



**Rangitikei**  
UNSPOILT...



RANGITIKEI DISTRICT COUNCIL

# LONG TERM COUNCIL COMMUNITY PLAN

# :2009-2019

ADOPTED 25TH JUNE 2009

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*"Making our District Thrive"*



# INTRODUCTION : 01

# Message from His Worship the Mayor

## Welcome to the Rangitikei District Council's 10-year plan



This – the final 2009-2019 Long Term Council Community Plan – is the result of a strategic planning process that has been going on over the past 12 months or so and which culminated in a six week public consultation period between 9 March and 20 April 2009. Rangitikei District Council received over 400 separate submissions to the draft Plan - taking into account multiple signatures and petitions, more than 2,000 of you took part! This great level of feedback provided us with a clear guide when we met during May and June to consider and adopt this final version of the 10-year Plan.

### SO WHAT DID WE DECIDE?

#### **Finding a new home for Council administration**

We will not proceed with the proposal to construct a new purpose-built civic centre on our current site in Marton, a project that involved demolishing the existing 80-year old administration building. Almost 90% of you felt that this was neither the right site nor the right time.

As there is still a need to address Council's accommodation, we'll continue to investigate other options and consult with you on them. Some of you suggested other buildings for alternative improved accommodation, particularly the old Post Office. We've retained \$3 million in the 2010/11 budget so that we can respond when the appropriate opportunity arises. This expenditure would not impact until 2011/12, by which time the economy is expected to be in recovery.

#### **Balancing out water charges**

We're changing to a more equitable way of covering the costs of Rangitikei's urban piped water, waste water and stormwater systems. Currently we apply 'caps' to set a maximum amount that any individual property owner pays for connection (except for properties with metered water supplies). We then charge a district-wide fee (based on property values) to cover the shortfall between the amount we receive from the capped fees and the cost of providing these service – this is called 'the spillage'. This protects small communities from excessively high charges for essential services.

However, as we proceed with the planned capital programme for these services, rising costs means that soon all connections will reach the capped maximum. This effectively means that some rural ratepayers will pay more for urban water services – which they can't use – than urban ratepayers. To balance this inequity, from 2009/10 'the spillage' costs will be shared differently:

- > rural (and non connected) ratepayers will cover one-third of costs through a uniform (flat) fee
- > other ratepayers connected to these schemes will cover two-thirds of costs through a rate based on property value.

#### **Progressing the roads**

You strongly support our proposal to review the level of service for the region's roading network. The review will be done next year and given effect in 2010/11. We've also made budget provision to tackle overhanging trees on Council's road reserves where they present a safety hazard.

During this consultation some of you identified roading projects you want to see progressed. Our Assets Committee will consider these as part of its planning process.

#### **Maintaining the pools**

In line with most submissions, the current swimming pool arrangements will remain and we've committed limited additional funds needed for essential maintenance. However, submissions generally offered no clear preference for Council ownership. The reality is, operating three facilities that not only compete with each other but also with complexes in neighbouring districts, will be financially difficult. We'll work with all interested parties to achieve this community preference with as low an impact as possible on rates.

#### **Retaining Duddings Lake**

We will not sell Duddings Lake – it will remain an item to be funded by ratepayers. We inherited the Lake from the Marton Borough in 1989 and, from submissions and other consultation, the Marton community very much see it as theirs. As such, while a quarter of the funding will continue to come from all ratepayers, the Marton ward will pay the balance of costs.

We'll consider options for its management following a report to Council scheduled for September 2009.

#### **Other decisions**

- > After much debate, we've decided to make provision in 2012/13 of \$75,000 for the Community Astroturf proposed in Marton. While we're keen to support this project, we want to see all other funding avenues pursued first.
- > We'll store, manage, and make accessible Council's archives through a collaborative arrangement with other councils within the Horizons region.
- > We're making grants of \$25,000 each to the three Town Co-ordinators and Rangitikei Tourism, subject to guidelines and reporting.
- > The Community Initiative Grants scheme will make available an annual sum of \$60,000.
- > Council playgrounds are to be sign-posted smoke free.

#### **What does this mean for your rates?**

The draft Plan predicted average rates increase next year of 9.8 per cent. Concerns with an increased rates burden was a common theme of submissions, particularly for people on fixed incomes and ratepayers affected by recent high increases in property values – mainly farmers in the south of the District.

To ease this burden while still maintaining critical investment in roading and water services, we're adjusting our activities, including:

- > extending the timeframes for the Marton water upgrade
- > deferring indefinitely the Hunterville stormwater improvements
- > reducing the level of service on economic development
- > leaving a number of staff positions vacant until next year.

These decisions mean that the average rates bill will increase by 7.4% in 2009/10 and by 8.7 % in 2010/11. In the third year of the plan, the increase could be as high as 15%. However, this includes expenditure deferred from years 1 and 2, an allowance for the worst case scenario for the upgrade to the Marton water supply and assumes that the community approves of a capital investment in new Council administration premises through the Annual Plan in 2010/11. It also assumes a spike in the depreciation that Council must take account of following the revaluation due in 2011/12.

This is prudent financial planning but the impact on rates means increases that are higher than any of us would wish to see. These are average increases and will not be equal across the District: if your property value increased by less than the average (20-25%), then your rates increase is likely to be less than the average. Likewise, if your property value increased by more than the average, the increase is likely to be more. I know that it is unlikely that you will agree with each of the difficult compromises that Council has taken to maintain essential services whilst reducing and sharing the rates burden as much as possible. But I hope that you will understand that Council has to make decisions based upon the best information and understanding of the issues.



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REPORT TO THE READERS OF  
RANGITIKEI DISTRICT COUNCIL'S LONG-TERM COUNCIL COMMUNITY PLAN  
FOR THE TEN YEARS COMMENCING 1 JULY 2009

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The Auditor-General is the auditor of the 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 Council Community Plan (LTCCP), on his behalf.

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 LTCCP complies with the requirements of the Act;
- > the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- > the extent to which the forecast information and proposed performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

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

**OPINION**

*Overall Opinion*

In our opinion the District Council's LTCCP dated 25 June 2009 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;
- > the underlying information and assumptions used to prepare the LTCCP provide a reasonable and supportable basis for the preparation of the forecast information; and
- > the extent to which the forecast information and proposed performance measures within the LTCCP provide an appropriate framework for the meaningful assessment of the actual levels of service provision, reflects good practice for a council of its size and scale within the context of its environment.

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 25 June 2009, and our opinion is expressed as at that date.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the District 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 3000: *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

#### *Our audit procedures included assessing whether:*

- > the LTCCP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision making processes;
- > the District Council's financial strategy, supported by financial policies as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;
- > the presentation of the LTCCP complies with the legislative requirements of the Act;
- > the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;

- > the information in the LTCCP is based on materially complete and reliable asset or activity management plans;
- > the agreed levels of service are fairly reflected throughout the LTCCP;
- > the key plans and policies adopted by the District Council have been consistently applied in the development of the forecast information;
- > the assumptions set out within the LTCCP 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 LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP 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 and the Auditor*

The District Council is responsible for preparing an LTCCP under the Act, by applying the District Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The District Council's responsibilities arise from Section 93 of the Act.

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

*Independence*

When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report, and in conducting the audit of the Statement of Proposal for adoption of the LTCCP and the annual audit, we have no relationship with or interests in the District Council.

A handwritten signature in black ink, appearing to read 'Phil Kennerley', written in a cursive style.

**Phil Kennerley**

Audit New Zealand

On behalf of the Auditor-General

WELLINGTON, New Zealand



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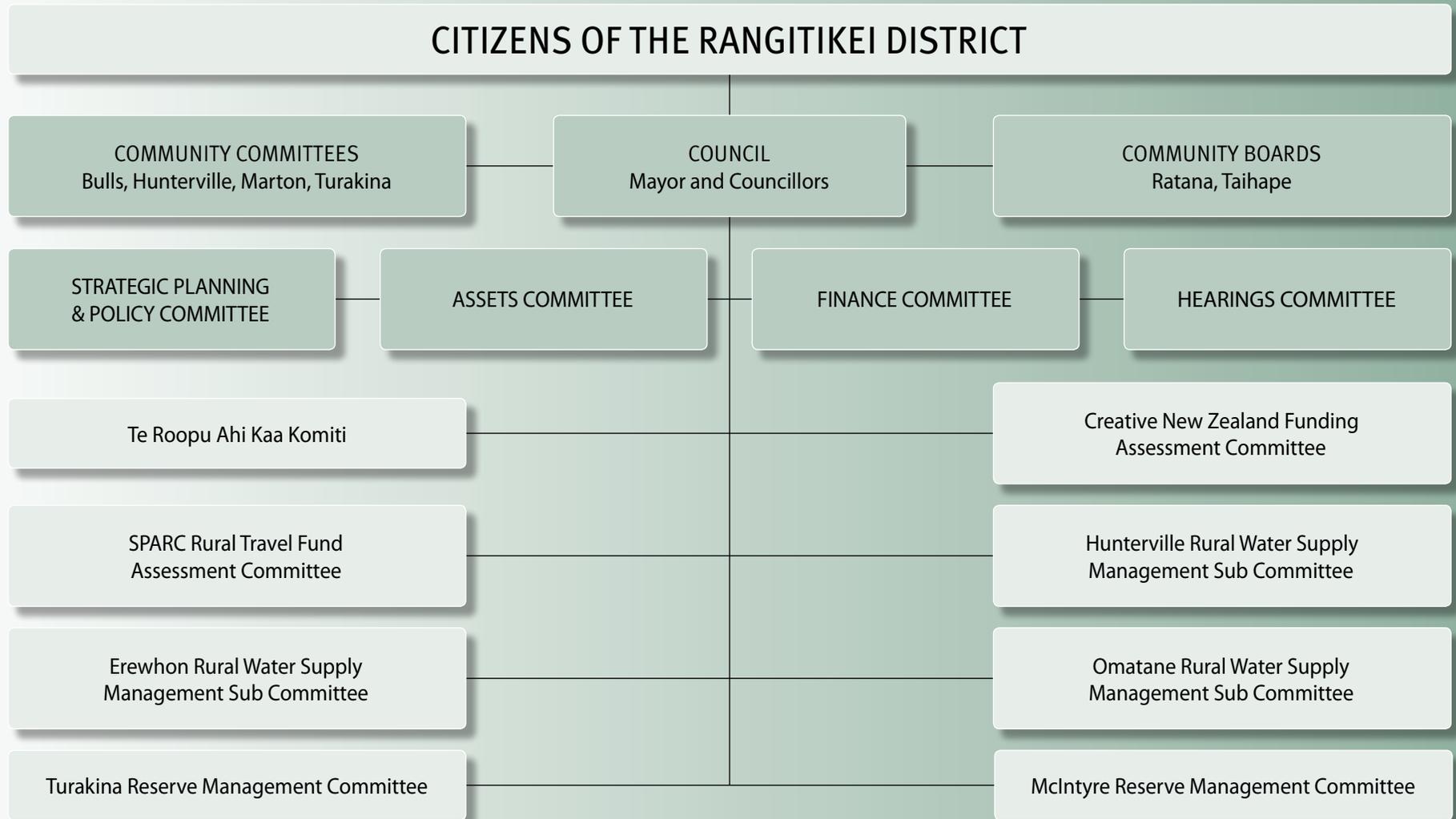


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# DISTRICT OVERVIEW : 03

**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 inland almost as far as Bulls – to the magnificent hill country of the upper Rangitikei. The District is characterised by its hills, which comprise 50% of the land, and its river, the Rangitikei River, which is one of New Zealand’s longest rivers, starting in the Kaimanawa Ranges and flowing out to the Tasman Sea.

