

# What's the Plan Rangitikei...?

Consultation Document for  
the Proposed Long Term Plan

# Why we are doing this plan...

All Councils are required to let their communities know what they are planning to do over the next 30 years, but in particular the next 10 years – through their Long Term Plan.

**What's the Plan Rangitikei...?** is the Consultation Document that summarises a number of larger documents that make up our Long Term Plan (LTP). It provides you with an explanation of what Rangitikei District Council does, where your rates are spent and what services Council provides. It also tells you what we think are the important issues that the District faces over the next 10 years. And most importantly, it provides you with the opportunity to give us your feedback on options we are proposing to address those issues.



## Message from the Mayor **Andy Watson**

Rangitikei is a beautiful and special District, enjoyed by residents and visitors alike. The lifestyle opportunities Rangitikei offers also make it an attractive option for new residents.

Like many districts, Rangitikei is facing major demographic change as our population declines and ages, and we need to respond and adapt to those changes. As our essential infrastructure and community facilities continue to age, we must consider the nature of future services and level of investment required to support those services. We must also be mindful of cost and ensure our service offerings remain affordable, while still meeting the expected standards of service.

Our proposed LTP has regard to the issues and challenges we face, and reflects the community feedback we received as the Plan was being developed. We want to further develop our partnerships with our community, and continue the conversations and discussions we've started as we test and seek feedback on the proposals and options put forward in the proposed Plan. We hope that you will continue to tell us what you want, and more importantly, how well – or otherwise - you think that we are doing. We can promise you that although we might not always get it right, we will do our best to put it right, and although we may not always be able to do what you would like us to do, we will always let you know why we have decided to do something else.

Rangitikei is your District, and we want you to help shape its future.

## HAVE YOUR SAY

We welcome your comments and submissions, you can:

- complete an on-line submission form at [www.rangitikei.govt.nz/ltp](http://www.rangitikei.govt.nz/ltp)
- send an email to [ltp@rangitikei.govt.nz](mailto:ltp@rangitikei.govt.nz)
- complete the submission form at the end of this document, scan and send it to [ltp@rangitikei.govt.nz](mailto:ltp@rangitikei.govt.nz) or post it to **LTP Submissions, Freepost 172050, Rangitikei District Council, Private Bag 1102, Marton 4741**
- fax your submission to us on **06 327 6970**
- Phone Samantha Whitcombe on **06 327 0099**

**Submissions need to reach us by 12 noon, Monday, 4 May 2015.**

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# The Big Picture

**The Council provides** a wide range of services to its community. These include parks, swimming pools, libraries, roads and, in the urban areas, water, wastewater, stormwater drainage and footpaths.

Our community needs and wants these services, but it is important for Council to ensure they remain affordable - now and in the future. It's also important to recognise that there are issues that Council faces in delivering these services and these issues need to be considered and responded to.

One of these issues is the projected population decline of our District over the next 30 years. The local population has been dropping in recent years and is expected to continue to drop by around 200 people each year. So are there any benefits in this trend?

**Council's aim is to make sure that we value and celebrate our rural lifestyle. Then we can offer a real choice for people looking to leave behind the 'rat-race' of city life or for new migrants looking to set up home in the Rangitikei. We need to find ways to retain our young people and encourage those living in larger cities to move here.**

The characteristics of our population are changing. People are living longer, healthier lives and families generally are having fewer children. Our young people are leaving the District to travel, for work or for further education, meaning that the proportion of older people is rising.

**One of our aims is to make sure that the Rangitikei remains a great place to live in as we get older.** We also want our young people to come home again when the time comes for them to raise their own families. **So another of our aims is to make sure that the Rangitikei is a great place to grow up in.**

Another feature of our population is the lack of cultural diversity. We have greater proportions of people of European or Māori heritage and fewer people from other ethnic backgrounds. In general our Māori population is younger than average and potentially more likely to stay in, or return to, the District. If we are able to attract migrants to live and work in the area, they are more likely to be from non-European heritage. We have already welcomed a large Samoan community to work in and around Marton. **So, it is important that the District welcomes and celebrates cultural diversity and Council aims to work closely with tangata whenua and other groups to ensure that all our people thrive.**

For Council to be successful in ensuring that the Rangitikei remains a great place to live - whether for retirees and for children, for city escapees and for new migrants, for people returning home and for people who never leave - then it is important that we further develop our partnerships with a range of stakeholders. Stakeholders include iwi and Māori organisations, health agencies, schools, voluntary and community organisations, the Police and any other group or organisation with an interest in improving the well-being of our District. Over the past six years, Council has placed great emphasis on its role to lead and facilitate collaborative working through the Path to Well-being partnership programme. **Council intends to place even greater emphasis on partnership working in the coming 10 years.**

Despite our best collective efforts, there may still be some areas of our District that suffer significant population decline. Where this occurs we will work with these communities to ensure that services remain affordable.



Rangitikei  
Environment

# Council Working On Your Behalf

These are the eight main activity areas where your rates are used to create the services and facilities you enjoy in Rangitikei.



Roading and Transportation



Water Supply

Community Wellbeing



Stormwater and Drainage



Environment and Regulatory



Community and Leisure Assets



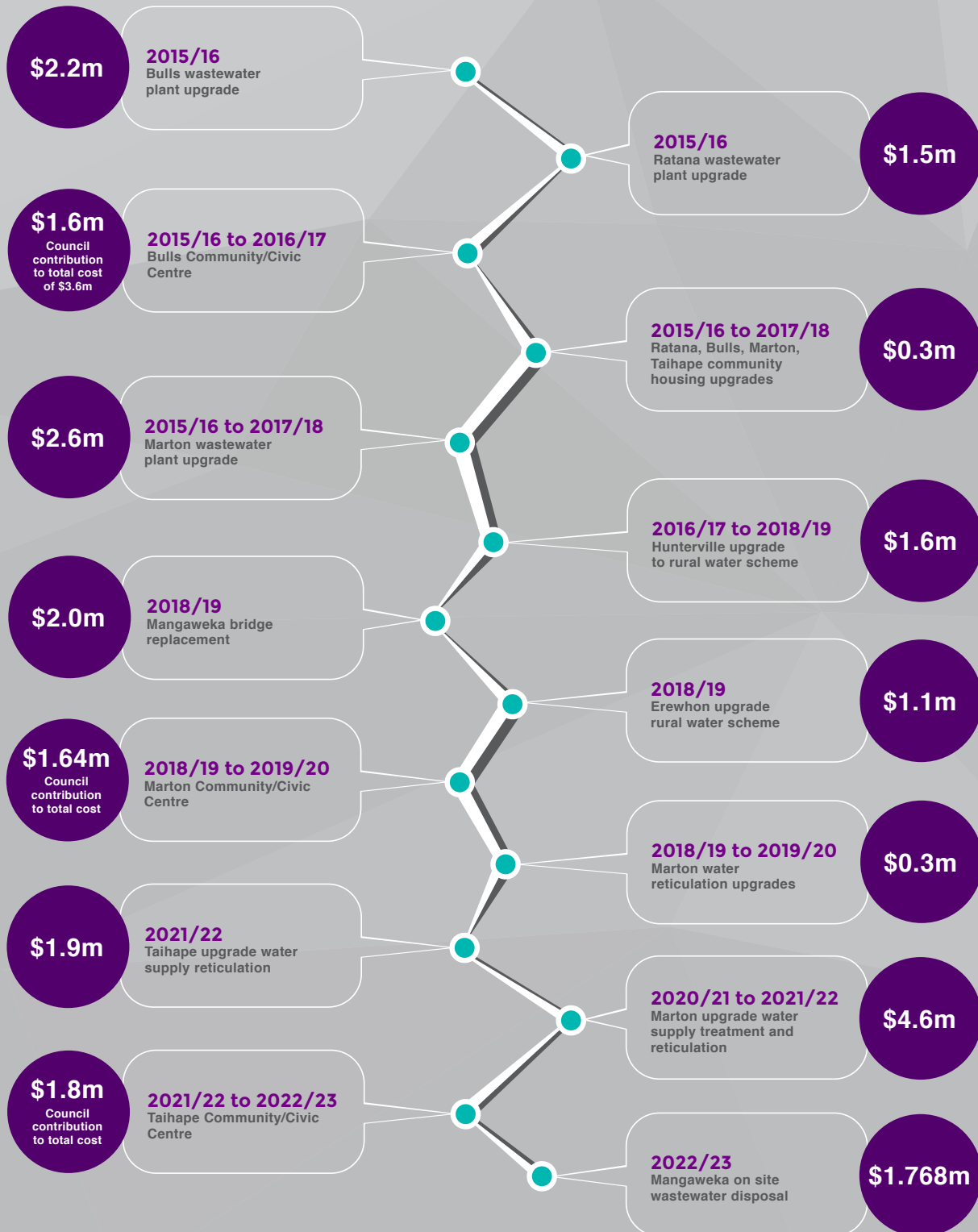
Sewage Treatment and Disposal



Community Leadership

## Future Projects

The budgets for these projects have been included in the proposed rates increases shown on page 19 and rating impacts on example properties on pages 24 and 25.



# Key Issues and Choices...

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

1. Should we increase our investment in economic development?
2. Should Council be investing in the rejuvenation of the town centres of Bulls, Marton and Taihape?
3. Replacing reticulated water and wastewater schemes for smaller communities.

4. What should we do with our Community Facilities?
5. Should we increase rates to build a larger Rooding Reserve fund?

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

You can give us your feedback on Council's proposals to address these issues on the submission form at the end of this document.

## 1. Should we increase our investment in economic development?

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

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

### Council's proposal

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

- investing \$100,000 per year in further research and support for local economic development strategies which aim to increase productivity. We won't be doing this in isolation – this is part of a collaborative approach with neighbouring councils to meet central government's target to double agribusiness exports from the Manawatu/Wanganui (Horizons) region by 2025. It will build on the strategic water resources assessment completed in December 2014;
- better showcasing and promoting our rural lifestyle and business opportunities, through developing an events strategy and building up a portfolio of future industry development opportunities in the District. We propose increasing our contracts with local community organisations by \$45,000 per year; and
- implementing our town centre plans projects in Bulls, Taihape, Marton and Hunterville (refer to pages 9-11). We propose investing an additional \$60,000 per annum for the next three years to implement the strategies within the Town Centre plans.

