



Rangitikei
UNSPOILT...

Rangitikei District Council
Long Term Plan 2012-2022

CONTENTS

01:01

INTRODUCTION

- 2. Message from His Worship the Mayor
- 4. Audit Opinion

02:07

GOVERNANCE STRUCTURE

- 8. Councillors
- 10. Council structure

03:11

FINANCIAL STRATEGY

- 12. Financial strategy
- 12. Background
- 12. Approach to funding
- 13. Factors expected to have a significant impact on the Council
- 14. LTP Choices

04:19

STRATEGIC ENVIRONMENT

- 20. What is the Long-Term Plan?
- 20. The starting point
- 21. Current key issues
- 24. Significant forecasting assumptions

05:29

DISTRICT OVERVIEW

- 30. District overview
- 30. District topography
- 30. Demographic change
- 32. District economy

06:37

COMMUNITY WELL-BEING

- 38. Introduction
- 38. What are the community well-beings?
- 39. What are the District's community outcomes?
- 42. How do Council activities contribute to community outcomes and promote community well-being?
- 44. How will Council monitor its progress towards the community outcomes?

07:45

REPONSE TO SUBMISSIONS

- 46. Analysis of submitters
- 47. Changes to funding and rating policies
- 55. Rationalisation of Community and leisure assets group of activities
- 57. New focus in the Community well-being group of activities
- 60. Focus on Rubbish and recycling group of activities
- 61. Strategic priorities for the Community leadership group of activities
- 62. Youth Engagement Programme – response to submission

08:65

COUNCIL ACTIVITIES

- 66. Introduction
- 68. Community leadership Group of Activities
- 73. Roading and footpaths Group of Activities
- 77. Water supply Group of Activities
- 81. Sewerage and the treatment and disposal of sewage Group of Activities
- 85. Stormwater drainage Group of Activities
- 88. Community and leisure assets Group of Activities
- 94. Rubbish and recycling Group of Activities
- 97. Environmental and regulatory services Group of Activities
- 100. Community well-being Group of Activities
- 108. Statement of service provision

09:121

FINANCIAL STATEMENTS & POLICIES

- 122. Revenue and financing policy
- 129. Prospective Comprehensive Income Statement
- 130. Reconciliation between prospective Funding Impact Statements and the prospective Statement of Comprehensive Income
- 131. Prospective Balance Sheet
- 132. Prospective Cashflow Statement
- 133. Prospective Statement of Changes in Equity
- 134. Notes to the Financial Statements
- 139. Prospective Capital Expenditure
- 140. Funding Impact Statement for 2012 to 2022
- 153. Definition of Separately Used or Inhabited Part(SUIP) of a rating unit
- 154. Statement of Accounting Policies

10:163

OTHER INFORMATION

- 164.** Changes to Levels of Service
Statement on the development of Māori capacity to contribute to Council decision-making
Significance policy
Variation between the Council's LTP and its assessment of water and sanitary services and waste management plans

11:173

MANAGEMENT STRUCTURES

- 174.** Council controlled organisations
Management structure

12:177

GLOSSARY OF TERMS

- 178.** Glossary of terms

LIST OF FIGURES

- 15. Figure 1:** Depreciation versus anticipated renewal expenditure 2012-2033
31. Figure 2: Structural crossover in the Rangitikei population
32. Figure 3: The structure of the Rangitikei economy: Real GDP by sector
33. Figure 4: The structure of the Rangitikei economy: employment by sector (2010)
35. Figure 5: Percentage sector share of employment and Real GDP in 2010
38. Figure 6: Community well-being framework
40. Figure 7: The role of community outcomes in promoting community well-being
42. Figure 8: Relationship between Council activities, community outcomes and community well-being
69. Figure 9: Council's intended level of service for the Community leadership Group of Activities
74. Figure 10: Council's intended level of service for the Roothing and footpaths Group of Activities
78. Figure 11: Council's intended level of service for the Water supply Group of Activities
83. Figure 12: Council's intended level of service for the Sewerage and the treatment and disposal of sewage Group of Activities
86. Figure 13: Council's intended level of service for the Stormwater drainage group of activities
90. Figure 14: Council's intended level of service for the Community and leisure assets Group of Activities
95. Figure 15: Council's intended level of service for the Rubbish and recycling Group of Activities
98. Figure 16: Council's intended level of service for the Environmental and regulatory services Group of Activities
102. Figure 17: Partnership Board Action Plan
103. Figure 18: Council's intended level of service for the Community well-being Group of Activities
104. Figure 19: Work programme agreed with MOU partners 2012/13
118. Figure 20: Planned actions for years 1-3 of 2012-22 LTP







01

INTRODUCTION

MESSAGE FROM HIS WORSHIP THE MAYOR



The Rangitikei District is a wonderful place to live and our Council is determined to keep it that way. However, we face a number of challenges. In my view the underlying problem is our aging and dwindling population, particularly in the rural north. Amalgamation of farms and modern farming practice has virtually emptied out the more remote sectors of rural NZ. New Zealand Inc depends on our primary production, but it seems the burden of this is carried by the few – the rest of the population has drifted to urban areas. This is a societal trend across the globe, and not Rangitikei's alone.

Our towns are also under stress; not only are our citizens getting older, so are our Council assets. Our water networks, footpaths and halls were all built, and built very well, by our forefathers, but for about 50 years rates were kept artificially low because there was no provision being made for the eventual replacement of all of these things. About 30 years ago this potential blowout of expenditure was recognised by Government and councils and a number of measures were put in place including rating for depreciation and this has helped but the chickens are coming home to roost. Priorities and funding issues must be highlighted in order that councils can make the best decisions for their community's future and well being. This is what your Council set out to do.

Council undertook formal consultation on the draft Plan from 24 March 2012 until 24 April 2012. This followed a series of meetings in various parts of the district and publicity in the local newspapers. It was gratifying that over 180 people and organisations took the time and trouble to convey their views, and particular thanks are due to those who spoke to the Council at the hearings on 26 April 2012. The challenge for Council throughout the process of preparing the Plan has been to take a long-term, objective perspective on what needs to be done and to balance this against affordability to all ratepayers.

On that basis, this Plan focuses on Council's core work: upgrading water and wastewater treatment plants, and maintaining the roading network. Of the \$136m budgeted for capital projects to replace or renew assets over the 10 years of the Plan, \$127m is on network assets. Up to 30% of this is currently concentrated in the first two years of the Plan and relates to work that is required to make sure that Council achieves compliance with the NZ Drinking Water Standards (from 2014 onwards) and with its renewed resource consents from Horizons Regional Council for wastewater discharges.

Council's top priority for water treatment is the completion of the Marton water supply; this major project improves the treatment processes and most importantly, provides storage of a 24 hour treated water supply. The total cost for this is \$6.2 million. This was started in 2010/11, and should be completed in 2012/13. In 2012/13 we propose to start upgrading the Ratana water supply. Application to the Ministry of Health Capital Assistance Programme

funding has been made, and we hope to get a large contribution to the \$1.67 million cost. Other, more minor improvements will occur at Bulls, Hunterville and Taihape to ensure all plants comply with the NZ Drinking Water Standards. This compliance must be achieved in the Marton, Taihape and Bulls urban water schemes by July 2014, and a year later for the schemes in Ratana, Mangaweka and Hunterville.

We have also been working hard to meet our responsibilities with wastewater treatment plants. In 2010/11 and 2011/12 the Hunterville wastewater treatment plant was upgraded at a total cost of \$770,000, and the quality of the discharge to the Porewa stream now exceeds all expectations. I am particularly proud of the innovation and commitment that staff have shown to getting the best solution for the community. Over the 10 years of this Plan, the Bulls wastewater treatment plant will be upgraded; this is likely to be in partnership with other major users in the area, and to require total investment from Council of \$2.02m. This is provided for in Year 2. We have made provision of \$172,500 for a filtration unit for Ratana's wastewater treatment plant. In Year 3, further improvements to the plant at Crofton, Marton, will occur. An additional \$1.4 million is required so that this plan meets the standards of the Horizons Regional Council One Plan. Taihape will require work to relocate the wastewater pumping station. Currently sited beside the swimming pool, stormwater is getting into the pumping station and at times of significant flows, the wastewater is discharging directly into the Hautapu Stream. This project is estimated to cost \$1.725 million, and is provided for in Year 1.

Roading remains the biggest expenditure item for Council. This Plan intends to maintain the roading network at current standards. No new roads or seal extensions are proposed. Between the constraints on Government funding (our Financial Assistance Rate from NZTA has decreased by 1% which has added \$250,000 to our costs), and our own constraints, this is going to be a challenge for us. Since formal consultation, NZTA advised its final approvals for subsidised roading in the first three years of the LTP. The budgets in the LTP have been decreased from those in the draft LTP. There will be even greater pressure to find efficiencies in managing the roading programme so that the projected levels of service (such as the extent of road rehabilitation) are obtained. One outcome of these changes is that the emergency roading reserve (i.e. funds set aside to provide for the local share of the costs of repairing roads damaged by inclement weather) will be increased to \$250,000 annually throughout the LTP.

To meet the District's capital expenditure programme, Council will be increasing its borrowings from around \$5.8 million currently to \$31.8 million in 2021/22. Ongoing renewals will be covered from annual rates.

The average rates increase over the ten years of the Plan is around 3.94% per annum, but with increases of 6.34% in 2012/13 and 6.66% in 2013/14, before dropping to 5.68% in 2014/15 and changes more in line with inflation from then on. The higher increases in the first two years are to cover the high priority asset renewals identified from the District's reticulated water supplies, wastewater treatment and stormwater infrastructure in those years.

All Councillors share the view of no frills, stick to our knitting and deliver the very best outcome for our citizens and ratepayers. The District is becoming more comfortable with the notion that it is a District and working together is the way to go. Our staff are extremely competent and are delivering significant improvements to our services while keeping rates rises to a minimum.

Council has been endeavouring to design a much simpler and fairer system of applying rates. Rates are struck on the value of property, and Rangitikei uses the capital value system (i.e. the value of the land and the improvements on it). Historically, each town paid for its own infrastructure. There will always be debate over who should pay for community assets, and Council has had a very intricate formula in place to fund the myriad of activities we are engaged in. Council believes it makes more sense to do the most pressing jobs first, and fund these collectively. This will simplify things and reduce the administrative cost. This district-wide approach to rating makes the Rangitikei more sustainable. It should also significantly reduce the incidence of fluctuating and more particularly extreme rates increases to individual ratepayers. There is much debate over the responsibility of the rural sector to contribute to the upkeep of our towns and it is true that many of the services provided are not immediately available to the people out in the sticks. The other side to this is that more and more farm labour is now based in the towns and they commute out to the farms and stations. In short we are all in this together.

I am often asked about amalgamating with neighbouring authorities - some see this as a solution to all our problems. It must be remembered that

Rangitikei has been more conservative than many other councils. Until very recently we had no debt at all and now only borrow for specific large projects. There is no doubt that a property in the Rangitikei attracts more rates than a property of similar value elsewhere but this would not necessarily change with any amalgamation. Additionally, I am not aware of any local body amalgamation ever leading to rates reductions.

All this shows there is a lot of work that needs doing but it can be done and we have the team to do it.

RANGITIKEI IS TRULY A WONDERFUL PLACE TO LIVE.

AUDIT NEW ZEALAND

Mana Arotake Aotearoa INDEPENDENT AUDITOR'S REPORT

To the readers of RANGITIKEI DISTRICT COUNCIL LONG-TERM PLAN

for the ten years commencing 1 July 2012

The Auditor General is the auditor of Rangitikei District Council (the District Council). The Auditor General has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP), on her behalf. We have audited the District Council's LTP incorporating one volume dated 28 June 2012 for the ten years commencing 1 July 2012.

The Auditor General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

OPINION

OVERALL OPINION

In our opinion the District Council's LTP incorporating one volume dated 28 June 2012 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

OPINION ON SPECIFIC MATTERS REQUIRED BY THE ACT

In our view:

- the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and
- the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 28 June 2012. This is the date at which our opinion is expressed.

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

and the Auditor, and explain our independence.

BASIS OF OPINION

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment

of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the District Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the District Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are

based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;

- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

RESPONSIBILITIES OF THE COUNCIL

The Council is responsible for preparing an LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such

internal control as it determines is necessary to enable the preparation of an LTP that is free from material misstatement

The Council's responsibilities arise from Section 93 of the Act.

RESPONSIBILITIES OF THE AUDITOR

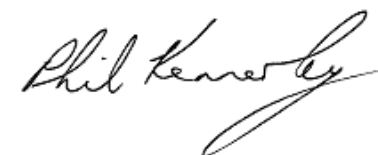
We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

INDEPENDENCE

When reporting on the LTP we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with, or interests in, the District Council or any of its subsidiaries.



Phil Kennerley
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand



JUBILEE PAVILION 1879-1929

A large flock of sheep is moving down a dirt road in a rural landscape. The sheep are white and woolly, and they are moving in a single file down the road. The road is dusty, and there is a large cloud of dust behind the sheep. In the background, there are green hills and a small village. A large, semi-transparent pink '02' is overlaid on the right side of the image.

02

GOVERNANCE STRUCTURE

Councillors

_Chalky Leary
_Mayor



_DISTRICT-WIDE

6160 Mangahoe Road
RD 1, Hunterville 4781
06 322 8561
027 242 5424
chalky.leary@rangitikei.govt.nz

_Richard Aslett
_Councillor



_TAIHAPE WARD

Church & Cottage,
Mangaweka 4746
06 382 5774
027 526 6612
mangawekagallery@xtra.co.nz

_Jan Byford
_Councillor



_TAIHAPE WARD

21 Huia Street,
Taihape 4720
06 388 0194
027 487 5222
jlbyford@iconz.co.nz

_Ed Cherry
_Councillor



_TAIHAPE WARD

24 Paradise Terrace,
Taihape 4720
06 388 1002
eaaj@xtra.co.nz

_Michelle Fox
_Councillor



_BULLS WARD

149 Bridge Street,
Bulls 4818
06 322 1962
027 212 3001
bullsbacon@xtra.co.nz

_Sarah Harris
_Deputy Mayor



_BULLS WARD

1636 Parewanui Road,
RD 1, Bulls 4894
06 322 1709
027 663 1977
sarah_timharris@xtra.co.nz

_Mike Jones
_Councillor



_MARTON WARD

14 Dunallen Avenue,
Marton 4710
06 327 6166
021 626 616
michael.jones@xtra.co.nz

_Dean McManaway
_Councillor



_HUNTERVILLE WARD

164 Murimotu Road,
RD 5, Hunterville 4785
06 322 8434
027 429 1292
jilden@xtra.co.nz

Richard Peirce
_Councillor



_MARTON WARD

1275 Wellington Rd,
Marton, 4710
06 327 5951
councillor.richard.peirce@gmail.com

_Soraya Peke-Mason
_Councillor



_TURAKINA WARD

18B Ihipera-Koria Street,
Ratana 4581
06 342 6838
027 270 7763
sorayapm@xtra.co.nz

_Lynne Sheridan
_Councillor



_MARTON WARD

289 Bryces Line,
RD 2, Marton 4788
06 327 5980
027 485 9982
lynne.s@farmside.co.nz

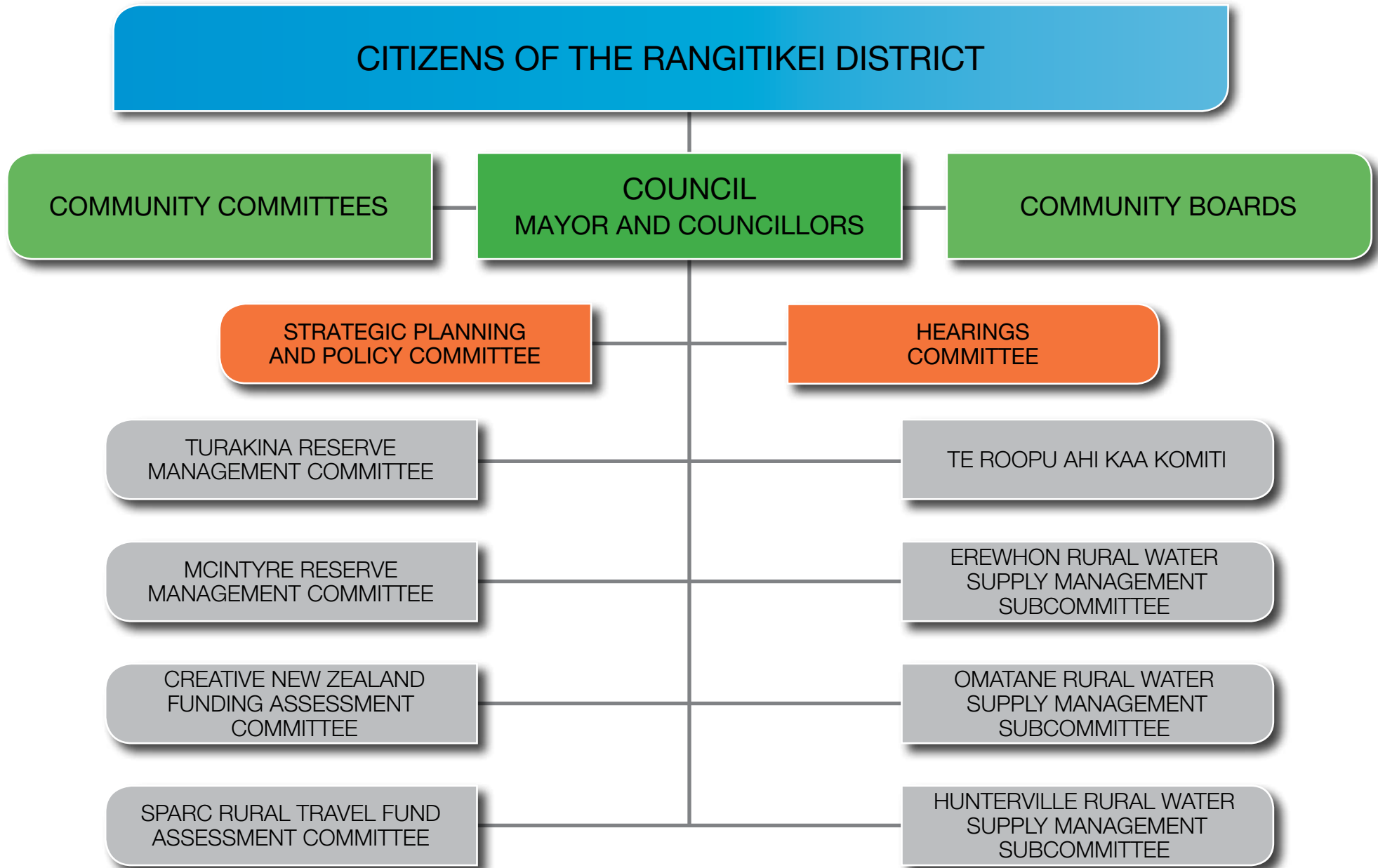
_Andy Watson
_Councillor



_MARTON WARD

6 Grey St,
Marton, 4710
06 327 7615
027 617 7668
westoe@xtra.co.nz

COUNCIL STRUCTURE



03

RANGITIKEI
STREET

COMMUNITY
CLUB

FINANCIAL STRATEGY



FINANCIAL STRATEGY

The financial strategy sets out the Council's overall plan in relation to paying for the delivery of services, maintaining facilities and meeting regulatory responsibilities. The strategy encompasses the funding sources Council intends to use, how finances (including debt and investments) will be managed and most importantly, why Council has taken this approach.

WHAT WILL COUNCIL'S FINANCIAL POSITION BE IN 10 YEARS TIME?

The financial strategy sets out a plan for the Council to fund its activities in a prudent and sustainable way. A key concern is to achieve intergenerational equity in the spread of payments for facilities and services. Council anticipates carrying more debt, but this will be kept below the limits prescribed in the Liability Management Policy. External debt will peak at \$31.8 million in 2021/22. The result of Council's capital works programme will be a better quality of 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.

BACKGROUND

Council has traditionally maintained a strong focus on "core business", delivering services (such as roading, water treatment, wastewater disposal and stormwater management) and maintaining the facilities (town halls, parks and playgrounds) that are expected of any Council. This work is balanced with

Council's statutory requirement to foster the cultural, social, economic and environmental well-being of its communities.

Over recent years, Council has adopted a conservative approach to financial management. It has sought to meet its statutory requirement of being prudent and ensure that rate requirements do not compromise the District's sustainability. The proceeds of the sale of the Bonny Glen Landfill in 2001 together with a constrained staffing capacity meant that the Council could fund its capital projects without resorting to external borrowing. However, this meant that an increasing amount of necessary work was not undertaken. In the 2009/19 LTCCP, Council proposed a much more comprehensive capital programme (on the basis of the new shared services arrangement for the assets group), and anticipated it would need to commence borrowing. A slower than anticipated pace with major projects, together with better than projected returns on investments meant Council did not need to borrow externally until 2011. In addition to planned, programmed work, Council has had to (and will continue to) fund reactive work on roads due to adverse weather events.

Since 2001/02, the burden of rates has been reduced by offsetting investment income against the rates. The lack of a compounding approach being taken to the investment fund, and decreasing interest rates, means this fund has not maintained currency. In future, there will not be significant interest income to offset against rates.

APPROACH TO FUNDING

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 life¹). 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.

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 \$3.518 million at 30 June 2011.

Because the Council fully funds depreciation for most of its assets, there is intergenerational equity. Much of the District's infrastructure was built many years ago; much of it (and some new components) will be a legacy for the future. Council's intention is that the cost of replacing most existing assets (renewal expenditure) will be met from depreciation, as will the principal repayments on any loans taken out to purchase those assets. However, Council has also expressed a preference to ensure that the cash on hand is sufficient to cover all special reserves. This means that during the LTP period, some renewal work has been loan funded rather than overdraw depreciation reserves. In particular, Council has determined that the large cost of renewing the Ruahine Road Bridge in 2018/19 warrants loan funding for Council's share of the cost.²

¹ Depreciation accounts are also referred to as DISP (Decline in Service Potential) accounts.

² 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.

Depreciation on roading is not fully funded by the Council. This is because a subsidy is received from the New Zealand Transport Agency (NZTA) for capital renewals (in most cases the subsidy at present is 58% (reduced from 59% in the past three years)³). This reduces the costs to Council of this work and as it is funded from the NZTA, there is no need to fund it twice. On the Roothing Funding Impact Statement, this subsidy amounts to \$7.558 million for 2012/2013.

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.

FACTORS EXPECTED TO HAVE A SIGNIFICANT IMPACT ON THE COUNCIL

Demographic changes - In the District, projected demographic changes will reflect the overall picture of an ageing population in New Zealand. In addition, in common with all parts of New Zealand outside the main urban areas, a slow decline in population is forecast for the District. The most significant demographic change is predicted to be the decrease in people aged under 45.⁴ The main effect for Council of these projected demographic changes is

³ There will be reviews of this Financial Assistance Rate (FAR) during the next ten years. If the valuation of the District decreases, the FAR is likely to increase.

⁴ More detail on these changes is provided in section 5

that a greater proportion of ratepayers is likely to be retired, and on fixed incomes. It is not anticipated that there will be any additional costs attributable to demographic changes in the District.

Development pressure – The Council does not anticipate significant change in land use in the District. Development of land for residential, commercial and industrial use is fairly static, with a low number of building and resource consents. The District's urban areas already have sufficient capacity within the existing infrastructure to cope with infill residential development, renewal of commercial areas and establishment of new industrial activities (particularly manufacturing activity).

The number of already approved subdivisions is sufficient to supply moderate demand for residential properties for at least the next five years in Marton and Bulls. Taihape, Hunterville and Turakina have capacity for infill housing, although this would be progressed on a smaller scale than is available in Marton and Bulls (but is reflective of anticipated demand). Ratana is the only notable exception. The Ratana settlement has planned for significant expansion of its capacity to provide residential housing. The Council plans to improve infrastructure services provided to Ratana in anticipation of the increased capacity needed to service this development. Papakāinga development may occur in the District as Iwi resolve their Treaty claims and develop plans to invest in their local area.

Land use in the rural zone is anticipated to remain similar over the next ten years, with the predominant land uses being sheep and beef farming, cropping and forestry. While there could be some further conversion from sheep and beef blocks to dairy, this will be largely constrained by topography, climate

and water supply/discharge controls. With the introduction of the Emissions Trading Scheme, it is likely that many forestry blocks will be replanted rather than releasing the land for other productive uses.

Consequences of the Christchurch earthquakes

- A possible impact on proposed levels of service may arise due to the Christchurch earthquakes. The availability of borrowing, sourcing an appropriately skilled workforce and securing other resources may be more difficult because of resources being channelled to Christchurch. This may have a greater impact on the Council than any other factor, as the majority of work planned for this LTP focuses on infrastructure. The Council may be competing directly with other councils for contractors and operators to undertake infrastructure work. Recruitment may be more difficult given the financial incentives offered by other councils. The end result could be delays to the capital work and to achieving compliance with Council's resource consents.

Emissions trading scheme – Council may not be required to register for the Emissions Trading Scheme. This is mandatory only if Council has in excess of 50 hectares of forests from pre 1989 plantings. This may not be the case because of the circumstances under which the Crown provided the Hihitahi Block to the former Rangitikei County Council. In August 2011, the potential liability to the Council if it is deemed to have more than 50 hectares and did not replant was estimated at \$646,000. Work is proceeding to ensure that Council receives the appropriate level of carbon credits if it is deemed to be required to register for the Emissions Trading Scheme.

Energy costs – Council is aware of the widely accepted view that oil will become scarcer and more expensive, the so-called “peak oil” phenomenon. As this scenario comes into play, there will be increased costs to Council – in roading and in its own administration given the large geographical area of the District. An even greater impact could come from the decision by residents to move to places closer to urban centres, with healthcare, education, employment and entertainment services. Council has taken into account the estimates from BERL for the changes in energy costs projected for the next ten years.

Compliance responsibilities – Council is required to meet the New Zealand Drinking Water Standards by 1 July 2014 for supplies to Marton, Bulls and Taihape, and by 1 July 2015 for Mangaweka, Hunterville and Ratana. Non-compliance would run a risk of substantial penalties. In addition, Council is expected to comply with its resource consents for wastewater discharges. Horizons Regional Council has already signalled there will be increased costs for monitoring compliance for water, wastewater and stormwater. The Government also has changes underway to food and liquor control, which may create higher administration costs. Council remains committed to operating in a minimal red-tape environment, and to keeping compliance costs to customers and ratepayers as low as possible.

Investment income – the slow recovery from the global financial crisis has impacted on interest rates – i.e. there may be less income from interest to offset rates.

Insurance costs and adverse events – the effect

of the Canterbury earthquakes and multiple flood events around New Zealand will continue to have implications for reinsurance, and older assets and facilities will be particularly affected as they come under closer scrutiny. Council has a strong preference to maintain full insurance cover where that is available and affordable.

Damage to roads from logging – Logging of mature forests is already causing considerable damage to some local roads, creating a surge in maintenance needs (and costs) so that these roads remain usable to neighbouring farms and others. This will continue during the next ten years. While Council wants to be business-friendly and encourage forestry in the District, the benefits need to be balanced against the additional cost to ratepayers. The government appears to have recognised this problem in the Land Transport (Road Safety and Other Matters Amendment Act, by allowing bylaws on heavy traffic (including prohibition or requiring payment of tolls or other charges)⁵ but the viability of these provisions for Rangitikei have yet to be assessed. Milk tankers are likely to remain a minor issue for road damage, reflecting the much lower volumes and intensity of such traffic in the Rangitikei.

LTP CHOICES

1. Capital Programme for network infrastructure assets

Proposal:

Major capital projects planned for the period of this LTP include: roading network maintenance and infrastructure upgrades and renewals. These projects are the priority for the Council over the next 10 years.

⁵ Section 10(1) (i) to (l)

Capital expenditure addressing compliance with the New Zealand Drinking Water Standards (from 2014) and with the resource consents from Horizons Regional Council governing effluent discharge from Council wastewater treatment plants will raise the level of service from these Council facilities.

There is no projected capital expenditure on flood protection or flood control works. These are responsibilities of Horizons Regional Council.

The LTP contains a capital programme totalling \$136 million over ten years to renew or create new assets. This capital programme is funded primarily through depreciation reserves, NZTA subsidies and borrowing. At present, Council has little external debt. As the capital programme exceeds Council's cash reserves, it will be financed by external loans. The Council's external debt will rise to a projected maximum of \$31.8 million if all of the planned projects in the capital programme proceed. Of this proposed expenditure, \$135 million is specifically for network infrastructure, as follows:

Roading	\$76 million
Water	\$29 million
Wastewater	\$16 million
Stormwater	\$6 million

Current situation

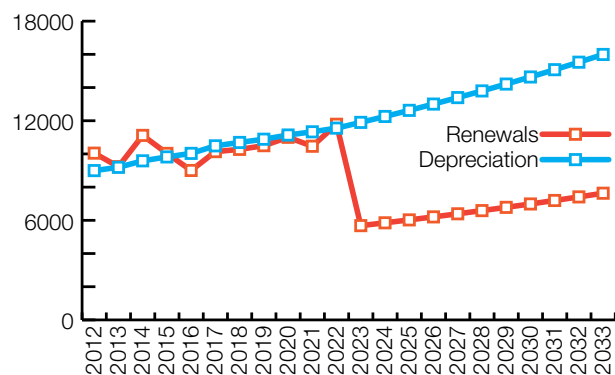
Most of Council's wastewater treatment plants are not complying with resource consents issued by Horizons Regional Council. However, in the past three years innovative upgrades have been implemented, notably at Hunterville where the most recent inspection (January 2012) found the new upgraded plant to be compliant. This programme of work needs to continue. In addition, the Council

must secure compliance with the New Zealand Drinking Water Standards. Improvements have started at the various treatment plants. Maintenance of the local roading network is the largest item of Council's expenditure.

Council funds capital projects through four defined mechanisms, in the following order: external grants, existing investments (which amounts to internal loan funding), external loan funding (including the Local Government Funding Agency established in November 2011) and capital contributions.⁶

The following graph shows the anticipated capital expenditure compared with anticipated depreciation over the next twenty years. The renewal programme for the next ten years uses all the funded depreciation. After 2022, the renewal programme is expected to diminish and, therefore, funded depreciation will progressively accumulate so that the requirement for loan funding for renewals will reduce.

FIGURE 1: DEPRECIATION VERSUS ANTICIPATED RENEWAL EXPENDITURE 2012-2033



6 Currently Council does not use capital contributions but may consider doing so for non-replacement capital expenditure for infrastructure and/or community facilities.

What this means

Council will undertake a capital programme that will ensure urban water supplies will comply with the New Zealand Drinking Water Standards by the prescribed times⁷. There will be increasing compliance with resource consents for Council's wastewater discharges. This LTP aims for compliance at Marton, Bulls and Taihape by 30 June 2015 with all other effluent discharges compliant by 30 June 2022. The roading network will continue to be maintained to the present level of service.

While a necessary capital works programme, it is also an ambitious one – particularly in the first three years of the plan. The experience and expertise built up through the shared services arrangement with Manawatu District Council for asset management services provides confidence that the programme will be achieved. Of course, there are potentially limiting factors outside Council's control – such as weather, the economy, staff changes, government subsidies, government regulation – which may lessen that achievement. But Council has emphasised such an outcome in its performance framework and has negotiated its borrowing to ensure that the availability of funds coincides with projected milestones for these projects.

This capital programme requires Council to borrow. The maximum borrowing targets in the Liability Management Policy, adopted as part of the 2009/19 LTCCP, have been reviewed, as shown in the table

7 1 July 2014 for Marton, Taihape and Bulls; 1 July 2015 for Ratana, Hunterville and Mangaweka.

on page 17.⁸ The revised Policy, adopted at the same time as this LTP, has reviewed the provision for short-term cash investments (to better reflect the situation that Council will want to minimize its cash holdings when it is borrowing), and the extent to which special reserves should be supported by investments.⁹

To recognise the intergenerational nature of these projected capital projects it is Council's intention to fund loan repayments from the depreciation account of the appropriate activity to smooth the effect on current ratepayers.

2. A District wide approach to rates

Proposal

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 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).

8 One of the 2010 amendments to the Local Government Act 2002 requires the limits on borrowing to be part of the Financial Strategy rather than in the Liability Management Policy (which is no longer required to be included in the long-term plan document).

9 The Liability Management Policy adopted in the 2009/19 LTCCP required Council to have sufficient short term cash investments to cover one month's operations (approximately \$3.5 million) plus a further \$1 million for emergency work. There was a short-term breach of this policy during July-October 2011 with respect to the quantum of funds held in cash and short-term investments.

Examples of the changes in rates between this year (2011/12) and the proposals for next year are shown on page 153

Current situation

For some time Council has maintained separate accounts for expenditure and revenue across its separate activities, so each activity, by each location, has its own separate account. So, the costs for managing the Taihape Town Hall would be separately managed from those for the Marton Memorial Hall, the Bulls Town Hall or the Koitiata Hall. It is currently reflected in the very detailed rates system.

A District-wide approach to accounting and rates has been limited to those services whose users are hard to define (e.g. for District promotion or the libraries) or which Council expected all residents to use (e.g. roads).

What it means

Choosing a District-wide approach requires consideration of whether any transition arrangements are needed to ensure that the change does not cause financial hardship. So, the mix of uniform charges and general rates in the revenue and financing policy has regard for affordability. The revaluation of the District adds an additional layer of complexity for 2012/13.

One possible approach is to give a remission for all ratepayers facing large percentage (or dollar) increases in their rates.¹⁰ A second approach is to apply remissions to specific groups of ratepayer.

¹⁰ This would mirror the approach taken by the former Rodney District Council and (continued in that area by the new Auckland Council), that ratepayers facing a 20% (or \$1,500) increase in rates would receive a remission.

A third option is to discount part of the new water charges for one or two years.

The greatest potential for financial hardship comes from the impact of applying a District-wide charge to water in Bulls and Mangaweka (where metered supply will be discontinued).¹¹ This Plan proposes a 'discount' on water charges for Bulls and Mangaweka connected properties of 40% in year one; 30% in year two; 20% in year three; and appropriate adjustment to all other connected properties for those years.¹²

This change to a district-wide approach is being wholly effected from the start of the 2012/13 financial year.¹³ A staged approach over several years would add considerable complexity, both in administering the change and in ensuring that ratepayers understood the process.

3. Funding Depreciation for community and leisure assets

Proposal

Council considers that most of its current community and leisure assets will not be replaced or substantially upgraded. While there is wide acceptance in the community that these assets are becoming less suitable for today's needs, there is less consensus about what should be done in terms of substantial

¹¹ This means that the only metered water supplies in the District will be extraordinary users and those properties connected to the Hunterville urban scheme. The Hunterville urban scheme is supplied by the Hunterville rural water scheme and supply is limited by the consent conditions for water extraction.

¹² 12/RDC/051(a)

¹³ The exception would be the implementation of a supply charge (water and wastewater) to recognise the potential benefit to unconnected properties in urban areas less than 20 meters from a water supply or sewer main. Council will consider this as part of the 2013/14 Annual Plan.

upgrades or new facilities. Council has opted for a mixed portfolio of depreciation funding, balancing affordability with needs of particular facilities in the medium and long term. Council proposes not funding depreciation for pools, community housing and real estate during the ten-year period of this Plan, funding depreciation 100% on an activity basis for libraries¹⁴ (from 2013/14), 50% for parks, halls and public toilets and not at all for pools, community housing and real estate. However, it is intended to fund an Aquatic Reserve (for swimming pools) at \$75,000 annually as from 2013/14.

Council did consider funding all of its community and leisure assets in a consolidated reserve at \$150,000 per year. The advantage of this approach is that it would allow the community the opportunity to target its future investment in such facilities, e.g. undertaking substantial upgrading work or new construction. However, policies would need to be developed to provide assurance of fair application of this reserve fund, in particular between northern and southern parts of the district and to set limits as to what funding may be allocated to any specific facility.

Current situation

Council considers that the replacement of assets or major upgrades should not be funded totally by debt. Depreciation funding essentially provides for the funding of a new asset or facility when the current asset comes to the end of its "useful" life. Generally, Council has taken an all-or-nothing approach to depreciation of each of its community and leisure assets, either funding the item fully (100%) or not at

¹⁴ This is the basis for purchasing books for the libraries. There will be no funding depreciation for the buildings which house the libraries.

all. Items that can have depreciation funding applied are parks, halls, public toilets, swimming pools, libraries, community housing and council-owned real estate. In 2010/11 the total funded depreciation for all community and leisure assets was \$750,000.

Community housing, swimming pools, some rural halls, and rural water schemes are not currently funded for depreciation. In the 2011/12 Annual Plan, Council resolved to put funds aside for a swimming pool reserve. This reserve fund was created so that the Council would have funds available to respond to a community initiative for developing new swimming pools in either Marton or Taihape.

What it means

Community housing, swimming pools, halls, parks and libraries will continue to be maintained. The level of depreciation in dollar terms is too high across the group but where major renewal or replacement is envisaged, a depreciation provision is being made. Although this is at 50% of the full calculation, it is across all halls, all public toilets – not for any one in particular.

The extensive consultation with the community showed Council that some people have a very clear view of community assets which would best serve the District by 2022. However, some more time needed for a broader consensus to be found for Council to be sure that its investments are the right ones for the community.

The heart of the matter

Council wants to hold annual rate increases to between 0% to 10% (excluding inflation) over the term of this LTP. It has focused on affordability, and

balances this against the need to complete essential work.¹⁵ Over recent years, Council has sought to limit its activities and funding to those that are core activities and to divest itself of poorly performing assets. The projected annual rates increase in this LTP range from 6.66% to 1.86%. Details are provided in note 1 to the Financial statements and policies (page 134).

PROJECTED BORROWING AGAINST MAXIMUM TARGET PARAMETERS ¹⁶			
	2012/2013	2021/22 ¹⁷	Borrowing limits ¹⁸
Total interest expense as a proportion of net external debt	5.15%	6.95%	15%
Ratio of net external debt to annual rates income	55.3%	130.12%	150%
Net external debt per capita (estimated resident population)	\$661	\$2,492	\$2,500

Council anticipates no increase in demand for its infrastructure services. Current trends are for low levels of development in the District and the forecast is for this to continue.¹⁹ The changing demographics will lead to changing demands on community and leisure assets. Asset maintenance, renewal or

¹⁵ This focus means that Council has not included proposals that have been raised during the past twelve months for consideration in the LTP, for example, a UAGC rate applied to Edale Home in Marton, or a footpath crossing between Gordon Street/Toia Street in Marton

¹⁶ Data for net external debt and annual rates income sourced from the Prospective Comprehensive Income Statement and Prospective Balance Sheet. The estimated resident population of the Rangitikei District as at 30 June 2011 was 14,790. The low projection for 2021/22 is 12,750 – this has been used in the table.

¹⁷ The proposed borrowing in 2021/22 is the maximum envisaged for the ten years covered by this LTP.

¹⁸ These limits are those specified in the Liability Management Policy included in the 2009/19 LTCCP, except for net external debt per capita.

¹⁹ The exception is the proposed housing development at Ratana. However, the essential renewal of water and wastewater infrastructure will be able to accommodate the development; there is a minimum economy of scale for network utilities which would otherwise simply provide for spare capacity within the system

divestment will be aligned with these.

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.

Council holds various short term and longer term investments such as equities, property, forestry, loans and advances and financial investments. 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.



A large, semi-transparent green number '04' is positioned in the upper right quadrant of the image. The background shows a grassy field with people, a line of trees, and a large, light-colored rock formation or cliff face under a cloudy sky.

STRATEGIC ENVIRONMENT

STRATEGIC ENVIRONMENT FOR THIS LONG TERM PLAN

WHAT IS THE LONG-TERM PLAN?

The long-term plan, or LTP, is a document that sets out what Council plans to do over at least the next ten years, 2012 to 2022. The first three years are discussed in detail, and the following seven are an outline. The purpose of a LTP is prescribed by the Local Government Act 2002 to—

- 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
- F. provide an opportunity for participation by the public in decision-making processes on activities to be undertaken by the local authority.

Each local authority is required to have an LTP and to review it every three years. Recent changes to the Local Government Act 2002 has affected some parts of the way that Council's must prepare and present their LTP to their community, particularly the adoption of a Financial Strategy (see page 12) and changes to the process for community outcomes (see page 38).

THE STARTING POINT:

This LTP has been in preparation almost since the previous Long-term Council Community Plan (LTCCP)

was adopted in June 2009. That Plan identified a programme of work for the period 2009 – 2012 which has laid the foundations for the programme of work outlined in this LTP. Main achievements from 2009 – 2012 are:

- **Roading network maintenance and upgrades:** Council has maintained the roading network to the high standard required to drive the rural economy. The completion, on time and within budget, of the project to seal the Taihape-Napier Road has been one of the highlights. 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 roading network in the District is currently one of the best in New Zealand.²⁰ However, it may no longer be affordable for our community. This issue is discussed in more detail in the roading activity management plan on page 116.
- **Infrastructure renewals:** Council has progressed a programme of renewal for its ageing infrastructure in the water, wastewater and stormwater networks. It has delivered practical solutions at lower costs to the ratepayer. This is particularly the case for Marton water and the Hunterville and Marton floating wetlands

²⁰ The smooth travel exposure (the %age of vehicle kilometres travelled on sealed roads) is 96.4% for Rangitikei, compared with Ruapehu (86%), Central Hawke's Bay (98%), Clutha (97%), New Plymouth (88%) and NZTA state highway network (99%).

wastewater treatment systems. Nonetheless, there is still major investment needed to ensure that these assets deliver to the standards now required by legislation and expected by our communities. A key issue for this LTP is a discussion over how these utility networks are paid for through rates. This issue is explored further in the Financial Strategy on page 12 and in Council's response to submissions in Section 7 on page 46.

- **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). Council has worked hard to smooth out the spikes in this expenditure and has managed its capital programme without going into debt until the financial year 2011/12. The issue of debt is discussed as part of the Financial Strategy on page 12.
- **Community and leisure assets:** Council has bought a bit of "breathing space" to manage the rationalisation of community and leisure assets over this next ten year period. In 2009, there was recognition that the District has too many ageing

and run-down assets and that Council can neither afford to maintain nor replace them.²¹ These assets include parks, libraries, community halls, community housing, swimming pools and public toilets. However much it is the reality that many of these assets have reached the end of their useful lives and are under-used, yet communities are attached to “their” assets and loath to lose them. Council has, therefore, undertaken some basic maintenance work on those assets where the need was deemed greatest; Taihape Town Hall, Bulls Town Hall, Marton Administration Building, Marton and Taihape swimming pools and community housing throughout the District. This has extended their useful life. Nonetheless, issues over affordability and population decline require 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. This is discussed further in the community and leisure assets activity management plan on page 88.

- **Partnership projects:** Council has initiated a number of partnership projects to support better value services for our District. In 2009, Council recognised that complex issues require a multi-agency approach and it undertook to develop and support meaningful partnerships with other local statutory, community and public agencies

²¹ 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).

particularly in the health, community safety and education sectors. In April 2010, Council held the first Path to Well-being conference at Taihape Area School which attracted over 130 delegates from 80 organisations. The conference sought to pull together agencies from across the District to look at working smarter to bring more and better value services to our residents and ratepayers. Six theme groups have continued to meet and have undertaken a range of initiatives. The loss of rest home services from Taihape was a stark reminder of the fragility of rural services and the need to work together. A new activity area of community partnerships (page 100) has been added to this LTP which recognises the value and success of the Path to Well-being and other partnership projects.

- **Shared service arrangements:** Council has worked collaboratively with its neighbours. Roding, water, wastewater, stormwater, solid waste and animal control services operate through shared services with Manawatu District. Civil Defence and Rural Fire Services are managed through Horizons Regional Council. Council participates in Manawatu/Wanganui LASS Ltd – a company set up within the Horizons region to deliver back-office services in the most cost-effective manner. Major successes have been through aerial mapping, a shared valuation database, and the improved management and

access to archives.²²

CURRENT KEY ISSUES:

In assessing the strategic priorities for this LTP, Council and its representative bodies (the Community Boards in Taihape and Ratana, the Community Committees in Marton, Bulls, Hunterville and Turakina and the Iwi liaison komiti, Te Roopu Ahi Kaa) confirmed that the issues outlined above need to remain as priorities on the work programme for the next three years. Other issues that Councillors have prioritised as both important and urgent for action in the first three years of this ten-year Plan are:

- **Green waste recycling:** the need for more recycling services has been strongly expressed for some time, and a commitment was given in the 2009/19 LTCCP to undertake further investigation into various schemes, particularly around recycling glass (now implemented) and composting. Currently green waste is a major component of the tonnage going to landfill. This LTP provides for the scope of green waste recycling to be established in year one of the LTP.
- **Earthquake-prone buildings:** Council has reviewed this policy in 2011, not least in the light of the experience of the major quakes in Canterbury and Christchurch. This forcefully

²² See archivescentral.org.nz. Archives from the pre-1989 predecessors of the Rangitikei District Council (notably Rangitikei County Council, Taihape Borough Council and Marton Borough Council) have been described and the lists included on the website. By December 2012, these archives will be relocated to a facility in Feilding which will ensure long-term preservation which meets the storage requirements prescribed under the Public Records Act. In addition the facility will provide public access to these documents although many requests will increasingly be satisfied by provision of digital copies.

exposed the risks presented by much of the District's CBD retail frontage from falling masonry and collapsing parapets. Thus parapets and masonry chimneys have been prioritised as needing to be checked and either strengthened or removed, with all work being completed within 5 years.²³

- **Attracting (and retaining) sustainable businesses in the District and exploring innovative ways of doing business:** population trends align strongly with the growth or decline of businesses. While Council will not normally be able to directly influence decisions in the private sector about business prospects in the Rangitikei, it is a key player in providing a business-friendly environment and in promoting investment by government agencies to build capacity and innovation in local businesses.
- **Applying technology to drive operational efficiencies and improved services to the community:** Council has already introduced new technologies, for example, to support its building consent activity or to extend the range of services that can be done on-line via the website. It has also invested in an improved web presence for the District through the rangitikei.com website. It may also consider substituting electronic delivery of Order Papers instead of printed (and posted) copies, providing online accessibility to requests for service (similar to tracking orders on FedEx or Amazon) and web-broadcasting of Council meetings. However, this

²³ The policy may need further review following the recommendations from the Canterbury Earthquakes Royal Commission.

has a dependency on access to high-speed broadband throughout the District: Council will continue to work alongside government and private providers of these services to get the best deal for our communities.

- **Rates affordability:** Council is acutely aware of the impact of current and projected economic conditions on the level of rates that are affordable for our communities. Council is suggesting the limits of rates increases as part of its Financial Strategy (page 12). But equally important is the range of increases (and decreases) experienced by ratepayers in different parts of the District. This can be affected by changing property valuations, which are outside of Council's control, but also by the way that Council allocates costs to specific communities or on a District-wide basis. Some major changes are set out in this LTP; further details are provided in section on Council's response to submissions on page 46 and in the Revenue and Financing Policy on page 122. Perception of value for money is also a significant influence on what ratepayers view as affordable; it is important for Council to communicate well with ratepayers about the services that it provides.

Council also considered issues that were identified as important but not yet urgent. These are issues which will underpin future prosperity in the District and so must be part of the underlying thinking behind a ten-year Plan:

- **Rangitikei as a destination:** one of Rangitikei's identified strengths is its location and proximity to national road and rail links. The risk is that

the District is primarily known as a thoroughfare, rather than a place where people choose to live and do business.

- **Decreasing population:** while the Council (and the community) wishes to see a population increase, and is working with community groups on a number of initiatives to achieve this, the projections from Statistics New Zealand are for a steady, although slow, decline. The loss is particularly from the 25-45 year demographic. Impacts from this include a smaller rating base and a rising demand for facilities which are relevant for older people.²⁴
- **Iwi and multi-cultural relationships:** a stronger relationship with Iwi and Māori is particularly important for the Rangitikei because of the comparatively high proportion of Māori, and because this proportion is increasing – overall and in the younger demographics. Treaty of Waitangi settlements mean Iwi are generally better resourced, with greater potential to impact on business and economic growth.
- **Rising oil prices:** Council is affected directly by rising fuel costs because of its use of fuel to conduct much of its business and in the cost of roading. A significant and enduring price rise would be likely to weaken the District's

²⁴ A particular example of this is community housing. Council has a stock of housing designed for older people but its design reflects outdated community preferences and it is built with materials that are difficult to upgrade to provide modern levels of comfort (heating and insulation). The more fundamental question is whether Council should continue to be in this business and, if so, whether a public-private partnership would provide a better basis for this. This is discussed further in the community and leisure assets activity management plan (page 88).

economy, although proximity to the national railway network may be a mitigating factor.

