset is earmarked to be retained, and when it is at the end of its useful life, then it will be replaced. Most of the asset management undertaken in the past 5 years has been to bring these assets back to a good condition and to ensure that they are structurally sound. This has "bought time" for Council and the community to have the conversations about which assets will be refurbished or redeveloped and which will be let go. During this time, virtually no refurbishment or upgrade has been undertaken. Indeed, Council has stated that no major refurbishments will be undertaken until an assessment of the need for the facility, including exploration of alternative options for provision, has been undertaken.

There is no funded depreciation for pools, although a contribution of \$75,000 to an aquatic strategy reserve has been in place since 2013/14. Council has committed to attempting to increase use of pools and is exploring the feasibility of different levels of service for pools. It has yet to consider whether this aquatic reserve will be accumulated to enable a new facility to be built in time, or whether it will be used to renew the existing facilities to extend their useful life.

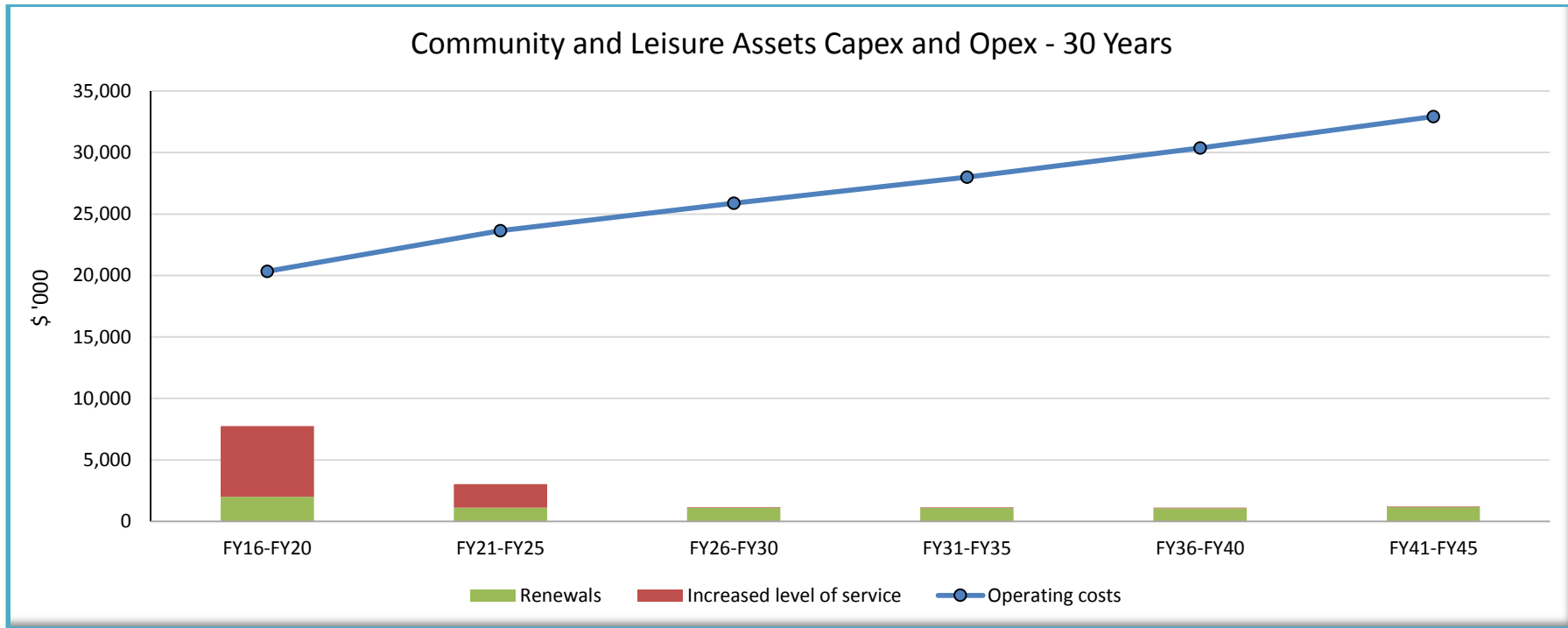
There is also no funded depreciation for community housing. Council is currently considering whether this is an activity that it should continue to deliver. However, Council funds depreciation for libraries at 100% demonstrating that public libraries are a key community facility that it intends to keep. Council is intending to increase use of its libraries through extending the services that are provided to include as a community hub.

The rationalisation of community and leisure assets forms a key choice for consultation in developing this LTP. This infrastructure strategy will be updated to reflect Council's decisions as work continues with the draft Long-Term Plan.

The following charts show projected operating and capital costs. The first shows the annual costs projected for the first ten years of the Plan. The second shows projected costs in five-year blocks over thirty years (including the first ten years).



Draft associated



d. When should the Council add to existing infrastructure or abandon it?

There are five reasons why the Council would change existing infrastructure services. These are responding to District specific issues as well as national policy considerations:

- growing economy;
- changing demographics
- rising environmental expectations;
- climate change; and
- earthquake resilience.

Growing economy

Reliable transport routes are essential to support increasing agricultural productivity. At present, there are a number of conversions to dairying in the Santoft sand country (associated with substantial investments in extracting groundwater) which mean increasing traffic on the roads in this area. However, the characteristics of this part of the network mean that no improvement is necessary. However, the drive to increased agricultural productivity may lead to improvements in the more remote parts of the roading network, potentially extending into (and contributing to) the opening up of the land-locked Maori land in the northern part of the District. Council would expect the capital costs of such projects to be funded by Government and/or neighbouring properties which will receive particular benefit from the extensions to the network.

A similar perspective applies to any expansion to the number of properties connected to rural water supply schemes. Making better use of the District's water reserves is the intended outcome of the current Strategic Water Resources project, co-funded by the Ministry for Primary Industries. This is particularly the case for the Hunterville scheme, which currently provides stockwater to 1670 farms over 61,000 ha. This scheme has become increasingly expensive (because of electricity costs) and the reticulation will need replacement within the next five-ten years. While that is provided for in the financial forecasts, such a programme will not address the inadequacies of electricity costs and irrigation capacity. Funding from Council is most likely to be regarded as a loan, so that the subscribers to the scheme would receive the benefit of the lower borrowing rate available to Council. Long-term funding implications for Council are a future decision. However, Council is proposing in the Long Term Plan to invest \$100,000 each year for the next ten years for further research and support for local economic development strategies which is likely to include the District's water resources. The extent of a capital contribution from Council, if any, is unknown, so is not included in the financial projections. Any new water takes would be subject to resource consent.

It is also possible that dedicated cycleways may become more prevalent in the District, as part of a national strategy or regional tourism initiatives, but this has yet to be considered formally by the Council. It is likely that Council's capital funding is likely to be minimal, if any, so no provision is included in the financial estimates.

A major prompt for the town centre development projects in Bulls, Marton, Hunterville and Taihape is to provide greater appeal to visitors to stop as well as creating a civic heart around which retail business is more likely to thrive.

Changing demographics

Projected decline in population (and in the number of households) mean a diminishing number of properties connected to Council's water, wastewater and stormwater systems. For the District's smaller towns, this shrinkage may make such systems too expensive, particularly for wastewater with likely increased consent conditions. So, shrinkage of the area being served and possible closure is likely to be the result, depending on the comparative costs of alternatives.

These changing demographics also impact on the Council's community and leisure assets. For example Council currently owns very few improvements on its parks and reserves. The majority of the facilities on Council-owned recreational land are code specific club rooms or hard surfaces. Over the course of thirty years, Council intends to divest itself of any remaining facilities on reserve land and to encourage community groups, particularly multi-sport user

groups to manage their own facilities, as many of them already do. Council intends to ensure one specialised sports field for every major sporting code within the Rangitikei District. This may mean that there is an increase in operating grants and subsidies to manage these facilities on behalf of the community but little asset development is envisaged. Council will continue to support the provision of play grounds and skate parks but will look increasingly for contributions from the community to renew or refurbish these facilities. Parks with low use may be leased rather than sold.

By contrast, although Council does not envisage any expansion of the current portfolio of community housing, it is open to the possibility that it may be a viable long-term with a specialist provider.

An area of uncertainty exists around the requirements in the future for transport options to provide access to community and leisure facilities in nearby towns where this provision is not provided locally (for example all year round swimming pools, theatres, museums etc.). Council will need to continue to monitor whether the provision of services in the District is a more effective option than expecting residents to travel further afield for this provision.

An aging population is creating demands for improvement to footpaths so that they are more suitable for users of mobility scooters.

Environment expectations

The main area in which this is likely to affect the Council is in the discharge of waste water. Of particular significance is Policy 6-11 in the Regional Policy Statement which requires all renewal of consents for discharge of human sewage after 2020 to (at a minimum) “pass through an alternative system that mitigates the adverse effects on the mauri of the receiving water body”.⁵

In addition, during the next thirty years there is very likely to be consents required for stormwater discharges and water takes from rivers will probably be reduced (and certainly more strictly enforced). This will reflect the view of Horizons Regional Council how Rangitikei District Council is to comply with the National Policy Statement on Freshwater Management under the Resource Management Act.

The table on page 51 shows the expiry dates for Council’s current consents from Horizons Regional Council

While in some parts of the country, shifting from forestry to pastoral farming can have an impact on water quality, with potential pressure for improved waste and stormwater discharge. This is not seen as a significant factor for change in the Rangitikei.

Climate change

The Ministry for the Environment suggests that local councils plan for a sea level rise of between 0.5m and 0.8m for periods up until 2090. This may impact on the District’s seaside settlements, at Koitiata and Scotts Ferry. Horizons has already evaluated the likely risk at Koitiata, where the impact will be more

⁵ The preferred discharge is to land.

significant in 50 years' time. Even so, part of the risk can be managed by controlling the movement of the mouth of the Turakina River. Inundations from the sea will be sporadic and not deep. However, these inundations are projected to fall across the area currently used for the village's oxidation ponds.

Climate change is likely to also result in more extreme storm and drought events. This requires Council to consider the capacity of urban storm water drainage system. In addition, more frequent droughts may affect the security of water supply to Taihape and Hunterville, which depend on river flow. Greater storage capacity is a potential remedy. Because of the impact such events can have on the roading network, there may be sections where improvement is regarded as providing greater certainty of resilience in extreme weather conditions. As noted on page 25, Council's approach to this risk is noted in the financial strategy (page 19) - increasing the roading reserve to \$3.5 million and consideration to a debt facility to fund emergencies where the response would exceed reserves.

Upgraded bridge structures are influenced by this consideration.

Earthquake resilience

Almost all of the Council's public buildings do not meet 33% of current earthquake standards and upgrading, while possible, is expensive and does not in itself deliver fit-for-purpose facilities. Council is looking to develop three multi-purpose facilities in Bulls, Marton and Taihape within the first ten years of the thirty year period. In all three towns, consideration of the expense of earthquake strengthening the existing facilities is likely to be a key factor that will affect these developments.

Part of the Council's reticulation renewals programme will involve using different construction methods and materials to provide greater earthquake resilience in pipelines. Council does not consider this risk is so great that it should bring forward its renewals programme. Instead it will address resilience at the time pipes are replaced.

Upgraded bridge structures are also influenced by this consideration.

In addition to these factors, upgrades are sometimes undertaken because it is the more cost-effective option over time for maintaining the performance of the asset. This is significant in managing the Council's water, wastewater and stormwater reticulation systems.

Expiry of resource consents

	Water	Wastewater
Expired	Marton abstraction bores	Bulls and Ratana
2014		
2015		
2016	Marton - discharge sludge	
2017	Mangaweka - river water take	
2018		
2019		Marton - discharge to water (and air)
2020	Taihape - river water take; Ratana - abstraction bores	
2021		
2022		
2023		
2024		Mangaweka - discharge to Mangatera Stream; Koitiata - discharge from oxidation ponds to land
2025		
2026	Marton - abstraction well; Erewhon - abstraction from stream and dam;	Taihape - discharge into Hautapu
2027	Omatane - surface water take; Putorino surface water takes	
2028		
2029		
2030		
2031		
2032	Marton abstraction Tutaenui Stream	
2033		
2034		
2035		
2036		
2037	Huntermville - river water take and diversion for infiltration gallery	Huntermville - discharge to land, water and air
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		

e. Most likely scenario

Note:

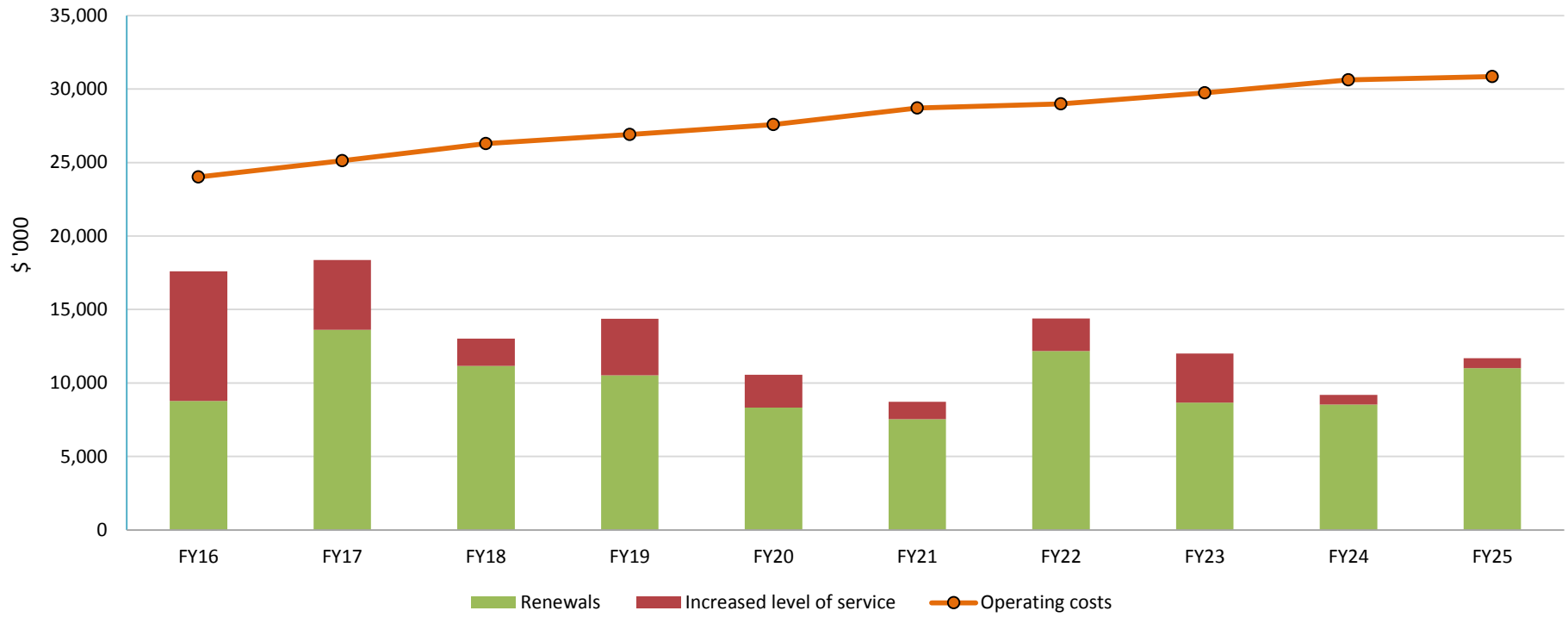
The timing for any expansion of the roading network and the District's rural water supply systems have not been estimated as they are subject to decisions made by the respective parties and/or by the Government.

Overall cost of most likely scenario

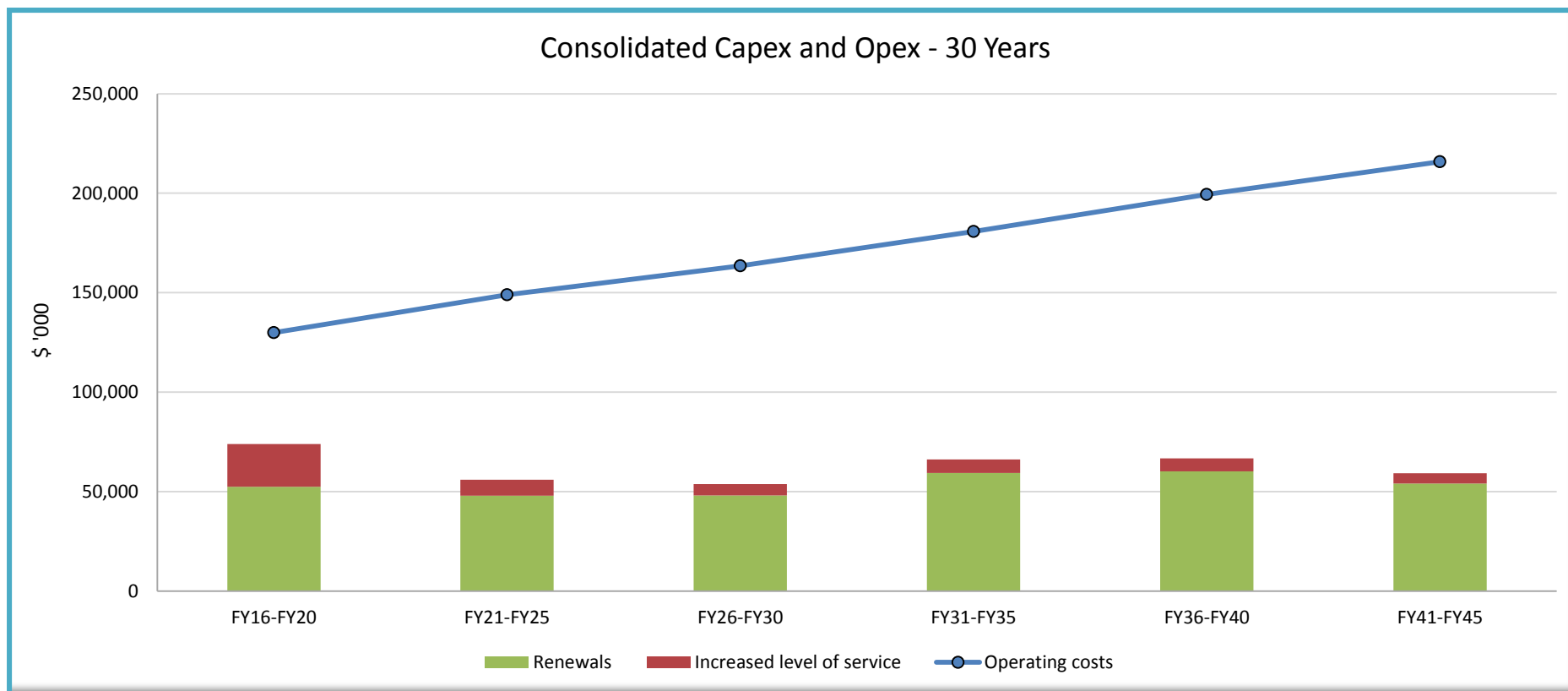
The following graphs shows the projected operating and capital costs of the most likely scenario. The first shows the annual costs projected for the first ten years of the Plan. The second shows projected costs in five-year blocks over thirty years (including the first ten years).

Draft associated with CD 'What's the plan Rangitikei...?'

Consolidated Capex and Opex - 10 Years



Draft associated with



The significant decisions

Council has an ongoing renewals and capital upgrade programme for its infrastructure driven primarily by asset condition and consideration of future life in considering whether to replace like for like or upgrade. This programme is subject to modification by adverse events and re-prioritisation. Such decisions are rarely significant, apart from (possibly) the effect on Council's finances.

The significant decisions arise in three main circumstances:

- when considering the available options when consents for wastewater discharges expire and require renewal for the discharge to continue;

- when considering options for the provision of Council’s service facilities in the main towns and how they might support their economic and civic rejuvenation
- when considering reductions in or withdrawal from the provision of services and facilities.

The projects identified as entailing significant decisions⁶ are:

Project	Probable year of decision	Probable Year of Construction	Most Likely Scenario
			\$m
Bulls wastewater upgrade	2014/15	2015/16	\$2.2 m
Bulls civic centre redevelopment	2015/15	2015/16	*\$1.6 m
Community housing upgrade	2014/15	2015/16-2017/18	\$0.3 m
Ratana wastewater upgrade	2015/16	2016/17	\$1.5 m
Marton civic centre redevelopment	2015/16 Initial concept and timeline	2018/19-2019/20	*\$1.64 m
Taihape civic centre redevelopment	2015/16 Initial concept and timeline	2021/22 to 2022/23	*\$1.78 m
Mangaweka Bridge replacement	2016/17	2017/18	*\$2.0 m
Marton wastewater upgrade to meet new consent conditions	2015/16	2015/16 to 2017/18	\$2.6 m
Future-proofing Hunterville Rural Water Supply -	2016/17	2016/17-2017/18t But could be consulted on in the 2018/28 LTP	\$1.6 m

⁶ There are also renewals planned in Marton’s and Taihape’s water supply reticulation during 2018/19 to 2021/22.

Mangaweka wastewater upgrade to meet new resource consent conditions	2022/23	2023/24	\$1.768 m
Taihape wastewater upgrade to meet new resource conditions	2024/25	2025/26	
Huntermville wastewater upgrade to meet new resource conditions	2034/35	2035/36	

*denotes Council's contribution (as distinct from the total project cost)

Decisions on these projects beyond the initial three years will be confirmed in subsequent long-term plans.

Specific projects

1 **Bulls wastewater upgrade (2015/16)**

The **most likely scenario** is to upgrade the plant to deal with discharge from the town only. The projected cost for this is \$2.5 million⁷. The main aspects of the upgrade are to (a) install a meandering wetland in place of the narrow ditch as the passage from the treatment plant to the Rangitikei River and (b) strengthen the pond bund top and corners so that it survives large flood events and continues to contain the pond after the flood waters have receded.

The **principal alternative** is to extend the capacity of the upgraded plant to deal with wastewater from Sanson. However, the costs of doing this seem likely to be higher than for upgrading that town's system, although Horizons Regional Council would prefer a combined discharge. So it is unlikely to proceed. If it did, any additional cost would be met by Manawatu District Council. There has been earlier consideration given to including the discharges from Riverlands and Ohakea Base, but both organisations have opted to manage their own.

Another option would be to pump to Marton and decommission the Bulls plant.

2 **Bulls civic centre development**

The **most likely scenario** is to build a new civic precinct incorporating a library, information centre and town hall as a multi-purpose facility. The project is timed for 2015/16. It has a projected capital cost of \$3.6 million, but part of this will be offset by the sale of the present town hall and information centre sites, subdivision of the site for compatible community facilities, contributions from the local community, and (potentially) a lotteries grant. The operating costs for the new complex are expected to be about two thirds of those currently incurred with the present separate facilities.

⁷ This includes the consent application process, the upgrade and a provision for desludging.

The **principal alternative** is to refurbish the existing library and extend to include the information centre and refurbish the town hall, which would bring both buildings up to 33% of earthquake standard. This option does not allow the flexibility from a single multi-purpose facility and is unable to benefit from associated joint venture. However, there would still be the potential to secure a lotteries grant and to sell the current information centre site.

The lower cost option is to leave the current facilities as they are. However, this leaves Council exposed to the risk (and cost) of mandatory earthquake strengthening both the library and the town hall, so may not be a real option at all. It is unlikely to find favour with the community, given the high interest in securing a more useful and appealing civic heart for the town.

3 Community housing upgrade

The **most likely scenario** is to upgrade the housing units so that they are at an appropriate standard to attract tenants – and potentially to interest a community-based organisation with greater expertise in operating such facilities. This is a significant decision, as community housing is one of Council's strategic assets, and would be subject to separate consultation. The total cost of the upgrade over three years is estimated at \$300,000.

The **principal alternative** would be to maintain the current arrangements. As depreciation is unfunded, only essential maintenance would be carried out. The low occupancy in Marton (largely because of obsolete design) would not be addressed.

4 Ratana wastewater upgrade (2016/17)

The **most likely scenario** is to upgrade the plant so it can treat the nitrogen and phosphorus present in the wastewater. This work is expected to cost \$1 million. There is no government subsidy available to assist with this cost. This upgrade will be designed to cater for the additional wastewater flows from the proposed 60-lot subdivision in the settlement. There may be a need to increase capacity of sewer mains within the settlement.

The **principal alternative** would be to pump the discharge to Marton, 30 km distance. AS there are no trade waste discharges in Ratana, the impact on the Marton plant would be minimal. However, the annual Ratana celebration in January sees a large influx of visitors so the amount of wastewater discharge during that time increases substantially

5 Marton wastewater upgrade (2016/17)

The **most likely scenario** to meet the conditions of the new resource consent is to upgrade the plant to meet new consent conditions and continue to service the whole urban area,. The estimated cost of this is \$2.3 million. Whether this would include leachate disposal from the Bonny Glen landfill has yet to be determined. A resource consent application has been made to expand the capacity of the Bonny Glen landfill: if agreed to, this will means a longer time to manage the disposal of leachate. It is envisaged that the additional costs from accepting leachate would be acknowledged through a combination of capital contribution and trade waste levy. Alternatively, the operators of the landfill could arrange pre-treatment.

The **principal alternative** is to reduce the number of properties connected so that the network is smaller, more confined to the town centre, and thus handling a smaller quantity of effluent. This will depend on the extent of reduction in the number of properties utilising the network, the viability of other options and their comparative costs. However, this alternative is improbable since it is unlikely that such changes in use of the network and available technology will occur in the next five years

Another option is to refuse trade waste which has high ammoniac nitrogen impact on the Tutaenui Stream. This could have a wider impact than the operations of the Bonny Glen landfill.

6 Marton civic centre development

The **most likely scenario** and **principal alternative** are presented in the Key choices section

7 Taihape civic centre development

The **most likely scenario** and **principal alternative** are presented in the Key choices section.

8 Mangaweka Bridge replacement

The **most likely scenario** is to replace this bridge, built in 1899. It is a boundary bridge, so the cost is shared equally with Manawatu District Council. As this is considerably longer than the normal projected useful life, there is no viable alternative. New Zealand Transport Agency funding has yet to be confirmed.

9 Future-proofing the Hunterville Rural Water Supply Scheme - provisional

The **most likely scenario** is not to maintain the status quo – but the extent, configuration, and capability of a future scheme has yet to be determined. It may prove to be a topic for consultation in the 2018/28 Long Term Plan. However, earlier progress is possible, especially if the application for a government subsidy to review the provision of town supply for Hunterville is successful and a suitable alternative source of supply to the rural supply is found. The budget provision is for the status quo.

The **principal alternative** is to maintain the status quo – i.e. renew the current reticulation on a like-for-like basis, and continue with the current provision of treated drinking water to Hunterville town.

10 Mangaweka wastewater upgrade (2023/24)

The **most likely scenario** is to discontinue the reticulated wastewater system in favour of on-site disposal. . The estimated cost of this is \$1.768 million, based on installing septic tank systems on all properties. This may reduce if lower cost systems are feasible and approved by Horizons. In addition, in the interests of public health, Council may wish to implement an ongoing programme of inspection.

The **principal alternative** is to upgrade the plant (commissioned in 2006) to meet new resource consent conditions. This will depend on the extent of upgrade work required and the viability of other options for safe disposal of human waste.

11 Taihape wastewater upgrade (2025/26)

The **most likely scenario** is to upgrade the plant to meet new consent conditions and continue to service the whole urban area. This scenario is dependent on progress with stormwater renewals to reduce the extent of infiltration and inundation into the town's wastewater system. The notional estimated cost of this is \$1.5 million.

The **principal alternative** is to reduce the number of properties connected so that the network is smaller, more confined to the town centre, and thus handling a smaller quantity of effluent. This will depend on the extent of reduction in the number of properties utilising the network, the viability of other options and their comparative costs.

12 Hunterville wastewater upgrade (2035/36)

The **most likely scenario** is to upgrade the plant to meet the new consent conditions. The notional estimated cost of this is \$0.5 million in 2033/34 or 2034/35 and \$1 million in 2035/36. However, Horizons regards the plant as functioning very well, so it is possible that an upgrade may not be required.

The **principal alternative** is to pump the town's sewerage 25 km to Marton for disposal through the wastewater plant there. At present the only source of trade waste is from food outlets, service stations and garages – if that were still the case in 20 years' time, the impact on the Marton plant would be minimal.

Draft associated with CD 'What's the Plan Rangitikei...'

Draft associated with CD 'What's the plan Rangitikei....?'

Section 6: District overview

District topography⁸

The Rangitikei District comprises 4,500 square kilometres of mainly lush rural land. It is a diverse District, ranging from the sand plains on the south coast to the magnificent hill country of the upper Rangitikei. Approximately half of the District's land is characterised by extensive rolling hill country.

The sand plains extend inland from the coast to Bulls, where the Santoft Forest is a key feature. The forest was first established along the coast to stabilise the sand dunes. The area has a range of soil types and been developed for a wide range of agricultural activities including dry stock farming, cropping, horticulture and dairying.

The District also has a number of plains and terraces throughout the lower half which comprise of mostly Class 1 and 2 soils. These versatile soils are used for a wide variety of primary production purposes including; cropping, drystock farming, market gardening, horticulture and dairying.

The undulating to rolling hill country you encounter as you head north has a mix of soil types, which support a range of cropping, pastoral farming and forestry activities. For the steeper hill country, further north, soils are often prone to slipping and erosion and are largely grazed by drystock.

The most northern reaches of the District include approximately half of the windswept and remote Kaimanawa Ranges. These mountain land areas are largely undeveloped for primary production activities and support important indigenous forests, tussock land and wetlands.

There are a number of significant rivers within the District, particularly the Rangitikei, Whangaehu and Turakina. The fluvial forces of these rivers and their tributaries have shaped the region, eroding channels through the soft mudstone and sandstones of the region. This has resulted in numerous valley systems with terraces, cliffs and gorges with their associated remnants of native vegetation.

The most iconic river in the District is the Rangitikei River, which is one of New Zealand's longest rivers – originating in the Kaimanawa Ranges

⁸ Sources: Department of Conservation (1995) Rangitikei Ecological Region: Survey Report for the Protected Natural Areas Programme and the 2012-2022 LTP

and flowing out to the Tasman Sea. The majority of the land associated with the catchment is used by agricultural purposes and contains more than 28% indigenous vegetation, which is mostly found in the Conservation Estate in the upper catchment. The River is a gravel bed river, which is surrounded by papa cliffs through the middle reaches. Water quality for the Rangitikei River is good, especially in the northern areas, where it supports a world-class trout fishery.

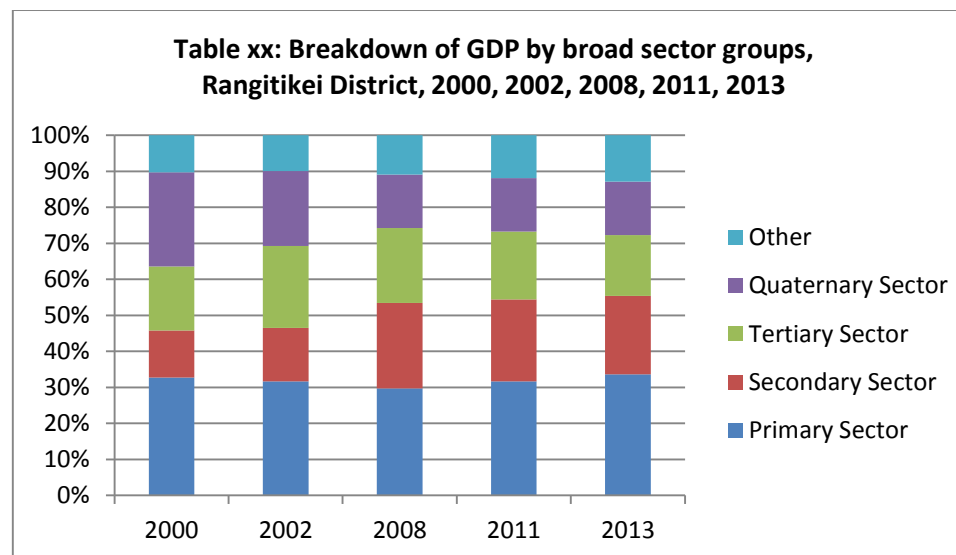
Over the last fifteen years surface water use for agricultural purposes has significantly increased and there is scope for further increases. Groundwater is also an important resource for the agricultural sector, with abstraction increasing in recent years, with scope for further increases, although the resource is not yet well understood.

District economy

Overall, the Rangitikei economy (as measured by GDP) has not grown apace with the rest of New Zealand. Over the past ten years, the growth in GDP has been 1% compared to 2.2% for New Zealand as a whole. The primary sector to the Rangitikei economy⁹ continues to dominate providing almost 35% of the District's GDP. Diversity in the local economy can be good (less vulnerable to adverse events such as climatic conditions and commodity price fluctuations) but can also indicate that an economy is not investing enough in its strengths. It is important to understand why certain industries have a comparative advantage in an area, for example, natural assets, location, skilled labour force etc. Currently, the higher share of GDP within the primary sector (based on high commodity prices) means that the local economy is less diverse than at any time over the period of review.

The breakdown of the broad sector groups for the periods of peaks and troughs are illustrated in table xx below. This shows that whilst the primary sector has remained within 30-35% of the GDP for the District, secondary sector industries have increased (from 14% in 2000 to 22-24% since 2008) at the expense of the quaternary sector (knowledge intensive industries) which has dropped its share of GDP from 28% in 2000 to 15% in 2013.

⁹ The primary sector extracts or harvests products from the earth and includes agriculture, forestry, fishing, and mining. The secondary sector produces manufactured and other processed goods and includes manufacturing, electricity, gas and water, and construction. The tertiary sector includes all service industries that are not knowledge intensive, such as retail trade, and food and accommodation services. The quaternary sector includes knowledge intensive service industries. Knowledge-intensive industries are industries that satisfy two basic criteria: At least 25 per cent of the workforce must be qualified to degree level and at least 30 per cent of the workforce must be employed in professional, managerial, as well as scientific and technical occupations. Other includes owner occupied property operation and unallocated activity. An agribusiness earns most or all of its revenues from agriculture and includes the primary sector, excluding mining, processing and manufacturing and/or the packaging and distribution of products



In other words, over the past ten years, there has been an exchange for share of local GDP between the secondary and quaternary sectors which, combined with poor commodity prices, provided flashes of greater economic diversity. This can in large part be explained by the establishment of the meat processing facilities in Bulls and Marton, rather than any decrease *per se* in the knowledge intensive businesses forming the quaternary sector. But it does mean that there is now a greater dependency on manufacturing and processing than knowledge based industries.

Central government's intention is to double primary sector exports by 2025 nationwide, and to double the agribusiness exports from the Manawatu/Whanganui region in the same timeframe. It has commissioned a Regional Growth Study which is due to report in early March 2015.

Approximately 40% of the District GDP is for export markets, compared to 25% for New Zealand generally. Most of this export contribution (90%) is derived from the primary and secondary economic sectors - with the secondary sector responsible for over 70% of export GDP from the District. It would seem unlikely that the District is going to attract significant additional secondary sector agribusiness activity, particularly given the dairy processing facilities at Pahiatua and Hawera. It may be hoped that the meat processing plants in Marton and Bulls will be strengthened by a drive to double exports from the Horizons region. It may be possible to increase the comparative advantage that Rangitikei District derives from some industries within the agribusiness sector. For example, dairy farming has a relatively low comparative advantage in

Rangitikei, compared to sheep and beef cattle farming, and horticulture and fruit growing in the District has the same comparative advantage as for Palmerston North City. It must also be remembered that without productivity gains, switching from one primary product which is processed within the District to another which is processed elsewhere will not lead to GDP growth, and in fact could result in a drop in GDP.

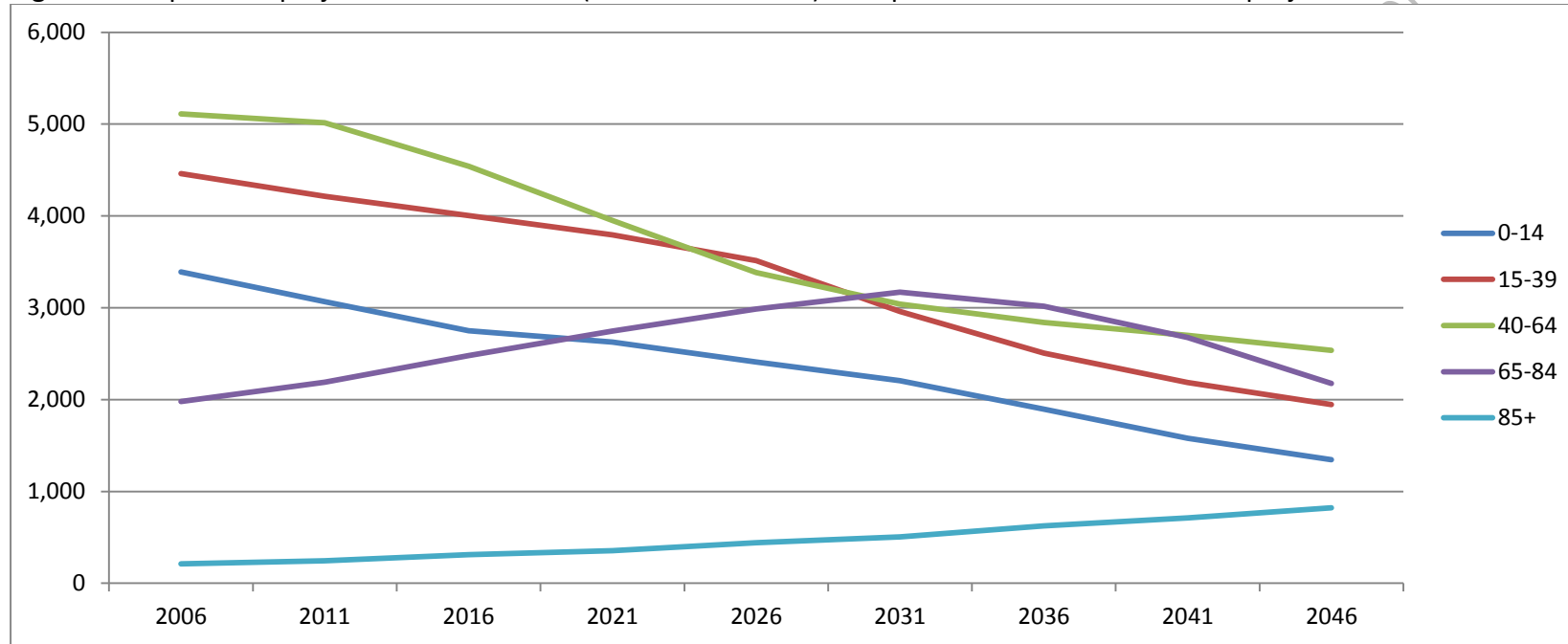
Demographic change

The key demographic changes researched in depth for the 2012-22 LTP continue to be relevant for the District. That is a generally declining population, with an increasing average age but where a higher proportion of younger people identify as Maori. Population projections based on 2013 Census data will not be available until February 2015. However, Statistics New Zealand has extended the subnational population projections based on the 2006 Census from 2031 to 2046. Two datasets are available at local government level. The first is projections of the various demographic characteristics - total population, births, deaths, net migration, and median age. The second is the projected population by 5-year age groups and sex. High, medium and low projection rates are provided¹⁰. Following advice from Statistics New Zealand that the medium projection for Rangitikei is likely to be slightly optimistic, Council has used the mid-point between the medium and low projections for the purposes of planning for this LTP.

The most optimistic projections from Statistics New Zealand indicate that there could be less than two thirds of the current population living in the non-urban areas and about three quarters of the current population living in the urban areas of Marton, Bulls, Taihape and Hunterville. In terms of geographical spread across the District, 80% of the population is projected to live south of Hunterville. However, it is unlikely that depopulation will occur evenly between urban/rural and north/south of the District.

¹⁰ The cautionary note accompanies the data that extending the projections beyond 2031 may result in the population becoming unrealistically high or low by 2046. This is particularly relevant for territorial authorities at the extremes of population change.

Figure xx: Population projections 2006 - 2046 (Census 2006 base): mid point between low-medium projections



A more likely scenario is that depopulation in the rural areas has run its course and that the productivity of the land will continue to support the population at about the current level. The migration figures from the 2013 Census indicate that there is still an urbanisation of the population. This is seen locally in that the greatest out-migration from the District is to Palmerston North, Whanganui or Manawatu, and the greatest in-migration to our District is from Ruapehu, Tararua and Horowhenua. This is likely to accelerate the drift from north to south of the District. There is some evidence of a small reverse trend of counter-urbanisation – that is where people leave crowded inner-city areas for a more rural lifestyle.

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The Rangitikei is affected by a number of key determinants and trends which affect future population change¹¹:

Global Trends:

The global trends indicate that significant growth is unlikely for New Zealand generally as time proceeds. The diminishing pool of youth in the other 57 OECD countries is the pool within which New Zealand competes for many of its skilled migrants. Increasing competition for these migrants - within and between countries, regions and industries - will make it increasingly difficult for New Zealand (and the Rangitikei) to achieve desired migration targets. Attention is increasingly turning to the developing countries where there is still – and will remain for the foreseeable future - a significant excess supply of young people. However, attracting them to, and retaining them in New Zealand/Rangitikei will require more attention to settlement issues, including where migrants might most usefully settle, and education and equity in terms of the recognition of equivalent qualifications. As one of the youngest of the developed countries, those migrants who New Zealand attracts and trains will be of ever-greater interest to our structurally older counterparts – as will young New Zealanders themselves (including young people from the Rangitikei).

Diminishing role of natural increase:

The trends are consistent with the national picture at territorial authority level and thus unlikely to differ markedly from the projected situation. However, the contribution to natural increase by Māori is somewhat greater in absolute terms than for the European-origin population, despite the latter's larger size. If young Māori became less likely to leave the region, their higher than average birth rates and earlier age at childbearing would assist in keeping natural increase relatively high for a longer period.

As structural population unfolds, the Rangitikei will have some advantages over other TLAs because of our relatively high proportions of Māori. Strong affiliation to whanau and turangawaewae may see young Māori less desirous of moving than non-Māori. Employment opportunities opening up with the ageing and retirement of the disproportionately older European-origin population could see young Māori encouraged remaining in the District and thus reducing the age-specific migration rates underlying the population projections.