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

## Options

### 1. Preferred option – Council’s proposal:

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

#### Likely consequences

##### On Rates<sup>1</sup>

\$205,000 for each of the first three years, which equates to:  
Uniform Annual General Charge: \$15.60  
General rate: \$3.31 per \$100,000 capital value  
(This is 1.02% of total rates revenue)

##### On Debt

Nil

##### On Levels of service

Increased level of service – to support strategic research and local initiatives focussed on the District economy.

<sup>1</sup>The total amount of rates required is expressed on a GST exclusive basis, the specific cost for each ratepayer is on a GST inclusive basis.

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

#### Likely consequences

##### On Rates

Nil

##### On Debt

Nil

##### On Levels of service

Unchanged

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

#### Likely consequences

##### On Rates

\$100,000 for strategic research or \$105,000 for local initiatives for each of the first three years, which equates to:  
Uniform Annual General Charge: \$7.61 or \$7.99  
General rate: \$1.61 or \$1.69 per \$100,000 capital value  
(This is 0.5% (or 0.52%) of total rates revenue)

##### On Debt

No impact

##### On Levels of service

Increased level of service, but less than in the preferred option.







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

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

### Council's proposal for Bulls

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

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

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

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

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

Costs	\$
Community Centre and Civic Square	3,075,575
Site purchase and clearance	260,000
Professional fees	185,000
Car park works	75,000
Bus stop relocation	15,000
<b>Total</b>	<b>\$3,610,575</b>

Funding	\$
Council budget 15/16	1,600,000
Property Sales	565,000
Lotteries and Other Government funding	1,000,000
Regional and Local Trusts	350,000
Local fundraising	100,000
<b>Total</b>	<b>\$3,615,000</b>

The concept design and feasibility study for the proposed Bulls Community Centre are available on our website [www.rangitikei.govt.nz/ltp](http://www.rangitikei.govt.nz/ltp).

### Council's proposal for Marton

Council has adopted a draft Town Centre Plan for Marton. The initial focus for this Plan is to work with building owners and retailers to develop a "Boutique Town" experience that will secure Marton's place as the heart of the District and provide a unique visitor experience – crucial

for a town not on a state highway (as Bulls and Taihape are). In the medium-term, Council is considering moving the Library and other Council services into a central business district development that will act as the catalyst to add to the town centre’s vibrancy. Council envisages the project starting in 2018/19 and being completed the following year. Council funding of \$1.64 million is provided from 2020/21 (loan funded projects are rated in the year following). However, the full cost of the project is not yet established nor the necessary external funds to make it viable. This project will be further developed and consulted on in the 2018-28 Long Term Plan. It is likely to have a similar impact on capital funding and debt as the proposed Bulls Civic/Community Centre.

### Council’s proposal for Taihape

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

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

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

### Options

**1. Preferred option – Council’s proposal:** To upgrade or build new Civic/Community Centres in Bulls, Marton and Taihape with Council’s capital contribution of \$1.6 million for Bulls, \$1.64 million for Marton and \$1.78 million for Taihape<sup>2</sup>, with the balance from external sources and sale of other Council land/buildings in these towns. This will provide modern, fit-for-purpose facilities that comply with the government’s requirements regarding safety in public buildings. Note \$686,000 of Council’s contribution for Bulls and \$298,819 for Taihape, is funded from existing depreciation reserves.

### Likely consequences

#### On Rates

\$300,000 rates requirement (spilt over 2015/16 and 2016/17) towards development costs, which equates to:

Uniform Annual General Charge:

2015/16 - \$30.43

2016/17 - \$15.21

Total annual rates required to cover operating costs will be \$115,612 for Bulls, \$147,526 for Marton and \$139,064 for Taihape, which equates to:

Uniform Annual General Charge:

From 2017/18: \$17.59 for Bulls<sup>3</sup>, and

From 2020/21: \$22.45 for Marton, and

From 2023/24 \$21.16 for Taihape<sup>4</sup>

(This is 1.46% of total rates revenue by 2023/24)

#### On Debt

\$3.738 million by 2023/24 - term of debt 30 years

#### On Levels of service

Increased level of service

<sup>2</sup>The increased amounts for Marton and Taihape are the result of inflation adjustments.

<sup>3</sup>Bulls is partly funded from reserves.

<sup>4</sup>A portion of Taihape’s costs are able to be met from the depreciation reserves because of the build-up of these reserves by 2023/24. This means a lower rates requirement for Taihape compared with Marton.

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

**Likely consequences**

**On Rates**

There will be an impact on rates or debt for earthquake strengthening Councils buildings in Bulls, Marton and Taihape. The costs for this are unknown. Estimates to earthquake strengthen the Taihape Town Hall have been around \$2 million

**On Debt**

Nil – the decision, which is yet to be made, on whether to fund earthquake strengthening through rates or debt could impact on debt, if this option was followed.

**On Levels of service**

Unchanged (and potentially reducing as the buildings deteriorate and become less useful)

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

**Likely consequences**

**On Rates**

\$300,000 rates requirement (spilt over 2015/16 and 2016/17) towards development costs, which equates to:  
 Uniform Annual General Charge:  
 2015/16 - \$30.43  
 2016/17 - \$15.21

Total annual rates required for Bulls will be \$115,612, which equates to:  
 Uniform Annual General Charge:  
 From 2017/18: \$17.59  
 (This is 0.35% of total rates revenue in 2017/18)

**On Debt**

\$620,000 – term of debt 30 years

**On Levels of service**

Increased level of service – but at Bulls only

### 3. Replacing reticulated water and wastewater schemes for smaller communities

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

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

## Council's proposal

One of the implications of declining populations, higher compliance costs and tighter resource consent conditions is the potential shrinkage of reticulated water and wastewater systems in smaller settlements. In particular those systems servicing fewer than 200 people, and the uncertainty about providing services to small communities which currently lack them. An instance of this is Koitiata, where Council's wastewater system services only 17 of the 122 properties in the village. The resource consent for Koitiata expires in July 2024. We will be closely examining alternatives to meet these crucial needs and discussing these with the relevant communities before any decisions are made.

Council's preference would be to retain reticulated water/wastewater services in small communities. However, the recent withdrawal of Government funding support means retaining these services is not considered affordable and makes extending such services (e.g. in Koitiata) impracticable. Council is working with Local Government New Zealand on a case to support the re-instatement of a national subsidy programme for small community schemes.

Mangaweka is the first of these small communities to be addressed - the current resource consent for the town's wastewater plant expires in 2024. Conditions for the new consent are likely to require higher levels of treatment. Evaluating options and giving effect to these conditions could require an additional \$1.7 million over the 10 year period to 2024/25. (Renewals and upgrades in the 10 years from 2025 would require a further estimated \$800,000). Prior to the expiry of this consent, Council proposes to examine alternative on-site options and implement them, at an estimated cost of \$1.768 million<sup>5</sup> for the 63 connected properties.

A similar issue could arise in Taihape, where the resource consent for wastewater expires in 2025. Depending on the conditions for the new consent, it may be necessary to reduce the number of connections so that there is a smaller quantity of effluent which means a lesser cost for upgrade of the treatment facilities. Council anticipates that similar considerations may need to be made for other communities during the next 30 years. Over the term of the proposed Long Term Plan Council is proposing that, apart from Mangaweka, all other existing urban water and wastewater systems would be maintained, as long as costs for renewals and upgrades

required through new resource consents, remain affordable. Where this is not the case, Council will look to identify local on-site solutions, taking advantage of technological innovation.

## Options

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

### Likely consequences

#### On Rates

\$123,749 for debt servicing which equates to \$30.50 in 2023/24. There will be reduced future operating costs, however the extent of the ongoing costs will be assessed once the affected community has been consulted with

#### On Debt

\$1.768 million – to be loan funded in 2022/23 – term of debt 30 years

#### On Levels of service

Decreased level of service in Mangaweka

<sup>5</sup>This is based on installing septic tanks. Composting toilets would be around half that cost.



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

**Likely consequences**

**On Rates**

Year 1 total impact on rates will be \$217,610  
 An additional \$53.79 from 2024/25  
 (0.87% of total rates revenue for that year)  
 Projected renewals, beyond upgrades, will have no further impact on rates, as they will be adequately funded from depreciation reserves.

**On Debt**

Increase in debt of \$2.324 million – term of debt 30 years

**On Levels of service**

Unchanged



# 4. What should we do with our community facilities?

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

## (a) Swimming pools

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

### Council's preferred option

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

### Options

**1. Preferred option – Council's proposal:**

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

**Likely consequences**

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

**2. Reducing the swimming season at Taihape and Marton:** This would mean Taihape would be open for two months and Marton for three months each year. Instead of replacing the roof on the Taihape Pool in 2019/20, it would be removed so that the pool reverted to being an open-air facility: this would cost an estimated \$171,000 (\$40,000 roof demolition, \$109,000 solar heating and \$22,000 filtration heating). While there would be a reduction in operating costs, Council considers that these cost savings would be more outweighed by the reduced availability of these facilities (which could mean an increasing level of rates funding). The status quo would remain at Hunterville as it is only open for two months.

**Likely consequences**

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

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

**Likely consequences**

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





## (b) Community Housing

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

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

### Council's preferred option

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

### Options

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

### Likely consequences

#### On Rates

Nil – this will be funded from depreciation reserves, so there is no impact on rates or debt

#### On Debt

Nil – this will be funded from depreciation reserves, so there is no impact on rates or debt

#### On Levels of service

Units may be upgraded and amalgamated, so potentially there may be fewer units, but an improved standard

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

### Likely consequences

#### On Rates

Nil – but potentially could require additional rates funding if a lower rate of occupancy arises.