- **Climate change:** in the Rangitikei, the increasing number of storm events means a greater damage to the roading network, heavier demand on stormwater systems, and more call on staff and volunteers to be available for emergency management and rural fire activities.
- **Cultural awareness:** cultural diversity is increasing in the Rangitikei, albeit at a slower pace than most other places in New Zealand. There is an opportunity for Council to attract those ethnicities that are under-represented in our community through (for example) the way it does its business and funds community initiatives and events.

The following issues were identified as not yet important and urgent but likely to become so:

- **Government review of local government:** In April 2011, Cabinet agreed to a first-principles review of local government ‘Smarter government – stronger communities’ which would extend over two or three years. This was not progressed before the November 2011 General Election but the Government indicated in early 2012 that it would seek Better Local Government reform. It will be important for the Council to be familiar with any discussion documents and to use opportunities to respond. It is likely that any review will consider what aspects of the changes made in Auckland could be useful for local government in other places. Council has not assumed that there will be changes to the administrative boundaries of local government which will result in some form of amalgamation

within the Manawatu/Wanganui region within the next ten years. The key issue for the next three years is the 2012 Representation Review and whether Council’s existing co-governance arrangements (Community Boards and Community Committees) enable the representation of the District at a regional and national level to be most effective.

- **Land and Water Forum:** the recently released report, A New Start for Fresh Water, from the Land and Water Forum advocates stronger central government direction of water management rather than relying on regional councils to achieve limits on use and discharges. The extent to which this will impact on Council’s current water (including rural water schemes), wastewater and stormwater consents will need close monitoring since additional restrictions could have major cost implications.
- **Tourism Promotion - Te Kahui Tupua:** Council, together with Ruapehu and Wanganui District Councils and the Iwi within the three districts, formed a partnership with substantial funding from central government to develop a stronger regional presence for potential visitors. This programme is now the responsibility of Te Kahui Tupua Inc., on which the Council has no representation and no financial commitment, other than rotating administrative support with the other two councils. While tourism is highly significant for the national economy, this is not the case for Rangitikei: Te Kahui Tupua aims to increase that significance, so it is important the Council remains aware of this organisation’s work and plans.



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 2010 elections except that community boards in Taihape and Ratana will be replaced by community committees.	The Representation Review will reduce councillor numbers and/or change ward boundaries and/or retain community boards in Taihape and Ratana and/or introduce community boards in other communities.	Low	The results of the Representation Review may not be known until March 2013. Costs are unlikely to change significantly if councillor numbers change because of the mechanism whereby the Remuneration Authority determines salaries for elected members. Community boards generally increase the costs to the community it serves by up to \$25,000. Community Committees are voluntary and unpaid.
That implementation of the Drinking Water Standards remains mandatory for the Council's water supply schemes (from July 2014 to July 2015, depending on their size).	The implementation dates for mandatory compliance are brought forward or 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. The greatest financial liability would come from a decision not to replant – this has been estimated as \$646,000.

FORECASTING ASSUMPTION	RISK	LEVEL OF UNCERTAINTY (IN RESPECT OF THE LTP)	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
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.	Medium	Strengthening the Marton Council offices and library building or demolishing them and relocating operations to other safer premises (or new ones) would present major costs. Possible sources of funds are government subsidies (if available), increased debt, or reprioritisation of major capital works.
Resource Consents – Conditions on Council's resource consents renewals will be met and all consents will be renewed.	That conditions on resource consents are changed to the point that the investment required from the community is too high/unaffordable. Council may face substantial fines (and even litigation) for continuing non-compliance. Investigations before a resource consent is granted may push upgrade costs beyond what has been budgeted.	Low/Medium	Council has committed to a capital programme which sets targets for compliance for all discharges. There is a strong co-operative working relationship between staff at Rangitikei and Horizons, essential to secure the most cost-effective technical solution for each site.
NZTA will approve the programmes proposed for minor improvements and bridge replacements.	The programmes will not be approved. This risk is greater for the proposed bridge replacement programme as these are deemed capital works by NZTA and are prioritised on a regional basis.	Low/ Medium	The projected rates requirement for the local share of either (or both) of these programmes will not be used.
NZTA subsidy levels (i.e. the Financial Assistance Rate or 'FAR' of 58% (for road resealing, road rehabilitation, drainage and general maintenance) and 68% (for the minor improvements and bridge replacement programmes) remain as at present and that the specification will not change (including the current higher rates for emergency work).	NZTA will decrease the level of subsidy and alter the specification for subsidies. The consequence of this would be that the ratepayer contribution to roading costs may become greater than forecast – impacting on other services or increasing the overall rates requirement or requiring a reduction in the level of service for roading.	Low	NZTA commits to a three-year programme, so change is unlikely during that time.
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 Statistics NZ medium projection. This equates to a decline of 500 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 would increase pressure on remaining ratepayers.	Low	Previous projections from Statistics New Zealand have proved reasonably accurate for the Rangitikei.
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FORECASTING ASSUMPTION	RISK	LEVEL OF UNCERTAINTY (IN RESPECT OF THE LTP)	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
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, 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 emergency management and rural fire activities.	That severe storm events occur so frequently or so close to one another that Council is unable to fund all the necessary repairs in a reasonable time without breaching its liability management policy. Capital work on water and wastewater plants may be delayed and mean Council is non-compliant.	Low/Medium	Storm events are occurring more frequently and erratically. Borrowing beyond the parameters in the Council's liability management policy could pose issues of prudent management.
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 high 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.

FORECASTING ASSUMPTION	RISK	LEVEL OF UNCERTAINTY (IN RESPECT OF THE LTP)	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
4. FINANCIAL ENVIRONMENT			
<p>Inflation – The financial information is based on inflation figures from 2013/14 onwards using the BERL indices for inflation.²⁵</p> <p><small>25 Figures used in this printed document have been calculated using the Forecasts of Price Level Change Adjustors produced by BERL in September 2011.</small></p>	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.
<p>Interest – Interest on external borrowing is calculated at 5.15% for the first year, 6.55% for the second year, 7.15% for the third year, and 6.95% thereafter. Interest on Council's few remaining investments averages 6.3%.</p>	<p>That interest rates will change from those used (as provided by the Council's banker).</p> <p>Actual costs of external borrowing may be higher than projected. However, because Council borrows in tranches, the impact of higher rates will normally be small in comparison to the total interest being paid in any one year.</p>	Medium	The current economic conditions mean such predictions are somewhat unreliable.
<p>Revaluation of assets – for 2014, 2017 and 2020 are based on projections from BERL. 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).</p>	<p>That the BERL estimates are greater or less than the actual rates of inflation for those assets.</p> <p>That the rate of replanting and logging do not align.</p>	Medium	BERL's estimates have been carefully researched – but they are made in an uncertain economic climate. Weather conditions may make alignment of replanting and logging difficult to achieve in some years.
<p>Capital Works Contracts – There will be no variations in terms of price and performance of capital works programmes.</p>	There is significant change in price levels of capital works programmes which may affect the affordability and/or level of service provided.	Low	Council's capital works contracts have tight provisions governing price variations.
<p>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.</p>	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.
<p>That increases in prices for roading will align with the NZTA 4% inflation factor on a three yearly.</p>	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.
5. COUNCIL PERFORMANCE			
<p>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.</p>	That Council has not consulted adequately with communities to understand fully their expectations and so has planned to deliver Levels of Service that are not acceptable to the ratepayer (too high or too low).	Low	There has been significant pre-consultation work to identify customer expectations on levels of service.

FORECASTING ASSUMPTION	RISK	LEVEL OF UNCERTAINTY (IN RESPECT OF THE LTP)	REASONS AND FINANCIAL EFFECT OF UNCERTAINTY
Liaison with Māori – that there will be progressive inclusion and engagement of Iwi and Māori.	The urgency and extent of engagement will be viewed differently by the partners: proposals for change may create tension and ill-feeling which will be counter-productive. Joint ventures (Council and Iwi) may fail.	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.
Replacement of existing assets does not mean an increase in levels of service, unless otherwise stated.	Technological advances in replaced assets or higher national standards lead to increase levels of service.	Low	Such changes would typically be highlighted in a report to Council seeking approval for the upgrade or replacement.
Useful lives of assets are described in the Statement of Accounting Policies and have been derived from accurate predictions contained in the Asset Management Plans.	That information about the condition of assets that informs their useful life may not be accurate. There will be insufficient (or excessive) provision of depreciation.	Medium/High	Asset data is incomplete, and the asset management plans need further improvement. 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.
Depreciation rates on planned asset acquisitions – the average lifespan of assets has been used to calculate rates as stated in the note on depreciation in the Statement of Accounting Policies.	Once costs for specific items are known, the depreciation may turn out to have been over-/under-stated.	Low	Because of the long lifespan of infrastructural assets, any changes in actual depreciation compared to forecast should be minimal.
Funding Sources for the future replacement of significant assets disclosed in the Revenue and Financing Policy are achievable.	Some user charges may not be achievable. Ratepayers may press for a different 'mix'.	Low	There has been considerable work in modelling funding sources in preparing for this LTP.
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.
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.

A lush green forest with a stream in the foreground. The water is dark and reflects the surrounding trees and foliage. Large, vibrant blue numbers '05' are overlaid on the right side of the image. The forest floor is covered in moss and fallen leaves, and the trees are tall and thin, creating a dense canopy.

05

DISTRICT OVERVIEW

DISTRICT OVERVIEW

RANGITIKEI AT A GLANCE²⁶

- > It is estimated that 14,900 people live in Rangitikei with predicted population decline in the next decade. There has been a 4% population decline since 2002. The median age is 38 compared with 35 nationally – the age structure means couples without children are the most common family grouping at 43% (40% nationally)
- > Higher proportions of Māori than nationally (24% versus 15%) – Ngāti Tūwharetoa is the most numerous iwi – and ethnic diversity is low
- > Rangitikei is more socio-economically deprived than the New Zealand average (43% live in most well-off areas compared to 50% nationally). Median personal incomes and family incomes are 11% and 17% (respectively) lower than New Zealand rates
- > In December 2011, 202 residents of the District were claiming unemployment benefit
- > 12% of live births were by teen mothers in 2009, significantly higher than the national 7%
- > The local crime rate was consistently and significantly lower than NZ rates across 2006-2010. Dishonesty type offending is by far the most common followed by property offences and violence
- > The District enjoys relatively abundant land and water, which are vital for supporting existing and future agriculture, horticulture and forestry industries. Increased irrigation could allow for further growth in dairying as well as cropping and horticulture
- > Rangitikei's strategic and central location within the lower central North Island and proximity to major road and rail networks creates opportunities for further industrial development. Furthermore, operating costs are potentially lower than major urban centres

²⁶ Extracted from Rangitikei Community profile: Ministry for Social Development for the Taranaki/Whanganui Community Response Model Forum.

DISTRICT TOPOGRAPHY²⁷

The Rangitikei District comprises 4,500 square kilometres of mainly lush rural land. It is a diverse District, ranging from the sand plains on the south coast (which stretch almost as far inland as Bulls) to the magnificent hill country of the upper Rangitikei. The region is characterised by extensive rolling hill country, which comprises about 50% of the District's land. The most northern reaches of the District includes approximately half of the windswept and remote Kaimanawa Ranges.

There are a number of significant rivers within the District, the most iconic being the Rangitikei River. The Rangitikei River is one of New Zealand's longest rivers – originating in the Kaimanawa Ranges and flowing out to the Tasman Sea. The fluvial forces of the numerous rivers and their tributaries have shaped the region, eroding channels through the soft mudstone and sandstones of the region and resulting in numerous valley systems with terraces, cliffs and gorges with their many associated remnants of native vegetation.

DEMOGRAPHIC CHANGE

Demographic change is the variance in key characteristics of a population over time. It is generally monitored using age, gender and ethnicity (or cultural heritage). The demographic profile of any area will impact on a range of other social and economic characteristics. Changing demographic profile is used by policy makers and service providers

²⁷ Sources: DOC (1995) Rangitikei Ecological Region: Survey Report for the Protected Natural Areas Programme and the 2009-2019 LTCCP.

to plan for future levels and types of services required by a particular population.

The key statistics relating to the demography of the Rangitikei are summarised and explained below. Most of the information is sourced from Statistics New Zealand and is mainly derived from the 2006 Census. This information is becoming slightly dated since the next Census is not due until March 2013.

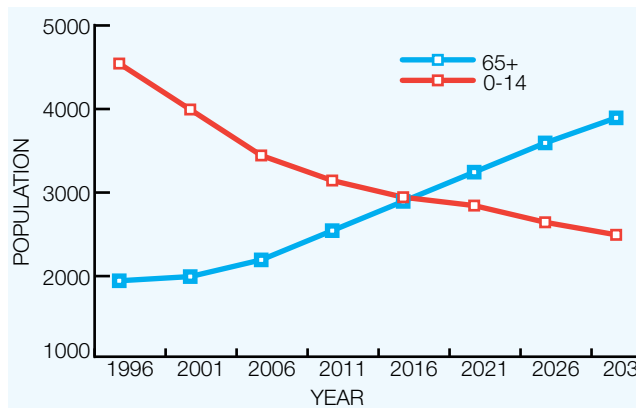
Nonetheless, the picture that emerges of our District is of a declining and ageing population. The loss of population from the District appears to be predominantly from amongst the “European or other” ethnic group and from the 15-39 age group. The median age for “European or other” ethnicities is set to rise to 47.2 years in 2021 (compared with 41.6 years nationally) and for the “Māori” ethnic group to 27.3 years in 2021 (compared with 24.8 years nationally). This reflects the ageing of the population profile: in 1996, 1 in 8 of the population was aged 65+, and by 2031 the proportion is expected to rise to 1 in 3.

The profile and trend within Rangitikei is very similar to the peer group of local authorities of Central Hawke's Bay, Taranaki, Grey and Clutha.

Effects of population decline will vary across regions and districts, depending on local demographic structures. It is likely that rural areas will face more significant impacts, as non-urban areas traditionally attract less internal and international migrants than larger urban centres. Migrants can resolve or partially offset population ageing, as most are young and employable. However, over time they will contribute to structural ageing, as they, too, age and have fewer children.

Current trends suggest that there will be a crossover of the numbers of elderly and young people in New Zealand in approximately 12 years time. This crossover means that for the first time in the history of humanity, there will be more people in the 65+ years age group than in the 0-14 years age group. In the Rangitikei the structural crossover is likely to occur within the next ten years i.e. during the lifetime of this LTP. This is dependent on current birth rates, and whilst it is possible that the crossover may occur several years later, it is not an optional future – population ageing and the end of growth will occur in New Zealand, just as it has in Australia and Europe. It is estimated that by 2031, 90% of territorial authorities will have more elderly (65+ years) than children (0-14 years). This is a significant change, given that no territorial authorities had more elderly than children in 1996.

FIGURE 2: STRUCTURAL CROSSOVER IN THE RANGITIKEI POPULATION



As a result of changing demographics in the District, Council has focused on the older and younger age groups as key to the District’s future.

OLDER PEOPLE IN THE RANGITIKEI

Significant growth in the population of older people will bring both issues and opportunities. It is likely that there will be growth in the number of older workers, an increased demand for local health care and associated services, recreation, community and leisure groups and activities for older people. Across the country, changes are likely to occur in housing type, with a shift towards smaller residential housing sections and units, along with growth in use of passenger services (e.g. taxis and shuttles) and public transport. In Rangitikei such changes may come more slowly because of the minimal pressure on urban land and the high cost of providing passenger transport services.

However, the statistics do not take into account trends which relate to the individual choices that people make when planning for their retirement. If Rangitikei is unable to provide the services and facilities that people need in their later years, then they may decide to move away from the District. This may yet mean that the projected increase in the population of elderly people is not as pronounced as predicted.

The Council can encourage older people in the District to make the choices 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 can be made in such a way, that there is a real choice for people to stay in the District, or even to relocate here.

YOUNGER PEOPLE IN THE RANGITIKEI

In the Rangitikei, as in other areas across the world,

the flight of young people from rural to urban areas has resulted in significant changes in the demographic composition of rural communities which can impact upon the viability and, ultimately, sustainability of small towns and service centres. Younger people will be in ever greater demand and ever shorter supply, particularly in non-urban areas, as birth rates reduce and young people migrate to urban centres.

Social Entrepreneur, Peter Kenyon, at the Marton Moving Forward conference in November 2010, suggested that when communities are in competition to attract younger age groups to settle in their areas, those communities that “do nothing” are likely to “get nothing” as a result.

In the past, Council has looked at the possibility of developing youth policies and strategies. There has been concern regarding whether or not this is a legitimate area for Council expenditure and involvement. The argument for developing policy in this area, as in any other, is that no policy in effect means a “do nothing” policy. In reality, Council and other groups across the District have taken action as issues or opportunities have arisen and the policy framework should reflect this activity and provide focus for future initiatives.

Council has commissioned some work with young people across the District seeking their input into this LTP. The aim for the Council is to create a family-friendly District which 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.

The social realities of ageing will be played out a local

level, where employment needs must be met, services delivered and revenue gathered.²⁸ Young people should be assisted into an inclusive economy, which involves transitioning low achieving and disengaged school leavers into further education, training or employment.²⁹ Young people who are more highly educated are likely to have greater incomes and be more productive, and therefore can support higher levels of taxation to pay for the retirements of the elderly. Additionally, these educated young people will have greater capacity to save for their own retirement.

BI-CULTURALISM IN THE RANGITIKEI

The District is bi-cultural, with higher proportions of those of either European or Māori descent and the trend is set for the proportion of Māori to increase and to predominate in the younger age groups. The multi-culturalism that is defining demographic change in New Zealand nationally is not yet so evident in Rangitikei. There is evidence that in a declining and ageing population, the future workforce will rely more heavily on younger Māori (and other ethnicities, particularly Pacific Islanders).³⁰ The District's population tends to comprise high levels of residents with low incomes and no formal qualifications. This trend is exacerbated amongst the Māori population. Their disproportionate representation in poor educational, economic and health outcomes is a serious issue which, if not addressed, will affect the long-term prosperity of the District. Māori are also

28 Population ageing; what demographic change really means in New Zealand, Jackson, N., May 2011.

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

30 Population ageing; what demographic change really means in New Zealand, Jackson, N., May 2011.

over-represented in the District's unemployed (49% in the District compared to 38.3% in the central region and 37.1% nationally).³¹

Council has an obligation to ensure the well-being of all its residents and will continue to develop the inter-cultural understanding and familiarity that has been championed through its Iwi advisory komiti, Te Roopu Ahi Kaa. Council has therefore focused on developing bi-cultural relationships with the District's Iwi and hapu and supporting these organisations in a post-Waitangi Treaty Settlement era. Council also aims to ensure that anything it does to address issues relating generally to young people and older people include recognition of the specific needs of our Māori population.

DISTRICT ECONOMY

Economic development can be viewed in a number of different ways, ranging from a narrow focus centred on business development and wealth creation; through to involving a wider focus on increases in population, business numbers, industries, population and dwellings, employment and visitor numbers; then, at a broader level, an improvement in the overall 'quality of life' of the local and regional community. During 2011, Council commissioned a review of the District economy³² which is summarised in this section.

WHAT IS ECONOMIC DEVELOPMENT?

From a technical perspective, economic development is often taken to mean both growth in the overall level of economic activity/Gross Domestic Product (GDP) in an area, and also change in the underlying economic structure or industry profile

31 Work and Income Benefit Factsheets: December 2011.

32 Economic Solutions Ltd, September 2011.

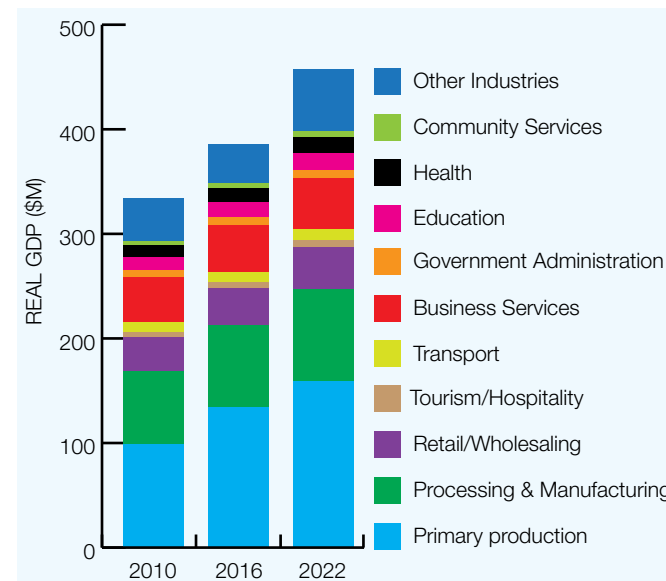
of an area. Economic development can also refer to the attraction of new business, investment and technology to a district or region, from outside the area.

THE RANGITIKEI ECONOMY

Rangitikei's economy is dominated by rural production, focused on pastoral farming, but also includes some horticulture, forestry, primary production processing and specialised manufacturing. This creates a strong and productive wealth-creating base for the District.

Despite this, the Rangitikei presents a comparatively narrow range of occupational categories, compared with other areas of New Zealand, and as a result the District offers a limited employment base for its residents. The key areas of industry are primary production, processing/manufacturing and services, as outlined in Figure 3.

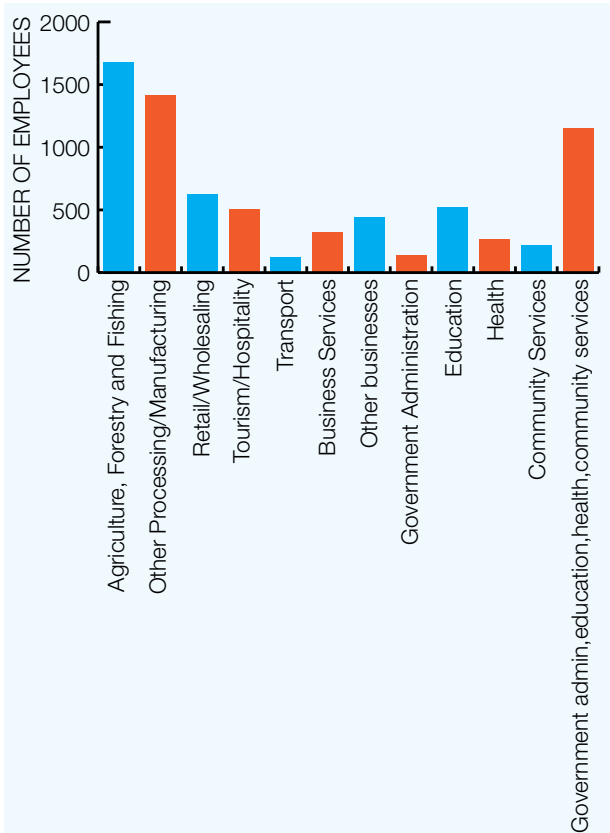
FIGURE 3: THE STRUCTURE OF THE RANGITIKEI ECONOMY: REAL GDP BY SECTOR



TOTAL DISTRICT REAL GROSS DOMESTIC PRODUCT (GDP):

The economic development review forecasted that Real GDP for the District would grow on average at 2.7% per annum out to 2022 (see figure 3). This is higher than predictions at a national level (because of the higher predicted growth rate for the agricultural sector).

FIGURE 4: THE STRUCTURE OF THE RANGITIKEI ECONOMY: EMPLOYMENT BY SECTOR (2010)



PRIMARY PRODUCTION, PROCESSING AND MANUFACTURING

The largest primary industry economic contributions come from pastoral farming, meat processing (including the CMP and Riverlands) and rural support services. Primary production and processing firms (including key District-based firms Nestle pet food, Malteurop, Speirs Foods and Hautapu Pine) together account for approximately 45% of total industry employment in the District.

The Ministry of Agriculture and Forestry information for 2010 indicates that the Rangitikei has a total exotic forestry area of 21,631 hectares, which accounts for 13% of the southern North Island wood supply region total forest area. Almost half of this forestry is aged 10-15 years. Over the 2011-22 period, the total recoverable volume of logs available in the western side of the southern North Island (including the Rangitikei) is expected to more than double.

In 2010, the total production sector (including primary production, processing and manufacturing) accounted for 56% of the District’s total industry GDP and 49% of total employment. When compared to the national level figures of 20% and 18% respectively, it is evident that the production sector is even more important to the Rangitikei economy than to the New Zealand economy as a whole.

RURAL SECTOR GDP

The economic review forecast that the agriculture sector would grow at an annual projected rate of 4.3% out to 2022. This is above the national average for this sector of 3.5% and is based on continuing

the District trend of increased dairy farming.³³ The review also suggested that the contribution from this sector to the District’s Real GDP could increase from 30% to 35% over the same period.

PROCESSING AND MANUFACTURING SECTOR GDP

The economic review forecast that the processing and manufacturing sector would grow at the projected national rate of 2.2% per out to 2022. The review also suggested that this would mean that the contribution from this sector to the District’s Real GDP could decrease from 20% to 16% over the same period. .

SERVICES

Rangitikei’s town centres are predominantly small businesses, with some larger chain stores. The retailing and wholesaling sector is the largest service-based GDP industry in the District, accounting for 10.7% of District GDP and 11.1% of District employment in 2010.

The tourism/hospitality sector is responsible for 8.9% of District employment, but only 1.7% of District GDP. Despite a growth rate of 1.2% out to 2022, the overall share of the sector is forecast to fall to 1.4%.

Key visitor attractions within the industry are adventure tourism, food, recreation, retail, heritage and events. The Rangitikei experiences day tourism predominantly derived from passing visitor traffic, due to its proximity to State Highways 1 and 3 and the rail network. This is particularly applicable to Bulls and Taihape. Leisure and recreational visitors

³³ Horizons Regional Council has indicated that it believes that an increase in conversion to dairying farming could be sustained in the District.

are from largely domestic but also international markets, and tend to stay for periods in excess of one day. Visitor numbers to the District have fallen since 2000, but Ministry of Tourism figures suggest that they may stabilise around the current level for the next five years. The economic review suggested that the number of commercial visitor nights in the District may grow by 25% over the period to 2022. Past trends do not align with these forecasts.

The Rangitikei has an important education sector, and is home to several nationally respected schools. The education sector accounted for 8.7% of jobs in the District, and was responsible for \$19.7 million (or 4.7%) of District GDP in 2010.

MĀORI BUSINESS ACTIVITY

Māori involvement in commercial/organisational activity currently includes forestry development, some tourism attractions and activities (such as Te Kahui Tupua – Sacred Peaks), social service organisations and delivery, and Marae developments. Ngāti Apa is seeking to develop the cultural strength of its people and Marae. This includes resettling Iwi members on ancestral land in the District, and the development of residential settlements at Turakina and Parewanui. Ngāti Apa also has significant forestry interests, represented by 6,500 hectares of licensed forestry land across the Rangitikei and Wanganui Districts. Recently, Ngāti Apa gained financial redress of \$16 million through a Treaty of Waitangi claim, as well as the ability for the Iwi to purchase licensed Crown forest land and receive the associated rentals.

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 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.

RANGITIKEI'S LABOUR MARKET

Statistics New Zealand estimated that there were 2,261 business firms or organisations operating in the Rangitikei at the start of 2010, which was less than the estimated figure for 2007, prior to the major international economic downturn. In 2010, 61% of businesses in the Rangitikei employed no staff directly, which includes the self-employed, contractors and 'shell' companies. Firms employing 1-5 staff accounted for 28% of all businesses. Thus, firms employing less than 5 people accounted for nearly 90% of all businesses in the District.

The leading occupation groups in the District at the time of the 2006 Census were farmers and farm managers, farm/forestry/garden workers, specialised managers, education professionals, sales assistants, factory process workers and carers/aides. This profile reflects the industry specialisations in the District.

TOTAL EMPLOYMENT

The economic review suggested that growth in Real GDP over the period to 2022 could result in a growth in the number of jobs in the District. It suggested that total employment could rise from 6,400 to 7,600. The recent statistics, in terms of employment by sector are shown in figure 5.

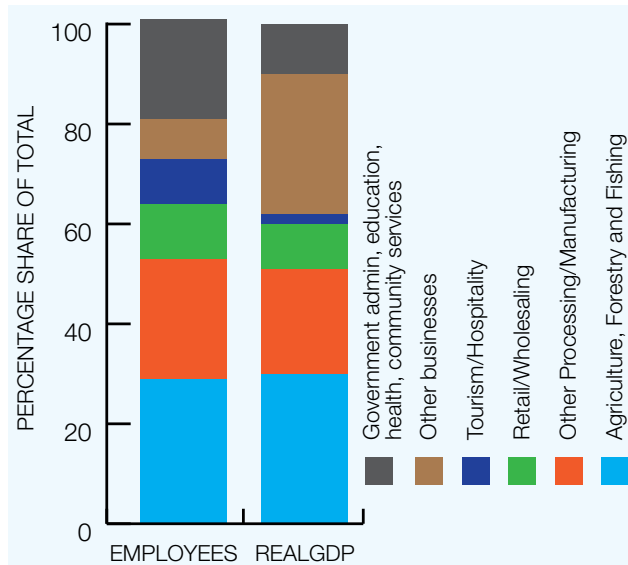
The present 15-64 working age population of the

District is estimated to be 9,300 people, which equates to 63% of the total population. Over the 2011-2021 period, the working age population is projected to fall by 14%, according to the Statistics New Zealand medium projection scenario. Compared with the national profile, Rangitikei has a much higher proportion of its population without formal educational qualifications – 31% compared with the national level of 22%. Only 7% of Rangitikei's residents have a university level qualification, compared with 14% nationally.

The forecasted shortage of young people to support a structurally aged population will result in an end to excess labour supply. Consequently, the increased demand for labour supply will lead to very low unemployment, and wage increases to attract and retain workers. This will have impacts on the costs of service and consumption items, as employers cover higher labour and production costs.

Current Census trends reveal that urban areas attract the majority of young migrants (both international and from within New Zealand). As a result, the projected shortage of labour supply will occur significantly more in non-urban areas than nationally. Additionally, Census data demonstrates that the grain, sheep and beef industry and the hospital and nursing home industry (two of the District's leading occupation groups) are structurally aged. This means that there is likely to be a particular shortage of workers in these industries, which will be of particular importance to the Rangitikei District, for example, the lack of skilled workers in the grain, sheep and beef industry could result in farm succession issues, as existing farmers retire and their farms require new skilled owners and operators.

FIGURE 5: PERCENTAGE SECTOR SHARE OF EMPLOYMENT AND REAL GDP IN 2010



At a national level, Māori play a key role in our future labour markets, as they have a much more youthful population than European New Zealanders. In the Rangitikei, the proportion of the Māori population is rising, and is likely to be particularly dominant in the younger age groups (under 40 years).³⁴ Therefore attention to their specific educational, training and social needs should be a key consideration, as the future prosperity of the District will depend increasingly on improving the prosperity of its younger Māori residents.

WHERE IS THE DISTRICT HEADED?

Key trends in the Rangitikei relate to a declining total and working age population, and increasing Māori

³⁴ Position paper – Demographic Change in the Rangitikei, Rangitikei District Council, January 2011.

and elderly populations. The District has experienced positive (albeit fluctuating) annual economic growth throughout most of the last decade. The total District GDP is forecast to increase over the next decade at an annual average of 2.7%, compared with 2.2% over the past decade. The strongest industry growth will occur in agriculture, health and community services, forestry/logging, other processing/manufacturing and food processing. Additionally, there should be annual employment growth of approximately 1.5% over the next decade.

The key agriculture sector (primary production) is forecast to account for 35% of total District GDP in 2022, compared with 29% in 2010. It is projected that this will occur through increased sheep and beef farming production levels, further dairying conversions, increased cropping and horticulture production levels, increased forestry activity, increased commodity processing, additional specialised manufacturing production and service sector growth.

As the basis for the District’s local economy is centred on agriculture and primary production, it is important to recognise the potential impact adverse international market changes could have on the District (such as economic growth decline, falling commodity prices and exchange rate appreciation), as well as domestic economic pressures. There could also be implications on other sectors such as tourism and retail. Given the nature and the location of the Rangitikei District, its economic performance will always be influenced by external factors.







06

COMMUNITY
WELL-BEING

RELATIONSHIP BETWEEN COMMUNITY WELL-BEING, COMMUNITY OUTCOMES AND COUNCIL ACTIVITIES

INTRODUCTION

One of the purposes of local government, defined in the Local Government Act 2002, is to promote the social, economic, environmental and cultural well-being of their communities, in the present and for the future. In addition, the 2010 amendment to the Local Government Act 2002 has “reframed” community outcomes. Previously they were community aspirations and Council’s responsibility was to identify and monitor them. Now, community outcomes means the outcomes that Council aims

to achieve in order to promote the four well-beings (social, economic, environmental, and cultural) of its district. The LTP must describe the community outcomes and identify the contribution towards them from each Group of Activities.

This section:

- Outlines Council’s interpretation of the four well-beings into a community well-being framework
- Describes its community outcomes and how they work to promote the four well-beings
- Identifies the contribution of each Group of Activities to the community outcomes and thence to the four well-beings

WHAT ARE THE COMMUNITY WELL-BEINGS?

Council has developed a community well-being framework which offers a definition of each well-being and the various factors which might impact upon it. It also describes how Council activities can promote the well-beings.

FIGURE 6: COMMUNITY WELL-BEING FRAMEWORK

	CULTURAL WELL-BEING	ECONOMIC WELL-BEING	SOCIAL WELL-BEING	ENVIRONMENTAL WELL-BEING
Definition	The vitality that communities and individuals enjoy through participation in recreation, creative and cultural activities and the freedom to retain, interpret and express their arts, history, heritage and traditions.	The capacity of the economy to generate the employment and wealth necessary to provide many of the pre-requisites for social and personal well-being.	Those factors which enable communities to set and achieve goals – such as education, health, strong community networks and associations, financial and personal security, rights, freedom and levels of equity.	The capacity of the natural environment to support, in a sustainable way, the activities that constitute community life.
Wider determinants of well-being	<ul style="list-style-type: none"> • Cultural participation • Expression of cultural values and practices • Celebration of diversity • Links with cultural resources, including marae • Sites of cultural significance • Leisure services and facilities 	<ul style="list-style-type: none"> • Employment • Education level and opportunities for skill development • Creation and distribution of wealth • Income levels • Working conditions • Childcare 	<ul style="list-style-type: none"> • Affordable quality housing • Social support, social cohesion, social inclusion • Participation in community and public affairs • Family connection/whakapapa • Public transport • Accidental injuries • Public safety and perception of safety • Transmission of infectious diseases • Access to population-based services (social services, health care, disability support) 	<ul style="list-style-type: none"> • Quality of air, water and soil (including pollution) • Waste disposal • Energy • Land use • Biodiversity • Climate • Noise

WHAT ARE THE DISTRICT'S COMMUNITY OUTCOMES?

COUNCIL HAS SIX COMMUNITY OUTCOMES. THEY ARE:

ONE

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.

TWO

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.

THREE

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.

FOUR

A buoyant District economy:

The District economy is largely dependent upon agriculture and agricultural services, manufacturing and downstream processing 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.

FIVE

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.

SIX

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.

The community well-being framework demonstrates how the community outcomes contribute to and promote cultural, economic, environmental and social well-being.

FIGURE 7: THE ROLE OF COMMUNITY OUTCOMES IN PROMOTING COMMUNITY WELL-BEING

COMMUNITY OUTCOMES	Access to health services	A safe and caring community	Lifelong educational activities	A buoyant District economy	A treasured natural environment	Enjoying life in the Rangitikei
WELL-BEING						
Cultural well being			Providing support for recreational, cultural and leisure activities			Providing support for recreational, cultural and leisure activities
Economic well-being			Supporting economic development	Supporting economic development		Efficient or better services for the ratepayer/customer
Social well-being	Contributing to personal and public health and safety	Contributing to personal and public health and safety	Contributing to social participation and cohesion			Contributing to social participation and cohesion
Environmental well-being					Supporting the sustainability of the natural environment	

MAKING RANGITIKEI HOME

Bearing in mind the predicted demographic change outlined in the District Overview on page 30. 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"³⁵, 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.

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

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

Success in other areas indicated some strategies that Council should consider:

- Promoting the District as a 'lifestyle destination' i.e. as a place where people will want to move to because of its great lifestyle
- Developing a community-based web presence to encompass social media that can be used as a tool to connect people to, and from within our communities
- Supporting cohesive and vibrant communities that have a positive vision for the future and an open acceptance of diversity
- Developing, with partners, the right mix of service provision to complement the attractions of the natural landscape and vibrant communities

- Strategically targeting former residents of the Rangitikei or those that currently have family living here, to move back
- Developing and promoting family-friendly policies through partnership working in the Rangitikei
- Working to develop transport services in the Rangitikei that meet the needs of the existing population and possible migrants
- Leveraging affordability of housing as an incentive to attract new migrants
- Developing community partnerships to build local support networks to implement the care and transition of school leavers, to ensure that young people will contribute effectively as citizens of this District in the future
- Facilitating partnerships and community development to help attract and/or retain Māori population in the area

These proposals serve to reinforce the partnership activity that Council established under the previous LTCCP to deliver the community outcomes. An ongoing focus supporting these outcomes is also a common theme through all Council activities in this LTP.

In 2009, Council's LTCCP stated that "it is important that the community understands that Council is just one of the participants who contribute to achieving the District's community outcomes. There are many other organisations, groups and individuals who make significant contributions, e.g. health boards contribute to health outcomes; Police to safety outcomes; community groups to enjoyment of life in the District." Council committed to developing partnerships with other agencies to work collaboratively towards the community outcomes.

Over the past three years, Council has established its Path to Well-being initiative and has supported six theme groups, each of which addresses one of the six community outcomes. The regular meetings of the theme groups have strengthened agency relationships across the District and all are delivering projects of benefit across the District, albeit to varying extents. A Partnership Board has been established to:

- Advocate for and promote the District
- Establish the over-arching Strategic Plan
- Support and co-ordinate the working groups
- Report back to the wider community of stakeholder groups
- Meet at least twice a year

In re-considering its approach to community outcomes in light of the changes in legislation, Council took the view that the alignment between the Path to Well-being theme groups and Council's community outcomes is worth retaining if possible. The current ones are working well, remain relevant, have traction in the community and with other agencies and reflect exactly the outcomes that Council is seeking in terms of the future for our District.

In recognition of this, some changes to the existing activities are being put forward. The current Community economic development and Community support groups of activities are being brought together into a Community well-being Group of Activities which comprises, in addition, a new activity of Community partnerships.



HOW DO COUNCIL ACTIVITIES CONTRIBUTE TO COMMUNITY OUTCOMES AND PROMOTE COMMUNITY WELL-BEING?

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 figure 7 below.

FIGURE 8: RELATIONSHIP BETWEEN COUNCIL ACTIVITIES, COMMUNITY OUTCOMES AND COMMUNITY WELL-BEING

WELL-BEING		CULTURAL	ECONOMIC		SOCIAL		ENVIRONMENTAL
RELEVANT COMMUNITY OUTCOME		Enjoying life in the Rangitikei	Lifelong Educational opportunities A buoyant District economy Enjoying life in the Rangitikei		Access to health services A safe and caring community Enjoying life in the Rangitikei		A treasured natural environment
HOW DO COUNCIL ACTIVITIES PRIMARILY PROMOTE THE WELL-BEING?		Providing support for recreational, cultural and leisure activities	Supporting economic development	Efficient or better services for the ratepayer/customer	Contributing to social participation and cohesion	Contributing to personal and public health and safety	Supporting the sustainability of the natural environment
GROUP OF ACTIVITIES	Activity						
Community leadership	Strategic planning				y		
	Council				y		
	Community boards/ Community committees				y		
	Elections				y		
	Iwi/Māori liaison				y		
Roading and footpaths	Roads including bridges		y			y	
	Footpaths and streetlighting					y	
Water Supply	Water services					y	y
Sewerage and the treatment and disposal of sewage	Wastewater services					y	y
Stormwater drainage	Stormwater services		y				y
Community and leisure assets	Parks	y			y		
	Community buildings	y			y		
	Community housing	y			y		
	Swimming pools	y			y	y	
	Libraries	y	y		y		
	Public toilets		y				
	Cemeteries						y

WELL-BEING		CULTURAL	ECONOMIC		SOCIAL		ENVIRONMENTAL
RELEVANT COMMUNITY OUTCOME		Enjoying life in the Rangitikei	Lifelong Educational opportunities A buoyant District economy Enjoying life in the Rangitikei		Access to health services A safe and caring community Enjoying life in the Rangitikei		A treasured natural environment
HOW DO COUNCIL ACTIVITIES PRIMARILY PROMOTE THE WELL-BEING?		Providing support for recreational, cultural and leisure activities	Supporting economic development	Efficient or better services for the ratepayer/customer	Contributing to social participation and cohesion	Contributing to personal and public health and safety	Supporting the sustainability of the natural environment
GROUP OF ACTIVITIES	Activity						
Rubbish and recycling	Waste management						y
	Waste minimisation						y
Environmental and Regulatory Services	District plan						y
	Consent processes			y		y	
	Building consents			y		y	
	Animal control					y	
	Other regulatory functions			y		y	
Community well-being	Economic development and district promotion		y				
	Information centres	y	y				
	Grants	y			y		
	Community partnerships			y			
	Emergency management					y	
	Rural fire					y	

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 outcomes. Council has made the linkages between its activities and the community outcomes explicit in figure 8. 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.

As described above, Council will support six multi-agency theme groups aligned to the community outcomes and reporting to a Path to Well-being Partnership Board. The Partnership Board is developing a framework that will enable it to report on progress against the outcomes and Council will receive regular updates.





07

RESPONSE TO
SUBMISSIONS

RESPONSE TO SUBMISSIONS TO THE DRAFT LTP

This section of the LTP provides information on those activities where choices have been available to Council in developing the full ten year programme. In most of these areas of activity a degree of pre-consultation took place between February 2011 and February 2012. This pre-consultation led Council towards its preferred options for these 10 key choices upon which it based its activity management plans and upon which it sought particular feedback from the public.

It summarises the feedback received and changes made to the draft Plan as a result of the process.

This section is presented firstly with an analysis of the submissions in response to each key choice and Council's decision following its deliberation of submissions. The deliberations process requires Council to weigh up arguments on their merit and not necessarily in response to the number of submitters on a particular topic or with a particular viewpoint. The number of submitters is an indication of the strength of feeling on a subject but not necessarily on the merits of their argument.

Council received some funding from the Ministry for Youth Development to undertake a specific consultation process with young people. This project, the Youth Engagement Project, resulted in 36 written and two oral submissions from young people. A separate response document was prepared for the participants in the Youth Engagement Project and is included in this section.

ANALYSIS OF SUBMITTERS

CHARACTERISTIC OF SUBMISSIONS TYPE OF SUBMISSION		
	Number	%
Anonymous	7	4%
Organisations	39	21%
Individuals	136	75%
	182	100%

CHARACTERISTIC OF SUBMISSIONS METHOD OF SUBMISSION		
	Number	%
Letter	47	26%
Submission form (includes 39 online/email submissions)	99	54%
Youth submissions	36	20%
	182	100%

182 written submissions were received by the closing deadline of 24 April 2012. 36 of these came from young people through a project particularly targeted to seek their feedback. A further five were received as late submissions – these are not included in this analysis but are recorded in the Council files. At oral submissions, 30 submitters spoke to 36 written submissions. Of these, 15 were individual submissions, 19 were submissions from organisations and two were from young people involved with the Youth Engagement Project.

BREAKDOWN OF SUBMISSIONS BY WARD		
	Number	%
Bulls	33	18%
Huntermville	3	2%
Marion	37	20%
Taihape	30	16%
Turakina ³⁶	48	26%
Out of District	24	13%
Anon	7	4%
	182	100%

ORGANISATIONS PRESENTING SUBMISSIONS TO THE DRAFT LTP

Age Concern Wanganui
Bonny Glen/South Makirikiri Rural Woman
Bull Community Committee (x3)
Bulls & District Community Trust
Buoyant District Economy theme group
Enjoying Life in the Rangitikei theme group
Treasured Natural Environment theme group
Federated Farmers
Good Access to Health Services theme group
Fonterra
Horizons Regional Council
Huntermville Rugby Football Club
Huntermville School
Koitiata Residents Committee
Life Long Educational Opportunities theme group
Marion & District Historical Society
Marion Police
Meridian Energy
Mokai Patea TKR
NZTA
Physicians and Scientists for Global Responsibility
Project Marion
Rangitikei College
Rangitikei Netball Centre
Rangitikei Tourism
Ratana Communal Board of Trustees
River Users Group Bulls
Safe and Caring Community theme group
Taihape Community Board (x2)
Taihape Music Group
Taihape Musicians Club Inc
TCDT
Turakina Caledonian Society Inc Te Roopu Ahi Kaa
Te Roopu Ahi Kaa
Whanganui District Health Board
Youth Engagement Project

36 The submissions from the Turakina Ward were primarily from Koitiata (40 out of 48). They are separated out from the rest of the Turakina Ward for the purpose of the analysis and response to submissions.

CHANGES TO FUNDING AND RATING POLICIES

There were four key choices put forward as part of the Financial Strategy. In essence, these related to:

- Key Choice 2: Consolidating rates accounts to cover all assets within an activity on a district-wide basis. The most notable example of this was the network utilities of water, wastewater and stormwater
- Key Choices 3 and 4: Proposed capital programme and funding mechanisms, including loan funding
- Key Choice 6 Changes in the way that depreciation funding is collected and allocated, creation of District-wide reserve accounts for specific assets

KEY CHOICE 2: DO WE MOVE TO DISTRICT-WIDE RATES?

Key Choice 2 focussed on the proposal to move to District-wide rating and the suggested mechanisms for this. Particular focus was put on:

- The three waters to be funded by a public good element through the UAGC and an equal charge shared amongst connected properties.
- A District-wide UAGC to fund leisure and community assets (except community buildings)
- A general rate to fund community buildings
- A general rate to fund the community well-being group of activities

DO YOU AGREE WITH COUNCIL'S PREFERENCE TO MOVE TO A DISTRICT-WIDE RATING SYSTEM?				
	Not Answered	No	Yes	Total
Anon		5	2	7
Bulls		13	3	16
Huntermville			1	1
Koitiata	1	33	2	36
Mangaweka			2	2
Marton	2	5	6	13
Taihape	3		5	8
Turakina			4	4
Whangaehu			2	2
Organisations	4		6	10
Total	10	56	33	99

DO YOU AGREE WITH FUNDING 25% OF THE COSTS FOR URBAN WATER, WASTEWATER AND STORMWATER NETWORKS FROM ALL PROPERTIES (CONNECTED OR NOT) DISTRICT-WIDE; THE RATE WILL BE THE SAME FOR EVERY PROPERTY?				
	Not Answered	No	Yes	Total
Anon		5	2	7
Bulls	2	14		16
Huntermville	1			1
Koitiata	1	34	1	36
Mangaweka		1	1	2
Marton	2	7	4	13
Taihape	5		3	8
Turakina	1		3	4
Whangaehu			2	2
Organisations	6	1	3	10
Total	18	62	19	99

DO YOU AGREE WITH THE REMAINING COSTS FOR URBAN WATER, WASTEWATER AND STORMWATER NETWORKS SPREAD EQUALLY ACROSS ALL CONNECTED PROPERTIES DISTRICT-WIDE? METERING OF WATER IN BULLS AND MANGAWEKA (WITH EXCEPTIONS) WILL STOP. METERING OF WATER IN HUNTERVILLE WILL CONTINUE.				
	Not Answered	No	Yes	Total
Anon	1	3	3	7
Bulls	2	12	2	16
Huntermville			1	1
Koitiata	5	28	3	36
Mangaweka		1	1	2
Marton	4	1	8	13
Taihape	6		2	8
Turakina	2	2		4
Whangaehu		1	1	2
Organisations	7	1	2	10
Total	27	49	23	99

DO YOU AGREE WITH A DISTRICT-WIDE UNIFORM ANNUAL CHARGE TO FUND ALL COSTS FOR PARKS, LIBRARIES, SWIMMING POOL, HOUSING, PUBLIC TOILETS AND CEMETERIES?				
	Not Answered	No	Yes	Total
Anon		2	5	7
Bulls	1	9	6	16
Huntermville		1		1
Koitiata	4	22	10	36
Mangaweka			2	2
Marton	3	1	9	13
Taihape	3		5	8
Turakina			4	4
Whangaehu		1	1	2
Organisations	4		6	10
Total	15	36	48	99

DO YOU AGREE WITH A GENERAL RATE TO FUND ALL COSTS FOR COMMUNITY BUILDINGS?				
	Not Answered	No	Yes	Total
Anon		2	5	7
Bulls	1	11	4	16
Huntermville	1			1
Koitiata	3	21	12	36
Mangaweka			2	2
Marton	3	3	7	13
Taihape	2		6	8
Turakina		1	3	4
Whangaehu		1	1	2
Organisations	6		4	10
Total	16	39	44	99

DO YOU AGREE WITH A GENERAL RATE TO FUND ALL COSTS FOR COMMUNITY WELL-BEING ACTIVITIES (INFORMATION CENTRES, ECONOMIC DEVELOPMENT AND DISTRICT PROMOTION, GRANTS, COMMUNITY PARTNERSHIPS, EMERGENCY MANAGEMENT AND RURAL FIRE)?				
	Not Answered	No	Yes	Total
Anon	1	2	4	7
Bulls	1	7	8	16
Huntermville			1	1
Koitiata	5	20	11	36
Mangaweka			2	2
Marton	4	2	7	13
Taihape	4	1	3	8
Turakina			4	4
Whangaehu		1	1	2
Organisations	6		4	10
Total	21	33	45	99

Comments from submitters who were NOT in favour of the proposed changes to the way that rates are collected focussed on two issues; firstly that the rates rise was unaffordable and, secondly, that it does not take into sufficient account benefit to ratepayers and the distribution of those benefits (user pays! was a common comment).