Increasing role of migration:

As natural increase declines, it is likely that the New Zealand Government will increase both its migration targets and its activities in attracting international migrants. Any increase in international migration could see an increase in ethnic diversity for the Rangitikei. However as structural ageing increases, migrants will increasingly replace natural increase (i.e., offset natural decline), rather than greatly augment and grow the population.

¹¹ Reproduced here from the 2014 Review of Demographic and Labour Force Projections for the Bay of Plenty Region 2013-2063, National Institute of Demographic and Economic Analysis Waikato University (April 2014).

Population and Labour Force projections

A key factor in ensuring that people will remain in the District is to ensure that there are a range of jobs available that will enable people to remain in the District and enjoy our rural lifestyle. It is also important for economic development to have a good supply of labour. In considering future scenarios, Council has undertaken an analysis of the labour force projections under optimistic and pessimistic scenarios of participation rates by women and older people. The Regional Growth Study may be able to provide a realistic target for job creation but in the meantime, the potential labour force has been applied to the current job market in the District. The gap between the projected labour force and the potentially required labour force may indicate where population decline may be arrested. This is particularly relevant in the context of a renewed emphasis by Council on economic development and District promotion¹².

The analysis firstly reproduces where possible for Rangitikei, the analysis used in the report "2014 Review of Demographic and Labour Force Projections for the Bay of Plenty Region 2013-2063" commissioned from the National Institute of Demographic and Economic Analysis (NIDEA)¹³ at Waikato University for the Bay of Plenty Region. The analysis determines the potential labour force derived from the Statistics New Zealand population projections under four scenarios:

- A decrease in youth unemployment which leads to a greater work force in the 15-24 age group
- An increase in labour force participation rates amongst women
- An increase in labour force participation rates by older workers¹⁴
- All of the above assumptions are included in the final scenario

Under the most optimistic scenario, the potential labour force from the projected population falls by 34%. This compares to the projected overall decrease in the population of 42%.

Secondly, the analysis considers employment in the District and the distribution of jobs between the various sectors. The community has

¹² The limits of this analysis need to be recognised. The information has been taken from data that is publically available and has not been subjected to expert analysis for robustness. The limitations of the population projections provided by Statistics New Zealand for the purposes of helping territorial authorities to plan for the 2015 LTP 30 year infrastructure strategies have also been previously noted.

¹³ The methodology used is based on " , National Institute of Demographic and Economic Analysis, Waikato University (April 2014). No stochastic projections have been undertaken.

¹⁴ These latter two scenarios reflect consistent recent trends

previously provided feedback to Council that it believes that employment in the agribusiness sector is reasonably secure, providing some stability to rural populations. For the purposes of the analysis, it is assumed that:

- Employment in the primary and secondary sectors in the District remain constant in the foreseeable future
- Employment in the tourism sector, although a relatively small contributor to overall employment, remains at current levels since tourism is likely to continue even in a period of population decline
- The remainder of the employment in the District is dependent upon population and therefore will be lost as population declines

Under business-as-usual scenarios for both economic activity and labour force participation, labour shortages could occur as soon as 2026. The projected population at this point is 12,735 (cf. 14,500 at 2013 Census).

Labour force participation at 60+ years in both New Zealand and the Rangitikei is already relatively high in global terms, suggesting that employment rates at these ages are unlikely to undergo further dramatic increase. The declining ratio of labour market entrants to exits may on the other hand see a decline in unemployment rates, especially at younger ages. This means that the most likely labour force scenario may be the one in which participation rates are increased in the 15-24 age group. This scenario, with business-as-usual economic activity, is unlikely to markedly affect the projected population because of the smaller and declining numbers of people in this age group and their significantly lower labour force participation rates.

If labour force participation follows recent trends (increasing participation by women and older people), then under business-as-usual economic activity, labour shortages may not occur before 2046, in which case the population decline could play out as predicted by Statistics New Zealand (i.e. 8,400 in 2046).

The District's natural resources means that the primary sector will continue to be the key driver of the local economy but this sector will not drive growth in jobs. Targeted economic growth as part of a wider Agribusiness Strategy should aim in the first instance to at least meet the additional demand for jobs from younger and older workers and women, and, potentially provide additional job opportunities that could drive inward migration.

Section 7: Strategic environment for this Long Term Plan

The starting point:

This LTP has been in preparation almost since the previous Long-term Plan (LTP) was adopted in June 2012. That Plan identified a programme of work for the period 2012 – 2015 which has laid the foundations for the programme of work outlined in this LTP. Main achievements from 2012 - 2015 are:

- Roading network maintenance and upgrades: Council has maintained the roading network to the high standard required to drive the rural economy. The Council manages the network to industry best practice based on a renewal cycle of 12 years for re-seals and 70 years for rehabilitation. The challenge is to balance the disproportionately increasing costs of the roading activity with maintaining the network to this standard. The recent review of the Financial Assistance Rate (FAR) by the New Zealand Transport Agency (NZTA) has increased the subsidy available to the District from central government for certain aspects of the roading network from 59% to 63% in 2015/16. However, the review is not yet completed and it is unclear to what level funding will be available for emergency works following storm events etc. In addition, this will be further affected by NZTA implementing its One Network Road Classification (ONRC) which could limit the level of service that it will support through the FAR subsidy for different classifications of roads. This issue is discussed in more detail in the key choices section on **page 82**.
- Infrastructure renewals: Council has not progressed its programme of renewal for the ageing infrastructure in the water, wastewater and stormwater networks as much as it may have hoped. The key determinant of the requirement for these renewals is the consent arrangements with Horizons regional council and Council is working in close liaison with the regional council to determine the best delivery time for the renewals. One unexpected but beneficial consequence of the delay in some of the major infrastructure renewal programmes is that Council entered the 2014/15 financial year with no debt, compared to a predicted debt in the 2012-22 LTP of \$15.642 million.
- Community and leisure assets: In the 2012-15 LTP, Council highlighted that the District has too many ageing and run-down assets and that Council can afford to neither maintain nor replace them¹⁵. It also signalled a more determined approach to quitting under-used assets in order to help fund improved facilities – particularly those which are highly valued such as the swimming pools – and entering into partnerships with other stakeholders to get better value from those assets which are well-used – for example, divesting of its community housing in discussion with other social housing providers. During the past three years, Council has undertaken town centre planning in Bulls, Taihape, Marton and Hunterville where most of its

¹⁵ Affordable and appropriate scale of facility provision district-wide and within each community' was a goal in Rangitikei Leisure Plan - Active, Passive, Arts and Culture (August 2005): 'Each community...should consider development of a leisure hub specifically designed to meet the majority of leisure needs in the town, thereby creating economies of scale and a greater chance of funding investment from a larger number of smaller and isolated initiatives'. This plan was undertaken with funding assistance from SPARC (now Sport New Zealand).

assets are located. This is an area of key choice for the community and one which has been consulted upon, particularly over the past 18 months. This issue is discussed in more detail in the key choices section on [page 82](#).

- Partnership projects: Council introduced a new activity of community partnerships in the previous LTP which pulled together agencies from across the District to look at working smarter to bring more and better value services to our residents and ratepayers. Council has been involved for several years in shared services arrangements with Manawatu District Council, Horizons Regional Council and the Local Authorities Shared Services (LASS) in infrastructure and utilities, animal control, emergency management and archives activities. This has been extended to a shared service with Wanganui District Council in policy and planning activities. This provides, for example, a 5-day planning enquiry service that Council was not able to provide with its current part-time planning function.

However, the main partnership programme, the Path to Well-being, has been operating for 5 years through themed multi-agency groups that align to the Council's community outcomes (see [page 78](#)). The initiative was shortlisted for a Local Government Excellence Award in 2014. This LTP identifies those aspects of partnership working for focus over the coming few years and is detailed in the Community Well-being group of activities on [page 166](#).

Current priority issues:

Six key issues were identified as the priority issues for the triennium 2013-16. The LTP, particularly the Financial Strategy and the Infrastructure Strategy, aims to address these. Many of them form the key choices available to Council and the community in preparing this Plan.

1. Infrastructural service levels

Council is concerned that the expectations in the community of maintaining present levels of service in the provision of roading, water, wastewater and stormwater services will prove excessive because:

- the level of government subsidy on local roads is uncertain and likely to reduce for roads that are not arterial or strategic, and for emergency works following, for example, storm events;
- the government's (and thus the regional council's) requirements over wastewater disposal will inevitably increase; and
- there is significant renewal work required in the reticulation networks in all the District's towns

Council wants to ensure that future infrastructure service levels are based on clear assessments of

- comparative benefit (i.e. public health and wealth creation);

- benefits to significant users of the infrastructure and any additional costs or damage arising from that use; and
- realistic options or alternatives to the present level of service.

The demands on domestic use of water and wastewater services are likely to decline (but there may be an increase from industrial and/or rural businesses).

Impact of demographic change: An ageing population will require more attention to the provision of footpaths which are safe for mobility scooters. Population change in itself will have minimal impact on the use of local roads.

2. Economic development

Council is concerned that the opportunities for business are being missed – both in terms of existing businesses and attracting new ones. In the past two years, Council has made a significant investment in the Strategic Water Assessment which identifies the potential for greater water extraction in the District to support primary production and downstream processing. It also invests in the provision of high-class infrastructure, town centre development and District promotion through visitor information services and community and leisure assets.

Council wants to ensure that the maximum potential for economic growth in the District is realised by a consistent Council focus on:

- being explicit on how the District makes best use of its natural advantages;¹⁶
- being a business-friendly organisation;
- being an advocate to potential businesses coming to the District while nurturing existing businesses;¹⁷
- developing its community and leisure facilities to a high standard; and
- securing ultra-fast broadband.

Impact of demographic change: Acknowledging the projected population change does not imply that the District's wealth will diminish, simply because the number of locally-based consumers will be smaller. The natural advantages of the District are not affected by such change and there may be potential for business activity reflecting that change, such as a retirement village/complex.

¹⁶ Irrigation is one of these, tourism is another

¹⁷ Including schools

3. Unused facilities/rationalisation

Council is concerned that there are too many under-used community facilities and that the pace of rationalisation must accelerate to:

- reflect what the community wants;
- provide facilities which will be useful in the coming decades;
- secure viable alternative management or ownership arrangements; and
- find alternative uses (or demolish) surplus facilities to avoid the spectre of poorly maintained and vandalised buildings.

Council wants to ensure that there is a process agreed with the community to evaluate and give effect to the realistic future for all community and leisure assets. It would be feasible to prioritise this work on the basis on Council's current investment in these categories. However, communities may prefer a whole-of-town approach.

Impact of demographic change: Population change is one factor in rethinking what will be useful community facilities. Even more important is the changing needs of the community, already evident in reduced use of halls and new uses within libraries.

4. Earthquake-prone buildings

Council is concerned that the cost of meeting the expected earthquake-prone building standards will:

- add significantly to ratepayers costs (because of the state of Council's own buildings and the need to fund preliminary assessment of all other commercial/industrial buildings¹⁸); and
- result in withdrawal of business (especially on the urban centres) and an increase in the number of abandoned and vandalised buildings.

Council wants to ensure that the financial impact of the government's projected requirements over earthquake strengthening is minimised by strong and persistent advocacy for:

- a risk-based regime which has regard to likely number of people at risk in low population areas and heritage values;
- financial assistance and longer-time frames which have regard for the likely business return in a strengthened building in low population areas; and

¹⁸ The assessment by Rationale in 2014 estimated that cost to Council as \$2 million. The actual strengthening work was estimated at \$30 million – which included an allowance for 10% of such building being abandoned or demolished.

- improved information on available options for strengthening.

Impact of demographic change: A declining population means fewer local customers and thus represents a risk to the economic viability to retail businesses in the urban centres.

5. Communication/engagement and collaboration

Council is concerned that it has not given enough attention to letting people within the District (and others potentially interested) know what it is doing. The consequences of this isolation are:

- over-reliance on statutory consultative processes;
- excessively technical plans, reports and other publications;
- misunderstanding by the community of Council's intentions, its achievements and the issues it faces;
- minimal governance engagement with shared services initiatives with other local councils; and
- loss of partnership opportunities from community groups and businesses

Council wants to strengthen its profile with the people in the District, as well as neighbours and the local government sector generally by:

- providing regular communication of plans and programmes;
- improving feedback on submissions and requests for service;
- looking for stronger engagement with Community Boards and Community Committees;
- looking for (potentially different) opportunities to engage and collaborate with older people and youth;
- leading or supporting initiatives for shared services with other councils; and
- mixing with other industry groups.

Impact of demographic change: Population change – particularly an increasing proportion of older people and an increasing number of Maori youth – implies more targeted communication/engagement and collaboration.

6. Rates level/affordability/value

Council is concerned that the level of rates is perceived to be high by comparison with larger, urban councils – yet the range of services delivered is less. While the mandatory benchmarking being introduced for this Long Term Plan will give the Council a chance to tell its

story, there are underlying tensions, especially:

- affordability (given the comparatively lower income profile in the District);
- urban and rural differences (given the different availability of services); and
- value for money (given the tendency towards district-wide or even multi-district and whole-of-government contracts, and the sense that their commitment is less than a local provider/contractor)

Council wants to give greater attention to securing affordable level of rates and a high value for money proposition by:

- undertaking a test of relevance in all new or reviewed policies and programmes;
- engaging fully with the benchmarking comparisons being introduced by the government;
- requiring (and publicising) evaluation of whole-of-government procurement and local procurement as options where the annual contract value exceeds \$50,000;
- requiring (and publicising) information on the monitoring of performance of all contracts which have been approved by Council;
- having access to accurate data and the ability to model rates impact on all properties in the District so that the range within the mean increase/decrease is explicit; and
- advocating to government for larger rates rebates for rural communities

Impact of demographic change: The projected decline in population is likely to mean fewer ratepayers since there is no expectation of a compensating increase in non-residential ratepayers (cf. Ruapehu or Thames-Coromandel). So the rates burden on each ratepayer would most probably increase, even if the total rates required were unchanged year on year. This also impacts on Intergenerational equity: From 2006, Council recognised that the backlog of renewal and maintenance that was required could not be funded from rates and, in the 2009 LTCCP, alerted ratepayers to the necessity of borrowing money to fund the essential infrastructure renewals discussed above. The feedback from the community at the time was that this was acceptable for major capital programmes where the longevity of the asset meant that future generations should contribute to them (this is known as intergenerational equity). However, in a period of population decline, it is also important that future generations are not saddled with an unaffordable level of debt.

Strategic Intent

Council has developed a practical framework for its non-statutory policymaking¹⁹ so that it can properly meet the purpose of local authorities to:

“play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses”²⁰.

Under the Act, good-quality means local infrastructure, local public services, and performance of regulatory functions that are “efficient, effective and appropriate to present and anticipated future circumstances”²¹.

This framework includes strategic intents that guide its activity and asset management. These are:

- To provide core services to meet the purpose of local government, other relevant legislation and local government industry standards. Council is required to meet minimum levels of service under various statutes, bylaws and sector standards. Where Council decides to provide a higher level of service than this minimum, it will clearly explain its reasons for doing so. This will enable customers and stakeholders to assess the compliance of Council’s level of service and performance.
- Actively seek to improve the value-for-money and cost-effectiveness of its services. Council can obtain better outcomes from activity management planning with a relatively modest additional investment from the ratepayer, for example by identifying opportunities for cost and resource sharing (both internally and with external partners)
- Particularly seek to deliver its services and activities to maximise the contribution to its five strategic policy intents. The five strategic policy intents are to:
 - Support recreation, creative and cultural pursuits
 - Support for economic development
 - Sustain the natural environment
 - Support social participation and cohesion
 - Contribute to personal and public safety

¹⁹ Council’s Policy Framework

²⁰ The Local Government Act 2002 s10 (1)(b)

²¹ The Local Government Act 2002 s10 (2)

- Manage the risk of failure in its activity and asset management planning. Council has adopted the Joint Australian New Zealand International Standard – Risk management – Principles and guidelines (AS/NZS ISO 31000-2009). Council formally adopted this framework in July 2009 and revised in June 2011. It allows Council to focus on the areas of greatest risk and to manage/mitigate that risk.
- Identify performance indicators at governance and operational level to support delivery of agreed levels of service. Performance measures will be explicit at an appropriate level. This means that the LTP will contain performance measures for major aspects of groups of activities. Council will regularly monitor these targets and indicators.

Community Resilience

Bearing in mind the predicted demographic change outlined in the District Overview on page 61, Council, and its representative bodies, decided that it would focus, as far as possible, on promoting the District as a place to retire in or to, and as a great place to raise a family. It also recognised the importance of supporting our local Iwi and hapu to encourage more Māori with tribal affiliations to the District to stay or return here. Council commissioned a desk survey, “Making Rangitikei Home: Strategies on how to keep families, retirees and indigenous people”²², to collate the experiences of other areas from all over the world.

The report found that the quality of life in rural areas is an important consideration in the decision to migrate to or remain in such areas with a desire to improve one’s well-being. Important criteria include:

- Employment opportunities
- Affordable housing
- Higher education availability
- Lifestyle, family and social ties
- The personal touch - a sense of belonging in the community

Council has therefore developed a number of Community Resilience Policies which enable it to play the broad role envisaged by the LGA 2002 whilst ensuring that its activities remain focussed on being good quality (i.e. efficient, effective and appropriate) and cost-effective for households and businesses. The Community Resilience Policies are:

²² Impact Business Research Ltd., May 2011 (available on www.rangitikei.govt.nz)

1. Arts Policy:
To promote the District as an “arts friendly community” where those who create original works of the imagination feel appreciated. This policy sits under the key strategic intent “*to support recreation, creative and cultural pursuits*”. Council will provide support for cultural arts and expression and celebrating the diversity within communities.
2. Heritage Policy
To celebrate the cultural heritage of the Rangitikei and to support heritage groups and individuals to conserve, display and promote this diverse heritage. This policy sits under the key strategic intent “*to support recreation, creative and cultural pursuits*”. Council will conserve sites, artefacts and memories of cultural and historic heritage significance and provide archival services.
3. Events Policy
To develop a sense of place in the Rangitikei through iconic events that reflect the diversity of the Rangitikei communities and add to the attractiveness and vibrancy of the District towns to attract businesses, residents and visitors. This policy sits under the key strategic intent “to promote economic development”. Council will promote the District as a great place to live.
4. Māori Landlocked Land Policy
Council recognises that landlocked land is a significant issue for Māori landowners in the Rangitikei. A landlocked block is one where the land surrounding the block of Māori land belongs to someone else, and the Māori owners have no legal access to their land. Access, and the extent of that access, is usually dependent on the consent of neighbouring landowners, which is not necessarily assured. A loss of connection with the land results from the inability of these Māori landowners to access their land. Not only are they prevented from visiting and enjoying their land, they are also unable to use its productive capacity. This policy sits under the key strategic intent “to promote economic development”.
5. Positive Ageing Policy
To encourage older people in the District to make the choice to live in the Rangitikei, through ensuring good access to appropriate services, and provision of community facilities that cater for the needs of older people. Decisions on infrastructure, assets and facilities are made in such a way that there is a real choice for people to stay in the District, or to relocate here. This policy sits under the key strategic intent “to support social participation and cohesion”. The Council will support, through its activities, a Positive Ageing Strategy.
6. Recreation Policy
To increase access to recreation opportunities and to maximise the number of residents participating in recreation activities in the Rangitikei. This policy sits under the key strategic intent “*to support recreation, creative and cultural pursuits*”. Council will provide and maintain sports and recreational facilities and events.

7. Youth Policy

To create a family-friendly District that is a great place to raise a family, where children and young people are valued for their contribution to the community and are given an experience of childhood and adolescence that they will want for their own children in due course. This policy sits under the key strategic intent “to support social participation and cohesion”. The Council will support, through its activities, an annual Youth Action Plan.

Community Outcomes

What are the District’s community outcomes?

As defined by the legislation, community outcomes means the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions. Council has six community outcomes. They are:

1. Good access to health services:

Access to health services has consistently come through as an issue of great concern to people within the Rangitikei. There are issues about being able to attract skilled and qualified health professionals to work in the District and also for residents to be able to access good public transport networks and routes to access services in nearby towns and cities. One-stop shop health and family/whanau centres or rural support services are examples of accessible health services.

2. A safe and caring community:

This outcome primarily focuses on how the community cares for its most vulnerable members. It is about effective partnership with local policing, rescue services, neighbourhood support, other local welfare initiatives (for example, legal advice services, Victim Support, Rape Crisis, rehabilitation services, Age Concern) and services that provide guidance for disaffected members of society. Further to this is the role of injury prevention and safety awareness throughout the district.

3. Lifelong educational opportunities:

This outcome includes the level of high school and tertiary qualifications attained by the population. It also captures the aspirations of residents to participate in lifelong learning opportunities. It is important that the District develops a strategic and coordinated approach to lifelong learning that meets the needs of all members of the community.

4. A buoyant district economy:

The District economy is largely dependent upon agriculture and agricultural services, manufacturing and downstream processing, education and the service sector, including retail, hospitality and tourism. The key features of the majority of employment in these

sectors are low income and low skills. Factors that underpin prosperity in the sectors are the natural and managed rural environments, excellent communications and transport infrastructure and attractive towns and settlements.

5. A treasured natural environment:

The District’s major natural and cultural resource is its rivers and waterways, particularly the magnificent Rangitikei River. The main threat to the quality of our landscapes and waterways is the District’s major economic resource – intensive farming, and dairying conversions, which operate in an increasingly stringent regulatory framework. Initiatives driven by the community have been shown to be effective in reconciling environmental and economic considerations from the grassroots upwards. A community effort to improve water quality in a particular catchment would be an example of a project that would demonstrate a treasured natural environment.

6. Enjoying life in the Rangitikei:

This community outcome reflects the “quality of life” aspects of the District with a distinct identity and a reputation as a viable and attractive place to live, work and play. Key factors revolve around availability of a full range of local facilities and services, an active and inclusive community and voluntary sector and a sense of pride in place and heritage.

How do Council activities contribute to community?

Council’s activities make a contribution to the community outcomes and the social, economic, environmental, or cultural well-being of the community. These relationships are described in the figure below.

Figure xx: Relationship between Council activities, community outcomes and strategic intents

Relevant community outcome	Enjoying life in the Rangitikei	A buoyant District economy Lifelong educational opportunities	Access to health services A safe and caring community Enjoying life in the Rangitikei		A treasured natural environment
Contribution to Council’s strategic intents	Providing support for recreational, cultural and leisure activities	Supporting economic development	Contributing to social participation and cohesion	Contributing to personal and public health and safety	Supporting the sustainability of the natural environment
Community leadership Group of Activities					
Strategic planning					
Council					
Community boards/ Community committees					
Elections					

Iwi/Māori liaison					
Pavements					
Bridges					
Traffic services					
Stormwater drainage					
Pedestrian facilities					
Vegetation management					
Urban water supplies					
Rural water supplies					
Wastewater services					
Stormwater services					
Parks					
Community buildings					
Community housing					
Swimming pools					
Libraries					
Public toilets					
Cemeteries					
Waste management					
Waste minimisation					
District plan					
Consent processes					
Building consents					
Animal control					
Other regulatory functions					
Economic development and district promotion					

Information centres					
Community partnerships					
Emergency management and rural fire					

How will Council monitor its progress towards the community outcomes?

Council also has statutory requirements to report (in its Annual Report) the results of any measurement undertaken during the year of progress towards the achievement of community outcomes²³. Council has made the linkages between its activities and the community outcomes explicit in figure xx. It is proposing a performance framework to measure its performance in key aspects of service delivery. It will not be undertaking separate monitoring specifically for community outcomes.

Council will support multi-agency theme groups aligned to the strategic intents, community resilience policies or community outcomes and reporting to a Path to Well-being Partnership Board.

²³ LGA 2002, Schedule 10, part 3, clause 23

Section 8: Key Choices for this LTP²⁴

What we are planning over the next 10 years brings with it some challenges and ultimately some choices, specifically around funding, so we want to know what you think about these five topics:

1. Should we increase our investment in economic development?
2. Should Council be investing in the rejuvenation of the town centres of Bulls, Marton and Taihape?
3. Replacing reticulated water and wastewater schemes for smaller communities.
4. What should we do with our Community Facilities?
5. Should we increase rates to build a larger Roding Reserve fund?

Each topic is outlined in more detail on the following pages, setting out Council's proposal, preferred option, other options, and noting the likely consequences for rates, debt and levels of service.

1. Should we increase our investment in economic development?

Economic development is a key priority over the next 10 years. In comparison to other local authorities of the same size and industry base, we have not performed well in terms of GDP growth and GDP per capita, business and employment growth, annual earnings and industrial diversity. We know that our local economy is driven by forces mostly beyond our control, but the recently concluded strategic water assessment (jointly funded by Council and the Ministry for Primary Industries) demonstrated that Council has a role, particularly in commissioning research which links to the wider region.

In addition, without a range of worthwhile business and employment opportunities, population decline will continue, particularly in our urban areas. Council's experience (since 2009) with community organisations is that there is significant leverage on ratepayer funds. More recently, the place-making initiatives in Bulls, Marton, Hunterville and Taihape have shown the commitment of volunteer time and resources, which Council's funding has prompted.

Council's proposal

We are proposing to invest more money in promoting economic development through targeting specific initiatives that deliver a district

²⁴ This section mirrors the 'Key choices' section in the Consultative Document (What's the Plan Rangitikei).

benefit, by:

- investing \$100,000 per year in further research and support for local economic development strategies which aim to increase productivity. We won't be doing this in isolation – this is part of a collaborative approach with neighbouring councils to meet central government's target to double agribusiness exports from the Manawatu/Wanganui (Horizons) region by 2025. It will build on the strategic water resources assessment completed in December 2014;
- better showcasing and promoting our rural lifestyle and business opportunities, through developing an events strategy and building up a portfolio of future industry development opportunities in the District. We propose increasing our contracts with local community organisations by \$45,000 per year; and
- implementing our town centre plans project in Bulls, Taihape, Marton and Hunterville (refer to pages 84-88). We propose investing an additional \$60,000 per annum for the next three years to implement the strategies within the Town Centre plans.

The total cost of this proposal is \$205,000 per year, which represents a \$150,000 increase on 2013/14 and 2014/15 funding levels.

Options

1. **Preferred option – Council's proposal:** Allocate \$205,000 per year for the first three years to support economic development initiatives that deliver a district benefit. It is proposed that this be funded 50% through the general rate and 50% through a Uniform Annual General Charge (UAGC).

Likely consequences

On Rates ²⁵	\$205,000 for each of the first three years, which equates to: Uniform Annual General Charge: \$15.60 General rate: \$3.31 per \$100,000 capital value (This is 1.02% of total rates revenue)
On Debt	Nil
On Levels of service	Increased level of service – to support strategic research and local initiatives focussed on the District economy.

²⁵ The total amount of rates required is expressed on a GST exclusive basis; the specific cost for each ratepayer is on a GST inclusive basis.

2. **Do Nothing:** There is always the option of doing nothing. In this case, the grounds could be that management of the economy is a central government function. However, previous community feedback has placed high importance on local economic development, so making no investment is not something Council believes to be a credible option.

Likely consequences

On Rates	Nil
On Debt	Nil
On Levels of service	Unchanged

3. **Compromise:** This would mean either investing annually an additional \$100,000 for strategic research or \$105,000 for local initiatives. These are two quite different initiatives; the first will help Council gain a clearer focus on what it wants to achieve with the District's economy. The second focusses on pragmatic interventions within the District, which are highly visible to the community and visitors.

Likely consequences

On Rates	\$100,000 for strategic research or \$105,000 for local initiatives for each of the first three years, which equates to: Uniform Annual General Charge: \$7.61 or \$7.99 General rate: \$1.61 or \$1.69 per \$100,00 capital value (This is 0.5% (or 0.52%) of total rates revenue)
On Debt	No impact
On Levels of service	Increased level of service, but less than in the preferred option.

2. Should Council be investing in the rejuvenation of the town centres of Bulls, Marton and Taihape?

During 2014 Council started a process looking at potentially rejuvenating the town centres in Bulls, Marton and Taihape to see what civic facilities are needed in the next 10 years – particularly combining library, Council service centre, visitor information centre and Town Hall facilities to establish a fit-for-purpose facility for each community. The four major objectives in this work have been to provide a civic centre for each town which had appeal for local residents and visitors, to provide more useful facilities for community meetings and staged events, to increase the level of service from the libraries, and to obtain cost-savings by co-locating Council services in a single, earthquake compliant energy-efficient premises.

Council's proposal for Bulls

Following a year-long consultation process with the Bulls community, a concept design and feasibility analysis for a new civic/community centre has been developed. The proposal is to finalise the design and initiate a fundraising programme in the second half of 2015, with the idea of starting construction in 2016. Council expects that construction of the new centre will not proceed until a significant proportion of the external funding required has been secured.

Council's capital contribution is projected to be \$1.60 million (spread over 2015/16 and 2016/17), with the balance funded through the sale of surplus Council property, grants (such as Lottery Board funding) and community fundraising, as set out in the table below. The operating cost of the new complex is expected to be significantly less than the present facilities, but the loan repayment cost will make the annual costs higher than present.

Assumption - This timing assumes that Council will be able to sell the surplus properties, at the anticipated price and secure the additional external funding, including grants. If that is not the case the project will be delayed.

If the new Community Centre and Civic Square did not proceed Council would need to consider the future of the Bulls Library and Bulls Town Hall, as these have been assessed as earthquake prone. The cost of earthquake strengthening has yet to be assessed.

The costs and funding for the Bulls Town Centre Plan, provided for in the proposed Long Term Plan, are set out in the following table:

Costs		Funding	
Community Centre and Civic Square	3,075,575	Council budget 15/16	1,600,000
Site purchase and clearance	260,000	Property Sales	565,000
Professional fees	185,000	Lotteries and Other Government funding	1,000,000
Car park works	75,000	Regional and Local Trusts	350,000
Bus stop relocation	15,000	Local fundraising	100,000
Total	\$3,610,575	Total	\$3,615,000

The concept design and feasibility study for the proposed Bulls Community Centre are available on our website www.rangitikei.govt.nz.

Council's proposal for Marton

Council has adopted a draft Town Centre Plan for Marton. The initial focus for this Plan is to work with building owners and retailers to develop

a “Boutique Town” experience that will secure Marton’s place as the heart of the District and provide a unique visitor experience – crucial for a town not on a state highway (as Bulls and Taihape are). In the medium-term, Council is considering moving the Library and other Council services into a CBD development that will act as the catalyst to add to the town centre’s vibrancy. Council envisages the project starting in 2018/19 and being completed the following year. Council funding of \$1.64 million is provided from 2020/21 (loan funded projects are rated in the year following). However the full cost of the project is not yet established, nor are the necessary external funds to make it viable. This project will be further developed and consulted on in the 2018-28 Long Term Plan. It is likely to have a similar impact on capital funding and debt as the proposed Bulls civic/community centre.

Council’s proposal for Taihape

Council has also adopted a draft Town Centre Plan for Taihape. This Plan plays to Taihape’s strengths as a major stopping point, with the added attraction of amazing landscapes and outdoor activities. It also recognises that Taihape has active community organisations that are working towards consensus for the future development of civic and recreational facilities in the town. However, it is clear that the majority of residents want the Civic Centre development to be on the current Town Hall site. What has yet to be determined is whether the whole building will be earthquake strengthened and refurbished or part of the building strengthened and a new structure replacing the current auditorium or the Town Hall demolished and a new building erected. An estimate provided to Council for strengthening the Town Hall building is just over \$2 million. In the short-term, Council will work with the community to build a greater consensus around the nature and scope of these facilities. This includes a community consultation process on the development of recreational facilities at Memorial Park.

This draft Long Term Plan includes Council funding of \$1.78 million spread over two years from 2021/22 to help implement any agreed solutions (\$298,819 will come from depreciation reserves that will have been built up by 2023/24). Again, this will be further developed in a future Long Term Plan and is likely to have a similar impact on capital funding and debt to the Bulls civic/community centre.

If the new facilities in Marton and Taihape did not proceed Council would need to consider the future of the Libraries and Town Hall, as these have been assessed as earthquake prone. The cost of earthquake strengthening has yet to be assessed.

Options

- 1. Preferred option – Council’s proposal:** To upgrade or build new civic/community centres in Bulls, Marton and Taihape with Council’s capital contribution of \$1.6 million for Bulls, \$1.64 million for Marton and \$1.78 million for Taihape²⁶, with the balance from external sources and sale of other Council land/buildings in these towns. This will provide modern, fit-for-purpose facilities that comply with the

²⁶ The increased amounts for Marton and Taihape are the result of inflation adjustments.

government's requirements regarding safety in public buildings. Note \$686,000 of Council's contribution for Bulls and \$298,819 for Taihape, is funded from existing depreciation reserves.

Likely consequences

On Rates	<p>\$300,000 rates requirement (spilt over 2015/16 and 2016/17) towards development costs, which equates to: Uniform Annual General Charge: 2015/16 - \$30.43 2016/17 - \$15.21</p> <p>Total annual rates required to cover operating costs will be \$115,612 for Bulls, \$147,526 for Marton and \$139,064 for Taihape, which equates to: Uniform Annual General Charge: From 2017/18: \$17.59 for Bulls²⁷, and From 2020/21: \$22.45 for Marton, and From 2023/24 \$21.16 for Taihape²⁸ (This is 1.46% of total rates revenue by 2023/24)</p>
On Debt	\$3.738 million by 2023/24 - term of debt – 30 years.
On Levels of service	Increased level of service

2. **Do nothing:** The current facilities could be left as they are. However, this leaves Council exposed to the risk, and cost, of mandatory earthquake strengthening to its civic/library and Town Hall facilities in Bulls and Taihape; and its administration building and library in Marton, the extent of which has yet to be fully assessed. The outcome of the consultation process in Bulls was that there was high interest in securing a more useful and appealing civic heart for the town. Consultations so far in Marton and Taihape have shown a similar view.

Likely consequences

On Rates	There will be an impact on rates or debt for earthquake strengthening Councils buildings in Bulls,
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²⁷ Bulls is partly funded from reserves.

²⁸ A portion of Taihape's costs are able to be met from the depreciation reserves because of the build-up of these reserves by 2023/24. This means a lower rates requirement for Taihape compared with Marton.

	Marton and Taihape. The costs for this are unknown. Estimates to earthquake strengthen the Taihape Town Hall have been around \$2 million.
On Debt	Nil – the decision, which is yet to be made, on whether to fund earthquake strengthening through rates or debt could impact on debt, if this option was followed.
On Levels of service	Unchanged (and potentially reducing as the buildings deteriorate and become less useful)

3. **Upgrade Bulls only:** This would mean the proposed upgrade at Bulls would go ahead but no further action would be taken to implement comparable developments in Marton and Taihape. However, this would be unfair to residents in those communities and potentially stifling for any resurgence of the District.

Likely consequences

On Rates	<p>\$300,000 rates requirement (spilt over 2015/16 and 2016/17) towards development costs, which equates to: Uniform Annual General Charge: 2015/16 - \$30.43 2016/17 - \$15.21</p> <p>Total annual rates required for Bulls will be \$115,612, which equates to: Uniform Annual General Charge: From 2017/18: \$17.59 (This is 0.35% of total rates revenue in 2017/18)</p>
On Debt	\$620,000 - term of debt – 30 years.
On Levels of service	Increased level of service – but at Bulls only

3. Replacing reticulated water and wastewater schemes for smaller communities

Much of the District's reticulated water and wastewater systems were developed to serve populations that were twice the size they are today. Substantial renewals and/or upgrades to all these systems will be needed within the next 30 years. In part, this is because (for water and wastewater systems) consents are required from Horizons Regional Council. As these come up for renewal, it is probable that stricter standards will apply. If these systems were being installed today, it is unlikely that highly-engineered solutions would be proposed, and alternatives such as on-site systems, would be explored.

There are affordability issues, particularly for systems serving small communities. This is particularly the case for wastewater systems. The requirements of the Horizons “One Plan” and the National Policy Statement for Freshwater mean higher and more consistent standards for wastewater treatment. Council is supportive of these increasingly stringent requirements because we know how important water quality is for the health of the rivers in our District. We are planning ahead for the upgrades to our wastewater treatment plants that will be required when we renew our resource consents.

Council’s proposal

One of the implications of declining populations, higher compliance costs and tighter resource consent conditions is the potential shrinkage of reticulated water and wastewater systems in smaller settlements. In particular those systems servicing fewer than 200 people, and the uncertainty about providing services to small communities which currently lack them. An instance of this is Koitiata, where Council’s wastewater system services only 17 of the 122 properties in the village. The resource consent for Koitiata expires in July 2024. We will be closely examining alternatives to meet these crucial needs and discussing these with the relevant communities before any decisions are made. Council’s preference would be to retain reticulated water/wastewater services in small communities. However, the recent withdrawal of Government funding support means retaining these services is not considered affordable (and makes extending such services (e.g. in Koitiata) impracticable. Council is working with Local Government New Zealand on a case to support the re-instatement of a national subsidy programme for small community schemes.

Mangaweka is the first of these small communities to be addressed - The current resource consent for the town’s wastewater plant expires in 2024. Conditions for the new consent are likely to require higher levels of treatment; evaluating options and giving effect to these conditions could require an additional \$1.7 million over the ten year period to 2024/25. (Renewals and upgrades in the ten years from 2025 would require a further estimated \$800,000.) Prior to the expiry of this consent, Council proposes to examine alternative on-site options and implement them, at an estimated cost of \$1.768 million²⁹ for the 63 connected properties.

A similar issue could arise in Taihape, where the resource consent for wastewater expires in 2025. Depending on the conditions for the new consent, it may be necessary to reduce the number of connections so that there is a smaller quantity of effluent which means a lesser cost for upgrade of the treatment facilities. Council anticipates that similar considerations may need to be made for other communities during the next 30 years. Over the term of the proposed Long Term Plan Council is proposing that, apart from Mangaweka, all other existing urban water and wastewater systems would be maintained, as long as costs for renewals and upgrades required through new resource consents remain affordable. Where this is not the case, Council will look to identify local on-site solutions, taking advantage of technological innovation.

²⁹ This is based on installing septic tanks. Composting toilets would be around half that cost.

Options

- 1. Preferred option – Council’s proposal:** At Mangaweka the current wastewater reticulation system will be decommissioned when the resource consent expires. It is proposed on site treatment facilities will be installed for those properties previously serviced by those systems. Until the affected community has been consulted on this, how ongoing costs are going to be met are unclear.

Likely consequences

On Rates	\$123,749 for debt servicing which equates to \$30.50 in 2023/24. There will be reduced future operating costs, however the extent of the ongoing costs will be assessed once the affected community has been consulted with.
On Debt	1.768 million – to be loan funded in 2022/23 – term of debt – 30 years.
On Levels of service	Decreased level of service in Mangaweka

- 2. ‘Wait and see’:** All existing urban water and wastewater systems would be maintained as long as costs for renewals and upgrades required. A new resource consent will have to be obtained, which may require upgrades to the wastewater plant. Council considers this is not prudent because of the financial impacts. It may also be seen as unfair by smaller communities which currently do not have reticulated systems and may want them.

Likely consequences

On Rates	Year 1 total impact on rates will be \$217,610 An additional \$53.79 from 2024/25 (0.87% of total rates revenue for that year) Projected renewals, beyond upgrades, will have no further impact on rates, as they will be adequately funded from depreciation reserves.
On Debt	Increase in debt of \$2.324 million – term of debt – 30 years.
On Levels of service	Unchanged

4. What should we do with our Community facilities?

Many of Council’s current community facilities are run-down and under-used. However, these are the facilities which many residents have grown up with and feel an attachment to. The idea of “fewer but better” can be controversial, but it is a critical foundation for making effective

and sustainable choices.

(a) Swimming pools

Council has a small outdoor pool in Hunterville and two indoor pools (Taihape and Marton). They are all seasonal pools; Hunterville is open for two months; Taihape for four months and Marton for six months. Although these facilities are expensive to maintain and operate, they are meeting community needs. Council is funding an aquatic reserve by annual contributions of \$75,000; this is a potential source for funding future major upgrades.

Council's preferred option

Council wants to ensure that the three pools remain viable facilities. All three are managed by other bodies, which brings a community perspective (and potential access to external funds), as well as technical expertise.

Options

- 1. Preferred option – Council's proposal:** Maintaining the status quo at Taihape, Hunterville and Marton – both in terms of facilities and length of swimming season – strikes the best balance; it allows communities to continue enjoying these key recreational facilities without undue additional cost to ratepayers. This year Taihape will have been open for nearly five months (open normally 64.5 hours each week), Marton for six months (open normally 81 hours each week) and Hunterville for nearly three months (open according to weather conditions). Under this option, Council will need to reroof the Taihape pool in 2019/20 and add solar panels at a total cost of \$252,000.

Likely consequences

On Rates	Costs for the Taihape reroofing \$132,000 will mean an additional Uniform Annual General Charge in 2019/20 of \$20.22. Debt servicing for solar panels will require an additional Annual General Charge of: \$3.12 in 2019/20 \$2.61 in 2024/25
On Debt	Impact on debt for solar panels is \$120,000 – term of debt – 10 years.
On Levels of service	Unchanged

- 2. Reducing the swimming season at Taihape and Marton:** This would mean Taihape would be open for two months and Marton for three months each year. Instead of replacing the roof on the Taihape Pool in 2019/20, it would be removed so that the pool reverted to being an open-air facility: this would cost an estimated \$171,000 (\$40,000 roof demolition, \$109,000 solar heating and \$22,000 filtration heating). While there would be a reduction in operating costs Council considers that these cost savings would be more

outweighed by the reduced availability of these facilities (which could mean an increasing level of rates funding). The status quo would remain at Hunterville as it is only open for 2 months.