**Rangitikei in 2009** || The District today is a mix of towns and rural communities. The Rangitikei District economy stems mainly from the primary and manufacturing industries. These two industries account for over half of employment and Gross Domestic Product (GDP) in the District. In 2007, employment rose 1.8% in the District, compared with 1.5% in the overall River Region (Wanganui, Rangitikei and Ruapehu). However, this was less than the overall increase of 2.0% nationally. Over the last decade, employment has risen on average 0.7% a year in the Rangitikei District, compared with 0.4% in the River Region, and 2.4% nationally.

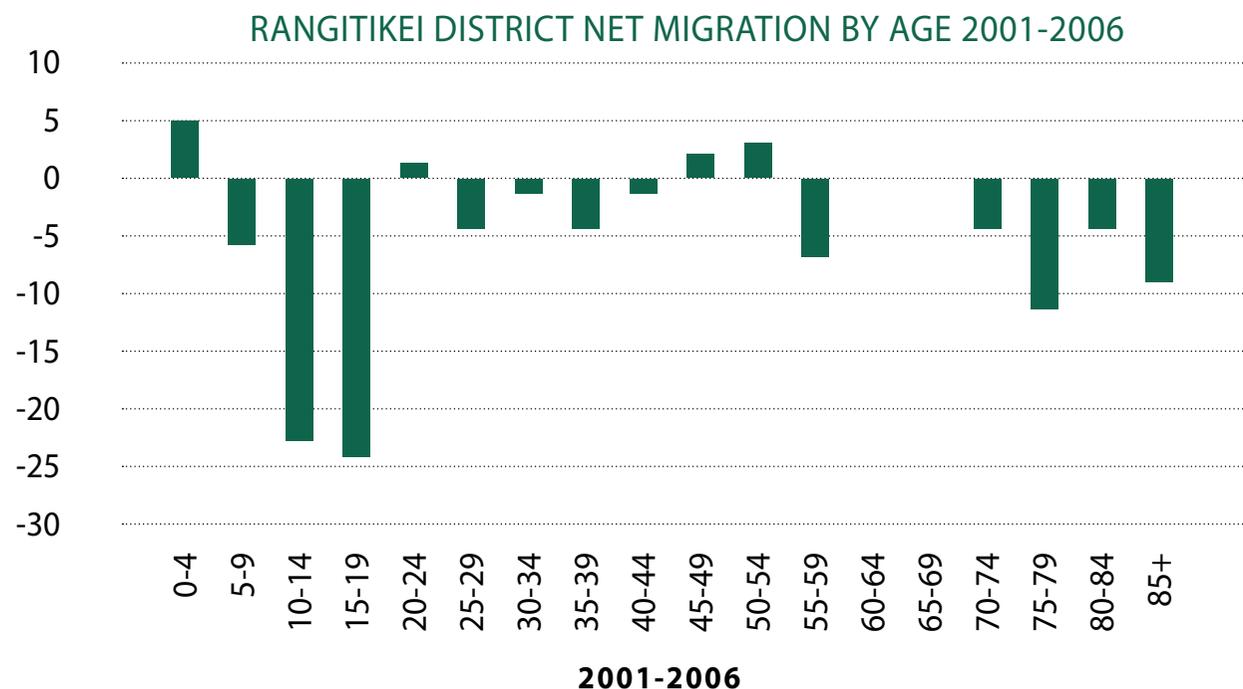
**Rangitikei in 2019** || *“Making our District Thrive”* encapsulates Council’s sustainable vision for the Rangitikei in 2019: a place where people have a future, where their aspirations matter and where the community has invested in the services and infrastructure that are important to it.

Council will continue to invest in the roads that are the lifeline for the District. It also sees the railways and fibre optic cabling as increasingly contributing to the communication infrastructure that will ensure our District remains well-connected, nationally and internationally. It will replace and upgrade much of our aging infrastructure around water, wastewater and stormwater. It will review and renew the leisure and community assets that Council holds on behalf of the residents and that contribute so much to the quality of life in the Rangitikei. It will support and promote the character and heritage of the District, to residents and visitors alike, to develop a stronger sense of local identity and pride. It will encourage and develop opportunities for local businesses to start, grow and develop – particularly in the District strengths of agriculture and manufacturing. Council considers that these are the key activities that will sustain our rural communities into the future.

To help us plan for these changes, Council needs to be aware of certain demographic and social features of our District and take account of longer-term thinking in central government in response to broader societal and environmental change

**Demographic and Social Features** || Over the last three years, despite a national increase in New Zealand’s population, the population in the Rangitikei, like many other rural areas, has declined. The Census records the population of the District as 15,150 in 2006, compared with 15,500 in 2001 and 16,700 in 1996. This decrease is caused by multiple factors including fewer births and increasing numbers leaving the District, in particular younger residents.

In the Rangitikei the population aged 65 years and over is likely to grow in the future while the numbers of children (0–14 years) and younger working age population (15–39 years) are expected to decline.

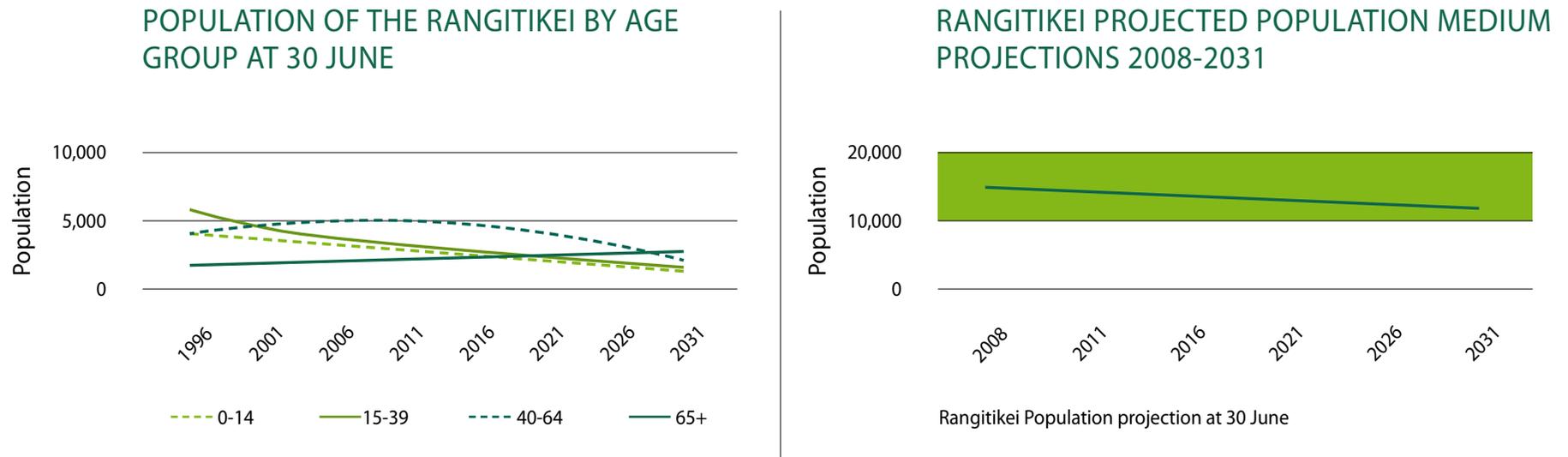


Overall, projections from Statistics New Zealand suggest that, if current trends continue, the District’s population could fall to 14,100 by 2016 and 13,600 by 2021: Council has assumed that this will be the case in its planning. Whilst the Council recognises the difficulty of fighting societal trends, several of Council’s activities are designed to stem the flow of young adults leaving the District by creating a range of services and employment opportunities that will encourage people to see their future here. This is important because without the retention of youth, the longer-term outlook is even greater population decline.

Council also believes that its investment in the town centres of Rangitikei is a critical part of maintaining its attractiveness.

The key element in the District’s demographics is the number of households. This was recorded at 5,637 at the 2006 Census. It is projected to decline slowly over the next 10 years<sup>1</sup>. Even though these households may be smaller and older than now (with younger people leaving the District), they are still likely to be regular ratepayers. Rangitikei’s towns do not rely on a single economic activity, so it is unlikely that many people would leave if an activity left the Rangitikei. Also, particularly in the south, easy travelling distances make it possible for people to make a lifestyle choice and live in the Rangitikei, while commuting to Palmerston North or Wanganui for employment.

<sup>1</sup> The medium projections from Statistics New Zealand indicate a drop from 5,900 to 5,500 between 2001 and 2021



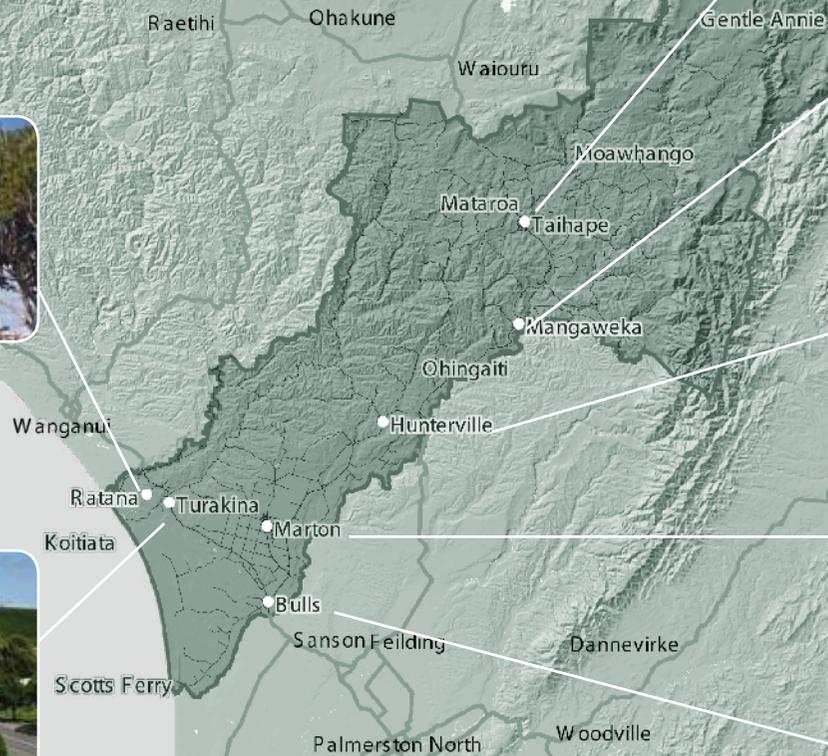
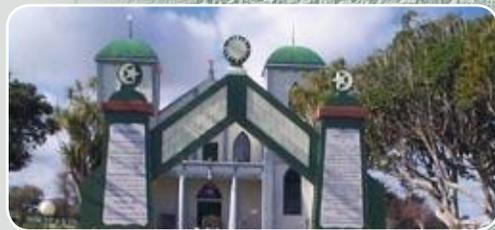
**Ethnic Diversity** || The population of the Rangitikei has proportionately more Māori and more European than New Zealand as a whole, and lower than average numbers of Asian and Pacific peoples. Council hopes to see a population at ease with itself and with the diversity that will become more important to our future well-being.

**Tangata Whenua** || There are seven Iwi within the Rangitikei. They are: Ngati Apa, located in the lower Rangitikei; Ngati Raukawa based in Bulls; Ngati Hauti, situated in the mid-eastern part of the District; Ngati Rangituhia, in the north-western part of the District, on the boundary with Ruapehu; with Ngati Tamakōpiri, Ngati Whitikaupeka and Ngati Hinemanu Paki a little to the North East.