This was much more strongly voiced in the questions over the changes to funding for the three waters. There was more consensus around the move to District-wide rating for leisure and community assets and community well-being: far fewer negative comments were related specifically to these. Those that did mention these services, tended to comment either that each town should pay for its facilities or that the user pays principle should apply.

12 written submissions addressed this key choice – 10 were opposed to it. Some of the opposition was based on the perception that it was necessary to treat the towns differently because some had invested more in the past and/or there were different abilities and willingness to pay in each town which was reflected in the current state of the various facilities.

COUNCIL’S RESPONSE

Opposition to the move to District-wide rates has been expressed in the main by those from the rural south, Bulls and Koitiata who are being faced with the greatest rises in rates. The higher than average rise in rates in these areas is the effect of;

- changes brought about by the revaluation of property across the District
- changes introduced to increase the proportion of rates gathered through a UAGC rather than the general rate
- the replacement of the system of “caps” and “spillage” with a “public good” charge for the three water utility networks
- the abandonment of metering of potable water in Bulls and Mangaweka in favour of a fixed charge for all connected properties

Only one of these has been caused mainly by the move to District-wide rates (charges to connected properties in Bulls and Mangaweka that were previously metered).

In order to fully appreciate these impacts, it is important to understand the balance that Council has to strike between the proportion of rates gathered through the general rate – a rate that is apportioned amongst all properties based on property value - and the Uniform Annual General Charge – or UAGC – which is a rate divided equally amongst all rateable properties across the District.

One of the arguments put forward by the rural sector is that since rural property values comprise approximately 75% of the District property valuation that the general rate needs to be limited to those services that clearly have the District-wide benefit extending to the rural sector. The roading rate is an example of this; it is a general rate, gathered on the basis of property value and the higher valued properties pay the greater proportion of it. It is, by far, the most significant rate that the Council levies, it is the most important factor in producing inequalities in the average rates increases arising from the revaluation of properties between north and south of the District, or between urban and rural properties.

1. Changes brought about by the revaluation of the District

Properties in the rural south of the District, particularly in the coastal sand country, have maintained or increased in value in the last three years more so than properties in the urban settlements and the north of the District. Rural properties in the south of the District would be facing larger than average

rate increases irrespective of the move to District-wide rates. This is a challenge that Council has faced many times previously since revaluation often tends to be uneven across the District. In 2009 properties in the north of the District faced higher than average rates increases as the result of revaluation.

Some submitters requested that Council introduce a roading rate differential so that properties in the north of the District paid a higher proportion of the costs of roading. This would have the effect of narrowing the variation in rates increases between the rural north and rural south but would not be in line with the move to one rate for the same service across the District.

Council remains firm in its resolve not to take action to mitigate swings in the average rates increase caused by the fluctuation in relative valuations.

2. Changes introduced to increase the proportion of rates gathered through a UAGC rather than the general rate

As above, there is a strongly held view that the general rate should be limited to those activities where the District-wide benefit is clear and where it accrues unequally to properties of higher value. Council can choose to increase the proportion of the rates gathered using the UAGC and targeted rates set on a uniform basis³⁷ up to 30% which is the maximum permitted by law. What this does do is shift the burden of rates away from higher value properties to settle more on lower value properties. This is more generally felt in the urban areas but is of particular relevance to small settlements of relatively low value properties such as Koitiata.

³⁷ The library and solid waste targeted rates are uniform so must be included when calculating compliance with the 30% limit.

Council discussed this at length in the preparation of the draft Plan and felt that it was appropriate for all ratepayers to contribute to community and leisure assets through the UAGC since the benefit cannot be identified to any particular group of ratepayers.

The changes between rates charged for these activities in 2011/12 and 2012/13 are limited to:

- housing and cemeteries – from the general rate to UAGC
- swimming pools – from being split between targeted community services and targeted District-wide rates to the UAGC
- parks and community buildings – from being split between targeted community services and general rate to the UAGC

Whilst it is true that community and leisure assets are concentrated in the urban areas, it is also true that there are more urban ratepayers to share the rate when it is equally spread across everyone in the District. The cause of increases over and above the average increase being experienced in settlements such as Koitiata will be partly due to the move to District-wide rates but probably mainly due to changes made to the rating system to increase the UAGC.

In the former case, the greatest contribution will come from the move to District-wide rates for expensive facilities, such as the swimming pools. The swimming pools are assets that are highly valued by many across the District and it is only fair that they should be provided on a District-wide basis.

Council remains convinced that it is appropriate for all ratepayers to contribute to community and leisure assets through the UAGC. Its intention

is to rationalise community and leisure assets over the course of the next ten years at a District level on the basis that no community within the District can afford to keep all the assets that it currently has.

Council will also ensure that as the rationalisation process proceeds there is an equitable spread of facilities across the District and equality of access as far as possible.

The UAGC and targeted rates set on a uniform basis currently sits at 24.26% of the total rate burden and Council believes that increasing it further would impact unfairly on households with a low and/or fixed income.

3. The replacement of the system of “caps” and “spillage” with a “public good” charge for the three water utility networks

In the case of the application of District-wide rates for the three waters, previously Council had a system whereby it “capped” what was considered affordable at the level of individual urban schemes and charged the remaining “spillage” District-wide. This recognised that for the District to thrive, the essential infrastructure required in the towns needed to be affordable for urban dwellers. In other words that there is a “public good” element of having well-serviced towns and settlements.

In 2011/12, for potable water, the “spillage” amounted to 27% of the cost of the reticulated urban supply. Therefore, in the case of potable water, all properties in the District were already paying a share of 27% of the costs of the urban water schemes.

The larger initial impact of applying a 25% “public good” charge across all waters is in the area of

wastewater. However, it is in this area that the most urgent capital expenditure has been identified (\$7.5 million before 2015 for essential upgrades in Taihape, Bulls, Marton and Ratana). As the planned upgrades proceed, the proportion of the costs being spread across the District as “spillage” would have increased.

Under the old system of “caps” and “spillage”, the amount to be paid for by connected properties was “capped” at an amount considered to be affordable and the “spillage” element was not capped i.e. potentially limitless.

Council reaffirms its view that a more rational approach is to establish what would be a fair contribution from a District-wide rate and effectively “cap” the District-wide element.

Council believes that having safe water, wastewater and stormwater reticulated networks in the main urban areas conveys a “public good” to everyone in the District. A fair “public good” element is 25% of the total costs of the reticulated urban schemes.

4. The abandonment of metering of potable water in Bulls and Mangaweka in favour of a fixed charge for all connected properties

The balance of the cost of the reticulated urban schemes will be spread equally across all connected properties. In many workshop discussions, Councillors felt this would be fairer in the longer term, particularly in the light of the planned wastewater treatment plant upgrades to the urban schemes. For example, in Bulls, the budget for the essential upgrade of the wastewater treatment plant is \$2 million. Under the old scheme, the connected properties in

Bulls would have had their contribution “capped”³⁸ and also paid a share towards the “spillage”. As the planned capital programme proceeds, all connected properties will increasingly approach the “cap”: the end result would in effect be one charge across the District to all connected properties.

The greatest impact in the short-term is on those urban communities that have previously enjoyed relatively low charges for their potable water – the metered supplies in Bulls and Mangaweka. Council had proposed to mitigate this in the first year with a 30% discount.

Council has decided to discount the connected charge for potable water for properties in Bulls and Mangaweka by 40% in year one; 30% in year two; and 20% in year three. The impact of this on Bulls and Mangaweka connected properties, and on all other connected ratepayers in the District is shown in the table below.

	2012/13	2013/14	2014/15
Full water rate:	\$562.27	\$664.27	\$718.72
Discount applied:	40%	30%	20%
Bulls and Mangaweka Transitional Rate	\$337.36	\$464.99	\$574.98
No of properties Bulls & Mangaweka	782	782	782
Income from Bulls and Mangaweka	\$263,818	\$363,623	\$449,632
Yield from Full Charges before Trans Rate	\$439,697	\$519,462	\$562,040
Other Connected Properties Transitional Rate	49.64	43.98	31.73
No of connected properties outside Bulls & Mangaweka	3,543	3,543	3,543
Income from these properties	\$175,879	\$155,838	\$112,408
Total Income	\$439,697	\$519,462	\$562,040
Therefore, connected properties in urban areas other than Bulls and Mangaweka	\$611.91	\$708.26	\$750.45

³⁸ In 2009, the “caps” were set for water at \$580, for wastewater at \$550 and for stormwater at \$210.

KEY CHOICE 3: WHAT ARE THE PRIORITIES IN MAINTAINING OUR CRITICAL INFRASTRUCTURE?

Key choice 3 focussed on the priorities of the critical network infrastructure, particularly where the major capital spending is concentrated: water, wastewater and roading. Particularly, the submission form asked for agreement with a prioritised list for water and wastewater improvements programmes, viz:

- For water supply, Marton followed by Ratana
- For wastewater, Taihape, Bulls, Ratana, Marton and Koitiata

DO YOU AGREE WITH OUR PRIORITIES FOR IMPROVEMENTS TO THE WATER SUPPLY SYSTEMS?				
	Not Answered	No	Yes	Total
Anon	1	1	5	7
Bulls	2	4	10	16
Huntermville			1	1
Koitiata	2	28	6	36
Mangaweka		1	1	2
Marton	4		9	13
Taihape	3		5	8
Turakina		1	3	4
Whangaehu		1	1	2
Organisations	6		4	10
Total	18	36	45	99

DO YOU AGREE WITH OUR PRIORITIES FOR IMPROVEMENTS TO THE WASTE WATER TREATMENT SYSTEMS?				
	Not Answered	No	Yes	Total
Anon		2	5	7
Bulls	2	4	10	16
Huntermville			1	1
Koitiata	3	28	5	36
Mangaweka			2	2
Marton	4	2	7	13
Taihape		2	6	8
Turakina		1	3	4
Whangaehu		1	1	2
Organisations	5		5	10
Total	14	40	45	99

DO YOU AGREE WITH MAINTAINING THE CURRENT ROADING AND FOOTPATH NETWORKS WITH NO NEW ROADS AND NO NEW SEALED ROADS?				
	Not Answered	No	Yes	Total
Anon		1	6	7
Bulls	2	3	11	16
Huntermville			1	1
Koitiata	7	10	19	36
Mangaweka			2	2
Marton	4	1	8	13
Taihape	4		4	8
Turakina		1	3	4
Whangaehu		1	1	2
Organisations	6		4	10
Total	23	17	59	99

Generally the weight of submissions was in favour of Council's priorities in all three groups of activities. Many of the negative comments surrounding the water/wastewater proposals came from those who are not connected to the reticulated water and wastewater supplies and who do not see why they should pay for the upgrades. Other comments recognised that the work needs to be done and

suggested mitigation either through spreading the costs and/or the work over a longer time frame.

The comments associated with Council's priorities around roading mainly recognised the huge cost of the roading network for a district with a small population; some questioned the need for such a high level of service, some questioned the effectiveness and quality of the service currently provided and others suggested that central government should contribute more.³⁹

13 written submissions referred to this key choice. Five supported the priorities, three did not support them. Four submissions from Mangaweka requested that Council prioritise footpaths on either side of SH1 through the village and make safe the open drain outside the school and one submission from Taihape requesting that more attention be paid to the maintenance of flood-prone drains specifically the four urban streams. One submission requested Council to undertake an earthquake prone assessment of buildings in the District, one submission requested speed humps in the Ratana settlement, one submission requested immediate upgrade of the Mangaweka campground ablution block and wastewater treatment process and two submissions referred to the need for Council to address the shortfall in broadband infrastructure. Two submissions asked Council to consider funding maintenance of CCTV cameras in the urban areas. One submitter requested that Council give consideration to the aesthetic and historic values of Mangaweka Bridge if and when it is replaced in the coming ten years.

³⁹ It needs to be noted that the submission from NZTA specifically warned Council that the actual level of funding from NZTA was likely to be less than that included in the draft LTP.

COUNCIL'S RESPONSE

Council included in the draft Plan all the required upgrades for water and wastewater to ensure compliance with resource consent conditions for all wastewater discharge and water extraction processes as quickly as possible. The programme outlined in the draft LTP is ambitious but Council is confident that it can be delivered through the shared services arrangement with Manawatu District Council, as outlined in the Financial Strategy.

However, it is almost inevitable that factors outside of Council's control will delay elements of the planned water and wastewater upgrades. These are outlined on page 15 as part of the Financial Strategy and include, for example, weather, the economy, staff changes, government subsidies and government regulation. It is quite likely that the programme of work will be spread out. However the submission from Horizons reinforces the need to "keep the foot down" on the programmes.

Council expects that some of the planned capital programme may not necessarily proceed as scheduled. As Council has so far funded its capital works internally, it has not collected rates on capital expenditure until the work has been completed. However, as Council moves into borrowing for capital programmes, greater attention to the programming of work will be required.

The roading programme is rated for during the year in which the work is undertaken. Council has been aware that it will be an extremely tight regime for roading in the coming years to contain costs to existing budgets without dropping the level of service. This is reinforced by the submission from NZTA

which states that "NZTA expects road controlling authorities to find significant efficiency gains in their maintenance, operations and renewal programmes".

Council does not see the need to reforecast its roading programme at this stage and is confident that it can carry out the current three year programme within budget.

One further issue yet to be resolved is the replacement of Wylie's Bridge (a boundary bridge shared with Wanganui District Council). The last inspection (in 2009) recommended replacement in 2015 but a further report has been commissioned. Prudence requires that the project be included in any adjustment made in future annual plans.

Once this report has been received by Council, a decision will be made.

In respect of other requests during submissions:

Broadband/communications infrastructure: Council confirms its previous decisions to encourage and support investment in communications infrastructure within the District from commercial and community agencies but not to invest any ratepayers' money in these new assets

District-wide assessment of earthquake prone buildings: Council's Earthquake Prone Building Policy was reviewed during 2011. It currently requires that owners of earthquake prone buildings⁴⁰ should, at their own expense, have parapets and masonry chimneys checked and either strengthened or removed if deemed

⁴⁰ Non-residential buildings, unless two or more storeys high and containing three or more household units.

necessary, with all work completed by May 2016. Council has decided not to undertake a District-wide assessment of earthquake-prone buildings.

Footpaths on SH1 in Mangaweka: Council confirmed its scheduling of this programme as per the draft LTP, with \$11,120 set aside in year 2014/15.

Open storm drains at Mangaweka School and urban streams in Taihape: Council has instructed the Chief Executive to undertake a review of all open drains in the District and report back to Council.

Upgrade of toilets and wastewater treatment at the Mangaweka campground: Council noted the importance of the campground within the District's portfolio of such facilities, that the estimated cost of the upgrade could be \$100,000, and that funds were available in the rural land sub-division reserve fund to undertake this work. The Chief Executive will report back to Council with a full assessment.

Ratana traffic calming: Council approved additional funding of \$6,500 for two speed humps in the Ratana community in 2014/15.

Funding for the maintenance of CCTV cameras District-wide: Council approved funding of \$15,000 in 2012/13 and \$5,000 in each subsequent year to be applied to the maintenance of CCTV cameras in the town centres of Bulls, Marton and Hunterville.

KEY CHOICE 4: HOW DO WE FUND OUR FUTURE?

Key choice 4 focussed on the Financial Strategy as required by section 101 of the Local Government Act 2002. This requires Council to describe how it has planned for the future, taking into account demographic and other projections, in terms of maintaining levels of service for its critical infrastructure. It also requires Council to prescribe targets for rates increases over the period of the ten year plan.

DO YOU AGREE WITH RATE INCREASES LIMITED TO LESS THAN 10% PER ANNUM (ADJUSTED FOR INFLATION) OVER THE TERM OF THE LTP

	Not Answered	No	Yes	Total
Anon	1	2	4	7
Bulls	3	2	11	16
Huntermville			1	1
Koitiata	5	13	18	36
Mangaweka			2	2
Marton	5	2	6	13
Taihape	5	1	2	8
Turakina		1	3	4
Whangaehu			2	2
Organisations	7	1	2	10
Total	26	22	51	99

41 Council undertook an intensive analysis for its revenue and financing policy having regard for the statutory requirements for the 2009/19 LTCCP and accepted this as the basis for the updated policy in this LTP. The scope of Council's activities has changed very little in the past three years. No issue on the process for developing the policy (in this LTP or the 2009/19 LTCCP) was raised by the Council's auditors in forming their unqualified opinion.

DO YOU AGREE THAT WE ASSUME THERE WILL BE LITTLE ADDITIONAL DEMAND FOR THE NETWORK INFRASTRUCTURE SERVICES WE PROVIDE?

	Not Answered	No	Yes	Total
Anon	1	2	4	7
Bulls	4	2	10	16
Huntermville			1	1
Koitiata	7	16	13	36
Mangaweka			2	2
Marton	6		7	13
Taihape	7	1		8
Turakina			4	4
Whangaehu			2	2
Organisations	8		2	10
Total	33	21	45	99

DO YOU AGREE WITH THE PLANNED CAPITAL PROGRAMME TOTALLING \$143 MILLION OVER TEN YEARS TO REPLACE OR RENEW ASSETS OF WHICH \$135 MILLION IS SPECIFICALLY FOR NETWORK INFRASTRUCTURE?

	Not Answered	No	Yes	Total
Anon	1	3	3	7
Bulls	6	8	2	16
Huntermville			1	1
Koitiata	9	22	5	36
Mangaweka		1	1	2
Marton	5	3	5	13
Taihape	6	1	1	8
Turakina		3	1	4
Whangaehu	1	1		2
Organisations	8		2	10
Total	36	42	21	99

DO YOU AGREE WITH THE AIM TO ATTRACT AS MUCH FUNDING AS POSSIBLE FOR THIS WORK FROM EXTERNAL SOURCES...WITH THE REMAINDER FUNDED THROUGH EXTERNAL LOANS...TO A MAXIMUM OF \$29.7 MILLION IF ALL PLANNED PROJECTS PROCEED?

	Not Answered	No	Yes	Total
Anon	2	3	2	7
Bulls	5	6	5	16
Huntermville			1	1
Koitiata	10	23	3	36
Mangaweka		1	1	2
Marton	4	4	5	13
Taihape	6	1	1	8
Turakina		1	3	4
Whangaehu			2	2
Organisations	8		2	10
Total	35	39	25	99

Comments associated with this key choice focussed on the 10% limit increase and the amount of debt. Submitters felt that even 10% was too high but that they would be facing much larger increases than this. There was wariness, if not resistance, to Council getting into (too much) debt.

12 written submissions addressed key choice 4 with six of these concerned that rates increases were too high and should be no more than inflation. Five expressed concerns over the amount of debt and one (NZTA) questioned whether the amount set aside for the roading network was adequate to maintain the level of service. Horizons suggested that a focus on an Inland Port may reduce some of the pressure on the roading budgets given the declining FAR roading subsidies from central government.

The submission from Federated Farmers suggested that Council has over-simplified the Revenue and Financing Policy to the point where it fails to meet the requirements of section 101 of the Local Government Act.⁴¹

COUNCIL'S RESPONSE

The area that appeared to cause most concern for submitters was the level of expenditure on the capital programme; perhaps particularly in the light of the previous question specifically stating that no new demand is being met. Submitters were also uncomfortable about the level of debt that will be incurred. These are maximum levels assuming the capital programme goes as planned and, as stated above in the section on Key Choice 3⁴², this is unlikely to be the case. However, despite the increases in expenditure on water, wastewater and stormwater, the biggest expenditure is on the roading network. As stated above in the section on Key Choice 3, this is the most likely programme to proceed as planned.

Council confirms its view that all planned capital programmes are essential and should not be deferred or cancelled. However, it also believes that it has made provision for all worse case scenarios and that the programme is likely to be achieved within the limits outlined in the Financial Strategy.

KEY CHOICE 6: DO WE CHANGE OUR APPROACH TO DEPRECIATION TO FUND LEISURE AND COMMUNITY FACILITIES?

Key choice 6 focussed on the proposal to fund depreciation on a different basis for different activities within the community and leisure assets group. This explicitly acknowledged that not all community and leisure assets will be replaced like for like: the only exception proposed was libraries. The biggest proposed impact was on swimming pools and community housing where it was proposed not to fund depreciation at all. This was mitigated slightly

for swimming pools by proposing to set aside a reserve each year to support replacement at Marton and Taihape pools.

DO YOU AGREE WITH FULLY FUNDING (100%) DEPRECIATION FOR LIBRARIES (FROM 2013/14)?				
	Not Answered	No	Yes	Total
Anon	2		5	7
Bulls	4	4	8	16
Huntermville	1			1
Koitiata	7	21	8	36
Mangaweka		2		2
Marton	6	1	6	13
Taihape	5	2	1	8
Turakina	2	1	1	4
Whangaehu	1		1	2
Organisations	6		4	10
Total	34	31	34	99

DO YOU AGREE WITH PARTIALLY FUNDING (50%) DEPRECIATION FOR PARKS, HALLS AND PUBLIC TOILETS?				
	Not Answered	No	Yes	Total
Anon	3		4	7
Bulls	5	1	10	16
Huntermville	1			1
Koitiata	5	19	12	36
Mangaweka			2	2
Marton	8		5	13
Taihape	5	2	1	8
Turakina	1		3	4
Whangaehu	1	1		2
Organisations	7	1	2	10
Total	36	24	39	99

DO YOU AGREE WITH CREATING A RESERVE FUND FOR FUTURE INVESTMENT IN SWIMMING POOLS, ALLOCATING \$75,000 EACH YEAR (FROM 2013/14)?				
	Not Answered	No	Yes	Total
Anon	2	1	4	7
Bulls	5	5	6	16
Huntermville	1			1
Koitiata	5	21	10	36
Mangaweka		1	1	2
Marton	7	2	4	13
Taihape	5	1	2	8
Turakina	1		3	4
Whangaehu	1		1	2
Organisations	5		5	10
Total	32	31	36	99

Comments associated with this key choice generally appeared to confirm that the area of most angst for submitters was the swimming pools. There was support for swimming pools, mainly for children to learn to swim and a link made between the availability of a public pool paid for through rates and the closure of school pools. Several submitters commented that the Ministry of Education should be contributing to the public pools.

Some comments echoed the view that the user should pay, including for libraries. As part of its written submission, Taihape Community Development Trust suggested a targeted rate of \$5-10 for the Leisure Hub concept.

COUNCIL'S RESPONSE

There was a low level of response to this key choice and none of the written submissions directly addressed this question. Council has therefore its intention to depreciate 100% for libraries, 50% for parks, halls and public toilets, 0% for swimming pools and community housing

42 See page 752

and the creation of a swimming pool reserve of \$75,000 per annum from 2013/14. The use of the reserves developed through depreciation/ reserve accounts could be used to seed fund future facility developments.

The creation of a targeted rate for the Taihape Leisure Centre proposal mitigates against the move to District-wide rating for community and leisure assets. It implies that for increased levels of service there is a case for the initial costs (at least) to be funded by the community which is the primary beneficiary.

Council has considered the implications of this for its Revenue and Financing Policy and affirmed 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. However, it does not envisage invoking this principle within the next three years.

RATIONALISATION OF COMMUNITY AND LEISURE ASSETS GROUP OF ACTIVITIES

The Community and leisure assets activity was the main focus of the public consultation that Council staff undertook in preparing the draft LTP. Council has previously noted that “these assets (parks, community buildings, community housing, swimming pools and public toilets) have had a lower maintenance priority, to the point where some are now becoming liabilities. Demand for and use of these assets has also changed over the years. The reality is that many of these assets have reached

the end of their useful lives and Council can neither afford to maintain nor replace them.”⁴³

Over the past three years, some substantial upgrades have been slowly taking place – particularly, Taihape Town Hall, Memorial Park Grandstand, Bulls Town Hall and refurbishment of the stock of community housing. However, funds from the sale of surplus assets has not materialised as envisaged.⁴⁴

A Regional Sport Plan, if successful in its bid for Active Communities funding (managed by Sport New Zealand, formerly SPARC) will help the development of community sport and recreation hubs. It will cover rugby, rugby league, football, hockey, cricket, netball and gym sports, as well as walking and cycling. The plan aims to assist organisations to work more closely together, linking networks and opportunities.

KEY CHOICE 5: HOW DO WE BEST PROVIDE FOR COMMUNITY AND LEISURE ASSETS?

Key choice 5 focussed on specific leisure and community assets where pre-consultation during August/September 2011 had indicated a way forward.

43 2009-19 LTCCP, page 67.

44 The Non-Infrastructural Assets Review, an initiative progressed in a previous triennium, envisaged that sales of surplus assets would be a significant factor in upgrading key community and leisure assets. Rangitikei LTCCP 2009-2019, p.61. The former Marton campground was sold during 2012.

DO YOU AGREE WITH TAKING ADVANTAGE OF OPPORTUNITIES TO SHARE OR CREATE MULTI-USE FACILITIES AND LOOKING FOR SUCH OPPORTUNITIES BEFORE UNDERTAKING ANY REMEDIAL OR DEVELOPMENT WORK FOR ANY SPORTING/LEISURE FACILITIES?

	Not Answered	No	Yes	Total
Anon		1	6	7
Bulls	3	1	12	16
Huntermville			1	1
Koitiata	8	17	11	36
Mangaweka			2	2
Marton	4		9	13
Taihape	4		4	8
Turakina			4	4
Whangaehu	1		1	2
Organisations	4	1	5	10
Total	24	20	55	99

DO YOU AGREE WITH NOT REFURBISHING CENTENNIAL PARK PAVILION IN 2017, AS PREVIOUSLY PLANNED, BUT INSTEAD SUPPORTING THOSE FEW GROUPS THAT CURRENTLY USE IT TO RELOCATE THEIR ACTIVITY TO OTHER COMMUNITY SPACES?

	Not Answered	No	Yes	Total
Anon	1	1	5	7
Bulls	4	2	10	16
Huntermville	1			1
Koitiata	6	17	13	36
Mangaweka			2	2
Marton	4	3	6	13
Taihape	5		3	8
Turakina	1		3	4
Whangaehu	1	1		2
Organisations	5	1	4	10
Total	28	25	46	99

DO YOU AGREE WITH DEMOLISHING THE TAIHAPE CONFERENCE CENTRE IN 2012/13?				
	Not Answered	No	Yes	Total
Anon	1	2	4	7
Bulls	6	1	9	16
Huntermville	1			1
Koitiata	13	14	9	36
Mangaweka			2	2
Marton	8		5	13
Taihape	5	1	2	8
Turakina	1		3	4
Whangaehu	2			2
Organisations	5	2	3	10
Total	42	20	37	99

DO YOU AGREE WITH NOT REFURBISHING THE TAIHAPE TOWN HALL IN 2022/23 AS PREVIOUSLY PLANNED BUT WORKING WITH THE COMMUNITY TO DEVELOP THE LONG-TERM PLAN FOR THE SITE OVER THE NEXT 7 YEARS?				
	Not Answered	No	Yes	Total
Anon	1	1	5	7
Bulls	4	3	9	16
Huntermville	1			1
Koitiata	11	15	10	36
Mangaweka			2	2
Marton	6		7	13
Taihape	4	2	2	8
Turakina	1		3	4
Whangaehu	2			2
Organisations	7	1	2	10
Total	37	22	40	99

DO YOU AGREE WITH DEVELOPING A LONG-TERM PLAN FOR BULLS CBD DURING 2012-15 FOR CONSULTATION AND IMPLEMENTATION IN THE NEXT LTP DUE IN 2015?				
	Not Answered	No	Yes	Total
Anon			7	7
Bulls	2	1	13	16
Huntermville	1			1
Koitiata	9	20	7	36
Mangaweka			2	2
Marton	5		8	13
Taihape	6		2	8
Turakina	1	1	2	4
Whangaehu	2			2
Organisations	9		1	10
Total	35	22	42	99

DO YOU AGREE WITH WORKING WITH THE LOCAL OPERATING TRUSTS TO REDUCE OPERATING SUBSIDIES FOR THE SWIMMING POOLS IN MARTON AND TAIHAPE?				
	Not Answered	No	Yes	Total
Anon	1	1	5	7
Bulls	3	2	11	16
Huntermville			1	1
Koitiata	6	14	16	36
Mangaweka			2	2
Marton	4	2	7	13
Taihape	4	2	2	8
Turakina	1		3	4
Whangaehu	1		1	2
Organisations	8	1	1	10
Total	28	22	49	99

DO YOU AGREE WITH REDEVELOPING COMMUNITY HOUSING AT WELLINGTON ROAD IN MARTON, THROUGH PARTNERSHIPS WITH SOCIAL AND PRIVATE STAKEHOLDER ORGANISATIONS?				
	Not Answered	No	Yes	Total
Anon	1	1	5	7
Bulls	4	4	8	16
Huntermville	1			1
Koitiata	6	18	12	36
Mangaweka			2	2
Marton	4	1	8	13
Taihape	7	1		8
Turakina	2	1	1	4
Whangaehu	1	1		2
Organisations	8		2	10
Total	34	27	38	99

The analysis of the yes/no questions appears to generally support Council's proposals. Comments associated with this key choice were somewhat limited. The need for rationalisation appeared to be accepted – and in some commentaries deemed necessary – some submitters did not feel qualified to comment on facilities outside of their own area.

This was reflected in specific requests in the 11 written submissions that related to this key choice, for example, to develop smoke-free policies and enforcement options, to paint the Grandstand at Huntermville, to support the replacement of hard surface at Centennial Park for netball, to take a cautious and consultative approach in redeveloping community housing to ensure the well-being of the elderly tenants remains at the forefront of considerations. The Marton Historical Society requested the opportunity to access redundant community facilities for additional storage space.

COUNCIL’S RESPONSE

In seeking feedback from within communities on those assets that are most valued, it is clear that all assets are valued by some members of the community.

Council has taken the view that it will work over the next ten years to reduce the number of facilities that the ratepayer/community maintains to encourage more use of fewer facilities. This will be achieved by partnering with other organisations prior to undertaking any remedial or development work at any Council-owned facility.

The feedback received will be extremely helpful in guiding Council property and policy staff to work through the asset management process with communities in the coming months and years.

NEW FOCUS IN THE COMMUNITY WELL-BEING GROUP OF ACTIVITIES

Council is aware that in order to provide better services, at a better value to ratepayers, it needs to work together with other agencies. The 2009-19 LTCCP stated that “Council will develop and support meaningful partnerships with other local statutory, community and public agencies particularly in health, community safety and education. These would aim to identify specific, local issues and develop specific, local solutions...Council does not contribute to these outcomes directly. But Council involvement can support service developments that progress them.”⁴⁵

The key trends of a declining total and working age population, with increasing Maori and elderly populations, are indicative of the collaborations and partnerships that Council needs to pursue.

45 2009-19 LTCCP page 34.

There were two key choices put forward that relate directly to the new activity of community partnerships. These were:

- Key Choice 1: Outlining Council’s aims for its services, facilities, partnerships and collaborations, and
- Key Choice 7: Outlining a change in emphasis of Council’s partnership working around economic development and District promotion activity to promoting the District as a place to visit, to stay and to live.

Linked to this, but relating more to the grants activity, was Key Choice 9 which proposed changes to the Community Initiatives Fund.

KEY CHOICE 1: HOW DO WE PLAN FOR A CHANGING POPULATION?

Key choice 1 outlined Council’s aims for its services, facilities, partnerships and collaborations to:

- 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

DO YOU AGREE WITH THIS FOCUS FOR PLANNING AND SERVICES?				
	Not Answered	No	Yes	Total
Anon	1		6	7
Bulls	4	4	8	16
Hunterville			1	1
Koitiata	7	19	10	36
Mangaweka			2	2
Marton	4		9	13
Taihape	4	1	3	8
Turakina	1	1	2	4
Whangaehu			2	2
Organisations		4	6	10
Total	21	25	49	99

DO YOU AGREE WITH THIS FOCUS FOR PARTNERSHIPS AND COLLABORATIONS?				
	Not Answered	No	Yes	Total
Anon	2	1	4	7
Bulls	5	2	9	16
Hunterville			1	1
Koitiata	9	21	6	36
Mangaweka			2	2
Marton	5	1	7	13
Taihape	4	1	3	8
Turakina	2	1	1	4
Whangaehu		1	1	2
Organisations	4		6	10
Total	31	28	40	99

There was almost universal concern in the comments added to this question that the rates increases would be particularly unaffordable for both the elderly and young families. This was seen as contrary to Council being able to achieve its aims. This was reinforced in several of the written submissions.

Some comments wanted a wider focus, for example, on all young people, not just young Maori, and more support for businesses to establish in the towns.

Several people noted the lack of public transport in the District.

Written submissions addressing this key choice were received from several organisations, particularly the Chairs of the six Path to Well-being theme groups, four of the partnering agencies to the Memorandum of Understanding, Whanganui District Health Board and Age Concern Wanganui. The submission from Te Roopu Ahi Kaa requested that more focus was put on partnerships that worked closely with tangata whenua.

KEY CHOICE 7: HOW DO WE BEST SUPPORT THE DISTRICT'S DEVELOPMENT?

Key choice 7 focussed on what Council is doing for economic development and District promotion (and proposes to continue doing), particularly:

- Delivering Council services in a “business-friendly manner”
- Promoting the District as a place to visit, to stay and to live

DO YOU AGREE WITH PROVIDING SAFE ROADS AND FOOTPATHS, CLEAN AND PLENTIFUL DRINKING WATER, SAFE WASTEWATER DISPOSAL AND EFFECTIVE STORM DRAINS?

	Not Answered	No	Yes	Total
Anon		1	6	7
Bulls	3	1	12	16
Huntermville	1			1
Koitiata	4	15	17	36
Mangaweka		1	1	2
Marion	4		9	13
Taihape	4		4	8
Turakina			4	4
Whangaehu			2	2
Organisations	3		7	10
Total	19	18	62	99

DO YOU AGREE WITH COUNCIL DOING THE PAPERWORK THAT YOU NEED FROM US WITH MINIMAL FUSS, RED TAPE AND EXPENSE?

	Not Answered	No	Yes	Total
Anon			7	7
Bulls	1		15	16
Huntermville	1			1
Koitiata	5	9	22	36
Mangaweka		1	1	2
Marion	2		11	13
Taihape	4		4	8
Turakina			4	4
Whangaehu			2	2
Organisations	3		7	10
Total	16	10	73	99

DO YOU AGREE WITH TELLING THE WORLD ABOUT THE GREAT PLACE WE LIVE IN, AND INVITING PEOPLE TO COME AND STAY AND MAKE THEIR HOME HERE?

	Not Answered	No	Yes	Total
Anon			7	7
Bulls	2	1	13	16
Huntermville	1			1
Koitiata	4	17	15	36
Mangaweka			2	2
Marion	4		9	13
Taihape	4	1	3	8
Turakina		2	2	4
Whangaehu		1	1	2
Organisations	2		8	10
Total	17	22	60	99

DO YOU AGREE WITH HAVING VIBRANT AND ATTRACTIVE TOWN CENTRES THAT ATTRACT PEOPLE TO BRING THEIR BUSINESSES HERE?

	Not Answered	No	Yes	Total
Anon			7	7
Bulls	2		14	16
Huntermville	1			1
Koitiata	7	15	14	36
Mangaweka			2	2
Marion	4	1	8	13
Taihape	4	1	3	8
Turakina		2	2	4
Whangaehu		1	1	2
Organisations	3		7	10
Total	21	20	58	99

DO YOU AGREE WITH WORKING ALONGSIDE OUR PARTNERS AND NATIONAL GOVERNMENT TO MAKE SURE THAT EVERYONE IS PULLING IN THE SAME DIRECTION?

	Not Answered	No	Yes	Total
Anon		1	6	7
Bulls	3		13	16
Huntermville	1			1
Koitiata	7	11	18	36
Mangaweka			2	2
Marion	4		9	13
Taihape	4		4	8
Turakina		1	3	4
Whangaehu		1	1	2
Organisations	3		7	10
Total	22	14	63	99

The submission form asked people to comment on things that Council could do to support the District's development. The comments received through the submission form did not address this question but were generally supportive of the approach being taken within the limits of affordability.

However, there was good commentary in this area

received with 12 of the written submissions. These ranged from an idea from Taihape Community Board to establish a database of topography and soil types to encourage particular horticulture businesses to establish in the District, to strong opposition from Federated Farmers to funding any sector specific services.

Six of the written submissions specifically support the town coordinator positions – one of these requesting a more rigid contractual arrangement to ensure transparency - and one submission requested support for a dedicated marketing manager for District promotion.

COUNCIL’S RESPONSE

The submissions relating to Key Choices 1 and 7 appear to be supportive of Council’s focus for its services and facilities and for Council to be proactive in seeking out appropriate collaborations and partnerships. The written submissions from existing partners in the Path to Well-being Theme Groups and the Memorandum of Understanding agencies have enabled Council to finalise the two major programmes of work in the Community Well-being group of Activities. These two programmes of work are now outlined in the Community Well-being group of Activities section on page 100.

KEY CHOICE 9: HOW CAN WE BEST SUPPORT COMMUNITY INITIATIVES?

This key choice was associated with the use of the Community Initiatives funding for the contestable grants scheme. There had been pre-consultation of this activity with past and present applicants to the fund and some feedback from the general newspaper advertising. Council proposed to top slice \$20,000

for iconic events, suggested some iconic events that could be supported and sought feedback on the use of the remaining \$40,000 contestable funding.

DO YOU AGREE WITH RECOGNISING THE ROLE PLAYED IN ICONIC EVENTS BY SPECIFIC ORGANISATIONS, SETTING ASIDE \$20,000 FROM 2012/13 TO BE INCORPORATED INTO CONTRACTS WITH THOSE ORGANISATIONS WHICH PROVIDE ICONIC EVENTS ACROSS THE DISTRICT?

	Not Answered	No	Yes	Total
Anon	1	1	5	7
Bulls	3		13	16
Huntermville	1			1
Koitiata	8	18	10	36
Mangaweka			2	2
Marton	5	1	7	13
Taihape	4	1	3	8
Turakina		1	3	4
Whangaehu			2	2
Organisations	5		5	10
Total	27	22	50	99

DO YOU AGREE WITH MAKING THE REMAINING \$40,000 CONTESTABLE FUND AVAILABLE AGAIN FOR 2013/14, GIVING PRIORITY TO APPLICATIONS THAT SUPPORT OUR FOCUS...?

	Taihape Gumboot Day		Marton Harvest Festival		Marton Country Music Festival		Rangitikei Shearing Sports		Running of the Bulls		Turakina Highland Games		Mangaweka Fakes and Forgeries		Huntermville Shemozzle		Christmas Event	
	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES
Anon	1	5	1	4	1	5	1	5	1	4	1	4	1	4	1	5	1	5
Bulls	-	14	1	11	1	10	1	11	3	10	-	14	2	11	1	12	1	12
Koitiata	19	10	20	11	21	10	20	11	20	10	18	14	20	11	19	12	17	12
Mangaweka	-	2	1	-	-	1	-	2	1	1	-	2	-	2	-	2	1	1
Marton	2	6	-	2	1	1	2	1	1	3	2	2	2	2	2	1	1	2
Taihape	1	5	1	3	1	2	1	2	1	4	1	4	1	4	1	4	1	5
Turakina	1	2	1	1	1	3	1	1	1	1	1	3	1	1	1	3	1	1
Whangaehu	-	2	-	2	-	2	-	2	1	1	-	2	-	2	-	2	1	1
Organisations	-	6	-	3	-	3	-	3	-	3	-	4	-	5	-	5	1	6
Total	24	52	27	37	26	41	25	42	32	37	23	43	28	43	24	49	26	46

DO YOU AGREE WITH MAKING THE REMAINING \$40,000 CONTESTABLE FUND AVAILABLE AGAIN FOR 2013/14, GIVING PRIORITY TO APPLICATIONS THAT SUPPORT OUR FOCUS...?

	Not Answered	No	Yes	Total
Anon	1	1	5	7
Bulls	3	3	10	16
Huntermville	1			1
Koitiata	11	16	9	36
Mangaweka			2	2
Marton	5	4	4	13
Taihape	4		4	8
Turakina		1	3	4
Whangaehu			2	2
Organisations	4		6	10
Total	29	25	45	99

DO YOU AGREE WITH FUNDING ACTIVITIES SUPPORTED BY THE COMMUNITY INITIATIVES FUND AT THE CURRENT LEVEL?				
	Not Answered	No	Yes	Total
Anon		1	6	7
Bulls	3	1	12	16
Huntermville	1			1
Koitiata	11	15	10	36
Mangaweka			2	2
Marton	5	1	7	13
Taihape	5	1	2	8
Turakina		1	3	4
Whangaehu	1		1	2
Organisations	4	1	5	10
Total	30	21	48	99

There was no consistent message coming through from submitters' comments except that residents in Koitiata do not generally support the use of rates for these events. Some submitters commented that there should be only seed funding available to grow events and that once they reached "iconic status" they should be self-funding. There was a sense that philanthropic money was available and should be directed to supporting these events, or else a charge should be made to take part in them. Otherwise, there was generally good support in the comments for local, iconic events.

12 written submissions referred to this key choice: there were five specific requests to reinstate the Community Initiatives Fund for 2012/13. There was a request for more focus on events which held meaning for tangata whenua, a request that grants were measured on criteria relating to returns on investment and that iconic events should be limited to one per town (and done well!). One submitter recommended that Council develops return on

investment measures for all activities that receive funding from the Community Initiatives fund as a means to evaluate competing bids.

COUNCIL'S RESPONSE

Council has reconsidered the proposals around the Community Initiative Fund, including top-slicing an element for iconic events. As a result Council has decided not to allocate funding specifically for iconic events but to retain a fully contestable Community Initiatives Fund. This will amount to \$20,000 in 2012/13, and then \$30,000 per year for subsequent years.

FOCUS ON RUBBISH AND RECYCLING GROUP OF ACTIVITIES

Council must produce a Waste Management and Minimisation Plan (WMMP) for the District by July 2012. The draft WMMP was consulted upon concurrently with this draft LTP but the extension of recycling services was identified as a key choice for the draft LTP.

KEY CHOICE 8: HOW FAR DO WE GO IN WORKING TO REDUCE WASTE?

Key choice 7 focussed on Council's proposals for waste minimisation, particularly proposals to extend recycling to include:

- Green waste
- Drop off points in town centres
- Other recyclables, such as batteries

And campaigns to address issues such as fly-tipping.

DO YOU AGREE WITH EXTENDING RECYCLING SERVICES TO INCLUDE GREEN WASTE AND DROP-OFF FACILITIES IN TOWN CENTRES?				
	Not Answered	No	Yes	Total
Anon		2	5	7
Bulls	3		13	16
Huntermville			1	1
Koitiata	4	19	13	36
Mangaweka		1	1	2
Marton	2	3	8	13
Taihape	3		5	8
Turakina		1	3	4
Whangaehu			2	2
Organisations	5		5	10
Total	17	26	56	99

DO YOU AGREE WITH COUNCIL FUNDING CAMPAIGNS ADDRESSING SUCH ISSUES AS FLY-TIPPING?				
	Not Answered	No	Yes	Total
Anon		3	4	7
Bulls	2	7	7	16
Huntermville	1			1
Koitiata	8	22	6	36
Mangaweka			2	2
Marton	2	6	5	13
Taihape	5		3	8
Turakina		2	2	4
Whangaehu	2			2
Organisations	7		3	10
Total	27	40	32	99

DO YOU AGREE WITH EXTENDING RECYCLING SERVICES TO OTHER CONSUMABLES SUCH AS BATTERIES?				
	Not Answered	No	Yes	Total
Anon		2	5	7
Bulls	2	6	8	16
Hunterville			1	1
Koitiata	4	21	11	36
Mangaweka		1	1	2
Marton	4	4	5	13
Taihape	3		5	8
Turakina		3	1	4
Whangaehu	1	1		2
Organisations	5	1	4	10
Total	19	39	41	99

Generally submitters were in favour of the provision of additional recycling opportunities. This support was marginal beyond green waste and additional drop off points in town centres. There was not support for activities such as publicity campaigns to address e.g. fly-tipping.

Six submissions supplied additional written material: these made comment on the key choice around waste minimisation. Four were in favour of extending recycling services and one was opposed to it (on the basis of cost to the ratepayer). One submitter requested that Council consider ways to help people recycle waste if transport is an issue for them - for example an annual kerbside collection service. One submitter requested that Council look at the implications of nanowaste as a potential environmental pollutant as nanotechnology and nano materials become increasingly prevalent.

COUNCIL'S RESPONSE

Council has not identified the area of waste minimisation as a priority for the District, or an area

in which it expects to develop particularly leadership or expertise. Recycling is an expensive option for the Rangitikei ratepayer given the favourable rates that the Council has to put waste directly to landfill at Bonny Glen. The key choice was based around “how far do we go” to minimise waste. That has been the focus for Council’s decision-making.

When Council considered the overall response to the Waste Management and Minimisation Plan during its deliberations, it particularly looked at how far the waste levy would go in the provision of recycling initiatives.

STRATEGIC PRIORITIES FOR THE COMMUNITY LEADERSHIP GROUP OF ACTIVITIES

Council used the process of consultation around the draft 2012/22 LTP to seek community views on the existing arrangements for Community Committees and Community Boards which activity falls into the Community leadership group of activities. A full consideration of this issue will be undertaken as part of the 2012 Representation Review.

KEY CHOICE 10: HOW DO WE PREPARE FOR POSSIBLE CHANGES IN NEW ZEALAND'S LOCAL GOVERNMENT?

This key choice focussed on whether or not Community Boards were seen to be providing good value to the communities that they serve. The issue of representation is not a matter to be decided through the LTP but rather an opportunity to gauge local opinion.

DO YOU AGREE WITH CONTINUING THE EXISTING COMMUNITY COMMITTEES (TURAKINA, BULLS, MARTON AND HUNTERVILLE)?				
	Not Answered	No	Yes	Total
Anon	1	1	5	7
Bulls	2	1	13	16
Hunterville			1	1
Koitiata	9	4	23	36
Mangaweka		1	1	2
Marton	4	1	8	13
Taihape	4		4	8
Turakina			4	4
Whangaehu	1		1	2
Organisations	6		4	10
Total	27	8	64	99

DO YOU AGREE WITH SUBSTITUTING COMMUNITY COMMITTEES FOR THE COMMUNITY BOARDS IN RATANA AND TAIHAPE?				
	Not Answered	No	Yes	Total
Anon	2	2	3	7
Bulls	2	4	10	16
Hunterville			1	1
Koitiata	10	20	6	36
Mangaweka		1	1	2
Marton	5	2	6	13
Taihape	4	3	1	8
Turakina			4	4
Whangaehu	1	1		2
Organisations	7	2	1	10
Total	31	35	33	99

Comments associated with this key choice indicated that people view these local representative bodies as an important element of the democratic process. The comments tended to focus around their inclusivity and effectiveness at representing local people’s views.