Likely consequences

On Rates	Decrease in operating costs from preferred option of \$273,625, meaning a reduction in the Uniform Annual General Charge of \$41.63 less than the preferred option Costs for the removing the existing roof at Taihape \$40,000 will mean an additional Uniform Annual General Charge in 2019/20 of \$6.09. Debt servicing for solar panels and infiltration heating will require an additional Annual General Charge of : \$3.39 in 2019/20 \$2.83 in 2024/25
On Debt	\$131,000 for solar panels and infiltration heating – term of debt – 10 years.
On Levels of service	Reduced level of service

- 3. Extending the swimming season at Taihape and Marton.** This would mean that both pools would be open most of the year. While this would maximise the use of these facilities, there would be a considerable extra rates requirement to provide this increased level of service – on the basis of past experience in extending the swimming season, it is unlikely that there would be sufficient additional swimmers to cover these costs. This option would probably mean higher renewal costs because of the longer running times for the plant at both these pools. The status quo would remain at Hunterville as it is an open air pool. As with option 1 Council will need to replace the Taihape pool roof in 2019/20 and add solar panels.

Likely consequences

On Rates	Increase in operating costs from the preferred option of \$410,437, requiring an additional Uniform Annual General Charge of \$62.45 Costs for the Taihape reroofing \$132,000 will mean an additional Uniform Annual General Charge in 2019/20 of \$20.22. Debt servicing for solar panels will require an additional Annual General Charge of : \$3.12 in 2019/20 \$2.61 in 2024/25
On Debt	Impact on debt for solar panels is \$120,000 – term of debt – 10 years.
On Levels of service	Increased level of service

(b) Community Housing

Council currently owns and manages 72 community houses in Bulls, Ratana, Marton and Taihape. The tenancies are managed by Council staff, but there are periodic visits to all tenants by Age Concern and Older and Bolder (Taihape).

Many local authorities have given consideration to their ongoing involvement in providing community housing. This aligns with central government's approach (and the active interest from a number of community organisations to take over such housing), and recognises that occupancy and rental levels are insufficient to cover all operating costs. Council has already had high-level discussions with potential providers but more analysis is needed before Council could consider a formal proposal. Council would consult formally with the community before agreeing to any proposal.

Council's preferred option

We believe there is a strong case for the continued availability of community housing for older people with low incomes. However, the houses are old and need an additional short-term investment to ensure they are upgraded and maintained at an appropriate standard. This work may mean some individual units, which have very low tenancies, will be amalgamated to make a more attractive tenancy option.

Options

- 1. Preferred option – Council's proposal:** To invest \$100,000 in each of the next three years (2015-18) to support the upgrade of all housing units, as the best way of ensuring high rates of occupancy and the most realistic basis to explore alternative providers.

Likely consequences

On Rates	Nil - this will be funded from depreciation reserves, so there is no impact on rates or debt.
On Debt	Nil - this will be funded from depreciation reserves, so there is no impact on rates or debt.
On Levels of service	Units may be upgraded and amalgamated, so potentially there may be fewer units, but an improved standard.

- 2. Status quo:** To continue the current management of the housing, i.e. maintenance as required but no systematic upgrades, and continue managing tenancies. This may result in lower levels of occupancy (and thus lower rental income and higher rates requirement than projected). It would be a less realistic basis to explore alternative providers.

Likely consequences

On Rates	Nil – but potentially could require additional rates funding if a lower rate of occupancy arises.
On Debt	Nil
On Levels of service	Unchanged

(c) Parks Upgrades

Council has been asked to consider proposals to upgrade the recreational equipment in some of our parks. One example is Wilson Park in Marton, where the Marton Community Committee has investigated a range of playground equipment which, if it was all purchased, would exceed \$130,000. Another example is requests to upgrade the skate parks in Taihape and Marton, at an estimated cost of \$55,000 each.

Council's proposal

While these improvements would make facilities more attractive and increase use, particularly by the District's younger residents and visitors, Council has currently not made any budget provision in the proposed LTP. In the past there has been substantial input from the community, through donated materials and labour, as well as cash. If this tradition of support continued, ratepayer contribution (if any) to these projects would be small.

Options

- 1. Preferred option – Council's proposal:** To rely primarily on the community's donated labour and materials for improved playground and other equipment, and facilities in Council's parks. These contributions are a clear signal from the community of the value placed by them on improving our parks.

Likely consequences

On Rates	Nil
On Debt	Nil
On Levels of service	A targeted increased level of service to those using the upgraded facilities/equipment

2. **Council funded provision:** To establish an ongoing annual provision of \$50,000 for upgraded facilities and equipment at Council’s parks, to be allocated by Council each year. This would provide greater assurance to those who want to see upgraded facilities, but the opportunity for community groups to advocate and raise funds for what they believe are appropriate upgrades, could be largely sidelined. This option requires additional ratepayer funding.

Likely consequences

On Rates	Total annual rates required is \$50,000, which equates to: \$1.61 per \$100,000 capital value (This is 0.25% of total rates revenue)
On Debt	Nil
On Levels of service	A targeted increased level of service to those using the upgraded facilities/equipment

5.Should we increase rates to build a larger Roding Reserve Fund?

Council’s normal Funding Assistance Rate (FAR) for roading rises from 59% to 62% in 2015/16 and to 63% in subsequent years. Between 2005/06 and 2011/12 emergency works expenditure on Rangitikei’s roads was nearly 58% of Council’s total road maintenance costs (the fourth highest in the country after Christchurch, Wairoa and Wanganui). The average emergency works funding rate for Rangitikei between 2009/10 and 2012/13 was 89%.

The new arrangements for the FAR means there is likely to be less funding for emergency works than previously. This situation means that following a flood or storm event Council might be forced to delay repairs or borrow to fund the necessary work. In order to better manage this risk, we believe it is preferable to increase the current roading reserve fund from the present \$1.2 million to \$3.5 million.

Council’s proposal

Council’s immediate concern is to manage the risk of reduced emergency works funding (and the consequential need for an increased ‘local share’ (i.e. the costs funded by Rangitikei ratepayers). The most effective way to do this is by increasing the roading reserve (and the annual contribution being made to it). That will be done by using the increased FAR together with an increased rates contribution. Given its purpose, it is highly probable that the reserve will be drawn on during the coming 10 years. This means there can be no certainty on the contribution to the reserve (or the size of the reserve) in any year beyond 2015/16. A complementary approach would be to seek insurance cover. In the medium term that could be a viable strategy, in conjunction with other councils, as is the case for above and below ground infrastructure.

However, for Rangitikei to do this alone now would mean lengthy negotiation with some uncertainty whether the premium was a reasonable one.

Options

- 1. Preferred option – Council’s proposal:** To increase the roading reserve, as quickly as possible, to a maximum of \$3.5 million, to ensure that repairs to roads damaged by floods or other natural disasters can be done quickly and permanently. Over the next five years it is proposed to transfer, on average, \$360,000 to the reserve each year. \$100,000 of this will be funded from the higher rate of FAR, the balance from rates.

Likely consequences

On Rates	The average annual rates required for the first five years is \$260,000, which equates to: - \$8.39 per \$100,000 of capital value (This is 1.30% of total rates revenue)
On Debt	Nil
On Levels of service	Unchanged

- 2. ‘Wait and see’:** To continue the current arrangements for the roading reserve, to a maximum of \$1.5 million, with an annual contribution of \$100,000, and ‘wait and see’ whether this proves enough. It may mean that Council could be forced to delay repairs or borrow additional funds at short notice. Given the critical nature of much of the roading network such an approach would not be prudent.

Likely consequences

On Rates	Nil
On Debt	Nil
On Levels of service	Potential reduced level of service, in the event of flooding or storm events.

Draft associated with CD What's the plan Rangitikei...

Section 9: Council activities

Introduction

The Local Government Act 2002 states that the purpose of local government is—

- to enable democratic local decision-making and action by, and on behalf of, communities; and
- to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

The production of the LTP is one of the “checks and balances” which helps councils to deliver to these purposes. Particularly in relation to the groups of activities, the LTP must:-

- Identify the rationale for delivery of services and activities, including information on the intended level of service provision and performance targets
- Specify any intended changes to the level of service that was provided in the year before the first year covered by the plan and the reasons for the changes
- Outline any significant negative effects of the activities and the actions that Council will undertake in response
- Identify the assets required by the Group of Activities
- Identify the expenses associated with the delivery of these activities and how these expenses will be met (estimated revenue levels, other sources of funds, the reason for their inclusion) in detail for the first three years of the Plan and in outline for the remaining seven years.

This section outlines the activities that Council will undertake over the coming ten years in greater detail. These are presented as groups of activities. Council provides services in four of the five³⁰ mandatory groups of activities that territorial authorities must consider in their planning. These are:

- Roading
- Water Supply

³⁰ The fifth is “flood protection and control works” which is the responsibility of Horizons Regional Council

- Sewerage and the treatment and disposal of sewage
- Stormwater drainage

Council also provides services in five other groups of activities: Community leadership, Community and leisure assets, Rubbish and recycling, Environmental and regulatory services and Community well-being. Within each group of activities are separate, related activities. Some groups of activities contain many individual activities. Community and leisure assets contains the activities of parks, community buildings, swimming pools, libraries, community housing, public toilets and cemeteries; whereas the sewerage and treatment and disposal of sewage group of activities has only one activity which is wastewater collection, treatment and disposal.

Each activity is guided by an activity management plan and these have been summarised in this section of the Plan. For each group of activities, a summary is provided showing the key strategic driver for the group of activities over ten years, the key contribution to the Council's strategic intents with any significant negative effects identified, the contribution to the community outcomes and the major aspect of the service that Council will include in its performance framework as part of the Statement of Service Provision.

Each activity within the group is then briefly described and a figure summarises the level of service that Council intends to provide across the group of activities. The figure also includes Council's considerations around ensuring that the selected level of service is appropriate to the purpose of local government and the rationale behind the delivery of the activity to the level described. In some groups of activities, Council is proposing a change to the level of service from that intended in 2014/15. These changes are summarised in section 11 on page 282.

Next, the strategic environment within each group of activities is considered including outlining any mitigation required to counter significant negative effects of the activities. Council's proposed responses to the strategic environment are included in this section.

The statutory requirements for the LTP do not specifically mention the compilation of asset management plans. However, there are a number of requirements which focus how the Council will identify its assets and how maintenance, renewal and replacement of assets will be met. Council has developed and adopted asset management plans³¹ covering the following groups of activities:

- Roading
- Water supply

³¹ The asset management plans used to develop the activity management plans were adopted as at 30 June 2014. There will be a review during the latter part of 2015 and annually thereafter.

- Sewerage and the treatment and disposal of sewage
- Stormwater drainage
- Community and leisure assets

Council adopted previous asset management plans in June 2009 and in December 2011. The 2011 plan was reviewed by Waugh Infrastructure Management in May 2013. The Waugh review evaluated that the appropriate level of asset management practice which Council should aim to achieve as “Core”³². “Core” asset management practice is basic technical asset management planning undertaken at a level designed to meet minimum legislative and operational requirements for financial planning and reporting. Council’s Asset Management Plans have generally been prepared to a “Core” level³³. The Plans are available from Council service centres, by phoning 0800 422 522 or to download from www.rangitikei.govt.nz.

Finally the major programmes in each area are highlighted and the funding impact statement³⁴ is provided showing the income and expenditure for each group of activities, including a breakdown for individual activities within the group.

The Statement of Service provision is included as a separate sub-section (page 186) and draws together the major aspects of the services from each group of activities that Council will monitor, measure and report against.

³² Rangitikei District Council: Selecting the Appropriate AM Level, Waugh Associates, March 2013

³³ The Roding Asset Management Plan aims to achieve “Core” asset management practice in most aspects with the exception of analysing future demand where an intermediate level of asset management planning is thought to be necessary. Community and Leisure Assets Management Plan has not yet achieved the “Core” level. This is because Council’s rationalisation strategy requires that all assets are reviewed prior to any renewal/upgrade. These reviews are being used to develop the asset management plan for each community and leisure asset to the “Core” level.

³⁴ The Funding Impact Statement is not provided with this initial draft. A separate document with opex and capex for the groups of activities has been provided to indicate levels of expenditure required to meet the levels of service described.

Community leadership Group of Activities

Strategic driver over ten years	A Council that is more engaged with and connected to its communities, that represents, and is representative of, its residents
Contribution to strategic intents	This group of activities contributes to opportunities to participate in civic life and to have an impact over decisions which affect quality of life.
Significant negative effects on community well-being	No negative effects have been identified for this group of activities
Contribution to community outcomes	Enjoying life in the Rangitikei
Major aspect of the service for statement of service provision	Completion of annual plan actions on time Budget variance for capital programme

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

Strategic planning

The strategic planning activity enables Council to make considered and balanced decisions (rather than ad hoc ones) in which likely futures have been assessed and preferred options selected. It covers the LTP, Annual Plans and Annual Reports, Policy development and review, Bylaw development and review, and Legal compliance.

Council

The Mayor and Councillors are elected by the community to provide leadership and make decisions which are in the best interests of the communities in the District. The community expects consistent provision of basic services – such as roads, water, wastewater and stormwater, together with a range of facilities and services which enhance people’s lives. Council is an advocate for the District particularly to the regional council and central government. Through its Chief Executive (and staff appointed by that officer), Council is able to secure advice to help it make useful decisions and to then implement them.

Community Boards and Committees

Community Boards and Community Committees provide a channel for local people to be directly involved with decisions affecting them. In addition, they are provided with a small annual discretionary grant to undertake local projects without further Council approval. Community Boards are statutory bodies elected alongside Councillors at triennium elections and their members are paid, as are Councillors. Community Committees are nominated from within the community (and if necessary an election is held at a public meeting) and membership is on a voluntary basis. Community Boards are required by statute to get involved in the LTP/Annual Plan process; Community Committees typically do so also. Neither usually contributes to policy development. Their primary contribution is as the “eyes and ears” of Council within communities to raise issues of concern – perhaps particularly when this requires Council to advocate on behalf of its residents to other agencies.

Iwi liaison

Council consults with Māori on significant decisions and works with Māori to identify (and implement) opportunities for the District as a whole to develop. In the Rangitikei, the most obvious form for this consultation is the bi-monthly meetings of Te Roopu Ahi Kaa, a Komiti which has representation from all Iwi in the District (together with the unique Māori community at Ratana). The relationship is outlined in the Memorandum of Understanding –Tutohinga between the District Council, eleven Iwi and hapu groups that comprise Te Tangata Whenua O Rangitikei and the Ratana Community. Council is also proposing to work more closely with Iwi and hapu in developing collaborative capacity building and has a small funding programme to support this. Council's aim is to develop Memorandum of Understanding with individual Iwi in the District. An MOU have been signed with the Mokai Patea iwi collective, and it is anticipated that MOU with at least two further iwi will be in place before June 2015.

Elections

Council ensures that local elections and by-elections for Ward Councillors and Community Boards are well managed and conducted in accordance with legal requirements. Council also adapts these processes when making appointments to the District's Community Committees.

Figure x: Council's intended level of service for the Community leadership Group of Activities

What people want	Council's intended Level of Service is to:	Meeting the purpose of local government	Rationale
Assurance that Council has sound planning for a positive future for the District, taking into account all reasonable	Follow its Significance and Engagement Policy in assessing the impact of its decision-making and	Council will differentiate between those issues and decisions which require greater or lesser public	Surveys consistently demonstrate that most people expect to be consulted only on major issues. Undertaking unnecessary consultation detracts from major issues and wastes precious resources. Most individuals and groups have

and realistic projections	involving affected parties appropriately	participation in its strategic planning	a limited capacity for involvement in consultation processes, and failure to acknowledge this can result in consultation fatigue
The Council to provide leadership to the District and make sensible and prudent decisions	Make decisions that are robust, fair, timely, legally compliant and address critical issues	Council will work to ensure that annual plans and annual reports receive an unqualified audit opinion	Unqualified audit opinions indicate that Council has undertaken its decision-making processes in accordance with legislative requirements and followed the various checks and balances that ensure it meets its purpose.
	Provide regular and effective communication to the community about Council activities and decisions	Governance processes must be consensual and Council will develop and implement communications strategy to ensure people are well-informed about Council's decision-making	Council will continue to develop its communication strategy to ensure that people are well-informed about the business of Council and are able to contribute and comment appropriately
The Council to be a strong and successful advocate for the District's interests	Be an obvious participant in discussions within the sector and central government on key matters affecting the Rangitikei	Council will develop and maintain constructive and cost-effective working relationships with neighbours and with peer councils, irrespective of their geographical proximity	Working across the sector to share resources and develop joint policy and position statements enables Rangitikei to have a stronger voice than "going it alone"
	Host at least one gathering each year on key themes for the District which attracts nationally recognised speakers and media attention.	Council is the only public body with responsibilities that are contiguous with the whole District.	Ensuring a high profile for the District ensures that local issues are taken into account at regional and national level.
Community Boards which are responsive to local needs and improve the nature of Council's local facilities and service delivery	Provide full administrative support for Community Boards for bi-monthly meetings, with officer reports when appropriate, and opportunities to	Within the Rangitikei District, the value for money proposition is likely to be a factor in the Representation Review to be done in 2018	It is difficult to see the added value intrinsically provided by Community Boards over Community Committees – each is dependent upon the quality of candidate/volunteer that is put forward. Whilst the variation in servicing levels exists, then Council has less discretion about the level of support that is provided to these bodies.

	participate in strategic workshops		
Community Committees which are responsive to local needs and able to liaise successfully with the Council	Provide secretarial assistance for Community Committees' bi-monthly meetings and opportunities for members to participate in strategic workshops	The value for money proposition is less of an issue for Community Committees	Members receive no remuneration. The administrative support from Council, following the establishment process prescribed after each triennial election, is confined to formatting agendas and minutes and distributing these
Collaborative and productive relationship between Council and tangata whenua	Develop well-serviced and functional relationship with Te Roopu Ahi Kaa	Tangata whenua and Maori are assuming increasing importance for the future well-being of the District	Council's primary approach for consultation and liaison with Māori will be through the Iwi-based Te Roopu Ahi Kaa
	Develop relationships with individual Iwi, hapu and the Ratana community, recognising varying capacity to engage from iwi in pre- and post-settlement stages	Strong capable iwi/Maori organisations and good engagement between Council and these organisations will contribute to future prosperity	Council and TRAK have reviewed the Statement on Maori capability to contribute to Council decision-making, and want to differentiate between those iwi with stronger capability in post settlement phase and those currently focusing on achieving their settlements.
To know about the elections, the process for nomination, and an understanding of the roles of elected members	Pre-election material is readily accessible and the Council blog used to inform potential candidates - both for the local election itself and subsequent processes to establish Community Committees. In addition, public meetings are held in the main towns prior to 30 June of the election year	Council has to balance the need to provide a good opportunity for residents to participate in the elections, with the cost of trying to generate interest where there is none!	Maintaining good communication with the community over Council's role is the best way to encourage participation in local democracy and ensuring a good number of candidates for public office
To know who the candidates are, their electoral platform, the state of Council's finances, and the outcome of	Elections are well publicised locally and in accordance with law (including the pre-election report) and have	No valid query on the integrity of Council's processes in conducting the elections would imply that	The major issue in this activity is when electronic voting will be introduced. The opportunity for people to provide the information for the 2013 Census is a clear signal of the inevitability of this development. Potentially it could lead to

the polls (both the local election itself and for Community Committees)	results publicised promptly in the media and on Council's website	the election process was managed in a legally compliant manner	a substantial increase in voter participation.
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Strategic environment

Council needs to anticipate and respond to societal, environmental and technological change. Some of this change will be driven by central government – about what local government should (and should not) do. But evolving sector ‘good practice’ is also a factor, as is the Council’s insights into the well-being of the District’s communities. So, for example, there may be an increasing preference to see converging priorities among neighbouring councils: a desire to see greater weight attached to Māori aspirations and needs³⁵, or greater emphasis on community and economic development compared with infrastructure maintenance.

Over the past two triennia, Council recognised that the District’s ageing infrastructure is the key liability for the District. Measures to keep rate increases low (lack of investment in strategic assets, lack of funding for depreciation) over many years has led to a backlog of investment that requires catch up. Strategic planning over the capital investment programme is the key focus for this Council, in the recent past and for the foreseeable future. The opportunity has been that Council can take a fresh look at its core services and infrastructure to reflect its preferred futures. In considering likely demographic change in the District, Council has agreed that its strategic priorities will be to promote the District as a great place to retire in or to retire to and as a great place to raise a family. It has also recognised the importance of tangata whenua to the District’s future and the need to work closely with Iwi and hapu to secure better outcomes for all its people. Whilst not diverting resources from core services and infrastructure, Council is working hard to ensure that every dollar of ratepayer money used outside of these areas is demonstrably delivering to these strategic priorities.

It is possible that in the medium to long term, the Rangitikei District Council will cease to be a distinct administrative entity. However, that has no practical effect on this LTP as the Council is certain that, irrespective of the nature of change in governance at a local level, local delivery of services will continue, from at least one if not all three towns where the Council has offices. Less certain is the nature of local democracy in a larger administrative entity, because it is unknown how strongly the Local Government Commission would regard retaining a ward structure and/or establishing community boards.

Major programmes

³⁵ Settlement of Treaty claims from District Iwi is likely to result in new business initiatives, including papakainga and tourism. Such initiatives may mean more employment opportunities for young Māori, thus stemming the drift to neighbouring urban centres and increasing the proportion of Māori in the District’s population.

Year 1	Annual Report 2014/15 Annual Plan 2016/17	Preparation for the 2016 local election				Key outcomes from Maori community development programme (to be identified)	Delivery of programme of policy and bylaw review	Preparation of order papers that ensure compliant decision-making
Year 2	Annual Report 2015/16 Annual Plan 2017/18	Preparation of the pre-election report (for the 2016 election) Preparation and conduct of 2016 local election	Induction of Council, Community Boards/Committees for the triennium 2016-19	Preparation of Local Governance Statement and update Elected Members Handbook	Confirmation of Te Roopu Ahi Kaa membership for the 2016-19 triennium		Delivery of programme of policy and bylaw review	Preparation of order papers that ensure compliant decision-making
Year 3	Annual Report 2016/17 Long-term plan 2018/28					Review key outcomes from Maori community development programme for input into 2018-28 LTP	Delivery of programme of policy and bylaw review	Preparation of order papers that ensure compliant decision-making
Year 4	Annual Report 2017/18 Annual Plan 2019/20	Representation Review (for the 2019 election) commenced					Delivery of programme of policy and bylaw review	Preparation of order papers that ensure compliant decision-making

Year 5	Annual Report 2018/19 Annual Plan 2020/21	Preparation of the pre-election report (for the 2019 election) Preparation and conduct of 2019 local election	Induction of Council, Community Boards/Committees for the triennium 2019-22	Preparation of Local Governance Statement and update Elected Members Handbook	Confirmation of Te Roopu Ahi Kaa membership for the 2019-22 triennium		Delivery of programme of policy and bylaw review	Preparation of order papers that ensure compliant decision-making
Year 6	Annual Report 2019/20 Long-term plan 2021/31					Review key outcomes from Maori community development programme for input into 2021-31 LTP	Delivery of programme of policy and bylaw review	Preparation of order papers that ensure compliant decision-making
Year 7	Annual Report 2020/21 Annual Plan 2022/23						Delivery of programme of policy and bylaw review	Preparation of order papers that ensure compliant decision-making
Year 8	Annual Report 2021/22 Annual Plan 2023/24	Preparation of the pre-election report (for the 2022 election) Preparation and conduct of 2022 local election	Induction of Council, Community Boards/Committees for the triennium 2022-25	Preparation of Local Governance Statement and update Elected Members	Confirmation of Te Roopu Ahi Kaa membership for the 2022-25 triennium		Delivery of programme of policy and bylaw review	Preparation of order papers that ensure compliant decision-making

				Handbook				
Year 9	Annual Report 2022/23 Long-term plan 2024-34					Review key outcomes from Maori community development programme for input into 2024-34 LTP	Delivery of programme of policy and bylaw review	Preparation of order papers that ensure compliant decision-making
Year 10	Annual Report 2023/24 Annual Plan 2025/26	Representation Review (for the 2025 election)					Delivery of programme of policy and bylaw review	Preparation of order papers that ensure compliant decision-making

Draft associated with CD 'What's the plan Rangitikei...?'

Community Leadership
Funding Impact Statement
For the years ending 30 June 2015 to 2025

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	1,072	1,069	1,134	1,124	1,138	1,209	1,209	1,245	1,320	1,335	1,372
Targeted rates	53	59	61	64	64	66	70	70	73	79	79
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	34	0	0	38	0	0	40	0	0
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	1,125	1,128	1,229	1,188	1,202	1,313	1,278	1,315	1,433	1,414	1,451
Applications of operating funding											
Payment to staff and suppliers	952	998	1,099	1,034	1,070	1,183	1,121	1,169	1,296	1,233	1,289
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	179	178	186	201	180	185	206	196	194	218	199
Other operating funding applications	0	0	2	4	6	8	10	12	14	16	18
Total applications of operating funding (B)	1,131	1,176	1,285	1,235	1,250	1,368	1,327	1,365	1,491	1,451	1,488
Surplus (deficit) of operating funding (A - B)	(6)	(47)	(56)	(47)	(47)	(56)	(49)	(49)	(57)	(37)	(37)

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Application of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(6)	(47)	(56)	(47)	(47)	(56)	(49)	(49)	(57)	(37)	(37)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	(6)	(47)	(56)	(47)	(47)	(56)	(49)	(49)	(57)	(37)	(37)
Surplus (deficit) of capital funding (C - D)	6	47	56	47	47	56	49	49	57	37	37
Funding balance ((A - B) + (C - D))	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Roading Group of Activities

Strategic driver over ten years	The maintenance of the current roading network as close to the current standard as possible within budget constraints
Contribution to strategic intents	The roading group of activities provides safe, convenient and orderly network for road users (including pedestrians, cyclists and mobility scooter users) to travel throughout the towns and wider district. This contributes to economic vitality of the District and to public safety.
Significant negative effects on community well-being	Negative effects identified for this group of activities are road deaths, emissions to air from road transport and associated health impacts, traffic noise and vibration and stock effluent disposal. Mitigation steps are outlined below
Contribution to community outcomes	Safe and caring community, Buoyant District economy, Enjoying life in the Rangitikei
Major aspect of the service for statement of service provision (including mandatory measures)	The average quality of ride on a sealed local road network measured by smooth travel exposure Road maintenance The percentage of the sealed road network that is resurfaced The percentage of the unsealed road network which is retailed during the year The percentage of footpaths within the District that fall within the level of service or service standard for the condition of footpaths 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 Adequacy of provision and maintenance of footpaths, street-lighting and local roads (annual survey) 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.

The Roding group of activities is one of the statutory groups of activities that Council must include in its LTP. It accounts for about one third of all rates income and about two-thirds of all Council expenditure. It consists of six activities that contribute towards the community outcomes, as follows:

Pavements

The road network is made up of 1,237km of roads; 783km are sealed with 454km unsealed.

Pavements are the structural and wearing course layers of a road. They are regarded as the core components of the road network's trafficable carriageways. A major failure of a section of pavement can result in the road becoming dangerous and/or impassable.

The purpose of each road pavement is to provide an element of the network that is:

- Appropriate and suitable for the effective and efficient movement of the vehicles and people using, or likely to use, it,
- Has a suitable all weather surface that is appropriate to its location and function in terms of skid resistance, noise reduction and smoothness; and
- Has a structure suitable to carry legal weight, and most cases overweight, traffic.

Bridges

Council maintains a total of 253 bridges including 96 large culverts

Bridges vary from high standard concrete structures to very low standard wooden deck structures. Some have weight and speed restrictions on them.

The purpose of road bridges is:

- To provide continuous all weather access over rivers, streams and uneven terrain, and grade separation over railway lines and other roads.

Traffic Services

Council manages 4,222 road signs and edge marker posts, 293km of road markings 1903 streetlights and 7 Belisha Beacons (the orange lights at pedestrian crossings).

The purpose of street lighting is:

To ensure the council's street lighting and amenity installation continues to operate safely, efficiently and effectively over its economic life with minimum failures and outages.

The purpose of Traffic Services is:

- To aid the safe and orderly movement of traffic and indicate road use restrictions or other information. A good standard of signs and markings can contribute significantly to a safer road network.

Stormwater Drainage

Council manages a total of 1,289km of open storm water channel and 56km of culverts. Council manages approximately 131km of constructed kerb and Channel completely constructed from concrete.

The purpose of drainage assets is

- To contain and then convey surface water away from the carriageway keeping the road surface and sub-surface dry to minimise water damage. Poor drainage has been shown to lead to more long-term weaknesses or failure within pavement structure than any other form of damage.

Pedestrian Facilities

Council manages a total of 85km of footpaths in urban areas, 3km in rural areas with nearly 75% being of concrete construction. There are bus shelters provided for the benefit of children waiting for the school bus services operating through the district. These are owned by Horizons Regional Council but maintained by Council.

The primary purpose of footpaths is

- To provide safe and convenient access for pedestrians and disabled vehicle users, around towns and communities without interfering with road traffic. NZ standards now state that any new footpath constructed should be a minimum of 1.4m wide wherever possible to allow users to pass each other without the need to step off into the road.

Vegetation Management

Vegetation is defined as grass, plant pests, shrubbery, exotic seedlings, plant growth or small trees up to 2.5m in height on sealed and unsealed roads or within the road reserve.

The vegetation is sprayed where it is:

- Obscuring abutments, headwalls, signs, etc.
- Affecting the functioning of the soak holes, kerb and channel etc.
- Affecting the aesthetics of the median, driveways, footpaths etc.

Mowing is carried out along most rural roads and at intersections under the Contract No. 903 Road Maintenance. The berm on both sides of each side road is mowed for a distance of 1.5m back from the edge of sealed carriageway aid in maintaining visibility of approaching traffic on the side roads and around bends. In addition to these intersections, some intersections of local roads are included in the schedule because of the problems with sight distances.

When vegetation grows out too far into the road reserve, it can become a safety hazard by obscuring vision along roads and around bends. Overhanging trees can easily collapse under their own weight during a storm event, heavy rain or wind creating a roadblock and possible risk of vehicle collision.

Figure xx Council's intended level of service for the Roding Group of Activities:

What people want	Council's intended Level of Service is to:	Meeting the purpose of local government	Rationale
A reliable roading network in the rural areas so the rural community can go about their economic activities	A safe roading network which allows people to travel from A to B, free of loose gravel or potholes and maintaining the level of sealed roads currently available	A lower level of service adds cost to the user through increased time/petrol/wear and tear on vehicles. The level of service offered attempts to balance the cost of using the roads between the ratepayer/taxpayer and the vehicle owner/traveller. Council is always looking for ways to manage its contracts to reduce costs to the ratepayer and provide maximum value for money	Allows people to easily go about their activities in a safe, convenient, efficiently and timely manner. Provides links throughout the district and to other regions, including strategic and efficient links to State Highways and inter-regional networks
Roads in towns to be attractive and well maintained allowing them to access goods and services	A functional road network that provides access to residential, commercial and retail premises and some beautification of road reserves		
To be able to efficiently travel throughout the District for social and recreational activities	A safe roading network which allows people to travel from A to B, free of loose gravel or potholes and maintaining the level of sealed roads currently available		
Safe and smooth footpaths that enable them to move about the	Increased asset length and footpath renewal programme	Council is working to ensure a footpath on one side of each	Increasing use of mobility scooters in the town centres has

District's towns without needing to encroach onto the road and surveillance cameras to deter anti-social behaviour		residential street in the District towns and to identify where surveillance cameras will have the greatest deterrent impact	changed the pattern of stresses on footpaths, resulting in higher renewal costs. Council has reduced the length of rehabilitation carried out each year to maintain the existing budgets
	The percentage of footpaths within a territorial authority that fall within the level of service or service standard for the condition of footpaths that is set out in the relevant document (e.g. LTP, AMP)	Adequate provision and maintenance of footpaths	A greater proportion (than the previous year) of the sample that believed the Council's service is getting better
Attractive and well-designed urban street lighting that makes them feel safe and secure when walking or driving	Maintenance of existing network. No upgrade or renewal	The District's towns are not growing and so the current level of service will be maintained	Street lighting provides night time visibility and assists in the safe passage of people through the townships

Strategic environment

The roading network asset is a strategic asset that currently meets the needs of the district and ratepayer. The overall condition of the network is good with a smooth travel exposure of 96.4%. This may be difficult to maintain with the long term review of the financial subsidies and the pending One Network Road Classification (ONRC) system. These reviews may introduce a need to re-address levels of service for various categories of road hierarchy. The Financial Assistance Rate (FAR) from NZTA is increasing from 59% to 62%, in 2015/16, then a further 1% increase to 63% in 2016/17. However, this is countered by uncertainty over the FAR rate for emergency works and the subsidy that will be available through the ONRC. See the key choices section on page 95 for more details.

Another pressure on operating costs will come from non-budgeted repairs for damage caused by increased storm events resulting in emergency works expenditure. What remains is uncertainty over the funding support for unexpected Emergency Works events and the potential financial risk associated with this. In response to this, Council aims to increase its emergency road reserve from \$1.2 million to \$3.5

million over the next ten years.

Increases in fuel taxes and the potential of peak oil limitations are unlikely to affect requirement for personalised/individual transport using a roading network in rural areas. The more likely scenario is that alternative technologies will be developed (electric cars/biofuels etc.). It is also likely that the increase in high productivity motor vehicles (HPMV) for bulk transport of goods (even combined with lighter and more fuel efficient cars for individual transportation) will lead to higher renewal and maintenance costs of the roading network. It is assumed that central government will continue to invest in the state highway network and local road networks, including designated routes for HPMV.

The move to bigger and heavier vehicles plus the increase in logging traffic is having a detrimental effect on the roading network. Forestry is a significant form of land use in the Rangitikei. Additional effort is going into maintaining roads which were not constructed to handle this level of loading. Therefore, the HPMV routes in forestry blocks are going to partially drive the rehabilitation forward work programme which is managed through current funding now. Council has considered introducing a bylaw to pass some of these costs onto forestry companies but no commitment has been made to date³⁶.

There are significant negative effects from this activity:

Effect	Mitigation
Road deaths	Undertake crash reduction studies
Air emissions from road transport and associated health impacts	Promote alternative transport systems
Traffic noise and vibration	Surface treatments to minimise noise
Stock effluent disposal	Provision of stock effluent disposal sites

Major programmes

The Roding Group of Activities is set out below with the annual budget, as at 2015/16. This amount is allocated to the maintenance, renewal and capital programmes for each year of the LTP.

³⁶ This possibility was noted in the Management Report to Strategic Planning & Policy Committee's meeting on 1 December 2011. There is a range of competing factors to be considered – notably promoting economic development, recognising the needs of other road users, and calculating the administrative cost of administering such a bylaw.

Roading and Footpaths
Funding Impact Statement
For the years ending 30 June 2015 to 2025

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	6,271	6,087	6,010	6,086	6,221	5,793	5,850	5,953	5,941	6,111	6,115
Subsidies and grants for operating purposes	2,666	3,263	3,229	3,229	3,310	3,310	3,310	3,393	3,393	3,393	3,477
Fees and charges	4	4	5	5	5	5	5	5	5	6	6
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	121	115	115	115	115	115	115	115	115	115	120
Total operating funding (A)	9,062	9,469	9,359	9,435	9,650	9,223	9,280	9,466	9,454	9,624	9,719
Applications of operating funding											
Payment to staff and suppliers	5,335	6,020	5,901	5,921	6,070	6,091	6,113	6,267	6,291	6,316	6,475
Finance costs	180	124	116	118	119	109	130	134	142	128	115
Internal charges and overheads applied	554	461	478	536	478	491	561	520	527	604	533
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	6,069	6,605	6,495	6,575	6,667	6,692	6,804	6,921	6,959	7,049	7,124
Surplus (deficit) of operating funding (A - B)	2,993	2,864	2,864	2,860	2,983	2,532	2,476	2,545	2,494	2,576	2,595

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	4,463	2,766	3,480	3,295	4,774	3,661	3,754	3,961	3,343	3,471	3,494
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	299	(165)	(165)	(165)	(165)	39	55	113	(189)	(189)	(189)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	4,762	2,602	3,315	3,130	4,609	3,700	3,810	4,074	3,154	3,282	3,305
Application of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	1,512	591	592	594	2,841	1,097	1,153	1,324	630	631	647
- to replace existing assets	6,097	4,081	5,147	4,857	4,963	4,946	5,044	5,207	4,926	5,135	5,162
Increase (decrease) in reserves	146	794	440	539	(211)	189	89	88	93	92	91
Increase (decrease) in investments											
Total applications of capital funding (D)	7,755	5,466	6,179	5,990	7,592	6,232	6,285	6,619	5,648	5,858	5,900
Surplus (deficit) of capital funding (C - D)	(2,993)	(2,864)	(2,864)	(2,860)	(2,983)	(2,532)	(2,476)	(2,545)	(2,494)	(2,576)	(2,595)
Funding balance ((A - B) + (C - D))	0	0	(0)	(0)	0	0	(0)	(0)	(0)	0	0

Roading and Footpaths
 Prospective Capital Works
 For the years ending 30 June 2015 to 2025

Category	Designated projects	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		Annual Plan (\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
RENEWALS												
Unsealed road metalling	Programmed renewals	341	460	460	460	472	472	472	483	483	483	496
Pavement rehabilitation'	Programmed renewals	2,874	684	1,627	1,689	1,731	1,731	1,731	1,774	1,774	1,774	1,819
Drainage	Programmed renewals	323	337	337	352	361	361	361	370	370	370	380
Structure components	Programmed renewals	252	189	189	189	194	194	194	199	199	199	204
Traffic services	Programmed renewals	220	225	225	225	231	231	231	236	236	236	242
Sealed road surfacing	Programmed renewals	2,002	2,040	2,159	1,789	1,818	1,797	1,892	1,975	1,691	1,895	1,841
Footpaths	Programmed renewals	85	145	149	152	156	160	164	168	172	177	181
Total renewals		6,097	4,081	5,147	4,857	4,963	4,946	5,044	5,207	4,926	5,135	5,162
CAPITAL												
Roading	Minor safety projects	538	526	526	526	539	539	539	552	552	552	566
	Bridges reconstruction	910	0	0	0	2,232	486	540	697	0	0	0
Footpaths	New footpath construction	64	65	67	68	70	72	74	75	77	79	81
Total Capital		1,512	591	592	594	2,841	1,097	1,153	1,324	630	631	647

Draft associated with CD 'Wiltshire Strategic Plan 2015-2025'

Water supply Group of Activities

Strategic driver over ten years	To renew the current reticulation and treatment systems progressively to meet national quality standards in an affordable, rolling programme
Contribution to strategic intents	<p>The Urban Water Supply activity ensures public health and safety through the provision of water that meets the Drinking Water Standards for New Zealand (DWSNZ). The Urban Water Supply activity also supports economic development in the District by enabling increased economic activity where supply is available.</p> <p>The Rural Water Supply activity supports economic development in the District by enabling increased economic activity where supply is available.</p>
Significant negative effects	Extraction and use of water resources can impact the life-supporting capacity of ecosystems. Council actively complies with resource consent conditions, promotes water conservation, and manages demand to ensure these resources are sustainable.
Contribution to community outcomes	<p>Safe and caring community</p> <p>A buoyant District economy</p> <p>A treasured natural environment</p>
Major aspect of the service for statement of service provision (including mandatory measures)	<p>The extent to which the Council's drinking water supply complies with</p> <ul style="list-style-type: none"> - part 4 of the drinking water standards (bacteria compliance criteria) - part 5 of the drinking water standards (protozoa compliance criteria) <p>Compliance with resource consents</p> <p>Number of unplanned water supply disruptions affecting multiple properties</p> <p>The percentage of real water loss from the Council's networked urban reticulation system</p> <p>Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system (urban and rural), the following median times are measured</p> <ul style="list-style-type: none"> - attendance for urgent call-outs: from the time that the Council receives notification to the time that service personnel reach the site, and - resolution of urgent call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption - attendance for non-urgent call-outs: from the time that the Council receives

	<ul style="list-style-type: none"> - notification to the time that service personnel reach the site, and - 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>The average consumption of drinking water per day per resident within the District</p> <p>The percentage of real water loss from the Council's rural water schemes</p> <p>Random flow checks at the different supplies</p>
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The Water Supply group of activities is one of the statutory groups of activities that Council must include in its LTP. This group of activities comprises:

Urban Water Supplies

Drinking water supplied via a reticulation system (pipes) to meet the domestic, commercial and fire-fighting requirements in the urban communities of the Rangitikei comprising Bulls, Marton, Taihape, Hunterville, Mangaweka and Ratana. The activity is consistent with and complies with Horizons Regional Council's resource consent conditions. The activity is sympathetic with the guidelines of Horizons' One Plan.

Rural Water Supplies

The activity also administers Rural Water Supplies on behalf of the appropriate committees in Hunterville, Erewhon, Omatane, and, to a lesser extent, Putorino.

Figure xx: Council's intended level of service for the Water Supply Group of Activities:

What people want	Council's intended Level of Service is to:	Meeting the purpose of local government	Rationale
To turn on the tap and get a reliable, safe and continuous supply of water	Provide a reliable, accessible and safe water supply to properties on the urban reticulation systems	The investment in reticulated supplies provides the best balance for effective and efficient public services that provide the	An effective and efficient wastewater network and treatment process minimises risk to the health of residents in the

	Provide a reliable water pressure and flow, which complies with the NZ Fire Service Fire Fighting Water Supplies Code of Practice	best value to householders and businesses.	community and to the environment There are fewer economies of scale as the service is supplied to lower population densities and this may affect the provision of this service in the future. This is a matter of the key choices presented in the consultation document.
The efficient use of water resources available in the District to support primary and secondary production processes.	Administer and manage rural water supplies to support agribusiness in the District	Council's investment in supporting this activity is limited. The schemes rely mostly upon user pays. However, Council believes that the provision of water for agribusiness enables it to meet the demand for public services in a sustainable way.	Council's involvement in Rural Water Supplies provides access to economies of scale, and technical advice that would otherwise be difficult or expensive to procure.