#### On Debt

Nil

#### On Levels of service

Unchanged

## (c) Parks Upgrades

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

### Council's proposal

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

### Options

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

#### Likely consequences

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

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

#### Likely consequences

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

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

**Council's normal** Funding Assistance Rate (FAR) for roading rises from 59% to 62% in 2015/16 and to 63% in subsequent years.

Between 2005/06 and 2011/12 emergency works expenditure on Rangitikei's roads was nearly 58% of Council's total road maintenance costs (the fourth highest in the country after Christchurch, Wairoa and Wanganui). The average emergency works funding rate for Rangitikei between 2009/10 and 2012/13 was 89%.

The new arrangements for the FAR means there is likely to be less funding for emergency works than previously.

This means that following a flood or storm event Council might be forced to delay repairs or borrow to fund the necessary work. In order to better manage this risk, we believe it is preferable to increase the current roading reserve fund from the present \$1.2 million to \$3.5 million.



## Council's proposal

Council's immediate concern is to manage the risk of reduced emergency works funding (and the consequential need for an increased 'local share' (i.e. the costs funded by Rangitikei ratepayers)). The most effective way to do this is by increasing the roading reserve (and the annual contribution being made to it). That will be done by using the increased FAR together with an increased rates contribution.

Given its purpose, it is highly probable that the reserve will be drawn on during the next 10 years. This means there can be no certainty on the contribution to the reserve (or the size of the reserve) in any year beyond 2015/16.

A complementary approach would be to seek insurance cover. In the medium term that could be a viable strategy, in conjunction with other councils, as is the case for above and below ground infrastructure. However, for Rangitikei to do this alone now would mean lengthy negotiation with some uncertainty whether the premium was a reasonable one.

## Options

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

## Likely consequences

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

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

## Likely consequences

<b>On Rates</b>
Nil
<b>On Debt</b>
Nil
<b>On Levels of service</b>
Potential reduced level of service, in the event of flooding or storm events

# Council's Financial Strategy

## What's the Plan for affordable rates? How far a rates dollar goes today...

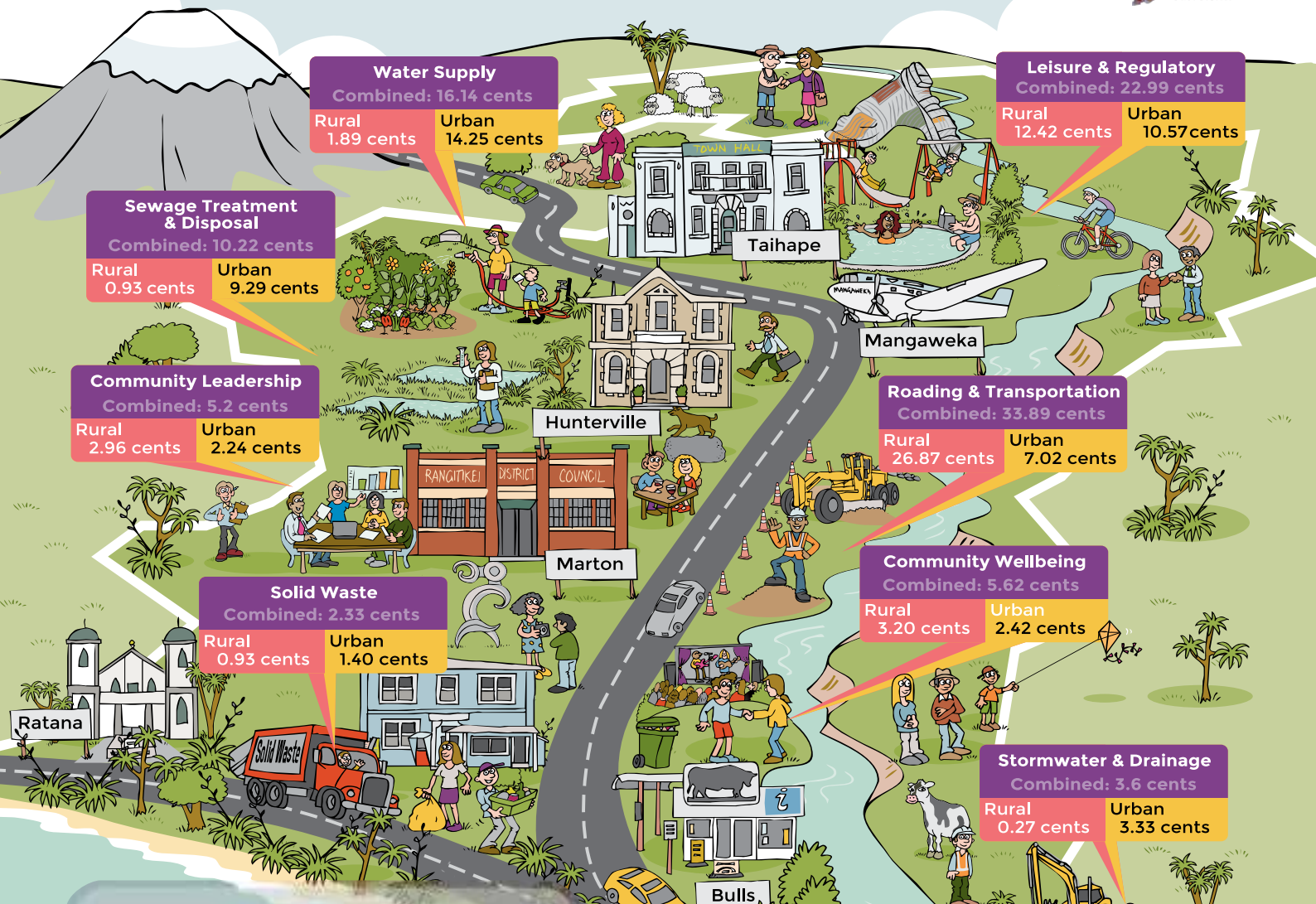
The services and activities provided by Council are paid for by rates, spread across both urban and rural rating areas, and other income. Rates currently cover 64% of our expenditure, with the remaining coming from other sources, such as user fees/charges and subsidies. The following graphic shows, in 2014/15, how each \$1 of rates

is spent, and the funding split between the urban and rural ratepayers, for each key activity/service.

The amount of rates required in 2015/16 for each of these activities is expected to vary from those shown in the graphic. While the extent of the variation is not likely to be significant, the exact variation will not be known until any changes to the proposed Long Term Plan arising from the consideration of submissions are confirmed when the Plan is adopted.

# Council Activities in the Rangitikei District

All the facilities and services we enjoy in the Rangitikei District are provided for by the rates and charges that you pay.



## Making a Dollar Go Round

22.99 cents	Leisure & Regulatory	Community Leadership	5.2 cents
Water Supply	16.14 cents	Sewage Treatment & Disposal	10.22 cents
Solid Waste	2.33 cents	Community Wellbeing	5.62 cents
Stormwater & Drainage	3.6 cents	Roading & Transportation	33.89 cents



**Leisure & Regulatory includes:**  
Cemeteries, Community Housing, Domains, Forestry Investments, Halls, Libraries, Public Toilets, Real Estate, Swim Centres, Building Consents and Dog Control

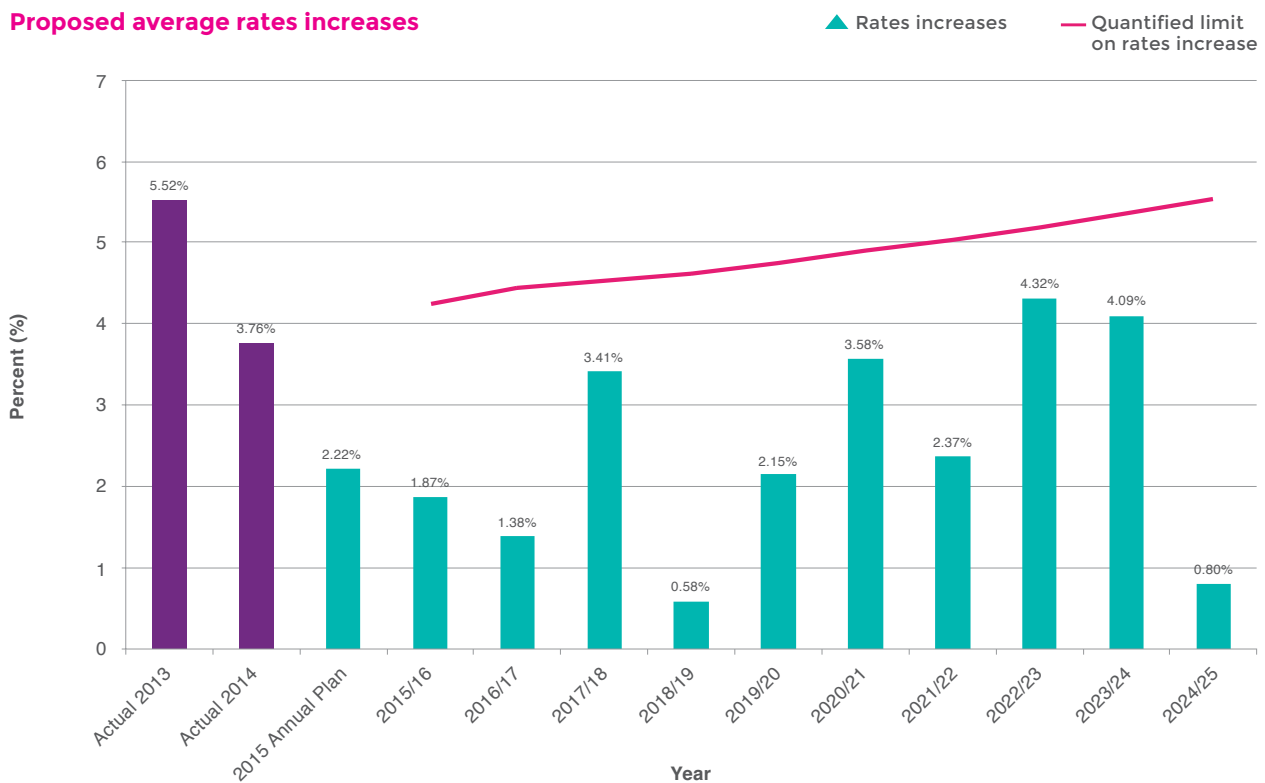
**Community Leadership includes:**  
Council, Council Committees, Elections, Ratana Community Board, Taihape Community Board

**Community Wellbeing includes:**  
Civil Defence, Community Awards, District Promotions, Information Centres, Rural Fire

- Every dollar you provide in rates and charges is divided over the cost of the services and facilities that Council provides. Specific targeted rates and user charges are divided in a way that makes our rating system as equitable as possible.
- In Rangitikei District urban ratepayers provide 50.52% of the rates money used for district services and facilities and rural ratepayers provide 49.48%. This means that urban and rural ratepayers share the costs of the district's facilities and services almost equally.