COUNCIL'S RESPONSE

There was no support for, or against, the Community Boards in Taihape and Ratana. Council will address this issue more fully as part of the representation review.

The Community leadership group of activities also includes the strategic planning activity and, although generally the submissions were supportive of Council's strategic priorities, several other suggestions for strategic priorities were put forward in submissions:

- Council to work to ensure that the spread of nanoparticles is minimised and that they do not become endemic within the environment.
- Council to work with the community in Mangaweka to combat the growth of Old Man's beard at the Scenic reserve.
- Council to go further in looking at how climate change may impact on Council's ability to progress its community outcomes and to develop measures to monitor its progress
- Council develops a stand-alone Energy activity or a District-wide Energy Strategy to support Council's efforts to address climate change and peak oil.

COUNCIL'S RESPONSE

These suggested priorities are not supported by Council. Council's focus is on the essential infrastructure upgrades and other priorities that have received much broader consensus.

YOUTH ENGAGEMENT PROGRAMME – RESPONSE TO SUBMISSION

Council has identified young people under 25 as key to the District's future. The demographic studies show that this group is predicted to decline in number in the coming years. Council has undertaken to do what it can to ensure that our young people have an experience of childhood and adolescence that they will want for their own children in turn. In other words, to form a lifelong attachment to our District.

Council received some funding from the Ministry of Youth Development, for a Youth Engagement Project (YEP). The project was intended to engage young people from across the District in the key choices surrounding the Council's draft Long Term Plan. Council was hoping to get at least 30 submissions from young people as part of its consultation process.

Council would like to thank Bronwyn Meads from Bulls and District Community Trust, who undertook to facilitate the process with funding from the Ministry of Youth Development.

ANALYSIS OF SUBMISSIONS

36 written submissions were received by the closing deadline of 24 April 2012. Two oral submissions were made at hearings. The characteristics of submissions are detailed below.

Age	12 to 15	16+	Total
Number	30	6	36
Gender	Female	Male	Total
Number	23	13	36

Address	Bulls	Marton	Taihape	Boarders	Total
Number	5	8	8	15	36

LIKES AND DISLIKES

Generally, the things that young people liked about their towns were places to hang out (the ICT Hub, the Centennial Dairy and the river), their friends and family and particular public events (free concerts, Christmas parade). Some listed particular clubs they belonged to.

The things that they don't like are people hanging around town, causing trouble and worse and the lack of things to do.

KEY CHOICE 1: HOW DO WE PLAN FOR A CHANGING POPULATION?

There was a lot of support for Council to encourage young people to stay in the District; the necessary factors were listed as jobs, housing and things to do. Some of the ideas discussed by the YEP participants are summarised in later sections around improvements to community and leisure facilities, town pride and leadership and events/activities for young people.

KEY CHOICE 2: DO WE MOVE TO DISTRICT-WIDE RATES?

Overall, the young people did not think that District-wide rating was a good idea because they felt that it was fair for each town to pay for its own facilities and events.

KEY CHOICE 3: WHAT ARE THE PRIORITIES IN MAINTAINING OUR CRITICAL INFRASTRUCTURE (ROADS AND WATER SERVICES)?

The group of young people was equally split on the importance of these infrastructure services.

KEY CHOICE 4: HOW DO WE FUND OUR FUTURE?

Loan funding was seen as a last resort. Most young people (30/36) felt that community fundraising should be the main source of funding for these and/or applying for grants.

KEY CHOICE 5: HOW DO WE BEST PROVIDE FOR COMMUNITY AND LEISURE ASSETS?

The submitters showed a good grasp of Council's dilemma of having too many, dilapidated buildings and facilities. They suggested that the number of assets should be reduced and those remaining improved/updated. They suggested selling assets to pay for upgrades and creating a central pool of funding to enable these upgrades to take place. They recognised that this may take planning into the future.

SWIMMING POOLS

The submitters had aspirations for some major upgrades in the swimming pool facilities (hydro slide and lazy river/wave pool). However, they also wanted to see low cost/no cost solutions such as more activities and inflatables and also welcomed a longer swimming season.

PARKS

A good range of suggested improvements was made by submitters. An excellent submission including detailed plans and sketches for an extension to the Centennial Park skate park demonstrates how useful input from those who know best is likely to be.

OTHER FACILITIES

Again a good range of suggested improvements was made by submitters. These included turning disused

buildings into places to go, better shops/a mall and a "decent" cinema.

Some of these are outside the scope of Council activities. However, there was an oral submission made by a group from Marton, indicating that this group would be willing to lead a project to develop an arcade facility. Overall, the young people indicated that they would be willing to work together and to raise funds, but felt that some funding from Council would help.

When it came to prioritising which facilities should be focussed upon there was no clear consensus; submitters tended to identify assets in their own area to be prioritised. This reflects the outcome of consultation through the main submission form.

KEY CHOICE 6: DO WE CHANGE OUR APPROACH TO DEPRECIATION TO FUND LEISURE AND COMMUNITY FACILITIES?

The number of empty /disused buildings was noted as was the need for multi-use facilities. The creation of the swimming pool reserve was the most supported element of the questions around depreciation.

KEY CHOICE 7: HOW DO WE BEST SUPPORT THE DISTRICT'S DEVELOPMENT?

The most common suggestion in answer to this question was to create jobs and employment to enable people to live in the District and raise their families.

KEY CHOICE 8: HOW FAR DO WE GO IN WORKING TO REDUCE WASTE?

Most of the comment on rubbish and recycling stated that Council should introduce more recycling services.

The comments included in the survey related particularly to more accessible recycling facilities around town. There was also support for more general rubbish bins around town and a desire for less litter and for "having more people around picking up rubbish in the community".

KEY CHOICE 9: HOW CAN WE BEST SUPPORT COMMUNITY INITIATIVES?

Lots of suggestions were put forward for how Council could support community initiatives and all the submitters felt this was important. This key choice was associated with the use of the Community Initiatives funding for the contestable grants scheme.

Most of the respondents felt that 3-4 community events a year in each town was about right – a preference for more in Taihape. New Year celebrations and outdoor concerts were the most popular choice of event with youth activity days/evenings and Christmas parades also well supported.

Key Choice 10: How do we prepare for possible changes in New Zealand's local government?

There was a general sense of wanting to maintain a distinct District identity but overall, this key choice received least comment.

COUNCIL'S RESPONSE

Council has confirmed its intention to develop fewer but better assets and facilities in the coming years. It has also confirmed that it wants to work alongside local communities and other organisations (such as Sport Wanganui, local clubs and organisations and the schools) to make sure that we make the most of what we have.

The information that has been provided through the submissions provide first-class guidance as Council property and policy staff work through the asset management planning process. Council will ensure that it seeks the views of young people as one of the main stakeholder groups when it programmes future upgrades to its community and leisure assets.

Council has also agreed that it would welcome the opportunity to build on the momentum and enthusiasm of the Youth Engagement Project and has set aside up to \$19,000 to support youth initiatives that come forward as part of the Youth Strategy. It will also provide support through its Policy Team to seek funding specifically for the implementation of the Youth Strategy.

Finally, Council will advocate for services that meet the needs of young people with other agencies that operate in the District and we will seek out partnerships and collaborations to support this to work through our Path to Well-being initiative.





08

**COUNCIL
ACTIVITIES**

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

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 five⁴⁶ mandatory groups of activities that council’s must consider in their planning. These are:

- Roading and footpaths
- Water Supply
- 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 and in Rangitikei there are 30 activities in total. 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 contribution

to the four well-beings 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 good value for money to the ratepayer 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 2011/12. These changes are summarised in section 10 on page 164.

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.

⁴⁶ The fifth is “flood protection and control works” which is the responsibility of Horizons Regional Council.

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 on 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 plans⁴⁷ covering the following groups of activities:

- Roading and footpaths
- Water supply
- Sewerage and the treatment and disposal of sewage
- Stormwater drainage
- Community and leisure assets

These have been used as the basis for the development of the activity management plans supporting all groups of activities where assets are involved. They 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 financial impact statement 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 108) and draws together the major aspects of the services from each group of activities that Council will monitor, measure and report against.

⁴⁷ The asset management plans used to develop the activity management plans were adopted as at 30 June 2011. There will be a review during the latter part of 2012 and annually thereafter.



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 COMMUNITY WELL-BEING
This group of activities contributes to opportunities to participate in civic life and to have an impact over decisions which affect quality of life. It therefore contributes primarily to social well-being
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. In common with most of New Zealand, there is low interest within the community to stand for election to Community Boards and the minimal level of public interest in the Board’s proceedings (little media attention and little or no public interest in Board meetings) implies a view that the Board has minimal impact on the delivery of services. 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, ten Iwi and hapu groups that comprise Te Tangata Whenua O Rangitikei and the Ratana Community. Council has also developed a Memorandum of Understanding with Otaihape Māori Komiti during 2011/12 and has made provision to extend this to other Iwi organisations in the District.

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 9: COUNCIL'S INTENDED LEVEL OF SERVICE FOR THE COMMUNITY LEADERSHIP GROUP OF ACTIVITIES

WHAT PEOPLE WANT	COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	GOOD VALUE FOR MONEY	RATIONALE
Assurance that Council has sound planning for a positive future for the District, taking into account all reasonable and realistic projections	Follow its Public Participation (Consultation) Policy in assessing the impact of its decision-making and involving affected parties appropriately	Council will differentiate between those issues and decisions which require greater or lesser public participation in its strategic planning	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 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, and that are communicated to the community and followed through	Council will work to ensure that annual plans and annual reports receive an unqualified audit opinion	Council will continue to develop its communication networks 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"
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 participate in strategic workshops	Within the Rangitikei District, the value for money proposition is likely to be a factor in the Representation Review to be done prior to the 2013 local elections	This LTP anticipates that both Community Boards will be disestablished at the end of the 2010-13 triennium, and two further Community Committees will be established. The present four Community Committees will continue. However, the budgets for this Plan have been prepared on the basis of the status quo
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 and in addition, develop relationships with individual Iwi, hapu and the Ratana community	Individual Iwi/hapu will make specific overtures to Council for a productive working relationship otherwise Council's primary approach for consultation and liaison with Māori will be through the Iwi-based Te Roopu Ahi Kaa	Two issues have been flagged where Council will walk alongside TRAK and Iwi/hapu in the District: the first is the current Taihape Inquiry to settle the Waitangi Treaty claims of Iwi/hapu in the north of the District and the second is resolution of the issue of Māori land-locked land
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 the polls (both the local election itself and for Community Committees)	Elections are well publicised locally and in accordance with law (including the pre-election report) and have results publicized promptly in the media and on Council's website	No valid query on the integrity of Council's processes in conducting the elections would imply that the election process was managed in a legally compliant manner	The introduction of electronic voting could lead to a substantial increase in voter participation. The opportunity for people to provide the information for the (now abandoned) 2011 Census is a clear signal of the inevitability of this development

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 shouldn't) 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 needs⁴⁸, or greater emphasis on community development compared with infrastructure maintenance.

Prior to the past triennium, 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

48 Settlement of Treaty claims from District Iwi is likely to result in new business initiatives, including papaikainga 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.

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.

Currently there is wide divergence among local authorities over the use of Community Boards (some, like Manawatu, have none, while others, like Southland, have a network across the entire district) and in the delegated decision-making provided to them. The government's decision in Auckland to establish local boards may be a precursor to how democracy can be secured for local communities alongside the perceived efficiencies of larger (and unitary) councils. This LTP anticipates that the use of Community Boards and Community Committees may be rationalized through the Representation Review with the abolition of the Boards in Taihape and Ratana (and their replacement by Council with Committees).⁴⁹

49 However, because the issue of Community Boards is a matter for the Representation Review, the budgets have been prepared on the basis of maintaining the status quo.

50 This requirement, effective 1 July 2011, was a change made in the 2010 amendment Act.

MAJOR PROGRAMMES	
YEAR 1	Annual Report 2011/12 Annual Plan 2013/14 Representation Review completed Ongoing Policy and Bylaw review
YEAR 2	Annual Report 2012/13 (and Pre-election report) ⁵⁰ Annual Plan 2014/15 Triennium election. Reappointment of community committees, Te Roopu Ahi Kaa Ongoing Policy and Bylaw review
YEAR 3	Annual Report 2013/14 LTP 2015/25 Ongoing Policy and Bylaw review
YEAR 4	Annual Report 2014/15 Annual Plan 2016/17 Ongoing Policy and Bylaw review
YEAR 5	Annual Report 2015/16 (and Pre-election report) Annual Plan 2017/18 Triennium election. Reappointment of community committees, Te Roopu Ahi Kaa Ongoing Policy and Bylaw review
YEAR 6	Annual Report 2016/17 LTP 2018/28 Representation Review completed Ongoing Policy and Bylaw review
YEAR 7	Annual Report 2017/18 Annual Plan 2019/20 Ongoing Policy and Bylaw review
YEAR 8	Annual Report 2018/19 (and Pre-election report) Annual Plan 2020/21 Triennium election. Reappointment of community committees, Te Roopu Ahi Kaa Ongoing Policy and Bylaw review
YEAR 9	Annual Report 2019/20 LTP 2022/32 Ongoing Policy and Bylaw review
YEAR 10	Annual Report 2020/21 Annual Plan 2023/24 Ongoing Policy and Bylaw review

COMMUNITY LEADERSHIP

FUNDING IMPACT STATEMENT FOR 2012 TO 2022

	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	1604	1110	1158	1156	1194	1278	1284	1317	1399	1397	1423
Targeted Rates (other than a targeted rate for water supply)											
Subsidies and grants for operating purposes											
Fees, charges, and targeted rates for water supply			31			34			38		
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees, and other receipts											
Total Operating Funding	1604	1110	1189	1156	1194	1312	1284	1317	1437	1397	1423
Applications of Operating Funding											
Payments to staff and suppliers	746	923	1012	960	1000	1100	1043	1084	1194	1134	1167
Finance Costs											
Internal charges and overheads applied	1,249	193	201	220	210	219	239	230	241	261	254
Other operating funding applications											
Total Applications of Operating Funding	1,995	1,117	1,214	1,181	1,210	1,319	1,282	1,315	1,434	1,394	1,421
Surplus/(Deficit) of Operating Funding	(391)	(6)	(25)	(25)	(16)	(7)	2	2	2	2	2
Sources of Capital Funding											
Subsidies and grants for Capital expenditure											
Development and financial contributions											
Increase (decrease) in debt	(1)										
Gross proceeds from sale of assets											
Lump sum contributions											
Total Sources of Capital Funding	(1)	0	0	0	0	0	0	0	0	0	0
Applications of Capital Funding											
Capital Expenditure-											
-to meet additional demand											
-to improve the level of service											
-to replace existing assets	7										
Increase (decrease) in reserves	(398)	(6)	(25)	(25)	(16)	(7)	2	2	2	2	2
Increase (decrease) of investments											
Total Applications of Capital Funding	(391)	(6)	(25)	(25)	(16)	(7)	2	2	2	2	2
Surplus (deficit) of capital funding	391	6	25	25	16	7	(2)	(2)	(2)	(2)	(2)
Funding Balance	(0)	-	-	-	-	-	-	-	-	-	-
Depreciation *	53	2	2	2	2	2	2	2	2	2	2

These asterisked costs are additional to those shown above and not included in the total

COMMUNITY LEADERSHIP

FUNDING IMPACT STATEMENT FOR 2012 TO 2022 Continued

Further financial detail on activities within the Community leadership Group of Activities 2012-2022

Breakdown of Operating Costs	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Strategic Planning (Note 1)		0	0	0	0	0	0	0	0	0	0
Council	653	808	835	850	874	905	922	946	979	1,000	1,029
Community Board/Committees	37	53	54	55	57	59	61	63	65	67	69
Iwi Committee	56	51	52	54	56	58	60	61	63	66	68
Elections	0	12	71	1	13	79	1	14	87	1	1
	746	923	1,012	960	1,000	1,100	1,043	1,084	1,194	1,134	1,167

Note 1: Strategic Planning is treated as an overhead and the cost of the activity is spread across all activities. The cost of the activity at 2012/13 prices is \$450,000 in a non-LTP year and \$590,000 in an LTP year

ROADING AND FOOTPATHS 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 COMMUNITY WELL-BEING

The roading activity contributes to the District's economic and social well-being by providing safe, convenient and orderly road transportation throughout the district. The provision of safe, convenient and orderly footpath access and effective street lighting throughout the District contributes to the District's social well-being

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, a buoyant District economy

MAJOR ASPECT OF THE SERVICE FOR STATEMENT OF SERVICE PROVISION

Smooth travel exposure rating
No fatal crashes caused by the condition of the roading network
Callouts (response/resolution/time), also singling our callouts relating to potholes
Adequacy of provision and maintenance of footpaths and local roads (annual survey)

The Roding and footpaths 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 two activities:

ROADING, INCLUDING BRIDGES

The activity provides a roading network throughout the district, combining road pavements, bridges, culverts, stormwater drainage. As at 30 June 2011 (when the asset management plan was adopted as the basis for the LTP), the asset encompasses: 783 km of sealed roads, 454 km of unsealed roads, 222 bridges which includes culverts with a water area greater than 3.4m² and 4,673 culverts. Services associated with the above assets are road pavement maintenance, drainage, shoulder and berm maintenance, road pavement marking, edge and culvert marker posts, kerb and channel, open water channels on rural roads and other miscellaneous items which are required to provide a safe and efficient roading network.

FOOTPATHS AND STREET LIGHTING

The activity provides a footpath and street lighting network throughout the District, combining: 79 km of footpaths (concrete footpaths, asphaltic concrete footpaths and unsurfaced footpaths), 1,890 street lights (street lights, under veranda lighting) and festive decorations and commemorative flags. Services associated with the above assets are maintenance, renewal, construction and other miscellaneous items which are required to provide safe and efficient networks.

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 as long term financial subsidies are to remain stagnant (cost increases). The Financial Assistance Rate (FAR) from NZTA is dropping from 59% to 58% at the beginning of the 2012/2013 financial year and it will become increasingly difficult to absorb cost fluctuations for the second and third years of the three year NZTA funding round into fixed budgets.⁵¹

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

⁵¹ The maximum programme budgets are established by NZTA on a three year funding round basis. The Council maximises the subsidy available by ensuring its programme meets the maximum allowable budget. The budget submitted to NZTA for the 2012 – 2015 funding round allows for 4% cost increases from the 2011/2012 year: however, the CPI indicates that costs to Council may increase at a higher rate.

routes in forestry blocks are going to partially drive the rehabilitation forward work programme which is managed through current funding at this point in time. Council has considered introducing a bylaw to pass some of these costs onto forestry companies but no commitment has been made to date.⁵²

Another pressure on operating costs will come from non-budgeted repairs for damage caused by

⁵² 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.

increased storm events resulting in emergency works expenditure. Council sets aside an emergency works reserve each year of \$250,000.

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 and footpaths Group of Activities has 6 major programmes. These are set out below with the annual budget, as at 2012/13. This amount is allocated to the major programmes for each year of the LTP.

FIGURE 10: COUNCIL'S INTENDED LEVEL OF SERVICE FOR THE ROADING AND FOOTPATHS GROUP OF ACTIVITIES:

WHAT PEOPLE WANT	COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	GOOD VALUE FOR MONEY	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 District's towns without needing to encroach onto the road and surveillance cameras to deter anti-social behaviour	Increased asset length and footpath renewal programme	Council is working to ensure a footpath on one side of each residential street in the District towns and to identify where surveillance cameras will have the greatest deterrent impact	Increasing use of mobility scooters in the town centres has 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
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

RENEWALS							CAPITAL			
YEAR	ROAD RESEALING	ROAD REHABILITATION	FOOTPATHS	DRAINAGE	TRAFFIC SERVICES	GENERAL MAINTENANCE AND PROJECTS	TOTAL RENEWALS Per FIS	CAPITAL PROJECTS	FOOTPATHS	TOTAL CAPITAL Per FIS
ONE	Total Length 70.84km \$1,957,711	Total Length 8.770 km \$2,923,515	Mill St, Marton Bridge St, Bulls Thrush St, Taihape Huia St, Taihape \$203,000	Programmed maintenance \$316,193	Lights and renewals \$110,000	Potholes, slips etc \$579,581	\$6,090,000	Realignments and Intersections \$591,290 Planning for Wylies Bridge \$220,000	Taihauauru St, Ratana Main St, Hunterville Vera St, Marton Swan St, Taihape \$60,000	\$871,290
TWO	Total Length 69.99km \$1,957,711	Total Length 8.800km \$2,923,515	Russell St, Marton Blackwell St, Marton \$206,007	Programmed maintenance \$316,193	Lights and renewals \$110,000	Potholes, slips etc \$579,581	\$6,093,007	Realignments and Intersections \$591,290 Replace Wylies Bridge \$1,300,000	Koraenui St, Ratana Onslow St East, Ohingaiti Canteen St, Marton Princess St, Marton Swan, Eagle and Titi Sts, Taihape \$61,860	\$1,953,10
THREE	Total Length 70.06km \$1,957,711	Total Length 9.350k \$2,923,516	Kiwi St, Taihape High St, Bulls \$209,507	Programmed maintenance \$316,193	Lights and renewals \$110,000	Potholes, slips etc \$579,581	\$6,096,508	Realignments and Intersections \$591,290 Ratana Traffic Calmers \$6,936	Edward St, Bulls Ngarino St, Racecourse Ave and Princess Sts, Marton Pukeko St, Taihape \$64,025	\$662,251
FOUR	Length to be advised \$2,036,019	Total Length to be advised \$3,040,456	To be advised \$216,956	Programmed maintenance \$328,841	Lights and renewals \$114,400	Potholes, slips etc \$602,764 Planning for Ruahine Bridge \$150,000	\$6,489,436	Realignments and Intersections \$614,940	To be advised \$66,010	\$680,950
FIVE	Length to be advised \$2,036,019	Total Length to be advised \$3,040,456	To be advised \$220,157	Programmed maintenance \$328,841	Lights and renewals \$114,400	Potholes, slips etc \$602,764	\$6,342,637	Realignments and Intersections \$614,940	To be advised \$67,990	\$682,930
SIX	Length to be advised \$2,036,019	Total Length to be advised \$3,040,456	To be advised \$223,675	Programmed maintenance \$328,841	Lights and renewals \$114,400	Potholes, slips etc \$602,764	\$6,346,155	Realignments and Intersections \$614,940	To be advised \$70,166	\$685,106
SEVEN	Length to be advised \$2,117,460	Total Length to be advised \$3,162,074	To be advised \$232,055	Programmed maintenance \$341,994	Lights and renewals \$118,976	Potholes, slips etc \$626,875 Replace Ruahine Bridge \$3,850,000	\$10,449,434	Realignments and Intersections \$639,539	To be advised \$72,622	\$712,161
EIGHT	Length to be advised \$2,117,460	Total Length to be advised \$3,162,074	To be advised \$236,399	Programmed maintenance \$341,994	Lights and renewals \$118,976	Potholes, slips etc \$626,875	\$6,603,778	Realignments and Intersections \$639,539	To be advised \$75,309	\$714,848
NINE	Length to be advised \$2,117,460	Total Length to be advised \$3,162,074	To be advised \$240,538	Programmed maintenance \$341,994	Lights and renewals \$118,976	Potholes, slips etc \$626,875	\$6,607,917	Realignments and Intersections \$639,539	To be advised \$77,869	\$717,408
TEN	Length to be advised \$2,202,159	Total Length to be advised \$3,288,557	To be advised \$249,404	Programmed maintenance \$355,674	Lights and renewals \$123,735	Potholes, slips etc \$651,950	\$6,871,479	Realignments and Intersections \$665,122	To be advised \$80,517	\$745,639

ROADS AND TRANSPORTATION

FUNDING IMPACT STATEMENT FOR 2012 TO 2022

	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	390										
Targeted Rates (other than a targeted rate for water supply)	6356	6663	6905	7033	7094	7163	7189	7239	7497	7509	7576
Subsidies and grants for operating purposes	2748	2547	2547	2547	2649	2649	2649	2755	2755	2755	2865
Fees, charges, and targeted rates for water supply	1	4	4	4	4	5	5	5	5	5	5
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees, and other receipts	120	110	115	121	127	133	139	145	153	161	170
Total Operating Funding	9615	9324	9572	9705	9874	9950	9982	10145	10410	10430	10616
Applications of Operating Funding											
Payments to staff and suppliers	5455	5182	5206	5231	5428	5455	5482	5687	5717	5749	5966
Finance Costs	186	146	207	216	206	197	187	287	274	261	248
Internal charges and overheads applied	439	467	493	526	532	557	589	595	621	653	662
Other operating funding applications											
Total Applications of Operating Funding	6080	5796	5907	5973	6166	6209	6259	6569	6612	6663	6876
Surplus/(Deficit) of Operating Funding	3534	3528	3665	3732	3708	3741	3724	3576	3798	3767	3740
Sources of Capital Funding											
Subsidies and grants for Capital expenditure	4810	4096	4736	3965	4213	4124	4124	6572	4289	4289	4460
Development and financial contributions											
Increase (decrease) in debt	82	(48)	396	(141)	(87)	(151)	(151)	1,412	(204)	(205)	(205)
Gross proceeds from sale of assets											
Lump sum contributions											
Total Sources of Capital Funding	4,892	4,047	5,132	3,824	4,126	3,973	3,973	7,984	4,084	4,084	4,256
Applications of Capital Funding											
Capital Expenditure-											
-to meet additional demand											
-to improve the level of service	912	871	1,953	662	681	683	685	712	715	717	746
-to replace existing assets	7,099	6,090	6,093	6,097	6,489	6,343	6,346	10,449	6,604	6,608	6,871
Increase (decrease) in reserves	415	614	751	798	663	689	665	399	564	526	379
Increase (decrease) of investments											
Total Applications of Capital Funding	8,426	7,575	8,797	7,557	7,833	7,714	7,697	11,560	7,882	7,851	7,996
Surplus (deficit) of capital funding	(3,534)	(3,528)	(3,665)	(3,732)	(3,708)	(3,741)	(3,724)	(3,576)	(3,798)	(3,767)	(3,740)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-
Depreciation *	6,752	6,258	6,446	6,561	6,682	6,963	7,083	7,246	7,418	7,543	7,673

These asterisked costs are additional to those shown above and not included in the total

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 COMMUNITY WELL-BEING
The water supply activity ensures public health and safety through the provision of drinking water to the relevant category of the 2014 New Zealand Drinking Water Standard (NZDWS). It therefore contributes to the District's social well-being
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
MAJOR ASPECT OF THE SERVICE FOR STATEMENT OF SERVICE PROVISION
Compliance with resource consents Incidents of E-coli detection Compliance with protozoa standards Disruptions to supply

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:

PROVISION OF POTABLE WATER

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 SCHEMES

The activity also administers rural water schemes on behalf of the appropriate committees in Hunterville, Erewhon, Omatane, and, to a lesser extent, Putorino.

STRATEGIC ENVIRONMENT

The urban water networks in Ratana, Bulls, Marton, Hunterville, Mangaweka, and Taihape and rural water schemes are a strategic asset. 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 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
- Ratana Water Treatment Plant is the next urban water supply that will require major investment. Currently, the supply is deficient in many aspects - water quality, filters, treatment and storage. A new bore water supply is needed with a new treatment plant, storage facility and a higher-performing reticulation system. Council made application for capital costs of \$1.421 million to the Ministry of Health. This is the second bid; the application in 2011/12 was declined. In recent discussion with Ministry officials, it has become apparent that – if approved – the level of subsidy would be around \$1.2 million. \$450,000 has been carried forward from 2011/12 to 2012/13,

which will cover the full cost of the project.

- The focus for the next few years will be to ensure that all urban reticulation schemes are compliant to New Zealand Drinking Water Standards 2014 within the legislative requirements (Marton, Taihape and Bulls by 30 June 2014 and all other communities by 30 June 2015)
- Increasing compliance requirements which will require additional upgrades to all schemes (except Marton) to dispose of process (backwash) water to higher standards (estimated cost at \$230,000 district wide)
- Investment in network modelling of schemes; this will enable renewals to be prioritised based on performance rather than relying simply on age of the pipes. The longevity of pipes depends on a range of parameters, not just age but also pressure and demand management. The renewals programme will be based upon a condition rating of pipes. Renewal costs are expected to exceed depreciation funding in 20 to 30 years, creating a long term funding gap. Network modelling will help to identify actual renewal requirements

Looking further ahead:

- Protection of source water catchments is an issue that is likely to become a major focus for the next LTP (2015)
- Investigating pressure/demand management options for urban supplies (rural supplies are fixed flow) to extend the life of the asset
- Nationally promoted targets for daily water

consumption, expressed as volumes per head of population, are likely to drive water conservation measures.⁵³ The issue for water supply in the

53 Low population density in rural areas will inflate comparative figures of volume of water consumed per head of population. This is because water lost in the system through housekeeping and leaks are proportional with pipe length not volume throughput.

Rangitikei is the high overhead costs carried by a relatively small number of consumers rather than a lack of water to supply. Additional costs to promote water conservation if targets become mandatory will impact further on affordability

- National and regional strategies on water usage (particularly Horizons' One Plan)

MAJOR PROGRAMMES

The programme 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.

FIGURE 11: COUNCIL'S INTENDED LEVEL OF SERVICE FOR THE WATER SUPPLY GROUP OF ACTIVITIES:

WHAT PEOPLE WANT	COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	GOOD VALUE FOR MONEY	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. Provide a reliable water pressure and flow, which complies with the NZ Fire Service Fire Fighting Water Supplies Code of Practice.	The investment provides the best balance with value for money and quality of supply. There are also less economies of scale as the service is supplied to lower population densities. The activity will be affected by rising oil prices (affecting both material and construction costs) and this is likely to impact on rates affordability.	An effective and efficient wastewater network and treatment process minimises risk to the health of residents in the community and to the environment.

RENEWALS FOR RETICULATION AND TREATMENT										
YEAR	MARTON	TAIHAPE	BULLS	MANGAWEKA	HUNTERVILLE	RATANA	EREWHON	HUNTERVILLE	OMATANE	per FIS
ONE	\$337,486	\$540,670	\$179,259	\$92,386	\$82,038	\$30,212	\$136,053	\$47,055	\$2,070	\$1,447,230
TWO	\$1,058,934	\$987,654	\$319,318	\$27,524	\$29,541	\$48,183	\$140,770	\$104,837	\$2,151	\$2,718,914
THREE	\$536,149	\$1,001,352	\$104,470	\$68,490	\$43,131	\$105,007	\$145,070	\$120,615	\$0	\$2,124,287
FOUR	\$269,655	\$517,313	\$50,544	\$17,995	\$32,787	\$84,927	\$149,768	\$78,305	\$6,411	\$1,207,709
FIVE	\$744,878	\$818,366	\$53,414	\$105,185	\$12,156	\$168,988	\$174,563	\$42,123	\$0	\$2,119,678
SIX	\$539,892	\$567,270	\$592,933	\$7,903	\$40,691	\$78,780	\$159,533	\$159,765	\$0	\$2,146,773
SEVEN	\$1,079,069	\$682,513	\$96,194	\$7,916	\$119,658	\$7,155	\$164,410	\$44,619	\$2,567	\$2,204,108
EIGHT	\$720,881	\$778,598	\$180,010	\$49,434	\$19,921	\$149,072	\$393,500	\$104,055	\$3,848	\$2,399,327
NINE	\$699,496	\$293,783	\$61,359	\$86,088	\$12,147	\$7,166	\$209,904	\$45,541	\$0	\$1,415,493
TEN	\$1,066,988	\$472,270	\$559,641	\$33,548	\$33,992	\$10,977	\$182,546	\$153,080	\$6,898	\$2,519,950

CAPITAL PROJECTS FOR RETICULATION AND TREATMENT								
YEAR	MARTON	TAIHAPE	BULLS	MANGAWEKA	HUNTERVILLE	RATANA	HUNTERVILLE RURAL	TOTAL per FIS
ONE	Balance of water treatment plant, seismic flow protection, telemetry upgrade \$1,439,510	Seismic flow protection, telemetry upgrade \$81,762	Seismic flow protection, telemetry upgrade, sludge disposal \$147,986	Sludge disposal, irrigation \$38,525	Easements & site legalisation \$21,562	New treatment plant \$215,067	4 VSD for pump station \$207,000	\$2,151,412
TWO	Pressure flow control, backflow protection \$49,792	Pressure flow control, backflow protection \$144,462	Backflow protection \$65,358	Seismic flow protection, telemetry upgrade \$48,560	Seismic flow protection, telemetry upgrade, backflow protection \$63,101	New treatment plant \$63,101	2 VSD for well pumps \$107,536	\$1,285,311
THREE	Backflow protection \$45,645	Pressure flow control, backflow protection, boost pump station \$402,356	Backflow protection \$77,383	Backflow protection \$19,442	Backflow protection, pressure flow control \$36,424	New treatment plant \$215,067 Backflow protection \$13,524.58		\$809,842
FOUR	New pressure pump at Calico Line \$97,964		Reticulation for NZDF, subdivision \$178,689	Pressure flow control \$10,123			New Intake \$320,563	\$607,339
FIVE							New Intake \$332,925	\$332,925
SIX				Resource Consent \$17,970			New Intake \$344,425	\$362,395
SEVEN	Duplicate trunk main to Marton (spread over four years) \$787,400							\$787,400
EIGHT	Duplicate trunk main to Marton (spread over four years) \$834,620	Resource Consent \$55,000						\$889,620
NINE	Duplicate trunk main to Marton (spread over four years) \$941,752							\$941,752
TEN	Duplicate trunk main to Marton (spread over four years) \$1,060,897							\$1,060,897

WATER SUPPLY

FUNDING IMPACT STATEMENT FOR 2012 TO 2022

	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties											
Targeted Rates (other than a targeted rate for water supply)	1412	2918	3446	3728	3811	4040	4215	4428	4714	4919	5209
Subsidies and grants for operating purposes											
Fees, charges, and targeted rates for water supply	2413	1331	1444	1518	1570	1644	1731	1781	1860	1927	1986
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees, and other receipts											
Total Operating Funding	3826	4249	4890	5246	5380	5683	5945	6208	6574	6846	7195
Applications of Operating Funding											
Payments to staff and suppliers	1976	2265	2290	2376	2482	2596	2693	2811	2972	3097	3259
Finance Costs	418	371	890	1078	1093	1178	1265	1382	1518	1588	1739
Internal charges and overheads applied	604	570	601	652	644	674	724	718	749	801	797
Other operating funding applications											
Total Applications of Operating Funding	2998	3206	3781	4105	4219	4447	4681	4911	5240	5486	5795
Surplus/(Deficit) of Operating Funding	828	1043	1109	1141	1161	1236	1264	1297	1334	1360	1400
Sources of Capital Funding											
Subsidies and grants for Capital expenditure		200	700	300							
Development and financial contributions											
Increase (decrease) in debt	4276	1915	1683	1527	810	1345	1154	1715	1988	1138	2142
Gross proceeds from sale of assets											
Lump sum contributions											
Total Sources of Capital Funding	4276	2115	2383	1827	810	1345	1154	1715	1988	1138	2142
Applications of Capital Funding											
Capital Expenditure-											
-to meet additional demand											
-to improve the level of service	4,520	2,151	1,285	810	607	333	362	787	890	942	1,061
-to replace existing assets	1,564	1,447	2,719	2,124	1,208	2,120	2,147	2,204	2,399	1,415	2,520
Increase (decrease) in reserves	(981)	(441)	(513)	34	156	129	(91)	21	33	141	(39)
Increase (decrease) of investments											
Total Applications of Capital Funding	5,103	3,158	3,492	2,969	1,971	2,581	2,418	3,012	3,322	2,498	3,542
Surplus (deficit) of capital funding	(828)	(1,043)	(1,109)	(1,141)	(1,161)	(1,236)	(1,264)	(1,297)	(1,334)	(1,360)	(1,400)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-
Depreciation *	1246	1043	1109	1141	1161	1237	1264	1298	1334	1360	1400

These asterisked costs are additional to those shown above and not included in the total

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 COMMUNITY WELL-BEING
This activity contributes to social well-being (personal and public health and safety) and environmental well-being (sustains the natural environment)
SIGNIFICANT NEGATIVE EFFECTS ON COMMUNITY WELL-BEING
No negative effects have been identified for this group of activities, provided that discharges are in accordance with resource consents
CONTRIBUTION TO COMMUNITY OUTCOMES
Safe and caring community, a treasured natural environment
MAJOR ASPECT OF THE SERVICE FOR STATEMENT OF SERVICE PROVISION
Compliance with resource consents Overflows from networks (response/resolution/time) Number of reported blockages in Council's system per kilometre

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 taking wastewater and making it suitable for discharge again back into the environment. Wastewater treatment systems are maintained in Taihape, Mangaweka, Hunterville, Marton, Koitiata, Ratana and Bulls. The aim is to reduce the contaminants in wastewater to acceptable levels so as to be safe for discharge

into the environment. Council is not anticipating that the demand for the service will be affected by demographic change. However, the age of existing infrastructure, and increased national standards, does require programmed renewal and this has been identified as a key cost to the District over the past few years.

STRATEGIC ENVIRONMENT

The wastewater treatment plants (WWTP) at Taihape, Mangaweka, Hunterville, Marton, Koitiata, Ratana and Bulls 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. It is likely that traditional wastewater management methods may not have the capability to meet increasingly higher standards. In addition, modern lifestyles are introducing new pollutants into the wastewater systems which need new technologies to remove – for example, cooking oil or chemical hormone treatments. It is possible that research will uncover more treatment processes required to safeguard environmental quality. The Council has embraced new technologies such as floating reed bed systems, continuous moving bed filtration system and UV treatment of wastewater streams. These new technologies are significantly more energy efficient than traditional waste management systems and it is anticipated that some additional capital expenditure can be offset against savings in operational expenditure.

CURRENT MAJOR ISSUES:

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 sewage treatment plants. There are issues with the consents of most of the District's wastewater treatment plants. Council is working closely with Horizons Regional Council to resolve these issues and prioritise the work programmes.

TAIHAPE WWTP

- The sewer flow in Taihape is conveyed via the pump station across the river to oxidation ponds for treatment. The reticulation network also carries a high proportion of stormwater, carrying gritty materials which in turn are the main cause of wear and tear to the pumps. The pump needs to be relocated and the pumping system expanded to cater for contributions from infiltration/inflow. A storm event could trigger overflow which is a prohibited activity. The estimated cost is \$1,725,000.

RATANA WWTP

- An upgrade to the system is required to remove dissolved reactive phosphorus and to address nutrient loadings in effluent. A floating treatment wetland plant is proposed which will enable the increased compliance measures to be met for minimal additional operational expenditure. The

cost is estimated to be \$450,000 and Council is currently seeking central government funding to support this expense.

BULLS WWTP

- The wave band around effluent ponds is in poor repair and needs to be brought up to the specified standard. More upgrading is required to address nutrient and suspended solids loadings. Council is currently looking into the feasibility of combining the WWTP for Bulls with upgrades required by commercial operators, before making decisions about how to address the non-compliance issues at Bulls. This work is urgently required and \$2,020,000 has been set aside for capital works.

MARTON WWTP

- Previous investment in floating treatment wetland has addressed issues of odour and significant load swings. Further upgrades are required to deal with nutrient loadings in effluent. It is proposed that a further floating treatment wetland is introduced, to achieve increased compliance requirements with minimal operational expenditure. The estimated cost is \$1,437,000.

KOITIATA WWTP

- The Koitiata settlement has 21 connections to the WWTP which currently discharges to land (sand dunes). There is a requirement for an extension to existing WWTP (\$600,000) and a new consent. A possible suggested solution of this problem might be the installation of a

pressure sewer system with grinder pumps. The cost for such a system is estimated at \$1,000,000. Other properties in Koitiata use a conventional on-site system of a septic tank and drain field. At Koitiata, the water table is 600 mm below ground and therefore is relatively easily contaminated by both discharge to land and conventional septic tank/drain field systems. There may be an opportunity to provide a better service through the upgrade to the WWTP that will benefit all residents in Koitiata.

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.



FIGURE 12: 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:	GOOD VALUE FOR MONEY	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 within the existing urban areas	Good value engineering is practiced seeking technological solutions that provide best value and intergenerational equity. The cost of extending reticulated systems across sparse populations is unlikely to yield good value engineering. The activity will be affected by rising oil prices (affecting both material and construction costs) and this is likely to impact on rates affordability	This activity falls into the category of an activity to multiple property ownerships which requires a co-coordinating authority to provide economies of scale and other efficiencies

CAPITAL PROJECTS FOR RETICULATION AND TREATMENT									
YEAR	MARTON	TAIHAPE	BULLS	MANGAWEKA	HUNTERVILLE	RATANA	KOITIATA	TOTAL RENEWALS	CAPITAL per FIS
ONE	\$273,448	\$178,760	\$5,751		\$12,876	\$12,872	\$12,063	\$495,770	Taihape - relocate pump station, gravity and trunk mains \$1,725,000
TWO	\$205,739	\$79,013	\$632,999	\$94,421	\$23,811	\$23,811		\$1,059,794	Bulls treatment plant upgrade \$2,020,491 Ratana process system \$172,500
THREE	\$394,316	\$89,814	\$130,639	\$39,684	\$20,627	\$20,627		\$695,707	Matron treatment plant to meet nitrogen standard \$1,437,500
FOUR	\$204,630	\$86,704						\$291,334	
FIVE	\$213,822	\$82,750	\$84,658		\$42,295	\$42,295		\$465,820	Koitiata pressure sewage system with grinders \$2,131,000
SIX	\$212,645	\$82,404	\$142,386	\$62,976				\$500,411	
SEVEN	\$378,653	\$84,587	\$35,404					\$498,644	
EIGHT	\$438,541	\$136,485		\$137,760	\$49,023	\$49,023		\$810,832	
NINE	\$660,944	\$101,675	\$624,090					\$1,386,709	Matron upgrade and actiflow system for consent \$1,155,750
TEN	\$420,002	\$445,368	\$118,821		\$47,423	\$47,423		\$1,079,037	

SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE

FUNDING IMPACT STATEMENT FOR 2012 TO 2022

	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties											
Targeted Rates (other than a targeted rate for water supply)	1604	2277	2667	2922	2948	3142	3200	3225	3314	3540	3634
Subsidies and grants for operating purposes											
Fees, charges, and targeted rates for water supply	140	157	163	169	175	182	188	195	202	210	219
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees, and other receipts											
Total Operating Funding	1744	2434	2830	3091	3124	3324	3388	3420	3516	3750	3853
Applications of Operating Funding											
Payments to staff and suppliers	1451	1317	1370	1423	1495	1524	1572	1625	1679	1743	1806
Finance Costs	228	252	553	707	658	788	771	753	756	878	895
Internal charges and overheads applied	243	235	248	274	264	277	304	294	308	335	327
Other operating funding applications											
Total Applications of Operating Funding	1922	1804	2170	2404	2418	2589	2646	2672	2743	2956	3028
Surplus/(Deficit) of Operating Funding	-178	630	660	687	706	735	742	747	773	795	825
Sources of Capital Funding											
Subsidies and grants for Capital expenditure											
Development and financial contributions											
Increase (decrease) in debt	1,010	1,451	1,889	1,344	(349)	1,737	(341)	(282)	(69)	1,713	257
Gross proceeds from sale of assets											
Lump sum contributions											
Total Sources of Capital Funding	1,010	1,451	1,889	1,344	(349)	1,737	(341)	(282)	(69)	1,713	257
Applications of Capital Funding											
Capital Expenditure-											
-to meet additional demand											
-to improve the level of service	1,220	1,725	2,193	1,438	-	2,131	-	-	-	1,156	-
- to replace existing assets	509	496	1,060	696	291	466	500	499	811	1,387	1,079
Increase (decrease) in reserves	(896)	(139)	(704)	(102)	66	(125)	(100)	(34)	(107)	(35)	4
Increase (decrease) of investments											
Total Applications of Capital Funding	832	2,081	2,549	2,031	357	2,472	400	465	704	2,508	1,083
Surplus (deficit) of capital funding	178	(630)	(660)	(687)	(706)	(735)	(742)	(747)	(773)	(795)	(825)
Funding Balance	0	0	0	0	0	0	0	0	0	0	0
Depreciation*	617	630	676	703	722	751	758	764	773	795	825

These asterisked costs are additional to those shown above and not included in the total

STORMWATER DRAINAGE GROUP OF ACTIVITIES

STRATEGIC DRIVER OVER TEN YEARS
To renew the current reticulation systems progressively to meet national quality standards in an affordable, rolling programme
CONTRIBUTION TO COMMUNITY WELL-BEING
This activity contributes to economic well-being (protecting property from damage) and environmental well-being (sustains the natural environment)
SIGNIFICANT NEGATIVE EFFECTS ON COMMUNITY WELL-BEING
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
Impact of heavy rain events (1 in 20 year storm): habitable dwellings made inhabitable for over 24 hours Callouts for blocked drains and faults (response/resolution/ time)

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, Ratana and, to a limited extent, at Koitiata and Turakina. The system needs to be able to take water from surrounding rural environs within accepted design parameters. (For example, the design can

cope with normal rainfall events but the rain bomb that hit the District during 2010 overloaded the stormwater systems in Marton). 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) and the New Zealand Coastal Policy Statement 2010.

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 public have a high expectation of this service – particularly when there is a heavy rainfall event. The public also expect that Council will resolve flooding issues as they occur. There is some lack of public understanding over responsibilities between the District Council, the Regional Council and private landowners. The incidence and severity of some flooding issues could be reduced if private landowners consistently recognised their responsibility to keep drainage ditches on their property clear and free-flowing.

The key strategic issues for the next few years are:

- Recent rainfall patterns have called into question historical design parameters, and may mean that the capacity and capability of the existing system to provide protection to the levels

normally expected by a community is exceeded. For example, during September/October 2010 a rain bomb hit the District which was a 1 in 9 year event. However, it occurred at a time when the surrounding rural land was saturated from prolonged rainfall and the runoff magnified the event to an equivalent of a 1 in 20 year event. There was localised flooding in the north west of Marton and a significant event at Koitiata. This is compounded by the fact that the ground water table at Koitiata has risen to within 600mm of the surface

- Traditional stormwater management methods will be required to meet increasingly higher standards, For example, Horizons' One Plan has signalled that resource consents will be required for all discharges. This will have a significant effect on the District's communities with multiple discharge points. Horizons have indicated that within the ten year timeframe, treatment of surface water runoff may also be required⁵⁴
- Rising costs of raw materials for renewals and upgrades will be challenging in terms of containing expenditure within existing budgets

⁵⁴ It should be noted that run off from local roads and State Highways will be the responsibility of the Roading and footpaths Group of Activities and NZTA respectively.