Strategic environment

Our water supplies are strategic assets. In line with Council's strategic priorities, the provision of this activity provides the basic infrastructure which enables the District to attract and retain people and businesses. With changes in population distribution and size across the District, Council faces the prospect of extending its water networks in some areas, while potentially shrinking them in others where alternative delivery mechanisms are the preferred option.

The focus for the next three years will be:

- Completion of the upgrade of the Marton water supply (for both quality and quantity) to meet statutory and community requirements.
- Completion of a major upgrade to the Ratana water supply, which will improve water quality and cater for the proposed new 60-lot subdivision.

- Achieving ongoing compliance with all Drinking Water Standards and resource consents.
- Renewal of ageing infrastructure as part of our ongoing programme of work.

Looking further ahead:

- Consent renewals are coming up for Bulls (expires 2022) and Taihape (expires 2020).
- Major work is required on the Erewhon Rural Water Supply to renew a river crossing.
- The Tutaenui Rd trunk main for Marton needs to be renewed. This is a major project that would be staged across several years (2018-2023).
- Other treatment and reticulation renewals are ongoing.
- The Asset Management Plan and Infrastructure Strategy contain more details.

Major programmes

The programme **noted below** focuses on the priorities identified for urgent attention and the introduction of the network modelling schemes that will thereafter guide the renewal and replacement programme based on condition and performance of assets, not age.

Draft associated with CD 'What's the plan Rangitikei...?'

Water Supply
Funding Impact Statement
For the years ending 30 June 2015 to 2025

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	441	96	99	110	101	104	117	110	112	127	115
Targeted rates	4,043	4,412	4,596	5,103	5,259	5,615	5,997	6,059	6,730	6,934	7,033
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	4,484	4,507	4,695	5,213	5,360	5,719	6,113	6,169	6,842	7,060	7,148
Applications of operating funding											
Payment to staff and suppliers	2,092	1,953	1,946	2,014	2,029	2,102	2,160	2,238	2,319	2,405	2,493
Finance costs	635	597	704	1,033	1,249	1,393	1,633	1,624	1,948	1,995	2,016
Internal charges and overheads applied	547	639	663	716	663	681	749	720	728	804	751
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	3,274	3,189	3,312	3,763	3,941	4,176	4,541	4,582	4,996	5,203	5,259
Surplus (deficit) of operating funding (A - B)	1,210	1,318	1,383	1,450	1,419	1,543	1,572	1,587	1,846	1,857	1,889

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	900	100	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	2,569	2,328	4,584	1,894	2,186	35	(189)	4,536	567	188	2,778
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	3,469	2,428	4,584	1,894	2,186	35	(189)	4,536	567	188	2,778
Application of capital funding											
Capital expenditure											
- to meet additional demand	0										
- to improve the level of service	2,048	916	104	0	165	171	0	0	0	0	0
- to replace existing assets	2,732	2,634	5,983	3,483	3,657	1,480	1,441	6,224	2,511	2,152	4,778
Increase (decrease) in reserves	(101)	196	(120)	(139)	(217)	(74)	(57)	(101)	(98)	(107)	(111)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	4,679	3,746	5,967	3,344	3,606	1,577	1,384	6,123	2,413	2,045	4,667
Surplus (deficit) of capital funding (C - D)	(1,210)	(1,318)	(1,383)	(1,450)	(1,419)	(1,543)	(1,572)	(1,587)	(1,846)	(1,857)	(1,889)
Funding balance ((A - B) + (C - D))	0	0	0	0	(0)	0	(0)	0	0	0	(0)

Water Supply
Prospective Capital Works
For the years ending 30 June 2015 to 2025

Category	Designated projects	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
RENEWALS												
Marton	Treatment and reticulation	1,036	964	1,917	12	1,808	624	678	3,999	2,268	818	1,104
Taihape	Treatment and reticulation	1,141	436	1,942	1,576	189	304	102	1,947	32	6	330
Bulls	Treatment and reticulation	104	909	786	538	0	364	472	10	6	552	3,153
Mangaweka	Treatment and reticulation	68	140	851	0	2	8	14	0	25	600	0
Hunterville urban	Treatment and reticulation	43	7	108	115	186	0	2	18	0	0	2
Ratana	Treatment and reticulation	105	0	12	0	110	0	0	0	0	0	0
Erehon	Treatment and reticulation	114	116	125	133	1,135	153	165	238	152	159	165
Hunterville rural	Treatment and reticulation	121	56	237	1,101	221	20	0	1	15	0	0
Omatane	Treatment and reticulation	0	5	5	6	6	7	8	10	13	17	23
Total renewals		2,732	2,634	5,983	3,483	3,657	1,480	1,441	6,224	2,511	2,152	4,778
CAPITAL												
Marton	Reticulation upgrade	46	225	0	0	165	171	0	0	0	0	0
	Treatment upgrade	0	238	0	0	0	0	0	0	0	0	0
Taihape	Reticulation upgrade	402	100	104	0	0	0	0	0	0	0	0
Bulls	Backflow protection	77	128	0	0	0	0	0	0	0	0	0
Mangaweka	Reticulation upgrade	19	10	0	0	0	0	0	0	0	0	0
Hunterville urban	Backflow protection, pressure flow control	36	0	0	0	0	0	0	0	0	0	0
Ratana	Treatment upgrade	1,468	215	0	0	0	0	0	0	0	0	0
Total Capital		2,048	916	104	0	165	171	0	0	0	0	0

Sewerage and the treatment and disposal of sewage Group of Activities

Strategic driver over ten years	To achieve compliance with consents in all wastewater treatment systems in an affordable, rolling programme
Contribution to strategic intents	This activity contributes to the personal and public health and safety and to sustaining the natural environment.
Significant negative effects	No negative effects have been identified for this group of activities, provided that discharges are in accordance with resource consents
Contribution to community outcomes	A buoyant District economy Safe and caring community A treasured natural environment
Major aspect of the service for statement of service provision (including mandatory measures)	<p>Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of</p> <ul style="list-style-type: none"> - abatement notices - infringement notices - enforcement orders, and - convictions <p>Routine compliance monitoring of discharge consents Number of overflows from each network (response/ resolution time) The number of dry weather sewerage overflows from the Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median times are measured</p> <ul style="list-style-type: none"> - attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and - resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption <p>The total number of complaints received by the Council about any of the following:</p> <ul style="list-style-type: none"> - sewage odour - sewerage system faults

	<ul style="list-style-type: none"> - sewerage system blockages, and - the Council’s response to issues with its sewerage systems
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The sewerage and treatment and disposal of sewerage group of activities is one of the statutory groups of activities that Council must include in its LTP. This group of activities comprises:

Wastewater Collection, Treatment and Disposal

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

Figure xx: Council’s intended level of service for the Sewerage and the treatment and disposal of sewage Group of Activities:

What people want	Council’s intended Level of Service is to:	Meeting the purpose of local government	Rationale
A wastewater system that produces an effluent which may be disposed of without causing trouble or harm to the communities and prevent pollution	Provide a reliable reticulated disposal system that does not cause harm or create pollution	The investment in reticulated supplies provides the best balance for effective and efficient public services that provide the best value to householders and businesses.	This activity falls into the category of an activity to multiple property ownerships which requires a co-ordinating authority to provide economies of scale and other efficiencies

Strategic environment

The Council’s reticulated wastewater networks are strategic assets. In line with Council’s significance policy, the provision of this activity provides the basic infrastructure which enables the District to attract and retain people and businesses. The costs of compliance are increasing, and Council faces the challenges of providing a number of distinct wastewater schemes across the District that must meet stringent discharge conditions with limited funding. Water quality is one of the “Big Four” critical environmental issues of Horizons region that are covered by the One Plan. Conditions set out in the One Plan rules are designed to reduce the impact on surface and groundwater quality from a wide range of farming and growing activities, industrial discharges, domestic wastewater management, and wastewater treatment plants. Council is working

closely with Horizons Regional Council on wastewater compliance issues. In addition to these issues, Council faces the prospect of needing to extend its networks in some areas, while shrinking them in others when alternative solutions can be found.

The focus for the next three years will be:

- Hunterville Wastewater Treatment Plant (WWTP) upgrade to meet consent conditions. Preferred option is the installation of a lamella plate separator.
- Marton WWTP upgrade to achieve compliance. The major compliance issue for Marton is nitrogen, exacerbated by the treatment of leachate from the Bonny Glen landfill. Options are currently being investigated.
- Desludging of the anaerobic lagoon at Marton WWTP.
- Marton WWTP discharge consent renewals. Consents for discharge to water and air expire in 2019. Renewal is programmed for 2017-2018.
- Ratana WWTP upgrade to meet current consent conditions as well as likely future conditions, and cater for growth from the proposed 60-lot subdivision.
- Renewal of the Ratana WWTP discharge consent. Consent expires 2018, with renewal programmed for 2016-2017.
- Upgrade of the Taihape WWTP in 2015-2016 in order to address compliance issues around quality and quantity.

Looking further ahead:

- Consent renewals for discharge are coming up at Koitiata and Mangaweka (both expire 2024).
- Decisions need to be made as a result of these consent renewals about whether to continue with a centralised wastewater treatment system or look at alternative options.
- There are a number of minor reticulation renewals which are ongoing.
- The Asset Management Plan and Infrastructure Strategy contain more details.

Major programmes

Given the urgent and major programmes outlined above, and as outlined for the water supply group of activities, network modelling is being implemented to plan renewal programmes based on performance of the reticulation systems, not the age.

Sewerage and Treatment and Disposal of Sewage
Funding Impact Statement
For the years ending 30 June 2015 to 2025

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	174	0	0	0	0	0	0	0	0	0	0
Targeted rates	1,908	2,273	2,402	2,614	2,871	3,078	3,334	3,520	3,565	3,758	3,731
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	169	242	251	259	267	276	285	296	307	320	332
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	2,251	2,515	2,653	2,872	3,138	3,354	3,620	3,816	3,872	4,078	4,063
Applications of operating funding											
Payment to staff and suppliers	935	1,055	1,084	1,120	1,159	1,200	1,243	1,288	1,336	1,387	1,440
Finance costs	289	178	490	619	835	870	1,043	1,007	947	1,035	994
Internal charges and overheads applied	255	218	226	254	226	233	267	246	249	287	252
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,479	1,451	1,800	1,994	2,220	2,302	2,552	2,542	2,533	2,709	2,685
Surplus (deficit) of operating funding (A - B)	772	1,064	853	879	918	1,052	1,068	1,274	1,340	1,369	1,378

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	4,311	5,630	257	2,660	587	400	(506)	(684)	1,085	(387)	(747)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	4,311	5,630	257	2,660	587	400	(506)	(684)	1,085	(387)	(747)
Application of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	4,591	5,954	779	1,229	0	0	0	0	1,768	0	0
- to replace existing assets	696	1,346	1,530	2,308	1,503	1,450	560	417	825	779	612
Increase (decrease) in reserves	(204)	(605)	(1,198)	1	2	2	2	174	(169)	202	18
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	5,083	6,695	1,110	3,539	1,505	1,452	562	591	2,424	982	630
Surplus (deficit) of capital funding (C - D)	(772)	(1,064)	(853)	(879)	(918)	(1,052)	(1,068)	(1,274)	(1,340)	(1,369)	(1,378)
Funding balance ((A - B) + (C - D))	0	0	(0)	(0)	0	(0)	0	0	(0)	0	0

Sewerage and the Treatment and Disposal of Sewage
 Prospective Capital Works
 For the years ending 30 June 2015 to 2025

Category	Designated projects	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
RENEWALS												
Marton	Treatment and reticulation	394	790	78	946	403	92	325	216	95	448	325
Taihape	Treatment and reticulation	90	205	493	1,076	1,088	976	131	95	0	323	100
Bulls	Treatment and reticulation	127	123	137	9	1	11	45	99	95	9	47
Mangaweka	Treatment and reticulation	40	0	0	0	0	0	0	0	0	0	0
Hunterville	Treatment and reticulation	21	220	284	270	0	77	59	7	0	0	34
Ratana	Treatment and reticulation	21	5	526	7	12	259	0	0	0	0	107
Koitiata	Treatment and reticulation	3	3	12	0	0	35	0	0	635	0	0
Total renewals		696	1,346	1,530	2,308	1,503	1,450	560	417	825	779	612
CAPITAL												
Marton	Treatment plant upgrade	1,438	1,474	779	802	0	0	0	0	0	0	0
Taihape	Treatment plant upgrade	0	450	0	0	0	0	0	0	0	0	0
Bulls	Treatment plant upgrade	3,153	2,200	0	0	0	0	0	0	0	0	0
Mangaweka	Treatment plant upgrade	0	0	0	0	0	0	0	0	1,768	0	0
Hunterville	Treatment plant upgrade	0	200	0	0	0	0	0	0	0	0	0
Ratana	Treatment plant upgrade	0	1,500	0	0	0	0	0	0	0	0	0
Koitiata	Reticulation upgrade	0	130	0	428	0	0	0	0	0	0	0
Total Capital		4,591	5,954	779	1,229	0	0	0	0	1,768	0	0

Stormwater Drainage Group of Activities

Strategic driver over ten years	To renew the current reticulation systems progressively in an affordable, rolling programme
Contribution to strategic intents	This activity primarily protects people and property from damages caused by flooding (contributing positively to the local economy) and sustains the natural environment.
Significant negative effects	No negative effects have been identified for this group of activities
Contribution to community outcomes	A buoyant District economy, A treasured natural environment
Major aspect of the service for statement of service provision (including mandatory measures)	<p>Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of</p> <ul style="list-style-type: none"> - abatement notices - infringement notices - enforcement orders, and - convictions <p>Number of habitable dwellings which remain uninhabitable for over 24 hours in a heavy rain events (1 in 20-year storm)</p> <p>The number of flooding events 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>The number of complaints received by the Council about the performance of its stormwater system, expressed per 1,000 properties connected to the Council's stormwater system</p> <p>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>

The Stormwater Drainage group of activities is one of the statutory groups of activities that Council must include in its LTP. This group of activities comprises:

Stormwater Drainage

The activity provides a collection and disposal system for surface and, in some instances, sub-surface water linking both private and public reticulation through the urban communities of the Rangitikei comprising Bulls, Marton, Taihape, Hunterville, Mangaweka and Ratana. There are also stormwater assets on a smaller scale in communities such as Utiku, Koitiata, Rakautaua and Scotts Ferry. In addition to the assets owned for the Stormwater activity, the Roding 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.

The stormwater system needs to be able to take water from surrounding environs within accepted design parameters. There is also a need to provide this activity to a standard that ensures public safety within acceptable limits including a level of property protection. The activity provides a degree of environmental protection from excessive surface run-off, either naturally or as a result of development. The activity endeavours to be consistent with or comply with Horizons Regional Council's standards and guidelines (Horizons' One Plan): these will be influenced by the National Policy Statement on Freshwater Management 2014 which requires consideration of all contaminants entering rivers and streams, including contaminants from stormwater discharges.

Figure xx: Council's intended level of service for the Stormwater drainage group of activities:

What people want	Council's intended Level of Service is to:	Meeting the purpose of local government	Rationale
A stormwater system that is effective, integrated and efficient at disposing of stormwater whilst minimising the damage to buildings, roads and the environment during significant events	Provide a reliable collection and disposal system to each property during normal rainfall	The investment in reticulated supplies provides the best balance for effective and efficient public services that provide the best value to householders and businesses.	This activity falls into the category of an activity to multiple property ownerships which requires a coordinating authority to provide economies of scale and other efficiencies

Strategic environment

In line with Council's strategic priorities, the provision of this activity provides the basic infrastructure which enables the District to attract and retain people and businesses. The significant challenge for this activity is the fact that expectations around levels of service are rising, but funding is limited and the severity of rainfall events is increasing as well as the frequency.

There is also work to do around the linkages between Council's networks, Horizons' networks, and private networks. This includes coming to arrangements with private landowners, Horizons, and other parties about responsibility for maintenance of specific assets.

The focus for the next three years will be:

- Improving the quality and quantity of information we hold on Horizons assets, private assets, and our own networks.
- Modelling of stormwater networks and issues to assist with the development of levels of service.
- Upgrading or expanding networks as required, including areas that are currently under-serviced.
- Working with Horizons on demonstrating compliance with the One Plan. There may also be requirements to apply for stormwater consents in urban areas, depending on baseline data that will be collected. Investigations with Horizons into Marton stormwater discharges are already underway.
- Improvements at key locations in the Marton stormwater network.
- Ongoing renewal of assets where and when required.

Looking further ahead:

- The Asset Management Plan and Infrastructure Strategy contain more details.
- Following on from investigations into levels of service based on improved network modelling, there may be continuing projects to increase capacity and/or extend our networks.
- Ongoing renewals work is forecast to be minor.

Major programmes

Renewal of ageing stormwater assets is ongoing. The major work for this activity is around defining levels of service, and ensuring that these are met. This may involve increasing capacity of assets that are renewed, and adding to existing networks in some cases.

Stormwater Drainage
Funding Impact Statement
For the years ending 30 June 2015 to 2025

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	61	0	0	0	0	0	0	0	0	0	0
Targeted rates	674	737	761	731	632	653	667	664	680	702	691
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	2	2	2	2	2	3	3	3	3	3	3
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	737	739	764	734	635	655	669	667	683	705	694
Applications of operating funding											
Payment to staff and suppliers	359	249	258	266	275	284	294	305	316	328	341
Finance costs	7	(7)	4	16	5	(4)	(19)	(21)	(38)	(48)	(55)
Internal charges and overheads applied	120	59	61	74	61	63	78	67	68	84	66
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	486	301	324	357	342	343	354	350	346	365	352
Surplus (deficit) of operating funding (A - B)	251	438	440	376	293	313	316	316	337	340	342

	2014/15 Annual Plan	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	121	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	121	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)
Application of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	173	430	270	0	0	0	0	0	0	0	0
- to replace existing assets	387	245	381	163	132	121	277	73	199	244	234
Increase (decrease) in reserves	(188)	(281)	(255)	169	116	147	(6)	199	94	51	65
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	372	394	395	332	249	268	272	272	293	296	298
Surplus (deficit) of capital funding (C - D)	(251)	(438)	(440)	(376)	(293)	(313)	(316)	(316)	(337)	(340)	(342)
Funding balance ((A - B) + (C - D))	0	0	0	(0)	(0)	0	0	0	0	0	(0)

Stormwater Drainage
 Prospective Capital Works
 For the years ending 30 June 2015 to 2025

Category	Designated projects	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
RENEWALS												
Marton	Reticulation	259	245	358	64	55	93	0	73	32	192	27
Taihape	Reticulation	41	0	22	99	61	0	277	0	40	53	27
Rural	Reticulation	38	0	0	0	0	0	0	0	0	0	0
Bulls	Reticulation	23	0	0	0	17	29	0	0	0	0	8
Mangaweka	Reticulation	8	0	0	0	0	0	0	0	0	0	0
Hunterville	Reticulation	11	0	0	0	0	0	0	0	0	0	0
Ratana	Reticulation	6	0	0	0	0	0	0	0	127	0	172
Total renewals		386	245	381	163	132	121	277	73	199	244	234
CAPITAL												
Marton	Culverts, drains and inlet protection	30	230	0	0	0	0	0	0	0	0	0
Taihape	Culverts, drains and inlet protection	38	100	119	0	0	0	0	0	0	0	0
Rural	Culverts, drains and inlet protection	57	0	0	0	0	0	0	0	0	0	0
Bulls	Culverts, drains and inlet protection	9	50	67	0	0	0	0	0	0	0	0
Mangaweka	Culverts, drains and inlet protection	10	0	16	0	0	0	0	0	0	0	0
Hunterville	Culverts, drains and inlet protection	20	50	67	0	0	0	0	0	0	0	0
Ratana	Culverts, drains and inlet protection	9	0	0	0	0	0	0	0	0	0	0
Total Capital		173	430	270	0	0	0	0	0	0	0	0

Community and Leisure Assets Group of Activities

Strategic driver over ten years	To progressively rationalise and update to achieve a portfolio of fit-for-purpose, well-maintained range of community and leisure assets across the District
Contribution to strategic intents	This Group of Activities provides opportunities for recreational, leisure and cultural pursuits and for social participation and cohesion. It also contributes to personal and public health and safety
Significant negative effects on community well-being	No negative effects have been identified for this group of activities
Contribution to community outcomes	A safe and caring community Lifelong educational opportunities Enjoying life in the Rangitikei
Major aspect of the service for statement of service provision	Progressive improvement in provision and maintenance through annual survey of key stakeholders Number of users of libraries Number of users of pools

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. Hunterville Pool Trust provides a swimming pool in Hunterville. 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 also provide facilities for other services. Examples of this are libraries, information centres and swimming pools.

Council has commissioned research into "graceful decline", a tool that is developing internationally to enable communities to come to terms with structural ageing and absolute population decline. The key element is to focus on quality of life outcomes for people living in a District, and to work in close consultation with residents about what community assets will enable them to have a great quality of life. Council has

agreed that before undertaking any renewal or refurbishment work, it will look at the need for the particular asset, bearing in mind the availability of such facilities within the community. Council has taken a view in that it must manage a process of “graceful decline” for its portfolio of community and leisure assets. In other words that there will be fewer, but better, facilities in the future.

Parks

Council has a network of open spaces that are available for public use throughout the District for organised and non-organised sports activities, picnics and recreation. Depreciation for parks and open spaces is funded at 50% indicating that Council views this activity as one where rationalisation to have fewer, better assets can occur. Council is aiming to develop one specialised sports field for every major sporting code within the Rangitikei District.

A schedule of all Council-owned or administered reserves is contained within the Recreational parks and reserves management plan Part 1. All Council's recreational parks and reserves are managed in line with this Part 1 plan. There are Part 2 management plans containing more detail for the four key recreational parks and reserves in the District³⁷. The major developed and maintained sports grounds cater for:

- Taihape Memorial Park Rugby, Football Netball, Tennis,
- Hunterville Rugby
- Marton Park Rugby, Rugby League
- Centennial Park Marton Cricket, Netball, Football, Tennis
- Bulls Domain Rugby, Football, Tennis, Rugby League

Other codes do use Council parks on occasion but there are no formal arrangements for that nor are surfaces prepared or maintained to provide for it. Council will work to develop multi-purpose sports facilities at Centennial Park, Marton, Taihape Memorial Park and Bulls Domain, Bulls. In Marton, this will mean that at other parks, particularly at Marton Park and Wilson Park in Marton, Council will work to reduce the number and value of Council-owned improvements to the land³⁸.

Community buildings

Community buildings provide accommodation for both community and civic activities. Council has a large number of community buildings, many of which are under-used and out-of-date. Council is struggling to maintain these buildings to an acceptable level of service. Depreciation for community buildings and halls is funded at 50% indicating that Council views this activity as one where rationalisation to have fewer, better

³⁷ Centennial Park and Wilson Park, Marton, Taihape Memorial Park, Taihape, Bulls Domain, Bulls

³⁸ Default position: tested by several key choices in the CD e.g. improvements to play park at Wilson Park. To be confirmed once final LTP is adopted.

assets can occur. Council is aiming to develop multi-purpose buildings which combine one or more functions (Library, community meeting spaces, information centres, service centres) to minimise the number of community buildings that are maintained and renewed. Council is developing bespoke options for each of its communities, particularly in Bulls, Taihape, Marton and Hunterville through the town centre planning process

In Bulls, this means a single multi-purpose building will be developed. Once this plan is implemented, operational costs for community buildings in Bulls will reduce and become comparable with the costs of operating Taihape Town Hall/Information Centre/Library. The key difference will be that the facility in Bulls will be modern and fit-for-purpose.

Rural Halls

This activity also covers the rural halls owned by Council but managed by voluntary community management committees. Council is moving to secure service agreements with the management committees of all its rural halls.

Swimming pools

Three pools in the District are available for public recreation. Rangitikei District Council owns two of these pools, in Marton and Taihape. The Hunterville Sport and Recreation Trust own the pool in Hunterville. Alternative facilities are in Wanganui and Feilding (and Palmerston North, somewhat further).

Depreciation for Swimming Pools is unfunded. However, Council has established a swimming pool reserve (\$75,000 per year) which will be available to implement the swimming pool strategy. The swimming pool strategy aims to deliver a higher level of service in this area at reduced costs. It will achieve this through better and more efficient management of the asset, with improved energy management systems to reduce cost.

Libraries

Libraries provide the residents and visitors to the District easy access to information and leisure through a balanced collection of books, materials, and technologies. They are welcoming, safe places that serve the communities educational, leisure and cultural needs, as well as providing a space for social connectedness. The library service includes the provision and maintenance of the physical infrastructure of libraries in Marton, Bulls and Taihape and operating expenses to provide for three staffed libraries in Marton, Taihape and Bulls and support for voluntary libraries in Mangaweka, Hunterville and Kawhatau. The Libraries do not charge for issues, fines or internet usage. There is expected to be a growth in the range of electronic format resources that will be available through the libraries. Opportunities for the libraries

will be through collaboration partnerships with other libraries and agencies and organisations, using technology to provide more services and maximise resources.

Community housing

Council provides Community Housing units for rental in Taihape, Marton, Bulls and Ratana. Units are available for older people at very affordable rents linked to rates of NZ Superannuation. All units are located within reasonable distance of shopping, medical, and social facilities in each area. Depreciation for Community Housing is unfunded indicating that Council views this activity as one where divestment will occur over time. Council has been seeking a partnership with a social landlord to divest of this asset in the medium-term.

Public toilets

Rangitikei District Council provides for Public Toilet facilities to be available in several locations across the District to meet the needs of residents and visitors. This service maintains and encourages good and appropriate standards of public health and also meets public health expectations of both residents and visitors to the District.

Council provides this service through a mix of Council-owned and leased premises. It also has contracts for service with one hospitality and one service business in the District to provide public toilets in Mangaweka and Turakina. Public toilets are also available during open times in the Libraries and Information Centres in Taihape, Bulls and Marton. Toilets and changing facilities are available at some of Council's parks and reserves.

Depreciation for public toilets is funded at 50% indicating that Council views this activity as one where rationalisation to have fewer, better assets can occur.

However, the public demand for cleaner public toilets that are open 24/7 remains high. Council will work to manage these assets to a higher standard. This is likely to involve fewer, better assets and/or more joint ventures/service contracts with other service providers. Not least, it is anticipated that as multi-purpose hubs develop in the main towns, then standalone public toilets will no longer be necessary. However, this requires further research and assessment.

Cemeteries

Rangitikei District Council has direct management of 6 cemeteries in the District. These are situated at Taihape, Mangaweka, Marton (Mount View), Bulls (Clifton), Turakina, and Ratana.

The Ratana community maintains the cemetery as part of its overall maintenance contract for the Township and the other 5 cemeteries come under the care of Council's District-wide Park maintenance contract. Provision of burial plots seems to be adequate for needs over the next ten year period.

Trees were identified as a matter requiring action at all cemeteries. Under-management of specimen trees and hedges in the past has led to the need for replacement and other major tree works across the District. There are also areas of roads that need remedial and renewal work.

Commercial Property

Council has a number of properties that it leases out commercially. It also has a number of properties which are used by community organisations and which are not expected to yield a commercial return. It has a number of assets which have been declared to be surplus and which are available for sale by negotiation. Finally, it has a number of properties which are currently retained for strategic development.

Depreciation for Commercial Property (real estate) is unfunded, indicating that Council views this activity as one where either capital growth will ensure that Council's investment is secure, or where it is expected that divestment will occur over time.

The key community facilities in this activity are the Plunket Rooms maintained in Marton, Bulls and Hunterville and the Old Courthouse and Gaol (Historic Reserve) in Bulls. In this AMP, it is assumed that the Plunket Rooms in Bulls will be accommodated in the new multi-purpose facility.

Figure 1: Council's intended level of service for the Community and leisure assets Group of Activities:

What people want	Council's intended level of Service is to:	Meeting the purpose of local government	Rationale
An accessible, affordable, well maintained and pleasant range of community and leisure assets that provide for the cultural and social well-being of communities	Provide a "good enough" range of "good enough" community and leisure assets, specifically: 60% of residents will have an open space available within 1.5	Council will not embark upon major refurbishments or renewal of any of its assets until it has fully explored: a) the ongoing need for the facility within the District-wide	Changing demographics and modern-day lifestyles mean that the portfolio of Council-owned and ratepayer-funded community and leisure assets will need to change to focus on the needs of:

	<p>Km of their dwelling</p> <p>A specialised sports field for every major sporting code within the Rangitikei District</p> <p>60% of residents will have a community building available within 1.5 Km of their dwelling</p> <p>Pool-safe accredited pools in Marton and Taihape, with affordable access to the pool in Hunterville</p> <p>Library provision in Marton, Taihape and Bulls + community libraries in Hunterville, Mangaweka and Kawhatau</p> <p>Safe and comfortable Community Housing, with additional support services from Age Concern (cost \$1 per week/per unit), within Bulls, Taihape, Marton and Ratana at no less than 1: 60 population</p> <p>A safe, clean public toilet within 100 m radius of CBD</p>	<p>portfolio of community and leisure assets, and</p> <p>b) the potential to develop partnerships with e.g. Ministry of Education, Regional Sports Trusts, individual sporting codes (local and national clubs), local organisations such as churches and hobby groups, to increase the investment in local community and leisure assets without a cost to the ratepayer</p>	<p>a) older people, and b) young people and families</p> <p>The District cannot maintain its historical investment in current assets AND provide new modern facilities. Therefore, hard but rational choices need to be made about the historical/nostalgic value of existing facilities and the needs of future generations</p>
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Strategic environment

As outlined in the strategic environment sections of the Long Term Plan, the population of the District is slowly declining and ageing (structural ageing). Therefore, Council's strategic driver for the group of activities is to progressively rationalise (reduce) and update to achieve a range of fit-for-purpose, well-maintained community and leisure assets across the District. Council has considered demographic change predicted for the District and agreed to strategic priorities of promoting the District as a place to retire to (or to stay for retirement) and as a place to raise a family. Council has recorded the importance of the community and leisure assets group of activities in enabling these priorities.

This group of activities represents a huge historical investment by the District's ratepayers. Many local people have very fond memories of these assets going back over many decades. The loss of some of these facilities is going to be difficult to accept by many within the community. Council wants to take a District-wide strategic approach to the management of this group of activities over the lifetime of the LTP; building on the historical investment the community has made in these assets, but not being restricted by it in terms of developing assets that are fit-for-future purpose. It assumes there will not be public transport to enable residents to easily access provision elsewhere and therefore, centralisation of all facilities in one town is not an option.

In future, Council will not undertake major programmes until a review of the potential to partner/collaborate with other stakeholders has been undertaken. It is open to the full range of ownership, maintenance and management models (including contributing towards facilities owned by other organisations that meet community needs) in order to give communities more options. This reflects an assumption that rationalisation will result in fewer assets in this activity³⁹.

In summary, the main proposals are:

1. Concentrate civic amenities in a single, multi-purpose facility, one each in Bulls, Marton and Taihape.

This is in line with the trend, worldwide, of revamping libraries as community hubs in the form of multi-use facilities and as part of a wider community resource e.g. art galleries, out-of-district services (drivers licensing), youth spaces, event/meeting rooms with full

³⁹ Council has had this assumption for a while. The 2005 Rangitikei Leisure Plan included District hub facilities as the first of its key findings: 'The practicality of delivering district-focussed leisure facilities is difficult. Communities across Rangitikei are geographically isolated and lack the necessary critical mass for the development of large-scale district-wide opportunities. The reality appears to be the need for a focus on township based leisure facility initiatives that service the local community. An over-abundance of older and often under-used facilities and open-space will require rationalisation.'

technology suites etc. Libraries as Community Hubs are becoming the focal point in urban/community regeneration. Libraries are no longer just about books; they offer versatile community spaces that are open to everybody and they have become a venue for community engagement and social connectedness, allowing people to interact and have access to a wide range of information and services.

2. Concentrate recreational amenities in a single, multi-purpose sports and recreational facility, one each in Bulls, Marton and Taihape. This is in line with the regional sports strategy being developed by Sport Wanganui, to provide multi-purpose sports and recreational facilities that spread rep-grade sporting code facilities throughout the region. The refurbishment of the Shelton Pavilion at Centennial Park in Marton as a cricket specialist ground is the first step and should be completed by June 2015. This offers an opportunity for Council to develop a new model of partnership with community organisations to manage these facilities to suit organised and informal recreational use. The situation in Taihape, where the development of a multi-purpose facility at Memorial Park has struggled to achieve critical mass, needs to be resolved through the Town Centre Plan process. In Bulls, the Domain provides an opportunity for Council to support those organisations that already have facilities at Bulls Domain to develop complementary community facilities which recognise the proposed development of the new civic centre in the CBD.
3. Improve the provision of community housing availability and quality in the District over the period of the LTP. Council has considered two main options, both of which hand over the management of the existing community housing stock to a third party. In one option, the property remains in Council ownership and in the other it is transferred to a social housing trust. Both these options will require seed funding from Council in the first three years. If Council decided it would be best to transfer ownership to a third party, specific consultation would be required. If Council then decide to proceed, Council's assets would drop by about \$3million. This is not significant within the general portfolio of Council's assets.
4. Improve the performance of the District swimming pools
Council has undertaken a strategic assessment of its existing swimming pool assets. The options identified in this assessment are outlined further in the key choices section (page 91). Over the lifetime of this LTP, it is intended to maintain all three swimming pools at the current level of service (i.e. seasonal opening, covered pools in Taihape and Marton). Solar heating will be introduced to both Taihape and Marton (Huntermans already uses solar heating to a limited extent) and this will result in significant savings in energy costs. Further savings will be gained from the introduction of a bulk head to divide the pool in Marton to gain additional space for activities: some of these savings may be used to extend the season at Marton Pool.

The options underpinning these proposals are further amplified in section 8 on the Key Choices for this LTP. The final LTP will reflect the decisions made following consultation.

Draft associated with CD 'What's the plan Rangitikei...?'

Major programmes

Year	Parks and open spaces	Community buildings and halls	Swimming Pools	Community Housing
1		Develop multi-purpose facility in Bulls	Urgent renewals for Taihape, Marton and Hunterville pools - including repainting and resurfacing pools as required. Close dive pool and create outdoor area at Marton pool, divide 50 m pool with bulk head.	Invest in renewal of community housing stock as a pre-requisite to handing over ownership and/or management to a third party.
2	Demolish/dispose of Grandstand at Marton Park	Complete multi-purpose facility in Bulls - disposal of surplus sites (Town Hall and Info Centre), redevelop Library site	Space heating in Taihape Pool, refurbish changing rooms Fit solar heating to roof at Marton Pool	Invest in renewal of community housing stock as a pre-requisite to handing over ownership and/or management to a third party.
3				Invest in renewal of community housing stock as a pre-requisite to handing over ownership and/or management to a third party.
4		Develop multi-purpose facility in Marton/Taihape		
5	Dispose of Dunallen Park	Complete multi-purpose facility in Marton/Taihape	Re-roof Taihape Swim Centre, add solar heating	
6				
7		Develop multi-purpose facility in Marton/Taihape		

8		Complete multi-purpose facility in Marton/Taihape		
9				
10				

Draft associated with CD 'What's the plan Rangitikei...?'

Community and Leisure Assets
Funding Impact Statement
For the years ending 30 June 2015 to 2025

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	2,470	3,281	3,167	3,257	3,238	3,486	3,628	3,652	3,792	4,023	4,086
Targeted rates	715	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	32	108	34	34	35	36	37	39	40	41	3
Fees and charges	449	598	451	464	476	490	504	518	533	549	565
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	3,666	3,987	3,652	3,755	3,749	4,012	4,169	4,209	4,365	4,614	4,654
Applications of operating funding											
Payment to staff and suppliers	2,678	2,723	2,670	2,738	2,810	2,887	2,968	3,047	3,139	3,237	3,337
Finance costs	46	37	36	74	72	112	184	168	214	237	217
Internal charges and overheads applied	442	349	364	439	355	365	454	387	396	495	384
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	3,166	3,109	3,070	3,251	3,237	3,364	3,607	3,603	3,749	3,969	3,939
Surplus (deficit) of operating funding (A - B)	500	877	582	504	512	648	562	606	616	644	715

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	0	56	1,450	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	16	(8)	643	(122)	687	791	(188)	688	385	(237)	(230)
Gross proceeds from sale of assets	0	0	565	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	16	48	2,658	(122)	687	791	(188)	688	385	(237)	(230)
Application of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	218	928	2,990	34	835	969	36	895	930	20	30
- to replace existing assets	535	470	587	350	268	330	213	244	210	224	222
Increase (decrease) in reserves	(237)	(472)	(337)	(1)	96	140	124	155	(139)	163	233
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	516	926	3,240	382	1,199	1,439	374	1,294	1,001	407	485
Surplus (deficit) of capital funding (C - D)	(500)	(877)	(582)	(504)	(512)	(648)	(562)	(606)	(616)	(644)	(715)
Funding balance ((A - B) + (C - D))	0	0	(0)	(0)	0	(0)	(0)	0	(0)	0	0

Community and Leisure Assets
 Prospective Capital Works
 For the years ending 30 June 2015 to 2025

Category	Designated projects	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
RENEWALS												
Property	Building refurbishment	0	0	27	8	9	4	0	0	0	0	0
Swimming pools	Building and plant	97	66	23	12	5	133	8	0	0	9	0
Libraries	Books, furniture and computers	132	108	181	132	116	120	123	147	130	133	137
Community housing	Flat refurbishment	25	100	100	100	5	6	6	6	6	6	6
Cemeteries	Paving and fences	15	23	24	24	26	27	27	29	30	30	31
Parks and reserves	Landscaping and playgrounds	155	68	75	37	25	25	26	27	28	28	29
	Bulls courthouse refurbishment	30	0	0	0	0	0	0	0	0	0	0
Toilets	Buildings refurbishment	0	7	0	0	0	0	7	0	0	0	0
Halls	Refurbishment	81	98	158	36	81	16	16	35	17	17	18
Total renewals		535	470	587	350	268	330	213	244	210	224	222
CAPITAL												
Swimming pools	Capital improvements to plant	102	150	113	0	0	121	0	0	0	0	0
Libraries	New Marton library building	0	0	0	0	809	830	0	0	0	0	0
Cemeteries	Berms	16	8	16	34	26	18	36	19	29	20	30
	Land purchase Ratana	0	20	0	0	0	0	0	0	0	0	0
Parks and reserves	Mangaweka campground sewerage disposal	100	0	0	0	0	0	0	0	0	0	0
Halls	Bulls town centre	0	750	1,850	0	0	0	0	0	0	0	0
	Taihape town centre	0	0	0	0	0	0	0	876	901	0	0
Total Capital		218	928	1,979	34	835	969	36	895	930	20	30

Rubbish and recycling Group of Activities

Strategic driver over ten years	To keep the amount of waste sent to landfill below 8,000 tonnes per year and to meet the public demand for recycling in an affordable manner
Contribution to strategic intents	Well managed disposal of waste protects the environment from harm and so sustains the natural environment
Significant negative effects on community well-being	No significant negative effects have been identified for this group of activities
Contribution to community outcomes	A treasured natural environment
Major aspect of the service for statement of service provision	Waste to landfill (tonnage) Waste diverted from landfill (tonnage and percentage of total waste)

The rubbish and recycling group of activities is focused on the appropriate disposal of refuse in the District. Under the Waste Minimisation Act 2008, territorial authorities are required to encourage effective and efficient waste management and minimisation and, since July 2012, must have in place a Waste Management and Minimisation Plan (WMMP). In effect, the activity management plan for this group of activities summarises the WMMP. It comprises:

Waste management

The provision of waste transfer stations across the District to enable residents to dispose of their waste in a safe and convenient manner. Waste transfer stations are maintained under contract at Bulls, Marton, Ratana, Taihape, Hunterville and Mangaweka. This activity includes actively actively monitors five closed landfills in Marton, Bulls, Ratana, Hunterville and Taihape for compliance with current closed landfill consents.

Waste minimisation

This covers the provision of services to aid the community to reduce the amount of waste for disposal. Currently Council offers the full range of waste minimisation initiatives/facilities at its waste transfer stations (see figure xx below). In addition, Council funds a small education programme – schools may choose to participate in the Zero Waste initiative, or a broader sustainability programme through Enviroschools.

	Bottle glass/cans/paper/card/plastic 1-5	Gas Cylinders/Metal/oils/paint/hazardous substances/e-waste	Textiles	Green waste
Mangaweka				
Ratana				
Huntermville				
Taihape				
Bulls				
Marion				

Figure 2: Council’s intended level of service for the Rubbish and recycling Group of Activities:

What people want	Council’s intended Level of Service is to:	Meeting the purpose of local government	Rationale
Efficient, affordable and convenient access to waste disposal services that can accept a range of different waste streams	Provide waste transfer stations under contract at Bulls, Marion, Ratana, Taihape, Huntermville and Mangaweka	Council will maintain fees and charges at comparable levels with neighbouring authorities in order to encourage recycling and to keep rates input to a minimum	Kerbside collection is not considered to be economical for this District and therefore private contractors operate. Alternatively, people take their rubbish directly to the waste transfer stations
Less waste to landfill, opportunities to recycle more locally.	Make recycling facilities available at waste transfer stations for green/biodegradable waste, glass, paper, metal, plastics, and	Council will top up any income from the Waste Disposal Levy with rates to extend the range of recycling available in the District	Local surveys indicate that Rangitikei residents and ratepayers want more opportunities for recycling and

	textiles. Special occasions for electronics (e-waste)	in response to public feedback	re-use of waste
Less waste to landfill, opportunities for green waste	Extend recycling facilities to include green/biodegradable waste facility incorporated at Taihape, Bulls and Hunterville waste transfer stations	It is estimated that up to 30% of the tonnage disposed to landfill is green waste, which can be collected separately and composted	Removing green waste from the waste stream disposed of to landfill could potentially enable Council to meet waste reduction targets very cost-effectively

Strategic environment

There is a legal requirement to provide this activity as a core function of a territorial authority. Community expectation is for the territorial authority to provide for this activity to a greater or lesser extent. The waste transfer stations are managed by private operators under contract with a relatively small ratepayer subsidy.