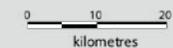
Iwi are represented on Council through its Standing Committee, Te Roopu Ahi Kaa. This relationship has been formalised through a Memorandum of Understanding - Tutohinga signed in 1998. Representation on Te Roopu Ahi Kaa also includes a member of the Rātana Community Board.

**Settlements** || Rangitikei is divided into 5 wards Marton, Bulls, Turakina, Hunterville and Taihape. The main population centres (with 60% of the population) within the District are Marton, Bulls, Taihape, Hunterville, Mangaweka, Turakina, Koitiata and Rātana Pā. Around 40% of Rangitikei’s people live outside these centres.

# Main Settlements

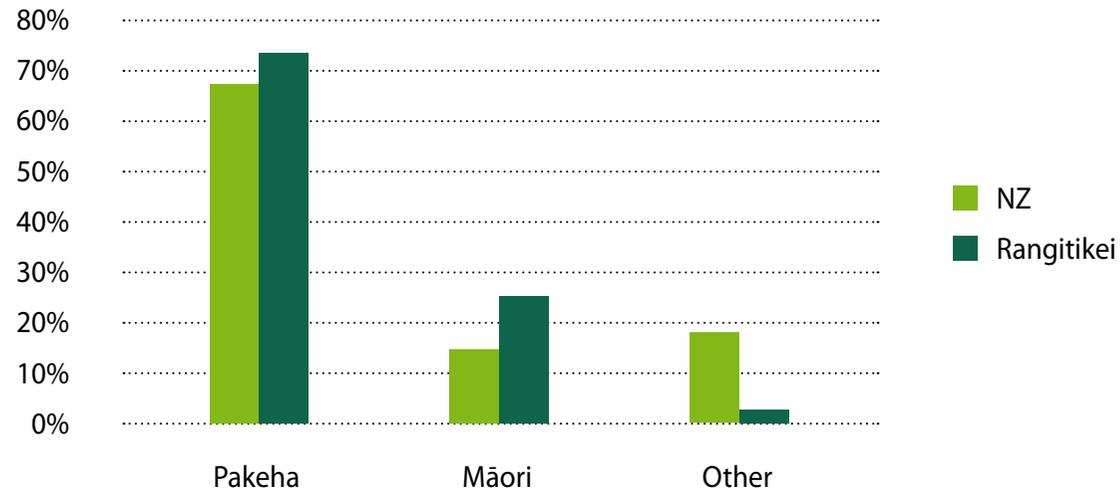


Nabier



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Census boundaries from Statistics NZ.

### ETHNIC BREAKDOWN OF THE RANGITIKEI CENSUS 2006



### Long-term government thinking in response to broad social and environmental change ||

Despite the change of government, there are several longer-term developments in central government thinking which would seem likely to impact on the Rangitikei District.

The first is around sustainable development. Minimising the impact of global warming requires that action is taken at a national level to some degree or other. Whatever mechanisms are agreed upon<sup>2</sup>, the implementation of these measures is likely to require those of us in the Rangitikei to focus on sustainable land use, waste minimisation and reducing, where at all possible, the use of carbon-based energy and fuels. Council has taken measures in this Plan to work with our communities and other agencies around sustainable development.

The flip side of sustainable development is non-sustainable development. The impact of historical, non-sustainable development is climate change, which is generally associated with (among other things) a greater frequency of extreme weather events. Government's response to the 2006 floods in the District was vastly different from that in 2004: in 2006, there was a clear message that communities needed to plan for such events. Council needs both to advocate for and support initiatives which address the increased extent of the District which is potentially susceptible to flooding. It is also improving information and communication throughout the District – particularly for those living near to a river.

The third is broadband. High-speed internet is becoming as vital a tool as roads and transport for farmers and educators. The lack of such a facility in the past has proved a deterrent for some. Council will seek out partnerships with government, education and health agencies and the private sector to bring high-speed broadband within the reach of as many households and businesses as possible.



# PLAN OVERVIEW & PROCESS FOR DEVELOPMENT : 04

**What is the Long Term Council Community Plan?** || The Long Term Council Community Plan (LTCCP) is a planning document that spans 10 years. It outlines in detail the policies and programmes that the local council will undertake within the immediate three years and how these activities will contribute to the long-term vision for the future of the District. Each local authority is required to undertake this exercise on a three-yearly cycle by the Local Government Act 2002 (LGA 2002) which defines the purposes of the LTCCP to:

- > describe the activities of the local authority; and
- > describe the community outcomes of the local authority's district or region; and
- > provide integrated decision-making and co-ordination of the resources of the local authority; and
- > provide a long-term focus for the decisions and activities of the local authority; and
- > provide a basis for accountability of the local authority to the community; and
- > provide an opportunity for participation by the public in decision-making processes on activities to be undertaken by the local authority.

Rangitikei District Council views the 10-year planning process as an opportunity to assess the possible futures for the Rangitikei District and the options and choices that face us.

**Finding your way around the LTCCP** || The LTCCP is arranged in sections. The first four sections (including this one) are intended as an introduction to the LTCCP and its place in local government. The next section, section 5, describes the Community Outcomes, how they have been developed, how progress will be measured and how council activities will contribute to them. Community Outcomes are an important element of the LTCCP because they describe the community's aspirations for the future. Council is obliged to develop and review the Community Outcomes in close consultation with its community.

Section 6 describes the activities and programmes that Council will undertake over the 10-year period. Council has clustered its twenty nine activities into 8 Groups of Activities:

1	Community Leadership	Strategic Planning, Council, Community Boards and Community Committees, Iwi/Māori liaison, Elections
2	Roading	Roading network including Bridges, Footpaths and Street-lighting
3	Water Management	Water services, Wastewater services, Stormwater services
4	Leisure and Community Assets	Parks and Reserves, Halls and Community Buildings, Cemeteries, Public Toilets, Housing, Libraries, Swimming Pools
5	Rubbish and Recycling	Waste Management, Waste Minimisation
6	Environmental and Regulatory Services	Building Control, Animal Control, District Plan, Consent Processes, Environmental Health
7	Community Support	Emergency Management, Rural Fire Service
8	Community Economic Development	Economic Development, Information Centres, Grants

Council staff have undertaken detailed planning in activity management plans. This includes a rigorous analysis of the various drivers and inhibitors that will affect their work area in the coming decade. They have also been required to outline how they will meet the community's expectations for each activity through the levels of service. The activity areas have then been analysed to show how much each area of activity will cost and how it will be paid for (rates, user charges, government subsidy, etc).

The activity management plans are summarised in this document but not all the descriptive requirements have been included. So, for example, the statutory requirements over the content of the LTCCP include outlining 'any significant negative effects that any activity within the group of activities may have on the social, economic, environmental or cultural well-being of the local community'. Where a significant negative effect has been identified in the activity management plan, then it is specifically mentioned in the relevant section and more detail is provided. Activities falling into this 'negative effects' category are the roading network (in Roothing) community housing (in Leisure and Community Assets,) and grants (in Community Economic Development,).

Sections 7 and 8 give detailed financial information including the financial strategy which has guided Council decisions to date. Section 9 provides the relevant policies that Council is required to provide under the LGA 2002. Section 10 provides summaries of the activities that local authorities are required to provide through statute (water, sanitary services and waste management and minimisation). Council has not adopted an affordable housing policy under the Affordable Housing Enabling Territorial Authorities Act 2008. If it had, then a summary would be required in this LTCCP.

**Process in Developing this Plan** || Council is endeavouring to create a living document which residents and ratepayers can relate to and which Councillors and officers can use on a daily basis. This will ensure that Council delivers to the expectations of the community. Council developed its first LTCCP under the Local Government Act (2002) in 2004 and its second, audited plan in 2006. This new Plan is based on the latter document which has been thoroughly reviewed and updated. In doing this, Council has had regard

for the views of the Office of the Auditor General on the 2006 LTCCPs. Where appropriate, Council revisited areas for consultation with the public prior to producing the draft that was put out for more widespread consultation. This included the levels of service and the community outcomes.

In October-November 2007, 401 residents participated in a phone survey on the quality of Council’s facilities and services. The results were a reference point in the initial development of levels of service for the 10 years covered by the LTCCP. In April-May 2008, Council tested this work through a survey sent to all residents on the way it proposed to deliver important services over the next 10 years. This secured a response rate of 14% and the feedback was used in workshops on Council activities.

In October 2008, a forum was held for Councillors, Community Committees, Community Boards and Te Roopu Ahi Kaa. The purpose was to discuss the Community Outcomes and activities that could and should be undertaken by Council. Feedback from this forum has also been incorporated into the planning of Council activities together with the identification of choices the community needs to consider.

What did Council's ward representatives think?	
Activity Group	Issues within Category
Community Leadership	There was a cluster of issues around community cohesion. These focused on communication and public consultation, with priorities around cultural diversity (appreciation and integration) and community cohesion within and between towns. In the 10-year plan, this area needs to be given higher prominence in the Community Leadership Group of Activities Council's ward representatives also knew that rates must be affordable and give good value for money. Council should see forming partnerships with other statutory agencies, such as other councils and health agencies, as part of its leadership role
Roading	Rangitikei District has a small population (to provide the rate-take) and a large land area across which to provide services. In general terms, about one third of the Council's income is spent on the Roothing Group of Activities (roads, bridges, footpaths and street lights). At the forum, this activity was recognised as important and requiring major expenditure in the coming 10 years
Water Management	Another third of the rates is spent on the Water Management Group of Activities (water, wastewater and stormwater). Investment in good quality drinking water was given a very high priority by ward representatives, particularly in Marton and Rātana Pā
Leisure and Community Assets	There was recognition that the District has too many assets (both buildings and parks and reserves) that are generally run down and no longer "fit for purpose". These will become increasingly expensive to maintain and manage and some cut back is needed. The 10-year plan gives the community some bold choices about how its assets are managed
Rubbish and Recycling	There was a hunger for sustainability, particularly focusing around the issue of improved recycling facilities. It was also expressed as support for water conservation, public transport and cycle ways. The 10-year plan addresses issues of recycling, including cost/benefit analysis
Community Economic Development	Ward representatives saw economic development as an important role for Council in terms of investing in fibre optic network, support for tourism and supporting people to get better qualifications for jobs and in work creation There was support at the Forum for local heritage and culture – perhaps particularly in the priority given to funding for Rangitikei museums

In December 2008, a first draft of the LTCCP was circulated to Councillors. It was edited throughout January and February and submitted to Audit New Zealand in March 2009 for its opinion as to whether it meets all the legislative requirements. The final audited draft LTCCP was approved by Council at its meeting on 9 March 2009. It was available for public consultation from 9 March 2009 and a printed Summary was distributed to households in mid-March. Council received written submissions from 423 individuals and organisations by the closing date of 20 April, heard oral submissions from 43 submitters and deliberated on the submissions over two days in early May. As a result of these submissions, Council made changes to the draft Plan at its meeting on 28 May 2009. The audited final plan was adopted by Council on 25 June 2009.

The focus of the consultation process was contained in a set of 11 Key Choices.

**Key Choices for the Rangitikei** || In planning for the future of the District, Council has to manage competing goals. It wants to keep rates affordable. But it also wants to ensure that it delivers services that improve the quality of life for residents. To achieve a balance between these goals, Council has focused on delivering sustainable solutions and has asked itself whether what is being proposed is:

*> Future focused > 'Fit for purpose' > Affordable for Rangitikei's people?*

Rangitikei is a large district with a relatively small population. This presents challenges to Council to deliver modern services across a wide-spread population. This means the costs of services per household are higher in this District than in areas where population density means costs can be shared amongst a greater number of ratepayers. The impact of this is that Council limits its activities to the provision of essential infrastructure and services. There are very scarce resources available for activities outside of these essential services.