## Proposed Rate Increases for the Next 10 Years

The proposed average rate increases for the next 10 years are shown below and include provision for Council’s preferred options set out in the Key choices and issues section (pages 7 to 17). Included for comparison are the 2013 and 2014 actual average rates increases and Council’s limit on rate increases.



Actual rate levels for each property will vary, depending on whether a property is connected to a Council water supply or wastewater scheme, the capital value of a property and whether that property’s value changes relative to other properties. The 3-yearly revaluation of properties doesn’t change the amount of rates Council needs to run its business, but can result in changes to rating levels. Where a property’s rating value falls relative to other properties, then a reduction in rates is possible. However, where a property’s value rises relative to other properties, then a higher than average rates increase is likely for that property.

Council faces increasing costs in a number of areas. For example, the cost of depreciation increases as the extent and value of our assets increase. In addition, the costs of some of the equipment, materials and services we use increase faster than the general rate of inflation.

Council is forecasting rate increases lower than total expenditure increases by using alternative funding sources, depreciation and reserves, and improving our efficiency.

### Non-rates income sources

Fees, charges, grants and subsidies are very important sources of income for Council, and maximising these mean that rates can be kept at lower levels.

The most significant non-rates income for Council is the roading subsidy from the New Zealand Transport Agency (NZTA). In 2013/14 this amounted to \$7.7 million.

Council seeks external funding assistance for its community well-being activity and has, in partnership with other community organisations, secured on average \$200,000 per year since 2009 for this work.

Other external funding is sought for capital projects, such as the refurbishment of community and leisure facilities or the provision of water supplies in our smaller communities. In recent years Council has been successful in securing significant funding grants for this work from local/regional trusts and government agencies.

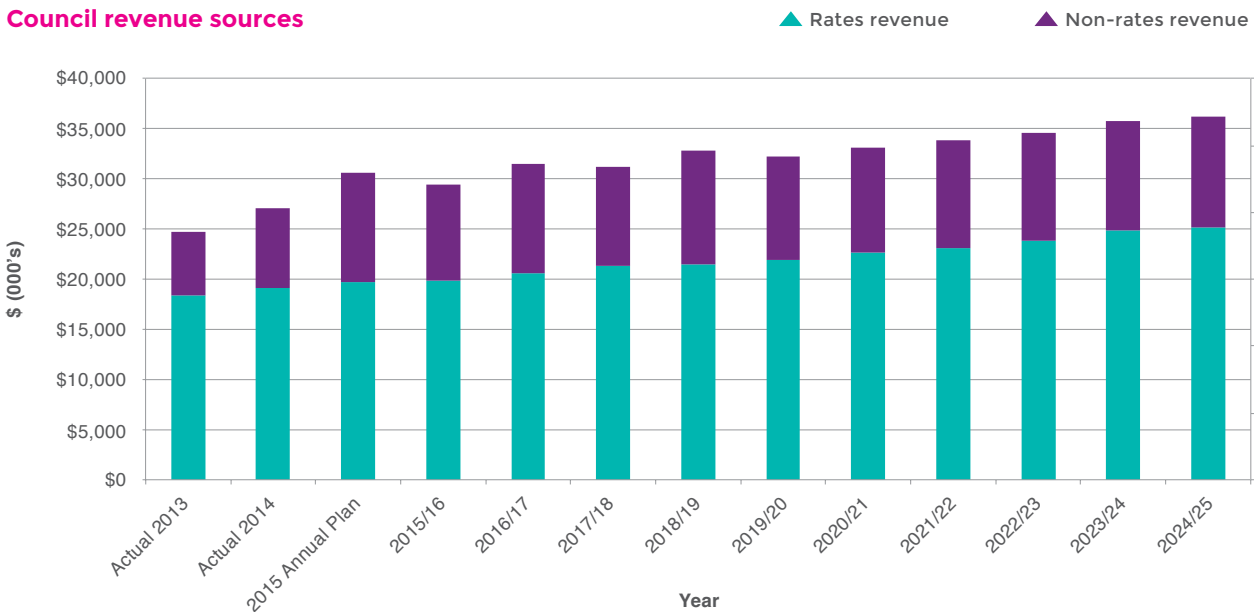
Recent examples of this are the grant from the Ministry of Health for upgrading the water supply at Ratana, the grant from Lottery Community Facilities Fund for refurbishment of the Shelton Pavilion on Centennial Park in Marton.

Fees and charges are another source of income. These are charged when individuals or groups have exclusive use of Council facilities, use

a specific service (such as an interment or dumping rubbish at a transfer station) or require Council to act in a licensing or regulating role, such as building consents and liquor licences. In 2013/14 fees and charges totalled \$3.2 million.

This graph shows Council's rates and non-rates funding sources.

**Council revenue sources**



**Our Financial Strategy - Addressing Priorities while Keeping Rates Affordable**

We know it's important to keep rates affordable. Our Financial Strategy sets out how we plan to manage this over the next 10 years. Our commitment is to cap any increases in expenditure to a level our community can afford, while still providing services and activities the community want and enjoy. We will continue to fund (through depreciation) future replacement of our critical assets, such as roads, and water and wastewater networks.

While rates will increase due to inflation (Council uses the Local Government Cost Index [LGCI] as its measure of inflation), we will continue to look for more efficient ways of delivering services and running Council operations. The impact of depreciation and the need to fund new important infrastructure projects means that increases in expenditure will exceed the level of inflation. In order to keep rates affordable, we want to limit annual rate increases at an average 2% above the inflation rate. This means rate increases will, on average, be capped at a maximum 4.5% to 5.5% per year over the next

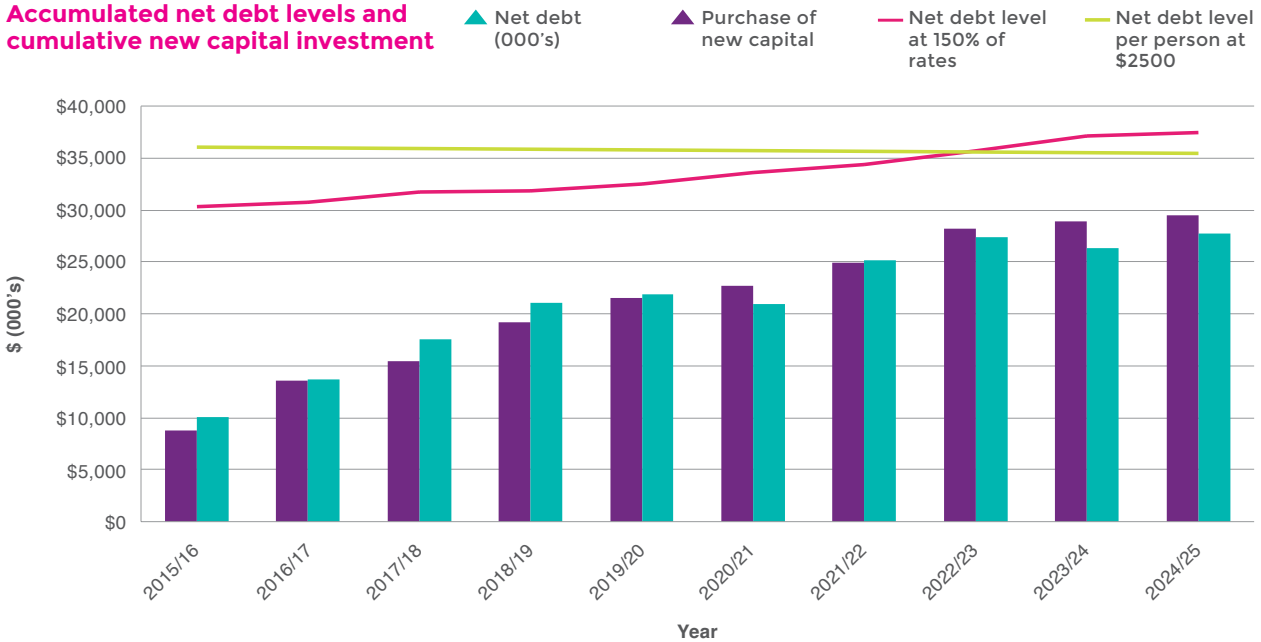
10 years. In order to achieve this we have made some recommendations about the timing and scale of major expenditure, such as water and wastewater treatment plant upgrades, and how these projects will be funded.

**Debt levels over the next 10 years**

Historically, the Council has had little or no debt. However, significant new capital expenditure is required over the next 10 years and it will be prudent to increase borrowing to fund this work as the benefits will extend over many years (intergenerational equity). We are proposing to continue our conservative approach to borrowing to ensure our debt levels continue to be affordable for our community. Our Financial Strategy sets limits for the level of external debt (refer to pages 21 and 22).

This graphs shows new capital works planned over the next 10 years. Projects for wastewater and water services will be loan funded. It also shows Council's self-imposed limit on net debt of \$2500 per person, and 150% of net debt to rates revenue to ensure Council stays within these limits over the life of the Long Term Plan. It also demonstrates the effect of the forecast decline in population on the debt per person.