Council receives a special rate for waste disposal at the Bonny Glen landfill due to the agreement that was put in place when Bonny Glen was sold by the Council. This special rate will last the lifetime of the Bonny Glen landfill site⁴⁰, and applies to tonnage below an annual quantity of 8000 tonnes. Nonetheless, Council has increased disposal charges at the waste transfer stations to reflect market prices. This means any benefit from increased 'profit' (because of the special rate) goes to all ratepayers. However, raised prices can increase the risk of illegal dumping and fly-tipping. This certainly detracts from the beauty of the Rangitikei District, and a greater awareness of the anti-social nature of such behaviour needs to be created.

The Waste Minimisation Act 2008 introduces a levy charged for each tonne of solid waste put to landfill. Half of this levy is returned to territorial authorities from central government on a per capita basis. Rangitikei District Council's share of this amounts to approximately \$45,000 per year. Council can use this income for "any matters to promote or achieve waste minimisation" and "in accordance with its waste management and minimisation plan"⁴¹. The other half of the waste levy is put mostly into the Waste Minimisation Fund – a contestable fund open to applications from any organisation in accordance with published criteria. Council will aim to fund as much of its waste minimisation activity as possible from these two sources of funding, plus any revenue that can be generated from recycling activities. Completion of the programmes will depend upon securing sufficient external funding (including the territorial authority share of the Waste levy).

⁴⁰ Midwest Disposals has applied for consent to extend the consented landfill airspace volume by 10 million m³. This would extend the expected life of the landfill 30 years beyond the currently consented volume, to approximately 2054.

⁴¹ Section 32 Waste Minimisation Act 2008

Major programmes

Year	Waste Management	Waste minimisation
1	Taihape greenwaste handling and transport costs: variation to contract	Greenwaste Taihape site modification
		Horizons Enviroschools programme
2	Solid waste analysis protocol (SWAP) - prerequisite for WMMP review-Due July 2018	Increase over previous year -Horizons Enviroschools programme
	Bulls greenwaste handling and transport costs- Variation to contract	Greenwaste Bulls site modification
3	WMMP Review due July 2018	
4	Review consent conditions of closed landfills	
5	Contract renewal/rollover for contract 882: WTS operations	
6		
7	Contract renewal/rollover for contract 882: WTS operations	
8	Solid waste analysis protocol (SWAP) - prerequisite for WMMP review-Due July 2024	
9	WMMP review due July 2024	
10		

Rubbish and Recycling
Funding Impact Statement
For the years ending 30 June 2015 to 2025

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	108	86	90	96	96	100	107	108	112	120	120
Targeted rates	435	436	434	434	425	430	452	449	461	495	483
Subsidies and grants for operating purposes	48	47	47	47	47	47	47	47	47	47	47
Fees and charges	359	370	382	393	405	417	429	442	455	468	482
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	950	940	953	971	974	995	1,035	1,046	1,075	1,130	1,131
Applications of operating funding											
Payment to staff and suppliers	974	948	958	944	966	990	1,017	1,045	1,072	1,100	1,129
Finance costs	(58)	(30)	(29)	(30)	(31)	(28)	(30)	(27)	(24)	(22)	(19)
Internal charges and overheads applied	104	54	55	75	56	57	80	61	62	87	56
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,020	972	985	989	990	1,020	1,067	1,079	1,109	1,165	1,166
Surplus (deficit) of operating funding (A - B)	(70)	(32)	(32)	(18)	(16)	(25)	(32)	(33)	(34)	(35)	(35)

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Application of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	220	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	3	2	2	2	35	2	2	2	2	3	3
Increase (decrease) in reserves	(294)	(35)	(35)	(21)	(52)	(29)	(35)	(36)	(38)	(38)	(38)
Increase (decrease) in investments											
Total applications of capital funding (D)	(71)	(33)	(33)	(19)	(17)	(26)	(33)	(34)	(35)	(36)	(36)
Surplus (deficit) of capital funding (C - D)	70	32	32	18	16	25	32	33	34	35	35
Funding balance ((A - B) + (C - D))	0	0	(0)	0	(0)	0	0	0	(0)	0	0

Rubbish and Recycling
 Prospective Capital Works
 For the years ending 30 June 2015 to 2025

Category	Designated projects	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
RENEWALS												
Public refuse collection	District litter bins	3	2	2	2	2	2	2	2	2	3	3
Waste transfer stations	Plant renewals	0	0	0	0	32	0	0	0	0	0	0
Total renewals		3	2	2	2	35	2	2	2	2	3	3
CAPITAL												
Waste transfer stations	Marton access upgrade	220	0	0	0	0	0	0	0	0	0	0
Total Capital		220	0	0	0	0	0	0	0	0	0	0

Draft associated with CD 'What's the plan Rangi...'?

Environmental and regulatory services Group of Activities

Strategic driver over ten years	The provision of the minimum legally compliant service that takes advantage of any opportunity to take a non-regulatory stance, balanced with obligations around the protection of the public good
Contribution to strategic intents	Through the legislation that this group of activities operates under, it contributes to both personal and public health and safety and sustains the natural environment. Council attempts to deliver an efficient service and so this also contributes to economic development
Significant negative effects on community well-being	No negative effects have been identified for this group of activities
Contribution to community outcomes	Safe and caring community A buoyant District economy A treasured natural environment
Major aspect of the service for statement of service provision	Timeliness of processing the paperwork (building control, consent processes, licence applications) Possession of relevant authorisations from central government Timeliness of response to requests for service for enforcement call-outs (animal control and environmental health); within prescribed response and resolution times

The Environmental and regulatory group of activities is concerned with the regulatory functions of Council. It comprises five separate activities, as outlined below:

Animal control

A range of services related to the control of animals and their impact on the community, including, but not limited to, enforcement of the Dog Control Act 1996, Stock Droving Bylaw, and the Impounding Act 1955. Council provides this activity through a shared service agreement with Manawatu District Council allowing 24 hour/365 day cover.

Building control

The purpose of the activity is to ensure safe, sustainable, durable and accessible building stock, by issuing and monitoring of building consents, building warrants of fitness and enforcing compliance with the Building Act 2004 and associated building code. Council service aims to achieve compliance in a manner that minimises “red tape” and costs to the community. For example, the provision of exemptions for low risk “tried and tested” structures, resulting in considerable saving of money and time. In order to keep providing this service Council as a Building

Consent Authority has to achieve and maintain Building Accreditation every two years.

Planning Control

The development of a District Plan is a requirement of the Resource Management Act. The activity not only addresses this requirement but also includes enforcement, monitoring and development of the plan. It further includes giving due consideration and effect to Horizons Regional Council One Plan, National Policy Statements and National Environmental Standards. Council's approach is to create an enabling regulatory environment which has limited impact on the individual's ability to provide for his/her social and economic well-being in a sustainable manner. The District Plan is the communities' forward-looking expression of permitted activities and methods to address land use requirements, for example, subdivisions.

The activity also includes the processing and monitoring of land use and subdivision consents under the Resource Management Act and District Plan within the required statutory timeframes as set by the Resource Management Act, and investigating complaints and breaches of the District Plan and Resource Management Act.

Registered and Licensed Premises Control

This activity includes the inspection and monitoring of all premises that are required to be licenced to trade under the Health (Registration of Premises) Regulations 1966, Food Act 1981 and Sale and Supply of Alcohol Act 2012 throughout the Rangitikei District. The activity also includes the implementation, education and grading of the Food Business Grading Bylaw 2014.

Other regulatory functions

Council has many responsibilities and functions under various legislation covering areas such as, noise control (RMA and District Plan), hazardous substances, litter , LIMS, bylaws, vermin, communicable disease, control of amusement devices, abandoned vehicles etc.

Figure xx: Council's intended level of service for the Environmental and regulatory services Group of Activities:

What people want	Council's intended Level of Service is to:	Meeting the purpose of local government	Rationale
Rapid response to notification of a problem	Provide regulatory compliance officers	Enforcement undertaken by Council staff or contractors within towns to ensure rapid response	Range of call-outs requires that staff /contractors with particular experience and knowledge are

			on-hand to deal with various regulatory matters
Minimal regulatory control	Allow maximum level of exemption where appropriate	The best value for money will be achieved by the provision of the minimum legally compliant service, including (where necessary) the use of external consultants and/or shared services	Council has instructed staff to operate to a maximum level of exemption to reduce the costs of compliance for local ratepayers and businesses; balanced with need to maintain public safety
Prompt, efficient and low cost service for consents	Provide a legally compliant service	Staff aim to reduce the time taken as much as possible, but the aim is for at least 100% compliance	More permitted activities within the plan therefore less consents required. Decrease in economic activity may result in further decrease in demand
District Plan (and other) review processes conducted frugally	Continuous review process with a greater than required level of public and stakeholder engagement (longer submission timetables, greater pre-consultation)	Council has adopted a “if it isn’t broken, don’t fix it’ approach. This recognises the size of our District and the relative costs of major review and consultation processes	Minor suggestions have been captured to make the document more robust, user-friendly and less technical in nature (and so more accessible)
Prompt response to enquiries in plain understandable terms	Provide responses as soon as practicable (same day or next day)	Council will develop support processes and mechanisms in place to enable “self-service” enquiries with instant responses. E.g. “how to “ documents created	Council staff deal with enquiries over the phone or at the counter: may not always be at their desks but will get back as soon as possible. Access to consultants for more complex queries

Strategic environment

This group of activities operates in a reactive environment. This means that the workload is unpredictable and yet it is one that needs to be able to respond quickly to requests for services. There are statutory deadlines to meet in terms of, for example, processing building consents –

and much of the work is prescribed by legislation. Council has little room for discretion and must apply the law equally across the District. Part of the challenge in providing this service is to achieve the balance between the reactive nature of the work (inability to predict and plan workloads accurately) and yet respond appropriately to requests as they come to Council's attention.

This is an area of activity where Council is often called upon to act as referee over disputes between neighbours. Whilst there are genuine cases where Council intervention is required, often Council is viewed as a "first resort" with the consequence that the ratepayer can pick up the bill for resolving these neighbourhood disputes where more informal resolution between neighbours may be appropriate.

Rangitikei has taken a relatively minimalistic and pragmatic approach to regulatory matters – both to have minimum enforcement requirements and to enforce as a last option when other options have been exhausted. There are a small number of exceptions where it is most cost effective to move straight to enforcement and not waste resources attempting reconciliation or accommodation.

Constant change and evolution of the regulatory environment requires continual up-skilling of staff and refinement of processes to ensure legal compliance, and there may be additional costs – for example, the implementation in 2016 of the new Food Act 2014 and the phasing out over the following three years of the Food and Hygiene Regulations 1974 made under the Health Act 1956. Government has signalled that further changes in the current RMA will be implemented in 2015; it is not yet certain whether there will be further consideration of the Dog Control Act 1996 during the current Parliamentary term.

The Council has reviewed its District Plan and this plan became operative on 3 October 2013. The District Plan is being monitored for any anomalies and during 2015/16 it is anticipated that there will be a Council-initiated plan change to address these, following a series of Council workshops. The key issue for the District in a "no-growth" phase is to encourage diversification into horticulture as well as other farming practices while protecting the District's natural resources (landscapes and riverscapes).

Major programs

Year 1	Continuous monitoring of operative District plan for minor changes – Implementation to RMA
Year 2	Implementation of the Food Act 2014
Year 3	Building Accreditation Reassessment
Year 4	
Year 5	Start review of current operative DP
Year 6	
Year 7	
Year 8	
Year 9	
Year 10	

Draft associated with CD 'What's the plan Rangitikei...?'

Environmental and Regulatory Services
Funding Impact Statement
For the years ending 30 June 2015 to 2025

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	863	851	875	823	700	722	777	779	809	860	853
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	808	870	891	914	939	966	995	1,026	1,060	1,096	1,133
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	11	15	16	16	17	17	18	18	19	19	20
Total operating funding (A)	1,682	1,736	1,782	1,753	1,656	1,706	1,790	1,823	1,888	1,976	2,006
Applications of operating funding											
Payment to staff and suppliers	1,061	1,101	1,128	1,158	1,190	1,224	1,261	1,300	1,342	1,387	1,433
Finance costs	27	4	(3)	(12)	(17)	(15)	(16)	(15)	(14)	(14)	(14)
Internal charges and overheads applied	500	491	517	541	506	521	557	551	561	603	587
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,588	1,595	1,642	1,688	1,679	1,730	1,802	1,836	1,889	1,976	2,006
Surplus (deficit) of operating funding (A - B)	94	141	141	66	(24)	(24)	(12)	(12)	(1)	0	0

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Application of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	94	141	141	66	(24)	(24)	(12)	(12)	(1)	(0)	(0)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	94	141	141	66	(24)	(24)	(12)	(12)	(1)	(0)	(0)
Surplus (deficit) of capital funding (C - D)	(94)	(141)	(141)	(66)	24	24	12	12	1	0	0
Funding balance ((A - B) + (C - D))	0	0	0	0	(0)	(0)	(0)	(0)	0	0	0

Community well-being Group of Activities

Strategic driver over ten years	To develop a culture of collaboration and partnership between agencies, organisations, communities and individuals to deliver community well-being to the District
Contribution to strategic intents	This group of activities is concerned with those activities where collaboration and partnerships can deliver more benefits than individual action alone. The Council is focused on those activities which deliver across all strategic intents and to all community outcomes
Significant negative effects on community well-being	No significant negative effects have been identified for this group of activities
Contribution to community outcomes	<ul style="list-style-type: none"> Access to health services A safe and caring community Lifelong educational opportunities A buoyant District economy A treasured natural environment Enjoying life in the Rangitikei
Major aspect of the service for statement of service provision	Annual survey of partners' view of how useful Council's initiatives and support has been

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. This group of activities contains activities that could be seen to be outside of Council's core services. There is the potential to create division within the community about the value from such investment of ratepayer funds. The rationale for this investment is contained in the Council's strategic intents and Community Resilience Policies (page 75) and needs to be communicated so ratepayers and communities can understand the value. The Group comprises:

Community partnerships

Council seeks to create collaborative partnerships with key agencies and stakeholders in the District which add value to the contribution from Council and ratepayers. This includes applying for central government funding for specific projects. It also covers the administration of grant schemes and support for the Council-appointed Assessment Committees, both those schemes funded by Council (Community Initiatives Fund) and those funded by central government (Creative Communities Fund and Sport New Zealand's Rural Travel Fund).

The main vehicle for developing partnerships is through the Rangitikei – a Path to Well-being Partnership Board and Theme Groups.

Economic development and District promotion

Council promotes the economic well-being of its communities by carrying out its activities in a manner that will support rather than hinder business retention, development and expansion. In addition, Council is proposing to invest additional funds in to a Rangitikei Growth Strategy (page 82). Some of the economic development outcomes that Council is seeking are derived from its community partnership activity, perhaps specifically the Memorandum of Understanding with three agencies employing Town Co-coordinators (Marton, Bulls and Taihape) and Rangitikei Tourism. It is also the key focus for one of the Path to Well-being theme groups: a buoyant District economy.

Information centres

Council provides information centres in Taihape and Bulls, as gateways to the District. The centres showcase the District, by providing a range of information on local attractions and events for visitors to the District and for residents. They also provide a base for the Town Coordinators there. This means that, while providing a focus for visitors and an opportunity for local businesses to promote their services and attractions, they also serve as a community hub. Co-location with the library in Taihape reinforces that and, as has been noted earlier, it is intended during the course of this ten-year plan to work towards a one-stop-shop in Bulls as part of the development of a plan for Bulls CBD. An information centre service is also co-located at Marton Library, with local and national information provided along with a booking service for local and national accommodation, activities and events, and road, rail and sea transport. The changing face of the industry is resulting in a need for our visitor centres to investigate (and implement) other means of information delivery and communication technologies. There are opportunities for collaboration with other agencies and organisations e.g. Department of Conservation

Emergency management and Rural Fire

The Rangitikei District Council is an active member of the Manawatu-Wanganui Civil Defence Emergency Management Group as required by the Civil Defence Emergency Management Act 2002. The Group is a consortium of the local authorities in this region with the vision to “build a resilient and safer region with communities understanding and managing their hazards and risks”. The Group maintains a Plan that considers all phases of emergency; reduction, readiness, response and recovery. A business plan is also managed by the Group with each of the member councils contributing to achieving the goals of the Group. The Group has adopted a philosophy of centralised coordination and local delivery and works closely with emergency service, welfare agencies and other strategic partners for effective and comprehensive emergency management

Rangitikei District Council maintains and equips volunteer rural fire forces in Koitiata and Marton, and holds rural fire assets in other strategic locations throughout the District to support local responses to emergencies.

Figure xx: Council’s intended level of service for the Community well-being group of activities:

What people want	Council’s intended level of Service is to:	Meeting the purpose of local government	Rationale
Advocacy to support the economic interests in the District at regional and national level	The Council actively promotes the District through multi-media advertising and the Mayor and Chief Executive undertake promotional tours on behalf of the District	This activity is carried out to meet Council’s obligation under the LGA 2002 to provide for the current and future needs of (businesses) for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective (for businesses). Council’s role is both to ensure that the infrastructure and services that it provides directly to businesses are of good quality and cost effective for businesses, and to advocate for	Councillors have identified economic development as a key priority for the next few years. This is in response to concerns raised by the community. The community wants Council to take a leadership and advocacy role in promoting the District and its interests.
	That the Council is a lead partner in regional collaborative initiatives around economic development		
Timely and effective interventions that create economic stability, opportunity and growth	Council will increase its investment into economic development, e.g. partnering in rural water storage, seeding retail initiatives (‘pop-up shops’)		Council is concerned to ensure that the Rangitikei is an active partner in regional growth, playing its part in implementing a strategy and also reaping the

A wide range of gainful employment opportunities in the District	Council will facilitate and lead on a Rangitikei Growth Strategy that also aligns with and contributes to a regional Agribusiness Strategy	and facilitate the provision of infrastructure and services to businesses that fall within the remit of other public entities.	benefits of growth.
Attractive and vibrant towns that attract business and residents	<p>Provision of good infrastructure, well-maintained streets in the CBD of main towns</p> <p>Contract with local organisations to develop and deliver events, activities and projects to enliven the towns and District</p>	<p>Core services required by the LGA 2002.</p> <p>Experience over the past few years has shown the cost effectiveness of Council's targeted support to community organisations, which can then leverage a range of external funding to support these activities at a lower cost to the ratepayer.</p>	<p>The infrastructure services are the major investment by ratepayers. Their contribution to the District's prosperity must be maximised.</p> <p>Council wants to ensure that these contracts with local organisations will focus more sharply on implementing the town centre plans in Bulls, Taihape and Marton.</p>
Up to date and relevant information for visitors and residents on a range of services, activities and attractions	<p>Maintain information centres in Taihape and Bulls, the gateways to the District.</p> <p>Develop an information centre in Marton as part of the "libraries as community hubs" concept.</p> <p>Contract with local organisations to provide a range of information, including:</p> <p>* Up-to-date calendar of events,</p>	<p>One of Council's strategic priorities is to address demographic change through supporting cohesive, vibrant and family-friendly communities that have a positive vision for the future and an open acceptance of diversity.</p> <p>Targeted promotion of the District and the lifestyle that it offers is seen as one of the key</p>	The District has a lot to offer to visitors and residents alike. This activity ensures that both are aware of the events, activities and attractions available to them in the District

	and * Community newsletters, for local distribution	functions for Council to ensure sustainable communities.	
An up to date, relevant and vibrant on line presence with information about services, activities and attractions, the District lifestyle, job opportunities and social media contacts	Maintain a website that provides information about Council and community services and activities Contract with local organisations to provide a website that is a gateway to the District, with links through to more local web pages, with information about living in the District and social media opportunities.	Research indicates that the use of on line services and social media is the most effective tool for promoting an area as a place to live.	Council has, in the past, funded Rangitikei Tourism to maintain a website that promotes the District as a tourist destination. Recently this has been refocused as a wider District promotion tool. The Council website includes a community database. This will be extended and maintained through the Information Centres.
Opportunities for residents to remain socially and physically active into their retirement years, to enable them to stay in the District for as long as possible	Council will facilitate and lead on a Positive Ageing Strategy that aims to enhance quality of life for older people in the District	Council could not afford to provide the range of services outlined in the activity description using only input from ratepayers.	The rationale for this activity is to maximise the services and facilities that are available to the community at the minimum ratepayer input. Council will evaluate the added value for ratepayers from the investment made in collaboration and partnership working
Opportunities for people with children to access the quality of life they desire for their families	Council will facilitate and lead on a Youth Action Plan that aims to enhance quality of life for children and young people in the District	Experience over the past few years has shown the cost effectiveness of Council's targeted support for community economic development to community organisations, collaborative partnerships regionally which can then leverage a range of external	
A more equal and inclusive community where all young people are thriving, irrespective of their start in life	Council will facilitate and lead on a Community Charter that supports all young people in our District to become the best adult that they can		

Cohesive and resilient communities that welcome and celebrate diversity	Council will develop high trust contracts with agencies in each of the three main towns to undertake community development	funding to support these activities at a lower cost to the ratepayer.	
Funding schemes which have clear criteria, which are well publicised, and where there is a transparent selection process	Facilitate at least an annual opportunity for community organisations to apply for funding under the various grant schemes administered by the Council Publish the results of grant application process to a Council-run forum show-casing the results of grant application processes where successful applicants provide brief presentations and are open to questions	The rationale for Council funding grant schemes is that it is re-investing ratepayer funds back into the community, facilitating and leveraging volunteers' commitment for a range of events and projects which make the District a more enjoyable, cohesive place to live, work and visit	Council's administration of central government funded schemes is by request of those agencies. In the case of Creative New Zealand, the award of grants could be assigned to a community arts organisation but there is no such body in the District. These schemes provide crucial financial support for cultural and sporting initiatives and activities
To see Council civil defence volunteers and staff at times of emergency (confidence in the activity)	Contract with Horizons to provide access to a full-time Emergency Management Officer Arrange regular planning and operational activities Host and chair bi-monthly meetings of Rangitikei Emergency Management Committee ⁴²	Involvement contractually with the regional Civil Defence Group provides greater efficiencies, economies of scale and continuity not affordable to a District acting in isolation	An affordable level of service needs to be balanced with risk management. Contributes to social well-being (personal and public health and safety, and opportunities for participation and cohesion)

⁴² Representation from Iwi, Fire and Police services, Ministry for Social Development, District Health Board, Horizons Regional Council, St John's, Red Cross and local volunteers.

To be assured of adequately trained, resourced and responsive rural fire force to reduce the incidence of life and property threatening fire	Provide fully trained and adequately resourced volunteer personnel who are in a position to respond to rural fire call-out with the minimum of delay	Council maximises the use of its support for the rural fire service through a collaboration with Horizons Regional Council and other district authorities	An affordable level of service needs to be balanced with risk management. For example, Council provides fire permits free of charge, to encourage people to alert Council to the risk that may arise from their activity. Additionally, Council has input into joint fire/civil defence annual publication
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Strategic environment

Local government is increasingly under scrutiny – legislation requires local authorities to plan to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. The focus for Council is particularly those activities prescribed by the Local Government Act as core services⁴³. Council has identified a number of key strategic priorities for the District which it believes are essential for it to play a broad role in delivering to its purpose. These are⁴⁴:

- Support our residents to remain socially and physically active into their retirement years, and enable them to stay in the District for as long as possible
- Encourage people with young families to live in the District
- Pay attention to the specific educational, training and social needs of young Maori

Council therefore hopes to be able to make a difference through this group of activities, particularly in the following areas:

- Maintaining locally accessible health and educational services
- Attracting (and retaining) sustainable businesses in the District;
- Attracting people to the Rangitikei to live (or to stay living here)

⁴³ These are defined as network infrastructure, public transport services, solid waste collection and disposal, the avoidance or mitigation of natural hazards, and libraries, museums, reserves, recreational facilities and other community infrastructure. (section 11A, Local Government Act 2002)

⁴⁴ See Section x for full details

- Bi-cultural awareness and multi-cultural diversity

Major programmes

Council's role in this group of activities is as facilitator; the three major programmes that will be facilitated are the Rangitikei Growth Strategy, Path to Well-being Partnership Board Action Plan and the work programme for the MOU agencies. The Strategy, Plan and Programme will be reviewed annually as part of the Annual Plan process.

Figure xx: Path to Well-being Action Plan 2015/16 and as basis for work programme in 2016/17 and 2017/18

Access to Health Services and Safe and Caring Community		Lifelong Educational Opportunities	A buoyant District Economy	A treasured natural environment	Enjoying Life in the Rangitikei
Southern Rangitikei Health and Social Services Networking Group	Positive Ageing Strategy	Marion Community Charter	Sector development; agribusiness	Rangitikei River Accord	District Promotion and promotion of District lifestyle
Taihape Monthly Network	Falls Prevention Programmes	Sector development; education	Sector development; Maori economic development	Eradication of plant and animal pest	Events Strategy
Taihape Connections	Rangitikei Housing Advisory Group		Town Centre development	Walking Tracks	Youth Action Plan
Health and social services closer to home	Neighbourhood Support Emergency Management Welfare Committee		Monitoring and evaluation	Environmental Education	Rangitikei Heritage

Figure xx: Work programmes agreed with MOU partners 2015/16 and as basis for work programme in 2016/17 and 2017/18

(i) Draft work programme for Community Partnerships Activity

Council's intended Level of Service is to:	Contribution sought from BDCT	Contribution sought from Project Marton	Contribution sought from Rangitikei Tourism	Contribution sought from TCDT
Facilitate and lead on a Positive Ageing Strategy that aims to enhance quality of life for older people in the District.	Contribute as appropriate	Contribute as appropriate		Chair of Rangitikei Housing Action Group
Facilitate and lead on a Youth Action Plan that aims to enhance quality of life for children and young people in the District	Lead partner on delivery of Youth Action Plan	Contribute as appropriate		Contribute as appropriate
Develop high trust contracts with agencies in each of the three main towns to undertake community development	Report on initiatives within ABCD framework: - Building skills and confidence - Developing networks and organisations - Positive action - Participation and influence	Report on initiatives within ABCD framework: - Building skills and confidence - Developing networks and organisations - Positive action - Participation and influence		Report on initiatives within ABCD framework: - Building skills and confidence - Developing networks and organisations - Positive action - Participation and influence Chair of Enjoying Life in the Rangitikei theme group. Support and advice on community development in Marton and Bulls

(ii) Draft work programme for Economic development and District promotion Activity

Council's intended Level of Service is to:	Contribution sought from BDCT	Contribution sought from Project Marton	Contribution sought from Rangitikei Tourism	Contribution sought from TCDDT
Contract with local organisations to develop and deliver events, activities and projects to enliven the towns and District.	Support for community-led place-making initiatives in Bulls Support for initiatives to facilitate retailer engagement with the footpath Delivery of two iconic events	Manage delivery of Marton as a Boutique Town, viz pop-up shops and engagement of retailers with the footpath. Support and advise on CBD revitalisation in Bulls and Taihape Delivery of two iconic events	Lead partner for dissemination of information promoting the District as a place to live, visit and do business in at iconic events	Support for community-led place-making initiatives in Taihape Support for initiatives to facilitate retailer engagement with the footpath Delivery of one iconic event
Contract with local organisations to provide a range of information, such as: * Up-to-date calendar of events, and * Community newsletters	Production and distribution of Bullitinn. Contribute to the maintenance of the calendar of events	Production and distribution of Marton Community News. Contribute to the maintenance of the calendar of events	Coordination and delivery of up-to-date calendar of events	Production and distribution of Talk Up Taihape Contribute to the maintenance of the calendar of events
Contract with local organisations to provide a website that is a gateway to the District, with links through to more local web pages, and social media opportunities.	Maintenance and development of http://unforgetabull.co.nz/ website and associated Facebook pages	Maintenance and development of www.martonNZ.com website and associated Facebook pages	Lead partner on District web-portal via www.rangitikei.com Maintenance and development of District-wide pages (with links to Bulls, Marton and Taihape websites)	Maintenance and development of www.taihape.co.nz website and associated Facebook pages

1. Sector development focussing on primary production

Relevance to key indicators of success: to double GDP from agribusiness exports from the District

Contributes to KRA1, KRA2, KRA3

What?	Stakeholders	Council resources
The Mayor and Chief Executive to convene/support/facilitate sector groups on primary production and intensification/ diversification of rural production	Federated Farmers, Vision Manawatu, local businesses	Staff time (CE, Policy)
Investigation of realistic opportunities for further developing these sectors in the district e.g. detailed investigation of the additional rural (agricultural, horticultural, cropping, forestry, etc.) production potential of the district	Regional Growth Strategy (following Regional growth Study)	Staff time (CE, Policy) \$50,000 per annum from 2015/16
Identify specific initiatives from the Strategic Water Assessment and work with MPI further on co-funded programmes to ensure water availability for production purposes	Rangitikei Growth Strategy	\$75,000 investment 2015/16 and \$50,000 thereafter
Develop local procurement policy for Council's own goods and services, including supporting local contractors to bid successfully for Council contracts, as far as practicable and in line with the procurement policy. Develop targets for local procurement.	Local contractors	Staff time (CE, Senior Management, Asset Managers)
Promote local procurement policy to other businesses in the District e.g. what services and industries do we need to develop/support locally	Local businesses	Staff time (CE, Policy)
Delivery of roading and network utility capital and renewal/maintenance programmes: particularly looking at strategic investment in new roads to ensure productivity gains for the primary sector/agribusiness	Rural landowners	Identified in existing AMPs for utility networks and roading
Advocacy to central Government for infrastructural maintenance, upgrading and development programmes, including for transport links via rail, and improved public transport	NZTA, MBIE, MOH, Horizons, KiwiRail	Staff time (CE, Senior Management Team, Asset Managers)
Advocacy for maintenance and upgrading of utility services (power, ultrafast broadband etc.) throughout the district	Utility network providers, Spark, Chorus, etc.	\$100,000 set aside for investment in UFB (one-off)

2. Sector development focussing on education sector

Relevance to key indicators of success: to increase the proportion of young people living in the District being schooled locally, to be a net importer of young people for their high school education

Contributes to KRA1, KRA2, KRA5

Action Plan:		
What?	Stakeholders	Resources
The Mayor and Chief Executive to convene/support/facilitate sector group with the different labour-market 'players' operating in the district on appropriate district policies to address the needs and issues	High schools, tertiary education, PTEs, Ministry of Social Development, ITOs, etc.)	Staff time (CE, Policy)
Investigation of realistic opportunities for further developing this sector in the district, specifically initiatives such as Flock House farm and Westoe (what can Council do to help these initiatives grow and flourish?)	High schools, tertiary education, PTEs, Ministry of Social Development, ITOs, etc.)	Staff time (CE, Policy)
Develop local procurement policy for Council's own goods and services, including supporting local contractors to bid successfully for Council contracts, as far as practicable and in line with the procurement policy. Develop targets for local procurement.	Local contractors	Staff time (CE, Senior Management, Asset Managers)
Promote local procurement policy to other businesses in the District e.g. how much of what is spent on the local education industry goes back into our local economy?	High schools, tertiary education, PTEs	Staff time (CE, Policy)
Continue the Rangitikei College scholarships (the original purpose was to support the Board of Trustees promote the College as the school of first choice for the southern Rangitikei) and extend to Taihape Area School	Rangitikei College Board of Trustees, TAS Board of Trustees	\$4,000 (4 x \$1,000)

3. Sector development focussing on Māori economic development

Relevance to key indicators of success: to double GDP from agribusiness exports from the District, more people living and working in the District (than is currently projected by Statistics New Zealand)

Contributes to KRA1, KRA2, KRA5

Action Plan:		
What?	Stakeholders	Resources

The Mayor and Chief Executive to seek Memoranda of Understanding with Iwi organisations to collaborate and progress Maori economic development	Iwi organisations in the District	Staff time (CE, Policy)
Investigation of realistic opportunities for further developing this sector in the district, support inclusion of Maori/iwi interests	Regional Growth Study	Staff time (CE, Policy)
Work with Iwi to open up landlocked land, particularly in the north of the District in line with Council's policy on Maori Landlocked Land.	Maori landowners in the District, adjoining landowners/landowners with potential to unlock land locked land	Staff time (CE, Policy)

Draft associated with CD 'What's the plan for the future...'

4. Town centre development

Relevance to key indicators of success: More people living and working in the District (than is currently projected by Statistics New Zealand)

Contributes to: KRA1, KRA3, KRA4

Action Plan:		
What?	Stakeholders	Resources
The Mayor and Chief Executive to convene/support/facilitate (as appropriate) town centre development groups in Marton, Taihape and Bulls – in conjunction with Town Coordinators.	Town Centre Plan Steering Groups	Staff time (CE, Policy)
Ongoing implementation of the Town Centre Plans in Bulls, Taihape, Marton and Hunterville.	Town Centre Plan Steering Groups, CC/CBs, Project Marton, TCDT, BDCT	\$60,000 for each of 2015/16, 2016/17, 2017/18 and thereafter \$10,000 per annum
Develop and implement a strong vision for leisure and community assets across the District to provide for a quality lifestyle in the District.	Community groups, community facility owners	Identified in C&L AMP
Make an amount available to Community Boards/Committees to undertake local initiatives, including small works, that contribute (where appropriate) to the overall Town Centre Plans e.g. prototyping projects	CC/CBs	\$20,000 per annum
Contract with local agencies in line with identified priorities: <ul style="list-style-type: none"> • Stop traffic • Attract families • Grow businesses 	Project Marton, BDCT, TCDT	\$40,000 for contracts with MOU groups

5. District promotion

Relevance to key indicators of success: More people living and working in the District (than is currently projected by Statistics New Zealand)

Contributes to KRA1, KRA2, KRA5

Action Plan:		
What?	Stakeholders	Resources
The Mayor and Chief Executive to convene/support/facilitate a District Promotion group in conjunction with Town Coordinators and Rangitikei Tourism	Project Marton, TCDT, BDCT, Rangitikei Tourism	Staff time (CE, Community Services Team Leader)
Provide visitor information centres in Taihape and Bulls as the gateways to our District, develop clear information centre identity for Marton. How much impact is derived from the information available and IT connectivity for visitors and locals? Would strengthening the connections to other businesses and facilities within each town make a difference?	Rangitikei Tourism, community groups and organisations	Included in Information Centres activity management plan
A more coherent web presence for the District Update website to be more user friendly and contain resources and/or links to resources. Is the separation between RT's website and Council's helpful for the local community and visitors? An up-to-date "What's On" calendar of events to be available on line, including all community events (large and small)	Rangitikei Tourism, Project Marton, TCDT, BDCT	Included in IT activity management plan \$60,000 for contracts with MOU groups
Develop and implement an events strategy that showcases the District lifestyle, attracts residents and visitors to the District, heavily promote the District lifestyle at these events	Event organisers	\$25,000
Investigate and compile a portfolio of identified future industry/ business development opportunities for the district which includes: Develop promotional materials (such as a database of commercial property available in the District, for example, Kensington Road)	Real Estate Agents, property owners, businesses, business groups, Iwi organisations	Staff time (CE, Community Services Team Leader) \$10,000

<p>Leverage off Destination Manawatu, Visit Ruapehu and Visit Wanganui's programmes and initiatives. The promotion of the district must be done within a regional context⁴⁵. For these organisations, including Rangitikei (such as through the 'Country Road' promotion, extending cycle trails from Ruapehu through to Wanganui)) extends the range of visitor attractions.</p>	<p>Destination Manawatu, Visit Wanganui, Rangitikei Tourism</p>	<p>Staff time (CE, Community Services Team Leader) \$10,000</p>
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Draft associated with CD 'What's the plan Rangitikei'

⁴⁵ The well-established operators (e.g. River Valley, Mangaweka Adventure) do not need Rangitikei Tourism as a promotion vehicle. It's doubtful whether smaller businesses see benefit in greater familiarity with other attractions in the District. The Te Kahui Tupua initiative attempted to get all business operators into thinking about the bigger, regional picture

6. Monitoring and evaluation

Relevance to key indicators of success: enables corrective action to be taken if headline indicators not responding

Contributes to KRA1

Action Plan:		
What?	Stakeholders	Resources
Subscribe to InfoMetrics and other economic information databases as appropriate – including identification and evaluation of employer labour needs and labour supply issues - and report annually to Council/Finance/Performance Committee on District economic performance	Whole District	Already subscribed - make information available through website
Good business works: ongoing conversation between the Mayor and Chief Executive and businesses within the District. Identifying business and industry development barriers in the district	High productivity businesses, Iwi, Agricultural sector, Businesses associated with the District's lifestyle, Businesses that capitalise on regional strengths and growth	Staff time (CE, Executive Officer)
Develop and implement a “one-stop shop” in Council and promote this through website and Rangitikei Line	Local businesses, new businesses	In progress through "Working Together" plan
Ensure that Rangitikei District interests are fed into regional and national networks	Whole District	Staff time (CE, Senior Management Team, All staff)

Community Well-being
Funding Impact Statement
For the years ending 30 June 2015 to 2025

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	1,048	1,245	1,268	1,309	1,243	1,254	1,301	1,314	1,338	1,409	1,410
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	89	142	120	123	126	130	133	138	142	147	152
Fees and charges	81	54	55	57	58	60	62	64	66	68	70
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	1,218	1,441	1,442	1,488	1,427	1,443	1,496	1,516	1,546	1,623	1,632
Applications of operating funding											
Payment to staff and suppliers	1,079	1,201	1,227	1,254	1,228	1,259	1,292	1,326	1,364	1,405	1,439
Finance costs	6	1	1	1	1	1	1	1	0	0	0
Internal charges and overheads applied	178	200	208	228	203	209	234	220	214	242	218
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,263	1,402	1,436	1,483	1,433	1,469	1,527	1,547	1,579	1,647	1,657
Surplus (deficit) of operating funding (A - B)	(45)	39	6	5	(5)	(25)	(31)	(32)	(33)	(24)	(25)

	2014/15 Annual Plan	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(17)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(17)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Application of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	70	5	5	5	5	34	5	5	6	6
Increase (decrease) in reserves	(62)	(32)	(0)	(1)	(12)	(32)	(66)	(38)	(40)	(31)	(33)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	(62)	37	5	3	(7)	(27)	(32)	(33)	(34)	(26)	(27)
Surplus (deficit) of capital funding (C - D)	45	(39)	(6)	(5)	5	25	31	32	33	24	25
Funding balance ((A - B) + (C - D))	0	0	0	(0)	(0)	0	(0)	0	(0)	0	0

Community Well-being
 Prospective Capital Works
 For the years ending 30 June 2015 to 2025

Category	Designated projects	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		Annual Plan (\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
RENEWALS												
Rural fire	Motor vehicles and radios	0	70	5	5	5	5	34	5	5	6	6
Total renewals		0	70	5	5	5	5	34	5	5	6	6

Draft associated with CD 'What's the Plan Rangitikei...?'

Statement of service provision

The long-term plan must include, in relation to each group of activities of the Council, a statement of the intended levels of service provision. This statement must include performance measures. As in the 2012/22 Long Term Plan, Council wants to focus on the “big picture”, whether in areas where it is intending to undertake major programmes, or in areas where the ratepayer expects to have a good, minimum standard of service on a day-to-day basis

One significant change from previous long-term plans is the Government’s requirement for all councils to report on a set of performance measures for roading, water, wastewater, stormwater and flood protection. This recognises the large investment of ratepayer funds into these crucial facilities and the Government’s wish for itself – and the communities served by local government – to compare the way in which these services are provided, in particular the responsiveness to issues raised by the public and the wise use of resources. A number of these measures, particularly those assessing customer satisfaction (through the time to respond to faults) and compliance with resource consents were already part of Council’s performance framework.⁴⁶

There are two significant additions. First is measuring the loss of water from the networks, reflecting the Government’s concern that water resources are carefully managed. This is not straightforward in the Rangitikei as most consumers are not metered. However, there is a specified sampling system which will give a reasonably reliable estimate (and thus point to areas where on-site analysis needs to be undertaken). Second is measuring the average consumption of drinking water per day per resident. Rangitikei’s consumption is likely to be higher than in urban districts because of the comparatively high incidence of industrial and agricultural use of supply. However, since such consumers are measured, it is feasible to provide a secondary measure which more accurately represents domestic consumption.

Targets for new mandatory measures **are being set** having regard for performance during the period July-December 2014. The benchmark for continuing measures is the result noted in Council’s 2013/14 Annual Report

Inevitably, the mandatory measures must focus on aspects of managing infrastructure which every council does. This means some significant services unique to rural councils are omitted. To provide a more balanced perspective on its performance, Council is also measuring (and reporting on) the percentage of the unsealed road network which is retailed during the year and the way the rural water supply schemes are managed both in terms of water loss and time to respond to and resolve unplanned interruptions.

The performance framework used in the 2012/22 Long Term Plan for non-infrastructure activities will continue. This means Council’s performance with previous years is clearly evident. Annual surveys of residents provide useful commentaries on the provision of facilities and services and will continue with these with the following changes:

- use an online response mechanism

⁴⁶ The mandatory measures are asterisked in the following analysis.

- include both a satisfaction rating and a ‘better/same/worse’ score-card approach⁴⁷
- use the electoral role to identify 4,000 potential respondents and alert them to the online survey by mail

The reporting allows for significant improvement in one year not to detract from further improvement in subsequent years by accepting a 10% improvement as the achievement threshold.. New in this Long Term Plan is measuring use of staffed facilities (i.e. libraries and pools) by quantitative data.

As has been the case in earlier years, reporting of the statement of service provision in the Annual Report will be supplemented by internal management measures and other highlights noted in the monthly activity reports.