More than two-thirds of Council's rate-take is used to provide the basic infrastructure, (i.e. roads and bridges, water, wastewater, stormwater reticulation and treatment plants) and other key community assets, (namely parks and reserves, libraries, cemeteries and community housing). Over the past several decades, many of these assets have been due for replacement but the work has not taken place. There is a backlog of replacement and renewals that are becoming increasingly urgent.

These works can only be done at a significant cost to the ratepayer. However, there were choices to be made and Council set out these choices to the ratepayers during the consultation period. The key choices were in relation to six activities, specifically,

#### COMMUNITY LEADERSHIP GROUP OF ACTIVITIES

**Regional Archives Project:** There was a choice to be made between a new local facility for archives or for the Council to join into a project for a regional facility with other councils. The costs are likely to be lower for the shared option, but there would be an opportunity for a Council facility to be used by local historical societies.

Following submissions, Council has decided to pursue the regional archives option.

### ROADING GROUP OF ACTIVITIES

**The Roothing Network:** The Roothing Asset Management Plan includes a recommended capital and renewal programme to maintain and improve the District's roading network. The total programme is approximately \$10 million per year. Council asked ratepayers if they would like a review of the level of service to see if roading costs can be cut in the longer term.

Ratepayers responded by requesting that Council review the level of service for the roading network and this will be done in 2009/10 and the outcome implemented in 2010/11.

### WATER MANAGEMENT SERVICES GROUP OF ACTIVITIES

**Marton Urban Water Supply:** The Council has been investigating an alternative water source for Marton to address quality (taste and odour), certainty (supply of water in extreme drought conditions) and quantity (increased storage to cope with 24-hour needs). The Council expects the results from test bores in September 2009 which will indicate the full scale of the upgrade required but made a provision of \$13.2 million during the 10 years to meet the worst-case scenario.

**Upgrade to stormwater capacity in Hunterville:** Recent flooding in Hunterville has highlighted the need to increase the capacity of the stormwater system in that town. Council had budgeted to complete this work within the next two years at a cost of \$1 million. Council cannot predict when the increased capacity to clear stormwater will be needed. Often, stormwater reticulation systems are only a priority when the rain starts! If there is a similar event in Hunterville prior to upgrades in the stormwater system, then Council's contingency for such events is \$200,000.

As a result of the submission process, Council has extended the timeframe for upgrading Marton water to spread the cost over more years and has indefinitely deferred the upgrades for Hunterville stormwater.

### LEISURE AND COMMUNITY ASSETS GROUP OF ACTIVITIES

Council holds other assets on behalf of ratepayers that contribute to community life. These include parks, libraries, community halls, community housing, swimming pools and public toilets. These assets 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.

Through the consultation process for the draft Plan, Council outlined its intent to work with each community to identify those assets we most want to keep and can afford to maintain. No new money would be available from the ratepayer and we suggested that any developments would be funded from the sale of existing facilities, together with fundraising from local and national sources.

The feedback from our residents and ratepayers was that this would be acceptable provided it was done in close consultation with communities.

**Marton Administration Building:** In the 2006-16 LTCCP, Council stated "a new Council office in Marton (to meet the needs of Council's operation better) is planned for 2011/12 at an estimated cost of \$2.75 million (2005/06 dollars). This proposal will be reviewed in the 2009/19 Long Term Council Community Plan"<sup>4</sup>. Accordingly, we have developed a concept plan and estimates for a new building on the existing site, with a rough order of costs of \$3.55 million.

The feedback was that residents and ratepayers did not want a new building at this time although there was support for tackling the problems of the current administration building through some investment in the existing building or an alternative site. Council will

continue to examine options in close consultation with the communities of the Rangitikei. An allocation has been included in the budget for 2010/11 and, if a suitable opportunity arises, will be consulted upon through the Annual Plan processes.

**Community Astro turf in Marton:** Through the 2007/08 Annual Plan, Council part-funded a feasibility study (\$6,000) into the potential for such a facility and that report concluded that a wet-dressed turf at Rangitikei College in Marton is feasible. The total cost would be about \$1 million and the feasibility report proposes that Council contributes \$75,000 as a one-off grant. Council is supportive of the project and sought community views on whether a contribution of \$75,000 would be appropriate.

Most people did not feel that this was affordable at this time for the Rangitikei and Council has accepted this. It has agreed to make a provisional allocation of \$75,000 in year 4 of the 10-year Plan (2012/13) on the understanding that those community members who are driving the project will pursue all other avenues of funding in the first instance.

**Marton Library:** The Marton Library is another key community service that is suffering because of the building in which it is housed, some of which dates back to 1916. We included a provisional sum of \$1.5 million in the capital programme in year 5 of the draft Plan either to relocate or substantially refurbish the Library.

The feedback from the community is that making that type of investment in the Library is not a priority and Council has accepted this view.

**Swimming Pools:** The Council currently owns swimming facilities in Marton, Taihape and Hunterville which are managed by different Community Trusts. Swimming pools are an expensive asset for any community to maintain, particularly relatively small communities such as those in the Rangitikei.

The response was overwhelmingly that these facilities are extremely valued in the community and residents and ratepayers would not find it acceptable to have to travel outside of the District. Council has introduced a minimal maintenance and renewal allocation for the pools and will work closely with the affected communities to develop long term solutions for the pools.

#### RUBBISH AND RECYCLING GROUP OF ACTIVITIES

**Waste minimisation:** The Council will be extending the recycling facilities available in the District, initially with glass recycling centres at waste transfer stations. green waste and composting schemes will be actively investigated, particularly linked to alternative energy sources.

This was welcomed by residents and ratepayers and Council has some resources allocated to review and implement the Waste Minimisation Plan that will take heed of the various submissions.

#### COMMUNITY ECONOMIC DEVELOPMENT GROUP OF ACTIVITIES

**Grants for community initiatives:** Under a review of its grant schemes, Council suggested that over the next three years the three Town Co-ordinators receive a grant of \$25,000 each per year and Rangitikei Tourism receives a grant of \$15,000 per year. The draft LTCCP also proposed to allocate \$60,000 to a grants scheme for community initiatives with wide-ranging criteria.

As a response to submissions, Council confirmed the above and increased the allocation to Rangitikei Tourism to \$25,000 per year.

### FINANCIAL STRATEGY

**Going into debt:** This Plan outlined a capital investment programme of \$165 million over 10 years and proposed that it be part-funded through borrowing. Rangitikei District Council is one of the few local authorities that doesn't already carry debt. Over the next 10 years, the total debt was projected to rise to \$20 million and then begin to decrease.

The majority community view supported this but requested that Council do all in its power to limit the amount that must be borrowed. Council has made some cuts to its capital programme which means that the total capital investment programme will be \$165 million and the maximum debt carried will be \$12.7 million. Stretching out the timeframes for the Marton water upgrade will result in some interest payments being pushed out beyond the 10 years of this programme.

### POLICIES:

**Revenue and Financing Policy:** The principle of having a 'cap' (or limit) on the water, wastewater and stormwater charges to residential properties connected to Council's systems<sup>5</sup> was continued in the draft LTCCP. Once the 'cap' has been reached, the costs are topped up with a contribution from all District ratepayers. This contribution was obtained through the General Rate (so on the capital value of each property). Council believes that everyone benefits from having good water, wastewater and stormwater systems in the towns and this District-wide contribution gives practical effect to this perspective. There is also a requirement for a fire-fighting capacity which benefits everyone. However, in this Plan with the planned capital investment programme in water, wastewater and stormwater, all the towns would reach their 'cap' and a significant burden would have fallen on the District-wide, property-value based general rate. The effect of this was that some rural ratepayers (with high property values but not connected to any water systems) were paying more for those very systems than some of the properties connected to all three.

Council agreed with a view put forward at submissions that this was not fair. We have changed the Revenue and Finance Policy to raise the level of the 'cap' and to distribute the additional costs mainly amongst those who are connected at a District-wide level.

<sup>5</sup>The situation with metered supplies is slightly different. Here there is no cap on consumption of water (the user-pays principle absolutely applies) but where the income from the water consumed per community is less than the cost to the Council to supply it, a contribution from the District-wide rate is used to make up the shortfall.



# COMMUNITY OUTCOMES: 05

## What are Community Outcomes and how have they been determined? || The Local Government Act 2002 provides the legislative framework for community outcomes and community outcomes processes. Under the Act, community outcomes are goals that the community identifies as being important for its present and future social, economic, environmental and cultural well-being.

It is important to acknowledge that these outcomes belong to the community – they are not Council outcomes. Council will identify ways in which it might contribute to the realisation of each outcome and will work with communities and other agencies and organisations.

Local authorities decide how they undertake community outcomes processes in their area. The process must encourage public participation in identifying community outcomes. Local authorities are required to consult with their communities about their outcomes at least every six years. They must state in their LTCCP what measures are to be used in assessing progress in achieving the community outcomes. Community outcomes can be changed only through consultation with the community.

Rangitikei District Council developed a set of 15 community outcomes through a consultative process prior to the 2006-16 LTCCP. This process included a comprehensive District-wide mix of communities, focus groups and public surveys. It was undertaken from February to September 2005 and guided by a Steering Group comprising senior management and representatives from Council and a representative from Te Roopu Ahi Kaa, Council's Iwi Committee.

The Council has a responsibility to monitor the outcomes and to report on the progress the community has made in achieving the District's outcomes. In 2006, Council identified a set of 40 indicators to monitor progress on the 15 Community Outcomes. We issued the first monitoring report in March 2008 (for 2006/07) and the second monitoring report in February 2009 (for 2007/08). As a result both of issues that arose during this period, and of developing national and international experience of working with Community Outcomes, Council condensed the 15 to 6 outcomes and consulted upon this change during the development of the draft Plan and as part of the formal consultation process.

The feedback from the consultation process on the change to the Community Outcomes was minimal and inconclusive. To some extent this confirmed our view that the Community Outcomes had not taken hold with communities. Indeed, one of the drivers behind the change was to try to encourage more active engagement from a wide range of interested parties and stakeholders in sharing responsibility for their progression.

Council needs to address this through the proactive development of partnerships and programmes which specifically address the important issues around services across health, education, community safety, economic development, environmental sustainability and quality of life. It is not anticipated that this will require additional resources within Council – rather that existing resources will be used differently.

**Monitoring and reporting on the Community Outcomes** || Council has reviewed the original 40 indicators to develop a set of relevant, readily available, cost-effective measures which are easily understood by the community. Some relate directly to Council services where a contribution to that Outcome from Council activities has been identified. Others are national, regional or local indicators of “the state of play”.

Council anticipates annual monitoring of progress; however, some of the data sources are not available annually. For example, Council commissions the Communitrak community survey once every three years and any data derived from the Census is tied to a five-yearly cycle. The Local Government Act 2002 requires reporting on progress with the Community Outcomes at least once every three years. Council has made provision for a brief annual statement in the intervening years.