FIGURE 13: COUNCIL'S INTENDED LEVEL OF SERVICE FOR THE STORMWATER DRAINAGE GROUP OF ACTIVITIES:

WHAT PEOPLE WANT	COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	GOOD VALUE FOR MONEY	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 cost saving in rates is risked against the occurrence and frequency of flooding events, impact on insurance premiums and costs to put right. The cost spent in rates is compensated if flooding events, and consequent costs to the individual, are avoided The activity will be affected by rising oil prices (affecting both material and construction costs) and this is likely to impact on rates affordability	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

MAJOR PROGRAMMES: RENEWALS AND CAPITAL (Capital works for new culverts and drains and inlet protection)																
YEAR	MARTON		TAIHAPE		RURAL		BULLS		MANGAWEKA		HUNTERVILLE		RATANA		per FIS	
	Renewal	Capital	Renewal	Capital	Renewal	Capital	Renewal	Capital	Renewal	Capital	Renewal	Capital	Renewal	Capital	Renewal	Capital
ONE	\$79,540	\$32,028	\$142,491	\$40,969	\$28,750	\$43,125	\$13,965	\$9,278	\$8,065	\$9,775	\$11,235	\$17,290	\$5,765	\$13,886	\$289,811	\$166,351
TWO	\$268,105	\$31,067	\$31,456	\$39,739	\$32,919	\$49,378	\$14,510	\$9,000	\$8,259	\$10,010	\$10,898	\$16,876	\$5,990	\$16,738	\$372,137	\$172,808
THREE	\$259,110	\$30,135	\$42,353	\$38,548	\$37,692	\$56,538	\$22,617	\$8,730	\$8,457	\$10,250	\$10,571	\$19,625	\$6,199	\$9,275	\$386,999	\$173,101
FOUR	\$101,558	\$29,231	\$250,797	\$37,391	\$43,157	\$64,736	\$15,573	\$8,469	\$8,677	\$10,516	\$10,254		\$6,429		\$436,445	\$150,343
FIVE	\$62,456	\$28,353	\$129,505	\$36,270	\$49,415	\$74,123	\$78,877	\$8,214	\$8,902	\$10,790	\$9,946		\$6,673		\$345,774	\$157,750
SIX	\$237,722	\$27,503	\$76,673	\$35,181	\$56,580	\$84,870	\$95,155	\$7,968	\$9,116	\$11,049	\$9,648		\$6,907		\$491,801	\$166,571
SEVEN	\$200,636	\$26,678	\$106,816	\$34,126	\$64,784	\$97,177	\$17,316	\$7,729	\$9,326	\$11,303	\$9,358		\$7,148		\$415,384	\$177,013
EIGHT	\$174,041	\$25,877	\$136,359	\$33,102	\$74,178	\$111,267	\$17,974	\$7,497	\$9,568	\$11,597	\$9,078		\$7,420		\$428,618	\$189,340
NINE	\$164,945	\$25,101	\$62,186	\$32,109	\$84,934	\$127,401	\$18,711	\$7,272	\$9,826	\$11,910	\$8,805		\$7,724		\$357,131	\$203,793
TEN	\$178,960	\$24,348	\$156,305	\$31,145	\$97,249	\$145,875	\$134,478	\$7,054	\$10,092	\$12,231	\$8,541		\$8,041		\$593,666	\$220,653

STORMWATER DRAINAGE

FUNDING IMPACT STATEMENT FOR 2012 TO 2022

	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties											
Targeted Rates (other than a targeted rate for water supply)	683	701	778	839	881	941	1006	1050	1137	1205	1271
Subsidies and grants for operating purposes											
Fees, charges, and targeted rates for water supply											
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees, and other receipts											
Total Operating Funding	683	701	778	839	881	941	1006	1050	1137	1205	1271
Applications of Operating Funding											
Payments to staff and suppliers	320	387	405	419	438	460	478	500	533	567	597
Finance Costs	36	14	39	66	89	106	133	154	176	192	225
Internal charges and overheads applied	67	114	120	133	129	135	148	143	150	163	159
Other operating funding applications											
Total Applications of Operating Funding	423	515	564	619	655	700	758	797	859	922	982
Surplus/(Deficit) of Operating Funding	260	186	214	220	226	240	247	253	278	283	290
Sources of Capital Funding											
Subsidies and grants for Capital expenditure											
Development and financial contributions											
Increase (decrease) in debt	124	105	137	163	328	209	228	288	301	243	366
Gross proceeds from sale of assets											
Lump sum contributions											
Total Sources of Capital Funding	124	105	137	163	328	209	228	288	301	243	366
Applications of Capital Funding											
Capital Expenditure-											
-to meet additional demand											
-to improve the level of service	180	166	173	173	150	158	167	177	189	204	221
-to replace existing assets	153	290	372	387	436	346	492	415	429	357	594
Increase (decrease) in reserves	51	(165)	(194)	(177)	(33)	(54)	(183)	(52)	(39)	(35)	(159)
Increase (decrease) of investments											
Total Applications of Capital Funding	384	291	351	383	554	450	475	540	579	526	656
Surplus (deficit) of capital funding	(260)	(186)	(214)	(220)	(226)	(240)	(247)	(253)	(278)	(283)	(290)
Funding Balance	0	0	0	0	0	0	0	0	0	0	0
Depreciation*	297	230	239	245	251	264	271	276	283	287	294

These asterisked costs are additional to those shown above and not included in the total

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 COMMUNITY WELL-BEING

This Group of Activities is primarily contributing to cultural well-being (opportunities for recreational, leisure and cultural pursuits); the services delivered through some of the assets also contribute to social well-being (both through opportunities for social participation and cohesion and by contributing 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

This group of activities is where Council acts primarily as a provider of facilities for community and individual activities. In some cases, the provision of the facility is augmented through the provision of a service from the facility (for example, swimming pools, libraries and community housing). Ratepayers have made considerable investment in these assets historically and feedback indicates the community values them highly. If the facilities were not provided locally, then residents would need to travel to access them. Council believes the District would lose competitiveness as a place to live, work and play. Nonetheless, many

of the facilities are old and, although structurally sound, they are somewhat run-down. It is by no means clear how the facilities should be managed in the future. This is an area where key choices for the community have been identified and feedback is particularly sought.

PARKS

A network of green spaces with associated infrastructure for formal and informal recreation opportunities. This activity includes a number of parks and open spaces, most significantly three parks in Marton (Wilson, Centennial and Marton Parks), Memorial Park and Gumboot Park in Taihape and the Domain in Bulls. The main expense is maintenance of the sports fields to code standards.

COMMUNITY BUILDINGS

The provision and maintenance of the physical infrastructure of community buildings is necessary for formal and informal meetings and social gatherings. This activity covers Town Halls in Bulls, Hunterville and Taihape, Memorial Hall and the Council Administration Building in Marton, as well as a network of rural halls (some Council owned, others supported through grants) and several smaller community facilities across the District.

SWIMMING POOLS

The provision and maintenance of the physical infrastructure of swimming pools in Marton and Taihape and operating subsidies for swimming pools in Marton, Taihape and Hunterville to ensure a range of leisure activities and to support the community to learn to swim. The pools in Marton and Taihape are

owned by Council and operated under contract by community trusts. The pool in Hunterville is owned and operated by a local community trust with an operating grant from Council. They are seasonal pools, typically opening between October and March each year.

LIBRARIES

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 library services currently comprise a collection of books, magazines and newspapers, videos and DVDs (regularly refreshed through acquisitions and disposal and rotated between the three libraries), access to the Internet, including through Aotearoa People's Network and a range of subscription databases; outreach programmes; space for casual reading and study; local history and genealogy resources; a website which enables anytime access to the library catalogue and borrowing records; free borrowing (without charges for renewals or overdue). E-books are being introduced during 2011/12.

COMMUNITY HOUSING

The provision and maintenance of the physical infrastructure of community housing that meets the needs of communities. Housing is provided for older people in Marton, Taihape, Bulls and Ratana at very affordable rents linked to superannuation. The houses have been refurbished recently and

meet basic standards – however, the dated design and materials used to build do not lend themselves to renewal to meet modern building standards. Some units in Marton have been difficult to let and occupation rates have been relatively low.

PUBLIC TOILETS

The provision and maintenance of public toilets that meet the needs of communities and travellers through / visitors to the District. Public toilets are provided in Council-owned facilities in Taihape, Hunterville, Marton and Bulls, and under contract in Mangaweka, Turakina and Koitiata. Major renewals of public toilets in Bulls and Marton were included in the 2009/19 LTCCP but have not been implemented.

CEMETERIES

The provision of cemeteries for the dignified burial and remembrance of the dead in the District. There are five public cemeteries directly managed by Council (Bulls, Marton, Taihape, Mangaweka and Turakina), one part-managed by Council and the local community (Ratana), including plot reservations and record-keeping. In addition, Council contributes to three non-Council cemeteries.

STRATEGIC ENVIRONMENT

The management of this group of activities must contribute to Council's strategic priority to address ageing (and surplus) infrastructure, including rationalising provision in line with the community's ability to afford these facilities. 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.

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. (There is an historical community expectation these assets will be available in perpetuity – this has impacted upon rationalisation of these assets, but the whole portfolio is increasingly unaffordable.) 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 proposal reflects an assumption that rationalisation will result in fewer assets in this activity.⁵⁵ It also assumes there will not be public transport to enable residents to easily access provision elsewhere. Centralisation of all facilities in one place is therefore not an option. However, Council decided to determine the extent of depreciation funding for

⁵⁵ 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.'

each activity in the group – 100% for libraries⁵⁶, 50% for parks, halls and public toilets, and none for pools, community housing and real estate. However, an amount of \$75,000 per annum will be set aside to create a swimming pool reserve from 2013/14.

The Community and leisure assets group of activities was one of the key consultation items for the LTP in order that the adopted Plan will reflect community expectations. Council's response to submissions made on this aspect of Council activities is outlined in detail in Section 7, on page 46. In summary, the main proposals are:

- Centennial Park Pavilion is not refurbished in 2017 as previously planned, but that those few groups that currently use this facility are supported to relocate their activity to other community spaces
- Taihape Conference Centre (22 Tui St behind the Women's Club Rooms) is demolished in 2012/13
- Taihape Town Hall is not refurbished in 2022/23 as previously planned and that a long-term plan for the site is developed over the next seven years
- A long-term plan for Bulls CBD is developed during 2012-15 for consultation and implementation in the next LTP due in 2015
- Ensuring operating subsidies to the local Trusts for the management of swimming pools in Marton and Taihape reflect the real cost of operating the pools at the agreed level of service
- Hunterville pool will continue to receive a subsidy that allows for renewal of the pool in Hunterville with no further recourse to Council for funding

⁵⁶ From 2013/14

- A plan will be developed for improvement of some units at Wellington Road in Marton, possibly through the partnerships with social and private stakeholder organisations

Other issues to note are:

- Co-location of libraries with visitor information and Council service centres

In Taihape, the Information Centre and Library operates as a one-stop-shop, including as a Council service centre. During the past year, visitor information centre services have also been put into the Marton Library and it is hoped to increase the range of services at that facility in the coming years.

In Bulls, the Library and Information Centre operate from different premises. It is intended during the course of this LTP to work towards a one-stop-shop in Bulls, as part of the development of the long-term plan for Bulls CBD as mentioned above.

PUBLIC TOILETS

Public toilets have historically been seen to serve the interests of (rural) residents visiting town and for the travelling public as an inducement to take a journey break. Their role in certain areas as “destinations” has raised expectations of these toilets, where competition for the travellers’ comfort breaks can be fierce. New toilets in Taihape, revamped toilets

in Hunterville and the provision through private arrangements in Mangaweka and Turakina have further raised some expectations in Bulls and Marton. Council has confirmed that it will provide to a minimum level of service. Funding has already been set aside for new toilets in Bulls, but will require supplementary funding from the community for an “iconic” facility. In Marton, the view is that toilets will not attract the travelling public and need meet local requirement only. Council has made no provision for any major programmes in this activity within the period of this plan.

FIGURE 14: 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:	GOOD VALUE FOR MONEY	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: <ul style="list-style-type: none"> • 60% of residents will have an open space available within 1.5 Km of their dwelling • A specialised sports field for every major sporting code within the Rangitikei District • 60% of residents will have a community building available within 1.5 Km of their dwelling • Pool-safe accredited pools in Marton and Taihape, with affordable access to the pool in Hunterville • Library provision in Marton, Taihape and Bulls + community libraries in Hunterville, Mangaweka and Kawhatau • 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 • A safe, clean public toilet within 100 m radius of CBD 	Council will not embark upon major refurbishments or renewal of any of its assets until it has fully explored: <ol style="list-style-type: none"> a) the ongoing need for the facility within the District-wide portfolio of community and leisure assets, and 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 	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: <ol style="list-style-type: none"> a) older people, and b) young people and families 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

MAJOR PROGRAMMES

Renewals

YEAR	SWIMMING POOLS	LIBRARIES	COMMUNITY HOUSING	CEMETERIES	RESERVES	TOILETS	HALLS	TOTAL per FIS	TOTAL CAPITAL
ONE	Filtration Pump & building \$173,000	Furniture, Books & computers \$92,500	Flat refurbishment \$10,000	Berms & furniture \$12,500	Landscaping & playgrounds \$26,000	Building \$3,000	Paint & Refurbish \$23,250	\$340,250	Cameras Bulls Toilets Berms Fence/Hoises/Doors \$8,000 \$7,000 \$18,000
TWO	Filtration Pump & building \$137,769	Furniture, Books & computers \$132,000	Flat refurbishment \$23,358	Berms & furniture \$5,148	Landscaping & playgrounds \$14,921		Paint & Refurbish \$72,756	\$385,952	
THREE	Building, filter & pumps \$56,330	Furniture, Books & computers \$132,000	Flat refurbishment \$25,310	Berms & furniture \$8,453	Landscaping & playgrounds \$13,767		Paint & Refurbish \$81,261	\$317,121	Berms Car park Taihape pool Mwka Campground \$4,196 \$31,765 \$100,000
FOUR	Building, filter & pumps \$36,054	Furniture, Books & computers \$132,000	Flat refurbishment \$73,970	Berms & furniture \$5,476	Landscaping & playgrounds \$3,273		Paint & Refurbish \$68,827	\$319,600	Berms \$3,105
FIVE	Building, filter & pumps \$33,798	Furniture, Books & computers \$112,000	Flat refurbishment \$52,716	Berms & furniture \$6,754	Landscaping & playgrounds \$3,372		Paint & Refurbish \$148,171	\$356,811	Berms \$4,416
SIX	Building, filter & pumps \$46,921	Furniture, Books & computers \$112,000	Flat refurbishment \$56,066	Berms & furniture \$5,823			Paint & Refurbish \$100,175	\$320,985	Berms \$3,099
SEVEN	Building, filter & pumps \$44,670	Furniture, Books & computers \$112,000	Flat refurbishment \$37,184	Berms & furniture \$9,556	Landscaping & playgrounds \$3,564		Paint & Refurbish \$119,916	\$326,890	Berms \$4,649
EIGHT	Building, filter & pumps \$40,556	Furniture, Books & computers \$112,000	Flat refurbishment \$15,912	Berms & furniture \$6,184				\$174,652	Berms \$3,099
NINE	Building, filter & pumps \$38,101	Furniture, Books & computers \$112,000	Flat refurbishment \$24,016	Berms & furniture \$7,609	Landscaping & playgrounds \$3,792		Paint & Refurbish \$17,589	\$203,107	Berms \$4,872
TEN	Building, filter & pumps \$43,227	Furniture, Books & computers \$112,000	Flat refurbishment \$23,508	Berms & furniture \$6,600			Paint & Refurbish \$16,182	\$201,567	Berms \$3,105

COMMUNITY & LEISURE ASSETS

FUNDING IMPACT STATEMENT FOR 2012 TO 2022

	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	1750	1705	1787	1882	1881	1934	2018	2044	2068	2145	2186
Targeted Rates (other than a targeted rate for water supply)	660	687	789	821	844	896	930	952	987	1023	1051
Subsidies and grants for operating purposes	30	30	30	30	30	30	30	30	30	30	30
Fees, charges, and targeted rates for water supply	385	397	408	421	433	448	460	474	488	505	521
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees, and other receipts											
Total Operating Funding	2824	2819	3014	3154	3187	3308	3438	3500	3573	3703	3788
Applications of Operating Funding											
Payments to staff and suppliers	1697	2078	2115	2163	2235	2328	2371	2446	2496	2570	2663
Finance Costs	32	22	29	28	24	21	18	14	11	8	2
Internal charges and overheads applied	731	450	470	522	495	517	570	544	568	624	600
Other operating funding applications											
Total Applications of Operating Funding	2460	2550	2614	2713	2754	2865	2959	3004	3075	3202	3265
Surplus/(Deficit) of Operating Funding	364	269	399	441	434	443	479	496	497	501	523
Sources of Capital Funding											
Subsidies and grants for Capital expenditure											
Development and financial contributions											
Increase (decrease) in debt	105	72	22	(40)	(37)	(35)	(36)	(34)	(35)	(34)	(35)
Gross proceeds from sale of assets											
Lump sum contributions											
Total Sources of Capital Funding	105	72	22	(40)	(37)	(35)	(36)	(34)	(35)	(34)	(35)
Applications of Capital Funding											
Capital Expenditure-											
-to meet additional demand											
-to improve the level of service	154	33	-	136	3	4	3	5	3	5	3
-to replace existing assets	385	340	386	317	320	357	321	327	175	203	202
Increase (decrease) in reserves	(70)	(32)	36	(52)	74	47	119	131	284	260	283
Increase (decrease) of investments											
Total Applications of Capital Funding	470	341	422	401	396	408	443	462	462	468	488
Surplus (deficit) of capital funding	(364)	(269)	(399)	(441)	(434)	(443)	(479)	(496)	(497)	(501)	(523)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-
Depreciation*	794	703	722	735	748	762	775	787	796	805	801

These asterisked costs are additional to those shown above and not included in the total

COMMUNITY & LEISURE ASSETS

FUNDING IMPACT STATEMENT FOR 2012 TO 2022 CONTINUED

Further financial detail on activities within the Leisure and Community Assets Group of Activities 2012-2022

Breakdown of Operating Costs

Property	58	59	55	56	58	60	62	64	66	68	70
Swimming Pools	435	458	462	466	488	505	517	524	518	531	563
Libraries	151	461	473	486	500	535	550	565	581	598	616
Community Housing	165	197	202	208	214	220	226	232	238	246	253
Cemeteries	124	144	145	150	152	159	143	166	170	175	179
Parks and Reserves	426	399	408	418	430	441	452	463	476	489	503
Public Toilets	189	215	220	227	235	243	251	258	267	276	286
Halls	150	145	149	154	159	164	170	175	181	187	193
	1697	2078	2115	2165	2235	2328	2371	2446	2496	2570	2663

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 COMMUNITY WELL-BEING

Well managed disposal of waste protects the environment from harm and contributes to environmental well-being (sustains the natural environment)

SIGNIFICANT NEGATIVE EFFECTS ON COMMUNITY WELL-BEING

No 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)

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 must produce a Waste Management and Minimisation Plan (WMMP) for their District by July 2012.⁵⁷ 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

⁵⁷ The Council's draft WMMP was consulted upon concurrently with the draft LTP.

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.

WASTE MINIMISATION

Provision of services to aid the community to reduce the amount of waste for disposal. This is an area that was a key choice of the consultation. Council's response to submissions is outlined in Section 7 on page 46.

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 site, and applies to tonnage below an annual quantity of 8000 tonnes. Because of this charges at the Waste Transfer Stations have been lower for the Rangitikei, than for other districts. Council has now 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".⁵⁸ 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 external funding.

MAJOR PROGRAMMES

YEAR 1	Establish scope of green waste scheme	
YEAR 2	Scoped green waste scheme up and running	
YEAR 3	Local recycling centres introduced in Bulls, Marton, Taihape.	Provide clean fill recycling at Taihape and Marton transfer stations

⁵⁸ Section 32 Waste Minimisation Act 2008.

FIGURE 15: 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	GOOD VALUE FOR MONEY	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, Marton, Ratana, Taihape, Hunterville 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 glass, paper, metal, plastics, and textiles. Special occasions for electronics (e-waste)	Council will top up any income from the Waste Disposal Levy with rates to extend the range of recycling available in the District in response to public feedback	Local surveys indicate that Rangitikei residents and ratepayers want more opportunities for recycling and 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 Marton 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



RUBBISH AND RECYCLING

FUNDING IMPACT STATEMENT FOR 2012 TO 2022

	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties											
Targeted Rates (other than a targeted rate for water supply)	583	387	453	672	677	701	735	799	820	853	859
Subsidies and grants for operating purposes		45	46	48	50	51	53	55	57	59	61
Fees, charges, and targeted rates for water supply	467	416	429	442	457	472	488	504	520	538	556
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees, and other receipts											
Total Operating Funding	1,050	848	929	1,162	1,183	1,225	1,276	1,357	1,396	1,450	1,476
Applications of Operating Funding											
Payments to staff and suppliers	997	1,006	1,032	1,059	1,089	1,121	1,151	1,181	1,214	1,249	1,286
Finance Costs	(25)	(19)	(10)	7	9	12	15	14	13	13	12
Internal charges and overheads applied	94	104	109	126	115	120	138	127	133	151	140
Other operating funding applications											
Total Applications of Operating Funding	1,066	1,091	1,131	1,192	1,213	1,254	1,304	1,322	1,360	1,413	1,438
Surplus/(Deficit) of Operating Funding	(16)	(243)	(202)	(30)	(30)	(29)	(27)	36	36	37	38
Sources of Capital Funding											
Subsidies and grants for Capital expenditure											
Development and financial contributions											
Increase (decrease) in debt	(9)	27	(3)	210	(10)	(10)	(10)	(10)	(10)	(10)	(10)
Gross proceeds from sale of assets											
Lump sum contributions											
Total Sources of Capital Funding	(9)	27	(3)	210	(10)	(10)	(10)	(10)	(10)	(10)	(10)
Applications of Capital Funding											
Capital Expenditure-											
-to meet additional demand											
-to improve the level of service		30		220							
-to replace existing assets	8	29	6	3	8	27	22	16	16	14	14
Increase (decrease) in reserves	(33)	(275)	(211)	(43)	(48)	(66)	(59)	9	10	13	13
Increase (decrease) of investments											
Total Applications of Capital Funding	(25)	(216)	(205)	180	(40)	(39)	(38)	25	26	27	27
Surplus (deficit) of capital funding	16	243	202	30	30	29	27	(36)	(36)	(37)	(38)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-
Depreciation*	20	32	33	33	33	34	35	36	36	37	38
These asterisked costs are additional to those shown above and not included in the total											
Further financial detail on activities within the Rubbish & Recycling Group of Activities 2012-2022											
Breakdown of Operating Costs											
Waste Transfer Stations	856	864	886	909	935	963	989	1015	1044	1075	1106
Closed Landfills	23	41	42	43	44	46	47	48	49	51	52
Public Refuse Collection	119	102	104	107	109	112	115	118	121	124	127
	997	1006	1032	1059	1089	1121	1151	1181	1214	1249	1286

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 COMMUNITY WELL-BEING

Through the legislation that this group of activities operates under, it contributes to both social well-being (personal and public safety) and environmental well-being (sustains the natural environment). Council attempts to deliver an efficient service to the ratepayer/customer and so contribute to economic well-being

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, enjoying life in the Rangitikei and a treasured natural environment

MAJOR ASPECT OF THE SERVICE FOR STATEMENT OF SERVICE PROVISION

Timeliness of processing paperwork associated with e.g. consents, licensing applications etc
Timeliness of response/resolution to call out for various enforcement functions, e.g. dog-control, environmental health etc.
Possession of relevant authorities from central government

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 District Plan. 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 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.

DISTRICT PLAN

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. 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.

CONSENT PROCESSES

The processing and monitoring of Resource Management Act related (land use and subdivision) consents. 65 consents were processed during

2009/10, 42 during 2010/11 and 21 in the first six months of 2011/12. Council currently provides this service through the use of external consultants, since there is not enough work to justify an in-house resource.

OTHER REGULATORY FUNCTIONS

Council has many responsibilities and functions under various legislation covering areas such as environmental health, liquor licensing, noise control, hazardous substances, illegal tipping/dumping, LIMS, nuisance, vermin, communicable disease etc.

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 this comes at a cost. For example, increased regulation of dog ownership, although well intended, has stretched resources and the public’s patience further. This area is partially user pays activity, with 75 - 85% of the costs being passed on to those who use the services. It is likely that further significant changes to territorial authorities’ involvement in regulatory processes, for example building control, will contribute to the unpredictable and reactive nature of this Group of Activities.

The Council is in the process of reviewing its District Plan. The review process has been a “once over lightly” in terms of regulation: the operative plan is felt to be basically sound. Some re-writing has been done to make the document more user-friendly and less technical in nature (and so more accessible). The key issues for the District in a “no-growth” phase is to ensure that the need to diversify traditional farming practices (such as sheep and beef) into newer areas (such as dairying and wind-farms) is managed effectively and that the District’s natural resources (landscapes and riverscapes) are protected.

MAJOR PROGRAMMES

Year 1	Completion of District Plan review pending appeals to Environment Court	Year 2	Adjustment to anticipated decision on regionalisation/centralisation of building consent administration	Years 3-7	Nil
Year 8	Next review of District Plan commenced	Years 9-10	Nil		

FIGURE 16: 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:	GOOD VALUE FOR MONEY	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	Provide a light touch 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	Some re-writing has been done to make the document more 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

ENVIRONMENTAL AND REGULATORY SERVICES

FUNDING IMPACT STATEMENT FOR 2012 TO 2022

	Annual Plan										Forecast	
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	
Sources of Operating Funding												
General Rates, uniform annual general charges, rates penalties	957	803	938	979	985	1018	1059	1060	1088	1126	1145	
Targeted Rates (other than a targeted rate for water supply)												
Subsidies and grants for operating purposes												
Fees, charges, and targeted rates for water supply	577	559	399	411	425	440	455	470	486	503	521	
Internal charges and overheads recovered												
Local authorities fuel tax, fines, infringement fees, and other receipts												
Total Operating Funding	1534	1362	1337	1391	1411	1458	1514	1530	1574	1629	1665	
Applications of Operating Funding												
Payments to staff and suppliers	352	879	836	858	882	908	932	944	971	1000	1029	
Finance Costs												
Internal charges and overheads applied	990	481	499	530	526	548	579	583	601	627	634	
Other operating funding applications												
Total Applications of Operating Funding	1342	1360	1334	1388	1408	1456	1511	1528	1572	1627	1663	
Surplus/(Deficit) of Operating Funding	192	3	2	3	2	3	3	3	3	2	2	
Sources of Capital Funding												
Subsidies and grants for Capital expenditure												
Development and financial contributions												
Increase (decrease) in debt	250											
Gross proceeds from sale of assets												
Lump sum contributions												
Total Sources of Capital Funding	250	0	0	0	0	0	0	0	0	0	0	
Applications of Capital Funding												
Capital Expenditure-												
-to meet additional demand												
-to improve the level of service	250	25	0	0	0	0	0	0	0	0	0	
-to replace existing assets												
Increase (decrease) in reserves	192	(23)	2	3	2	3	3	3	3	2	2	
Increase (decrease) of investments												
Total Applications of Capital Funding	442	3	2	3	2	3	3	3	3	2	2	
Surplus (deficit) of capital funding	(192)	(3)	(2)	(3)	(2)	(3)	(3)	(3)	(3)	(2)	(2)	
Funding Balance	0	0	0	0	0	0	0	0	0	0	0	
Depreciation*		3	3	3	3	3	3	3	3	3	3	
These asterisked costs are additional to those shown above and not included in the total												
Further financial detail on activities within the Environment & Regulatory Group of Activities 2012-2022												
Breakdown of Operating Costs												
Animal Control	34	293	297	304	313	321	329	337	347	356	367	
Building Control	87	266	250	257	264	271	278	285	293	301	310	
District Plan	124	144	107	110	113	117	121	112	116	119	123	
Consent Processes	100	152	156	161	166	171	176	181	187	193	199	
Other Regulatory Functions	8	25	26	26	27	28	28	29	30	30	31	
	352	879	836	858	882	908	932	944	971	1000	1029	

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 COMMUNITY WELL-BEING

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 well-beings 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

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 Community well-being framework (see page

38) and needs to be communicated so ratepayers and communities can understand the value. The Group comprises:

INFORMATION CENTRES

Council provides two 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.

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, it seeks economic development outcomes from some of its community partnership activity, perhaps specifically the Memorandum of Understanding with three agencies employing Town Co-coordinators (Marton, Bulls and Taihape) and Rangitikei Tourism and the Youth Employment/Business Support officer (under contract to Ministry for Social Development). It is also the key focus for one of the Path to Well-being theme groups: a buoyant District economy.

GRANTS

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 New Zealand – Creative Communities Fund and Sport New Zealand's Rural Travel Fund)..

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, for example, the Marton Community Development officer (under contract to Department of Internal Affairs). The main vehicle for developing these partnerships is through the Rangitikei – a Path to Well-being Partnership Board and Theme Groups. Council is also proposing to work more closely with Iwi and hapu in developing collaborative capacity building programmes. An initial pilot of such a scheme has been in place during 2011/12 through the Memorandum of Understanding with Otaihape Māori Komiti. This pilot will be continued into 2012/13.

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.

STRATEGIC ENVIRONMENT

Local government is increasingly under scrutiny – legislation requires local authorities to plan for the social, economic, environmental, and cultural well-being of its communities but also expects it to have particular regard for core services.⁵⁹ Council has identified a number of key strategic priorities for the District which fall outside of the provision of its core services. These are:⁶⁰

- Maintaining locally accessible health and educational services
- Attracting (and retaining) sustainable businesses in the District;

⁵⁹ 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).

⁶⁰ See Section 4 for full details

Attracting people to the Rangitikei to live (or to stay living here)

- Community resilience (the impact of climate change in the increasing number and severity of storm events, and the ability of local communities to respond)
- Cultural awareness and multi-cultural diversity

Council has made an assessment of how it will deliver to its statutory duty under the Local Government Act 2002 to ensure the social, economic, environmental and cultural well-being of its communities and best value to the ratepayer. This is in three broad areas: District promotion and town centre development; community cohesion and resilience; and collaboration and partnership development.

DISTRICT PROMOTION AND TOWN CENTRE DEVELOPMENT

As a significant business and employer within the District, Council accepts that its policies and procedures will impact on the District economy. It is also aware that population trends align strongly with the growth or decline of businesses. However, it is doubtful whether any activity confined to the District can impact upon greater macroeconomic indicators such as Gross Domestic Product. Rather, Council believes that the District economy is most influenced by national and international economic circumstances and, to a lesser degree, the wider regional economy. Council intends therefore to focus its economic development and district promotion activity in the following areas:

- Carrying out its activities in a manner that will support rather than hinder business retention, development and expansion

Developing rating policies, and in particular the balance between residential and business rates, and the use of rating tools for different types of activities, which will seek to balance public and private benefit

- Providing infrastructure to support economic activities, such as roads, footpaths, bridges, water reticulation and waste management, including facilitating communications infrastructure (i.e. high-speed broadband)
- A business-friendly District Plan (where business and residential land is located, plans for new sites and areas for business land to accommodate growth)
- Supporting initiatives to promote the key economic drivers in the District, including agriculture, tourism and small town development

It is this latter area that the Community Well-being Group of Activities is focused upon and particularly in developing responses to demographic change as suggested by the report, "Making Rangitikei Home: Strategies on how to keep families, retirees and indigenous people".⁶¹

Tourism has been one of the three economic pillars (with agriculture and downstream processing) identified in the Council's Economic Development Plan that led in part in 2006 to the regional MRI initiative, Te Kahui Tupua. The Council has reservations about the effectiveness of promoting the District to the international market but has identified the need to promote the District as a great place for retirement or to raise a family. The critical issues and points of difference for the District need to be identified and

⁶¹ See Section 5

agreed as a basis for a promotional strategy to deliver the objectives. This LTP therefore proposes a change of emphasis in Council's relationship with those key agencies with which it currently has a Memorandum of Understanding (the three town coordinators, Rangitikei Tourism and Otaihape Māori Komiti).

COMMUNITY COHESION AND RESILIENCE

The need to sustain voluntary effort in the community is widely recognised. Council's grant-making programme is part of its contribution to supporting real people to do real things. Whilst some people feel that such groups should stand on their own feet, many ratepayers like to see their Council provide this type of support. The 2010 Communitrak survey shows a greater interest in seeing a higher proportion of Council expenditure on funding for community organisations. The need to sustain voluntary effort impacts directly on two of Council's services: emergency management and rural fire – both services which rely upon a voluntary workforce in times of need and emergency. Council is finding it increasingly difficult to recruit volunteers

in the numbers and to the competency required. The situation is exacerbated because climate change is likely to result in an increase in frequency and severity of events of both a chronic and acute nature.⁶³

Council is proposing to invest more money in activities that promote community cohesion and community resilience. This is primarily through an increase in support for, and expectations from, community development agencies in the District. The strategic intent of this investment is to grow cohesive, vibrant and resilient communities in the main population areas, to help attract businesses and residents and sustain growth.

COLLABORATION AND PARTNERSHIP DEVELOPMENT

At a national and regional level there is a move towards greater collaboration within and between agencies to give better value to the tax payer/ratepayer (Community Response Model Forums, Whanau Ora) and the Council has been implementing its Rangitikei - a Path to Well-being initiative locally to

⁶³ Another Council activity which benefits considerably from volunteers is the district libraries.

reflect that. Council has also been regularly applying for contestable funding to bring in as much external resource as possible. It is likely that such applications will be less successful in the future because of the impact of the Christchurch earthquake on the availability of government and charitable trust funding beyond the immediate (and possibly long-term) needs of the people suffering from that disaster. This will mean that more collaboration locally will be increasingly important. Council will continue to invest in its partnership programme,⁶⁴ allocating staff resources to facilitate the Path to Well-being theme groups and responding to interest for joint programmes from Iwi and hapu in the District.

MAJOR PROGRAMMES

Council's role in this Group of Activities is as facilitator; the two major programmes that will be facilitated are the Partnership Board Action Plan and the work programme for the MOU agencies. The agreed Plan and Programme for 2012/13 are shown in figures 18 and 19 and will be reviewed annually as part of the Annual Plan process.

⁶⁴ The Rangitikei – a Path to Well-being initiative.

FIGURE 17: PARTNERSHIP BOARD ACTION PLAN 2012/13

THEME GROUP	GOOD 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
Current projects	<ul style="list-style-type: none"> • Marton Connections • Taihape Connections • Books in Libraries • Home insulation • Community database of contacts available on-line 	<ul style="list-style-type: none"> • Marton Connections • Taihape Connections • NSG Taihape • Youth Action Plan 	<ul style="list-style-type: none"> • Developing community based support group for the College and Board of Trustees 	<ul style="list-style-type: none"> • Setting up processes to be able to promote Drug Free Workplace club 	<ul style="list-style-type: none"> • Rangitikei River Forum • Establishing Action Plans for catchment groups 	<ul style="list-style-type: none"> • Regular walk-tober • Arts brochure • Promotional website to help recruitment/grow the District • Community database of contacts available on-line • Swim 4 all • Iconic (and other) events

FIGURE 18: 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:	GOOD VALUE FOR MONEY	RATIONALE
Up to date and relevant information for visitors and residents on a range of services, activities and attractions	Maintain information centres in Taihape and Bulls, the gateways to the District Contract with local organisations to provide a range of information, such as community newsletters, for local distribution	This is an area of investment for Council outside of its core activities. The return sought on investment by Council (and the ratepayer) needs to be identified and agreed	The District has a lot to offer to visitors and residents alike. This activity ensures that both groups are aware of the events, activities and attractions available to them in the District
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. This will require a change in emphasis that has already been initiated Council has begun to construct a community database as part of its website and will maintain this within existing budgets
Attractive and vibrant towns that attract business and residents	Contract with local organisations to develop and deliver events, activities and projects to enliven the towns and District Contract with local organisations to support, encourage and facilitate business investment within the towns and District	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	Council wants to ensure that these contracts will focus more sharply on supporting cohesive, vibrant and family-friendly communities that have a positive vision for the future and an open acceptance of diversity
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
Appropriate range of well-used Council and community facilities and services	Proactively seek out opportunities for collaboration and support/facilitate inclusive partnerships to deliver more services in the community	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	There is a range of contestable funding sources, some of which the Council is best placed to apply to on behalf of the various communities in the District and others that Council is not able to apply to directly but can work with and support partner agencies to apply to. In addition, Council can work with statutory, community and private sector agencies in the District to pool resources and avoid duplication
Increased social capital/cohesion/resilience	Provide opportunities to be actively involved in partnerships that provide community and ratepayer wins	Council sees the future for the District as vested in developing active and proactive communities that are better placed to be self-sufficient and self-supporting	Communities know best what is good for them and Council's role is to support and encourage community action
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 ⁶² 62 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.	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)
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

FIGURE 19: WORK PROGRAMME AGREED WITH MOU PARTNERS 2012/13

WHAT PEOPLE WANT	COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	BULLS AND DISTRICT COMMUNITY TRUST WILL:	PROJECT MARTON WILL:	RANGITIKEI TOURISM WILL:	TAIHAPE COMMUNITY DEVELOPMENT TRUST WILL:	OTAIHAPE MAORI KOMITI WILL:
Up to date and relevant information for visitors and residents on a range of services, activities and attractions	Contract with local organisations to provide a range of information, such as community newsletters, for local distribution	Produce <ul style="list-style-type: none"> Bulls to Scott's Ferry Bull-e-tin Bulls and Rangitikei Welcome Packs Promote <ul style="list-style-type: none"> Events (own and others) Rangitikei brochure/map Maintain <ul style="list-style-type: none"> Bulls brochure 	Produce <ul style="list-style-type: none"> monthly newsletter Marton Information Packs Promote <ul style="list-style-type: none"> Events (own and others) Maintain <ul style="list-style-type: none"> Discover Marton brochure 	Promote <ul style="list-style-type: none"> Events (own and others) Rangitikei brochure/map Maintain <ul style="list-style-type: none"> Rangitikei brochure/map 	Produce <ul style="list-style-type: none"> Talk Up Taihape e-newsletters Promote <ul style="list-style-type: none"> Events (own and others) Rangitikei brochure/map Maintain Taihape Brochure and Taihape pages in Rangitikei Welcome Pack 	
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	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	<ul style="list-style-type: none"> Maintain www.unforgetabull.co.nz website Link to www.rangitikei.com Maintain Bulls NZ Facebook page 	<ul style="list-style-type: none"> Develop and maintain Marton website Link to www.rangitikei.com Develop social networking pages 	<ul style="list-style-type: none"> Maintain www.rangitikei.com, including District-wide events and attractions pages Facilitate town-based web pages and links to town specific websites Maintain Facebook and Twitter pages associated with www.rangitikei.com 	<ul style="list-style-type: none"> Maintain www.taihape.co.nz website Link to www.rangitikei.com Maintain Taihape NZ and NZ Gumboot Day Facebook pages 	
Attractive and vibrant towns that attract business and residents	Contract with local organisations to develop and deliver events, activities and projects to enliven the towns and District	<ul style="list-style-type: none"> Organise 7 town events (note 1) 	<ul style="list-style-type: none"> Organise Marton Harvest Festival (note 2) Investigate potential for another major event (Eco Fest) 		<ul style="list-style-type: none"> Organise 7 town events (note 3) 	<ul style="list-style-type: none"> Organise 3 Te Ao Māori events (note 4)
	Contract with local organisations to support, encourage and facilitate business investment within the towns and District	<ul style="list-style-type: none"> Business breakfast Promote available business assistance/ training opportunities (Vision Manawatu) Promote opportunities for business ventures as appropriate 	<ul style="list-style-type: none"> Lead role in development of branding/point of difference for Marton promotion Develop and promote Service Excellence Awards in Marton Develop After 5 Network for local businesses Hanging baskets for Broadway 	<ul style="list-style-type: none"> Organise 2/3 Corridor Connection Events Provide support to tourism businesses through available business assistance/ training opportunities Promote opportunities for tourism business ventures as appropriate Develop sector specific support with neighbouring districts across lower North Island to ensuring District interests are fed into regional and national networks 	<ul style="list-style-type: none"> Monthly Tai-happy Hour Business Forum Promote available business assistance/ training opportunities (Vision Manawatu, Ruapehu REAP) Promote opportunities for business ventures as appropriate Develop and promote Service Excellence Awards 	

WHAT PEOPLE WANT	COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	BULLS AND DISTRICT COMMUNITY TRUST WILL:	PROJECT MARTON WILL:	RANGITIKEI TOURISM WILL:	TAIHAPE COMMUNITY DEVELOPMENT TRUST WILL:	OTAIHAPE MĀORI KOMITI WILL:
Appropriate range of well-used Council and community facilities and services	Proactively seek out opportunities for collaboration and support/facilitate inclusive partnerships to deliver more services in the community	<ul style="list-style-type: none"> • Direct input into management of Domain, Scout and Guide Hall, Bulls Town Hall, Walker Park/ Haylock Park • Participation in work programme of Enjoying Life in the Rangitikei, Good Access to Health Services and Treasured Natural Environment theme groups • Representative from Enjoying Life in the Rangitikei theme group on Partnership Board • Lead role District-wide in implementing Youth initiatives 	<ul style="list-style-type: none"> • Direct input into work programme for Marton Connections project to coordinate delivery of services and information about services in Marton/southern Rangitikei • Participation in work programme of Enjoying Life in the Rangitikei, Good Access to Health Services and Buoyant Economy theme groups • Lead role District-wide in implementing Timebank initiatives 	<ul style="list-style-type: none"> • Participation in work programme of Enjoying Life in the Rangitikei 	<ul style="list-style-type: none"> • Direct input into Memorial Park Users group • Participation in work programme of Enjoying Life in the Rangitikei and Good Access to Health Services theme groups • Encourage use of Taihape Town Hall 	<ul style="list-style-type: none"> • Participation in work programme of Path to Well-being Theme Groups as appropriate
Increased social capital/ cohesion/ resilience	Provide opportunities to be actively involved in partnerships that provide community and ratepayer wins	<ul style="list-style-type: none"> • Ongoing liaison with community groups and key individuals • Support Rangitikei River users Group • Liaise with Library over volunteer event 	<ul style="list-style-type: none"> • Ongoing liaison between community groups and key individuals • Partner in Christmas Giving Tree project • Organise annual Meet and Greet Community Days 		<ul style="list-style-type: none"> • Ongoing liaison between community groups and key individuals • Promote Otaihape Māori Komiti and Older & Bolder community/ social services • Liaise with Library over volunteer event 	<ul style="list-style-type: none"> • Facilitated hui for Mokai Patea representatives to Te Roopu Ahi Kaa
		NOTE 1: Running of the Bulls, Bulls Christmas Parade , Matariki, Wearabull Arts, free outdoor concert, Skateboard Competition, New Years Eve Concert	NOTE 2: Includes Craft Fair, Cultural Festival, scarecrow competition and Harvest party		NOTE 3: E.g. Gumboot Day, Christmas Parade (bi-annually), Producers Market, International Women's Day, Spring Fling Promotion, Taihape's Got Talent, White Ribbon Day Event	NOTE 4: Whanau Sports Day, Waitangi Big Day Out, Matariki

COMMUNITY WELL-BEING

FUNDING IMPACT STATEMENT FOR 2012 TO 2022

	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	712	856	884	919	930	957	989	1010	1018	1048	1063
Targeted Rates (other than a targeted rate for water supply)											
Subsidies and grants for operating purposes	48	88	90	91	93	23	23	23	23	23	23
Fees, charges, and targeted rates for water supply	29	29	30	31	32	33	34	35	36	38	39
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees, and other receipts											
Total Operating Funding	789	973	1004	1041	1055	1013	1046	1069	1077	1109	1125
Applications of Operating Funding											
Payments to staff and suppliers	546	793	787	807	825	771	787	802	820	839	858
Finance Costs	(3)	(3)	3	2	1	0	(1)	(3)	(3)	(3)	(3)
Internal charges and overheads applied	240	226	235	252	249	260	277	273	285	303	301
Other operating funding applications											
Total Applications of Operating Funding	783	1015	1025	1062	1075	1031	1063	1073	1102	1139	1156
Surplus/(Deficit) of Operating Funding	5	(42)	(21)	(21)	(20)	(17)	(16)	(4)	(25)	(30)	(31)
Sources of Capital Funding											
Subsidies and grants for Capital expenditure											
Development and financial contributions											
Increase (decrease) in debt	(23)	(4)	100	(24)	(24)	(24)	(24)	(24)	(3)	(3)	(1)
Gross proceeds from sale of assets											
Lump sum contributions											
Total Sources of Capital Funding	(23)	(4)	100	(24)	(24)	(24)	(24)	(24)	(3)	(3)	(1)
Applications of Capital Funding											
Capital Expenditure-											
-to meet additional demand											
-to improve the level of service											
-to replace existing assets	48	7	126	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(65)	(53)	(48)	(46)	(45)	(42)	(41)	(28)	(27)	(33)	(32)
Increase (decrease) of investments											
Total Applications of Capital Funding	(17)	(46)	78	(46)	(45)	(42)	(41)	(28)	(27)	(33)	(32)
Surplus (deficit) of capital funding	(5)	42	21	21	20	17	16	4	25	30	31
Funding Balance	(0)	-	-	-	-	-	-	-	-	-	-
Depreciation*	27	12	33	33	33	33	33	33	12	7	6

These asterisked costs are additional to those shown above and not included in the total

COMMUNITY WELL-BEING

FUNDING IMPACT STATEMENT FOR 2012 TO 2022 CONTINUED

Further financial detail on activities within the Community Well-being Group of Activities 2012-2022

Breakdown of Operating Costs

Civil Defence	89	93	96	98	101	104	106	108	111	114	118
Rural Fire	117	110	113	116	119	122	125	128	131	135	139
District Promotion and Development	221	324	308	312	317	250	252	255	258	261	264
Information Centres	65	241	246	257	264	272	280	287	295	304	313
Event Sponsorship	23	24	24	24	24	24	24	24	24	24	24
Community Projects	31										
	<u>546</u>	<u>793</u>	<u>787</u>	<u>807</u>	<u>825</u>	<u>771</u>	<u>787</u>	<u>802</u>	<u>820</u>	<u>839</u>	<u>858</u>

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; these are of two types.

The first type are those measures which have specified by a mandatory rule to be used by every local authority. Such measures may apply to water supply, sewerage and the treatment and disposal of sewage, stormwater drainage and the provision of roads and footpaths. However, such measures have yet to be introduced. The second type of measure are those chosen by Council to enable the community to assess the level of service provided for the major aspects of the groups of activities

Council is required to set performance targets for both types of measure. Achievement of all of these targets must be included in the Council's Annual Report – the results are an important way for the community to understand how well the Council is delivering its intended levels of service.

The levels of service noted here are drawn from the levels of service statement for each group of activities earlier in this section. Not all levels of service are incorporated within the Statement of Service Provision – the selection has regard for the statutory expectation that the focus is on levels of service for major aspects of groups of activities.

Council has taken up the opportunity, provided in the 2010 amendment to the Local Government Act 2002, to focus on major aspects of each group of activity: it ensures that the data collected and

reported upon is meaningful in terms of Council's strategic priorities. 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. Quantitative data needs to be readily available/easy to collect and readily verified through documentation. Council has selected quantitative measures which are derived from systems or contracts and can be readily and independently verified. The measures will highlight those services whose performance has particular sensitivity for the community – for example, repairing potholes, clearing blockages in sewer mains, or providing consents inside the statutory timeframes.

A major difference from the statement of service provision in the 2009/19 LTCCP will be that Council will no longer use Communitrak as the basis for its qualitative information (what do residents think about Council and its services). The Communitrak survey is only undertaken every three years, it is limited to those residents with a landline and is of limited interpretive value.

Instead, Council is developing a database of organisations and in future this will form the basis of the consultative process, focusing on key users and stakeholders' perceptions of Council's activities. The surveys will also be available on-line for anyone in the District with access to a computer (including via the Libraries and the ICT Hubs in Marton and Ratana). They will also be targeted at residents in a particular area where Council has undertaken programmed maintenance and renewal. In most

instances, the questions will be phrased to provide for a “better than last year”, “worse than last year”, or “about the same” report card. The aim will be for more favourable perceptions of Council's activities year on year. Performance targets are expressed as ‘a greater proportion (than in the previous year)’. The objective is an upward trend.

Council undertook a pilot of the survey in April/May 2012 to establish a benchmark against which future performance can be measured. Services and facilities of particular sensitivity were highlighted in these ‘report cards’.

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 bi-monthly activity reports.

COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	PERFORMANCE MEASURE	HOW WILL WE MEASURE?	BENCHMARK	TARGET 2012/13	TARGET 2013/14	TARGET 2014/15	TARGET 2015/16-2021/22
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 20)	2010/11: 86% of Annual Plan actions substantially undertaken or completed, All groups of activities achieved at least 70% of identified actions	88% of Annual Plan actions substantially undertaken or completed during the year, all groups of activities to achieve at least 75% of identified actions	90% of Annual Plan actions substantially undertaken or completed during the year, all groups of activities to achieve at least 77% of identified actions	92% of Annual Plan actions substantially undertaken or completed during the year, all groups of activities to achieve at least 80% of identified actions	By 2022, 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 as areas of major capital expenditure	2010/11: Rooding 98% Stormwater 66% Wastewater 66% Water 39% Overall 73%	85% of planned capital programme expended, all network utilities groups of activities to achieve at least 75% of planned capital expenditure	88% of planned capital programme expended, all network utilities groups of activities to achieve at least 77% of planned capital expenditure	90% of planned capital programme expended, all network utilities groups of activities to achieve at least 80% of planned capital expenditure	

COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	PERFORMANCE MEASURE	HOW WILL WE MEASURE?	BENCHMARK	TARGET 2012/13	TARGET 2013/14	TARGET 2014/15	TARGET 2015/16-2021/22
ROADING AND FOOTPATHS GROUP OF ACTIVITIES							
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	Smooth travel exposure rating	The process defined in the Council's agreement with NZTA (NAASRA roughness counts)	2010/11: 96.4%	96.5%	96.5%	96.5%	The roading network has been maintained as close to the current standard as possible within budget constraints
	The number of callouts to the contractor, both within working hours and after-hours, with the response and resolution times (with the percentage resolved within a specified time). Specific note to be made of (i) time to respond/ resolve callouts relating to potholes; and (ii) incidents of crashes on Council's roading network and whether the road condition was a cause of each crash	This has not been accurately recorded in the past but the contractor is now required to show the nature and time of response and the time for resolution for all callouts Police crash data provides an assessment of the factors causing each fatal crash on the Council's roading network	July-March 2012: 100% after-hours callouts responded to within 12 hours (54/54) of which 1 was a pothole 100% callouts during working hours, responded to within 4 hours (192/192) of which 17 were potholes The Contractor is required to respond to afterhours call-outs within 12 hours, and working hours call-outs within 6 hours 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.. The benchmark for measurement is 80% of all callouts resolved (i.e. completed) within one month of the request. No fatal crashes are caused by condition of Council's roading network	100% after-hours callouts responded to within 12 hours 100% callouts during working hours, responded to within 6 hours 80% of all callouts resolved (i.e. completed) within one month of the request. Specific reference to callouts relating to potholes No fatal crashes attributable to the condition of the roading network	100% after-hours callouts responded to within 12 hours 100% callouts during working hours, responded to within 6 hours 80% of all callouts resolved (i.e. completed) within one month of the request. Specific reference to callouts relating to potholes No fatal crashes attributable to the condition of the roading network	100% after-hours callouts responded to within 12 hours 100% callouts during working hours, responded to within 6 hours 80% of all callouts resolved (i.e. completed) within one month of the request. Specific reference to callouts relating to potholes No fatal crashes attributable to the condition of the roading network	100% after-hours callouts responded to within 12 hours 100% callouts during working hours, responded to within 6 hours 80% of all callouts resolved (i.e. completed) within one month of the request. Specific reference to callouts relating to potholes No fatal crashes attributable to the condition of the roading network
Increase asset length and footpath renewal programme.	Adequacy of provision and maintenance of footpaths, street-lighting and local roads (annual survey)	"Report card" qualitative statements. Groups to be targeted for consultation: Residents where programmed renewal has taken place, Community Boards/ Committees, Community group database, Business sector database	This is a new measure. A "report card" produced in April/May 2012 establishes the benchmark of perceptions of adequacy of provision and maintenance of Council's footpaths, street-lighting and local roads: 13% believe it is better than last year, 71% about the same, 15% worse than last year (1% don't know).	A greater proportion (than in the benchmark) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better

COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	PERFORMANCE MEASURE	HOW WILL WE MEASURE?	BENCHMARK	TARGET 2012/13	TARGET 2013/14	TARGET 2014/15	TARGET 2015/16-2021/22
WATER SUPPLY GROUP OF ACTIVITIES							
Provide a reliable, accessible and safe water supply to properties on the urban reticulation systems	Compliance with resource consents ⁶⁵ 65 Council has previously regarded this compliance as a measure of delivering a sustainable water supply.	Inspection reports from Horizons for the various water supplies.	2009/10; four incidents of non-compliance 2010/11; one incident of non-compliance	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
	Compliance with the New Zealand Drinking Water Standards	(a) Weekly sampling and testing on a weekly basis at Environmental Laboratory Services in Gracefield, Lower Hutt of all Council's urban reticulated supplies. (b) Random tests conducted by MidCentral Health.	2010/11: Two incidents of e-coli detection from weekly testing of all urban schemes ⁶⁶ 66 These incidents occurred at the Marton Calico Line bore when it was not being used to augment the town supply.	No incidents of E-coli detection requiring information to be passed to Ministry of Health's Drinking Water Assessor	No incidents of E-coli detection requiring information to be passed to Ministry of Health's Drinking Water Assessor	No incidents of E-coli detection requiring information to be passed to Ministry of Health's Drinking Water Assessor	No incidents of E-coli detection requiring information to be passed to Ministry of Health's Drinking Water Assessor
		Annual inspections and grading by Drinking-water Assessor (MidCentral Health, on behalf of the Ministry of Health)	Capital programmes commenced during 2011/12 to ensure protozoa compliance with the NZDWS	Systems begin to work towards operational compliance	Operational compliance with legislation confirmed by Drinking-water Assessor grading in Marton, Taihape and Bulls water scheme	Operational compliance with legislation confirmed by Drinking-water Assessor grading in Ratana, Hunterville and Mangaweka water schemes (Marton, Taihape and Bulls continue to be assessed as compliant)	Operational compliance with legislation confirmed by Drinking-water Assessor grading is maintained in all urban schemes
	Number of unplanned water supply disruptions affecting multiple properties	An overhaul of the RFS system in 2011/12 will enable this data to be collected and presented.	A new measure. July 2011- March 2012: No unplanned disruptions occurred	0 unplanned water supply disruptions affecting multiple properties	0 unplanned water supply disruptions affecting multiple properties	0 unplanned water supply disruptions affecting multiple properties	Fewer unplanned water supply disruptions affecting multiple properties than in the previous year
Provide a reliable water pressure and flow, which complies with the NZ Fire Service Fire Fighting Water Supplies Code of Practice	Random flow checks at the different supplies	Hydraulic modelling, installation of data loggers and annual flow checks at all hydrants	A new measure	90% of fire hydrant installations are in compliance	95% of fire hydrant installations are in compliance	100% of fire hydrant installations are in compliance	100% of fire hydrant installations are in compliance

COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	PERFORMANCE MEASURE	HOW WILL WE MEASURE?	BENCHMARK	TARGET 2012/13	TARGET 2013/14	TARGET 2014/15	TARGET 2015/16-2021/22
SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE GROUP OF ACTIVITIES							
Provide a reliable reticulated disposal system that does not cause harm or create pollution within the existing urban areas	Compliance with resource consents	Inspection reports from Horizons Regional Council for the various waste-water treatment plants	2010/11: 4 incidents of significant non-compliance with discharge consents, one incident of non-compliance	100% compliance at Hunterville and Taihape WWTP (Mangaweka WWTP continues 100% compliant)	100% compliance at Bulls WWTP. (Hunterville, Mangaweka and Taihape WWTP continue 100% compliant)	100% compliance at Marton WWTP (Bulls, Hunterville. Mangaweka and Taihape WWTP continue 100% compliant)	Progressive improvements as capital programme proceeds. 100% compliance with resource consents by 2022
	Number of overflows from each network (response/ resolution time)	An overhaul of the RFS system in 2011/12 will enable this data to be collected and presented. A new measure Benchmark established from 9 month figure 2011/12 to include response / resolution time	July 2011 – March 2012: 6 wastewater overflows – none of which occurred in Council owned reticulation asset	No single network to experience more than 4 overflows during a 12 month period. Response/ resolution time monitored and compared with benchmark]	No single network to experience more than 3 overflows during a 12 month period. Response/ resolution time monitored and compared with benchmark	No single network to experience more than 2 overflows during a 12 month period. Response/ resolution time monitored and compared with benchmark	No single network to experience more overflows during a 12 month period] than the previous 12-month period. Response/ resolution time monitored and compared with benchmark
	Number of reported blockages in Council's reticulation system per Km ⁶⁷ The total reticulation length is 109 km. 67 Council relies on reported faults to check whether there is a blockage in its system. Flow metres are not installed throughout the network to provide alerts on such blockages.	Callouts relating to overflow are most often the result of blockage of lateral pipes and are not Council's responsibility. These can be distinguished in RFS to enable the number of blockages/Km Council-owned asset to be measured	July 2011 - March 2012: 7 blockages reported - 6 occurred in Council's system. 1 blockage per 18.16 Km reticulation length in Council owned asset over 9 months (estimated 1 blockage per 13.625 Km during 12 months period)	Less than 1 blockage per 13. 625 km in Council's reticulated system	Less than 1 blockage per 13.625Km in Council's reticulated system	Less than 1 blockage per 13.625Km in Council's reticulated system	Fewer reported blockages in Council's reticulated system per km than the previous year

COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	PERFORMANCE MEASURE	HOW WILL WE MEASURE?	BENCHMARK	TARGET 2012/13	TARGET 2013/14	TARGET 2014/15	TARGET 2015/16-2021/22
STORMWATER DRAINAGE GROUP OF ACTIVITIES							
Provide a reliable collection and disposal system to each property during normal rainfall ⁶⁸ 68 There are no resource consents governing the Council's 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. An additional performance measure will be added once such consents exist.	Number of habitable dwellings which remain uninhabitable for over 24 hours in a heavy rain events (1 in 20-year storm)	These measures are all readily available and easy to collect and present	No such event experienced in preceding two reporting periods	In each event of 1 in 20 year storm, no more than 20 dwellings affected for more than 24 hours	In each event of 1 in 20 year storm, no more than 20 dwellings affected for more than 24 hours	In each event of 1 in 20 year storm, no more than 20 dwellings affected for more than 24 hours	In each event of 1 in 20 year storm, no more than 20 dwellings affected for more than 24 hours
	Callouts for blocked drains and faults: the targeted response times are 30 minutes for urgent callouts and 24 hours for other callouts. Targeted resolution times are 24 hours for urgent faults and 96 hours for other faults. Specific note to be made of time to respond and resolve callouts relating to manhole covers and inlets.	An overhaul of the RFS system in 2011/12 will enable this data to be more accurately collected and presented	2010/11: 15% responded to in time (11/75), no records for 72% (54/75) 43% resolved in time (32/75), 95% resolved in total (71/75)	50% responded within time and 50% resolved within time 100% resolved	55% responded within time and 55% resolved within time 100% resolved	60% responded within time and 60% resolved within time 100% resolved	Progressive improvement in response and resolution time, aim to achieve 90% responded within time and 90% resolved within time by 2022. Maintain 100% resolved

COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	PERFORMANCE MEASURE	HOW WILL WE MEASURE?	BENCHMARK	TARGET 2012/13	TARGET 2013/14	TARGET 2014/15	TARGET 2015/16-2021/22
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	"Report card" produced during April/ May of perceptions of the provision and maintenance of Council's:- Public libraries:	22% believe it is better than last year, 55% about the same, 1% worse than last year (22% don't know).	A greater proportion (than in the benchmark) of the sample believe that Council's service is getting better	A greater proportion (than the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better
		Public swimming pools:	13% believe it is better than last year, 35% about the same, 5% worse than last year (47% don't know).	A greater proportion (than in the benchmark) of the sample believe that Council's service is getting better	A greater proportion (than the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better
		Sports fields and parks:	10% believe it is better than last year, 67% about the same, 8% worse than last year (15% don't know).	A greater proportion (than in the benchmark) of the sample believe that Council's service is getting better	A greater proportion (than the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better
		Public toilets:	8% believe it is better than last year, 69% about the same, 11% worse than last year (13% don't know).	A greater proportion (than in the benchmark) of the sample believe that Council's service is getting better	A greater proportion (than the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better
		Community Buildings:	5% believe it is better than last year, 75% about the same, 5% worse than last year (14% don't know).	A greater proportion (than in the benchmark) of the sample believe that Council's service is getting better	A greater proportion (than the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better
		Community Housing:	2% believe it is better than last year, 26% about the same, 3% worse than last year (70% don't know).	A greater proportion (than in the benchmark) of the sample believe that Council's service is getting better	A greater proportion (than the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better

COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	PERFORMANCE MEASURE	HOW WILL WE MEASURE?	BENCHMARK	TARGET 2012/13	TARGET 2013/14	TARGET 2014/15	TARGET 2015/16-2021/22
RUBBISH AND RECYCLING GROUP OF ACTIVITIES							
<p>Make recycling facilities available at waste transfer stations* for glass, paper, metal, plastics, and textiles. Special occasions for electronics (e-waste). Extend recycling facilities to include green/biodegradable waste facility at Taihape, Bulls and Marton waste transfer stations.</p> <ul style="list-style-type: none"> 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	2009/10 6,401 tonnes 2010/11 5,729 tonnes	5,500 tonnes to landfill	5,200 tonnes to landfill	4,900 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	2009/10 188 tonnes (3%) 2010/11 345 tonnes (6%)	Percentage of waste diverted from landfill 9%	Percentage of waste diverted from landfill 11%	Percentage of waste diverted from landfill 13%	Annual increases in percentage of waste diverted from landfill of 2% 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 2012/13	TARGET 2013/14	TARGET 2014/15	TARGET 2015/16-2021/22
ENVIRONMENTAL AND REGULATORY SERVICES GROUP OF ACTIVITIES							
Provide a legally compliant service	Timeliness of processing the paperwork (building control, consent processes, licence applications)	These would be individual figures across the various enforcement/ regulatory functions of Council (with an overall aggregation) This will include any prescribed monitoring, such as of resource consents	2010/11: 99.3% (296/298) building consents and 100% (42/42) RMA consents completed on time A new measure that will aim to achieve this standard across all of Council's enforcement/ regulatory functions.	At least 90% of the processing of documentation for each of Council's regulatory and enforcement services is completed within the prescribed times	At least 91% of the processing of documentation for each of Council's regulatory and enforcement services is completed within the prescribed times	At least 92% 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 2022
	Possession of relevant authorisations from central government ⁶⁹ 69 Excluding general authorisation through legislation where no further formal accreditation is specified	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
Provide regulatory compliance officers	Timeliness of response to RFS for enforcement call-outs (animal control and environmental health); within prescribed response and resolution times	Currently only animal control is measured as part of the Annual Report 2010/11: 99% (184/186) priority 1 calls ⁷⁰ , 98% (609/621) for priority 2 calls 70 Priority 1 call is relates to dog attacks, threatening dogs or stock on roads, priority 2 calls relate to other complaints/service requests of a less serious nature.	July 2011 – March 2012: Animal Control and environmental health Total RFS received: 1129 Completed: 1103 (97.7%) Completed in time: 778 (68.9%)	Improvement on benchmark of timeliness as established during 2011/12	Improvement in timeliness reported in 2012/13	Improvement in timeliness reported in 2013/14	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 2022

COUNCIL'S INTENDED LEVEL OF SERVICE IS TO:	PERFORMANCE MEASURE	HOW WILL WE MEASURE?	BENCHMARK	TARGET 2012/13	TARGET 2013/14	TARGET 2014/15	TARGET 2015/16-2021/22
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	A "report card" produced in April/May 2012 establishes benchmark of perceptions of how useful Council's initiatives and support have been: 37% believe it is better than last year, 23% about the same, 8% worse than last year (32% don't know).	A greater proportion (than in the benchmark) of the sample believe that Council's service is getting better.	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better.	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better.	A greater proportion (than in the previous year) of the sample believe that Council's service is getting better.

FIGURE 20: PLANNED ACTIONS FOR YEARS 1-3 OF 2012-22 LTP

ACTIVITY/PROGRAMME	YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)
COMMUNITY LEADERSHIP GROUP OF ACTIVITIES			
All activities	Annual Report 2011/12	Annual Report 2012/13 pre-election report	Annual Report 2013/14
	Annual Plan 2013/14	Annual Plan 2014/15	LTP 2015/25
	Representation review completed	Triennium election. Reappointment of community committees, Te Roopu Ahi Kaa	
	Policy and Bylaw review	Policy and Bylaw review	Policy and Bylaw review
ROADING AND FOOTPATHS GROUP OF ACTIVITIES			
Road activity: Road reseals programme	Total length 70.84 km	Total length 69.99 km	Total length 70.06 km
Road activity: Road rehabilitation programme	Total Length:12.35 km	Total Length: 8.800 km	Total length 9.350 km
Road activity: Bridges		\$1,300,000 Wylies Bridge replacement	
Footpath and streetlighting activity: Footpath Capital Programme:	Taihauauru St, Ratana, Main St Hunterville, Vera St Marton, Swan St Taihape	Koraenui St Ratana, Onslow St East Ohingaiti, Canteen St and Princess St Marton, Swan St, Eagle St and Titi St Taihape	Edward St Bulls, Ngarino St, Racecourse Ave and Princess St Marton, Pukeko St Taihape
Footpath and streetlighting activity: Footpath Renewal:	Mill Street, Marton, Bridge St, Bulls, Thrush St and Huia St. Taihape	Russell St and Blackwell St, Marton	Kiwi St Taihape, High St Bulls
WATER SUPPLY GROUP OF ACTIVITIES			
Water activity	Marton Water Upgrade	Ratana Water Upgrade	Backflow Protection (Taihape)
	Seismic Flow Protection	Backflow Protection (Bulls)	Network Hydraulic Modeling (Ratana, Hunterville)
		PRV & Boost Pump Station (Taihape)	Review network replacement programme for all assets exceeding threshold risk of 10/25
		Pressure Demand/Pressure Flow Control	
SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE GROUP OF ACTIVITIES			
Wastewater collection, treatment and disposal activity	Renewal of reticulation systems: governed by network modelling and AMPs	Renewal of reticulation systems: governed by network modelling and AMPs	Network modelling: Bulls and Taihape to identify capacity problems in conjunction with renewal programmes
	Relocation of pump station and the gravity and pressure trunk main for Taihape oxidation ponds	Improvement of Bulls treatment plant to meet nitrogen standard	Improvement of Marton treatment plant to meet nitrogen standard
	Infiltration inflow study (to reduce stormwater overload of the wastewater system) completed for Taihape	Infiltration inflow study (to reduce stormwater overload of the wastewater system) completed for Hunterville	Infiltration inflow study (to reduce stormwater overload of the wastewater system) completed for Bulls
RUBBISH AND RECYCLING GROUP OF ACTIVITIES			
Waste minimisation activity	Establish scope of green waste scheme	Scoped green waste scheme up and running	Local recycling centres introduced in Bulls, Marton, Taihape
			Provide clean fill recycling at Taihape and Marton transfer stations

ACTIVITY/PROGRAMME	YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)
STORMWATER DRAINAGE GROUP OF ACTIVITIES			
Stormwater activity	Inspect condition / capacity of intake structures - Taihape/Marton	Inspect condition / capacity of intake structures - Balance of District	Continue CCTV condition assessment programme
	Continue CCTV condition assessment programme	Continue CCTV condition assessment programme	Review system design parameters
	Review system design parameters	Review system design parameters	Review network replacement programme for all assets exceeding threshold risk of 10/25
	Education programme re responsibilities of relevant parties	Education programme re responsibilities of relevant parties	Education programme re responsibilities of relevant parties
COMMUNITY AND LEISURE ASSETS GROUP OF ACTIVITIES			
Parks and open spaces activity	Develop a regional sports development plan for specialised sports fields in collaboration with Sport Wanganui and local sporting codes, schools and other interested parties	Removal of climbing tower at Wilson Park, Marton	Develop and consult upon detailed implementation plans and budgets for regional sports development plan. Paths/trails in Wilson Park, Marton
Community buildings activity	Earthquake proofing costings to ensure compliance with Council EQPB policy to be completed for Taihape Town Hall and Marton Library. Demolition of Tui Street Conference Centre, Taihape (behind Women's Club Rooms)		Development of a long-term plan for Bulls CBD completed for consultation as part of the 2015-25 LTP. Implementation of earthquake strengthening on Taihape Town Hall in line with Council's Earthquake-prone Buildings policy (subject to funding)
Library activity	Ongoing development of community partnerships, extending success from Taihape (e.g. With Ruapehu REAP and Older and Bolder), upgrade Library website and introduction of information centre services at Marton Library (ongoing)	Touch screen kiosks in Marton and Taihape as a priority (Bulls in due course)	Wholesale review of ICT needs of community taking into account APN, Marton and surrounds ICT Hub and new e-services (e.g. e-books, kete), investigation of one-stop shop service as part of Bulls Strategic Plan
Community housing activity	Develop a plan for improvement of some units in Wellington Road, Marton. Provision of additional support service commissioned from Age Concern	Implementation of plan as per year 1	Develop proposals for consultation on wider provision of this activity for 2015/25 LTP
ENVIRONMENTAL AND REGULATORY GROUP OF ACTIVITIES			
District Plan activity	Completion of District Plan review pending appeals to Environment Court		
Building consents activity		Adjustment to anticipated decision on regionalization/centralization of building consent administration	
COMMUNITY WELL-BEING GROUP OF ACTIVITIES			
Community partnerships activity	Facilitation of Path to well-being theme groups	Facilitation of Path to well-being theme groups	Facilitation of Path to well-being theme groups
	Delivery of work programme through Memoranda of Understanding	Delivery of work programme through Memoranda of Understanding	Delivery of work programme through Memoranda of Understanding





9

FINANCIAL POLICY & STATEMENTS

FINANCIAL STATEMENTS AND POLICIES

REVENUE AND FINANCING POLICY

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 LTP.

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.

The policy considerations thus fall into three parts, with the summary of how it has been applied to Council's nine groups of activities provided as an appendix. This revenue and financing policy is different from that adopted as part of the 2009/19 LTCCP. Council gave further consideration to this policy during deliberation on submissions to the draft LTP. When this new policy is adopted as part of the adoption of the final LTP, it will replace the earlier policy.

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 overall impact of any allocation of liability distinctly from other activities, and future social, economic, environmental and cultural well-being of the community.

Council undertook an intensive analysis on these matters for each activity in preparing the 2009/19 LTCCP. As the scope of Council's activities has changed very little over the past three years, that analysis was accepted as the basis for reviewing the policy for this Plan. The major change reflects one of the key drivers in the financial strategy – a District-wide approach. 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. The only Community Services rate remaining is to

fund the two Community Boards (in Taihape and Ratana). 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.

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, for instance, have a high capital value in relation to land value, but also use Council's infrastructure (especially roading) 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 affects alone would have been far more significant than under capital value.⁷¹

3. SOURCES OF FUNDING

Council funds operating expenditure from the following sources:

GENERAL RATES (INCLUDING THE UNIFORM ANNUAL GENERAL CHARGE)

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 roading and District promotion.

UNIFORM ANNUAL GENERAL CHARGE

Used where a benefit from a Council service is received equally.⁷² 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 parts' of a rating unit.

⁷¹ 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.

⁷² Section 21 of the Local Government (Rating) Act 2002 limits the UAGC together with any other rate set as a uniform charge across the District (other than water and wastewater rates) to a maximum of 30% of Council's total income from all rating mechanisms.

TARGETED RATES

Used to 'target' specific activities so that their cost is evident to the community. There are two ways of setting targeted rates. They may be set on a uniform basis for all rateable land when Council believes that the benefit is received equally. This is the case for libraries. Alternatively targeted rates may be set differentially for different categories of land when Council believes that there is variable benefit. Council initially considered this would apply to parks and community buildings, on the basis that they are of greater benefit to those in urban areas. However, the pattern of use showed this was overly simplistic.

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. 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 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).

PROCEEDS FROM LOGGING

Used to offset future forestry expenditure. However, logging from forests on reserves may be applied to other improvements to reserves, not necessarily future forestry.

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 the attached summary.

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

RATES

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.

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 (the minimum review period legally required) to minimise the costs associated with obtaining the revaluations.

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. 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.

This mechanism also lessens the risk of large rate increases in the year subsequent of a valuation update.

DEPRECIATION RESERVES

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.

In the situation where a depreciation reserve is in deficit, then this should be recovered from rates, as should capital renewals, until the depreciation reserve is no longer in deficit. Where depreciation reserves are sufficient, loans may be repaid earlier.

ROADING RESERVES

The roading reserve is established to provide funding for emergency works as a result of bad weather or other natural disasters.

COMMUNITY AND LEISURE ASSETS RESERVES

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 libraries⁷³, 50% for parks, halls and public toilets, and 0% for swimming pools and community housing. Additionally Council agreed to a \$75,000 per annum swimming pool reserve.⁷⁴

SUBSIDIES AND GRANTS

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.

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.

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).

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.

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.

LOANS

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 20 years.

The summary in Appendix 1 also 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.

In addition, the summary shows changes to the funding mechanisms which Council envisages may happen during the term of the LTP and (where that is determined) the need for transitional funding arrangements.

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).

73 From 2013/14

74 From 2013/14

APPENDIX: SUMMARY OF REVENUE AND FINANCING POLICY

ACTIVITY	FUNDING SPLIT PUBLIC: PRIVATE	PUBLIC MECHANISM	PRIVATE MECHANISM	RATIONALE FOR FUNDING MECHANISMS	VARIATION FOR NEW CAPITAL EXPENDITURE	VARIATION PROJECTED AFTER 2012/22 ⁷⁵	75 Apart from review of share from user charges or central government grants and subsidies.
COMMUNITY LEADERSHIP							
Council Strategic planning and reporting Iwi liaison Sub-governance structures ⁷⁶ Elections	100:0	Uniform Annual General Charge	Not applicable	Benefits potentially shared equally among all residents	Not applicable	Not envisaged	76 This will not apply before 2013/14 and depends on the outcome of the Representation Review. If that process confirms that Community Boards will continue in the Rangitikei District, they will continue to be funded by a Community Services rate levied on the relevant communities. (Community Committees are funded on a District-wide basis.)
ROADING AND FOOTPATHS							
Roading including Bridges Footpaths and street lighting ⁷⁷	50:50 to 40:60	Targeted rate (District-wide)	Central government grants and subsidies, fuel taxes, fines, infringement fees and other receipts	District-wide benefit, property-related, but Government subsidy is a significant contribution. Roading is a significant activity warranting a separately disclosed rate	Not applicable	Not envisaged	77 It is proposed that under veranda street-lighting and car parks will no longer be funded through targeted community services rate with commercial differential on the basis of their linkages to the roading network and safe transportation.
WATER SUPPLY							
Potable water (town reticulation schemes)	20:80 to 30:70	Targeted rate: 25% from all separately used or inhabited rateable properties (whether connected or unconnected)	Targeted rate and user charges. 65-70% consumption charge to all connected properties, other than those metered as extraordinary users For year 2, Council will consider the feasibility of having a 20% supply charge for all properties in urban areas with a boundary which is less than 20 metres from a water supply main ⁷⁸ 5-10% of cost recovered from extraordinary users ⁷⁹ and bulk supplies	A balance is needed between the benefits to those connected to the scheme and affordability. There is a District-wide benefit in effective and safe urban water reticulation schemes ⁸⁰	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged	78 Currently, unconnected properties do not incur a supply charge. If this was introduced, the consumption charge would reduce to 45%. The impact of these changes would be that unconnected properties pay an additional sum, while connected properties pay a little less. This is simply a change to the funding mechanism; of itself it would not increase the total charges for water. 79 Metered for full quantity of water taken, charged on basis of rates set in Council's fees and charges or as separately agreed. 80 Including a supply charge to those properties which could be connected acknowledges the potential benefit available at any time at minimal cost to such properties.
Hunterville	0:100		Metered supply				

ACTIVITY	FUNDING SPLIT PUBLIC: PRIVATE	PUBLIC MECHANISM	PRIVATE MECHANISM	RATIONALE FOR FUNDING MECHANISMS	VARIATION FOR NEW CAPITAL EXPENDITURE	VARIATION PROJECTED AFTER 2012/22 ⁷⁵	75 Apart from review of share from user charges or central government grants and subsidies.
WATER SUPPLY							
Non-potable water (rural supply schemes) Erewhon Omatane Putorino Hunterville	0:100		User charges (set by each scheme)		To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged	
SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE							
Wastewater	20:80 to 30:70	Targeted rate: 25% from all separately used or inhabited rateable properties (whether connected or unconnected)	Targeted rate and user charges: 65-70% disposal charge to all connected properties, except for properties subject to an agreement under the trade Waste Bylaw For year 2 Council will consider the feasibility of a 20% supply charge for all properties in urban areas with a boundary which is less than 20 metres from a sewer main ⁸¹ 5-10% 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)	A balance is needed between the benefits to those connected to the scheme and affordability. There is a District-wide benefit in effective and safe urban wastewater schemes ⁸²	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged	81 Currently, unconnected properties do not incur a supply charge. If this was introduced the disposal charge would reduce to 45%. The impact of these changes would be that unconnected properties pay an additional sum, while connected properties pay a little less. This is simply a change to the funding mechanism; of itself it does not increase the total charges for wastewater. 82 Including a supply charge to those properties which could be connected acknowledges the potential benefit available at any time at minimal cost to such properties.

ACTIVITY	FUNDING SPLIT PUBLIC: PRIVATE	PUBLIC MECHANISM	PRIVATE MECHANISM	RATIONALE FOR FUNDING MECHANISMS	VARIATION FOR NEW CAPITAL EXPENDITURE	VARIATION PROJECTED AFTER 2012/22 ⁷⁵	75 Apart from review of share from user charges or central government grants and subsidies.
STORMWATER DRAINAGE							
Stormwater	20:80 to 30:70	Targeted rate: 25% from all separately used or inhabited rateable properties (whether urban or rural)	Targeted rate: 75% from all separately used or inhabited rateable properties in urban areas	A balance is needed between the benefits to those properties connected to a stormwater scheme and affordability. There is a District-wide benefit in effective and safe urban stormwater schemes	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged	
COMMUNITY AND LEISURE ASSETS							
Libraries Swimming pools Public toilets Cemeteries Parks	100:0 to 90:10	Targeted rate Uniform annual charge (District-wide)	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	
Halls Housing Property	30:70 to 50:50	General rate	User pays for 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 Waste minimisation	40:60 to 60:40	Uniform targeted rate for solid waste	Government grants and 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		

ACTIVITY	FUNDING SPLIT PUBLIC: PRIVATE	PUBLIC MECHANISM	PRIVATE MECHANISM	RATIONALE FOR FUNDING MECHANISMS	VARIATION FOR NEW CAPITAL EXPENDITURE	VARIATION PROJECTED AFTER 2012/22 ⁷⁵	75 Apart from review of share from user charges or central government grants and subsidies.
ENVIRONMENTAL AND REGULATORY SERVICES							
Animal control Building control Consent processes Other regulatory functions (environmental health liquor licensing, hazardous substances etc.)	45:55 to 65:35	General rate	User charges	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, animals do not pose a threat to people or other animals, 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 traced to pay	Not applicable	Not envisaged	
District Plan	100:0	General rate		Benefits potentially across the whole District but not equally	Not applicable	Not envisaged	
COMMUNITY WELL-BEING							
Information Centres Economic development Community partnerships Emergency management Rural fire	95:5 to 85:15	General rate	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 or organisations as this will change	Not applicable	Not envisaged	
Separate targeted Community Services rate for AA licensing services is removed because of the very minor budgetary implications							

FINANCIAL STATEMENTS

PROSPECTIVE COMPREHENSIVE INCOME STATEMENT

For the year ended 30 June	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
REVENUE											
Rates other than targeted rates for water supply	16,617	17,670	18,847	19,918	20,287	21,137	21,621	22,144	23,033	23,805	24,423
Targeted Rates for water	1,226	1,278	1,386	1,457	1,506	1,579	1,660	1,708	1,785	1,849	1,905
Finance Revenue	250	322	326	326	325	325	325	325	325	325	325
Subsidies	7,636	7,006	8,150	6,982	7,035	6,878	6,879	9,435	7,154	7,156	7,440
Activity Revenue	2,394	2,006	1,924	1,971	2,050	2,143	2,181	2,234	2,345	2,393	2,478
Vested Assets	-	-	-	-	-	-	-	-	-	-	-
Gain on Sale	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	28,123	28,282	30,633	30,653	31,203	32,062	32,667	35,847	34,643	35,528	36,571
EXPENDITURE											
Depreciation and amortisation expense	8,996	9,194	9,585	9,819	10,034	10,490	10,693	10,928	11,180	11,373	11,594
Personnel Costs	2,210	2,411	2,469	2,528	2,594	2,661	2,725	2,788	2,860	2,937	3,016
Finance costs	443	504	921	1,227	1,235	1,446	1,501	1,709	1,850	2,039	2,209
Other Expenditure	15,901	15,387	15,646	16,045	16,461	16,897	17,323	17,779	18,341	18,891	19,456
Total Operating Expenditure	27,550	27,496	28,621	29,619	30,324	31,493	32,243	33,204	34,230	35,239	36,274
Operating Surplus (deficit) before tax	573	787	2,012	1,034	879	569	424	2,643	412	289	296
Less tax expense	-	-	-	-	-	-	-	-	-	-	-
Net Surplus (Deficit) after Taxation	573	787	2,012	1,034	879	569	424	2,643	412	289	296
Other Comprehensive Income											
Gain on Infrastructural Assets Revaluation	-	-	15,172	-	-	48,551	-	-	57,669	-	-
Financial Assets at fair value through equity	-	-	-	-	-	-	-	-	-	-	-
Gains on land and buildings revaluation	-	-	558	-	-	1,716	-	-	1,588	-	-
Income Tax relating to components of other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total net other comprehensive income for the year	-	-	15,730	-	-	50,267	-	-	59,257	-	-
Total Comprehensive Income for the year	573	787	17,742	1,034	879	50,836	424	2,643	59,669	289	296

Note: The adjustments that have been made to the opening balances for the 2012/13 year based on actual results for 2010/11 are detailed on page 138

RECONCILIATION BETWEEN PROSPECTIVE FUNDING IMPACT STATEMENTS AND THE PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total Operating Revenue from FIS	23,971	23,987	25,199	26,390	26,992	27,940	28,545	29,277	30,356	31,241	32,113
Total Revenue Statement of Comprehensive Income	28,123	28,282	30,633	30,653	31,203	32,062	32,667	35,847	34,643	35,528	36,571
Variance	4,152	4,296	5,436	4,265	4,213	4,124	4,124	6,572	4,289	4,289	4,460
Reconciling Items:											
Subsidies and grants for Capital expenditure	4,152	4,296	5,436	4,265	4,213	4,124	4,124	6,572	4,289	4,289	4,460
	4,152	4,296	5,436	4,265	4,213	4,124	4,124	6,572	4,289	4,289	4,460
Total Applications of Operating Funding from FIS	18,554	18,302	19,036	19,800	20,290	21,004	21,550	22,276	23,050	23,866	24,680
Total Expenditure per Statement of Comprehensive Income	27,550	27,496	28,621	29,619	30,324	31,493	32,243	33,204	34,230	35,239	36,274
Variance	8,996	9,194	9,585	9,819	10,034	10,490	10,693	10,928	11,180	11,373	11,594
Reconciling Items:											
Depreciation	8,996	9,194	9,585	9,819	10,034	10,490	10,693	10,928	11,180	11,373	11,594
	8,996	9,194	9,585	9,819	10,034	10,490	10,693	10,928	11,180	11,373	11,594

Section 111 of the Local Government Act 2002 specifically excludes information in the Funding Impact Statement from having to adhere to GAAP.

However, the presentation of the Funding Impact Statements must follow the form prescribed in the Local Government (Financial Reporting) Regulations 2011.

This reconciliation statement complies with the requirements of FRS 42 (paragraph 40)

* The subsidies and grants for 2011/12 Annual Plan of \$4152 and the total application of operating funding from the FIS of \$18554 are inconsistent with those shown in the overall Council FIS due to an error in the Annual Plan 2011/12

PROSPECTIVE BALANCE SHEET

For the year ended 30 June	Note	Annual Plan										Forecast
		2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	
EQUITY												
Accumulated Funds	2	457,659	458,795	460,442	461,204	461,707	461,898	461,939	464,197	464,219	464,112	464,007
Asset Revaluation Reserves	3	72,011	17,824	33,554	33,554	33,554	83,821	83,821	83,821	143,077	143,077	143,077
Reserves	3	3,713	4,008	4,374	4,647	5,021	5,400	5,782	6,168	6,559	6,954	7,354
TOTAL EQUITY		533,382	480,627	498,370	499,404	500,282	551,119	551,542	554,186	613,855	614,143	614,439
Represented by:												
CURRENT ASSETS												
Cash and Cash Equivalents	4	3,500	1,728	1,688	2,162	3,088	3,741	4,166	4,696	5,500	6,413	6,919
Trade and Other Receivables	5	2,650	3,751	3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020
Prepayments	6	60	20	20	20	20	20	20	20	20	20	20
Other Financial Assets	7	10	5	5	5	5	5	-	-	-	-	-
TOTAL CURRENT ASSETS		6,220	5,504	4,733	5,207	6,133	6,786	7,206	7,736	8,540	9,453	9,959
LESS CURRENT LIABILITIES												
Trade and Other Accounts Payable	9	3,600	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Employee Benefit Liabilities	10	210	200	200	200	200	200	200	200	200	200	200
Income in Advance	11	440	440	440	440	440	440	440	440	440	440	440
Current Portion of Term Debt	13	-	1,192	1,387	1,521	1,746	1,801	2,037	2,138	2,345	2,476	2,631
TOTAL CURRENT LIABILITIES		4,250	6,332	6,527	6,661	6,886	6,941	7,177	7,278	7,485	7,616	7,771
NET WORKING CAPITAL		1,970	(829)	(1,794)	(1,454)	(753)	(156)	29	458	1055	1,837	2,188
NON CURRENT ASSETS												
Plant and Property - Operational		22,996	22,233	22,556	22,284	21,823	23,142	22,630	22,089	23,090	22,426	21,775
Plant and Property - Infrastructural		514,761	462,539	485,062	488,989	490,010	541,918	543,228	548,871	608,748	611,526	614,401
Intangible Assets- Computer Software		45	236	235	235	234	234	233	232	232	232	231
Forestry - Biological Assets	8	-	268	268	268	268	268	268	268	268	268	268
Other Financial Assets	7	-	5,263	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
TOTAL NON CURRENT ASSETS		537,802	490,538	513,321	516,975	517,536	570,762	571,559	576,660	637,537	639,651	641,876
NON-CURRENT LIABILITIES												
Employee Benefit Liabilities	10	10	10	10	10	10	10	10	10	10	10	10
Provision for Landfills	12	547	484	464	464	464	464	464	464	464	464	464
Term Liabilities	13	5,833	8,588	12,684	15,642	16,027	19,013	19,572	22,459	24,264	26,871	29,150
TOTAL NON-CURRENT LIABILITIES		6,390	9,081	13,157	16,116	16,500	19,487	20,046	22,932	24,737	27,344	29,624
NET ASSETS		533,382	480,627	498,370	499,404	500,282	551,119	551,542	554,186	613,855	614,143	614,439

PROSPECTIVE CASHFLOW STATEMENT

For the year ended 30 June	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CASHFLOWS FROM OPERATING ACTIVITIES											
Cash was provided from:											
Revenue from Rates	16,617	17,670	18,847	19,918	20,287	21,137	21,621	22,144	23,033	23,805	24,423
Other Revenue	11,253	10,278	12,191	10,410	10,590	10,600	10,720	13,377	11,284	11,398	11,823
Interest Received	250	322	326	326	325	325	325	325	325	325	325
Dividends	3	-	-	-	-	-	-	-	-	-	-
GST	-	-	-	-	-	-	-	-	-	-	-
	28,123	28,270	31,364	30,653	31,203	32,062	32,667	35,847	34,643	35,528	36,571
Cash was disbursed to:											
Supplies, services and employees	17,524	18,006	18,115	18,573	19,055	19,558	20,048	20,567	21,201	21,827	22,471
Interest Paid	-	504	921	1,227	1,235	1,446	1,501	1,709	1,850	2,039	2,209
GST	-	-	-	-	-	-	-	-	-	-	-
Income tax Paid	-	-	-	-	-	-	-	-	-	-	-
	17,524	18,510	19,036	19,800	20,290	21,004	21,550	22,276	23,050	23,866	24,680
NET CASHFLOW FROM OPERATING ACTIVITIES	10,599	9,761	12,328	10,853	10,913	11,058	11,117	13,571	11,592	11,662	11,891
CASHFLOWS FROM INVESTING ACTIVITIES											
Cash was provided from:											
Proceeds from Asset Sales	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Investments	-	-	63	-	-	-	5	-	-	-	-
	-	-	63	-	-	-	5	-	-	-	-
Cash was disbursed to:											
Purchases of Investments	-	-	-	-	-	-	-	-	-	-	-
Purchases of Plant, Property and Equipment	17,429	14,236	16,721	13,472	10,596	13,448	11,491	16,029	12,800	13,487	13,820
Purchases of Intangibles	9	-	-	-	-	-	-	-	-	-	-
	17,438	14,236	16,721	13,472	10,596	13,448	11,491	16,029	12,800	13,487	13,820
NET CASHFLOW FROM INVESTING ACTIVITIES	(17,438)	(14,236)	(16,658)	(13,472)	(10,596)	(13,448)	(11,486)	(16,029)	(12,800)	(13,487)	(13,820)
CASHFLOWS FROM FINANCING ACTIVITIES											
Cash was provided from:											
Loans Raised	5,833	4,835	5,483	4,479	2,130	4,788	2,596	5,024	4,150	5,082	4,911
	5,833	4,835	5,483	4,479	2,130	4,788	2,596	5,024	4,150	5,082	4,911
Cash was disbursed to:											
Repayment of Public Debt	-	888	1,192	1,387	1,521	1,746	1,801	2,037	2,138	2,345	2,476
	-	888	1,192	1,387	1,521	1,746	1,801	2,037	2,138	2,345	2,476
NET CASHFLOW FROM FINANCING ACTIVITIES	5,833	3,947	4,291	3,093	609	3,043	795	2,987	2,012	2,738	2,435
Net increase (decrease) in Cash Held	(1,006)	(528)	(40)	474	926	653	426	530	804	913	506
Add Opening Cash brought forward	4,506	2,256	1,728	1,688	2,162	3,088	3,741	4,166	4,696	5,500	6,413
CLOSING CASH BALANCE	3,500	1,728	1,688	2,162	3,088	3,741	4,166	4,696	5,500	6,413	6,919
Closing Cash Balance made up of:											
Cash and Cash Equivalents	3,500	1,728	1,688	2,162	3,088	3,741	4,166	4,696	5,500	6,413	6,919

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Equity at 01 July	532,808	479,840	480,627	498,370	499,404	500,282	551,118	551,542	554,185	613,854	614,143
Total Comprehensive Income	573	787	17,742	1,034	879	50,836	424	2,643	59,669	289	296
Total Recognised Revenues and Expenses for the period	573	787	17,742	1,034	879	50,836	424	2,643	59,669	289	296
Equity at 30 June	533,381	480,627	498,370	499,404	500,282	551,118	551,542	554,185	613,854	614,143	614,439

NOTES TO THE FINANCIAL STATEMENTS

	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
1. RATES											
General Rates											
General Rates	714	1,481	1,126	1,139	1,239	1,332	1,348	1,396	1,411	1,541	1,541
UAGC	1,567	2,619	2,747	2,831	2,855	2,987	3,065	3,138	3,239	3,303	3,370
Rates attributable to activities											
Roading Rates	6,356	6,663	6,905	7,033	7,094	7,163	7,189	7,239	7,497	7,509	7,576
Library Rate	660	687	789	821	844	896	930	952	987	1,023	1,051
Solid Waste Uniform Charge	439	281	344	557	561	581	608	656	672	699	703
Wastewater	1,542	2,277	2,667	2,922	2,948	3,142	3,200	3,225	3,314	3,540	3,634
Water Supply	1,893	2,918	3,446	3,728	3,811	4,040	4,215	4,428	4,714	4,919	5,209
Stormwater and Drainage	562	701	778	839	881	941	1,006	1,050	1,137	1,205	1,271
Community	2,884	44	45	48	53	55	60	61	63	66	67
Total Rates	16,617	17,670	18,847	19,918	20,287	21,137	21,621	22,144	23,033	23,805	24,423
Percentage Increase/(Decrease)		6.34%	6.66%	5.68%	1.86%	4.19%	2.29%	2.42%	4.01%	3.35%	2.59%
2. ACCUMULATED FUNDS											
Opening Balance at 01 July	457,296	458,289	458,796	460,442	461,204	461,708	461,898	461,940	464,197	464,218	464,112
Net Surplus/(Deficit)	573	787	2,012	1,034	879	569	424	2,643	412	289	296
	457,869	459,076	460,808	461,476	462,082	462,276	462,322	464,583	464,609	464,507	464,408
Transfers to/(from) Accumulated Funds	(210)	(280)	(366)	(273)	(375)	(378)	(382)	(386)	(391)	(395)	(400)
Closing Balance at 30 June	457,658	458,796	460,442	461,204	461,708	461,898	461,940	464,197	464,218	464,112	464,008
3. RESERVES AND SPECIAL FUNDS											
Reserve and Special Funds											
Opening Balance at 01 July	3,503	3,728	4,008	4,374	4,647	5,021	5,400	5,782	6,168	6,559	6,954
Transfer (to) from Ratepayers Equity											
Contributions		250	325	325	325	325	325	325	325	325	325
Interest	210	30	41	48	50	53	57	61	66	70	75
Receipts		-	-	-	-	-	-	-	-	-	-
Withdrawals		-	-	(100)	-	-	-	-	-	-	-
Closing Balance at 30 June	3,713	4,008	4,374	4,647	5,021	5,400	5,782	6,168	6,559	6,954	7,354

NOTES TO THE FINANCIAL STATEMENTS

RESERVE & SPECIAL FUNDS

Name	Forecast Years 1-10			Closing Bal 2021/22 (\$000)	Name	Forecast Years 1-10			Closing Bal 2021/22 (\$000)
	Annual Plan 2011/12 (\$000)	Interest & Additions	Withdrawals			Annual Plan 2011/12 (\$000)	Interest & Additions	Withdrawals	
	Putorino Water Supply	14,917	15,410				30,327	Keep Taihape Beautiful	
Santoft Domain	65,198	67,352		132,550	Bulls Haylock Park Res.	22,600	27,008		49,608
H'ville Rural Water Supp Res.	160,614	166,227		326,841	Bulls Library Fund Haylock	1,937	1,684		3,621
McIntyre Recreation Res.	20,209	19,012		39,221	Revoked Res. Land Fund	240,237	-		240,237
Rural Housing Loan Reserve	150,828			150,828	Marton Marae	4,536	-		4,536
District Gen. Purpose Res.	2,422,368			2,422,368	Bulls Courthouse Reserve	6,780	-		6,780
Marton Land Subdiv. Res.	98,601	92,757		191,358	Aquatic Reserve	-	675,000		675,000
Rural Land Subdiv. Res.	152,895	142,365	100,000	195,260	Grand Total	3,713,259	3,726,422	100,000	7,339,680
Flood Damage (Roadworks)	303,756	2,500,000		803,756	Reprojection Adjustment 2012/13		14,700		14,700
Ratana Sewer Deprec. Res.	18,980	19,606		38,586		3,713,259	3,741,122	100,000	7,354,380

Purpose of the Reserves

Putorino Water Supply	To enable the local committee to have their water dam cleaned out every 10 years or so.
Santoft Domain	Funds are to be used for upgrading and maintenance at the Santoft Domain
H'ville Rural Water Supp Res.	This arose from capital contributions from scheme users for a future loop line.
McIntyre Recreation Res.	Remainder of lease money to be used for funding any deficit from maintenance or upgrades on this Reserve
Rural Housing Loan Reserve	Balance remaining from Rural Housing Loans scheme.
District Gen. Purpose Res.	In 1994/95 some 18 general purpose funds were amalgamated for the purpose of funding capital works.
Marton Land Subdiv. Res.	This is available to purchase or enhance recreational areas in Marton
Rural Land Subdiv. Res.	This is available to purchase or enhance recreational areas in rural areas
Flood Damage (Roadworks)	For the remediation of roading in the event of flood damage. Council has budgeted to increase this fund by \$250,000 per annum over the term of this LTP
Ratana Sewer Deprec. Res.	Formed by the Rangitikei County Council to offset costs for Ratana sewerage works
Keep Taihape Beautiful	Set up in 2003 and public donations accepted. Has been used for plants and Christmas lights and other events which enhance Taihape
Bulls Haylock Park Res.	For the upgrading and establishment of an additional reserve area at Haylock Park
Bulls Library Fund Haylock	Balance remaining from a bequest from Dr Haylock for the purchase of books
Revoked Res. Land Fund	Proceeds from the sale of designated land and forestry sales to be used for costs related to other designated land and buildings
Marton Marae	Public donations to be held until a Marton Marae project is undertaken
Bulls Courthouse Reserve	To be used for the upkeep of the building
Aquatic Reserve	An initiative from Council to set aside funds towards the eventual replacement of the District Pools. Budgeted to set aside \$75000 per annum over the term of this LTP commencing from year 2.