Council’s intended Level of Service is to:	Performance measure	How will we measure?	Benchmark	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19-2024/25
Community leadership Group of Activities							
Make decisions that are robust, fair, timely, legally compliant and address critical issues, and that are communicated to the community and followed through	Completion of annual plan actions on time	Assessment using the amalgamated list of “major programmes” from each Group of Activities for the first three years of this LTP (as provided in figure xx)	2013/14: 81% of Annual Plan actions substantially undertaken or completed, All groups of activities achieved at least 50% of identified actions	83% of Annual Plan actions substantially undertaken or completed during the year, all groups of activities to achieve at least 75% of identified actions	85% of Annual Plan actions substantially undertaken or completed during the year, all groups of activities to achieve at least 77% of identified actions	88% of Annual Plan actions substantially undertaken or completed during the year, all groups of activities to achieve at least 80% of identified actions	By 2025, the capital and renewal works required for network utilities and leisure and community assets have been achieved in an affordable and sustainable programme
	Completion of capital programme	As above for the capital programme: focusing on network utilities	2013/14 58% of the planned capital programme	75% of planned capital programme expended, all network utilities	80% of planned capital programme expended, all network utilities	85% of planned capital programme expended, all network utilities	

⁴⁷ Satisfaction ratings will be reported in the Annual Report from 2015/16 onwards but do not form part of the Statement of Service Provision

		as areas of major capital expenditure	achieved.	groups of activities to achieve at least 60% of planned capital expenditure	groups of activities to achieve at least 65% of planned capital expenditure	groups of activities to achieve at least 70% of planned capital expenditure	
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Draft associated with CD 'What's the plan Rangitikei'

Council's intended Level of Service is to:	Performance measure	How will we measure?	Benchmark	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19-2024/25
Roading and footpaths Group of Activities							
Provide a sustainable roading network which is maintained in accordance with each road's significance for local communications and the local economy, taking into account the lone Roding Network Classification and funding subsidies	<i>*Road condition</i> The average quality of ride on a sealed local road network measured by smooth travel exposure	The process defined in the Council's agreement with NZTA (NAASRA roughness counts)	2013/14: 96.5% achieved	96.5%	96.5%	96.5%	The roading network has been maintained as close to the current standard as possible within budget constraints
	<i>*Road maintenance</i> The percentage of the sealed road network that is resurfaced	Council and contractor records	2014/15 Annual Plan: 8% (i.e. 55 km of resealing and 8.8 km of road rehabilitation). The network has 796 km of sealed road.	8%	8%	8%	The roading network has been maintained as close to the current standard as possible within budget constraints
	The percentage of the unsealed road network which is retalled during the year	Council and contractor records	2013/14 Yy%	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>
	<i>*Footpaths</i> The percentage of footpaths	Not yet determined While there are	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>

	<p>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>high-level standards specified in the asset management plan (pages 37-38), they require more specificity to be used for this measure.</p>					
	<p><i>*Road safety</i> 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>Police records of crashes on the Council's roading network (and whether the road condition was a cause of each crash)</p>	<p>2013/14 There were four fatal crashes but none was attributable to the condition of the roading network</p>	0	0	0	0

Be responsive to community expectations over the roading network and requests for service	Adequacy of provision and maintenance of footpaths, street-lighting and local roads (annual survey)	“Report card” qualitative statements. Groups targeted for consultation: Residents where programmed renewal has taken place; Community Boards/ Committees; Community group database; Business sector database	2013/14 8% believed it was better than last year, 70% about the same, 20% worse than last year (1% didn’t know).	A greater proportion (than in the benchmark) or more than 10% of the sample believe that Council’s service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council’s service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council’s service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council’s service is getting better
	<i>*Response to service requests</i> 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. <i>Note: Council</i>	Contractor and Council records of requests for service.	2013/14 91% after-hour callout responded to within 12 hours; 71% callouts during work hours responded to within 6 hours; *96% of all callouts (i.e. completed) within one month of the request.	95% after-hours callouts responded to within 12 hours 95% callouts during working hours, responded to within 6 hours 80% of all callouts resolved (i.e. completed) within one month of the request. Specific	95% after-hours callouts responded to within 12 hours 95% callouts during working hours, responded to within 6 hours 80% of all callouts resolved (i.e. completed) within one month of the request. Specific	95% after-hours callouts responded to within 12 hours 95% callouts during working hours, responded to within 6 hours 80% of all callouts resolved (i.e. completed) within one month of the request. Specific	95% after-hours callouts responded to within 12 hours 95% callouts during working hours, responded to within 6 hours 80% of all callouts resolved (i.e. completed) within one month of the request. Specific

	measures resolution as well as initial attendance in response to such requests.		<p>The Contractor is required to respond to afterhours call-outs within 12 hours, and working hours call-outs within 6 hours</p> <p>There is a wide range of requests meaning resolution times will range from hours to several weeks or months, depending on urgency and work programming.</p> <p><i>*The benchmark for measurement is 80% of all callouts resolved (i.e. completed) within one month of the request.</i></p>	reference to callouts relating to potholes	reference to callouts relating to potholes	reference to callouts relating to potholes	reference to callouts relating to potholes
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Council's intended Level of Service is to:	Performance measure	How will we measure?	Benchmark	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19-2024/25
Water supply Group of Activities							
Provide a safe and compliant supply of drinking water	<p><i>*Safety of drinking water</i> The extent to which the Council's drinking water supply complies with</p> <p>(a) part 4 of the drinking water standards (bacteria compliance criteria)</p> <p>(b) part 5 of the drinking water standards (protozoa compliance criteria)</p>	<p>Weekly sampling and testing at Environmental Laboratory Services in Gracefield</p> <p><i>Not yet available:</i> When implemented, Water Outlook will assist with compliance monitoring.⁴⁸</p>	No incidents of non-compliance	No incidence of non-compliance	No incidence of non-compliance	No incidence of non-compliance	No incidence of non-compliance
	Compliance with resource consents	Inspection reports from Horizons for the various water	2013/14 Two supplies complying; four not complying	No incidents of non-compliance with resource consents	No incidents of non-compliance with resource consents	No incidents of non-compliance with resource consents	No incidents of non-compliance with resource consents

⁴⁸ Secure bore status being investigated for Ratana and Calico Line (Marton)

		supplies.	(two for insufficient abstraction data, two because of over abstraction)				
Provide reliable and efficient urban water supplies	Number of unplanned water supply disruptions affecting multiple properties	Council's request for service system.	2013/14 9 (affecting 108 properties)	Fewer unplanned water supply disruptions affecting multiple properties than in the previous year	Fewer unplanned water supply disruptions affecting multiple properties than in the previous year	Fewer unplanned water supply disruptions affecting multiple properties than in the previous year	Fewer unplanned water supply disruptions affecting multiple properties than in the previous year
	<i>*Maintenance of the reticulation network</i> The percentage of real water loss from the Council's networked urban reticulation system ⁴⁹	Not yet available: The guidance for this measure anticipates a sampling approach. When implemented, Water Outlook will enable SCADA ⁵⁰ information to be interrogated in-house.	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>

⁴⁹ A description of the methodology used to calculate this must be included as part of the report.

⁵⁰ Supervisory control and data acquisition – i.e. automated remote monitoring,

	<p><i>*Demand management</i> The average consumption of drinking water per day per resident within the District</p>	<p><i>Not yet available</i> Information from meters recording water supplied from each water treatment plants has yet to be collated. Implementation of Water Outlook will enable this information to be collected automatically.</p>	<p><i>To be determined</i> <i>For the period 1 July to 30 September 2014, the average daily consumption was 425 litres per resident (commissioned readings)</i></p>				
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 (a) attendance for urgent call-outs: from the time that the Council</p>	<p><i>Not yet available</i> The request for service system records time of notification, attendance/ response and resolution/comp-letion for each notification, and whether the times are within the prescribed service standard but does not calculate the actual times taken. In addition, the times are</p>	<p><i>To be determined</i></p>	<p><i>To be determined</i></p>	<p><i>To be determined</i></p>	<p><i>To be determined</i></p>	<p><i>To be determined</i></p>

	<p>receives notification to the time that service personnel reach the site, and</p> <p>(b) resolution of urgent call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption</p> <p>(c) attendance for non-urgent call-outs: from the time that the Council receives notification to the time that service personnel reach the</p>	<p>recorded only as <i>figures</i>. Ways of getting this calculation are being investigated.</p>					
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	<p>site, and (d) resolution of non-urgent call-outs from the time that the Council receives notification to the time that service personnel confirm resolution of the fault of interruption</p>						
	<p><i>*Customer satisfaction</i> The total number of complaints (expressed per 1000 connections to the reticulated networks) received by the Council about (a) drinking water clarity (b) drinking water taste</p>	<p><i>In progress</i> The Council's request for service system does not show all complaints for any one incident, so there is potential under-reporting</p>	<p><i>To be determined</i> <i>For the period 1 July-30 September 2014</i> (a) 0.8/1000 (b) nil (c) nil (d) 0.2/1000 (e) 1.0/1000</p>	<p><i>To be determined</i></p>	<p><i>To be determined</i></p>	<p><i>To be determined</i></p>	<p><i>To be determined</i></p>

	(c) drinking water pressure or flow (d) continuity of supply, and (e) The Council's response to any of these issues						
Maintain compliant, reliable and efficient rural water supplies	Compliance with resource consents	Inspection reports from Horizons for the various rural water supplies.	2013/14 Two supplies inspected complying;	No incidents of non-compliance with resource consents	No incidents of non-compliance with resource consents	No incidents of non-compliance with resource consents	No incidents of non-compliance with resource consents
	The percentage of real water loss from the Council's rural water schemes	Not yet available: The guidance for this measure anticipates a sampling approach. When implemented, Water Outlook will enable SCADA ⁵¹ information to be interrogated in-house.	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>

⁵¹ Supervisory control and data acquisition – i.e. automated remote monitoring,

	<p>Where the Council attends a call-out in response to a fault or unplanned interruption to its rural reticulation system, the following <i>median times</i> are measured</p> <p>(a) attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and</p> <p>(b) resolution time: from the time that the Council receives notification to the time that service personnel</p>	<p>Not yet available</p> <p>The request for service system records time of notification, attendance/ response and resolution/comp-letion for each notification, and whether the times are within the prescribed service standard but does not calculate the actual times taken. In addition, the times are recorded only as <i>figures</i>. Ways of getting this calculation are being investigated.</p>	<p><i>To be determined</i></p>	<p><i>To be determined</i></p>	<p><i>To be determined</i></p>	<p><i>To be determined</i></p>	<p><i>To be determined</i></p>
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	confirm resolution of the fault of interruption						
Ensure fire-fighting capacity in urban areas	Random flow checks at the different supplies	Hydraulic modelling, installation of data loggers and annual flow checks at all hydrants	2013/14 98% compliant (based on maintenance history)	98% of fire hydrant installations are in compliance	99% of fire hydrant installations are in compliance	100% of fire hydrant installations are in compliance	100% of fire hydrant installations are in compliance

Draft associated with CD 'What's the plan Pöytäkirja...?'

Council's intended Level of Service is to:	Performance measure	How will we measure?	Benchmark	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19-2024/25
Sewerage and the treatment and disposal of sewage Group of Activities							
	<p><i>*Discharge compliance</i> Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of</p> <ul style="list-style-type: none"> (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions received by the Council in relation to those resource consents 	Council's records (corroborated by those maintained by Horizons)	2013/14 No abatement or infringement notices, no enforcement orders and no convictions	No abatement or infringement notices, no enforcement orders and no convictions	No abatement or infringement notices, no enforcement orders and no convictions	No abatement or infringement notices, no enforcement orders and no convictions	No abatement or infringement notices, no enforcement orders and no convictions

	Routine compliance monitoring of discharge consents	Inspection reports from Horizons Regional Council for the various waste-water treatment plants	2013/14 5 of 7 systems complied	100% compliance	100% compliance	100% compliance	100% compliance
	Number of overflows from each network (response/resolution time)	Council's request for service system	2013/14 6 overflows in Taihape	No single network to experience more than 4 overflows during a 12 month period.	No single network to experience more than 3 overflows during a 12 month period.	No single network to experience more than 2 overflows during a 12 month period.	No single network to experience more overflows during a 12 month period] than the previous 12-month period.
	<i>*System and adequacy</i> The number of dry weather sewerage overflows from the Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system	Council's request for service system	<i>To be determined</i> 1 July-30 September 2014: 0.2/1000 overflows reported. There are 4,226 sewerage connections in the District.	Not more than one per 1,000 connections	Not more than one per 1,000 connections	Not more than one per 1,000 connections	Not more than one per 1,000 connections
Be responsive to reported faults and complaints	<i>*Fault response time</i> Where the Council attends	Not yet available The request for service system	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>

	<p>to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following <i>median times</i> are measured</p> <p>(e) attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and</p> <p>(f) resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of</p>	<p>records time of notification, attendance/ response and resolution/compl etion for each notification, and whether the times are within the prescribed service standard but does not calculate the actual times taken. In addition, the times are recorded only as <i>figures</i>. Ways of getting this calculation are being investigated.</p>					
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	the fault of interruption						
	<p><i>*Customer satisfaction</i></p> <p>The total number of complaints received by the Council about any of the following:</p> <p>(a) sewage odour</p> <p>(b) sewerage system faults</p> <p>(c) sewerage system blockages, and</p> <p>(d) the Council's response to issues with its sewerage systems expressed per 1,000 connections to the Councils sewerage system.</p>	Council's request for service system	<p><i>To be determined</i></p> <p>1 July to 30 September 2014</p> <p>(a) nil</p> <p>(b) 0.2/1000</p> <p>(c) 0.9/1000</p> <p>(d) 1.1/1000</p>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>

Council's intended Level of Service is to:	Performance measure	How will we measure?	Benchmark	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19-2024/25
Stormwater drainage Group of Activities							
Provide a reliable collection and disposal system to each property during normal rainfall	* <i>Discharge compliance</i> Compliance with the Council's resource consents for discharge from its stormwater 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 Number of habitable dwellings which	Council's records (corroborated by those maintained by Horizons)	Council currently has no resource consents for stormwater discharges Horizons Regional Council has indicated that resource consents will be required in the future, but the timeline for this has yet to be confirmed. When this occurs the anticipated benchmark will be no abatement or infringement notices, no enforcement orders and no convictions	Not yet applicable	Not yet applicable	Not yet applicable	Not yet applicable

	remain uninhabitable for over 24 hours in a heavy rain events (1 in 20-year storm)						
	<p><i>*System adequacy</i></p> <p>(a) The number of flooding events⁵² that occurred in the District</p> <p>(b) For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the Council's stormwater system)</p> <p><i>Note:</i> <i>This is a District-wide assessment</i></p>	Council's request for service system	<p>Less than 1/1000</p> <p>The targets in the 2012/22 Long Term Plan were that in each event of a 1 in 20 year storm no more than 20 dwellings would be affected for more than 24 hours</p> <p>No such events occurred in 2013/14.</p>	Less than 1/1000	Less than 1/1000	Less than 1/1000	Less than 1/1000

⁵² 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

Be responsive to reported faults and complaints	<p><i>*Customer satisfaction</i></p> <p>The number of complaints received by the Council about the performance of its stormwater system, expressed per 1,000 properties connected to the Council's stormwater system</p>	Council's request for service system	<p>To be determined</p> <p>July-September 2014: 0.6/1000.</p> <p>.</p>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>
	<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>Not yet available</p> <p>The request for service system records time of notification, attendance/ response and resolution/completion for each notification, and whether the times are within the prescribed service standard but does not</p>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>

		calculate the actual times taken. In addition, the times are recorded only as <i>figures</i> . Ways of getting this calculation are being investigated.					
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Draft associated with CD 'What's the plan Rangitikei....?'

Council's intended Level of Service is to:	Performance measure	How will we measure?	Benchmark	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19-2024/25
Community and leisure assets Group of Activities							
Provide a "good enough" range of "good enough" community and leisure assets at an appropriate proximity to centres of population	Progressive improvement in provision and maintenance of community and leisure assets as evident in the "report card" produced during March/April each year from a postal survey of residents	Public libraries:	2013/14: 15% believed it was better than last year, 63% about the same, 1% worse than last year (21% didn't know).	A greater proportion (than in the benchmark) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than the previous year) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council's service is getting better
		Public swimming pools:	2013/14: 22% believed it was better than last year, 29% about the same, 2% worse than last year (47% didn't know).	A greater proportion (than in the benchmark) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than the previous year) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council's service is getting better
		Sports fields and parks:	2013/14: 5% believed it was better than last year, 69% about the same, 9% worse than	A greater proportion (than in the benchmark) or more than 10% of the sample	A greater proportion (than the previous year) or more than 10% of the sample believe	A greater proportion (than in the previous year) or more than 10% of the sample believe	A greater proportion (than in the previous year) or more than 10% of the sample believe

			last year (16% didn't know).	believe that Council's service is getting better	that Council's service is getting better	that Council's service is getting better	that Council's service is getting better
		Public toilets:	2013/14: 5% believed it was better than last year, 66% about the same, 10% worse than last year (18% didn't know).	A greater proportion (than in the benchmark) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than the previous year) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council's service is getting better
		Community Buildings:	5% believed it was better than last year, 72% about the same, 5% worse than last year (18% didn't know).	A greater proportion (than in the benchmark) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than the previous year) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council's service is getting better
		Community Housing:	3% believed it was better than last year, 29% about the same, 5% worse than last year (63% didn't know).	A greater proportion (than in the benchmark) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than the previous year) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council's service is getting better

Secure high use of staffed facilities	Number of users of libraries	Automated door count system	<i>Full year January-December 2014</i> During January-June 2014 there were 48,517 people entering the libraries	An increase in use compared with the benchmark	An increase in the use compared with previous year	An increase in the use compared with previous year	An increase in the use compared with previous year
	Number of users of pools	Door count systems or till records	<i>2013/14 season</i> 15,984 in Marton 11,294 in Taihape	An increase in use compared with the benchmark	An increase in the use compared with previous year	An increase in the use compared with previous year	An increase in the use compared with previous year

Draft associated with CD 'What's the plan Rangitikei'

Council's intended Level of Service is to:	Performance measure	How will we measure?	Benchmark	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19-2024/25
Rubbish and recycling Group of Activities							
Make recycling facilities available at waste transfer stations* for glass, paper, metal, plastics, textiles and green waste. Special occasions for electronics (e-waste) *Council intends to continue the operation (under contract) of existing urban waste transfer stations – Ratana, Bulls, Marton, Hunterville, Mangaweka, and Taihape.	Waste to landfill (tonnage)	Calibrated records maintained at Bonny Glen landfill	2013/14 4,693 tonnes from District waste transfer stations to landfill	4,500 tonnes to landfill	4,250 tonnes to landfill	4,000 tonnes to landfill	Progressive reduction in tonnage to landfill
	Waste diverted from landfill (tonnage and (percentage of total waste)	Records maintained at waste transfer stations	2013/14 555 tonnes (10.6%)	Percentage of waste diverted from landfill 12%	Percentage of waste diverted from landfill 14%	Percentage of waste diverted from landfill 16%	Annual increases in percentage of waste diverted from landfill of 3% to target of 27% of total waste diverted from landfill by 2021/22 (see Waste Management and Minimisation Plan)

Council's intended Level of Service is to:	Performance measure	How will we measure?	Benchmark	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19-2024/25
Environmental and regulatory services Group of Activities							
Provide a legally compliant service	Timeliness of processing the paperwork (building control, consent processes, licence applications)	Internal processing records	2013/14: 91% of building consents and 83% of resource consents were issued within the prescribed time;	At least 92% of the processing of documentation for each of Council's regulatory and enforcement services is completed within the prescribed times	At least 93% of the processing of documentation for each of Council's regulatory and enforcement services is completed within the prescribed times	At least 94% of the processing of documentation for each of Council's regulatory and enforcement services is completed within the prescribed times	Annual improvement in the percentage of documentation processed for each of Council's regulatory and enforcement services with aim to achieve 100% compliance across all enforcement/regulatory services by 2025
	Possession of relevant authorisations from central government ⁵³	Annual review of relevant documents	Accreditation as building consent authority	Accreditation as a building consent authority maintained	Accreditation as a building consent authority maintained	Accreditation as a building consent authority maintained	Accreditation as a building consent authority maintained

⁵³ Excluding general authorisation through legislation where no further formal accreditation is specified

Provide regulatory compliance officers	Timeliness of response to requests for service for enforcement call-outs (animal control and environmental health); within prescribed response and resolution times	Council's request for service system	2013/14 84% were responded to in time 61% were completed in time.	Improvement on benchmark of timeliness as	Improvement in timeliness reported in 2015/16	Improvement in timeliness reported in 2016/17	Progressive improvement in timeliness reported in previous year with aim to achieve 100% timeliness of response and resolution across all enforcement call-out services by 2025
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Draft associated with CD 'What's the plan Rangitikei'

Council's intended level of Service is to:	Performance measure	How will we measure?	Benchmark	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19-2024/25
Community well-being Group of Activities							
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)	"Report card" qualitative statements. Groups to be targeted for consultation: Participants in Path to Well-being Theme Groups Community group database Public sector agency database Business sector database	2013/14 16% thought Council's service was getting better, 37% thought it about the same, 8% thought it worse and 43% didn't know.	A greater proportion (than in the benchmark) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) or more than 10% of the sample believe that Council's service is getting better
Identify and promote opportunities for economic growth in the District	The three key indicators of success in the Council's adopted Rangitikei Growth Strategy- i.e. *The District's GDP growth *A greater proportion of		In 2013, Rangitikei's GDP growth was - 1.2% and trending downwards with an increasing divergence from the national trend. Based on latest available	Turning the curve (in comparison with the benchmark) is evident in at least two of the key indicators	Turning the curve (in comparison with the previous year/updated official projections) is evident in at least two of the key indicators	Turning the curve (in comparison with the previous year/updated official projections) is evident in at least two of the key indicators	Turning the curve (in comparison with the previous year/updated official projections) is evident in at least two of the key indicators

	<p>young people living in the District are attending local schools</p> <p>*More people living in the District (than is currently projected by Statistics New Zealand)</p>		<p>Statistics New Zealand population estimates (June 2013) and school enrolments for 2014 (TKI), 56% of residents of high school age were enrolled in local schools and trending upwards. Based on population projections from Statistics New Zealand (mid-point between medium and low projections based on 2006 Census), the resident population is projected to decline from 14,730 in June 2011 to 12,735 in June 2026.</p>				
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Draft

Figure xx; Major programmes of work for the first three years of the LTP

	Year 1	Year 2	Year 3
Community Leadership			
Strategic Planning	Annual Report 2014/15 Annual Plan 2016/17	Annual Report 2015/16 Annual Plan 2017/18	Annual Report 2016/17 Long-term plan 2018/28
Elections	Preparation for the 2016 local election	Preparation of the pre-election report (for the 2016 election) Preparation and conduct of 2016 local election	
		Induction of Council, Community Boards/Committees for the triennium 2016-19	
		Preparation of Local Governance Statement and update Elected Members Handbook	
Iwi/Maori Liaison	Key outcomes from Maori community development programme (to be identified)	Confirmation of Te Roopu Ahi Kaa membership for the 2016-19 triennium	Review key outcomes from Maori community development programme for input into 2018-28 LTP
Council	Delivery of programme of policy and bylaw review	Delivery of programme of policy and bylaw review	Delivery of programme of policy and bylaw review
	Preparation of order papers that ensure compliant decision-making	Preparation of order papers that ensure compliant decision-making	Preparation of order papers that ensure compliant decision-making
Roading			
Unsealed Roads Metalling	To be inserted	To be inserted	To be inserted
Sealed Road Re-surfacing	To be inserted	To be inserted	To be inserted
Drainage Renewals	To be inserted	To be inserted	To be inserted
Pavement Rehabilitation	To be inserted	To be inserted	To be inserted
Structure Components Replacements	To be inserted	To be inserted	To be inserted
Traffic Services	To be inserted	To be inserted	To be inserted
Associated Improvements	To be inserted	To be inserted	To be inserted
Footpath Renewals	To be inserted	To be inserted	To be inserted
Total renewals	To be inserted	To be inserted	To be inserted
Replacement of Bridge and other Structures	To be inserted	To be inserted	To be inserted
Minor Improvements - Safety	To be inserted	To be inserted	To be inserted
New Footpath Capital	To be inserted	To be inserted	To be inserted
Total capital	To be inserted	To be inserted	To be inserted

Water Supply			
Renewals			
Bulls	To be inserted	To be inserted	To be inserted
Erewhon Rural	To be inserted	To be inserted	To be inserted
Huntermville	To be inserted	To be inserted	To be inserted
Huntermville Rural	To be inserted	To be inserted	To be inserted
Mangaweka	To be inserted	To be inserted	To be inserted
Marton	To be inserted	To be inserted	To be inserted
Omatane Rural	To be inserted	To be inserted	To be inserted
Ratana	To be inserted	To be inserted	To be inserted
Taihape	To be inserted	To be inserted	To be inserted
Capital			
Bulls	To be inserted	To be inserted	To be inserted
Mangaweka	To be inserted	To be inserted	To be inserted
Marton	To be inserted	To be inserted	To be inserted
Taihape	To be inserted	To be inserted	To be inserted
Sewerage and the treatment and disposal of sewage			
Renewals			
Bulls	To be inserted	To be inserted	To be inserted
Huntermville	To be inserted	To be inserted	To be inserted
Koitiata	To be inserted	To be inserted	To be inserted
Mangaweka	To be inserted	To be inserted	To be inserted
Marton	To be inserted	To be inserted	To be inserted
Ratana	To be inserted	To be inserted	To be inserted
Taihape -	To be inserted	To be inserted	To be inserted
Capital			
Huntermville	To be inserted	To be inserted	To be inserted
Koitiata	To be inserted	To be inserted	To be inserted
Ratana	To be inserted	To be inserted	To be inserted
Taihape	To be inserted	To be inserted	To be inserted

Stormwater Drainage			
Renewals			
Bulls	To be inserted	To be inserted	To be inserted
Huntermville	To be inserted	To be inserted	To be inserted
Mangaweka	To be inserted	To be inserted	To be inserted
Marton	To be inserted	To be inserted	To be inserted
Ratana	To be inserted	To be inserted	To be inserted
Taihape	To be inserted	To be inserted	To be inserted
Capital			
Bulls	To be inserted	To be inserted	To be inserted
Huntermville	To be inserted	To be inserted	To be inserted
Mangaweka	To be inserted	To be inserted	To be inserted
Marton	To be inserted	To be inserted	To be inserted
Taihape	To be inserted	To be inserted	To be inserted
Community and Leisure Assets			
Parks and open spaces		Demolish/dispose of Grandstand at Marton Park	
Community buildings and halls	Develop multi-purpose facility in Bulls	Complete multi-purpose facility in Bulls - disposal of surplus sites (Town Hall and Info Centre), redevelop Library site	
Swimming Pools	Urgent renewals for Taihape, Marton and Huntermville pools - including repainting and resurfacing pools as required. Close dive pool and create outdoor area at Marton pool, divide 50 m pool with bulk head.	Space heating in Taihape Pool, refurbish changing rooms Fit solar heating to roof at Marton Pool	
Community Housing	Programme to divest community housing units in Russell Street, Marton	Programme to divest community housing units in Wellington Road, Marton	Programme to divest community housing units in Cuba Street, Marton

Rubbish and recycling			
Waste Management	Taihape greenwaste handling and transport costs: variation to contract	Solid waste analysis protocol (SWAP) - prerequisite for WMMP review-Due July 2018	WMMP Review due July 2018
		Bulls greenwaste handling and transport costs-Variation to contract	
Waste minimisation	Greenwaste Taihape site modification	Increase over previous year -Horizons Enviro schools programme	
	Horizons Enviro schools programme	Greenwaste Bulls site modification	
Environmental and Regulatory Services			
Planning Control	Continuous monitoring of operative District plan for minor changes – Implementation to RMA		
Registered and licensed premises control		Implementation of the Food Act 2014	
Community Well-being			
Community Partnerships	Facilitation of Path to Well-being groups	Facilitation of Path to Well-being groups	Facilitation of Path to Well-being groups
	Delivery of work programme through the MOU	Delivery of work programme through the MOU	Delivery of work programme through the MOU

Section 10: Financial statements and policies

Revenue and financing policy

Introduction

Section 102(4) of the Local Government Act 2002 requires the Council to adopt a Revenue and Financing Policy, and clause 10 of Schedule 10 of that Act requires this adopted policy to be included in Council's Long Term Plan.

The purpose of the revenue and financing policy is twofold.

- to state the Council's policies in respect of funding both operating expenses and capital expenditure from the sources available to it;
- to show how the Council has complied with the requirements (of section 101(3) of the Act) to give consideration to six specific issues in developing the policy.

Part A sets out the policy principles and considerations; Part B shows how these have been applied to Council's nine groups of activities.

PART A - PRINCIPLES

1. Process

In developing its revenue and financing policy, Council is required to consider – in relation to each activity to be funded – the following six matters:

- The community outcomes to which the activity primarily contributes; and
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
- The period in or over which those benefits are expected to occur;
- The extent to which the actions (or inaction) of particular individuals or a group contribute to the need to undertake the activity; and
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and

The Council is also required to consider the overall impact of any allocation of liability for revenue needs on the well-being of the community.

Council developed a series of worksheets to analyse these matters for each activity as part of the preparation for the 2015/25 Long Term Plan. Some of these were reviewed in detail in workshop, for others the key issues were posed as questions in an online survey, for subsequent consideration. This is the foundation for the detail in Part B of the policy.

While the scope of Council's activities has changed very little over the past decade, there has been a shift away from targeting rates to particular communities in favour of a district-wide approach. This was implemented as part of the 2012/22 Long Term Plan. Council believes that taking a District-wide approach to rating across all activities is the fairest mechanism. "District-wide" means that an urban property valued at (say) \$200,000 in Taihape, Marton or Bulls will pay the same rates for the same services. Such properties will pay different rates than a property in the rural area valued at \$200,000, because the services provided are different. The different rates for water and wastewater between town and rural properties are an example of this. This, coupled with a stronger focus on groups of activities, meant Council decided – as far as practicable – to aggregate its approach to defining funding sources on a whole-of-group approach.⁵⁴ Council has continued this district-wide approach in reviewing this policy for the 2015/25 Long Term Plan.

2. Valuation system

Council uses a Capital Value system to apportion rates.

The General Rate (other than the Uniform Annual General Charge) and the Rooding Rate are set using capital value as a base.

Capital value based rating is seen as the best mechanism for the following reasons:

- Capital values recognise the economic activity to which the rating unit is put. Setting rates on capital value ensures that those rating units using Council services pay their share:
 - Shops in the CBD, motels and multi-unit housing for instance, have a high capital value in relation to land value, but also use Council's infrastructure (especially rooding) to a greater degree than a residential property that has the equivalent land value.
 - Capital improvements (such as building a new house or undertaking a conversion to dairying) typically lead to increased use of Council's infrastructure and services.
- In areas of growth, capital value increases generated by the growth can absorb much of the rate increase associated with the increased use of infrastructure caused by the growth. Land values are less likely to achieve this.
- Capital values are a known figure. Capital values are generated from sales of assets while land values (especially in urban areas) are calculated from small quantities of vacant land sales and are therefore less reliable.
- Capital values are less volatile than land sales. If Council used land value based rates, the incidence of rates changing due to valuation effects alone would have been far more significant than under capital value.⁵⁵

⁵⁴ The only Community Services rate (a rate levied on a particular community) remaining in the 2012 review was to fund the two Community Boards (in Taihape and Ratana).

⁵⁵ However, in accordance with section 22(2) of the Local Government (Rating) Act 2002, property owned by the Ministry of Defence is rated on a land value basis.

3. Sources of funding

Council funds operating expenditure from the following sources:

General rates	Used when there is a general benefit for the District as a whole. The General Rate, based on capital value, is typically used when there is a high public benefit in the services provided, when Council considers the community as a whole should meet the costs of the service, and when Council is unable to achieve its user-charge targets and must fund expenditure. Examples are the District Plan, Economic development and Rural fire. Neither of these is set on a differential basis.
Uniform Annual General Charge	Used where a benefit from a Council service is received equally. ⁵⁶ Examples are the cost of undertaking the planning and reporting required by legislation and remuneration to Elected Members. The fixed Uniform Annual General Charge is a fixed amount per 'separately used or inhabited part' of a rating unit.
Targeted rates	Used to 'target' specific activities so that their cost is evident to the community. The ways of setting targeted rates are set out in Schedule 2 of the Local Government (Rating) Act 2002. . This includes setting the rate as a fixed charge on every rating unit or each separately used part of every rating unit in the district (or specified part of the district) when Council believes that the benefit is received equally. This is the case for solid waste. Another approach is for targeted rates to be set based on capital value when Council believes that there is variable benefit. This is the case for roading.
Fees and charges	Used when Council considers that the high level of benefit received by specific individuals justifies seeking user charges (which cover all or part of the service provided), that such individuals (or groups) can be identified, and that it is economic to collect the charges. Examples are the provision of building and resource consents and disposal of waste at the waste transfer stations. ⁵⁷ Council recognises that fees may deter what the community would perceive as desirable activities, such as registering dogs or registering food handling premises: discounts for early payment are offered in these circumstances.
Interest and dividends from investments	Applied to the benefit of the whole Council – proceeds are used to offset the general rate requirement, except where the interest is credited to a special fund or reserve fund.
Borrowing (both external and internal)	May be internal or external – the cost to be borne by the activity requiring the loan.
Proceeds from asset sales	Used to fund renewals expenditure within the sold asset's activity. However, forestry asset sales are treated as

⁵⁶ Section 21 of the Local Government (Rating) Act 2002 limits the UAGC together with any other rate set as a fixed charge on every rating unit across the District (other than water and wastewater rates) to a maximum of 30% of Council's total income from all rating mechanisms.

⁵⁷ In some instances, fees (and the amount) are prescribed by legislation. An example is manager's certificates issued under the Sale and Supply of Alcohol Act 20112.

	investment proceeds (used to offset future forestry expenditure, and then the General Rates). However, proceeds from forestry on reserves must be applied to reserves (but not necessarily to future forestry on them).
Donations, grants and subsidies towards operating expenses	Received mainly from central government and typically related to specific activities. Examples are roading and community development projects. The John Beresford Dudding Trust typically makes an annual grant to the district libraries.
Other operating revenue	Recognises that Council may apply other sources of funds on a case-by-case basis, taking the most equitable course.

Council may choose not to fund in full operating expenditure in any particular year for a particular activity, if the deficit can be funded from actual operating surpluses in the immediately-preceding year or projected in subsequent years within that activity.

Council may also choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year, having regard for an actual operating deficit in the immediately-preceding year or projected in subsequent years or to repay debt. Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment.

Council has determined the proportion of operating expenditure to be funded from each of the sources listed above and the method of apportioning rates and other charges. This is contained in Part B.

Council funds its capital expenditure (procurement and/or building of assets and infrastructure) from the following sources:

Rates	<p>Rates are not normally used to fund capital expenditure directly other than for roading. Rates are used to fund interest on loans taken for capital projects and also to create depreciation reserves to fund future renewals of existing assets or infrastructure. The rationale is that current ratepayers/users of the assets should pay for the replacement of the asset that they are using. This is the intergenerational equity concept. Future generations should not have the added burden of the cost of replacing an asset that they have not used. Future generations may not be able to afford the replacement in any case this means that in the case of roading, where the lifecycle of the assets in many cases is far shorter than other assets such as water supply schemes, the depreciation alone is insufficient to cover the current renewal costs. .</p> <p>However, when NZTA funding is taken into account, the funding is normally sufficient. Where it is not, the Roading rate is used to fund these shortfalls.</p> <p>The depreciation calculation is used as a proxy to calculate the funding needed for depreciation reserves. Revaluing assets so that the calculation is as accurate as possible is done every three years (or less if appropriate) to minimise the costs associated with obtaining the revaluations.</p> <p>This mechanism also lessens the risk of large rate increases in the year subsequent of a valuation update.</p>
Depreciation reserves	<p>Depreciation reserves that have been funded in previous years from rates (or other funding) are used only to fund replacements and renewals of operational assets and infrastructural assets. They are also used to repay the capital on borrowing. This fits with the concept of intergenerational equity.</p> <p>In the situation where a depreciation reserve would go into deficit, then this should be recovered from rates or borrowing, as should capital renewals, until the depreciation reserve is no longer in deficit. Where depreciation reserves are sufficient, loans may be repaid earlier.</p>
Roading reserves	<p>The roading reserve is established to provide funding for emergency works as a result of bad weather or other natural disasters.</p>
Community and leisure assets reserves	<p>Previously Council has funded depreciation at either 100% or 0%. Now, instead of funding the full calculated depreciation requirement on specific leisure facilities, depreciation is set at 100% for libraries⁵⁸, 50% for parks, halls and public toilets, and 0% for swimming pools, community housing and the rural water supply schemes. Additionally Council has agreed to a \$75,000 per annum swimming pool reserve⁵⁹.</p>

⁵⁸ From 2013/14

⁵⁹ From 2013/14

Subsidies and grants	<p>Subsidies and grants are primarily received from the government for various central government initiatives, or to fund specific activities such as roading renewals and developments, water and/or wastewater developments.</p> <p>Roading subsidies for renewals only cover the subsidisable portion of the current renewals. The government does not fund its portion of the roading renewal programme in advance through depreciation funding as the Council does. Council only funds its “local share” of the depreciation funding.</p> <p>The risk to Council is that the rate of subsidy may decrease or cease to exist when the asset is renewed. This is seen as a low risk for roading as the lifecycle of the assets is lower (20 years or less).</p> <p>As these subsidies and/or grants relate to specific activities, the subsidy or grant is treated as an income stream of the activity to which they relate even though the funds so derived are used to replace or create (primarily) infrastructural assets.</p> <p>As such funding streams are classified as income but the funds are used to fund capital, an operational surplus is automatically created in the surplus or deficit as the expenditure is recognised in the “balance sheet” surplus or deficit. This phenomenon is peculiar to central and local government and causes confusion to those who view such “surpluses” as “profit” and subsequently think that councils are over-rating them.</p>
Loans	<p>Loans are used to fund development. This fits within the concept of intergenerational equity whereby the future ratepayers or users who benefit from the new asset pay for the loan interest charges and loan repayments. Depreciation reserves are used to reduce the amount of loan, but (as noted above) interest payments are funded by rates. Council’s policy is to renew borrowing at least every three years and repay the total sum borrowed within 30 years.</p> <p>In exceptional cases, Council may (by resolution) use a loan to fund operating expenses. The most likely reason for Council to decide on this would be to avoid a spike in rates from a one-off cost.</p>

Part B of the policy shows how new capital expenditure will be funded (noting whether this will vary from the funding mechanism for operational expenditure). It notes where Council will undertake specific consultation before settling the method of funding. Council has confirmed the principle that non-replacement capital expenditure for infrastructure and/or community facilities may be funded from the properties connected to or communities that directly benefit via a capital contribution or a targeted rate on a case by case basis. Council does not currently envisage changes to these funding mechanisms during the term of this Long Term Plan.

Council recognises that revenue from fees and charges will change from year to year – because of the extent of public participation, the market place, and central government policy and programmes. Thus the funding split between public and private mechanism (where both are involved) may vary between years. Similarly, levels of government grants and subsidies may change, which would necessitate an altered funding split (e.g. rural fire or roading).

Part B: APPLICATION OF POLICY PRINCIPLES AND CONSIDERATIONS

Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for new capital expenditure	Variation projected after 2015/16
Community leadership						
Council Strategic planning and reporting Iwi liaison Community Committees, Elections	100:0 to 95:5	Uniform Annual General Charge on each separately used or inhabited part of every rating unit in the district	Not applicable The exception is in election years when a contribution is made by the regional council and the district health board for including their candidates on the voting paper.	Benefits potentially shared equally among all residents	Not applicable	Not envisaged
Community Boards	100:0	Targeted Community Services rate set as a fixed charge per rating unit	Not applicable	Benefits shared among all residents within the Board area	Not applicable	Not envisaged
Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for new capital expenditure	Variation projected after 2015/216 ¹
Roading and footpaths						
Roading (i.e. Pavements, Bridges, Traffic services, Stormwater drainage and	50:50 to 40:60 ⁶⁰	Targeted rate (District-wide) based on capital value	Central government grants and subsidies, fuel taxes, fines, infringement fees	District-wide benefit, property-related, but the whole community benefits, in terms of accessibility to and supply of goods and services	Not applicable	Not envisaged

⁶⁰ Excluding extraordinary projects such as replacement of a major bridge.

Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for new capital expenditure	Variation projected after 2015/16
Vegetation management)				Government subsidy is a significant contribution. Roothing is a significant activity warranting a separately disclosed rate		
Footpaths and street lighting	100:0 to 95:5	Targeted rate (District-wide) based on capital value	Fines and infringement fees	These activities contribute to safer and more attractive towns. The whole community benefits from this.		Not envisaged
Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for new capital expenditure	Variation projected after 2015/16
Water supply						
Potable water (town reticulation schemes)	20:80 to 25:75	Targeted rate: 20-25% from all separately used or inhabited parts of every rating unit in the district (whether connected or unconnected).	Targeted rate and user charges. 65-70% consumption charge on each separately used or inhabited part of every rating unit which is connected, except Hunterville (metered supply). 5-15% of cost recovered from extraordinary	The provision of potable water is an essential service to residents and businesses in urban areas. A balance is needed between the benefits to those connected to the scheme, to the wider community who use the facilities and businesses dependent on potable water and who have access to such supplies during shortages or	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged

Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for new capital expenditure	Variation projected after 2015/16
			users ⁶¹ and bulk supplies	emergencies and affordability.		
Non-potable water (rural supply schemes) Erewhon Omatane Huntermville	0:100 to 5:95	Internal charges (overheads) to be met through the General Rate	User charges by volume (set in consultation with each scheme and recovered as rates)		To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged
Non-potable water (rural supply schemes) Putorino	0:100 to 5:95	Internal charges (overheads) to be met through the General Rate	User charges by capital value (set in consultation with each scheme and recovered as rates)			Not envisaged

⁶¹ Metered for full quantity of water taken, after the first 250 m³, charged on basis of rates set in Council's fees and charges or as separately agreed.

Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for new capital expenditure	Variation projected after 2015/16
Sewerage and the treatment and disposal of sewage						
Wastewater	20:80 to 25:75	Targeted rate: 20-25% from all separately used or inhabited parts of every rating unit in the district (whether connected or unconnected),	Targeted rate and user charges: 65-70% disposal charge on each separately used or inhabited part of every rating unit which is connected. 5-15% of cost recovered from charges levied under the Trade Waste Bylaw and septage disposal (on basis of rate set in Council's Fees and Charges or as separately agreed)	The district as a whole has a vested interest in ensuring the safe disposal of wastewater to minimise the otherwise harmful effects to the environment of improper disposal. A balance is needed between this district-wide benefit, the benefits of convenience to those connected to the scheme and affordability.	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged
Stormwater drainage						
Stormwater	20:80 to 30:70	Targeted rate: 25% from all separately used or inhabited parts of every rating unit in the district (whether urban or rural)	Targeted rate 75% from all rating units	A balance is needed between the benefits to those properties connected to a stormwater scheme, the district-wide benefit through minimisation of damage to the roading network and affordability.	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged

Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for new capital expenditure	Variation projected after 2015/16
Community and leisure assets						
Libraries	100:0 to 90:10	Uniform Annual General Charge on all separately used or inhabited part of every rating unit in the district	User pays for value- added services for individuals or groups	District-wide benefit, related primarily to individual rather than property	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged
Swimming pools	100:0 to 90:10					
Public toilets	100:0					
Cemeteries	80:20 70:30					
Parks	100:0 90:0					
Halls	100:0 90:0					
Housing Property	10:90 to 20:80 30:70 to 50:50	General rate	User pays for long-term exclusive use of facilities	District-wide benefit, but not equally; impossibly complex to identify specific benefits to individuals or organisations as this will change	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged
Rubbish and recycling						
Waste management	30:70 to 40:60	Part of the Solid waste targeted rate set as fixed charge on every separately used or inhabited part of every rating unit in the district	User charges at waste transfer stations	Users of the facilities benefit – but so does every resident in the District as a whole in terms of health and tidiness of the environment	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged

Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for new capital expenditure	Variation projected after 2015/16
Waste minimisation	0:100 to 20:80	Part of the Solid waste targeted rate set as fixed charge on every separately used or inhabited part of every rating unit in the district	Grant from waste levy and other government grants	The district as a whole benefits through extended life of landfill assets	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged
Environmental and regulatory services						
Animal control	45:55 to 65:35	Uniform Annual General Charge on separately used or inhabited part of every rating unit in the district		There are benefits to the District at large in having a well-regulated environment, in which, animals do not pose a threat to people or other animals.	Not applicable	Not envisaged
Building control	45:55 to 65:35	General rate	User charges, fines and infringement fees	There are benefits to the District at large in having a well-regulated environment, in which buildings are safe, changes to land use do not intrude unduly on the environment, etc. However, there is also an individual benefit for those people participating in such activities. The funding split recognises that there will be circumstances where the exacerbator cannot be	Not applicable	Not envisaged
Planning control	65:35 75:25					
Other regulatory functions (including registered and licensed premises control)	65:35 to 75:25					

Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for new capital expenditure	Variation projected after 2015/16
				traced to pay		
District Plan	100:0	General rate		Benefits potentially across the whole District primarily related to property.	Not applicable	Not envisaged
Community well-being						
Information Centres Economic development Community partnerships	95:5 to 85:15	50% General rate 50% Uniform Annual General Charge	Government subsidies and User pays for specific services (e.g. travel commissions at information centres)	District-wide benefit, but not equally; impossibly complex to identify specific benefits to individuals, businesses or organisations as this will change. Applying equal contributions from the general rate and UAGC reflects this complexity.	Not applicable	Not envisaged
Emergency management Rural fire	100:0 to 90:10	General rate	Government subsidy	The whole community benefits – work on preparedness and responding to actual emergency events occurs regardless of where the event has occurred or who needs assistance.	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged

Prospective Statement of Comprehensive Revenue and Expenses
For the years ending 30 June 2015 to 2025

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Revenue											
Rates other than targeted rates for water	18,665	18,973	19,145	19,787	19,866	20,298	20,987	21,480	22,403	23,353	23,504
Targeted rates for water	1,038	1,097	1,203	1,255	1,298	1,321	1,406	1,444	1,510	1,539	1,588
Finance revenue	194	219	245	288	339	373	464	478	494	509	525
Subsidies and grants	8,198	6,483	8,359	6,728	8,292	7,183	7,282	7,577	6,964	7,099	7,173
Other revenue	2,464	2,741	2,685	2,720	2,793	2,909	2,954	3,042	3,176	3,236	3,345
Total operating revenue	30,559	29,512	31,638	30,777	32,587	32,085	33,094	34,021	34,548	35,737	36,135
Expenditure											
Depreciation and amortisation expense	10,145	9,800	10,563	10,795	10,830	11,013	11,146	11,281	11,390	11,572	11,735
Personnel costs	2,481	2,633	2,700	2,772	2,847	2,930	3,018	3,111	3,212	3,320	3,430
Finance costs	615	378	839	1,223	1,577	1,745	2,096	2,162	2,456	2,563	2,578
Other expenses	16,024	16,620	16,528	16,955	17,031	17,462	18,017	18,241	18,739	19,397	19,508
Total operating expenditure	29,265	29,432	30,630	31,745	32,286	33,150	34,276	34,794	35,798	36,853	37,251
Operating surplus (deficit) before tax	1,294	81	1,008	(968)	302	(1,065)	(1,183)	(773)	(1,249)	(1,116)	(1,116)
Income tax expense	0	0	0	0	0	0	0	0	0	0	0
Net surplus (deficit) after tax	1,294	81	1,008	(968)	302	(1,065)	(1,183)	(773)	(1,249)	(1,116)	(1,116)

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Other comprehensive revenue and expenses											
Gain on revaluation of infrastructural assets	0	0	14,022	0	0	32,659	0	0	45,121	0	0
Gain on revaluation of land and buildings	0	0	0	0	0	0	0	0	0	0	0
Total other comprehensive revenue and expenses	0	0	14,022	0	0	32,659	0	0	45,121	0	0
Total comprehensive revenue and expenses	1,294	81	15,030	(968)	302	31,595	(1,183)	(773)	43,872	(1,116)	(1,116)

Prospective Statement of Changes in Net Assets/Equity

For the years ending 30 June 2015 to 2025

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Balance as at 1 July	499,599	481,170	481,251	496,281	495,313	495,615	527,209	526,027	525,254	569,126	568,010
Total comprehensive revenue and expenses previously reported	1,294	81	15,030	(968)	302	31,595	(1,183)	(773)	43,872	(1,116)	(1,116)
Balance as at 30 June	500,893	481,251	496,281	495,313	495,615	527,209	526,027	525,254	569,126	568,010	566,894

Prospective Statement of Financial Position

As at 30 June 2015

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Assets											
CURRENT ASSETS											
Cash and cash equivalents	4,007	2,669	1,366	2,123	1,827	2,153	2,205	2,625	2,269	2,562	2,748
Debtors and other receivables	3,278	3,122	3,199	3,277	3,358	3,440	3,525	3,611	3,700	3,791	3,884
Prepayments	20	11	11	11	11	11	11	11	11	11	11
Other financial assets	0	2,515	2,515	2,515	2,515	2,515	2,515	2,515	2,515	2,515	2,515
Total current assets	7,305	8,317	7,091	7,926	7,711	8,119	8,256	8,762	8,495	8,879	9,157
NON-CURRENT ASSETS											
Plant, property and equipment	507,460	488,573	510,688	513,188	516,993	549,451	547,313	550,700	596,702	594,595	594,832
Intangible assets	411	96	47	5	9	12	14	15	15	15	15
Forestry assets	221	28	28	28	28	28	28	28	28	28	28
Other financial assets											
Corporate Bonds	3,635	4,101	4,101	4,101	4,101	4,101	4,601	4,801	5,101	5,401	5,701
Investments in CCOs and other similar entities	29	27	27	27	27	27	27	27	27	27	27
Total non-current assets	511,756	492,825	514,891	517,349	521,157	553,618	551,983	555,571	601,873	600,066	600,603
Total assets	519,061	501,141	521,982	525,275	528,868	561,737	560,239	564,333	610,368	608,945	609,760

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Liabilities											
Current liabilities											
Creditors and other payables	3,736	3,653	3,729	3,808	3,888	3,971	4,055	4,142	4,230	4,321	4,414
Employee entitlements	203	240	240	240	240	240	240	240	240	240	240
Income in advance	353	347	347	347	347	347	347	347	347	347	347
Borrowings	1,377	1,423	1,644	1,840	2,009	2,086	2,109	2,326	2,463	2,509	2,587
Total current liabilities	5,669	5,662	5,960	6,234	6,484	6,643	6,751	7,054	7,280	7,417	7,587
Non-current liabilities											
Employee entitlements	9	13	13	13	13	13	13	13	13	13	13
Provisions	494	444	418	392	366	339	313	287	261	235	209
Borrowings	12,036	13,771	19,310	23,323	26,390	27,532	27,134	31,724	33,688	33,269	35,056
Total non-current liabilities	12,539	14,228	19,741	23,728	26,769	27,885	27,461	32,024	33,962	33,518	35,279
Total liabilities	18,208	19,890	25,701	29,962	33,253	34,528	34,212	39,079	41,242	40,935	42,866
Net assets	500,853	481,251	496,281	495,313	495,615	527,209	526,027	525,254	569,126	568,010	566,894
Equity											
Accumulated comprehensive revenue and expense	462,592	443,871	444,562	443,170	442,791	441,392	439,960	438,934	437,425	436,045	434,657
Asset revaluation reserves	33,299	31,744	45,766	45,766	45,766	78,425	78,425	78,425	123,546	123,546	123,546
Special and restricted reserves	4,962	5,636	5,953	6,377	7,058	7,392	7,641	7,895	8,154	8,419	8,691
Total equity	500,853	481,251	496,281	495,313	495,615	527,209	526,027	525,254	569,126	568,010	566,894

Prospective Statement of Cash Flows

For the year ending 30 June 2015

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Cash flows from operating activities											
Receipts from rates revenue	18,665	18,898	19,069	19,708	19,785	20,216	20,903	21,393	22,315	23,263	23,411
Receipts from other revenue	11,684	10,305	12,231	10,687	12,367	11,398	11,627	12,047	11,635	11,858	12,090
Interest received	194	219	245	288	339	373	464	478	494	509	525
Dividends received	0	0	0	0	0	0	0	0	0	0	0
Payments for suppliers and employees	(18,505)	(19,046)	(19,177)	(19,674)	(19,824)	(20,335)	(20,976)	(21,291)	(21,889)	(22,653)	(22,871)
Interest paid	(615)	(378)	(839)	(1,223)	(1,577)	(1,745)	(2,096)	(2,162)	(2,456)	(2,563)	(2,578)
Net cash inflow (outflow) from operating activities	11,423	9,997	11,528	9,785	11,090	9,906	9,921	10,466	10,099	10,415	10,577
Cash flows from investing activities											
Receipts from sale of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0
Receipts from sale of investments	0	0	0	0	0	0	0	0	0	0	0
Acquisition of investments	0	(1,000)	0	0	0	0	(500)	(200)	(300)	(300)	(300)
Purchases of property, plant and equipment	(19,601)	(17,881)	(18,607)	(13,253)	(14,639)	(10,815)	(9,010)	(14,669)	(12,272)	(9,466)	(11,972)
Purchases of intangible assets	0	0	0	0	0	0	0	0	0	0	0
Net cash inflow (outflow) from investing activities	(19,601)	(18,881)	(18,607)	(13,253)	(14,639)	(10,815)	(9,510)	(14,869)	(12,572)	(9,766)	(12,272)
Cash flows from financing activities											
Proceeds from borrowings	8,415	11,363	7,199	5,869	5,093	3,243	1,727	6,932	4,443	2,107	4,389
Repayment of borrowings	(1,082)	(1,133)	(1,423)	(1,644)	(1,840)	(2,009)	(2,086)	(2,109)	(2,326)	(2,463)	(2,509)
Net cash inflow (outflow) from financing activities	7,333	10,230	5,776	4,225	3,253	1,234	(358)	4,823	2,117	(356)	1,880

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Net increase (decrease) in cash and cash equivalents	(845)	1,346	(1,302)	757	(296)	326	52	420	(356)	293	185
Cash and cash equivalents at the beginning of the year	4,852	1,322	2,669	1,366	2,123	1,827	2,153	2,205	2,625	2,269	2,562
Cash and cash equivalents at the end of the year	4,007	2,669	1,366	2,123	1,827	2,153	2,205	2,625	2,269	2,562	2,748

Draft associated with CD 'What's the plan R...'

Notes

Reserves

		Annual Plan 2015 (\$000)	Revised Balance 2015 (\$000)	Deposits 2015/25 (\$000)	Withdrawals 2015/25 (\$000)	Balance 2025 (\$000)
Special and restricted reserves (* denotes restricted reserves)						
Name of reserve and (activity)	Purpose					
Aquatic (Swimming pools)	Replacement of swimming pools	150	150	750	0	900
Bulls courthouse* (Property)	Maintenance of courthouse building	1	12	10	0	22
Flood damage (Roading)	Road maintenance due to flooding	1,200	1,200	2,300	0	3,500
General purpose	Capital works	2,402	2,402	0	0	2,402
Haylock park* (Parks)	Additional reserve area at park	27	27	22	0	49
Huntermville rural water (Water)	Future loop line	175	173	144	0	318
Keep Taihape beautiful* (Property)	Enhancement of Taihape	21	21	0	0	21
Marton land subdivision* (Parks)	Improvements to recreational land	374	373	311	0	684
Marton marae* (Property)	Marton Marae project	4	4	0	0	4
McIntyre recreation* (Parks)	Maintenance or upgrades of park	24	24	20	0	44
Putorino rural water (Water)	Maintenance of scheme dam	18	18	15	0	32
Ratana sewer (Sewerage)	Capital works	22	22	19	0	41
Revoked reserve land (Parks)	Offset costs of other revoked land and buildings	238	238	0	0	238
Rural housing loan (Property)	No longer required	150	150	0	0	150
Rural land subdivision* (Parks)	Improvements to reserves land	80	80	66	0	146
Santoft domain* (Parks)	Maintenance or upgrades of park	77	77	64	0	140
Total special and restricted reserves		4,963	4,970	3,720	0	8,691

Reconciliation of Funding Impact Statement to Comprehensive Revenue and Expenses

For the years ending 30 June 2015 to 2025

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Revenue											
Total operating revenue from funding impact statement	25,196	26,590	26,708	27,482	27,814	28,424	29,339	30,060	31,205	32,266	32,641
Total revenue from comprehensive revenue and expenses statement	30,559	29,512	31,638	30,777	32,587	32,085	33,094	34,021	34,548	35,737	36,135
Difference	5,363	2,922	4,930	3,295	4,774	3,661	3,754	3,961	3,343	3,471	3,494
Reconciling item											
Subsidies and grants for capital expenditure	5,363	2,922	4,930	3,295	4,774	3,661	3,754	3,961	3,343	3,471	3,494
Total Reconciling items	5,363	2,922	4,930	3,295	4,774	3,661	3,754	3,961	3,343	3,471	3,494
Expenditure											
Total operating expenditure from funding impact statement	19,120	19,499	20,093	20,976	21,482	22,163	23,156	23,539	24,433	25,306	25,542
Total operating expenditure from comprehensive revenue and expenses statement	29,265	29,432	30,630	31,745	32,286	33,150	34,276	34,794	35,798	36,853	37,251
Difference	10,145	9,933	10,537	10,769	10,804	10,987	11,120	11,255	11,364	11,546	11,709
Reconciling item											
Depreciation	10,145	9,800	10,563	10,795	10,830	11,013	11,146	11,281	11,390	11,572	11,735
Landfill aftercare unwind	0	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)
Cost of forestry harvested	0	158	0	0	0	0	0	0	0	0	0
Total Reconciling items	10,145	9,933	10,537	10,769	10,804	10,987	11,120	11,255	11,364	11,546	11,709
Rates											
General rate	2,400	2,144	2,128	1,925	1,618	1,585	1,489	1,604	1,701	1,878	1,930
Uniform annual general charge	3,204	3,922	3,956	4,084	4,074	4,399	4,535	4,604	4,764	4,937	5,030

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Targeted rates											
Roading	6,271	6,087	6,010	6,086	6,221	5,793	5,850	5,953	5,941	6,111	6,115
Library	715	0	0	0	0	0	0	0	0	0	0
Solid waste	435	436	434	434	425	430	452	449	461	495	483
Sewerage	1,908	2,273	2,402	2,614	2,871	3,078	3,334	3,520	3,565	3,758	3,731
Water	3,005	3,314	3,393	3,848	3,961	4,294	4,590	4,615	5,219	5,395	5,445
Storm water	674	737	761	731	632	653	667	664	680	702	691
Community	53	59	61	64	64	66	70	70	73	79	79
Total rates	18,665	18,973	19,145	19,787	19,866	20,298	20,987	21,480	22,404	23,353	23,504

Depreciation

Community Leadership	2	2	2	2	2	2	0	0	0	0	0
Roading and Footpaths	6,572	6,422	6,755	6,838	6,917	6,671	6,759	6,849	6,667	6,748	6,831
Water Supply	1,295	1,213	1,389	1,457	1,496	1,779	1,797	1,813	2,071	2,099	2,123
Sewerage and the Treatment and Disposal of Sewerage	771	663	852	877	916	1,050	1,066	1,072	1,137	1,166	1,175
Stormwater Drainage	245	258	290	291	293	313	316	316	337	340	342
Community and Leisure Assets	797	811	828	882	884	898	917	936	938	977	1,015
Rubbish and Recycling	33	33	33	33	33	25	24	24	24	24	24
Environmental and Regulatory Services	3	0	0	0	0	0	0	0	0	0	0
Community Well-being	16	40	41	40	40	20	7	7	7	7	7
Office and Computer Equipment, Plant and Vehicles	411	359	374	375	250	255	261	264	209	213	218
Total Depreciation	10,145	9,800	10,563	10,795	10,830	11,013	11,146	11,281	11,390	11,572	11,735

Number of rating units at commencement of year	9,073	9,070	9,068	9,066	9,064	9,062	9,060	9,058	9,055	9,052	9,050
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Whole of Council

Funding Impact Statement

For the years ending 30 June 2015 to 2025

	2014/15 Annual Plan	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	6,065	6,537	6,567	6,504	6,200	6,507	6,563	6,763	7,038	7,408	7,573
Targeted rates	14,098	14,004	14,264	15,033	15,472	15,635	16,370	16,716	17,449	18,078	18,132
Subsidies and grants for operating purposes	2,835	3,560	3,429	3,433	3,518	3,523	3,528	3,616	3,622	3,628	3,679
Fees and charges	1,872	2,140	2,072	2,093	2,153	2,254	2,283	2,354	2,469	2,509	2,591
Interest and dividends from investments	194	219	245	288	339	373	464	478	494	509	525
Local authorities fuel tax, fines, infringement fees, and other receipts	132	130	131	131	132	132	133	133	134	134	140
Total operating funding (A)	25,196	26,590	26,708	27,482	27,814	28,424	29,339	30,060	31,205	32,266	32,641
Applications of operating funding											
Payment to staff and suppliers	18,505	19,121	19,254	19,753	19,905	20,418	21,061	21,378	21,978	22,743	22,964
Finance costs	615	378	839	1,223	1,577	1,745	2,096	2,162	2,456	2,563	2,578
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	19,120	19,499	20,093	20,976	21,482	22,163	23,156	23,539	24,433	25,306	25,542
Surplus (deficit) of operating funding (A - B)	6,076	7,091	6,614	6,506	6,332	6,262	6,183	6,521	6,772	6,959	7,099

	2014/15 Annual Plan (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	5,363	2,922	4,930	3,295	4,774	3,661	3,754	3,961	3,343	3,471	3,494
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	7,317	10,214	5,760	4,209	3,237	1,218	(374)	4,807	2,101	(372)	1,864
Gross proceeds from sale of assets	0	0	565	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	12,680	13,137	11,255	7,504	8,011	4,879	3,380	8,768	5,444	3,099	5,359
Application of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	8,763	8,818	4,734	1,857	3,841	2,237	1,189	2,219	3,327	651	678
- to replace existing assets	10,838	9,063	13,873	11,396	10,798	8,578	7,821	12,449	8,944	8,814	11,295
Increase (decrease) in reserves	(845)	1,346	(737)	757	(296)	326	52	420	(356)	293	185
Increase (decrease) in investments	0	1,000	0	0	0	0	500	200	300	300	300
Total applications of capital funding (D)	18,756	20,227	17,869	14,010	14,343	11,141	9,563	15,289	12,216	10,058	12,458
Surplus (deficit) of capital funding (C - D)	(6,076)	(7,091)	(6,614)	(6,506)	(6,332)	(6,262)	(6,183)	(6,521)	(6,772)	(6,959)	(7,099)
Funding balance ((A - B) + (C - D))	0	0	(0)	(0)	0	0	(0)	(0)	0	0	0

Rate Types

For the year ending 30 June 2016

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	\$0.000691	\$2,462,712
	Defence land	Land value	\$0.001058	\$6,587
Uniform Annual General Charge <i>(funds activities listed on next page)</i>	All rating units	Fixed amount per SUIP	\$596.85	\$4,510,428
Targeted Rates				
Community Services <i>(funds Taihape and Ratana Community Boards)</i>	Taihape (excl Defence land)	Capital value	\$0.000048	\$49,394
	Taihape (Defence land)	Land value	\$0.000070	\$19
	Ratana	Capital value	\$0.002242	\$18,982
Solid Waste Disposal <i>(funds Rubbish and Recycling)</i>	All rating units	Fixed amount per SUIP	\$66.32	\$501,283
Roading <i>(funds Roading and Footpaths)</i>	All rating units (excl Defence land)	Capital value	\$0.001959	\$6,980,944
	Defence land	Land value	\$0.003000	\$18,672
Wastewater public good <i>(funds Sewerage)</i>	All rating units	Fixed amount per SUIP	\$76.55	\$578,549
Wastewater connected <i>(funds Sewerage)</i>	Connected rating units	Fixed amount per number of water closets and urinals in the rating unit	\$434.50	\$2,023,047
Ruru Road sewer extension loan repayment <i>(funds servicing loan to extend reticulation)</i>	Rating units situated on Ruru Road as shown on the map below. (Those rating units that have made a voluntary contribution are excluded from liability for this rate.)	Fixed amount per rating unit	\$2,579.22	\$12,896
Water public good <i>(funds water)</i>	All rating units	Fixed amount per SUIP	\$116.40	\$879,744
Water connected <i>(funds water)</i>	Marton, Bulls, Taihape, Mangaweka, Ratana schemes Residential	Fixed amount per SUIP	\$657.43	\$2,925,560

Source of Funding	Categories of Land	Calculation Base	Rate or Charge (inc GST)	Funding Required (inc GST)
	Marton, Bulls, Taihape, Mangaweka, Ratana schemes Non-residential	Fixed amount per rating unit	\$657.43	
Water by volume (funds water)	Marton, Bulls, Taihape, Mangaweka, Ratana schemes	Fixed amount per cu metre in excess of 250m3 per annum	\$1.71	\$536,906
	Bulls Riverlands	Fixed amount per cu metre in excess of 250m3 per annum	\$1.19	
Hunterville urban (funds water)	Connected rating units	Fixed amount per cu metre	\$3.33	\$96,228
Hunterville rural (funds water)	Connected rating units	Fixed amount per unit or part unit***	\$229.57	\$409,279
Erewhon rural (funds water)	Connected rating units	Fixed amount per unit or part unit***	\$109.04	\$205,284
Omatane rural (funds water)	Connected rating units	Fixed amount per unit or part unit***	\$148.34	\$14,125
Putorino rural (funds water)	Connected rating units	Land value	\$0.000780	\$6,306
Stormwater public good (funds stormwater)	All rating units	Fixed amount per SUIP	\$28.03	\$211,846
Stormwater urban (funds stormwater)	Marton, Bulls, Taihape, Mangaweka, Ratana, Hunterville	Fixed amount per rating unit	\$154.52	\$635,537
Total Rates Required	(Inclusive of GST)			\$23,084,327

***Fixed amount per unit or part unit

A unit of water is equivalent to 365m3.

Ruru Road sewer extension properties



1. Lot 2 DP 30250 (1353005902)
2. Lot 1 DP 7565 (1353006000)
3. Lot 1 DP 18021 (1353005901)
4. Lot 1 DP 16893 (1353006501)
5. Part Lot 4 DP 1707 (1353006500)

DEFINITIONS

Separately Used or Inhabited Part (SUIP)

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

Residential Rating Units

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

Non-Residential Rating Units

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

Lump Sum Rates

With the exception of the Ruru Road sewer extension rate, the Council does not accept lump sum contributions in respect of any targeted rate.

Allocation of UAGC to Activities

For the year ending 30 June 2015

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

	Amount
Council	\$138.27
Council Committees	\$22.15
Elections	\$2.23
Swimming Pools	\$132.41
Public Toilets	\$36.78
Cemeteries	\$22.32
Libraries	\$113.27
Parks and Reserves	\$102.08
Dog Control	\$14.18
Refuse (Litter) Collection	\$13.15
TOTAL	\$596.84

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Allocation of General Rate to Activities
For the year ending 30 June 2015

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

	Amount
Community Awards	\$0.07
Property	\$1.97
Building Inspection	\$8.25
District Planning	\$5.37
Dog Control	\$2.32
Health and General Inspection	\$1.07
Resource Consents	\$0.87
Stock Ranging	\$0.96
Information Centres	\$9.40
District Promotions	\$14.63
Civil Defence	\$2.51
Rural Fire	\$4.35
Halls	\$13.14
Rural Water	\$2.38
Computers and Vehicles	\$1.72
TOTAL	\$69.03

Examples of Impacts of Rating Proposals

For the year ending 30 June 2015

Location	Land Value	Capital Value	Proposed 2015/16	Actual 2014/15	Difference	Percentage
KOITIATA						
Koitiata	60,000	205,000	1,427	1,498	(71)	(4.72%)
Koitiata	60,000	130,000	1,229	1,249	(20)	(1.60%)
Koitiata	60,000	132,000	1,234	1,225	9	0.70%
Koitiata	60,000	100,000	1,149	1,133	17	1.46%
TAIHAPE COMMERCIAL						
Taihape	195,000	500,000	3,914	4,012	(98)	(2.44%)
Taihape	81,000	220,000	3,159	3,129	30	0.96%
Taihape	160,000	265,000	2,845	2,864	(18)	(0.64%)
Taihape	65,000	180,000	2,616	2,599	17	0.67%
Taihape	39,000	139,000	375	456	(81)	(17.83%)
Taihape	65,000	117,000	2,446	2,372	74	3.12%
Taihape	105,000	360,000	3,102	3,423	(321)	(9.39%)
TAIHAPE NON-COMMERCIAL						
Taihape	47,000	265,000	2,845	2,878	(33)	(1.15%)
Taihape	47,000	180,000	2,616	2,599	17	0.67%
Taihape	55,000	155,000	4,525	4,381	144	3.29%
Taihape	1,500	103,000	2,408	2,313	95	4.11%
Taihape	23,000	112,000	2,433	2,393	40	1.67%
Taihape	23,000	265,000	2,845	2,790	55	1.99%
Taihape	1,000	39,000	2,236	2,125	111	5.22%
Taihape	16,000	40,000	2,238	2,128	111	5.20%
HUNTERVILLE COMMERCIAL						
Hunterville	60,000	390,000	5,144	4,926	218	4.42%
Hunterville	65,000	335,000	3,664	3,487	177	5.07%
Hunterville	43,000	245,000	2,122	2,078	44	2.11%
Hunterville	40,000	51,000	1,608	1,516	92	6.09%
Hunterville	10,000	40,000	1,579	1,484	95	6.41%

Location	Land Value	Capital Value	Proposed 2015/16	Actual 2014/15	Difference	Percentage
HUNTERVILLE NON-COMMERCIAL						
Hunterville	95,000	270,000	2,189	2,151	38	1.75%
Hunterville	31,000	210,000	2,030	1,977	53	2.66%
Hunterville	21,000	114,000	1,775	1,699	77	4.51%
Hunterville	14,000	115,000	1,189	1,164	24	2.09%
Hunterville	16,000	87,000	1,704	1,620	83	5.15%
Hunterville	12,000	58,000	1,038	999	39	3.87%
MARTON COMMERCIAL						
Marion	88,000	410,000	5,830	5,722	107	1.87%
Marion	63,000	280,000	4,839	4,825	14	0.29%
Marion	40,000	175,000	2,594	2,546	48	1.88%
Marion	85,000	160,000	2,555	2,474	81	3.25%
Marion	54,000	160,000	3,429	3,307	122	3.68%
Marion	58,000	100,000	2,613	2,491	121	4.88%
MARTON INDUSTRIAL						
Marion	148,000	680,000	4,367	4,858	(491)	(10.11%)
Marion	64,000	1,200,000	7,265	8,009	(744)	(9.29%)
Marion	68,000	420,000	3,243	3,721	(478)	(12.84%)
MARTON NON-COMMERCIAL						
Marion	82,000	385,000	3,151	3,141	10	0.31%
Marion	96,000	415,000	3,230	3,228	2	0.07%
Marion	72,000	260,000	2,819	2,793	26	0.95%
Marion	56,000	205,000	2,674	2,648	26	0.97%
Marion	73,000	175,000	2,594	2,561	33	1.30%
Marion	34,000	123,000	2,022	2,033	(11)	(0.56%)
Marion	66,000	133,000	2,483	2,445	38	1.55%
Marion	56,000	123,000	2,456	2,416	40	1.68%
Marion	46,000	124,000	2,459	2,419	40	1.66%
Marion	46,000	80,000	2,343	2,300	43	1.85%
Marion	34,000	80,000	2,343	2,300	43	1.85%
Marion	18,000	65,000	2,303	2,251	52	2.32%
Marion	23,000	52,000	2,268	2,170	99	4.56%

Location	Land Value	Capital Value	Proposed 2015/16	Actual 2014/15	Difference	Percentage
BULLS COMMERCIAL						
Bulls	370,000	660,000	5,672	5,424	248	4.56%
Bulls	125,000	1,000,000	4,997	4,946	51	1.04%
Bulls	113,000	430,000	3,270	3,102	168	5.43%
Bulls	160,000	280,000	4,414	4,115	299	7.28%
Bulls	75,000	210,000	2,687	2,464	223	9.07%
Bulls	140,000	155,000	2,541	2,377	165	6.93%
BULLS NON-COMMERCIAL						
Bulls	81,000	590,000	13,574	12,168	1,406	11.56%
Bulls	82,000	240,000	2,766	2,580	187	7.25%
Bulls	57,000	200,000	2,660	2,435	226	9.28%
Bulls	54,000	147,000	2,520	2,304	216	9.37%
Bulls	45,000	143,000	2,509	2,290	220	9.60%
Bulls	39,000	143,000	2,509	2,290	220	9.60%
Bulls	48,000	117,000	2,441	2,211	229	10.37%
Bulls	54,000	76,000	2,332	2,087	245	11.76%
RATANA						
Ratana	12,000	136,000	2,796	2,702	94	3.47%
Ratana	12,000	72,000	2,483	2,376	106	4.48%
Ratana	12,000	63,000	2,439	2,331	108	4.64%
Ratana	12,000	52,000	2,385	2,275	110	4.85%
RURAL NORTH OVER \$1,000,000 CAPITAL VALUE						
Erewhon	8,075,000	9,500,000	29,161	28,936	225	0.78%
Erewhon	5,875,000	6,450,000	18,282	18,200	82	0.45%
Erewhon	4,322,000	5,224,000	15,859	15,719	140	0.89%
Erewhon	3,119,000	3,979,000	11,617	11,591	26	0.22%
Ruanui	1,600,000	2,260,000	7,864	7,770	94	1.21%
Awarua	1,380,000	1,800,000	6,623	6,519	104	1.60%
Te Kapua	900,000	1,220,000	4,175	4,143	32	0.77%
RURAL NORTH \$200,000 TO \$1,000,000 CAPITAL VALUE						
Erewhon	580,000	690,000	2,745	2,686	60	2.22%
Kiwitea	375,000	500,000	2,233	2,185	48	2.18%
Awarua	200,000	400,000	1,963	2,009	(45)	(2.26%)

Location	Land Value	Capital Value	Proposed 2015/16	Actual 2014/15	Difference	Percentage
Ohingaiti	29,000	265,000	1,599	1,611	(12)	(0.75%)
RURAL NORTH UNDER \$200,000 CAPITAL VALUE						
Awarua	15,000	215,000	1,464	1,464	0	0.01%
Ohingaiti	6,500	62,000	1,051	1,013	38	3.74%
MANGAWEKA						
Mangaweka	14,000	106,000	2,417	2,167	250	11.53%
Mangaweka	14,000	82,000	2,352	2,096	256	12.20%
Mangaweka	14,000	57,000	2,284	2,022	262	12.95%
Mangaweka	14,000	45,000	2,252	1,946	306	15.73%
RURAL SOUTH OVER \$800,000 CAPITAL VALUE						
Rangitoto	12,300,000	13,900,000	39,479	46,958	(7,479)	(15.93%)
Rangitoto	16,494,000	18,994,000	54,743	54,888	(145)	(0.26%)
Rangatira	9,700,000	13,350,000	39,790	39,707	83	0.21%
Rangatira	3,575,000	3,800,000	10,369	11,198	(829)	(7.40%)
Porewa	2,080,000	2,580,000	10,068	10,295	(227)	(2.20%)
Whangaehu	2,230,000	3,070,000	7,720	8,298	(579)	(6.97%)
Porewa	2,080,000	2,580,000	9,902	9,854	48	0.49%
Pukepapa	1,475,000	1,770,000	9,488	9,960	(472)	(4.74%)
Pukepapa	690,000	1,100,000	5,574	5,964	(390)	(6.54%)
Porewa	930,000	1,250,000	4,610	4,803	(192)	(4.00%)
RURAL SOUTH \$250,000 TO \$800,000 CAPITAL VALUE						
Porewa	230,000	600,000	2,474	2,571	(97)	(3.78%)
Pukepapa	108,000	375,000	2,535	2,560	(25)	(0.99%)
RURAL SOUTH UNDER \$250,000 CAPITAL VALUE						
Scotts Ferry	50,000	155,000	1,295	1,280	14	1.12%
Scotts Ferry	50,000	140,000	1,255	1,179	76	6.46%
Scotts Ferry	50,000	130,000	1,229	1,121	108	9.60%
Otakapu	23,000	131,000	1,231	1,211	20	1.68%
Otakapu	160,000	170,000	450	383	68	17.66%
Rangitoto	108,000	300,000	1,679	1,701	(22)	(1.29%)
RURAL LARGE DAIRY/PASTORAL						
Otairi	1,109,000	1,523,000	4,919	5,236	(317)	(6.05%)
Whangaehu	1,100,000	1,230,000	4,143	4,383	(240)	(5.48%)

Location	Land Value	Capital Value	Proposed 2015/16	Actual 2014/15	Difference	Percentage
Rangatira	2,300,000	3,890,000	12,074	12,928	(854)	(6.60%)
Rangatira	5,500	9,000	24	26	(2)	(8.64%)
Rangatira	1,950,000	2,500,000	7,508	8,081	(573)	(7.09%)
Porewa	1,120,000	1,960,000	6,077	6,515	(438)	(6.72%)
RURAL SOUTH INDUSTRIAL						
Porewa	275,000	4,840,000	14,365	15,465	(1,100)	(7.11%)
Rangitoto	270,000	2,600,000	7,773	8,371	(598)	(7.14%)

Draft associated with CD 'What's the plan Rangitikei...'

Statement of Accounting Policies

NOTE 1: Statement of Accounting Policies

Reporting Entity

The Rangitikei District Council is a territorial authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The relevant legislation governing the Rangitikei District Council's operations includes the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

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

These prospective financial statements of the Council are for the 10 years ending 30 June 2025. The financial statements were authorised for issue by the Council on xx June 2015. Actual financial results for the periods covered are likely to vary from the information presented in this Long Term Plan.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the periods covered by the Long Term Plan.

Basis of Preparation

Statement of compliance

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

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards. They comply with the new PBE accounting standards.

Measurement base

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, forestry assets, and certain financial instruments

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000). The

functional currency of the Council is New Zealand dollars.

Changes in accounting policies

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing these prospective financial statements.

Standards, amendments, and interpretations issued but not yet effective and have not been early adopted

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Council will apply these updated standards in preparing its 30 June 2016 financial statements. The Council expects there will be minimal or no change in applying these updated accounting standards.

Significant Accounting Policies

Revenue

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

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Grants

Grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants are recognised as income when the entitlement has been established by the grantor agency.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Assets vested in the Council are recognised as income when control over the asset is obtained.

Interest and dividends

Interest income is recognised using the effective interest method. Interest income 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.

Borrowing costs

The Council has elected to defer the adoption of NZ IAS 23 *Borrowing Costs (Revised 2007)* in accordance with its transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Grants expenditure

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.

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 income or directly in equity.

Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset whether or not title is eventually transferred. The Council does not currently have any finance leases.

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis 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.

Impairment of a receivable 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 receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments, are considered indicators that the debt 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. 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 uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

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.**

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 income 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.

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

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

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

Property, plant and equipment

Property, plant and equipment consist of:

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

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

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

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

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

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

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

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

Additions

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

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

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

Disposals

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

Subsequent costs

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

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

Depreciation

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

Operational and restricted assets

Buildings

Structure	50-170 years
Roof	40 years
Services	40-65 years
Internal fit out	15-40 years

Plant30 years

Motor vehicles6 years

Office equipment10 years

Computer hardware.....5 years

Library books.....10 years

Infrastructural assets

Roading network

Top surface (seal) 3-16 years

Pavement sealed (base course).....67 years

Pavement unsealed (base course)60 years

Formation Not depreciated

Culverts..... 10-100 years

Footpaths..... 25-75 years

Drainage facilities80-100 years

Traffic facilities and miscellaneous items..... 15-80 years

Street lights..... 50-70 years

Bridges 75-120 years

Water	
Pipes	30-90 years
Pump stations.....	5-100 years
Pipe fittings.....	25-50 years
Wastewater	
Pipes	50-100 years
Manholes.....	100 years
Treatment plant.....	5-100 years
Stormwater	
Pipes	50-90 years
Manholes, cesspits	100 years
Waste transfer stations	50 years

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

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

Value in use is determined using an 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.

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 re-valued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a re-valued amount, the total impairment 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. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

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.

Employment entitlements

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.

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

Long-term employee entitlements

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

Presentation of employee entitlements

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

Superannuation schemes

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

Provisions

A provision is recognised for future expenditure of uncertain amount and timing where there is a present obligation (either legal or

constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

Landfill aftercare provision

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:

- contributed capital;
- 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

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

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

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

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

Critical accounting estimates and assumptions

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

Infrastructural assets

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

Critical judgements in applying accounting policies

Management has exercised the following critical judgement in applying its accounting policies for the 10 years ending 30 June 2025.

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.

Statement of Prospective Financial Information

These prospective financial statements were authorised for issue by the Rangitikei District Council on xx June 2015. 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 10) 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 LTP for the 10 years ending 30 June 2025 and it is prepared in accordance with the Act. Caution should be exercised in using these financial statements for any other purpose.

Draft associated with CD 'What's in the Budget Rangitikei'

Benchmarks Disclosure Statement

For the 10 years ending 30 June 2025

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings for the 10 years covered by this LTP.

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

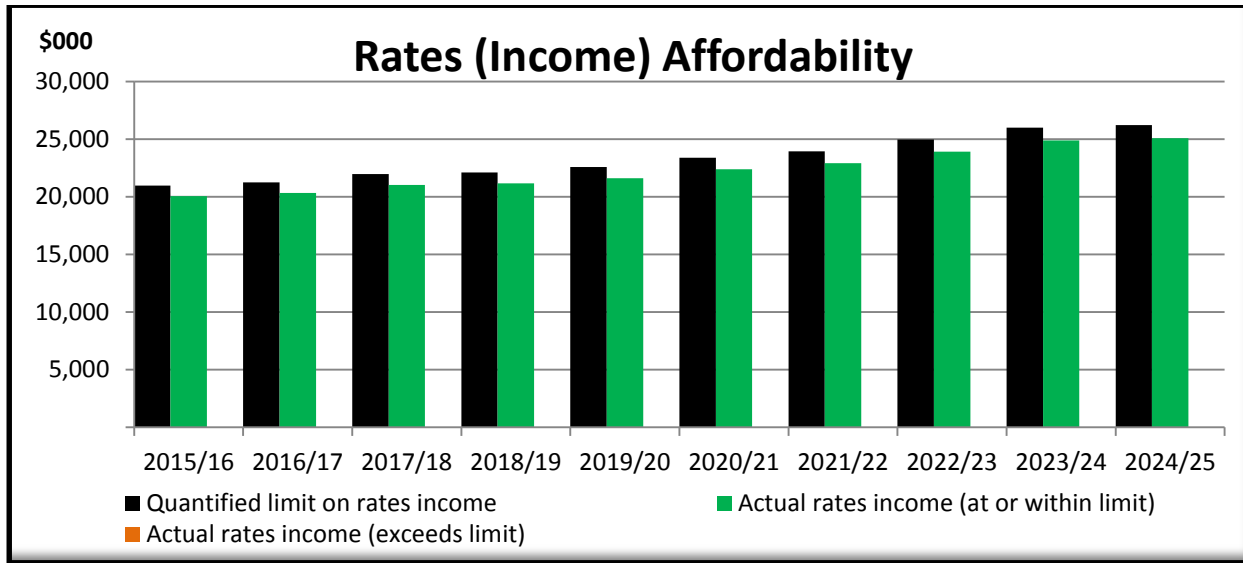
Rates affordability benchmarks

The Council meets the rates affordability benchmark if its—

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

Rates (income) affordability

The following graph compares the Council's actual rates income for the 2012/13 and 2013/14 years with a quantified limit on rates contained in the financial strategy included in the council's 2015/25 long-term plan.. All limits are based on the previous year's actual rates income adjusted for the projected maximum rates increases noted in the next benchmark (rates increases affordability).