### Accumulated net debt levels and cumulative new capital investment



The extent of new capital works planned over the next 10 years, particularly for wastewater and water services, means we need to take on debt as these projects will be loan funded.

### Planned Capital Works

Over the next 10 years the total investment across the District, for renewals and new capital work, is projected to be \$132 million. This level of investment is required to maintain core services and levels of service.

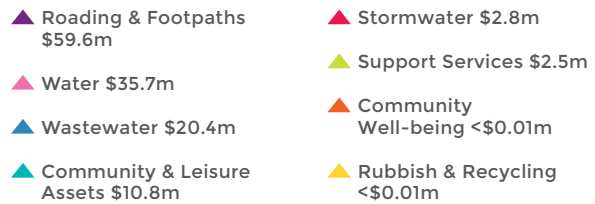


Our debt limits are demonstrated in the tables below.

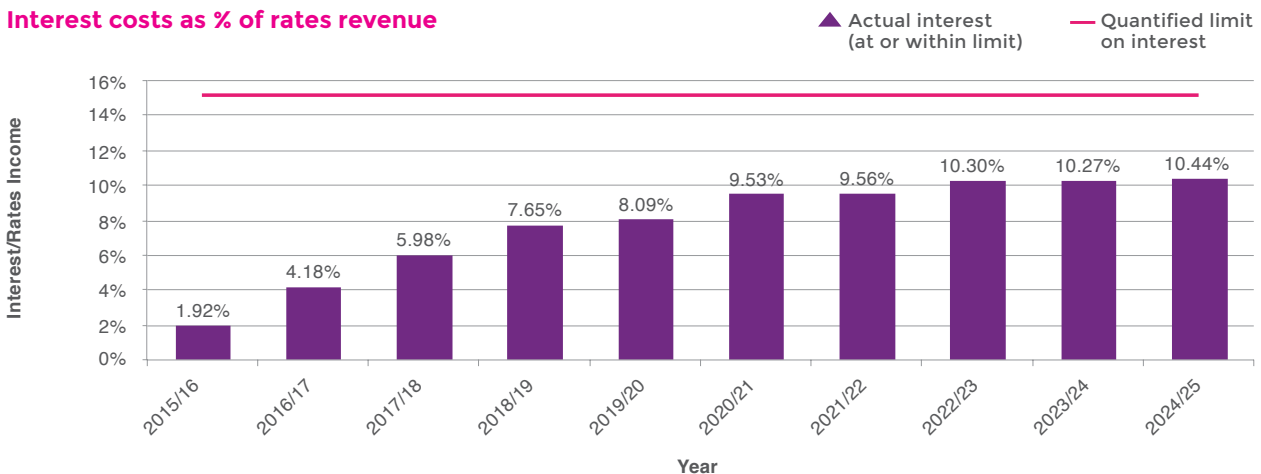
### Debt levels

Council has set a number of limits on debt and these are shown in the tables below.

Our total interest expense on debt will not exceed 15% of rates income (it was less than 1% at 30 June 2014)

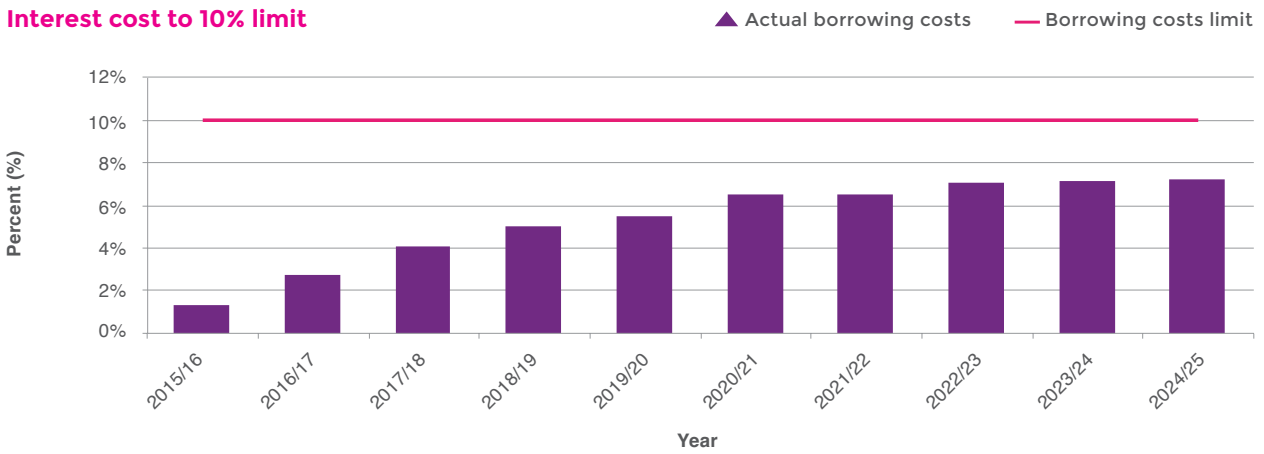


### Interest costs as % of rates revenue



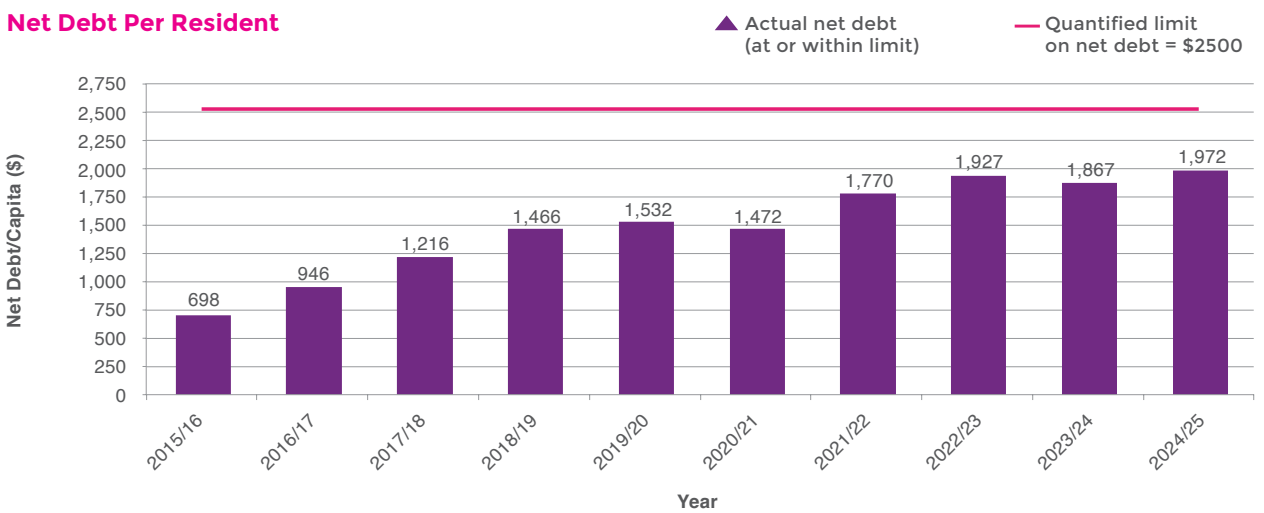
Borrowing costs for any year will not exceed 10% of Council’s total revenue (it was 0.3% at 30 June 2014)

**Interest cost to 10% limit**



Net debt will not exceed \$2,500 per resident (net debt was zero as at 30 June 2014)

**Net Debt Per Resident**



## Explanation for deficits (unbalanced budget)

The Council's overall approach is to operate in a fiscally prudent and conservative manner. To achieve this we endeavour to keep rates increases at an affordable level; maintain a low level of debt and operate a lean cost structure.

The Council does not fully fund the depreciation for all Council assets and as a result the proposed Long Term Plan shows operating deficits for some years. This is driven by:

- The decision of Council to not replace some assets in the future (mainly old community buildings)
- The way Roothing and Community and Leisure Assets are funded:
  - 62% (63% by 2016/17) of most of the maintenance and renewal costs of Roothing is funded by the New Zealand Transport Agency (NZTA) by way of a grant. This grant covers the majority of the depreciation funding required for our largest asset group. Council funds the balance (37%) of the depreciation on roads through rates. Deficits occur in years in which subsidies on renewals are less than

63%, through depreciation. Council considers incurring a deficit in these years to be a prudent approach, because if we were to rate for the deficit we would be building up depreciation reserves that are unlikely to be used in the next 30 years. This would mean an increase of approximately 1% in rates each year for the next 10 years. Council already has budgeted to build up reserves of \$3.5 million to meet unforeseen emergency repairs on the roading network.

- Council funds no depreciation on the rural water schemes, housing, pools and real estate; and funds depreciation of 50% for parks, halls and public toilets; for the following reasons:
  - Rural water schemes: owner committees pay for renewals as they are required, therefore there is no need for Council to build up reserves and fund depreciation.
  - Housing, pools and real estate: Council considered that these assets would not be replaced and therefore depreciation did not need to be funded.
  - Parks, halls and public toilets: Council is committed to the “fewer but better” concept in managing its community facilities, and on that basis decided to fund half depreciation for these assets.

Council has budgeted for surplus and deficits as follows:

	2014/2015 Annual Plan (\$000)	2015/ 2016 (\$000)	2016/ 2017 (\$000)	2017/ 2018 (\$000)	2018/ 2019 (\$000)	2019/ 2020 (\$000)	2020/ 2021 (\$000)	2021/ 2022 (\$000)	2022/ 2023 (\$000)	2023/ 2024 (\$000)	2024/ 2025 (\$000)
Operating surplus (deficit) before tax	1,294	81	1,008	(968)	302	(1,065)	(1,183)	(773)	(1,249)	(1,116)	(1,116)

To see a full copy of Council's Financial Strategy go to our website [www.rangitikei.govt.nz/ltp](http://www.rangitikei.govt.nz/ltp).