Schedule 10, Part 1, Clause 16 of the Local Government Act 2002 Amendment Act 2010 requires Council to show the purpose and activities for these funds. We show here the anticipated increases to the reserves in Year 1 and Year 10 of the Long Term Plan. Increases are mainly due to the accumulation of interest as well as the planned increases to the Flood Damage (Roadworks) reserve and the Aquatic Reserve. Council is unaware of any planned withdrawals, other than the single exception shown, from these funds over the term of the Long Term Plan. It is likely however, that major weather events will necessitate withdrawal from the Roothing Flood Damage reserve.

NOTES TO THE FINANCIAL STATEMENTS

	Annual Plan										Forecast
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
ASSET REVALUATION RESERVES											
Asset revaluation reserves consist of:											
Land	4,450	3,216	3,454	3,454	3,454	4,245	4,245	4,245	5,047	5,047	5,047
Buildings	4,140	4,575	4,895	4,895	4,895	5,819	5,819	5,819	6,605	6,605	6,605
Sewerage systems	6,466	597	1,524	1,524	1,524	4,555	4,555	4,555	7,805	7,805	7,805
Water systems	6,457	5,627	7,306	7,306	7,306	12,629	12,629	12,629	18,958	18,958	18,958
Stormwater network	3,726	2,321	2,732	2,732	2,732	4,033	4,033	4,033	5,564	5,564	5,564
Roading network	46,510	1,139	13,264	13,264	13,264	52,049	52,049	52,049	98,489	98,489	98,489
Solid Waste	69	82	111	111	111	224	224	224	341	341	341
Closing Balance at 30 June	71,818	17,557	33,287	33,287	33,287	83,554	83,554	83,554	142,810	142,810	142,810
Sinking Funds											
	-	-	-	-	-	-	-	-	-	-	-
Fair Value through Equity Reserve	193	267	267	267	267	267	267	267	267	267	267
TOTAL SINKING FUNDS AND RESERVES	75,724	21,832	37,928	38,200	38,575	89,220	89,603	89,989	149,636	150,031	150,432

Please note: The following adjustments have been made to the opening balances for the 2012/13 year based on actual results for 2010/11 which included asset revaluations.

	Ann Report	Open Bal	Variance	Close Bal	Reforecast
	2011	Annual Plan		Annual Plan	2012/13
		2012		2012	Open Bal
Accum Funds	457926	457296	630	457658	458289
Reserves	3518	3503	15	3713	3728
Asset Reval Reserves	17823	72011	-54188	72011	17823
	479267	532810	-53543	533382	479840
Cash	3262	4506	-1244	3500	2256
Receivables	3751	2650	1101	2650	3751
Prepayments	8	60	-52	60	8
Other Fin Assets	5	10	-5	10	5
Payables	-4867	-3600	-1267	-3600	-4867
Employee benefits	-177	-210	33	-210	-177
Inc in Advance	-307	-440	133	-440	-307
PPE Operational	22051	22755	-704	22996	22292
PPE Infrastructure	450272	507597	-57325	514761	457436
Intangibles	231	40	191	45	236
Forestry	268		268		268
Other Fin Assets	5263		5263		5263
Employee benefits	-8	-11	3	-10	-7
Prov for Landfills	-484	-547	63	-547	-484
Term Liabs			0	-5833	-5833
	479268	532810	-53542	533382	479840

NOTES TO THE FINANCIAL STATEMENTS

	Ann Report 2011	Open Bal Annual Plan 2012	Variance	Close Bal Annual Plan 2012	Reforecast 2012/13 Open Bal
Assets					
Land	8148	8705	-557	8705	8148
Buildings	12361	12060	301	11930	12231
P & V	743	1014	-271	1136	865
Office Equip	86	78	8	89	97
Computers	244	414	-170	595	425
Library	470	485	-15	541	526
	22052	22756	-704	22996	22292
Roads	387663	433415	-45752	434573	388821
Water	32731	35630	-2899	40494	37595
Wastewater	18489	25456	-6967	26581	19614
Stormwater	9963	11673	-1710	11709	9999
WTS	944	941	3	921	924
Remediation	482	482	0	482	482
	450272	507597	-57325	514760	457435
Software	231	40	191	45	236

	Annual Plan 2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	Forecast 2021/22 \$000
4. CASH AND CASH EQUIVALENTS											
Cash at Bank and in hand	3,500	1,728	1,688	2,162	3,088	3,741	4,166	4,696	5,500	6,413	6,919
Short Term Deposits maturing in 3 months or less											
Total Cash and Cash Equivalents	3,500	1,728	1,688	2,162	3,088	3,741	4,166	4,696	5,500	6,413	6,919
5. TRADE AND OTHER RECEIVABLES											
General debtors	2,290	3,231	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Rates Receivables	740	900	900	900	900	900	900	900	900	900	900
Related party receivables	-	-	-	-	-	-	-	-	-	-	-
Gross debtors and other receivables	3,030	4,131	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400
less Impairment of receivables	(380)	(380)	(380)	(380)	(380)	(380)	(380)	(380)	(380)	(380)	(380)
Total Debtors and Other Receivables	2,650	3,751	3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020	3,020
6. PREPAYMENTS											
Prepayments	60	20	20	20	20	20	20	20	20	20	20
Total Prepayments	60	20	20	20	20	20	20	20	20	20	20

NOTES TO THE FINANCIAL STATEMENTS

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Forecast 2021/22
	Annual Plan	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
7. Other Financial Assets											
Current portion of Other Financial Assets	10	5	5	5	5	5	-	-	-	-	-
Non Current portion of Other Financial Assets		5,263	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
Total Other Financial Assets	10	5,268	5,205	5,205	5,205	5,205	5,200	5,200	5,200	5,200	5,200
8. Forestry - Biological Assets											
Forestry - Biological Assets	-	268	268	268	268	268	268	268	268	268	268
Total Forestry - Biological Assets		268	268	268	268	268	268	268	268	268	268
9. Trade and Other Accounts Payable											
Trade and Other Accounts Payable	3,600	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Total Trade and Other Accounts Payable	3,600	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
10. Employee Benefit Liabilities											
Current Portion - Employee Benefit Liabilities	210	200	200	200	200	200	200	200	200	200	200
Non Current Portion - Employee Benefit Liabilities	10	10	10	10	10	10	10	10	10	10	10
Total Employee Benefit Liabilities	220	210	210	210	210	210	210	210	210	210	210
11. Income in Advance											
Income in advance	440	440	440	440	440	440	440	440	440	440	440
Total Income in Advance	440	440	440	440	440	440	440	440	440	440	440
12. Provision for Landfills											
Provision for landfills	547	484	464	464	464	464	464	464	464	464	464
Total Provision for landfills	547	484	464	464	464	464	464	464	464	464	464
13. Term Liabilities											
Current portion of Term Liabilities		1,192	1,387	1,521	1,746	1,801	2,037	2,138	2,345	2,476	2,631
Non Current portion of Term Liabilities	5,833	8,588	12,684	15,642	16,027	19,013	19,572	22,459	24,264	26,871	29,150
Total Term Liabilities	5,833	9,780	14,071	17,163	17,772	20,815	21,610	24,597	26,608	29,346	31,781
Balance as per Treasury	(5,833)	(9,780)	(14,071)	(17,163)	(17,772)	(20,815)	(21,610)	(24,597)	(26,608)	(29,346)	(31,781)
Repayment schedule		-	-	-	-	-	-	-	-	-	-
New Loans Raised		4,835	5,483	4,479	2,130	4,788	2,596	5,024	4,150	5,082	4,911
Repayments		888	1,192	1,387	1,521	1,746	1,801	2,037	2,138	2,345	2,476

PROSPECTIVE CAPITAL EXPENDITURE

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Forecast 2021/22
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
TOTAL CAPITAL EXPENDITURE										
Community Leadership	-	-	-	-	-	-	-	-	-	-
Roads and Transportation	6,961,290	8,046,157	6,758,758	7,170,386	7,025,568	7,031,261	11,161,594	7,318,625	7,325,325	7,617,117
Water Supply	3,598,642	4,004,221	2,934,126	1,815,044	2,452,599	2,509,163	2,991,501	3,288,939	2,357,237	3,580,838
Sewerage and the Treatment and Disposal of Sewage	2,220,770	3,252,785	2,133,208	291,334	2,596,539	500,412	498,644	810,833	2,542,460	1,079,037
Stormwater Drainage	456,162	544,943	560,100	586,789	503,524	658,371	592,397	617,958	560,925	814,319
Environment and Regulatory Services	25,000	-	-	-	-	-	-	-	-	-
Leisure and Community Assets	373,250	385,952	453,083	322,705	361,227	324,084	331,539	177,751	207,979	204,671
Rubbish and Recycling	59,000	5,500	222,506	7,894	26,611	21,511	16,436	15,798	14,148	14,148
Community Well-Being	7,000	126,420	-	-	-	-	-	-	-	-
Miscellaneous- Vehicles and Computers	535,000	355,401	410,034	401,525	482,166	446,250	436,394	570,025	478,804	509,624
	14,236,114	16,721,379	13,471,815	10,595,676	13,448,233	11,491,051	16,028,505	12,799,929	13,486,878	13,819,754
RENEWALS EXPENDITURE (TO REPLACE EXISTING ASSETS)										
Community Leadership	-	-	-	-	-	-	-	-	-	-
Roads and Transportation	6,090,000	6,093,007	6,096,507	6,489,436	6,342,637	6,346,155	10,449,434	6,603,778	6,607,917	6,871,479
Water Supply	1,447,230	2,718,911	2,124,284	1,207,706	2,119,674	2,146,768	2,204,101	2,399,319	1,415,485	2,519,941
Sewerage and the Treatment and Disposal of Sewage	495,770	1,059,794	695,708	291,334	465,819	500,412	498,644	810,833	1,386,710	1,079,037
Stormwater Drainage	289,811	372,135	386,999	436,445	345,774	491,800	415,384	428,618	357,132	593,666
Environment and Regulatory Services	-	-	-	-	-	-	-	-	-	-
Leisure and Community Assets	340,250	385,952	317,121	319,600	356,811	320,985	326,890	174,652	203,107	201,566
Rubbish and Recycling	29,000	5,500	2,506	7,894	26,611	21,511	16,436	15,798	14,148	14,148
Community Well-Being	7,000	126,420	-	-	-	-	-	-	-	-
Miscellaneous- Vehicles and Computers	535,000	355,401	410,034	401,525	482,166	446,250	436,394	570,025	478,804	509,624
	9,234,061	11,117,120	10,033,160	9,153,939	10,139,492	10,273,881	14,347,283	11,003,023	10,463,303	11,789,460
NEW CAPITAL (TO IMPROVE THE LEVEL OF SERVICE)										
Community Leadership	-	-	-	-	-	-	-	-	-	-
Roads and Transportation	871,290	1,953,150	662,251	680,950	682,930	685,106	712,161	714,848	717,408	745,639
Water Supply	2,151,412	1,285,310	809,842	607,338	332,925	362,395	787,400	889,620	941,752	1,060,898
Sewerage and the Treatment and Disposal of Sewage	1,725,000	2,192,991	1,437,500	-	2,130,720	-	-	-	1,155,750	-
Stormwater Drainage	166,351	172,808	173,101	150,343	157,750	166,571	177,013	189,340	203,793	220,653
Environment and Regulatory Services	25,000	-	-	-	-	-	-	-	-	-
Leisure and Community Assets	33,000	-	135,961	3,105	4,416	3,099	4,649	3,099	4,872	3,105
Rubbish and Recycling	30,000	-	220,000	-	-	-	-	-	-	-
Community Well-Being	-	-	-	-	-	-	-	-	-	-
	5,002,053	5,604,259	3,438,655	1,441,736	3,308,741	1,217,171	1,681,222	1,796,906	3,023,575	2,030,295
TOTAL CAPITAL EXPENDITURE	14,236,114	16,721,379	13,471,815	10,595,676	13,448,233	11,491,051	16,028,505	12,799,929	13,486,878	13,819,754

FUNDING IMPACT STATEMENT FOR 2012 TO 2022

	Annual Plan										Forecast
	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of Operating Funding											
General Rates, uniform annual general charges, rates penalties	4,731	4,319	4,099	4,201	4,340	4,571	4,672	4,787	4,910	5,112	5,191
Targeted Rates (other than a targeted rate for water supply)	11,299	13,631	15,038	16,015	16,255	16,883	17,275	17,693	18,468	19,050	19,600
Subsidies and grants for operating purposes	2,826	2,711	2,714	2,717	2,822	2,754	2,755	2,863	2,865	2,867	2,979
Fees, charges, and targeted rates for water supply	4,746	2,894	2,907	3,010	3,123	3,274	3,378	3,464	3,634	3,726	3,847
Interest and Dividends from Investments	250	322	326	326	325	325	325	325	325	325	325
Local authorities fuel tax, fines, infringement fees, and other receipts	120	110	115	121	127	133	139	145	153	161	170
Total Operating Funding	23,971	23,987	25,199	26,390	26,992	27,940	28,545	29,277	30,356	31,241	32,113
Applications of Operating Funding											
Payments to staff and suppliers	18,985	17,798	18,115	18,573	19,055	19,558	20,048	20,567	21,201	21,827	22,471
Finance Costs	443	504	921	1,227	1,235	1,446	1,501	1,709	1,850	2,039	2,209
Other operating funding applications											
Total Applications of Operating Funding	19,428	18,302	19,036	19,800	20,290	21,004	21,550	22,276	23,050	23,866	24,680
Surplus/(Deficit) of Operating Funding	4,544	5,685	6,163	6,589	6,702	6,937	6,995	7,001	7,306	7,375	7,433
Sources of Capital Funding											
Subsidies and grants for Capital expenditure	4,810	4,296	5,436	4,265	4,213	4,124	4,124	6,572	4,289	4,289	4,460
Development and financial contributions											
Increase (decrease) in debt	5,815	3,947	4,291	3,093	609	3,043	796	2,988	2,013	2,739	2,437
Gross proceeds from sale of assets											
Lump sum contributions											
Total Sources of Capital Funding	10,625	8,243	9,727	7,358	4,822	7,167	4,920	9,560	6,302	7,028	6,897
Applications of Capital Funding											
Capital Expenditure-											
-to meet additional demand											
-to improve the level of service	7,236	5,002	5,604	3,439	1,442	3,309	1,217	1,681	1,797	3,024	2,030
-to replace existing assets	10,048	9,234	11,117	10,033	9,154	10,139	10,274	14,347	11,003	10,463	11,789
Increase (decrease) in reserves	(2,116)	(308)	(831)	476	929	656	424	533	807	916	510
Increase (decrease) of investments											
Total Applications of Capital Funding	15,168	13,928	15,890	13,948	11,525	14,104	11,915	16,561	13,607	14,403	14,330
Surplus (deficit) of capital funding	(4,543)	(5,685)	(6,163)	(6,589)	(6,702)	(6,937)	(6,995)	(7,001)	(7,306)	(7,375)	(7,433)
Funding Balance	0	-	-	-	-	-	-	0	-	-	0
Depreciation*	8,996	9,194	9,585	9,819	10,034	10,490	10,693	10,928	11,180	11,373	11,594

These asterisked costs are additional to those shown above and not included in the total

This Funding Impact Statement has been developed based on the new District Wide rating system outlined in accordance with the Financial Strategy.

FUNDING IMPACT STATEMENT

GST Inclusive

Rate Types

Source	Categories	Legislation	Calculation Base	Rate in \$ GST Incl LTP 2012/13	Rate in \$ GST Incl LTP 2013/14	Rate in \$ GST Incl LTP 2014/15	Rate in \$ GST Incl LTP 2015/16	Rate in \$ GST Incl LTP 2016/17	Rate in \$ GST Incl LTP 2017/18	Rate in \$ GST Incl LTP 2018/19	Rate in \$ GST Incl LTP 2019/20	Rate in \$ GST Incl LTP 2020/21	Rate in \$ GST Incl LTP 2021/22
General Rate	on all Rating Units (excluding defence land)	Schedule 2.8	CV	0.000501	0.000381	0.000385	0.000419	0.000450	0.000456	0.000472	0.000477	0.000521	0.000521
	Defence Land	S 22	LV	0.000765	0.000581	0.000588	0.000640	0.000688	0.000696	0.000721	0.000728	0.000796	0.000796
	UAGC	S15 (1)(b)	fixed amount per rating unit	\$399.05	\$418.60	\$431.25	\$435.85	\$455.40	\$468.05	\$478.40	\$494.50	\$503.70	\$514.05

Targeted Rate

Community Services	Taihape Ward	Schedule 2.6	CV	0.000037	0.000038	0.000040	0.000046	0.000047	0.000049	0.000050	0.000052	0.000054	0.000055
	Ratana			0.001724	0.001791	0.001908	0.001913	0.001991	0.002395	0.002404	0.002487	0.002630	0.002650
	Defence	S22	LV	0.000048	0.000005	0.000052	0.000061	0.000063	0.000065	0.000066	0.000069	0.000072	0.000073

Targeted Rate

Solid Waste Disposal	Fixed Charge	S16(3)(a) & (4)(a)	fixed amount per rating unit	\$42.92	\$52.46	\$84.94	\$85.62	\$88.63	\$92.73	\$100.11	\$102.58	\$106.63	\$107.19
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Targeted Rate

Roading		Schedule 2.6	CV	0.002253	0.002335	0.002378	0.002399	0.002422	0.002431	0.002448	0.002535	0.002539	0.002562
	Defence Land	S 22	LV	0.003452	0.003578	0.003644	0.003676	0.003712	0.003725	0.003751	0.003884	0.003891	0.003925

Targeted Rates

Targeted Rate	District Wide	Schedule 2.5	Public Good	\$86.82	\$101.69	\$111.43	\$112.44	\$119.82	\$122.03	\$122.98	\$126.37	\$135.01	\$138.58
Wastewater (Sewage) Disposal (Note a remission policy applies for rating units)		Schedule 2.5	per number of water closets	\$423.42	\$495.99	\$543.46	\$548.39	\$584.38	\$595.16	\$599.81	\$616.34	\$658.45	\$675.91
		Schedule 2.5	20% Supply Charge within 20 mtrs connection	-	-	-	-	-	-	-	-	-	-

FUNDING IMPACT STATEMENT CONTINUED

GST Inclusive

Rate Types

Source	Categories	Legislation	Calculation Base	Rate in \$ GST Incl LTP 2012/13	Rate in \$ GST Incl LTP 2013/14	Rate in \$ GST Incl LTP 2014/15	Rate in \$ GST Incl LTP 2015/16	Rate in \$ GST Incl LTP 2016/17	Rate in \$ GST Incl LTP 2017/18	Rate in \$ GST Incl LTP 2018/19	Rate in \$ GST Incl LTP 2019/20	Rate in \$ GST Incl LTP 2020/21	Rate in \$ GST Incl LTP 2021/22
Targeted Rate													
Water Supply	District Wide	Schedule 2.5	Public Good per rating unit	\$123.63	\$146.02	\$157.98	\$161.47	\$171.17	\$178.59	\$187.61	\$199.74	\$208.42	\$220.71
	Connected (not Bulls or Mangaweka)	Schedule 2.5	fixed amount per rating unit	\$570.45	\$673.75	\$728.95	\$745.06	\$789.82	\$824.06	\$865.70	\$921.66	\$961.73	\$1,018.43
	Other Area Transitional Rate	Schedule 2.5	per number of connections	\$51.48	\$44.61	\$32.18	-	-	-	-	-	-	-
	Connected (not Bulls or Mangaweka)	Schedule 2.5	20% Supply Charge within 20 mtrs connection	-	-	-	-	-	-	-	-	-	-
	Extraordinary users	S19 (2)(a)	per cubic metre	\$2.47	\$2.47	\$2.47	\$2.47	\$2.47	\$2.47	\$2.47	\$2.47	\$2.47	\$2.47
	Bulls and Mangaweka Transitional Rate	Schedule 2.5	per number of connections	\$342.27	\$471.63	\$583.16	-	-	-	-	-	-	-
	Bulls Riverlands		per cubic metre	\$1.17	-	-	-	-	-	-	-	-	-
	Hunterville urban network	S19 (2)(a)	per cubic metre	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
	Hunterville Rural Water Supply	S19	per unit pa	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00
	Erewhon Water Supply	S19	per unit pa	\$140.05	\$140.05	\$140.05	\$140.05	\$140.05	\$140.05	\$140.05	\$140.05	\$140.05	\$140.05
	Omatane Water Supply	S19	per unit pa	\$57.25	\$57.25	\$57.25	\$57.25	\$57.25	\$57.25	\$57.25	\$57.25	\$57.25	\$57.25
	Putorino Water Supply	Schedule 2.5	LV	\$0.000570	\$0.000600	\$0.000620	\$0.000632	\$0.000647	\$0.000661	\$0.000675	\$0.000691	\$0.000708	\$0.000725
Targeted Rate													
Stormwater	Public Good	Schedule 2.5	per rating Unit	\$26.75	\$29.66	\$31.98	\$33.61	\$35.88	\$38.35	\$40.05	\$43.36	\$45.96	\$48.48
	District Wide	Schedule 2.5	per rating Unit	\$142.64	\$158.13	\$170.55	\$179.23	\$191.34	\$204.49	\$213.55	\$231.23	\$245.05	\$258.53
Library	Fixed Charge	S16(3)(a) & (4)(a)	fixed amount per rating unit	\$104.87	\$120.52	\$125.43	\$128.90	\$136.87	\$142.06	\$145.44	\$150.75	\$156.31	\$160.58

The transitional water rates are proposed for three years.

FUNDING IMPACT STATEMENT

GST Inclusive

Rate Types

Source	Categories	Legislation	Calculation Base	Revenue GST Incl LTP 2012/13	Revenue GST Incl LTP 2013/14	Revenue GST Incl LTP 2014/15	Revenue GST Incl LTP 2015/16	Revenue GST Incl LTP 2016/17	Revenue GST Incl LTP 2017/18	Revenue GST Incl LTP 2018/19	Revenue GST Incl LTP 2019/20	Revenue GST Incl LTP 2020/21	Revenue GST Incl LTP 2021/22
General Rate	on all Rating Units (excluding defence land)	Schedule 2.8	CV	1,697,430	1,289,653	1,305,355	1,420,019	1,526,083	1,545,078	1,599,181	1,616,273	1,765,862	1,766,099
	Defence Land	S 22	LV	6,180	4,695	4,752	5,170	5,556	5,625	5,822	5,884	6,429	6,430
	UAGC	S15 (1)(b)	fixed amount per rating unit	3,008,438	3,155,825	3,251,194	3,285,873	3,433,261	3,528,629	3,606,658	3,728,036	3,797,394	3,875,423

Targeted Rate

Community Services	Taihape Ward	Schedule 2.6	CV	35,766	37,080	38,923	45,113	46,664	48,691	49,480	51,149	53,425	54,487
	Ratana			14,615	15,176	16,164	16,204	16,865	20,287	20,356	21,060	22,264	22,432
	Taihape Defence	S 22	LV	13	13	14	16	17	18	18	19	19	20

Targeted Rate

Solid Waste Disposal	Fixed Charge	S16(3)(a) & (4)(a)	fixed amount per rating unit	323,552	395,468	640,390	645,474	668,192	699,107	754,727	773,344	803,875	808,118
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Targeted Rate

Roading		Schedule 2.6	CV	7,634,138	7,912,134	8,058,563	8,128,093	8,207,440	8,237,373	8,294,519	8,589,805	8,603,612	8,680,367
	Defence Land	S 22	LV	27,895	28,910	29,446	29,700	29,990	30,099	30,308	31,387	31,437	31,718

Targeted Rates

Targeted Rate	District Wide	Schedule 2.5	per number of Water closets	1,963,508	2,300,011	2,520,175	2,543,004	2,709,902	2,759,894	2,781,474	2,858,144	3,053,417	3,134,343
Wastewater (Sewage) Disposal (Note a remission policy applies for rating units)		Schedule 2.5	Public Good	654,503	766,670	840,058	847,668	903,301	919,965	927,158	952,715	1,017,806	1,044,781
		Schedule 2.5	20% Supply Charge within 20 mtrs connection	0	0	0	0	0	0	0	0	0	0

FUNDING IMPACT STATEMENT CONTINUED

GST Inclusive

Rate Types

Source	Categories	Legislation	Calculation Base	Revenue GST Incl LTP 2012/13	Revenue GST Incl LTP 2013/14	Revenue GST Incl LTP 2014/15	Revenue GST Incl LTP 2015/16	Revenue GST Incl LTP 2016/17	Revenue GST Incl LTP 2017/18	Revenue GST Incl LTP 2018/19	Revenue GST Incl LTP 2019/20	Revenue GST Incl LTP 2020/21	Revenue GST Incl LTP 2021/22
Targeted Rate													
Water Supply	District Wide	Schedule 2.5	Public Good per rating unit	932,028	1,100,808	1,190,998	1,217,316	1,290,450	1,346,390	1,414,419	1,505,847	1,571,313	1,663,957
	Connected (not Bulls or Mangaweka)	Schedule 2.5	fixed amount per rating unit	1,977,181	2,335,226	2,526,553	3,165,022	3,355,171	3,500,614	3,677,490	3,915,202	4,085,413	4,326,288
	Other Area Transitional Rate	Schedule 2.5	per number of connections	178,437	158,062	114,008							
	Connected (not Bulls or Mangaweka)	Schedule 2.5	20% Supply Charge within 20 metres	0	0	0	0	0	0	0	0	0	0
	Extraordinary users	S19 (2)(a)	per cubic metre	562,097	619,991	668,975	687,544	722,218	752,232	787,424	853,226	897,482	938,096
	Bulls and Mangaweka Transitional Rate	Schedule 2.5	per number of connections	267,655	368,812	456,033							
	Bulls Riverlands		per cubic metre										
	Hunterville urban network	S19 (2)(a)	per cubic metre	303,220	324,458	343,486	344,883	349,096	357,958	369,002	374,733	382,222	386,891
	Hunterville Rural Water Supply	S19	per unit pa	604,096	649,630	663,102	698,972	744,232	798,506	808,082	824,587	846,457	865,629
	Erewhon Water Supply	S16	per unit pa	202,796	213,592	227,186	235,010	248,725	263,099	272,379	306,200	325,441	336,581
	Omatane Water Supply	S16	per unit pa	29,596	29,544	29,629	29,449	29,248	29,363	28,710	28,836	29,241	29,044
	Putorino Water Supply	S16	LV	3,433	3,611	3,733	3,804	3,893	3,978	4,064	4,160	4,259	4,362
Targeted Rate													
Stormwater	District Wide	Schedule 2.5	per rating Unit	604,995	670,714	723,391	760,208	811,569	867,357	905,765	980,746	1,039,366	1,096,547
	Public Good	Schedule 2.5	per rating Unit	201,665	223,571	241,130	253,403	270,523	289,119	301,922	326,916	346,457	365,518
Library	Fixed Charge	S16(3)(a) & (4)(a)	fixed amount per rating unit	789,575	907,372	944,336	970,500	1,030,509	1,069,534	1,095,005	1,134,988	1,176,852	1,209,042
				22,022,811	23,511,030	24,837,596	25,332,446	26,402,905	27,072,916	27,733,961	28,883,256	29,860,042	30,646,172
Less charges for Metered Water				1,469,413	1,594,079	1,675,563	1,731,398	1,815,546	1,908,697	1,964,507	2,052,546	2,126,160	2,190,616
Less Fixed charges for private water schemes				235,825	246,747	260,548	268,263	281,865	296,440	305,153	339,196	358,941	369,987
Total Rates GST Inc				20,317,573	21,670,204	22,901,485	23,332,785	24,305,494	24,867,779	25,464,301	26,491,514	27,374,941	28,085,569
Total Rates GST Excl				17,667,455	18,843,656	19,914,335	20,289,378	21,135,212	21,624,156	22,142,870	23,036,099	23,804,296	24,422,234
UAC Percentage				24.26%	24.70%	25.33%	25.35%	25.57%	25.95%	26.17%	26.21%	26.17%	26.19%

The transitional water rates are proposed for three years.

GENERAL AND COMMUNITY RATE

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Projected 2021/22
The General Rate	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<i>funds the following Activities:-</i>										
Community Wellbeing	856	884	919	930	957	989	1,010	1,018	1,048	1,063
Environment and Regulatory	803	938	979	985	1,018	1,059	1,060	1,088	1,126	1,145
Forestry/Treasury	(155)	(669)	(735)	(650)	(617)	(678)	(644)	(663)	(603)	(625)
Leisure & Community Assets	258	260	272	280	288	303	303	310	326	325
Roads and Transportation	6,663	6,905	7,033	7,094	7,163	7,189	7,239	7,497	7,509	7,576
Less Rates Penalties	(280)	(288)	(296)	(305)	(315)	(324)	(333)	(343)	(354)	(366)
	8,144	8,031	8,172	8,333	8,495	8,538	8,635	8,908	9,051	9,117

Some of the activities which are part of the Leisure and Community Group are funded from the UAGC.
This note shows only the portion relating to the General Rate.

Community Services Rate

funds the following Activities:-

Taihape Community Board	36	37	39	45	47	49	49	51	53	55
Ratana Community Board	15	15	16	16	17	20	20	21	22	22
	50	52	55	61	64	69	70	72	76	77

COMPARISON TO THE RATE TYPES AND RATE IN THE DOLLAR FROM THE 2011/12 ANNUAL PLAN

Funding Impact Statement

GST Inclusive

Rate Types

Source	Categories	Legislation	Calculation Base	Rate in \$
General Rate	on all Rating Units (excluding Defence Land)	Schedule 2.8	CV	0.000193
	Defence Land	S 22	LV	0.000268
	UAGC	S15 (1)(b)	per portion of a rating unit	\$239.00
Targeted Rate				
Solid Waste Disposal	Fixed Charge	S16(3)(a) & (4)(a)	per portion of a rating unit	\$67.00
Targeted Rate				
Roading		Schedule 2.6	CV	0.001715
	Defence Land	S 22	LV	0.002388
Targeted Rates				
Community Services	Marton Non-Commercial	Schedule 2.1& 5	CV	0.001207
	Marton Commercial	Schedule 2.1& 6	CV	0.00195
	Taihape Non - Commercial	Schedule 2.1& 5	CV	0.002846
	Taihape Commercial	Schedule 2.1& 6	CV	0.00355
	Taihape Rural	Schedule 2.1& 6	CV	0.000108
	Defence-Taihape Rural	S 22	LV	0.000032
	Bulls Non Commercial	Schedule 2.1& 6	CV	0.000978
	Bulls Commercial	Schedule 2.1& 6	CV	0.001735
	Defence Land Bulls	S 22	LV	0.003359
	Hunterville Non Commercial	Schedule 2.1& 6	CV	0.003812
	Hunterville Commercial	Schedule 2.1& 6	CV	0.005003
	Ratana	Schedule 2.6	CV	0.000869
	Rural General	Schedule 2.6	CV	0.000082
	Defence -Rural General	S 22	LV	0.000174
	District Wide	S16(3)(a)	CV	0.000123
	Defence -District Wide	S 22	LV	0.000166
	Marton Ward	Schedule 2.1& 6	CV	0.00008
Targeted Rate				
Wastewater (Sewage) Disposal	Marton network area	Schedule 2.5	per number of Water closets	\$326.00
(Note a remission policy applies for rating units)	Taihape network area	Schedule 2.5	per number of Water closets	\$357.00
	Bulls network area	Schedule 2.5	per number of Water closets	\$246.00
	Koitiata network area	Schedule 2.5	per number of Water closets	\$597.00
	Mangaweka network area	Schedule 2.5	per number of Water closets	\$597.00
	Hunterville network area	Schedule 2.5	per number of Water closets	\$591.00
	Ratana network area	Schedule 2.5	per number of Water closets	\$596.00

COMPARISON TO THE RATE TYPES AND RATE IN THE DOLLAR FROM THE 2011/12 ANNUAL PLAN CONTINUED

Funding Impact Statement
GST Inclusive
Rate Types

Source	Categories	Legislation	Calculation Base	Rate in \$
Targeted Rate				
Water Supply	Marton network area	Schedule 2.5	per portion of a rating unit	\$630.00
		S19 (2)(a)	per cubic metre	\$1.52
	Taihape network area	Schedule 2.5	per portion of a rating unit	\$630.00
		S19 (2)(a)	per cubic metre	\$2.05
				\$1.00
	Bulls network area	S19 (2)(a)	per cubic metre	\$1.57
	Bulls Riverlands		per cubic metre	\$1.17
	Mangaweka network area	S19 (2)(a)	per cubic metre	\$3.00
	Hunterville urban network	S19 (2)(a)	per cubic metre	\$3.00
	Ratana network area	Schedule 2.5	per portion of a rating unit	\$630.00
		S19 (2)(a)	per cubic metre	\$1.68
	Hunterville Rural Water Supply	S19	per unit pa	\$194.56
	Erewhon Rural Water Supply	S19	per unit pa	\$140.05
	Omatane Rural Water Supply	S19	per unit pa	\$57.25
	Putorino water supply	Schedule 2.5	LV	0.000135
Targeted Rate				
Stormwater	Marton area	Schedule 2.5	per rating Unit	\$131.00
		Schedule 2.5	per rating Unit	\$229.00
		Schedule 2.5	per rating Unit	\$94.00
		Schedule 2.5	per rating Unit	\$229.00
		Schedule 2.5	per rating Unit	\$229.00
		Schedule 2.5	per rating Unit	\$194.00
Land Drainage	Class A Land	Schedule 2.6	LV	0.000047
Rakataua	Class B Land	Schedule 2.6	LV	0.000024
Hunterville Stormwater Improvement	Hunterville area	Schedule 2.5	per rating Unit	\$80.20
Library	Fixed Charge	S16(3)(a) & (4)(a)	per portion of a rating unit	\$100.90
Southern Water Supply	Bulls, Turakina Marton Wards	Schedule 2.5	CV	
Taihape Main Street Development	Taihape Commercial	Schedule 2.6	CV	0.000968
	Taihape Non -commercial	Schedule 2.6	CV	0.000206
	Taihape Ward	Schedule 2.6	CV	0.00002

COMPARISON TO THE RATE TYPES AND RATE IN THE DOLLAR FROM THE 2011/12 ANNUAL PLAN CONTINUED

Funding Impact Statement

GST Inclusive

Rate Types

Source	Categories	Legislation	Calculation Base	Rate in \$
New Targeted Rates				
Taihape/Napier Road	Taihape/Napier Rd Rating Units	Schedule 2.6	CV	0.000202
	Taihape Ward	Schedule 2.6	CV	0.000075
	District Wide	Schedule 2.6	CV	0.000024
	Defence Erewhon	S 22	LV	0.000209
	Defence District Wide	S 22	LV	0.000064
Scotts Ferry Roading	Scotts Ferry residential	Schedule 2.6	CV	0.000504
	Bulls Ward (excl Scotts Ferry)	Schedule 2.6	CV	0.000006
	Defence (Bulls Ward)	S 22	LV	0.000009
Astroturf	Marton Town 40%	Schedule 2.6	CV	0.000084
	Bulls Ward 15%	Schedule 2.6	CV	0.000033
	Marton Ward 30%	Schedule 2.6	CV	0.000018
	District Wide 15%	Schedule 2.6	CV	0.000005
	Defence Bulls Ward	S 22	LV	0.000024
Bulls Undergrounding	Bulls Community	Schedule 2.6	CV	0.000137
	Defence Bulls Comm	S 22	LV	0.000469
	Bulls Ward (excl Bulls Community)	Schedule 2.6	CV	0.000003
	Defence Bulls Ward	S 22	LV	0.000041
	District Wide (excl Bulls Ward)	Schedule 2.6	CV	0.000005
	Defence District Wide	S 22	LV	0.000007
Utilities Cap	Non Connected Properties			
	Water		per portion of a rating unit	\$76.07
	Wastewater		per portion of a rating unit	\$7.04
	Stormwater		per portion of a rating unit	\$12.95
	Connected Properties			
	Water		CV	0.000537
	Wastewater		CV	0.000069
	Stormwater		CV	0.000117
	Defence Water Cap		LV	0.001549
	Defence Wastewater Cap		LV	0.000186
	Defence Stormwater Cap		LV	0.000338

Examples of the Impacts of the Council's Rating Proposals (as required by the Local Government Act 2002 Schedule 10 Clause 15(5))

These examples are the sample set of ratepayers used by Council in modelling impacts of rating scenarios. A few properties have been excluded because their distinctive character would be likely to make the identity of their owner known

Location	New Land Value	New Capital Value	Proposed 2012/13	Actual 2011/12	Difference	Percentage
KOITIATA						
Koitiata	71,000	205,000	1,349	1,047	302	28.77%
Koitiata	71,000	144,000	1,181	889	293	32.86%
Koitiata	71,000	136,000	1,159	867	292	33.61%
Koitiata	71,000	104,000	1,070	781	289	37.00%
TAIHAPE COMMERCIAL						
Taihape	215,000	550,000	3,918	6,024	(2,106)	(34.95%)
Taihape	90,000	250,000	3,081	3,818	(737)	(19.30%)
Taihape	180,000	290,000	2,769	3,204	(435)	(13.57%)
Taihape	72,000	200,000	2,518	3,093	(575)	(18.60%)
Taihape	43,000	155,000	2,392	2,763	(371)	(13.41%)
Taihape	72,000	123,000	2,303	2,542	(239)	(9.41%)
Taihape	117,000	480,000	3,299	5,152	(1,853)	(35.96%)
TAIHAPE NON-COMMERCIAL						
Taihape	52,000	295,000	2,783	3,448	(665)	(19.28%)
Taihape	52,000	190,000	2,490	3,036	(546)	(17.97%)
Taihape	61,000	175,000	4,028	4,047	(19)	(0.47%)
Taihape	1,500	103,000	2,247	2,176	71	3.26%
Taihape	26,000	130,000	2,323	2,624	(301)	(11.45%)
Taihape	25,000	88,000	2,205	2,270	(65)	(2.88%)
Taihape	1,000	39,000	2,069	1,829	240	13.13%
Taihape	18,000	40,000	2,071	1,976	95	4.81%
HUNTERVILLE COMMERCIAL						
Hunterville	60,000	390,000	2,424	4,889	(2,465)	(50.42%)
Hunterville	65,000	335,000	3,543	6,311	(2,768)	(43.86%)
Hunterville	43,000	245,000	2,025	3,604	(1,579)	(43.81%)
Hunterville	40,000	51,000	1,491	1,798	(307)	(17.06%)
Hunterville	10,000	40,000	1,318	1,665	(347)	(20.86%)
HUNTERVILLE NON-COMMERCIAL						
Hunterville	95,000	270,000	2,094	3,141	(1,047)	(33.32%)
Hunterville	31,000	210,000	1,928	2,626	(698)	(26.58%)
Hunterville	21,000	114,000	1,664	2,085	(421)	(20.20%)
Hunterville	14,000	115,000	1,101	1,164	(63)	(5.41%)
Hunterville	16,000	87,000	1,590	1,901	(311)	(16.34%)
Hunterville	12,000	58,000	944	811	133	16.33%

Location	New Land Value	New Capital Value	Proposed 2012/13	Actual 2011/12	Difference	Percentage
BULLS NON-COMMERCIAL						
Bulls	95,000	600,000	8,190	7,369	822	11.15%
Bulls	97,000	250,000	2,375	2,026	349	17.21%
Bulls	67,000	200,000	2,237	1,728	509	29.45%
Bulls	63,000	155,000	2,113	1,557	556	35.73%
Bulls	53,000	150,000	2,099	1,627	472	29.04%
Bulls	46,000	150,000	2,099	1,532	567	37.00%
Bulls	56,000	123,000	2,025	1,712	313	18.29%
Bulls	63,000	80,000	1,907	1,308	599	45.80%
RATANA						
Ratana	12,000	124,000	2,515	2,331	184	7.90%
Ratana	12,000	72,000	2,282	2,097	185	8.81%
Ratana	12,000	63,000	2,242	2,064	178	8.61%
Ratana	12,000	52,000	2,193	2,024	169	8.34%
RURAL NORTH OVER \$1,000,000 CV						
Erewhon	7,350,000	8,700,000	26,700	30,404	(3,704)	(12.18%)
Erewhon	5,200,000	5,750,000	16,828	19,431	(2,603)	(13.40%)
Erewhon	3,925,000	4,775,000	14,654	16,385	(1,731)	(10.56%)
Erewhon	2,850,000	3,675,000	11,038	12,274	(1,236)	(10.07%)
Ruanui	1,450,000	2,075,000	7,121	7,723	(602)	(7.79%)
Awarua	1,250,000	1,650,000	5,935	6,010	(75)	(1.25%)
Te Kapua	820,000	1,125,000	3,923	3,918	5	0.14%
RURAL NORTH OVER \$200,000 - \$1,000,000						
Erewhon	530,000	630,000	2,542	2,538	4	0.17%
Kiwitea	340,000	460,000	2,068	1,891	177	9.35%
Awarua	200,000	400,000	1,900	1,432	468	32.66%
Ruanui	29,000	265,000	1,523	1,107	416	37.52%
RURAL NORTH UNDER \$200,000						
Awarua	15,000	215,000	1,384	989	395	39.95%
Ohingaiti	6,500	62,000	957	642	315	49.11%
MANGAWEKA						
Mangaweka	14,000	106,000	1,982	2,072	(90)	(4.35%)
Mangaweka	14,000	82,000	1,915	1,801	114	6.34%
Mangaweka	14,000	57,000	1,845	1,577	268	16.97%
Mangaweka	14,000	31,000	1,773	1,533	240	15.64%

Location	New Land Value	New Capital Value	Proposed 2012/13	Actual 2011/12	Difference	Percentage
MARTON COMMERCIAL						
Marlon	88,000	465,000	5,755	6,052	(297)	(4.91%)
Marlon	63,000	330,000	4,723	4,994	(271)	(5.43%)
Marlon	40,000	185,000	2,469	2,393	76	3.17%
Marlon	85,000	160,000	2,400	2,275	125	5.50%
Marlon	54,000	160,000	3,222	3,044	178	5.84%
Marlon	58,000	100,000	2,447	2,149	298	13.86%
MARTON INDUSTRIAL						
Marlon	185,000	850,000	4,724	5,331	(607)	(11.39%)
Marlon	80,000	1,475,000	7,927	9,145	(1,218)	(13.32%)
Marlon	72,000	590,000	3,585	3,887	(302)	(7.77%)
MARTON NON-COMMERCIAL						
Marlon	86,000	390,000	3,034	3,130	(96)	(3.06%)
Marlon	86,000	405,000	3,075	3,190	(115)	(3.60%)
Marlon	76,000	270,000	2,703	2,631	72	2.73%
Marlon	60,000	220,000	2,566	2,412	154	6.40%
Marlon	77,000	190,000	2,483	2,252	231	10.25%
Marlon	38,000	140,000	1,922	1,861	61	3.26%
Marlon	70,000	150,000	2,373	2,132	241	11.29%
Marlon	60,000	140,000	2,345	2,092	253	12.07%
Marlon	50,000	141,000	2,348	2,084	264	12.65%
Marlon	50,000	100,000	2,235	1,977	258	13.07%
Marlon	30,000	100,000	2,235	1,941	294	15.16%
Marlon	22,000	83,000	2,188	1,873	315	16.82%
Marlon	27,000	55,000	2,111	1,809	302	16.69%
BULLS COMMERCIAL						
Bulls	410,000	550,000	4,947	4,958	(11)	(0.23%)
Bulls	110,000	1,000,000	4,652	5,526	(874)	(15.81%)
Bulls	126,000	430,000	2,870	2,647	223	8.44%
Bulls	180,000	325,000	3,128	2,551	577	22.64%
Bulls	83,000	210,000	2,265	1,842	423	22.94%
Bulls	155,000	180,000	2,182	1,768	414	23.42%

Location	New Land Value	New Capital Value	Proposed 2012/13	Actual 2011/12	Difference	Percentage
RURAL SOUTH OVER \$800,000						
Rangitoto	16,150,000	18,500,000	57,197	61,346	(4,149)	(6.76%)
Rangitoto	15,100,000	16,350,000	47,995	52,494	(4,499)	(8.57%)
Rangatira	7,350,000	10,500,000	30,792	34,497	(3,705)	(10.74%)
Rangatira	3,325,000	3,550,000	9,776	11,110	(1,334)	(12.01%)
Porewa	2,075,000	2,575,000	7,875	8,280	(405)	(4.89%)
Whangaehu	2,025,000	2,825,000	9,110	9,146	(36)	(0.39%)
Porewa	2,075,000	2,575,000	8,969	9,006	(37)	(0.41%)
Pukepapa	1,475,000	1,750,000	5,603	5,836	(233)	(3.99%)
Pukepapa	690,000	1,095,000	4,552	5,201	(649)	(12.48%)
Porewa	850,000	1,110,000	3,841	3,836	5	0.13%
RURAL SOUTH OVER \$250,000 - \$800,000						
Porewa	230,000	600,000	2,436	1,842	594	32.26%
Pukepapa	108,000	375,000	2,426	2,133	293	13.74%
RURAL SOUTH UNDER \$250,000						
Scotts Ferry	50,000	155,000	1,211	997	214	21.45%
Scotts Ferry	50,000	120,000	1,114	824	291	35.28%
Scotts Ferry	50,000	100,000	1,059	797	262	32.91%
Otakapu	23,000	131,000	1,145	781	364	46.53%
Otakapu	123,000	132,000	363	397	(34)	(8.54%)
Rangitoto	23,000	55,000	935	688	247	35.97%
RURAL LARGE DAIRY/PASTORAL						
Otairi	1,109,000	1,519,000	4,967	5,001	(34)	(0.68%)
Whangaehu	1,100,000	1,225,000	4,157	4,415	(258)	(5.85%)
Rangatira	2,300,000	3,125,000	9,389	9,521	(132)	(1.38%)
Rangatira	5,500	9,000	25	26	(1)	(2.91%)
Rangatira	1,950,000	2,500,000	7,668	7,786	(118)	(1.51%)
Porewa	950,000	1,500,000	4,915	4,836	79	1.64%
RURAL SOUTH INDUSTRIAL						
Porewa	275,000	4,825,000	14,681	20,922	(6,241)	(29.83%)
Rangitoto	270,000	2,600,000	7,944	8,150	(206)	(2.53%)

DEFINITION OF SEPARATELY USED OR INHABITED PART (SUIP) OF A RATING UNIT⁸³

The Local Government (Rating) Act 2002 introduced two new provisions in respect of the way that uniform or annual charges may be set. Section 15 of the Act refers to Uniform Annual Charges:

15 Uniform Annual Charges

1. A local authority may set a uniform annual general charge for all rateable land within its district, being
 - a) fixed amount per rating unit; or
 - b) a fixed amount per separately used or inhabited part of a rating unit.

Schedule 3 of the Act sets out the basis or factors upon which Council can set targeted rates. Clause 7 of this states that one factor is “the number of separately used or inhabited parts of the rating unit”.

The effect of these two provisions is to give Council the power to charge more than one set of uniform charges to every rating unit, depending on how that unit is used or inhabited.

The Act does not define “separately used or inhabited”. Council adopted a definition of “separately used or inhabited” at the Finance Committee’s meeting on the 26th June 2003.

Rates Set on Rating Units with Multiple Uses

The following is Council’s policy relating to the definition of what constitutes separate use or habitation for the purposes of assessing Uniform Charges on each separate rating unit.

OBJECTIVE

The objective of this policy is to recognise that many properties with two or more uses would be rated inequitably in some cases where the owner resides on the same rating unit.

That in situations where a rating unit contains both a commercial operation and residential accommodation, they be treated as two separate uses and be assessed two sets of charges except where the owner of the commercial operation resides on the same rating unit.

Where a number of different businesses are located in one rating unit, then each separate business would be assessed uniform charges. An exception is made for motels, hotels, etc, which are treated as one business use even if each accommodation unit may be capable of separate habitation.

Where rating units contain separate habitable dwellings that are capable of independent habitation (i.e. have all the facilities such as bathroom, toilets, kitchens, reticulated power, separate entrance ways, etc) then each separate dwelling would be assessed uniform charges.

CONDITIONS AND CRITERIA

For those rating units where the owner of the rating unit resides on the rating unit and operates a business or businesses from the same rating unit, they will be assessed only one Uniform Annual General Charge and only one Uniform Charge for any targeted rate, provided that, in relation to uniform charges for water and sewer targeted rates, there is only one connection to each of the water supply and sewer networks.

⁸³ Clause 15(3)(b)(ii) Schedule 10 of the Local Government Act 2002 requires this definition to be stated as part of the Funding Impact Statement.