The outline for a more meaningful monitoring regime has been developed:

Community Outcome	New Indicators of outcome	Evidence	Frequency	Baseline
CO1: Good access to health services	Ratio of doctors to population	Medical Council of New Zealand	Annually	0.67 doctors per 1,000 population (2008)
	Development of new/better services, better access to existing services	Qualitative (anecdotal/stories)	Annually	Need to develop partnership to address (see section below on Working with other organisations to further the Community Outcomes)
	Satisfaction with Council efforts to advocate on behalf of the District and to have a strategic and forward-looking focus (Strategic Planning)	Communitrak survey	Every 3 years	58% (2007)
CO2: A safe and caring community	Recorded crime	Statistics NZ	Annually	32,760 (2007)
	Development of new/better response facilities to community emergency and safety	Qualitative Anecdotal/stories	Annually	Need to develop partnership to address (see section below on Working with other organisations to further the Community Outcomes)
	Respondents' perception that towns in the District are safe	Communitrak survey	Every 3 years	80% (2007)
	Percentage of people who perceive that the community works together and that people support each other	New Communitrak question	Every 3 years	Satisfaction with funding for Community Organisations (2005): 50%
	Satisfaction with Council services that make our communities safer - averaged over 4 services: emergency management, street lights, footpaths, control of dogs	Communitrak survey	Every 3 years	70% (2007)

Community Outcome	New Indicators of outcome	Evidence	Frequency	Baseline
CO3: Lifelong educational opportunities	Level of educational attainment	Census	Every 5 years	63% of adults between 20-64 years attained at least a secondary school qualification, 9% of adults between 20-64 years attained at least a Bachelor degree or higher tertiary qualification. (2006 Census)
	Percentage of school-age children remaining within the District for education	TKI (Online Learning Centre)/ Statistics NZ	Annually	67% (July 2008)
	Percentage of students achieving Level 1 literacy requirement compared to national average	NZQA web site	Annually	Rangitikei College: 80%, Taihape Area School: 77% New Zealand 77% (2007)
	Percentage of students achieving Level 1 numeracy requirement compared to national average	NZQA web site	Annually	Rangitikei College: 82%, Taihape Area School: 85.7% New Zealand 84.6% (2007)
	Development of new/better training opportunities to meet demand and skills shortages, including distance learning	Qualitative Anecdotal/stories	Annually	Need to develop partnership to address (see section below on Working with other organisations to further the Community Outcomes)
CO4: A buoyant district economy	Number of employees in agricultural sector	Statistics NZ	Annually	1,660 (2007)
	Number of "guest nights"	Statistics NZ	Annually	46,291 (12 months to June 2008)
	Real value added (GDP) (percentage change on previous year): Regional Performance Indicators	BERL	Annually	2007: Rangitikei 2% (c.f. New Zealand 1.6%)
	Number of residents with access to the internet	Census	Every 5 years	50% in Rangitikei compared to 61% nationally (2006)
	Satisfaction with Council services that promote our District to visitors and tourists - average over 3 services: Visitor Information Centres, Council's web site users, tourism promotion	Communitrak survey	Every 3 years	66% (2007)
	Satisfaction with Council services that our ratepayers need - average over 4 services: council roads, overall contact with Council, building activities and consent processes, District Plan	Communitrak survey	Every 3 years	67% (2007)
	The towns in the District are attractive	Communitrak survey	Every 3 years	85% (2007)

Community Outcome	New Indicators of outcome	Evidence	Frequency	Baseline
CO5 A treasured natural environment	Compliance of recommended water quality standards of the Rangitikei River	Horizons	Annually	The upper Rangitikei is classed as "Excellent" in terms of contact recreation, nutrient enrichment and turbidity, decreasing to "Poor" and "very Poor" as the river approaches the Tasman (2005)
	Progress with the Sustainable Land Use initiative in the District (percentage of land developing and/or implementing a farm plan)	Horizons	Annually	Data to be provided
	Biodiversity levels of District (percentage of native vegetation)	Horizons	Annually	Data to be provided
	Quantity of waste processed at Waste Transfer Stations per capita	Rangitikei District Council	Annually	0.55 tonnes waste per capita (2007)
	Satisfaction with Council services that protect our environment - average over 3 services: refuse disposal (including transfer stations), recycling and water supply	Communitrak Survey	Every 3 years	53% (2007)
CO6 Enjoying life in the Rangitikei	Social deprivation: NZ Index of Deprivation where 1 = less likely to be deprived; 10 = more likely to be deprived	Census	Every 5 years	Rangitikei average deprivation 6.2 (2006)
	Population estimates	Statistics NZ	Annually	14,950 (2008)
	Percentage of people engaging in at least 2.5 hours physical activity in the preceding 7 days	SPARC survey	Every 5 years	69% (Taranaki/Manawatu - Wanganui 2001)
	Supporting efforts to preserve and protect the District's history and heritage	Communitrak survey	Every 3 years	71% (2007)
	Satisfaction with Council community services and facilities - average over 6 services: libraries, swimming pools, parks and reserves, cemeteries, community halls and public toilets	Communitrak survey	Every 3 years	71% (2007)

**Working with other organisations to further the Community Outcomes** || 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 is continuing to discuss with the community and key, local agencies and organisations how they envisage contributing to achieving the outcomes and the way(s) in which they wish to work with other stakeholders (including the Council). 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, particularly around Community Outcomes 1, 2 and 3. Council does not contribute to these outcomes directly. But Council involvement can support service developments that progress them.

Council wants to maximise its resources and facilities where the community's outcomes are similar to those in neighbouring councils in the Horizons region. It can do this by working together and entering into shared services arrangements with other local authorities in the region. A number of shared service arrangements are in place. These are reported upon in the Community Leadership Group of Activities under the Council Activity.

### **How does this relate to social, economic, environmental and cultural well-being of communities?**

|| The desired outcomes for the immediate and long-term future of the District are aspirations for community well-being. The identified priorities have a weight towards social well-being, a desire for resilient, cohesive and healthy communities. Other aspirations reflect a desire for prosperity (economic well-being), sustainable use of and a protective approach towards natural resources (environmental well-being) and opportunities for creative and recreational pursuits and a sense of the past (cultural well-being).

Making progress towards these outcomes typically means looking for potential barriers as well as promising opportunities. This dual approach to addressing community outcomes is reflected in section 6: this presents, for Council's various activities, Council's understanding of what people want and what Council intends to do – and the proposed performance targets.

**Council's contribution to furthering the Outcomes** || Council is required to assess how different options promote or advance community outcomes in all its decision making. Council has identified where there is a contribution to the community outcomes in planning activities over the coming years. This is detailed in the following section, Council Activities, and summarised below.

Community Outcome	Council contribution	Activities
Good access to health services: Achieving access to health services, whether it be the GP or the hospital is key	Indirectly, via advocacy and partnership with health and transport agencies	Strategic Planning
	Part of the network of "eyes and ears" of Council in the Community to pick up issues	Community Boards and Community Committees Iwi/Māori Liaison
A safe and caring community: Through effective partnership with local policing, rescue services, neighbourhood support and local initiatives	Indirectly, via advocacy and partnership with police, rescue services and community safety agencies	Strategic Planning
	Part of the network of "eyes and ears" of Council in the Community to pick up issues	Community Boards and Community Committees Iwi/Māori Liaison
	Good standard infrastructure contributes to community safety	Roading Network including Bridges, Footpaths and Street lighting
	Confidence in public health and safety	Building Control, Environmental Health, Animal Control
	Emergency planning and services	Emergency Management, Rural Fire Service
Lifelong educational opportunities	Indirectly, via advocacy and partnership with schools and tertiary education facilities, including early childhood/kura kohanga and distance learning	Strategic Planning
	Part of the network of "eyes and ears" of Council in the Community to pick up issues	Community Boards and Community Committees Iwi/Māori Liaison

	Council contribution	Activities
A buoyant district economy: With effective infrastructure and attractive towns that entice growth	Provision of good access to work and markets	Roading Network including bridges
	Promotes productivity in “wet” industries	Water, wastewater, stormwater
	Compliant, fit for purpose development	Building activity, District Plan, consent processes
	Business support	Economic development
	Information on all activities and facilities within the District	Information Centres
	Support for events that promote economic development	Grants
A treasured natural environment: With a focus on sustainable use of our land and waterways	Assets/infrastructure with environmental impact	Water, wastewater, stormwater
		Waste management, waste minimisation
	Services/activities which protect natural environments	Parks and Reserves District Plan, consent processes
Enjoying life in the Rangitikei: With a distinct identity and a reputation as a viable and attractive place to live, work and play	Participation and engagement with democratic processes	Council, Community Boards and Community Committees, Iwi/ Māori Liaison, Elections
	Assets/services with impact on quality of life in the District	Water, wastewater, stormwater
	Provision of a full range of leisure and community facilities that are fit for purpose	Parks and reserves, halls and community buildings, cemeteries, public toilets, housing, libraries, swimming pools
	Compliant, fit-for-purpose development	Building activity, District Plan, consent processes
	The provision of information to inform residents about “What’s On” in the District	Information Centres
	Support for events and organisations that promote local heritage and culture	Grants



# COUNCIL ACTIVITIES : 06

**Introduction** || This section outlines the activities that Council will undertake over the coming 10 years in greater detail. These are presented as groups of activities in eight themes: Community Leadership, Roading, Water Management Services, Leisure and Community Assets, Rubbish and Recycling, Environmental and Regulatory Services, Community Support and Community Economic Development.

**THE LGA 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 LTCCP is one of the “checks and balances” which helps councils to deliver to these purposes. Particularly in relation to the groups of activities, the LTCCP, must:

- > Identify the rationale for delivery of services and activities, including information on the intended level of service provision, and performance targets
- > 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
- > Estimate the expenses associated with the delivery of these activities and how these expenses will be met (estimated revenue levels, other sources of funds, the rationale for their inclusion).

The statutory requirements for the LTCCP 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 plans covering Roading, Stormwater, Wastewater, Water, Parks and Reserves and Property. These have been used as the basis for the development of the activity management plans supporting all groups of activities where assets are involved.

**Community Leadership Group of Activities** || **OVERVIEW AND STRATEGIC FACTORS:** This group of activities is concerned with the governance functions of Council demonstrated through leadership and strategic planning. Good governance requires that Council finds a balance between what it must do and what its community wants it to do. The costs of these activities are borne by the ratepayer. The LGA 2002 has clear expectations on decision-making. Particularly, it expects councils to identify “all reasonably practical options” and assess them in terms of:

- > Social, economic, environmental and cultural well-being,
- > Promoting Community Outcomes, and
- > The capacity to meet statutory obligations.

The specific activities, covered in more detail below, are:

- > Strategic planning
- > Council
- > Community Boards and Council Committees
- > Iwi/Māori liaison
- > Elections

Council must also demonstrate leadership through its decision-making and its strategic planning. Decision-making is carried out by the Council and, as delegated, by its employees through the Chief Executive. Good decision-making comes about as a result of informed debate and discussion undertaken in a respectful environment. Council members and staff need to trust each other to work for the good of the Rangitikei community. A major challenge is getting the ‘right’ information to the community, clearly and concisely – so that people have an opportunity to understand the Council’s view on the critical issues and decisions for the District.

Good decision-making is also underpinned by sound strategic planning which anticipates and responds to societal, environmental and technological change.

There is a major development in best practice for local government at a national and international level. It is to move away from a “local authorities as service providers, problem-solvers and decision-makers model”. The new role is for local government to be a partner, enabler and facilitator, with a customer (i.e. ratepayer) focus.

This is reflected in the 10-year planning process which all local authorities in New Zealand must undertake, and which must be done in consultation with their communities. Rangitikei District Council will progressively and proactively seek more opportunities for local residents to engage with Council in a number of ways.