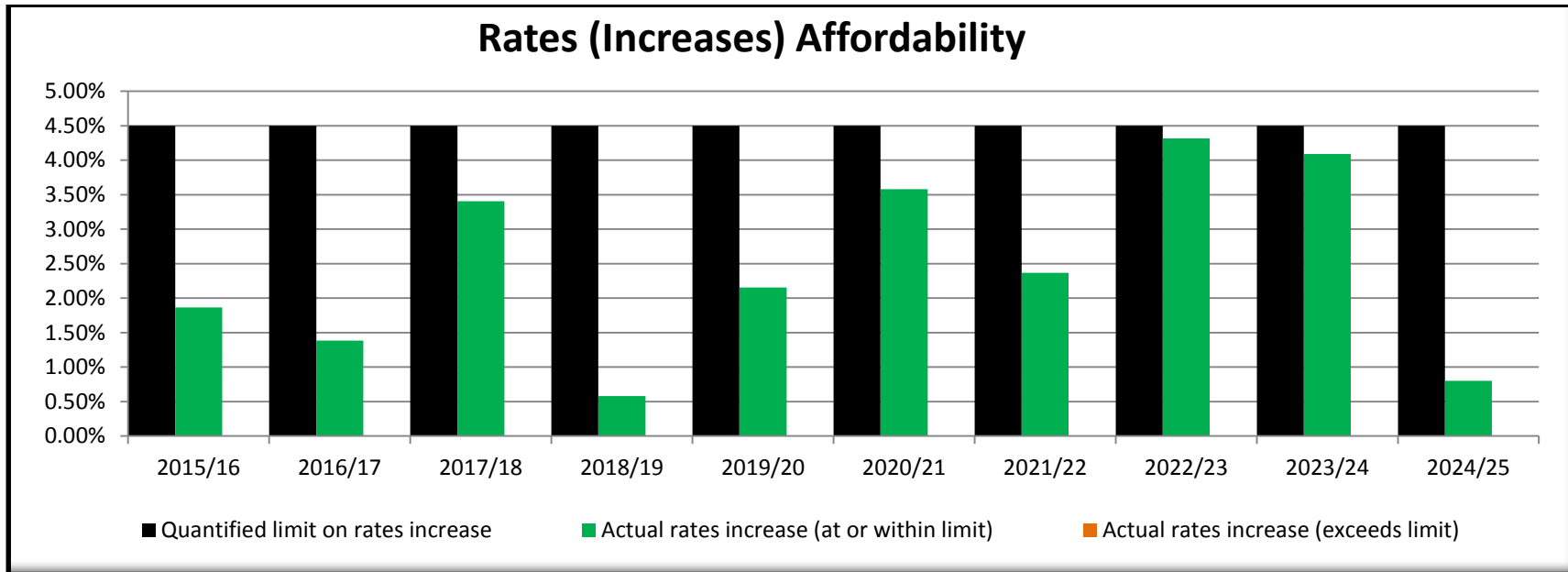


Rates (increases) affordability

The following graph compares the Council's actual rates increases for the 10 years of the LTP with a quantified limit on rates increases contained in the financial strategy included in the council's 2015/25 long-term plan.

The quantified limits are as follows:

2015-25 inclusive; 4.5% being current CPI plus 2%



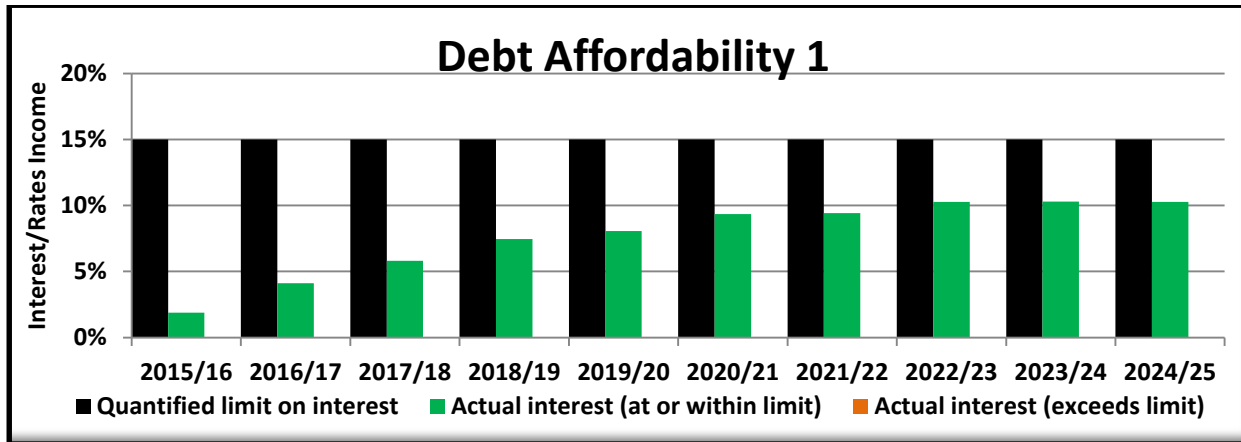
Debt affordability benchmark

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

The Council has three quantified limits on borrowing. For the 10 years of the LTP these are contained in the financial strategy included in the 2015/25 long-term plan.

The limits are as follows:

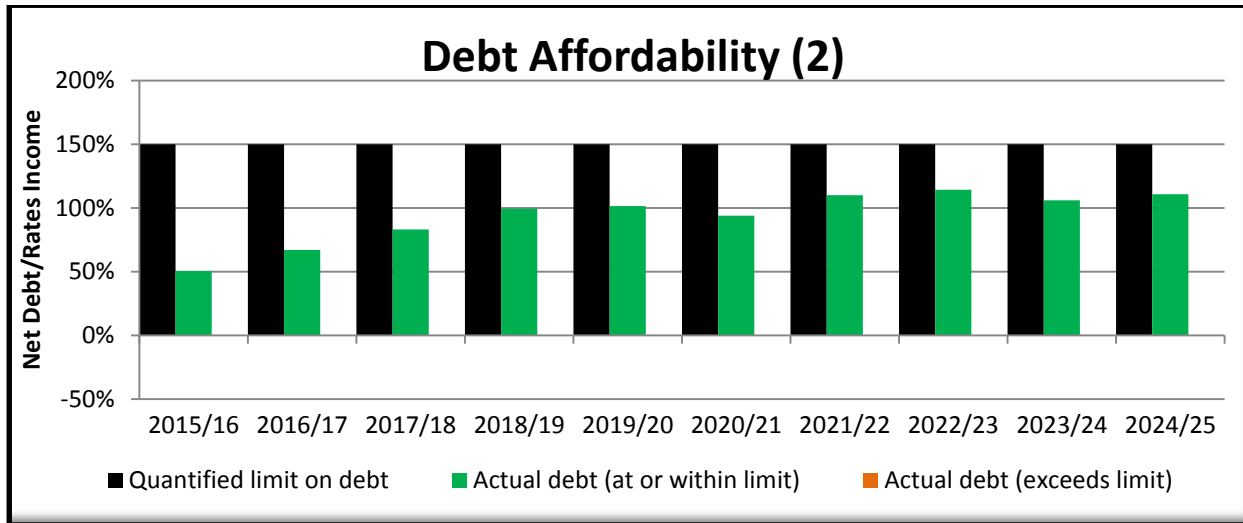
- total interest expense on net external debt will not exceed 15% of total rates income;
- the ratio of net external debt to annual rates income will not exceed 150%; and,
- net external debt per capita will not exceed \$2,500 for the 10 years of the LTP



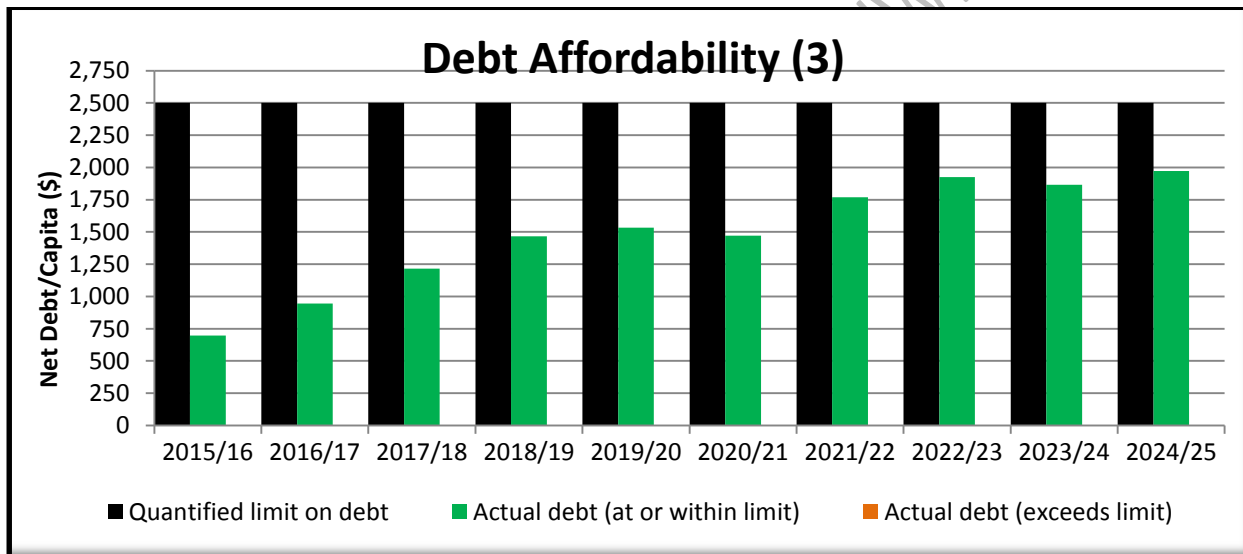
(Note: neither the liability management policy, nor the financial strategy defines “net external debt”. For the purposes of this benchmarking exercise, the same definition included in the regulations for “net debt” has been used.)

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

The following graph compares the Council’s actual net debt as a proportion of annual rates income.



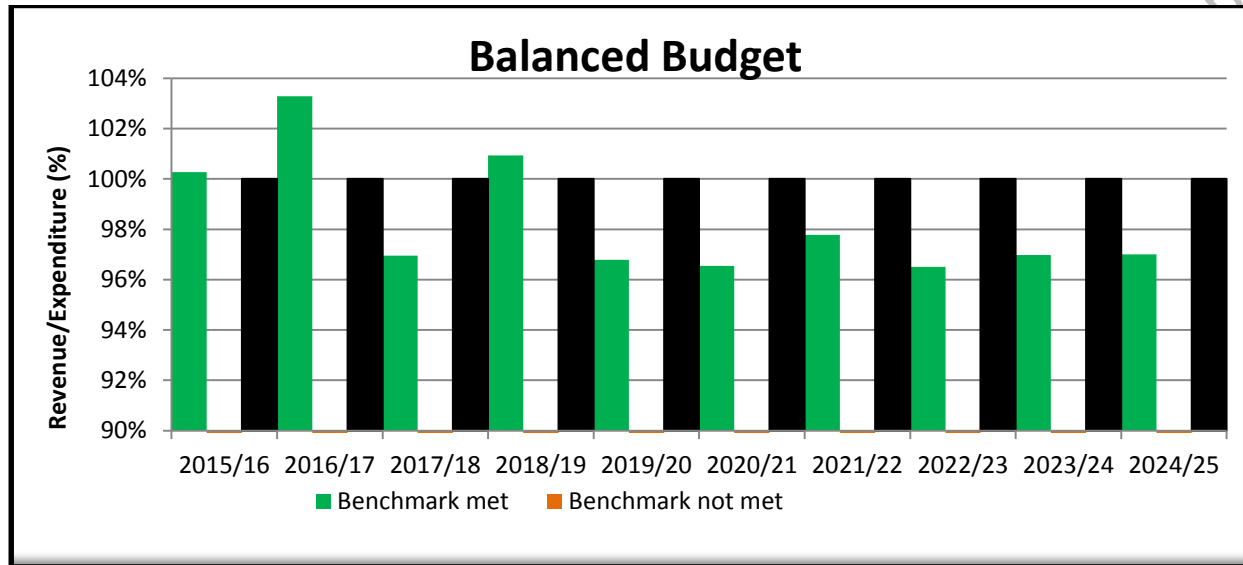
The following graph compares the Council’s actual net debt divided by the total population of the district to provide a per capita outcome.



Balanced budget benchmark

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

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



Explanation for deficits (unbalanced budget) see also financial strategy.

Explanation for deficits (unbalanced budget)

The deficits appearing in the Council's prospective statement of comprehensive revenue and expenses originate in the subsidised roading activity.

This is because depreciation is not fully funded. The rationale behind this decision is based on the assumption that the Council will continue to receive financial assistance from the government on future capital renewals work and there is therefore no need to collect this portion of the cost from ratepayers. While this has been the case for many years, from 2015/16 onwards the rate of financial assistance has increased from

58% to 63% which has increased the mis-match between the amount of depreciation charged in operating expenses compared to the amount of depreciation funding required for the renewals work.

The Council fully funds roading from rates and other revenues (including subsidies) without recourse to borrowing. To increase the funding of depreciation would merely build up depreciation reserves which would not be used in the foreseeable future.

The Council is taking a prudent approach by further increasing its special reserve to fund emergency events, all within the proposed rates projected in the long-term plan.

All this will be achievable with only minor increases in rates because of the increased financial assistance.

The Council considers this to be a prudent approach, and, to take more money from ratepayers than it is currently planned to do so, to fund this activity, would be not be in the best interest of its community.

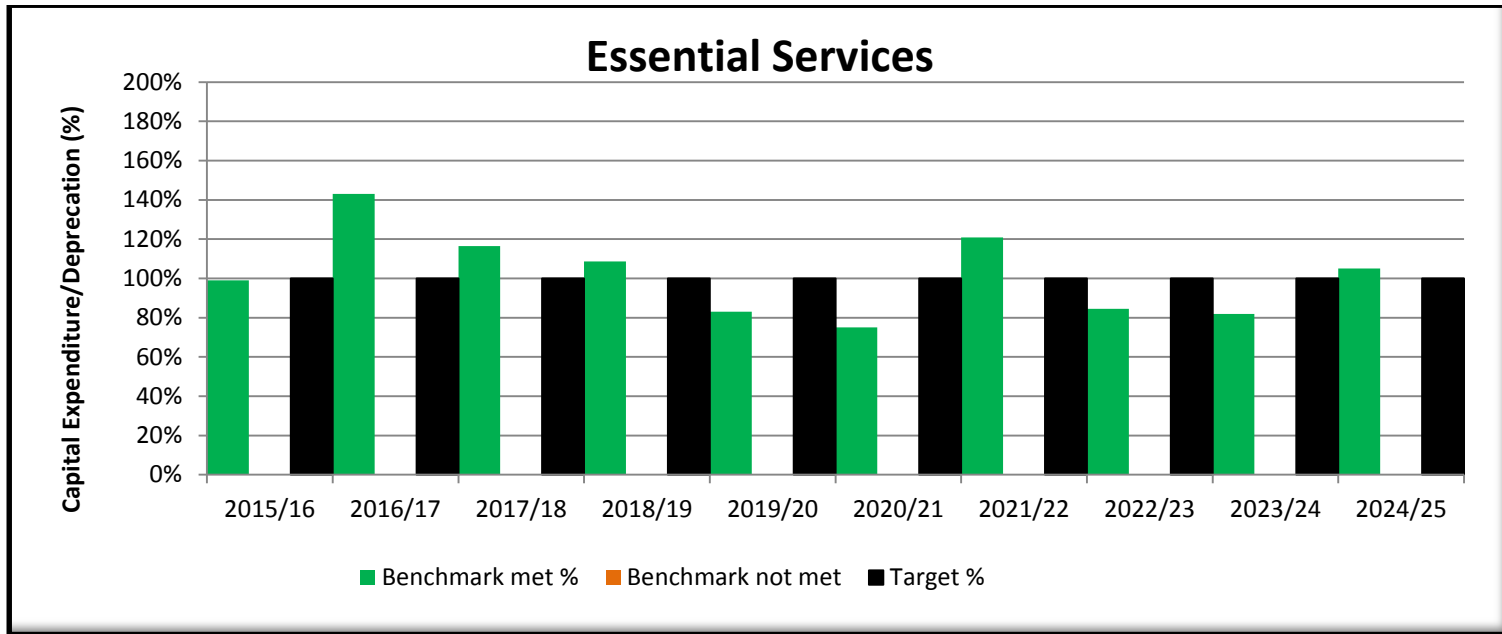
Essential services benchmark

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

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

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

Draft associated with CIL What's the plan for 2014/15

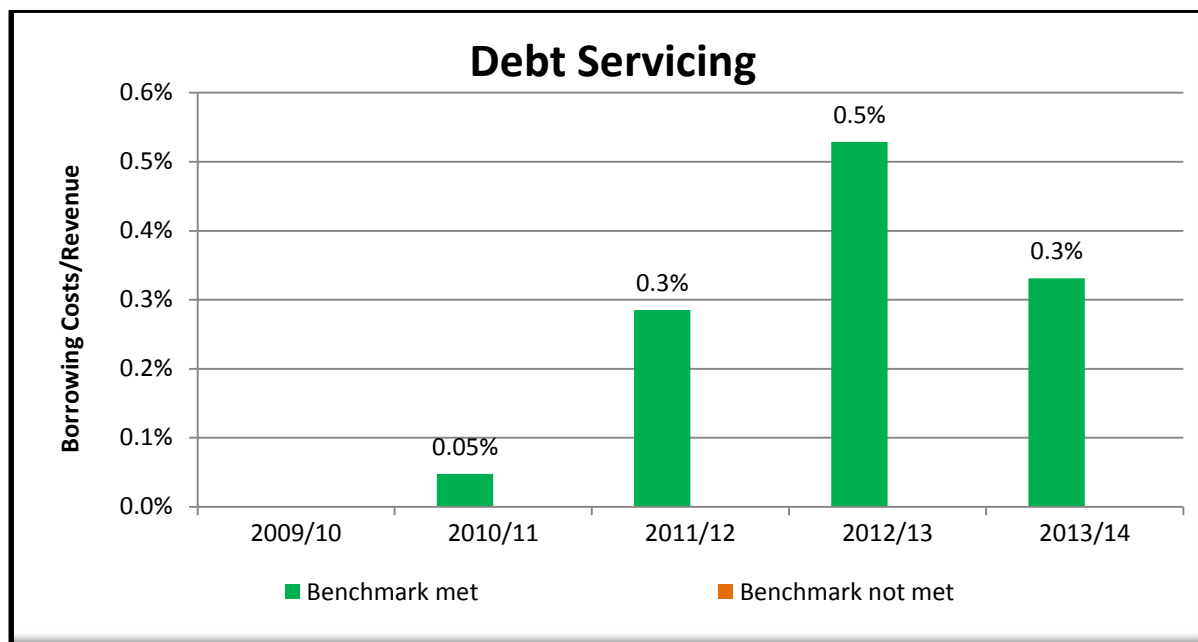


Debt servicing benchmark

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

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

Draft associated with CD



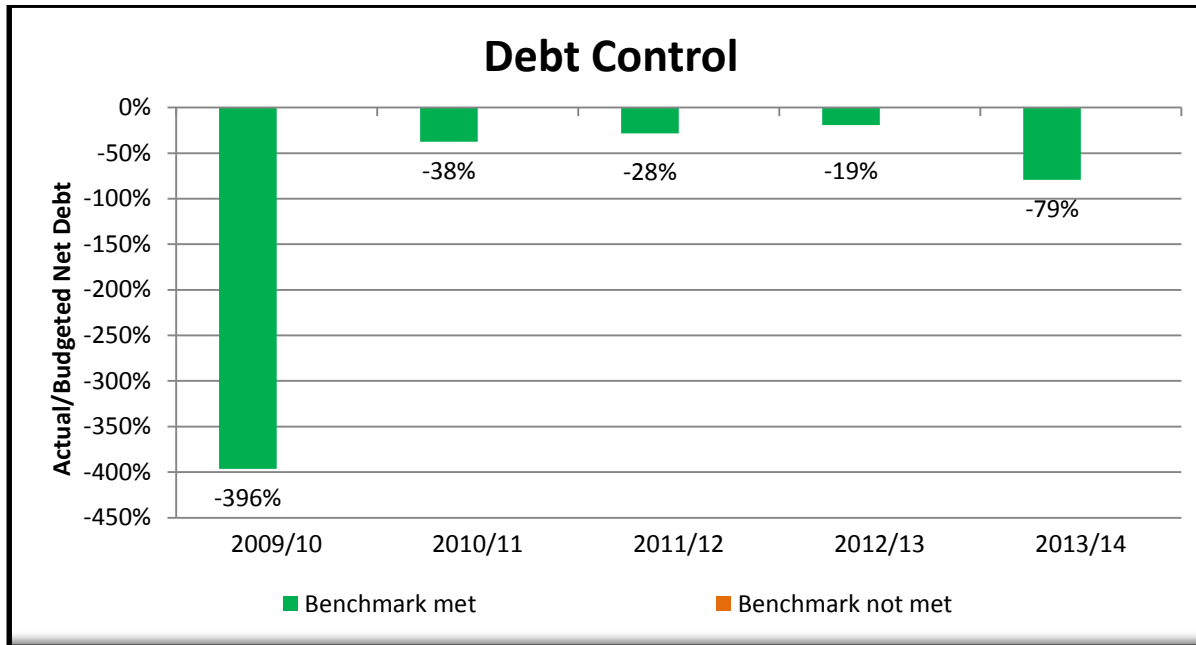
Debt control benchmark

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

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

The regulations do not state what plans the Council should use when determining planned debt. This benchmark has used the projected debt levels in 2009/19 long-term council community plan for the first three years, and the 2012/22 long-term plan for the last two years.

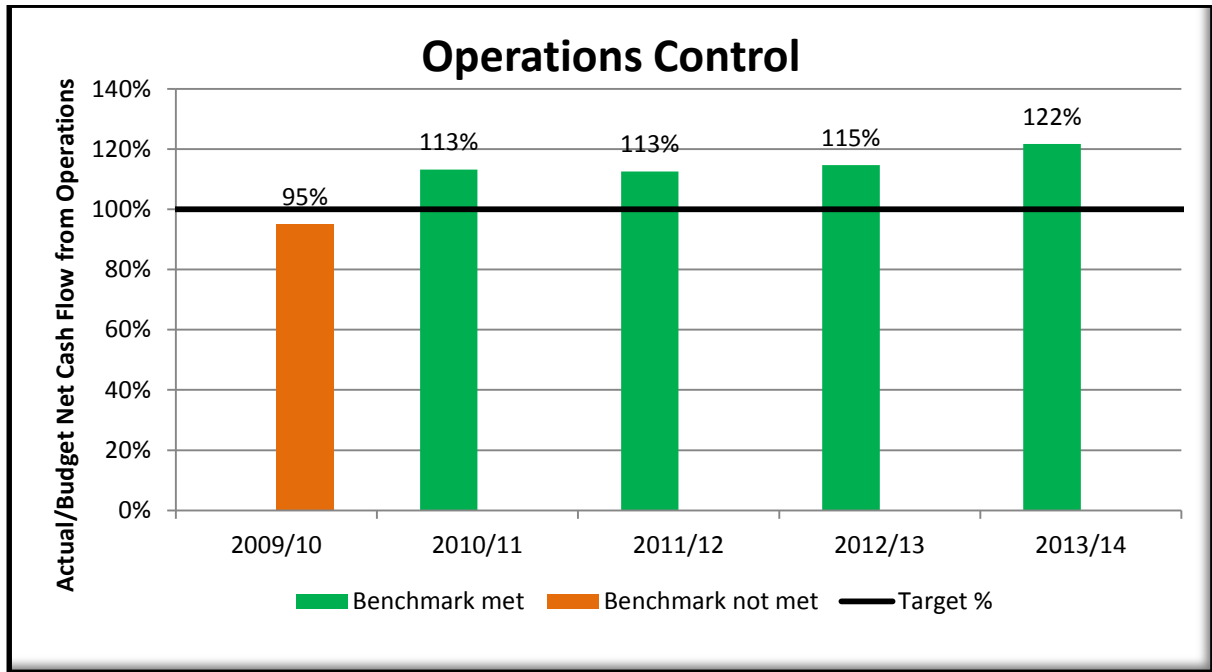
(The graph shows negative values when financial liabilities are less than financial assets, excluding trade and other receivables.)



Operations control benchmark

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

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



Draft associated with CD

Rangitikei...?

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Draft associated with CD 'What's the plan Rangitikei....?'

Section 11: Other information

Changes to Levels of Service

The commentary below addresses the requirement for Council to specify any intended changes in the Long Term Plan to the level of service provided in 2014/15 and the reason for the change (together with the reason for any material change in the cost of service).

This Long Term Plan shows that much of what Council has been doing in the past few years will continue into the future – and at similar levels of performance. However, the new mandatory measures which apply to roading and footpaths, water supply, sewerage and the treatment and disposal of sewage, stormwater drainage have introduced some new elements.⁶² The presentation of the ‘levels of service’ follows the format used in the 2012/22 Long Term Plan, reflecting the requirement to focus on performance measures that ‘will enable the public to assess the level of service for major aspects of groups of activities’.

The following table identifies three different relationships between current and proposed levels of service:

- ‘Continued’ means the level of service in 2014/15 is carried through into the Long Term Plan (although the performance measures may be different);
- ‘Modified’ means the presentation of the level of service in 2014/15 has changed in this LTP – it may be different wording, it may form part of the performance measures, or it may be represented in the forecasting assumptions;
- ‘Increased’ means an additional level of service has been introduced – either in an existing activity or by undertaking a new activity

Intended Levels of Service 2014/15 Annual Plan	Relationship to levels of Service proposed in the LTP for 2015/16	Reasons for change
Community leadership		
Make decisions that are robust, fair, timely, legally compliant and address critical issues, and that are communicated to the community and followed through	Continued	

⁶² The mandatory measures also extend to flood protection and control works but these are not undertaken by this Council.

Intended Levels of Service 2014/15 Annual Plan	Relationship to levels of Service proposed in the LTP for 2015/16	Reasons for change
Roading and footpaths		
Provide a safe roading network which allows people to travel from A to B, free of loose gravel or potholes and maintaining the level of sealed roads currently available	Modified (and extended)	This level of service focuses on a roading network which is <i>sustainable</i> in terms of its significance for local communications and the local economy, taking into account the One Network Road Classification and funding co-investments. Responsiveness to community expectations over the roading network and requests for service has been identified as a distinct level of service in the Long Term Plan.
Increase asset length and footpath renewal programme	Modified	While extension of the network is not being pursued,, performance measures continue from the previous level of service to include the percentage of the sealed road that is resurfaced. The percentage of the unsealed network which is retailed has been added to that..
Water supply		
Provide a reliable, accessible and safe water supply to properties on the urban reticulation systems	Modified (and extended) .	This level of service has been separated into three distinct level of service – safe and compliant supplies, reliable and efficient supplies and being responsive to reported faults and complaints. New performance measures cover compliance with protozoa compliance criteria, water loss from the network and the average daily consumption of residents. A comparable level of service has been introduced to cover Council’s rural water supplies.
Provide a reliable water pressure and flow, which compiles with the NZ Fire Service Fire Fighting Water Supplies Code of Practice	Continued	

Intended Levels of Service 2014/15 Annual Plan	Relationship to levels of Service proposed in the LTP for 2015/16	Reasons for change
Sewerage and the treatment and disposal of sewage		
Provide a reliable reticulated disposal system that does not cause harm or create pollution within the existing urban areas.	Continued (but potential decrease for a small number of properties at Mangaweka)	A separate level of service has been introduced to cover responsiveness to reported faults and complaints, as the new mandatory performance measures provide a greater emphasis on this.
Stormwater drainage		
Provide a reliable collection and disposal system to each property during normal rainfall	Continued	A separate level of service has been introduced to cover responsiveness to reported faults and complaints, as the new mandatory performance measures provide a greater emphasis on this.
Community and Leisure Assets		
Provide a “good enough” range of community and leisure assets at an appropriate proximity to centres of population	Continued (with potential increase in level of service if community housing units are upgraded and amalgamated)	This level of service is complemented by a new level of service aiming at securing high use of staffed community facilities (i.e. libraries and pools)
Rubbish and recycling		
Make recycling facilities available at waste transfer stations for glass, paper, metal, plastics and textiles. Special occasions for electronics (e-waste). Extend recycling to include green/biodegradable waste facility at Taihape, Bulls and Marton waste transfer stations.	Continued	

Intended Levels of Service 2014/15 Annual Plan	Relationship to levels of Service proposed in the LTP for 2015/16	Reasons for change
Environmental and regulatory services		
Provide a legally compliant service	Continued	
Provide regulatory compliance officers	Continued	
Community well-being support		
Provide opportunities to be actively involved in partnerships that provide community and ratepayer wins	Continued (and increased)	Council has committed to identify and promote opportunities for economic growth in the District through a range of initiatives following on from the Regional Growth Study and the Strategic Water Assessment (undertaken with co-funding from the Ministry for Primary Industries). In addition to supporting strategic research, the development of the town centres in Bulls, Marton and Taihape are also a contribution to increased level of service for economic development.

Draft associated with CD 'What's the plan Rangitikei'

Statement on the development of Māori capacity to contribute to Council decision-making

Introduction

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

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

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

The Memorandum of Understanding: Tutohinga

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

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

The Memorandum of Understanding: Tutohinga is subject to review at the same time as each Representation Review. So the last review was in 2012 and the next will begin in August 2018⁶³.

Strategic Planning

Te Roopu Ahi Kaa has adopted a strategic plan which is subject to regular review. This plan identifies a number of actions to achieve three

⁶³ In between these times of comprehensive review, the Komiti may recommend changes to its membership to reflect the needs and views of Iwi/hapu of the District.

goals – building stronger relationships between Council and Te Roopu Ahi Kaa, building stronger relationships between Council and Iwi, hapu, whanau and Māori communities, and building cultural awareness.

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

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

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

Building on current strategies

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

The Post Treaty Settlement Environment

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

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

At present the Taihape claim is proceeding. Settlement is some time away but, when this is done, it is also likely to promote stronger working relationships with Council.

The impacts of the Settlements/Acts on Council's business, resourcing levels and processes are not fully known at this stage. Council will need to review its position on fostering Māori participation in decision-making in the near future.

The Iwi Advisory Komiti is an opportunity for Iwi/hapu without the capacity to engage independently to engage in a relationship with Council. However, the Iwi Advisory Komiti does not pre-empt the opportunity for individual Iwi/hapu to have a direct relationship with Council.

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

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

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

Draft associated with CD 'What's the Plan Rangitikeia 2013-14'

Significance and engagement policy

Background

Every decision made by a local authority must be made in accordance with the provisions of the Local Government Act 2002 (the Act).

Section 76AA requires councils to adopt a Significance and Engagement Policy to enable it to determine the significance of the decision to be made and, where appropriate, engage with its community. This is a new requirement for all councils under Part 6 of the Act. The previous requirement for Councils to have a Significance Policy has been repealed. Therefore, Council's existing Significance Policy will be replaced with this Significance and Engagement Policy.

Once a decision is determined as significant according to the approach, criteria and procedures of this policy, or by council resolution, the decision-making and associated engagement provisions contained in the Act will be observed.

The Council will not make a decision or proceed with a proposal which it considers to be significant, unless it is first satisfied that sections 77 (requirements in relation to decisions), 78 (community views in relation to decisions), 81 (contributions to decision-making by Maori) and 82 (principles of consultation) of the Act have been appropriately observed.

Section 77 of the Act requires that it must:

- “seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
- assess the options in terms of their advantages and disadvantages; and
- if any of the options identified involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga”.

Section 78 of the Act requires that “a local authority must, in the course of its decision-making process in relation to a matter, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter”.

Section 81 requires that councils have in place a process that will encourage and foster participation in decision-making by Maori (see Council's policy, Development of Maori capacity to contribute to Council decision-making).

Section 82 outlines the principles of consultation which councils must use in their decision-making. It amplifies on section 78, requiring that councils:

- Provide reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of persons likely to be affected by, or to have an interest in, the matter
- Encourage affected/interested persons to present their views to the local authority

- Provide reasonable opportunity to present those views to the local authority and clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented
- Receive the views with an open mind and provide a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions

Section 82A specifies the information which is to be made publicly available - essentially the record of Council's considerations under section 77.

Significance and engagement will be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as the proposal develops.

When Council makes a decision that is inconsistent with this policy, the steps identified in Section 80 (Identification of inconsistent decisions) of the Local Government Act 2002 will be undertaken.

Purpose and Scope

This policy will:

- enable the Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities
- provide clarity about how and when communities can expect to be engaged in decisions made by Council
- inform the Council and the community from the beginning of a decision-making process about the extent, form and type of engagement required.

Policy Application

Determining Significance

Council will consider the significance of every issue requiring a decision and the level of engagement on a case by case basis.

In considering the degree of significance of every issue requiring a decision, Council will be guided by the following:

- The potential effect on Council's ability to act in accordance with the statutory principles relating to local government
- The potential effect on the delivery of the statutory core services
- The likely level of community interest in the issue (which may be a particular location in the District, a particular group in the community, or the entire District)
- The possible financial and non-financial costs (risks) of the decision (or of reversing the decision) with regard to the Council's capacity to perform its role.

The following thresholds will also be used by Council to help determine if specific proposals and decisions are significant:

	Significant	Not significant
The potential effect on Council's ability to act in accordance with the statutory principles relating to local government	Major and/or long term	Minor and short-term
The potential effect on the delivery of the statutory core services	Major and/or long term	Minor and short-term
The level of community interest in the issue	Major and/or District-wide	Minor and localised
The financial costs/risk associated with the decision	Major and/or long term	Minor and short-term
The non-financial costs/risk associated with the decision	Major and/or long term	Minor and short-term

It is the Council's judgment as to whether a matter is significant. A matter will be significant if in Council's judgment one or more of the criteria fall into the significant column.

When any issue is determined as a significant decision:

- The issue will be considered by the Council (normally, following consideration by and a recommendation from the relevant Council Committee)
- The report to Council will include an assessment of the degree of significance of the issue, the degree of engagement proposed, the engagement plan proposed and a staff recommendation.

Strategic Assets

Under s.76AA (3) of the Act, this Policy must list the assets considered by the local authority to be strategic assets. According to s.5 of the Act, a "strategic asset, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community".

Significant decisions in relation to strategic assets will be those decisions that affect the whole asset group and not individual components, unless that component substantially affects the ability of the Council to deliver the service.

It is the principle of provision of the service not individual roads, parks, etc., that make these asset groups strategic.

Groups of Strategic Assets:

- Road network, street-lighting
- Wastewater networks and treatment plants in Ratana, Bulls Marton, Hunterville, Mangaweka and Taihape
- Water treatment, storage, and supply networks in Ratana, Bulls Marton, Hunterville, Mangaweka and Taihape

- Stormwater networks in Ratana, Bulls Marton, Hunterville, Mangaweka and Taihape
- Recreation facilities
- Community amenities
- Community Housing⁶⁴
- District libraries
- District Cemeteries

Engagement Principles

The Council believes that public engagement is an essential part of good local government. Good consultation and engagement processes that allow individuals and organisations to contribute to democratic local decision-making and action both builds social capital and civic pride, and leads to better decisions.

When undertaking engagement, the Council will use the following set of principles to guide public engagement processes. The Council will:

- Select appropriate tools and techniques for engagement depending upon the level of engagement sought⁶⁵ and the impact of the issue being consulted upon;
- Use simple and straightforward language when asking for feedback on proposals;
- Ensure that documents are accessible;
- Encourage councillors, community boards and community committees to engage with local communities and assist Council in consulting on public proposals;

When considering the scope and scale of engagement on a case-by-case basis, Council will use the IAP2 – see schedule 1 – and develop an engagement plan – see schedule 2 for the engagement plan template. Council will exercise its judgment in deciding on the scope and scale of the engagement process. Factors will include:

- the extent to which the current views and preferences of persons who will or may be affected by, or have an interest in, the decision or matter are known to the local authority; and
- the nature and significance of the decision or matter, including its likely impact from the perspective of the persons who will or may be affected by, or have an interest in, the decision or matter; and

⁶⁴ Any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy. (LGA 2002, s5)

⁶⁵ For example, the IAP2 or similar matrix – see schedule 1

- the costs and benefits of any engagement process or procedure; and
- whether a pre-set deadline (outside of the Council's control) precludes meaningful public engagement taking place; and
- an increased risk to health and safety from delaying the decision; and
- if the views held by affected or interested parties are already known to a reasonable degree; and
- whether the decision aligns with historical Council decisions.

Statutory Consultation

Consultation is an element on the spectrum of engagement. It falls somewhere in the middle of the spectrum: more participatory than simply providing information but not yet as far along the spectrum of participation as inviting contributing ideas to develop options.

Nonetheless, there are specific issues where councils are required under the Act to undergo a prescribed consultation process – the Special Consultative Procedure⁶⁶. These are:

- establishing a council-controlled organisation (section 56)
- making, amending or revoking a bylaw which is of significant public interest (or likely to have a significant impact on the public) (section 86)
- before adopting a long term plan (section 93(2) but this must be through the consultation document specified in section 93A-G
- before altering a long term plan (section 93(5)) but this must be through the consultation document specified in sections 93A-G.
- before adopting an annual plan (section 95(2)) but this must be through the consultation document specified in section 95A unless there are no significant or material differences to the long-term plan projections for that year (section 95(2A))
- assessing Council's water and other sanitary services (section 125)

⁶⁶ Sections 83, 86 and 87 of the LGA 2002. The Council may be required to use the special consultative procedure under other legislation, and it may use this procedure in other circumstances if it wishes to do so.

Schedule 1: IAP2 Spectrum of Public Participation

IAP2 Spectrum of Public Participation



	Inform	Consult	Involve	Collaborate	Empower
Public participation goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public.
Promise to the public	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.
Example techniques	<ul style="list-style-type: none"> ▪ Fact sheets ▪ Web sites ▪ Open houses 	<ul style="list-style-type: none"> ▪ Public comment ▪ Focus groups ▪ Surveys ▪ Public meetings 	<ul style="list-style-type: none"> ▪ Workshops ▪ Deliberative polling 	<ul style="list-style-type: none"> ▪ Citizen advisory committees ▪ Consensus-building ▪ Participatory decision-making 	<ul style="list-style-type: none"> ▪ Citizen juries ▪ Ballots ▪ Delegated decision

Schedule 2: Engagement Plan template

Project description and background

This will describe the nature of the engagement to be undertaken, clarify the decision to be made, the circumstances that led to it, related council decisions already made, and legislation applying.

Engagement objectives

Identify what feedback or decisions we want from communities.

What decisions will be made by council that needs to be informed by the community's input?

Timeframe and completion date

Describe each stage of the project, including when key decisions need to be made by Council.

Communities to be engaged with

List the communities and key stakeholders to engage with.

Engagement tools and techniques to be used

Describe the tools and techniques that will be used to engage with each of the identified communities and stakeholders. Refer to the IAP2 Spectrum of Public Participation to determine the level of engagement for each (Inform Empower).

Resources needed to complete the engagement

This includes time allocations for Council staff and Councillors and costs involved to undertake the selected engagement tools and techniques.

Communication planning

This outlines any potential reputation risks associated with the project and mitigations. It will outline the key messages to be communicated to the public, and where necessary will include a communications plan.

Basis of assessment and feedback to the communities involved

This will describe how the community input will be analysed and how results will be communicated to the Council and to participating communities. Also includes an indication of when this feedback will occur – prior to, or after Council decisions are made.

Project team roles and responsibilities

This identifies who will be involved in this project, excluding external providers, and who the key contact point within Council will be.

Variation between the Council’s LTP and its assessment of water and sanitary services and waste management plans⁶⁷

To be added

Draft associated with CD 'What's the plan Rangitikei...!'

⁶⁷ Clause 6, Schedule 10, Local Government Act 2002

Issues raised in 2014/15 Annual Plan submissions and referred to 2015/25 LTP

A number of submitters responded to the request to express ideas about issues for consideration during the preparation of the 2015/25 Long Term Plan. Council agreed to include the following items in that work:

- the approach to be taken over maintaining those local roads likely to be subject to logging trucks over the coming decade;
- the approach to be taken over footpaths in streets where pedestrian safety is best served by having footpaths on both sides, compared with the needs of residents and visitors to streets which lack any footpath at all;
- the rationale for the revenue and funding policy, in particular:
 - funding mechanisms for urban reticulated water and wastewater (part of the revenue and financing policy)
 - the merit of differential rates for activities currently funded through the general rate (e.g. roading, footpaths, information centres, district promotion); and
 - the appropriate level of the Uniform Annual General Charge
- the possibility of a co-funding (along with Horizons Regional Council) for the Rangitikei Environmental Group's Old Man's Beard/Biodiversity Project;
- the further discussion with Horizons Regional Council regarding the implementation of the Enviroschools programme in the Rangitikei District;
- upgrades at the Bulls Domain and at Sir James Wilson Park (Marton);
- the feasibility of establishing a mountain bike trail from Taihape Memorial Park to Papakai Park;
- exterior maintenance of the Koitiata Community Hall and the associated car park; and
- consideration of an upgraded skate park in Taihape Memorial Park (beyond any upgrading achieved through community support).

Section 12: Management structure

Council controlled organisations

Manawatu-Wanganui LASS Limited

A Council Controlled Organisation (CCO) in the Manawatu-Wanganui region is delivering efficiencies, stronger governance and cost savings for the participating councils.

The CCO (MW LASS) brings together Horizons Regional Council and Horowhenua, Manawatu, Rangitikei, Ruapehu, Tararua and Wanganui District Councils, was established in 2008 to investigate, develop and deliver shared back office services.

To date there has been one call on share capital and is now trading. Rangitikei District Council owns one seventh or 14% of this company and has a \$1,000 share capital.

The company is considered to be a Council Controlled Organisation under the Local Government Act 2002, but the member councils have resolved that it is exempt for the purposes of section 6(4)(i) of that Act for each year since 2010/11 through to the forthcoming year 2015/16.

Draft associated with CD 'What's the plan Rangitikei...?'

Management structure

To be added

Draft associated with CD 'What's the plan Rangitikei....?'

Glossary of terms

To be added

Draft associated with CD 'What's the plan Rangitikei....?'