STATEMENT OF ACCOUNTING POLICIES

The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the LTP is to provide users with information about the services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of the Council.

GENERAL ACCOUNTING POLICIES

Reporting Entity

The Rangitikei District Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand. The Council was originally formed in November 1989 by the amalgamation of the Rangitikei County Council, Marton Borough Council and Taihape Borough Council, along with parts of the KIWITEA and Taupo County Councils. These prospective financial statements are for the Council alone as a separate legal entity.

The primary objectives of Rangitikei District Council are to provide goods and services for the community for the social benefit of the community rather than making a financial return. Accordingly Rangitikei District Council has designated itself and the group

as Public Benefit Entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZIFRS).

These prospective financial statements are for the 10 years ended 30 June 2022, and are authorised for issue by the Council on 28 June 2012. Actual financial results for the periods covered are likely to vary from the information presented in this Plan, and the variations may be material.

The Council manages, and reports to the residents of the District on the following operations:

Significant Activities

- Community Leadership
- Roothing and footpaths
- Water supply
- Sewerage and the treatment and disposal of sewage
- Stormwater
- Community and leisure Assets
- Rubbish and recycling
- Environmental and regulatory Services
- Community well-being

Basis of Preparation

In September 2011, the External Reporting Board issued a position paper and consultation papers proposing a new external reporting framework for public benefit entities (PBEs). The papers proposed that accounting standards for PBEs would be based on International Public Sector Accounting Standards, modified as necessary. The proposals

in these papers do not provide certainty about any specific requirements of future accounting standards. Therefore, the accounting policies on which the forecast information for 2012-22 has been prepared are based on the current New Zealand equivalents to International Financial Reporting Standards.

The measurement base adopted is that of historical cost, modified by the revaluation of land and buildings, biological assets and certain infrastructural assets and certain financial instruments. Inflation factors have been applied to years after 2013/14. Reliance is placed on the fact that sufficient funds are available or will be received to maintain current operations at their current level. Accrual accounting is used to match costs of services provided against revenue.

These financial statements have been prepared in accordance with generally accepted accounting principles, with one exception. That exception is the Funding Impact Statements because they do not include depreciation. That exclusion is required by the Local Government Financial Regulations 2011. The financial statements fulfil the requirements of the Local Government Act 2002, comply with FRS 42 Prospective Financial Statements, and other applicable financial reporting standards, as appropriate to public benefit entities.

These accounting policies have been consistently applied to all periods presented in these financial statements.

The financial statements are presented in New Zealand dollars, and all values are rounded to the

nearest thousand dollars. The functional currency of the financial statements is New Zealand dollars.

There are no standards, interpretations and amendments that have been issued, but are not yet effective, that Rangitikei District Council has not applied.

Foreign currency transactions are translated into New Zealand dollars at the exchange rate ruling at the date of the transaction. Any foreign exchange gains or losses resulting are shown in the Surplus or deficit.

PARTICULAR ACCOUNTING POLICIES

Trade and Other Receivables

Accounts Receivable are stated at their fair value and subsequently measured at amortised cost using the effective interest method, after providing for the impairment of receivables. An estimate of impairment is made when collection of the full amount is no longer probable. Bad Debts are written off when identified.

Creditors and Other Payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Revenue

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

Rates revenue is recognised when levied.

Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year end, are accrued on an average usage basis. New Zealand Transport Agency roading subsidies

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

Grants are recognised as income when the entitlement has been established by the grantor agency. Grants received are recorded as current liabilities to the extent that they have not been paid out.

Interest earnings are recognised using the effective interest method. Dividend earnings are recognised on an accrual basis net of imputation credits.

Sales of goods are recognised when the products are sold to the customer.

When a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue.

Borrowings and Borrowing Costs

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant Expenditure

Non-discretionary grants (those grants that Rangitikei District Council is committed to give where applicants meet the specified criteria) are recognised as expenditure when the application is received. Discretionary grants are recognised as expenditure when a successful applicant is notified of the decision to award the grant.

Cashflow Statement

The following definitions have been used for the preparation of the Statement of Cashflows:

Operating Activities: Transactions and other events that are not investing or financial activities

Investing Activities: Activities relating to the acquisition, holding and disposal of fixed assets and of investment, such as securities, not falling within the definition of cash

Financial Activities: Activities, which result in changes in the size and composition of the capital structure of the Council, both equity and debt not falling within the definition of cash

PLANT PROPERTY AND EQUIPMENT

Plant property and equipment consists of:

Operational Assets including land and buildings, library books, office equipment, computer hardware, plant and vehicles

Infrastructural Assets – Fixed utility, solid waste and roading assets owned by Rangitikei District Council

Plant property and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

Additions are at cost or, if acquired at no cost, fair value. The initial cost, and any subsequent addition or improvement, is only recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Rangitikei District Council, and the cost of the item can be reliably measured.

Disposals

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

Revaluation

Valuations of Land and Buildings and infrastructural assets are carried out every three years.

Any surplus on revaluation is credited to a revaluation reserve for that asset class, which is included in the equity section of the Balance Sheet, unless it reverses a revaluation decrease of the same class of asset previously recognised in the surplus or deficit.

Any revaluation deficit is recognised in the surplus or deficit unless it directly offsets a previous surplus in the same asset class in the asset revaluation reserve.

Upon disposal any revaluation reserve relating to the asset being sold is transferred to retained earnings.

Independent valuations are carried out with sufficient regularity to ensure the carrying amount does not differ materially from the fair value. All other asset classes are carried at depreciated historical cost.

Rangitikei District Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets’ fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The net revaluation results are credited or debited to other comprehensive income 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 income 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 income.

Land and Buildings

Land and Buildings, including waste transfer stations, were valued as at 30 June 2011 by Kerry Stewart (FPINZ, FNZIV) of Darroch Corporate Advisory.

After initial recognition at cost operation land and buildings and infrastructural assets are carried at revalued amounts, which is the fair value on the date of the revaluation. Fair value is the amount at which the assets could be exchanged between a willing buyer and a knowledgeable willing seller in an arm’s length transaction at the valuation date. Where no market exists for the asset, e.g. infrastructural assets, the fair value is deemed to be depreciated replacement cost.

ACCOUNTING FOR REVALUATION

Infrastructural Assets

Infrastructural assets are fixed utility systems that provide a continuing service to the community, and are assets not generally regarded as tradable, such as roads, water, wastewater and stormwater systems. Infrastructural assets, apart from waste transfer stations, have been valued at fair value determined on an optimised depreciated replacement cost at the 30 June 2011.

For roading assets the valuation was carried out by Julian Watts (BApplsSc – AgEng), Jayanthi Rangamuwa (BSc(Eng)) and Ian Marshall of GHD and reviewed by David Jeffrey (BBS ACMA) Principal Infrastructure Strategy Consultant at GHD Wellington.

For water, wastewater and stormwater the valuation was carried out internally by James Torrie (BE) of Rangitikei District Council and peer reviewed jointly by the following persons of MWH New Zealand Ltd: Technical review by Robert van Bentum (BAgrSc, MPhil (Eng), CPEng, MIPENZ) of MWH NZ Ltd and Financial review by Brian Smith (BE).

It is Council’s policy to revalue infrastructural assets every three years. Stormwater, wastewater and water assets have been valued using a “brown fields” approach, i.e. it assumes the surface above the pipes will need to be removed and then replaced.

Land under roads was valued based on the fair value of adjacent land as determined by Kerry Stewart (FPINZ, FNZIV) of Darroch Corporate Advisory as at 30 June 2011. Additions to assets between valuations are recorded at cost.

TOTAL FAIR VALUE OF PROPERTY VALUED BY EACH VALUER AS AT 30/06/2011	
	Council 2011 \$000
K Stewart of Darroch Corporate Advisory (Land and Buildings)	18710
Julian Watts of GHD (Roading Assets)	387663
James Torrie of Rangitikei District Council (Infrastructure)	62126
K Stewart of Darroch Corporate Advisory (Land under roads)	42439

These prospective financial statements have included Revaluations of Infrastructural assets and Land and Buildings at 30/06/2014, 30/06/2017 and 30/06/2020.

Depreciation/Amortisation

Depreciation/amortisation is provided on a straight-line basis on all tangible and intangible assets other than land and road formation at rates calculated to allocate the assets cost or valuation less estimated residual value over their estimated useful lives.

MAJOR DEPRECIATION/AMORTISATION PERIODS	
Fixed Assets	
Buildings	
Structure	5-61 years
Roof	5-15 years
Services	5-35 years
Internal Fit Out	5-15 years
Plant	30 years
Plant and Vehicles	5-15 years
Office Equipment	10 years
Computer Hardware	5 years
Software – intangible assets	3-5 years
Library Books	10 years

DECLINE IN SERVICE POTENTIAL (DISP) OF INFRASTRUCTURE ASSETS

The economic lives of infrastructural assets are very long and, as yet, uncertain. There are a number of factors that act on these assets to affect their economic lives. Ongoing efforts are underway to improve our knowledge on the condition of infrastructural assets.

Improvements have taken place in Rangitikei District Council’s asset management data over the last year, particularly the data relating to its Utilities Services. The Council is now confident that the “straight line depreciation” approach provides a realistic result when used for calculating the annual Decline in Service Potential (DISP) for all infrastructural assets.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

MAJOR DEPRECIATION/AMORTISATION PERIODS	
Roads	
Top Surface (Seal)	5-32 years
Pavement (Basecourse)	Sealed 25-70 years
	Unsealed 5-25 years
Formation	Not depreciated
Culverts	50-100 years
Footpaths	20-80 years
Drainage Facilities	80 years
Traffic Facilities and Miscellaneous Items	5-10 years
Street Lights	25-50 years
Bridges	50-100 years
Water Reticulation	
Pipes	40-100 years
Pump Stations	4-120 years
Pipe Fittings	80 years
Wastewater Reticulation	
Pipes	80-120 years
Manholes	100 years
Treatment Plant	10-90 years
Stormwater Systems	
Pipes	50-100 years
Manholes, Cesspits	100 years
Waste Transfer Stations	50 years

Measurement Base

Capital Expenditure: Expenditure on new or additional assets that have been acquired or constructed with the intention of being used on a continued basis (more than 12 months).

Renewal Expenditure: Expenditure of a significant nature that is expected to increase the service potential of an existing infrastructural asset. May include significant repairs or replacement. All renewal expenditure is capitalised and added to the value of the asset.

Maintenance Expenditure: Expenditure that is required to maintain an asset in its current state and where, as a result of the expenditure, there is no additional future benefit. All maintenance expenditure is expensed in the year in which it has occurred.

Intangible Assets

Computer software – Acquired computer software is capitalised on the basis of the cost incurred to buy and bring the software to use. Costs are amortised over the useful life of the software, which is between three and five years.

Easement costs are not considered material and any costs are written off in the year they are expended.

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date.

If events or changes in circumstances indicate the carrying value of operational buildings, plant and equipment and infrastructural assets may not be recoverable, then the carrying values are reviewed for impairment.

For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. 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 total impairment loss is recognised in the surplus or deficit.

Rangitikei District Council's assets do not generate direct cash inflows, and cannot therefore use the profitability of cash generating units to assess if impairment has occurred. Rangitikei District Council instead annually tests instead for internal and external factors, which may indicate that the carrying value of its assets exceeds depreciated replacement cost, which could indicate that impairment has occurred.

If any such indication exists and where the carrying values are found to exceed the estimated recoverable amount or depreciated replacement cost, the assets

are written down to their depreciated replacement cost.

Provisions

Where there is uncertainty over the amount and timing of a future liability, and Rangitikei District Council has a present obligation to meet that liability, and where the amount can reliably estimated and it is probable that expenditure will be required to settle the obligation, then Rangitikei District Council recognises a provision. The provision is measured at the present value of the expenditure using a pre-tax discount rate based on the time value of money and risks specific to the obligation. The Landfill provision detailed below is the only such provision currently recognised by Rangitikei District Council.

Landfill Post Closure Costs: Rangitikei District Council has a legal obligation to provide an ongoing maintenance and monitoring service at its closed landfills. A provision for post closure cost is recognised as a liability when the obligation for post closure arises.

The provision is measured based on the present value of future cashflows 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.

Goods and Services Tax

All items in the financial statement are exclusive of GST with the exception of accounts receivable and

payable, which are stated GST inclusive. 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 cashflow in the statement of cashflows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Income tax, in relation to the current surplus or deficit, is made up of current and deferred tax.

Current tax is the income tax payable on the taxable surplus for the year, plus or minus any adjustments to previous years. It is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future years due to temporary differences and unused tax losses. Deferred tax liabilities are recognised for all temporary differences, but deferred tax assets are only recognised where it is likely that future surpluses will enable those assets to be realised. Deferred tax is calculated at the tax rate likely to apply in the period the asset or liability is realised.

Current tax and deferred tax are charged to the Surplus or deficit, except when it relates to items

charged or credited directly to equity, when it will be dealt with in equity.

Inventories

Inventories are valued at the lower of cost (determined on a first-in-first-out basis) and current replacement cost. This valuation includes allowances for slow moving and obsolete inventories. Any write-downs from cost to current replacement cost are included in the Surplus or deficit.

Financial Assets

The Council classifies its financial assets into four categories:

1. Financial assets at fair value through profit or loss
2. Held to maturity investments
3. Loans and receivables
4. Financial assets at fair value through equity

The classification depends on the purpose for which the assets were acquired and is reviewed at each Balance Date.

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

Purchase and sales of investments are recognised on trade-date, the date on which Rangitikei District Council commits to buy or sell the asset. Financial assets are derecognised on the date when the right to receive cashflows from the asset has expired or been transferred, and the Rangitikei District Council has substantially transferred the risks and rewards of

ownership.

The fair value of financial instruments traded in active markets is based on the quoted bid price at Balance Sheet Date.

The fair value of financial instruments not traded in active markets is determined using valuation techniques.

The four categories of financial assets are:

1. Financial assets at fair value through profit and loss. There are two sub-categories – financial assets held for trading and those designated at fair value through profit and loss. At present Rangitikei District Council does not hold any financial assets in this category.
2. Held to maturity investments. These are assets with fixed or determinable payments and fixed maturities that Rangitikei District Council intends to hold to maturity. After initial recognition they are measured at amortised cost. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.
3. 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. Rangitikei District Council's loans and receivables comprise cash and cash equivalents, debtors and other receivables, term deposits, community and related party loans.

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.

At present Rangitikei District Council has loans to Community Groups.

4. Financial Assets at fair value through equity – financial assets which are not in any of the above categories. They include Investments held long term but which may be realised before maturity and shareholdings Rangitikei District Council holds for strategic purposes. Investments in this category include New Zealand Local Government Insurance shares. Investments in this category include Corporate Bonds.

After initial recognition, these investments are carried at fair value. Gains and losses are recognised in equity, except for impairment losses, which are recognised in the Surplus or deficit. In the case of impairment, any cumulative losses previously recognised in equity will be taken to profit and loss, even if the asset has not been derecognised. On derecognition the cumulative gain or loss previously recognised in equity is recognised in the Surplus or deficit.

Impairment of financial assets

At each balance sheet date, Rangitikei District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Impairment of a loan or a receivable is established when there is objective evidence that Rangitikei District Council will not be able to collect amounts

due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer 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 cashflows, 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 (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock and related party and community loans is established when there is objective evidence that the Rangitikei District Council will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy and default in payments are considered indicators that the instrument is impaired. Impairment losses are carried into the surplus or deficit.

For equity investments classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, 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) is removed from equity and recognised in the surplus or deficit. Impairment losses recognised in the surplus or deficit on equity investments are not reversed through the surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents include cash in 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 surplus or deficit.

Biological Assets

Forestry assets are revalued annually by an independent valuer, at fair value less point of sale costs. Fair value is determined based on the present value of expected cashflows discounted at a current market determined pre-tax 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.

Any gains or losses in valuation are taken to the Surplus or deficit. They are then transferred to an operational reserve, as it is not considered prudent to use these gains before they are realised.

The costs to maintain the Forestry asset are included in the Surplus or deficit.

Equity

Equity is the community's interest in the parent and group as measured by total assets less total liabilities. Public equity is desegregated and classified into a number of reserves to enable clearer identification of the specified uses that the Council and the group make of its accumulated surpluses. The components of equity are:

- Accumulated Funds
- Reserve and Special Funds
- Trusts and Bequests
- Sinking Funds
- Special Funds
- Council-created Reserves
- Asset Revaluation Reserves
- Fair Value Through Equity Reserve

Reserves

Reserves are a component of equity representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Rangitikei District Council.

Restricted reserves are those reserves subject to specific conditions accepted as binding by Rangitikei District Council and which Rangitikei District Council 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.

Rangitikei District Council -created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these

reserves are at the discretion of the Council.

A. Special reserves that should have interest credited to include:

1. Land subdivision reserves
2. Library reserve
3. Bulls Domain
4. McIntyre Domain
5. Hunterville Water
6. Putorino Water
7. Ratana Water
8. Santoft Domain

B. Special reserves that should NOT have interest credited to include:

1. Swimming Pools reserve
2. Road Flood Damage
3. General Purpose
4. Keep Taihape Beautiful
5. Rural Housing
6. Revoked Reserves Land
7. Marton Marae Fund

Funding Impact Statements: The Funding Impact Statements report the net cost of services for significant activities of Rangitikei District Council, and are represented by the cost of providing the service less all revenue that can be allocated to these activities.

Cost of Allocation: Rangitikei District Council has derived the net cost of service for each significant activity of the Council using the Cost Allocation system outlined below.

Cost Allocation Policy: Direct costs are charged directly to significant activities. Corporate overheads are charged to significant activities based on income and expenditure drivers.

Criteria for Direct and Corporate Overheads: The cost of all service and technical support units of Rangitikei District Council have been allocated in full to the significant activities.

“Direct Costs” are those costs directly attributable to a significant activity. This includes staff time and incorporates the full costs to Rangitikei District Council of employing those staff.

“Corporate Overheads” are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Leases

In an operating lease, where the lessors effectively retain all substantial risks and benefits of ownership of the leased item, lease payments are charged as expenses in the periods in which they are incurred.

Rangitikei District Council does not have any Finance leases - where the risks and rewards incidental to owning an asset are substantially transferred to the lessee.

Non Current Assets held for Sale

These are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non current assets for sale are held at the lower of their carrying amount and fair value less costs to sell. Impairment losses are recognised in the Surplus or deficit and increases in fair value (less costs to

sell) are recognised up to the level of any previously recognised impairment loss. They are not depreciated or amortised.

Employment Benefits

Employee benefits that Rangitikei District Council expects to be settled within 12 months of Balance date are measured on nominal values based on accrued entitlements at current rates of pay. These include accrued salary and wages, accrued holiday pay and long service leave.

Rangitikei District Council does not make a provision for sick leave to the extent that absences in the coming years will exceed the annual entitlement of staff as calculations show any amounts involved are likely to be immaterial.

Long Service Leave

Entitlements that are payable beyond 12 months, such as Long Service Leave, 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. The amount is not material to the accounts as few staff members are actually entitled to long service leave so no actuarial basis has been used.

Superannuation schemes

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

Rangitikei District Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the

National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Presentation of Employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities 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.

Critical accounting estimates and assumptions

In preparing these financial statements, Rangitikei District Council has made estimates and assumptions concerning the future, which may or may not be the same as the actual. Estimates and assumptions are continually evaluated and are based on historical experience and what is considered to be a reasonable expectation of future events. Areas of uncertainty where assumptions have been made are:

Landfill aftercare provision

Infrastructural assets – A number of assumptions have been made:

- The actual condition of an asset may not reflect the value that Rangitikei District Council carries that asset in its books. This is particularly so for assets which are underground and difficult to

assess the actual condition of, such as water, wastewater and stormwater assets.

- Estimating any obsolescence or surplus capacity of an asset
- Estimates of the useful remaining lives of an asset. These will naturally vary with such things as soil type, rainfall, amount of traffic, natural disaster and other things. Rangitikei District Council could be over or under-estimating these, but is obviously making assumptions based on the best knowledge available.

Experienced independent valuers perform Rangitikei District Council's infrastructural asset revaluation.

Critical Judgements in applying Rangitikei District Council's Accounting Policies

Management has exercised the following critical judgement in applying its accounting policies for the 10 years ending 30th June 2022. Rangitikei District Council owns a number of properties maintained primarily to provide community housing. These are not held as investments but to provide a service to the community. Therefore the properties are shown as part of Plant, Property and Equipment.

Change in Accounting Policies

These accounting policies are applied across the 10 years of the plan in a consistent manner.

Statement of Prospective Financial Information

These prospective financial statements were authorised for issue by the Rangitikei District Council on 28 June 2012. 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 30) may lead to a material difference between information in the prospective financial statements and the actual financial results prepared in future reporting periods. Council does not intend to update the prospective financial statements subsequent to the adoption of the LTP until the 2013/14 Annual Plan.

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 period 2012-2022 and it is prepared in accordance with the Act. Caution should be exercised in using these financial statements for any other purpose.

10

OTHER
INFORMATION



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 2011/12 and the reason for the change (together with the reason for any material change in the cost of service).⁸⁴

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 presentation of the ‘levels of service’ is changed, largely to reflect the amendments to the Local Government Act in 2010. These included a requirement to focus on performance measures that ‘will enable the public to assess the level of service for major aspects of groups of activities’.⁸⁵

For example, annual surveys are being developed to provide ‘report cards’ on the delivery of services within Community and leisure assets and the Community well-being Groups of Activities. This reflects the need to ensure that there are (at least) annual performance measures – in the 2009/19 LTCCP about one third of the measures depended on the Communitrak survey, undertaken every three years.

⁸⁴ Clause 4(d) and (e), Schedule 10, Local Government Act 2002.

⁸⁵ Mandatory measures, yet to be finalised by regulation, will eventually apply to water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works [not undertaken by this Council] and the provision of roads and footpaths.

The following table identifies three different relationships between current and proposed levels of service:

- ‘Continued’ means that the level of service in 2011/12 is carried through into the Long Term Plan (although the performance measures may be different);
- ‘Modified’ means that the presentation of the level of service in 2011/12 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;
- ‘Generalised’ means that the level of service in 2011/12 has an activity focus and is not specifically shown in the levels of service proposed for 2012/13 (or associated performance measures)



INTENDED LEVELS OF SERVICE 2011/12 ANNUAL PLAN	RELATIONSHIP TO LEVELS OF SERVICE PROPOSED IN 2012/22 LTP	REASONS FOR CHANGE
COMMUNITY LEADERSHIP		
Council will take a sensible, logical, future focus, evident in its planning documents and advocacy to central government and other organisations that have (or could have) substantial impact on the Rangitikei	Modified	Need to clarify the crucial link with Council's Public Participation (Consultation) Policy . Role as advocate stated as a specific level of service
Council will make decisions that are robust, fair, timely, legally compliant and address critical issues, that are communicated to the community ⁹⁵ and that are followed through 95 Up-to-date and relevant Information about the Council is available through a variety of channels.	Continued	
Council will maximise opportunities for shared services with other councils provided these do not detract from local service delivery, local decision-making and local accountability	Modified	Not viewed as a level of service for the group. It is, however, one of the significant forecasting assumptions (page 24).
Council will support effective representation of different community needs into the District's strategic planning processes and subsequent actions	Modified	This level of service was measured by the extent of engagement by each Community Board with external parties. This was not a <i>Council</i> level of service. A more meaningful level of service is the extent of administrative or secretarial assistance to Community Boards and Community Committees.
Council will support the Iwi-based Te Roopu Ahi Kaa to meet and consider Council matters and raise issues of importance to them	Modified	Discussions with Te Roopu Ahi Kaa over the past triennium have highlighted the desirability of Council developing relationships with individual Iwi and hapu (just as has been done with the Ratana community).
Council will appoint an Electoral Officer to publicise and run the elections for the District, and to produce a timely result	Modified (and extended)	Having regard for what the community wants, the levels of service focus on (i) accessibility of information about the elections (including Council's own processes for the subsequent elections for Community Committees) and (ii) on good publicity for the pre-election report and polling results.
ROADING AND FOOTPATHS		
Council will provide roads that give a comfortable, smooth ride free of loose gravel or potholes	Modified (and extended)	The levels of service focus on a roading network which is reliable in terms of its maintenance and functional in terms of providing access for everyone whether rural or urban.
Council will provide a safe road network	Continued (as part of a more comprehensive level of service statement)	Reliable maintenance is the cornerstone of a safe road network. Incidents of fatal crashes on the Council's network will continue to be noted and whether the condition of the roading network was a cause of each crash.
Council will employ contractors to carry out emergency repairs as they occur (where practical)	Modified	This level of service was measured by response time by the contractor for all roading work and this has been included (and expanded) in the Statement of Service Provision.
Council will provide footpaths on all urban streets	Modified	This level of service was measured by the extent of new footpath in residential streets that currently had none. The new level of service is on increasing the length of footpath and ensuring adequate renewals.
Council will provide street lights to meet community needs	Modified	This level of service had no specific performance measure. In the LTP it is part of a 'report card' on the adequacy of street lighting and footpaths.

INTENDED LEVELS OF SERVICE 2011/12 ANNUAL PLAN	RELATIONSHIP TO LEVELS OF SERVICE PROPOSED IN 2012/22 LTP	REASONS FOR CHANGE
WATER SUPPLY		
Council will provide a drinking water supply that meets legislative requirements (the Health Act 1956 as amended by the Health (Drinking Water) Amendment Act 2007) and have the systems to demonstrate this.	Continued. There is a significant increase in this level of service	The additional capital expenditure incurred will progressively bring the urban reticulated supplies into compliance with the NZDWS 2005 (revised 2008).
Council will manage its water resources sustainably	Modified	The measure previously used for this (compliance with resource consents) is included in the Statement of Service Provision with a note that previously Council had taken this as representing sustainability.
Council will provide a reliable water supply	Continued. There is a significant increase in this level of service	Additional expenditure (and performance measure) relates specifically to the requirement for the Council to provide a water supply which meets criteria for fire-fighting.
SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE		
Council will provide wastewater infrastructure that reliably collects and transports sewage to an appropriate treatment facility within constraints of affordability to the community	Modified (and extended)	The change focuses on how the community will best understand what Council intends to deliver – an effluent which is disposed of without harming communities and preventing pollution.
Council will provide wastewater services that minimize the effects on the environment	Continued There is a significant increase in this level of service	The additional capital expenditure will deliver compliance with all resource consents for discharges within the timeframe of the LTP.
Council will provide a reliable service that responds to repairs and faults	Modified	This level of service was previously measured through the three-yearly Communitrak survey. In the LTP it is measured by response time to notified faults and this has been included (and expanded) in the Statement of Service Provision.
STORMWATER DRAINAGE		
Council will provide urban stormwater systems that protect public and private property from normal flooding events	Modified	The change focuses on how the community will best understand what Council intends to deliver – to deliver a system which is efficient in disposing of stormwater while minimizing damage during significant events.
Council will provide a stormwater network that is safe for the public	Modified	As noted above in Roading, reliable maintenance is the cornerstone of safety. In the Rangitikei much of the network consists of open drains where safety is considerably influenced by public behaviour. Council has ensured that grills are in place where open drains flow into pipes. Manhole covers and inlets have been identified as specific matters which will be noted.
Council will provide a stormwater service that is reliable with prompt response to faults	Modified	This level of service was measured by response time to notified faults and this has been included (and expanded) in the Statement of Service Provision.

INTENDED LEVELS OF SERVICE 2011/12 ANNUAL PLAN	RELATIONSHIP TO LEVELS OF SERVICE PROPOSED IN 2012/22 LTP	REASONS FOR CHANGE
COMMUNITY AND LEISURE ASSETS		
Council will provide a number of parks and open spaces throughout the District that can be used for both organised sporting events and informal recreation	Generalised	This level of service does not align with the requirement to have performance measures that enable the public to assess the level of service for major aspects of groups of activities. In this LTP the level of service for the activities in this group are around proximity and quality, (and the performance measure is 'progressive improvement in [their] provision and maintenance').
Council will provide fun playgrounds that are safe for children and youth	Generalised	Ditto
Council will provide community buildings that provide a good quality experience for users	Generalised	Ditto
Council will maintain cemeteries in an attractive condition, and prepare burial plots on request	Generalised	Ditto
Council will maintain accurate cemetery records, available for public reference	Generalised	Ditto
Council will provide public toilets that are clean and provide a good quality experience	Generalised	Ditto
Council will maintain housing complexes to ensure buildings are functional and tidy	Generalised	Ditto
Council will provide a wide and interesting range of new printed and audio-visual material, available for borrowing throughout the District	Generalised	Ditto
Council will provide relevant and accessible electronic resources, available through the District libraries	Generalised	Ditto
Council will ensure that the District libraries are attractive, well laid out, open at useful times, offer an appealing programme of community and library-oriented activities, and are staffed with knowledgeable and helpful people	Generalised	Ditto
Council will provide pools that are Poolsafe accredited and actively monitor performance of the management agreements so that benefit to the community from the pools is maximised	Generalised	Ditto
RUBBISH AND RECYCLING		
Council will provide clean, safe, disposal facilities in each major urban area	Modified	The change focuses on what Council aims to deliver in response to community wishes – less waste going to landfill and opportunities to recycle more locally. The intended continuation of the present six waste transfer stations is noted.
Council will provide opportunities for recycling	Continued (and extended)	

INTENDED LEVELS OF SERVICE 2011/12 ANNUAL PLAN	RELATIONSHIP TO LEVELS OF SERVICE PROPOSED IN 2012/22 LTP	REASONS FOR CHANGE
ENVIRONMENTAL AND REGULATORY SERVICES		
Council will provide information, process applications, and carry out inspections to ensure building work complies with the Building Act 2004	Modified (part of a more comprehensive level of service for the whole group)	The provision of a prompt, efficient and low-cost service relates to all activities within the group and is a major aspect of service delivery. There are maximum time limits prescribed by statute/regulation for some services. Reporting will specify particular functions so that (for example) slow processing of building consents is not concealed by rapid turnaround of resource consent applications.
For each year 2009/10, 2010/11, 2011/12, 100% of priority-one calls (a dog attack, threatening dogs or stock on roads) are responded to within 30 minutes of a call being received and 100% of priority-two calls (other complaints/service requests of a less serious nature) are responded to within 24 hours	Modified (part of a more comprehensive level of service)	Timeliness of response (and resolution) relates to all activities within the group and is a major aspect of service delivery. The request for service system has been upgraded to ensure all complaints are recorded and subsequent actions documented. Reporting will specify particular functions, so that (for example) responses to complaints about food handling are not concealed by the much more numerous complaints about dogs.
Council will engage fully with the community during the preparation of the revised District Plan bearing in mind the need to meet statutory requirements	Modified	The review of the District Plan is identified in Figure 20 (page 118) as one of the major programmes relating to (within the Environmental and regulatory Group of Activities) Council's intended level of service to provide leadership and making sensible and prudent decisions.
Council will provide information and process resource consent applications	Modified (part of a more comprehensive level of service for the whole group)	See 'Timeliness....' above
Council will monitor resource consents for compliance with conditions		See 'Timeliness....' above
COMMUNITY SUPPORT – THIS IS INCLUDED IN THE COMMUNITY WELL-BEING GROUP OF ACTIVITIES		
Council will raise awareness of the need to be prepared for an emergency	Modified	This level of service does not align with the requirement to have performance measures that enable the public to assess the level of service for major aspects of groups of activities. Instead the level of service for this group is to 'provide opportunities to be actively involved in partnerships that provide community and ratepayer wins.
Council will fully train and adequately resource personnel to be in a position to respond to rural fire calls-outs with the minimum of delay	Modified	Ditto
COMMUNITY ECONOMIC DEVELOPMENT – THIS IS INCLUDED IN THE COMMUNITY WELL-BEING GROUP OF ACTIVITIES		
Council will communicate with District businesses (large and small) to ensure each party understands the other, particularly at times of new standards being introduced	Modified	This level of service was measured through satisfaction with services demonstrated through Communitrak which was unlikely to be good measure of Council's business engagement. A more meaningful level of service is Council's support for local development organisations and for sector-led initiatives in partnership. As above the level of service for major aspects of this group of activities is to 'provide opportunities to be actively involved in partnerships that provide community and ratepayer wins.
Council will provide comprehensive information about the activities and facilities in the District and Council's web site links to Rangitikei Tourism which provides information on district tourism attractions and accommodation	Modified	Ditto
Council will provide funding for activities and events that brings economic benefit to the District	Modified	Ditto

STATEMENT ON THE DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO COUNCIL DECISION-MAKING

INTRODUCTION

Clause 5 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 Whenua of the District are represented on the Komiti, as is the Ratana Community. Komiti members have been regularly briefed on progress in reviewing the District

Plan and in developing the LTP, and have reviewed the policies/statements of particular relevance to Māori.

The Memorandum is subject to review at the same time as each Representation Review. So the last review was in 2006 and the next will begin in August 2012.

During the last triennium, Te Roopu Ahi Kaa reviewed its strategic plan, adopted in December 2006. This plan identifies a number of actions to achieve three goals – building stronger relationships between Council and Te Roopu Ahi Kaa, building stronger relationships between Council and Iwi, hapu, whanau and Māori communities, and building cultural awareness. Considerable time has been spent reflecting on foundations for closer engagement with the Council. Improved communication is a factor, and Elected Members have responded to the Komiti's invitation to attend their bi-monthly meetings. In addition, and immediately more significant, the Komiti recognised that several Iwi lacked the capacity to develop and drive a strategic plan. Ensuring that the Komiti retains relevance to its members is critical. In 2011, feedback from the authorities who nominated members: all were either fairly or very satisfied with opportunities to participate in Council decision-making through Te Roopu Ahi Kaa.

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 referred this matter to the Komiti for its consideration 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.⁸⁷ 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.

The Iwi Advisory Komiti is an opportunity for Iwi/hapu without the capacity to engage independently are supported 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.

During the next three years developing these complementary relationships will be a significant matter for the Council, the Komiti and particular Iwi. In addition, it is intended to continue the pilot Community Development project, currently involving the Otaihape Māori Komiti (OTMK). This project has been a 12 month programme in two parts. The first element supports three community events in Taihape (Whanau Sports Day, Waitangi Day and Matariki celebratory events). The second element provides for facilitated caucusing of Mokai Patea representatives to Te Roopu Ahi Kaa in order to provide a more focused voice at the Komiti from the northern rohe.

Finalisation of Treaty claims is a significant development in the Rangitikei. Ngati Apa's claim has been settled, and they have already expressed interest in seeking closer working relationships with

⁸⁷ Te Roopu Ahi Kaa, 13 September 2011: 11/IWI/024.

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.

Reflecting the intention 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.

SIGNIFICANCE POLICY

This policy is provided in accordance with section 90 of the Local Government Act 2002. The Act states that every local authority must adopt a policy setting out—

- that local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters; and
- any thresholds, criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, decisions, or other matters are significant.

The policy adopted must list the assets considered by the local authority to be strategic assets.

OBJECTIVES:

1. To enable Council to recognise issues, proposals, decisions or other matters which are significant and/or involve the District's strategic assets
2. To enable Council to identify the most appropriate form of consultation to undertake in the consideration of issues, proposals, decisions or

other matters which are significant and/or involve the District's strategic assets, in accordance with its Public Participation (Consultation) Policy.

CONDITIONS AND CRITERIA

The Rangitikei District Council will determine the significance of any decision, by making judgments according to the likely impact of that decision on:

- the current and future social, economic, environmental, or cultural well-being of the district or region;
- any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;
- the capacity of the local authority to perform its role, and the financial and other costs of doing so

The following thresholds will also be used by Council to help determine if specific proposals and decisions are significant:

	SIGNIFICANT	NOT SIGNIFICANT
Impact on Council's direction in terms of its strategic objectives	Major and long term	Med-Low
Change from Council's current level of service	Major and long term	Med-Low
Level of public impact and or/ interest	Major and/or District Wide	Med-Low
Impact on Council's capability (non cost), to continue to provide existing services	Major and Long term	Med-Low

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. Advice on the significance of

each decision will be received through the Council report format.

STRATEGIC ASSETS

According to section 5 of the Local Government Act 2002, 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; and includes—

- a) any asset or group of assets listed in accordance with section 90(2) by the local authority; and
- b) 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."

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:

- Community housing (refer definition of strategic asset in s5 Local Government Act 2002)
- 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
- District libraries
- District cemeteries

VARIATION BETWEEN THE COUNCIL'S LTP AND ITS ASSESSMENT OF WATER AND SANITARY SERVICES AND WASTE MANAGEMENT PLANS⁸⁸

1. Council's most recent assessment of the District's water and sanitary services was made in 2005. The significant variances between that assessment and this LTP are:
 - Council's six urban water treatment plants will comply with the New Zealand Drinking-Water Standard – Bulls, Marton and Taihape by 30 June 2014 and Ratana, Hunterville and Mangaweka by 30 June 2015. This means that the treatment processes are being upgraded from those noted in 2005, particularly with respect to protozoa (through UV protection). The conformance will be tested annually through inspections (and gradings) made by the Ministry of Health's appointed Drinking-Water Assessor.
 - A slowly reducing population and no new industrial plant predicted that will require substantial water from Council's reticulated supply means that future demand will not change. However, limitations on water takes by resource consents means developing additional storage capacity, in Marton and Bulls. In 2005

some supplies had sufficient pressure to meet fire-fighting requirements. The proposals in this LTP rectify this deficiency.

- Effluent from Council's waste-water treatment plants generally met the conditions of resource consents in 2005. Since then, the conditions have changed substantially so that in 2011 all treatment plants (with the exception of Mangaweka) were rated non-compliant (and in some cases significantly non-compliant). Earlier this year the upgraded Hunterville plant was rated compliant. The capital programme in this LTP aims to have all plants complying with the conditions of their resource consents for waste-water discharge by 2021/22. This will include Koitiata, where there was no resource consent governing effluent discharge in 2005.
2. The Rubbish and Recycling Plan in section 6 of the 2009/19 LTCCP was Council's first waste management and minimisation plan under section 43 of the Waste Minimisation Act 2008. A review has been undertaken in compliance with section 50 of that Act and a waste management and minimisation plan is being adopted at the same time as this LTP. There is thus no variation between that the WMMP and this LTP.



⁸⁸ Clause 6, Schedule 10, Local Government Act 2002.





11

MANAGEMENT STRUCTURES

MANAGEMENT STRUCTURE COUNCIL CONTROLLED ORGANISATIONS

WANGANUI-MANAWATU 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 2010/11, 2011/12 and 2012/13.

Results so far from the partnership have seen savings for all councils in their insurance and aerial photography costs. A Regional Archive facility is under construction with possible avoided costs of up to \$1.5 million; in addition, work is underway in regard to systems for regional debt recovery, rating and valuation and contract work.



RUAPEHU WANGANUI RANGITIKEI ECONOMIC DEVELOPMENT TRUST (RED TRUST)

The RED Trust is a charitable trust incorporated in New Zealand. The Trust is 1/3 controlled by the Council and under the Local Government Act 2002. It is considered to be a Council Controlled organisation under the Local Government Act 2002, but exempt for the purposes of section 6(4)(i) of the Act for 2012/13.⁸⁹

The primary objective of the Trust is to encourage, promote and support the establishment and growth of business investment and employment in the region, rather than making an economic return. Accordingly, the Trust has designated itself a Public Benefit Entity.

The finances of the Trust, though separately audited, are included in the consolidated figures.

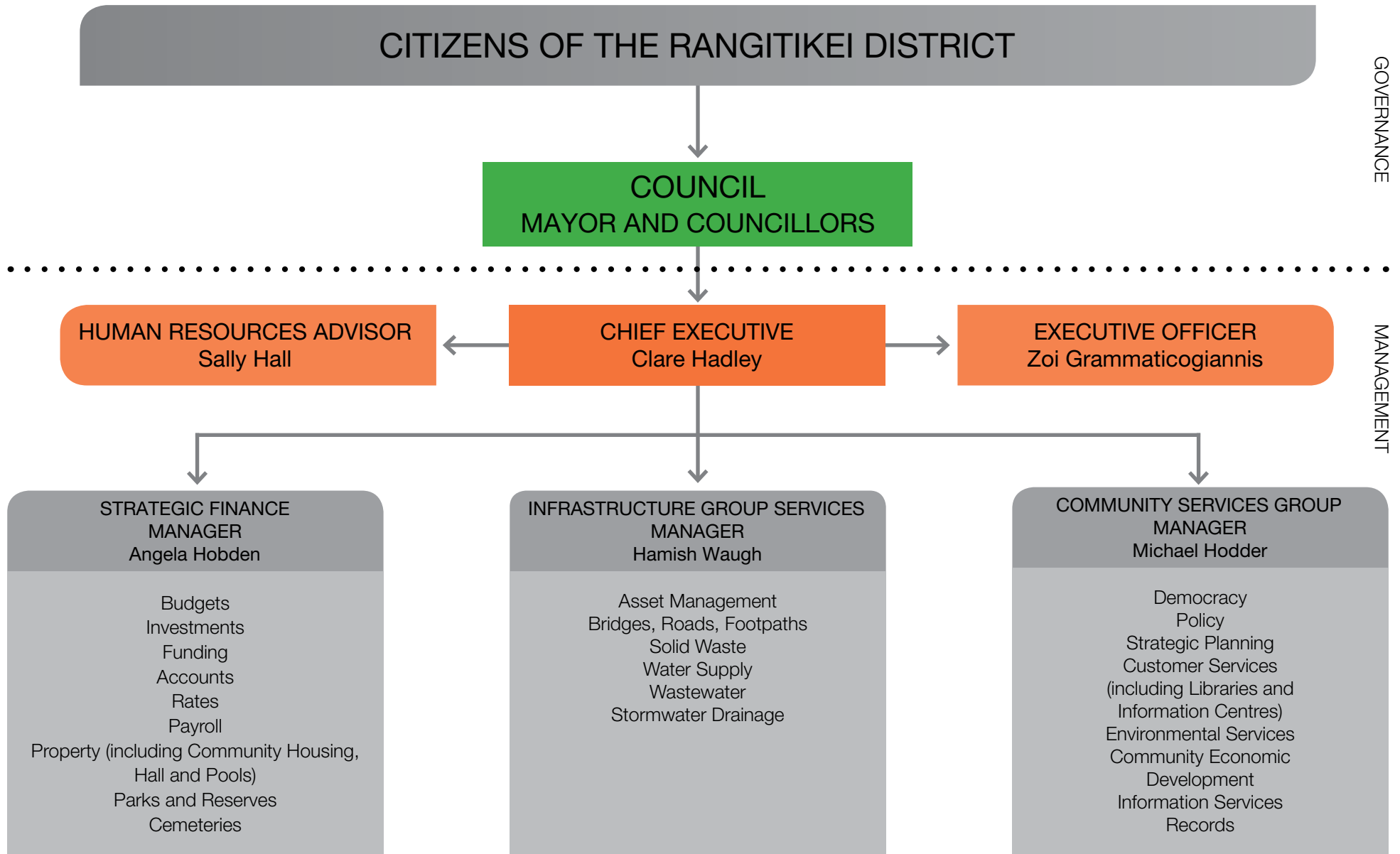
The Trust is treated as an Associate Company in these Financial Statements.

Note

While not a CCO, the Marton Aquatic and Leisure Trust is treated as a subsidiary of the Council. The Trust is not a Council Controlled Organisation or a Council Organisation in terms of Local Government Act 2002 because Council has no voting rights.

⁸⁹ Council resolution 1 March 2012.

MANAGEMENT STRUCTURE







12

GLOSSARY
OF TERMS

GLOSSARY OF TERMS

Affordable Housing Enabling Territorial Authorities Act 2008 - enables a council, in consultation with its community, to require developers to make provision for affordable housing.

BERL - Business and Economic Research Limited (www.berl.co.nz).

BKBM – FRA – Bank Bill Midmarket Forward Rate Agreement - this is the standard rate for settlement with some protection for future movements in interest rates.

CCO - council controlled organisation.

CCTV - closed circuit television.

Communitrak™ - a community survey of residents, covering topics relevant to local authorities.

Community Board Members - elected representatives of either the Taihape or Rātana Community Board.

Community outcomes: previously they were community aspirations and Council's responsibility was to identify and monitor them. Now, community outcomes means the outcomes that Council aims to achieve in order to promote the four well-beings (social, economic, environmental, and cultural) of its district.

Consultation period – the period in which the public gets to comment on Council's draft plan. Consultation is required by the Local Government Act 2002 to be at least 1 month long.

Council Services – services that Council provides e.g. wastewater, roading, libraries.

CPI - Consumer Price Index.

DISP – Decline in Service Potential (depreciation).

E. Coli - a common type of bacteria that can cause human sickness.

Elected Representative – people that have been elected to represent the district, ward or township these include the Mayor, Councillors and Community Board members. Elected Members are all paid to represent their community.

EOC - Emergency Operations Centre - a centre for response locally to national or local emergencies.

ETS - Emissions Trading Scheme - the introduction of a price on greenhouse gases to provide an incentive for New Zealanders to reduce emissions and plant more trees.

Exacerbator pays principle - reflects the costs to all ratepayers of the actions or inactions of others. It has been used to develop funding systems in the past for flood and river control schemes where properties situated on the uplands have been assessed for flood and river control schemes because water-run off from these properties contributes to flooding in low lying areas downstream. The exacerbator pays principle is also known as the user pays principle.

FIS – Funding Impact Statement.

GDP - Gross Domestic Product - The total market value of all final goods and services produced in a country in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.

GP - General Practitioner.

I/I - inflow and infiltration.

Intergenerational Equity - to spread the costs of assets that have a long life over current and future ratepayers.

Kaumātua – elder.

Level of Service – describes the quality of service that Council proposes to provide e.g. for recycling – Council proposed to provide only glass recycling facilities as opposed to providing a full range of recycling.

LIMS – Land Information Memorandum.

LTCCP – Long-term Council Community Plan –replaced by the Long-Term Plan in 2010 through the amendment to the Local Government Act 2002.

LTP – Long Term Plan - 10 year plan that Council reviews every three years. The LTP specifies all of Council's services and the quality of each services Council intends to provide throughout the 10 years. It also outlines the proposed rate take for each of the 10 years to cover the services provided. The draft LTP goes out for public consultation before being altered and adopted by Council.

MRI - Major Regional Initiative - a previous programme run by New Zealand Trade and Enterprise's Regional Partnerships Programme that funded activities to build the economic capability of New Zealand regions.

NZQA - New Zealand Qualifications Authority (www.nzqa.govt.nz).

NZTA - New Zealand Transport Agency, formerly Land Transport New Zealand.

Oral Hearing – a specific time when a submitter can speak to Council on topics raised in their submission. Submitters are given 10 minutes each to speak to Councillors – it is common for submitters to split this into 5 minutes to speak and 5 minutes to answer question from Councillors.

Papakāinga – development of housing on ancestral land, usually held in the form of multiply-owned Maori land.

Partnership Board – The appointed body, comprising representatives from stakeholder agencies and the chairs of six theme groups, overseeing the work programme of the Rangitikei - a Path to Well-being initiative.

Protozoa - any of a large group of single-celled, usually microscopic, organisms, such as amoebas.

Rate Cap - a maximum amount that can be charged for a targeted rate, currently applied to water, wastewater and stormwater services.

Ratepayer – a person who owns property in the district and pays rates to the Council.

Rates – a tax on property owners. The amount of rates paid is based on the value of the property and the Council services provided. Rates are where most of Council's money comes from.

RMA - Resource Management Act 1991.

S&P - Standard and Poors - global leader in credit ratings and credit risk analysis.

SPARC - Sport and Recreation New Zealand (www.sparc.org.nz).

State of the Environment Report - a local authority report to advise on how the environment of the District is coping with human demands.

Submission – the written document which details a person's opinion of the draft plan. Only during the consultation period will submissions be accepted. The submission form also asks whether a submitter wishes to speak at an oral hearing. A written submission must be presented for a person to speak at an oral hearing.

Submitter – a person who makes a submission.

SUIP – Separately used or inhabited part (see full definition on page 153).

Tangata Whenua - original inhabitants.

TKI - Te Kete Ipurangi – The Online Learning Centre (www.tki.org.nz).

UAC – Uniform Annual Charge.

UAGC - Uniform Annual General Charge.

UV – ultraviolet.

Waahi Tapu - sacred ground.

Well-beings (four) – Social, Economic, Environment and Cultural Wellbeing. The four well-beings are listed in the Local Government Act 2002 and are the areas that Council has an obligation to maintain and protect within the Rangitikei.