**10 year vision:**  
*A Council that is more  
engaged with and  
connected to  
residents*

Community Outcomes: this group of activities will contribute to...	
...ready access to health services, whether it be the GP or the hospital	Council's primary role is through strategic planning to work in partnership with other providers and statutory agencies to develop better access to health services. This includes effective consultation within communities to identify needs
...a safe and caring community, through effective partnership with local policing, rescue services, neighbourhood support and local initiatives	Council's primary role is through strategic planning to work in partnership with other providers and statutory agencies to improve community safety. This includes effective consultation within communities to identify needs
...life-long educational opportunities that meet the lifelong needs of all members of the community	Council's primary role is through strategic planning to work in partnership with other providers and statutory agencies to develop better access to lifelong education services. This includes effective consultation within communities to identify needs
...enjoying life in the Rangitikei, with a distinct identity and a reputation as a viable and attractive place to live, work and play	Good relationships and communications between Council and its ratepayers make a contribution to the residents' ability to enjoy life in the Rangitikei. Good decision-making by Council is a critical underpinning for this, as is effective support for community boards and community committees. The proposed development of a regional archives facility with neighbouring authorities means residents will have, for the first time, access to this key historical resource. The smooth running of election processes can increase a sense of well-being for residents of the Rangitikei

**STRATEGIC PLANNING ACTIVITY:** Council's strategic planning activities principally involve the development of a long-term council community plan ("the LTCCP") which is monitored in annual reports, updated through annual plans and renewed every third year. The Local Government Act 2002 prescribes the information which the LTCCP must contain and the way in which the community must be consulted. Council's strategic planning aims to ensure that Council makes considered and balanced decisions (rather than ad hoc ones) in which likely future impacts have been assessed.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
... assurance that the District Council is planning for the future, and has provided for the anticipated future needs and demands of the district	... 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	In the 2007 Communitrak survey, 65% of surveyed residents who know of Council's strategic planning and advocacy work were fairly/very satisfied with it. In the 2010 survey, this will be maintained or improved	75% surveyed residents who know of Council's strategic planning and advocacy work are fairly/very satisfied with it

**COUNCIL ACTIVITY:** The Council's governance and representation function is laid down in the Local Government Act 2002. Council's performance is subject to annual audit and it is Council's intention to ensure that this opinion is unqualified.

The proceedings of Council as an elected body are fundamental to the effective functioning of local government. Formal procedures and practices are designed to encourage open and respectful debate but can seem intimidating for the general public. All Council agenda and information papers and meetings are open to the public (except for certain exceptions to protect commercial interests or personal privacy) and are available at Council service centres and libraries and on Council's web site. Council holds public forums at the start of each Council meeting to encourage residents and ratepayers to bring issues directly to the Council to help inform decision-making.

It is also important for the Council to develop and maintain constructive and cost-effective working relationships with local and regional statutory agencies. For example, there are both pressures and opportunities to work together with neighbouring councils. Council's commitment to maximise the opportunities to introduce efficiencies into its operations through shared services agreements was confirmed through the consultation process.

Manawatu-Wanganui Local Authorities Shared Services (LASS) Ltd: the Council is a shareholder of Manawatu-Wanganui LASS Ltd, a company established by seven councils in the region to host, govern, manage and deliver cost-effective and innovative shared service arrangements. This LTCCP includes a new regional archives programme, which will provide a more robust arrangement than Rangitikei could have secured on its own for the same investment.

Shared Services with Manawatu District Council: The Manawatu and Rangitikei District Councils have formed a shared services Assets Management Group with the primary focus of providing infrastructural services. Both Councils previously experienced difficulty in recruiting suitably-qualified and experienced engineering staff. But by pooling staff under a single structure, a full range of engineering services remains viable. This arrangement came into effect on 1 July 2008.

Contract with Horizons Regional Council to deliver Emergency Management Services: The Council has contracted Horizons Regional Council to deliver Emergency Management and Rural Fire Services from 1 July 2008. There are statutory requirements for territorial authorities to participate on a regional basis for these critical services. It is more logical for emergency management staff for the Rangitikei to be recruited and managed by Horizons. Manawatu District Council and Horowhenua District Council have similar arrangements with Horizons.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
... the Council to provide leadership to the District and make decisions that give effect to the Community Outcomes	... make decisions that are robust, fair, timely, legally compliant and address critical issues, that are communicated to the community <sup>6</sup> and that are followed through	Less than 5 new major issues raised in submission process in each year 2009/10, 2010/11 and 2011/12	Less than 5 new major issues raised in submission
		60-75% Annual Plan actions are completed in each group of activities in each year 2009/10, 2010/11 and 2011/12	70-85% Annual Plan actions are completed in each group of activities
		In the 2007 Communitrak survey, 80% surveyed residents were very/fairly satisfied with Council performance. In the 2010 survey, this will be maintained or improved	90% very/fairly satisfied with Council performance (Communitrak)
...Council to develop and maintain constructive and cost-effective working relationships with neighbours	...maximise opportunities for shared services with other councils provided these do not detract from local service delivery, local decision-making and local accountability	In 2009/10, fewer than 10 requests to revert to direct delivery of any service provided through a shared services or contract arrangement with neighbouring councils, reducing to fewer than 8 in 2010/11 and 5 in 2011/12	No requests to revert to direct delivery of any service provided through a shared services or contract arrangement with neighbouring councils

**COMMUNITY BOARDS AND COMMUNITY COMMITTEES ACTIVITY:** Community Boards (elected at the same time as the Council) and Community Committees (elected informally by residents in the area) provide a channel for local people to be directly involved with decisions affecting them, through the extension and delegation of appropriate authority. There are Community Boards in Rātana and Taihape and Community Committees in Marton, Bulls, Hunterville and Turakina. The next Representation Review in 2012/13 allows the Council and its communities to consider carefully the most effective mechanism for local decision-making outside the Council itself.

The Council seeks to work closely with the Community Boards and Community Committees to engage with their respective communities, to assist Council to consult and to bring local issues to the Council table. Council has agreed to allocate \$5,000 to each of the Community Boards for local, specific projects in line with agreed guidance. In addition, \$1.00 per year per rateable property in each Ward will be available to the Community Committee of that Ward to use on defined small local works.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
... a channel for local people to be directly involved with their council	...support effective representation of different community needs into the District's strategic planning processes and subsequent actions	Community Boards engage with at least 2 external parties within their areas of interest (receive delegations, arrange meetings etc) in each year 2009/10, 2010/11 and 2011/12	Community Boards engage with at least 4 external parties within their areas of interest (receive delegations, arrange meetings, etc)
...Community Boards to be proactive about issues that affect the community and to work with the Council to identify local solutions			

**IWI/MĀORI LIAISON ACTIVITY:** New Zealand is a bicultural nation and accords a special place to tangata whenua. The Council has both an opportunity and the need to ensure that its plans, policies and programmes benefit Māori with nearly one third of the District's residents identifying as Māori. The obvious way to achieve that is to gain regular Māori input into Council decision-making.

This is currently mainly undertaken via Te Roopu Ahi Kaa, a standing committee of the Council comprising representatives from Iwi and Hapu of the Rangitikei, together with a representative from the Rātana Community. It is formalised through the Memorandum of Understanding: Tutohinga. Outside Te Roopu Ahi Kaa, Council will invite Iwi participation in Council-facilitated groups promoting social, cultural, economic, environmental and cultural well-being. It will provide opportunities for Māori (outside the formal Representation Review process) to indicate what structures and processes help (or hinder) their engagement with Council decision-making.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
... Council to fulfil its obligations to consult with Māori on significant decisions	... support the Iwi-based Te Roopu Ahi Kaa to meet and consider Council matters and raise issues of importance to them	In the 2008 consultation on Levels of Service, a target of 50% very/fairly satisfied from Māori on opportunities to participate in Council decision-making was suggested. The Communitrak survey in 2010 will meet this target	50% very/fairly satisfied (Communitrak)
... to work with tangata whenua to identify opportunities for the district as a whole		The 2008 consultation on Levels of Service, suggested a target of 80% satisfaction of Iwi with opportunities to participate in decision making through Te Roopu Ahi Kaa. A targeted survey in 2010 will meet this target	85% satisfaction of Iwi with opportunities to participate in decision making through Te Roopu Ahi Kaa

**ELECTIONS ACTIVITY:** Council ensures that local elections, by-elections and elections to the Mayorality, the Council and Community Boards are conducted in accordance with legal requirements.

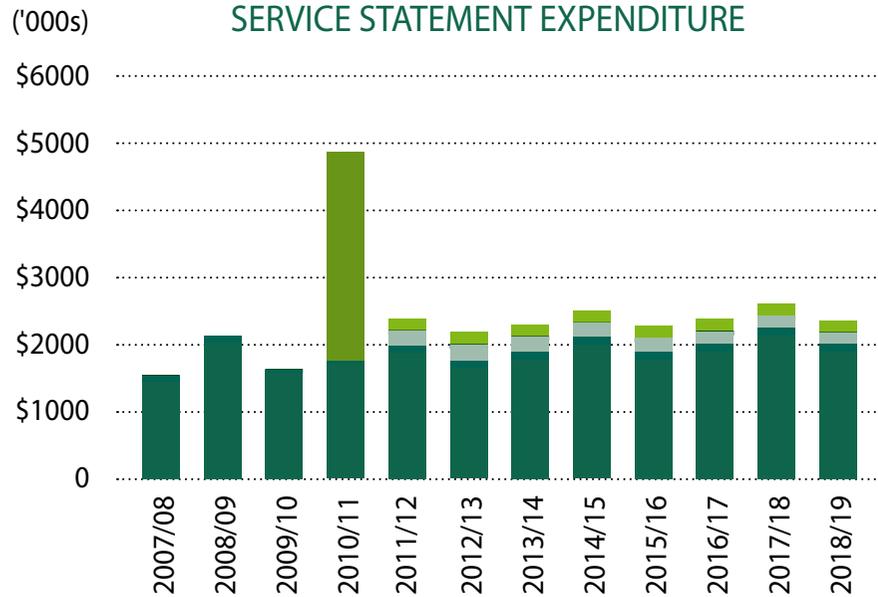
Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
... local elections that are well publicised, and run smoothly, to elect their representatives fairly and in accordance with the legislation	... appoint an Electoral Officer to publicise and run the elections for the district, and to produce a timely result	In the 2007 Communitrak survey, 80% very/fairly satisfied with conduct of election. In the 2010 survey, this will be maintained or improved	85% very/fairly satisfied with conduct of election (Communitrak)