## Changes in Revenue and Financing Policy

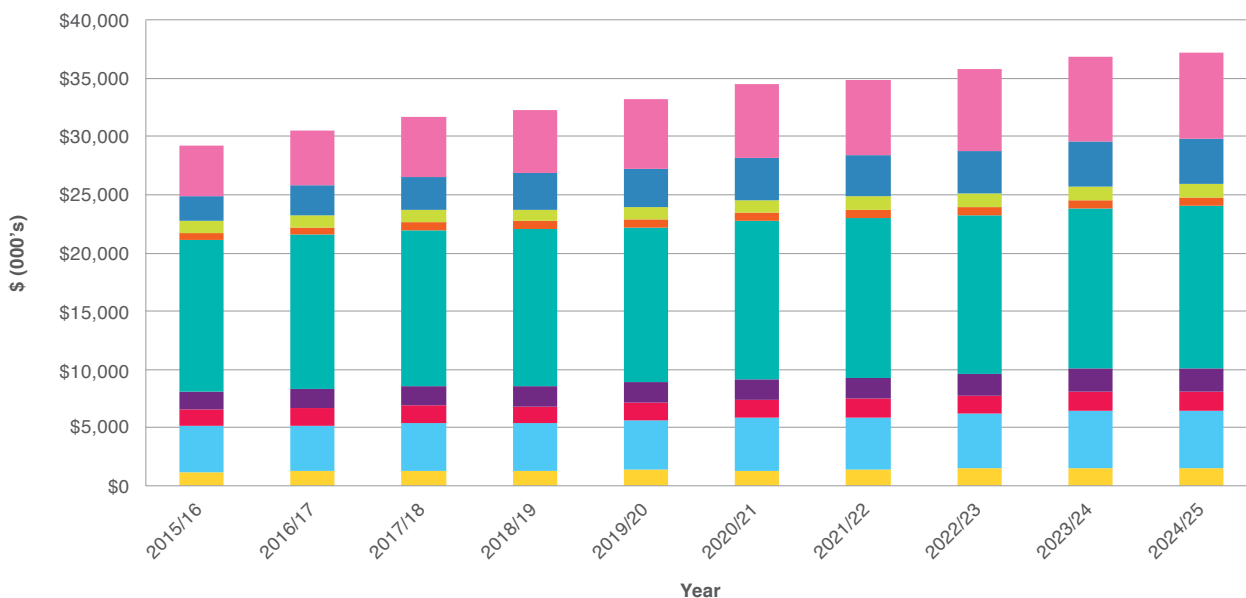
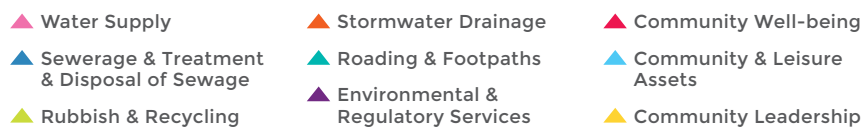
Currently we have a revenue and financing policy which sets out how activities will be funded and to what level. We propose the following minor changes to the current approach to setting rates, these have been included in the rating impacts on example properties on pages 24 and 25:

- Continuing the district-wide contribution (but only as a targeted rate on a uniform basis with no contribution from the General rate) for the operating costs of water, wastewater and stormwater.
- Continuing to fund roads through a district-wide targeted rate based on capital value.

- Making minor adjustments to the use of the Uniform Annual General Charge (UAGC) and the General rate to fund specified activities to show where the benefits from these activities are received, while ensuring a fair allocation of rates.
- Funding capital projects will continue to be determined on a case-by-case basis. This is significant for projects such as developments in the main towns, and any extension to reticulated water, wastewater and stormwater networks in the District.

Below shows the projected operating expenditure over the next 10 years:

### Expenditure by activity



Council has made a detailed assessment on its Revenue and Financing Policy, which is being consulted on separately.

To see a full copy of Council's Revenue and Financing Policy go to our website [www.rangitikei.govt.nz/ltp](http://www.rangitikei.govt.nz/ltp).

## Example Properties - Rating Impacts

The table shows a sample of properties with different rating mixes and a range of property values to illustrate the impact of the proposals, in this and supporting documents, on rates. Ratepayers can access 2015/16 proposed rating information on line at [www.rangitikei.govt.nz/ltp](http://www.rangitikei.govt.nz/ltp).

Location	Capital Value	Proposed 2015/16	Actual 2014/15	Difference	Percentage
<b>Koitiata</b>					
Koitiata	205,000	1,427	1,498	(70)	(4.70%)
Koitiata	130,000	1,229	1,249	(20)	(1.59%)
Koitiata	100,000	1,149	1,133	17	1.47%
<b>Taihape Commercial</b>					
Taihape	500,000	3,914	4,012	(98)	(2.43%)
Taihape	180,000	2,616	2,599	18	0.67%
Taihape	360,000	3,102	3,423	(321)	(9.38%)
<b>Taihape Non-Commercial</b>					
Taihape	265,000	2,846	2,878	(33)	(1.14%)
Taihape	103,000	2,409	2,313	95	4.12%
Taihape	40,000	2,239	2,128	111	5.21%
<b>Huntermville Commercial</b>					
Huntermville	390,000	5,144	4,926	218	4.43%
Huntermville	245,000	2,123	2,078	44	2.12%
Huntermville	40,000	1,579	1,484	95	6.41%
<b>Huntermville Non-Commercial</b>					
Huntermville	270,000	2,189	2,151	38	1.76%
Huntermville	114,000	1,775	1,699	77	4.52%
Huntermville	58,000	1,038	999	39	3.88%



Location	Capital Value	Proposed 2015/16	Actual 2014/15	Difference	Percentage
<b>Marton Commercial</b>					
Marton	410,000	5,830	5,722	108	1.88%
Marton	160,000	2,555	2,474	81	3.26%
Marton	100,000	2,613	2,491	122	4.88%
<b>Marton Industrial</b>					
Marton	680,000	4,367	4,858	(490)	(10.09%)
Marton	1,200,000	7,266	8,009	(743)	(9.27%)
Marton	420,000	3,244	3,721	(477)	(12.82%)
<b>Marton Non-Commercial</b>					
Marton	385,000	3,151	3,141	10	0.32%
Marton	133,000	2,483	2,445	38	1.56%
Marton	52,000	2,268	2,170	99	4.56%
<b>Bulls Commercial</b>					
Bulls	660,000	5,672	5,424	248	4.58%
Bulls	280,000	4,414	4,115	300	7.28%
Bulls	155,000	2,541	2,377	165	6.94%
<b>Bulls Non-Commercial</b>					
Bulls	590,000	13,575	12,168	1,407	11.56%
Bulls	147,000	2,520	2,304	216	9.38%
Bulls	76,000	2,332	2,087	245	11.76%
<b>Ratana</b>					
Ratana	136,000	2,796	2,702	94	3.47%
Ratana	72,000	2,483	2,376	106	4.48%
Ratana	52,000	2,385	2,275	110	4.85%
<b>Rural North Over \$1,000,000 Capital Value</b>					
Erewhon	9,500,000	29,170	28,936	235	0.81%
Erewhon	3,979,000	11,621	11,591	30	0.26%
Te Kapua	1,220,000	4,176	4,143	33	0.80%
<b>Rural North \$200,000 To \$1,000,000 Capital Value</b>					
Erewhon	690,000	2,746	2,686	60	2.25%
Kiwitea	500,000	2,233	2,185	48	2.20%
Ohingaiti	265,000	1,599	1,611	(12)	(0.74%)
<b>Rural North Under \$200,000 Capital Value</b>					
Awarua	215,000	1,464	1,464	0	0.03%
Ohingaiti	62,000	1,051	1,013	38	3.75%
<b>Mangaweka</b>					
Mangaweka	106,000	2,417	2,167	250	11.54%
Mangaweka	82,000	2,352	2,096	256	12.21%
Mangaweka	45,000	2,252	1,946	306	15.73%
<b>Rural South Over \$800,000 Capital Value</b>					
Rangitoto	13,900,000	39,493	46,958	(7,465)	(15.90%)
Porewa	2,580,000	10,071	10,295	(223)	(2.17%)
Porewa	1,250,000	4,612	4,803	(191)	(3.98%)
<b>Rural South \$250,000 To \$800,000 Capital Value</b>					
Porewa	600,000	2,474	2,571	(96)	(3.75%)
Pukepapa	375,000	2,535	2,560	(25)	(0.97%)
<b>Rural South Under \$250,000 Capital Value</b>					
Scotts Ferry	155,000	1,295	1,280	15	1.13%
Scotts Ferry	130,000	1,229	1,121	108	9.61%
Rangitoto	300,000	1,679	1,701	(22)	(1.27%)
<b>Rural Large Dairy/Pastoral</b>					
Otairi	1,523,000	4,921	5,236	(315)	(6.02%)
Rangatira	3,890,000	12,078	12,928	(850)	(6.57%)
Porewa	1,960,000	6,079	6,515	(436)	(6.69%)
<b>Rural South Industrial</b>					
Porewa	4,840,000	14,369	15,465	(1,095)	(7.08%)
Rangitoto	2,600,000	7,775	8,371	(595)	(7.11%)

# Council's Infrastructure Strategy

**Infrastructure accounts** for over 80% of Council's operating expenditure and virtually all of Council's capital expenditure. The Infrastructure Strategy outlines:

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

Factors of critical importance in the strategy are:

- the projected decline in population
- the continuation of government funding assistance for roads (see issue 5, pages 16 and 17)
- the conditions governing resource consents for water, wastewater and potentially stormwater; and
- the affordability of maintaining current urban reticulation and treatment systems (see issue 3, pages 11-13).

The Strategy considers the most likely scenarios for our significant infrastructure-related decisions over the next 30 years, including projects noted below for wastewater plant upgrades and civic (town) centre redevelopment in the next 10 years. It also covers projects beyond that timeframe - such as the Hunterville wastewater upgrades, for which the current consent expires in 2037.