**MAJOR PROGRAMMES FOR THE COMMUNITY LEADERSHIP GROUP OF ACTIVITIES:**

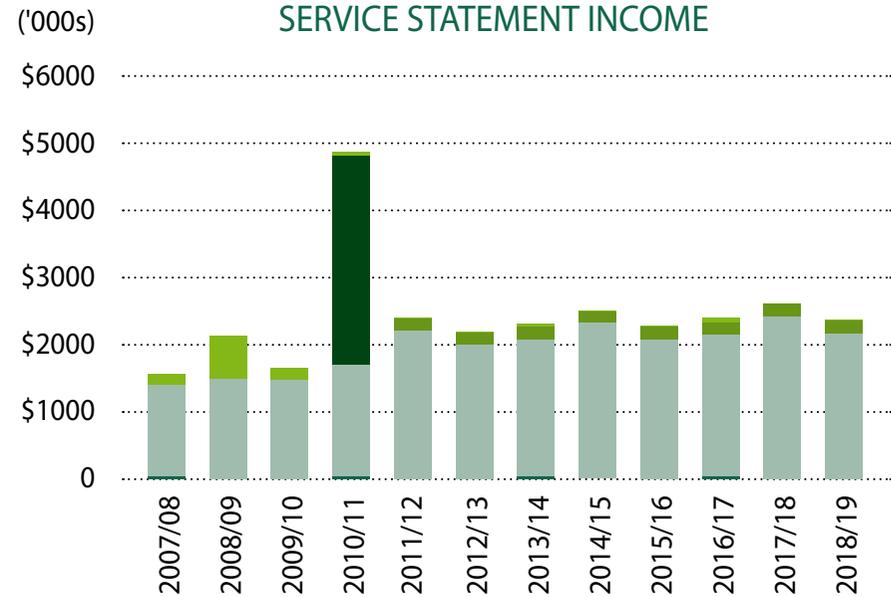
- > Annual Reports/Annual Plans/Community Outcome reporting 2010/11, 2011/12, LTCCP 2012/13
- > Council, Community Boards and Community Committees, Te Roopu Ahi Kaa, liaison with individual Iwi/Hapu
- > Policy development and review
- > Triennial elections preparation and management, by-elections (not budgeted), representation review 2012/13
- > Develop partnerships and shared services, as appropriate

**MARTON ADMINISTRATION BUILDING:** The Council offices are an essential base to maintain local services. Our administration is currently sited in several buildings on High Street in Marton. Council has been aware for many years that the buildings are no longer fit for purpose. In the 2006-16 LTCCP, Council deferred a decision to replace the buildings to be reviewed in the draft 2009-19 Plan. Accordingly, a concept plan and estimates for a new building on the existing site were put out with the draft Plan. Overwhelmingly, the response was that it was the wrong time and the wrong place for a new building. Residents and ratepayers felt that if a large capital sum was to be spent it would be better invested in an existing building rather than a new one. Council will continue to explore options with the communities of the Rangitikei and has retained a sum of \$3 million in 2010/11 should an opportunity arise.

### COMMUNITY LEADERSHIP COST OF SERVICE STATEMENT EXPENDITURE



### COMMUNITY LEADERSHIP COST OF SERVICE STATEMENT INCOME



- Transfer to Reserve
- Interest
- Loan Repayments
- Depreciation Funded
- Capital Developments
- Operating Costs
- Renewals

- Transfer from Reserve
- Rates Revenue
- Depreciation Reserves
- Subsidies
- Loans
- Activity Revenue

**COMMUNITY LEADERSHIP COST OF SERVICE STATEMENT**

	Actual 2007/08 (\$000)	Annual Plan 2008/09 (\$000)	Forecast 2009/10 (\$000)	2010/11 (\$000)	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)
<b>Operational Expenditure and Funding</b>												
<b>Operating Costs</b>												
Council	403	463	522	536	513	526	538	551	564	578	593	608
Community Boards	15	29	42	43	44	45	45	46	47	48	49	50
Elections	69	-	-	69	-	-	74	-	-	79	-	-
Te Roopu Ahi Kaa	36	48	56	57	58	60	62	63	65	66	68	70
Marton Council Offices	179	206	168	174	468	490	478	469	451	448	437	426
Internal Charges	837	1,378	844	880	1,128	883	925	1,197	960	981	1,275	1,020
<b>Total Operating Costs</b>	<b>1,539</b>	<b>2,124</b>	<b>1,632</b>	<b>1,759</b>	<b>2,211</b>	<b>2,004</b>	<b>2,121</b>	<b>2,325</b>	<b>2,086</b>	<b>2,200</b>	<b>2,422</b>	<b>2,173</b>
<b>Group Activity Income</b>												
Activity Revenue	37	-	-	31	-	-	33	-	-	36	-	-
Subsidies	-											
Rates Revenue	1,353	1,489	1,476	1,668	2,201	1,996	2,038	2,314	2,074	2,110	2,411	2,163
<b>Total Group Activity Income</b>	<b>1,390</b>	<b>1,489</b>	<b>1,476</b>	<b>1,699</b>	<b>2,201</b>	<b>1,996</b>	<b>2,071</b>	<b>2,314</b>	<b>2,075</b>	<b>2,146</b>	<b>2,411</b>	<b>2,163</b>
<b>Net Cost of Service - Surplus (Deficit)(149)</b>	<b>(635)</b>	<b>(156)</b>	<b>(60)</b>	<b>(10)</b>	<b>(8)</b>	<b>(50)</b>	<b>(11)</b>	<b>(12)</b>	<b>(54)</b>	<b>(10)</b>	<b>(11)</b>	
<b>Operating Surplus (Deficit) Transferred To/(From)</b>												
Retained Earnings	(149)	(635)	(156)	(60)	(10)	(8)	(50)	(11)	(12)	(54)	(10)	(11)
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Funding Operational</b>	<b>(149)</b>	<b>(635)</b>	<b>(156)</b>	<b>(60)</b>	<b>(10)</b>	<b>(8)</b>	<b>(50)</b>	<b>(11)</b>	<b>(12)</b>	<b>(54)</b>	<b>(10)</b>	<b>(11)</b>
<b>Capital Expenditure and Funding</b>												
Renewals	10	-	7	7	8	8	8	8	8	9	9	9
Capital Development	-	-	-	3,102	-	-	-	-	-	-	-	-
Loan Repayments	-	-	2	2	177	177	177	177	177	177	177	177
<b>Funding Required</b>	<b>10</b>	<b>-</b>	<b>9</b>	<b>3,111</b>	<b>185</b>	<b>185</b>	<b>185</b>	<b>185</b>	<b>185</b>	<b>186</b>	<b>186</b>	<b>186</b>
<b>Funded by:</b>												
Loans	-	-	-	3,102	-	-	-	-	-	-	-	-
Depreciation Reserves	10	-	9	9	185	185	185	185	185	186	186	186
Transfers (To)/From Operational Reserves	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Funding</b>	<b>10</b>	<b>-</b>	<b>9</b>	<b>3,111</b>	<b>185</b>	<b>185</b>	<b>185</b>	<b>185</b>	<b>185</b>	<b>186</b>	<b>186</b>	<b>186</b>
Depreciation*	87	93	53	55	125	126	128	130	122	129	129	129
Interest**	-	-	-	-	217	234	220	206	191	177	163	149

\* The above costs are included in the Operating Costs above



**10 year vision:**  
*to maintain the network of roads, footpaths and street-lighting to at least current satisfaction and safety levels*

**Roading Group of Activities || OVERVIEW AND STRATEGIC FACTORS:** This group of activities covers the roading network (including bridges), footpaths and street lighting. Roading is an important activity for the Council. A safe and orderly transportation network throughout the District is critical for the movement of people and goods as there is very limited public transport.

Transport within the District and beyond has always been of importance to residents and businesses. The Rangitikei's economy is agricultural based so having a well-connected roading infrastructure from the farm gate to the factory is essential for the economic well-being of the District.

In addition, roads connect people, e.g. making it easy to visit others or getting to educational and recreational facilities. Although the resident population is projected to decline over the next 10 years, this is expected to be at least balanced by economic growth and an increase in traffic from outside the District. Therefore, Council does not expect there to be any changes in the demand for safe and smooth roads or the levels of services for this activity in the next 10 years.

The ageing demographics of the District will heighten the need for good quality footpaths in the towns. Council policy currently requires at least one footpath on every street in the towns – however good practice would indicate footpaths on both sides of the street. There is currently subsidy from New Zealand Transport Agency (NZTA) for footpaths.

The Roading activity requires a third of the rates take to fund – however it is the only council activity that nearly all the residents of the Rangitikei use. This view was expressed by the rural ratepayers during the submission process.

The road network is identified as a strategic asset under the Council's Significance Policy. Council will aim for best practice associated with the Land Transport Management Act 2003, Transport Act 1962 and national strategies such as New Zealand Transport Agency – NZ Transport Strategy. Hence, the Roading Asset Management Plan is based upon the recommended cycle of road renewal that is designed to get best use of the roads before they need to be replaced (between 60-120 years depending on use). The total cost of the roading group of activities (roads, bridges, footpaths and street lights) is about \$10 million each year.

The risks associated with this activity are Council's inability to meet the proposed level of services due to the network becoming unaffordable. While the roading network is subsidised by NZTA, the increasing price of materials (for both roads and footpaths) threatens the affordability of it. Already the budget has been critically reviewed for affordability. One million dollars in year one and lesser amounts in years two and three have been removed from the road renewal work that was projected in the Asset Management Plan. The effect of this reduction is that approximately 6 kms of proposed road rehabilitation will not be completed over the next three years. Council is aware that this saving cannot continue without having lasting impact on the cost-effectiveness of our roading network. We are conscious that even this cut will have consequences over the longer term. However, it is one way of pushing some of the costs further out and Council has few options as it seeks to balance demands and costs for ratepayers across a wide range of activities.

The submission process showed community support for a review of the roading levels of service that are contained in the Asset Management Plan. Council has undertaken to do this during 2009/10 and to implement the findings from 2010/11.

Community Outcomes: this group of activities will contribute to...	
...a safe and caring community, through effective partnership with local policing, rescue services, neighbourhood support and local initiatives	Good standard infrastructure contributes to community safety. Good footpaths help prevent falls and effective street-lighting helps to prevent crime
...a buoyant district economy, with effective infrastructure and attractive towns that entice growth	The roading network is essential to the economic health of the District. It provides access to work and markets and provides the main arterial route through the District that brings business in to the area

**THE ROADING NETWORK INCLUDING BRIDGES:** The Rangitikei District Council road network is well established and the condition of road and traffic assets is currently good. The network consists of 84.6 kilometres of urban and 1,137.9 kilometres of rural roads, of which a high percentage of this overall total (37%) is unsealed. There are also many kilometres of legal but unformed road.

Roads	Urban (km)	Rural (km)	Total (km)
Sealed	81.98	689.16	771.14
Unsealed	2.58	448.73	451.31
Total Maintained	84.56	1137.89	1222.45

Council provides the roading network for the safe, convenient and orderly transportation of people and goods throughout the District and beyond. There is a high public expectation that Council will provide a roading network that is well maintained and efficient; this expectation is partially driven by there being limited public transport in the Rangitikei. It is considered that the existing road network has the capacity to meet demand, based upon past activity and population projections. There is sufficient capacity to expand as required.