The size of the District, the scattered nature of urban areas and the population changes mean there are some significant challenges for the Council to manage. These challenges include our ability to continue to deliver quality services that are affordable.

## Roading

Our roading network, valued at \$325 million, is the Council's most valuable asset. It comprises 783 km of sealed roads and 454 km of unsealed roads. However, like many of our assets, it is ageing and was not built to carry the heavy vehicles that use it today. The rural nature of our District means we have a large roading network for the size of our population.

Our intention is to reseal roads, on average, every 14 years and maintain the current level of service by resealing or repairing 60-65 km of road each year. Maintaining our roading network to this level means that currently, Council spends over a third of its rates on roading. Council is committed to continuing to invest in our roading network to ensure products can flow in and out of our District for national and international markets.

The RAMM databases are Council's primary asset register for the network. It is regularly updated, and random samples of newly collected RAMM data are quality assurance (QA) checked in the field. While all information held in these databases is reliable, there are some known gaps, e.g. historical information relating to construction dates and old pavement subsurface formation details.

## One Network Road Classification

The New Zealand Transport Agency (NZTA) has introduced a nationally consistent road classification system - the "One Network Road Classification". This system will determine the levels of service which NZTA will fund across all local networks. The classification is based on the volume of traffic, so our District, with its low volumes of traffic, may not be viewed as requiring the level of service that we currently have. If the current level of service in Rangitikei is higher than that determined in the classification, Council will need to fund the difference if it wishes to maintain current levels of service. There is a 3-year transition period (2015-2018) for the One Network Road Classification, which gives enough time for the final implications for Rangitikei to be identified and managed.

## Ageing Bridges

Rangitikei has a number of bridges that were built from the early 1900s and are nearing the end of their useful lives. Council's asset management plan identifies when bridges are due for replacement. This doesn't necessarily mean all bridges will be replaced but it does trigger specific requirements for inspections and options to extend the remaining life, either by replacing components or more regular general maintenance.

The next most significant bridge due for replacement is the Mangaweka Bridge on Ruahine Road, planned in 2018. This is a boundary bridge with Manawatu District and the costs will be shared with the Manawatu District Council. Our share of the replacement cost is \$2 million and is funded in this proposed Long Term Plan.

Financial assistance from Government is not guaranteed for bridge replacements unless a business case can be justified. The economic criteria currently applied to bridge replacements favour very high traffic volume roads.

## 3 Waters

Council operates six urban (potable) water treatment and reticulation schemes, four rural (non-potable) water reticulation schemes (with a total pipe length of 397 km), seven urban reticulated wastewater systems (101 km) and six stormwater systems (51 km pipe and 41 km open drains). Some of these assets are more than 100 years old. Many of them are buried, meaning that they cannot be easily inspected or, in some cases, even found. This results in lower data confidence for pipes compared with pump stations, plant and fittings.

### Changes in compliance requirements... for drinking water

The new NZ Drinking Water Standards require our urban water supplies comply with the protozoal standards. This means we need to improve the level of treatment above the current bacteriological compliance. Another new requirement is for Councils to measure the loss of water from urban reticulation schemes, which is likely to result in a stronger focus on detecting (and resolving) the cause(s) for such losses. This means we will need to achieve greater efficiency for our water schemes.

### Changes in compliance requirements... for wastewater

Discharges from our wastewater treatment plants are controlled through resource consents from Horizons Regional Council. The requirements of the Horizons "One Plan" and the National Policy Statement for Freshwater mean higher and more consistent standards for wastewater treatment. Council is supportive of these increasingly stringent requirements because we know how important water quality is for the health of the rivers in our District. We are planning ahead for the upgrades to our wastewater treatment plants that will be required when we renew our resource consents. As noted earlier in the Key Issues and Choices Section, one of the implications of declining populations and higher compliance costs and tighter resource consent conditions is the potential shrinkage of reticulated water and wastewater systems in smaller settlements (i.e. servicing fewer than 200 people) and the uncertainty about providing services to small communities which currently lack them. We will be closely examining alternatives to meeting these crucial needs and discussing these with the relevant communities before final decisions are made.

### Changes in compliance requirements... for stormwater

The National Policy Statement for Freshwater will also apply to stormwater run-off. This is an area which is currently not subject to any resource consent and Horizons Regional Council advises they intend to introduce them for stormwater discharges. Council is generally supportive of this because of the potential damage that stormwater runoff can do to water quality in our rivers. The first stormwater discharge consents that we will need to implement will be in Marton, and the timing of these will be agreed with Horizons Regional Council. We are planning ahead for these new measures and making provision for increased costs in this activity. As the detailed requirements for enhanced stormwater management become clearer, we will signal these and the associated costs in our future plans.

### Changes in compliance requirements... for rural water schemes

In addition to the urban water supplies which Council manages, there are four rural water supplies within the Rangitikei District:

Huntermville, Erewhon, Omatane and Putorino. We will review the management of each of these with the relevant community sub-committees, to ensure the most appropriate management model is applied. In 2026 the resource consent for abstraction for the Erewhon scheme expires, and also the consents for surface water takes for the Omatane and Putorino schemes.

## Community and Leisure facilities

Council provides community and leisure facilities, including libraries, parks, swimming pools, community halls and community housing. Many of these assets are run down and underused. Asset information for these facilities is generally compiled on a site basis, rather than identifying each item on that site. No formal assessment of data confidence has been undertaken. However, there are a number of other providers of these sort of facilities in the District. Some local schools provide halls, pools and sports fields which are available for community use, and many community and church groups own buildings which are available for hire. Much of this infrastructure is also run down and under-used.

Our strategy, over the next 10 years, is to have fewer but better community facilities. To achieve this we propose not undertaking any major

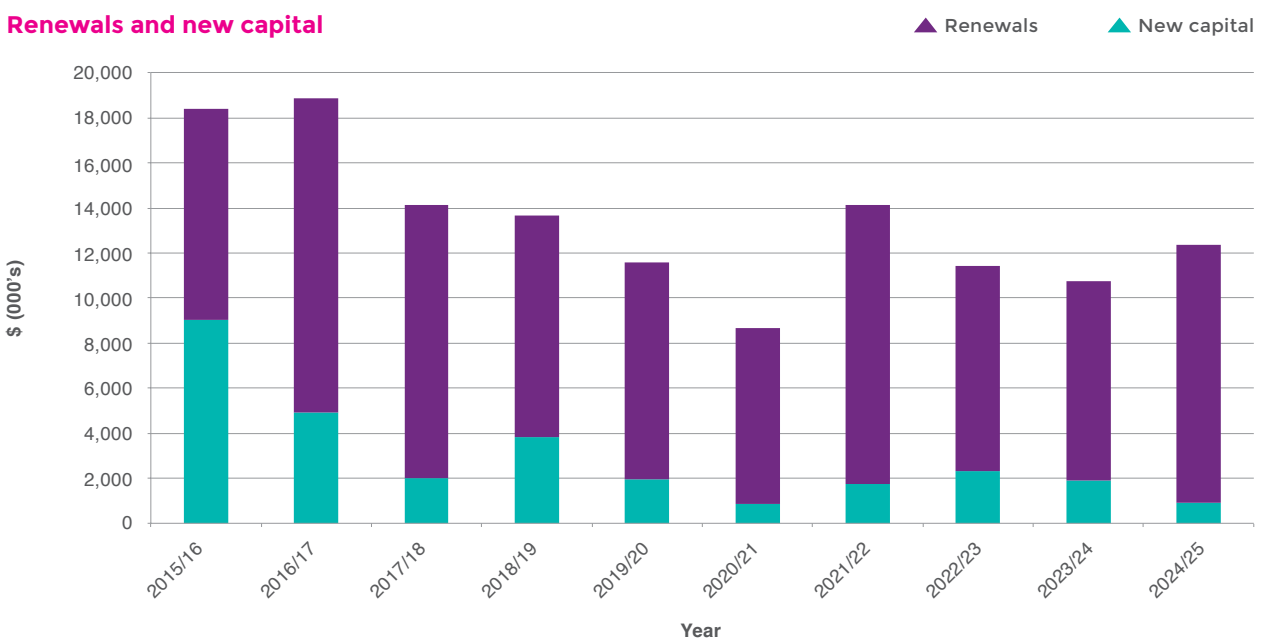
renewal or refurbishment of existing facilities until we have reviewed the need for the facility and explored the potential to partner/collaborate with other stakeholders. We are open to the full range of ownership, maintenance and management models (including contributing towards facilities owned by other organisations that meet community needs) in order to give communities more cost-effective options.

The infrastructure strategy also includes indicative estimates of the projected capital and operating expenditure associated with the management of these assets over the next 30 years.

The maintenance, renewal, and capital expenditure programme for Council’s core assets is based on the information in Council’s Asset/ Activity Management Plans. This information is the best information available to Council about these assets. For some assets (e.g. underground pipes) the information around age, type, and quantity is reliable, however it is acknowledged that information around condition has some limitations. Where these limitations exist the information will be reviewed as new information becomes available. Updated information could result in changes to the costs or timing of planned expenditure.

To see a full copy of Council’s 30 Year Infrastructure Strategy go to our website [www.rangitikei.govt.nz/ltp](http://www.rangitikei.govt.nz/ltp).

This graph shows renewals and new capital proposed for the next 10 years.





## Levels of Service

In general, Council aims to continue the present levels of service and increase the extent of achievement. In 2013/14 68% of the intended levels of service were fully or partly achieved. There has been lower achievement in demonstrating compliance over resource consents for taking of water and wastewater discharges. In addition, residents' perception of footpath and road maintenance and the provision of community and leisure assets has been lower than the target.

The focus in the key issues and choices section is on investing in improvements that maintain levels of service. Changes to the timing of key projects or the scope of other projects may occur, but these will be managed to ensure there are no unplanned reductions to the levels

of service enjoyed by our communities. Areas where levels of service have changed are in the following activities:

- Economic development – increased level of service to support strategic research and local initiatives focussed on the District economy (see issue 1, pages 7 and 8) and an increased level of service with the development of the Town Centres in Bulls, Marton and Taihape (see issue 2, pages 9-11).
- Community and leisure – Community housing – potential increase in level of service if units are upgraded and amalgamated - (see issue 4, pages 13 and 14).
- Sewerage and the treatment and disposal of sewage – potential decrease in level of service for a small number of properties, e.g Mangaweka (see issue 3, pages 11-13).

# Auditor's Report

## Independent auditor's report on Rangitikei District Council's Consultation Document for its proposed 2015 25 Long Term Plan.

I am the Auditor General's appointed auditor for Rangitikei District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. I have carried out this audit using the staff and resources of Audit New Zealand. We completed this audit on 30 March 2015.

## Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2015 25 long term plan, because it:
  - fairly represents the matters proposed for inclusion in the long term plan; and
  - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

## Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

## Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

## Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Debbie Perera  
Audit New Zealand  
On behalf of the Auditor General  
Palmerston North, New Zealand

# How to Have Your Say...

**Thanks to all those communities** who provided us with hospitality during August and September at our early consultation meetings in your areas. This was a very valuable exercise and helped us identify the issues you wanted included in this document. Now we want to formally hear from you. There are a number of ways you can give us your feedback, these include:

- Written submission - A submission form is provided at the end of this document, which includes specific questions on the five key choices outlined in this document. Send your submission to Freepost 172050 or email it to [ltip@rangitikei.govt.nz](mailto:ltip@rangitikei.govt.nz).
- Online submission form – found at [www.rangitikei.govt.nz/ltip](http://www.rangitikei.govt.nz/ltip)
- In person – public meetings are being held across the District (see below)

## Key dates:

### 1 April

Consultation period opens. Four week consultation period to 4 May.

### 1 April – 22 April

Public meetings – held across the District (see below).

### 4 May

Consultation period closes.

### 7 & 8 May

Hearing of verbal submissions (in Marton and Taihape if required).

### 25 June

Council adopts the final Long Term Plan.

## Public Meetings:

The Council will be holding public meetings across the district:

### 1 April – 5.30pm

As part of the Taihape Community Board meeting – Council Chamber Taihape Town Hall

### 2 April – 7.30pm

As part of the Turakina Community Committee meeting - Ben Nevis Hotel, SH3, Turakina

### 7 April – 6.30pm

Omatane – Omatane Hall, 5454 Omatane Rd, Taoroa Junction

### 8 April – 7.00pm

As part of the Marton Community Committee meeting – Centennial Park Pavilion, Totara St, Marton

### 9 April – 7.00pm

Koitiata – Koitiata Hall 58 Wainui Rd, Koitiata

### 13 April – 6.30pm

Mangaweka – Mangaweka Hall Koraenui Street, Mangaweka

### 14 April – 5.30pm

As part of the Bulls Community Committee meeting – Supper Room, Bulls Town Hall

### 14 April – 7.00pm

Tutaenui – Tutaenui Hall, 6 Griffins Rd, Marton

### 15 April – 6.30pm

Okirae – Makahou Hall, 893 Makuhou Rd near Turakina Valley Rd intersection, Tutaenui

### 16 April – 6.30pm

Moawhango – 2844 Wherewhere Rd, Moawhango

### 20 April – 6.30pm

As part of the Hunterville Community Committee meeting – Library, Hunterville Town Hall, Bruce St Hunterville

### 21 April - 6.30pm

As part of the Ratana Community Board meeting - Tari o Turetangata Office, Manuao, Ratana Paa

### 22 April – 6.30pm

Papanui – Papanui Junction School 5642 Turakina Valley Rd Ruanui 4791

# References

**A full proposed Long Term Plan** document contains all the elements that make up our Long Term Plan, this is available on Council's website – [www.rangitikei.govt.nz/ltp](http://www.rangitikei.govt.nz/ltp).

Supporting information is outlined below:

<b>Infrastructure Strategy</b>	Section 5 of the proposed Long Term Plan
<b>Financial Strategy</b>	Section 4 of the proposed Long Term Plan
<b>Revenue and Financing Policy</b>	Section 10 of the proposed Long Term Plan
<b>Strategic Water Assessment Project (as in issue 1, page 7)</b>	<a href="http://www.rangitikei.govt.nz/ltp">www.rangitikei.govt.nz/ltp</a>
<b>Asset Management Plans</b> - Roding - 3 Waters - Community & Leisure Asset These plans contain comprehensive statements about the nature of these assets, the management approach adopted and the likely costs.	<a href="http://www.rangitikei.govt.nz/ltp">www.rangitikei.govt.nz/ltp</a>
<b>Economic Development Strategy</b>	<a href="http://www.rangitikei.govt.nz/ltp">www.rangitikei.govt.nz/ltp</a>
<b>Pool Report Strategic Study of Rangitikei Aquatic Facilities</b>	<a href="http://www.rangitikei.govt.nz/ltp">www.rangitikei.govt.nz/ltp</a>
<b>Town Centre Plans, including the Concept design and feasibility study for the Bulls Community Centre</b>	<a href="http://www.rangitikei.govt.nz/ltp">www.rangitikei.govt.nz/ltp</a>





# Submission Form

## Issue 1

**Should Council increase its investment in economic development?**

- Option 1 – Yes I support Council’s proposal** of allocating \$205,000 per year – funded 50% from general rates and 50% UAGC.
- Option 2 – Do Nothing** – I do not support Council’s proposal.
- Option 3 – Compromise** – I do not support Council’s proposal, but I do support investing an additional annual provision of \$100,000 for strategic research or \$105,000 for local initiatives.

**Other Comments:**

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## Issue 2

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

- Option 1 – Yes I support Council’s proposal** to upgrade or build new civic/community centres in Bulls, Marton and Taihape with Council’s capital contribution of \$1.6M for Bulls, \$1.64 for Marton and \$1.78 for Taihape.
- Option 2 – Do nothing** – I do not support Council’s proposal.
- Option 3 – Upgrade Bulls only** – I do not support Council’s proposal, but I do support the upgrade for Bulls with Council’s capital contribution of \$1.6M.

**Other Comments:**

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## Issue 3

**Replacing reticulated water and wastewater schemes for smaller communities**

- Option 1 – Yes I support Council’s proposal** to install on-site treatment facilities at Mangaweka, and maintain all other existing urban water and wastewater systems, at a cost of \$1.768 million, in 2022/23.
- Option 2 – Wait and see** – I do not support Council’s proposal.

**Other Comments:**

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## Issue 4

**What should we do with our community facilities?**

### A. Swimming pools

- Option 1 – Yes I support Council’s proposal** to maintain the status quo at Taihape, Hunterville and Marton pools.
- Option 2 – Reduce the swimming season at Taihape and Marton** – I do not support Council’s proposal and support a reduced swimming season at Taihape and Marton pools.
- Option 3 – Extend the swimming season at Taihape and Marton** – I do not support Council’s proposal and support an extended swimming season at Taihape and Marton pools.

**Other Comments:**

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## B. Community housing

- Option 1 – Yes I support Council’s proposal** to invest \$100,000 for the next three years to upgrade all housing units.
- Option 2 – Status quo** – I do not support Council’s proposal.

**Other Comments:**

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## Submitter details (please print clearly):

**Your name:**

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**Email address:**

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**Preferred contact phone number:**

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**Your postal address:**

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## C. Parks upgrades

- Option 1 – Yes I support Council’s proposal** to rely on community donated labour and materials for improving our parks.
- Option 2 – Council funded provision** – I do not support Council’s proposal and support Council including an annual \$50,000 provision to upgrade facilities and equipment at our parks.

**Other Comments:**

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**Town:**

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How would you prefer to receive correspondence relating to your submission and the hearings:

- Email       Letter

Would you like to speak to your submission at the hearings being held on 7 and 8 May? These will be held in Marton and potentially in Taihape, if required.

- Yes       No

Would you prefer to present your views to Council via an audiovisual link, if that could be arranged?

- Yes       No

Yes I could like to subscribe to Council’s e-newsletter

Are you writing this submission as:

- an individual, or  
 on behalf of an organisation

If on behalf of an organisation, please provide details:

**Organisation:**

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**Position:**

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## Issue 5

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

- Option 1 – Yes I support Council’s proposal** to increase the roading reserve to a maximum of \$3.5M.
- Option 2 – Wait and see** – I do not support Council’s proposal.

**Other Comments:**

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## Privacy Act 1993

*Please note that submissions are public information. The content on this form including your personal information and submission will be made available to the media and public as part of the decision making process. Your submission will only be used for the purpose of the long term plan process. The information will be held by the Rangitikei District Council, 46 High Street, Marton. You have the right to access the information and request its correction.*

**Submissions close at  
12noon on Monday, 4 May 2015.**

# Who we are...

**Deputy Mayor**

Dean McManaway  
Ph. 06 322 8434

**Richard Aslett**  
Ph. 06 382 5774

**Ruth Rainey**  
Ph. 06 382 5507

**Angus Gordon**  
Ph. 06 388 1571

**Mayor**

Andy Watson  
Ph. 06 327 7615  
Cell. 027 617 7668

**TURAKINA WARD**  
Ratana

**MARTON WARD**  
Marton

**HUNTERVILLE WARD**  
Hunteville

**TAIHAPE WARD**  
Taihape  
Mangaweka

**BULLS WARD**  
Bulls

**Cath Ash**  
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Ph. 06 342 6838

**Tim Harris**  
Ph. 06 322 1709

**Rebecca McNeil**  
Ph. 06 322 0928

The logo for Rangitikei District Council features the name 'Rangitikei' in a stylized, blue, outlined font with a slight shadow effect. Below it, the words 'DISTRICT COUNCIL' are written in a clean, white, sans-serif font. The background is a vibrant, abstract geometric pattern of triangles in various shades of orange, red, pink, and purple.

**Rangitikei**  
DISTRICT COUNCIL