In order to maintain a high level of central Government subsidy (currently 59%), Council must meet the national standards and guidelines set by the NZTA. Council also has a responsibility under the Local Government Act 2002 to maintain the roading network to a safe standard.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...the road network including bridges, to be reliable, safe, and maintained to enable economic and social activity of the District to develop and flourish	...provide roads that give a comfortable, smooth, ride free of loose gravel or potholes	In the 2007 Communitrak survey, 70% of respondents were satisfied with Council roads. In the 2010 survey, this will be maintained or improved 95% smooth travel exposure rating as defined by Council/New Zealand Transport Agency agreement	85% of respondents are satisfied with Council roads. (Communitrak). 95% smooth travel exposure rating as defined by Council/New Zealand Transport Agency agreement
	...provide a safe road network	Zero vehicle accidents causing injury or death on local roads caused by the condition of the roading network, in each year 2009/10, 2010/11, 2011/12	Zero vehicle accidents causing injury or death on local roads caused by the condition of the roading network
...emergency repairs conducted efficiently and effectively	...employ contractors to carry out emergency repairs as they occur (where practical)	Contractors respond to after hours call-outs within 12 hours, and working hours call-outs within 6 hours, in each year 2009/10, 2010/11, 2011/12	Contractors respond to after hours call-outs within 12 hours, and working hours call-outs within 6 hours

Significant negative effects	Council's response
Pollution from road users through run-off, exhausts, effluent and noise Effects of roading works - Dust on crops, washing, houses, etc Effects on other users - nuisance of boy-racers, logging trucks, etc	<ul style="list-style-type: none"> <li>* Support the five transport objectives outlined in NZ Transport Strategy, in particular the objective relating to environmental sustainability</li> <li>* Support the Government Policy Statement targets to encourage greater transport efficiencies, including increased use of public transport and active transport</li> <li>* Continue to seal unsealed roads to reduce dust nuisance</li> <li>* Support the construction of stock truck effluent disposal sites to reduce spillage of stock effluent on the carriageway</li> <li>* Encourage the construction of stock underpasses to reduce incidence of stock effluent on the carriageway</li> </ul>
Low (and diminishing) opportunity to allocate funding to improve community facilities because of the high (and increasing) proportion of Council funding on maintaining the roading network	* Advocate for a higher rate of central government subsidy for roading (and for structured funding assistance to maintain and develop community facilities)

**FOOTPATHS AND STREET LIGHTING ACTIVITY:** Council provides footpaths and street lighting primarily for safety reasons - so that pedestrians can walk safely around the towns out of the traffic's way; and so residents in the towns of the District feel that they and their property are safe and secure during the night time.

There are no statutory requirements for either footpaths or street lights – standards are confined to specifying, for example, minimum slip resistance for footpaths and when street lights are provided, they must conform to the Electricity Act 1993 and the Electricity Regulations 1993.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...smooth and safe footpaths that enable them to move about the district's towns without needing to encroach onto the road	...provide footpaths on all urban streets	250 metres per year of new footpath to residential streets that currently have no footpaths on either side	250 metres per year of new footpath to residential streets that currently have no footpaths on either side
...attractive and well-designed urban street lighting that makes them feel safe and secure when walking or driving	...provide street lights to meet community needs	In the 2007 Communitrak survey, 81% of people surveyed were satisfied with the street lighting in the district. In the 2010 survey, this will be maintained or improved	85% of people surveyed are satisfied with the street lighting in the district (Communitrak)

**MAJOR PROGRAMMES FOR THE ROADING GROUP OF ACTIVITIES:** The proposed capital and renewal programme for roads, as detailed in the current roading asset management plan is about \$7.5 million per year and involves:

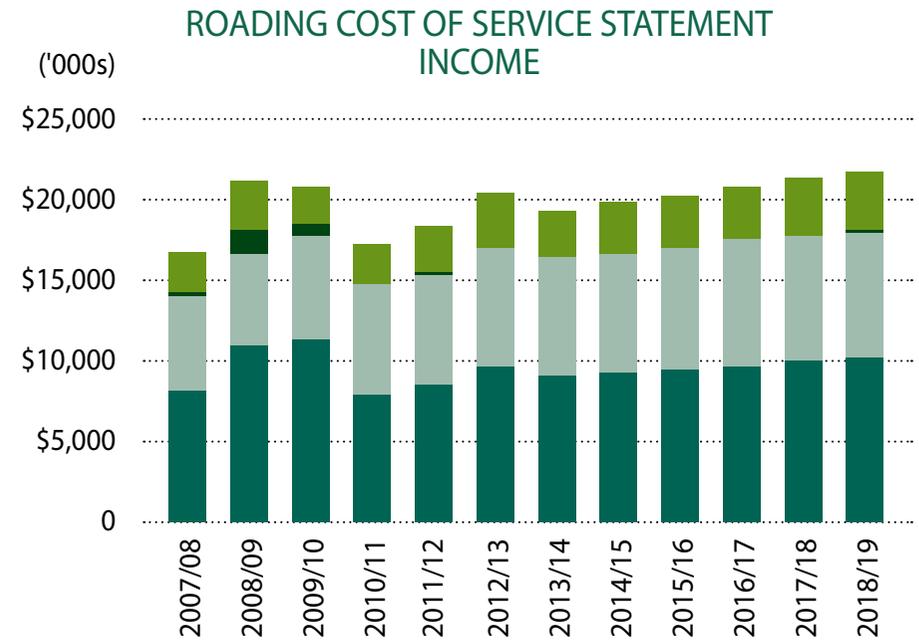
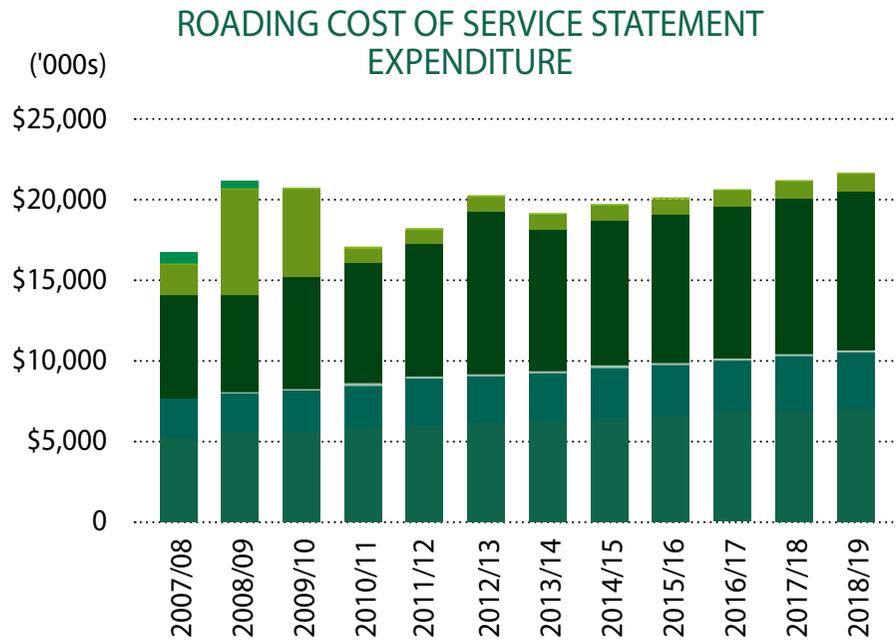
- > Rehabilitation of existing sealed roads (i.e. digging up the road and re-establishing it. Approximately 11 kilometres per year meaning an average recycle of about 60 years.
- > Rehabilitation of existing unsealed roads (i.e. seal extension. Upgrading the road with a chip seal surface). Approximately 2 kilometres per year.
- > Resealing of existing sealed roads. Approximately 60 kilometres per year meaning an average reseal cycle of about 13 years.

The sealing of the section of the Taihape-Napier road that lies within the Rangitikei District is due for completion in 2009/10. This work is budgeted at \$4.5 million and attracts a subsidy of 85% from NZTA. The sealing of Turakina Valley Road has been deferred indefinitely.

The boundary bridge, Wylie's Bridge, will be replaced in 2012/13 at a total cost of \$1.5 million: the cost to be shared with Wanganui District Council.

Replacement of Mangaweka Bridge has been deferred indefinitely.

No other new capital roading projects are planned at this stage but may be further explored during the 10-year timeframe for the plan.



- |   |  |  |   |
|---|--|--|---|
| <span style="color: #008080;">■</span> Transfer to Reserve  | <span style="color: #A9D0D9;">■</span> Interest            | <span style="color: #808000;">■</span> Depreciation Reserves | <span style="color: #008080;">■</span> Subsidies        |
| <span style="color: #90EE90;">■</span> Loan Repayments      | <span style="color: #008080;">■</span> Depreciation Funded | <span style="color: #006400;">■</span> Loans                 | <span style="color: #008080;">■</span> Activity Revenue |
| <span style="color: #808000;">■</span> Capital Developments | <span style="color: #008080;">■</span> Operating Costs     | <span style="color: #A9D0D9;">■</span> Rates Revenue         |   |
| <span style="color: #006400;">■</span> Renewals             |  |  |   |

## ROADING COST OF SERVICE STATEMENT

	Actual 2007/08 (\$000)	Annual Plan 2008/09 (\$000)	Forecast 2009/10 (\$000)	2010/11 (\$000)	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)
<b>Operational Expenditure and Funding</b>												
<b>Operating Costs</b>												
Roading	10,646	10,793	11,341	11,706	12,540	12,759	12,974	13,696	13,927	14,172	14,953	15,196
Under Veranda Lighting	51	60	61	61	61	61	61	61	61	61	61	61
Internal Charges	448	952	302	308	298	325	317	314	302	391	305	311
<b>Total Operating Costs</b>	<b>11,145</b>	<b>11,805</b>	<b>11,704</b>	<b>12,076</b>	<b>12,900</b>	<b>13,145</b>	<b>13,352</b>	<b>14,071</b>	<b>14,290</b>	<b>14,624</b>	<b>15,318</b>	<b>15,568</b>
<b>Group Activity Income</b>												
Activity Revenue	103	120	120	124	127	130	133	136	139	142	145	149
Subsidies	8,035	10,896	11,374	7,987	8,482	9,677	8,996	9,199	9,426	9,653	9,888	10,131
Rates Revenue	5,922	5,813	6,355	6,692	6,897	7,346	7,325	7,382	7,521	7,781	7,771	7,878
<b>Total Group Activity Income</b>	<b>14,060</b>	<b>16,829</b>	<b>17,849</b>	<b>14,803</b>	<b>15,505</b>	<b>17,153</b>	<b>16,453</b>	<b>16,716</b>	<b>17,085</b>	<b>17,575</b>	<b>17,804</b>	<b>18,158</b>
<b>Net Cost of Service - Surplus (Deficit)</b>	<b>2,915</b>	<b>5,024</b>	<b>6,145</b>	<b>2,727</b>	<b>2,606</b>	<b>4,009</b>	<b>3,101</b>	<b>2,646</b>	<b>2,796</b>	<b>2,951</b>	<b>2,485</b>	<b>2,590</b>
<b>Operating Surplus (Deficit) Transferred To/(From)</b>												
Retained Earnings	611	342	8	-	-	-	-	-	-	-	-	-
Capital Expenditure	5,772	8,441	9,591	6,205	6,482	7,965	7,104	7,015	7,232	7,440	7,375	7,518
Unfunded Depreciation	(3,468)	(3,759)	(3,454)	(3,478)	(3,876)	(3,956)	(4,004)	(4,369)	(4,436)	(4,489)	(4,890)	(4,928)
<b>Total Funding Operational</b>	<b>2,915</b>	<b>5,024</b>	<b>6,145</b>	<b>2,727</b>	<b>2,606</b>	<b>4,009</b>	<b>3,101</b>	<b>2,646</b>	<b>2,796</b>	<b>2,951</b>	<b>2,485</b>	<b>2,590</b>
<b>Capital Expenditure and Funding</b>												
Renewals	6,382	6,030	6,944	7,471	8,187	10,029	8,750	8,955	9,169	9,398	9,627	9,840
Capital Development	1,933	6,584	5,472	885	909	932	954	977	1,000	1,025	1,050	1,073
Loan Repayments	19	38	73	117	119	106	108	106	107	106	108	107
Transfer to Flood Reserve	100	100	-	-	-	-	-	-	-	-	-	-
<b>Funding Required</b>	<b>8,434</b>	<b>12,752</b>	<b>12,489</b>	<b>8,473</b>	<b>9,215</b>	<b>11,067</b>	<b>9,812</b>	<b>10,038</b>	<b>10,276</b>	<b>10,529</b>	<b>10,785</b>	<b>11,020</b>
<b>Funded by:</b>												
Loans	223	1,457	722	33	34	34	36	36	37	38	39	40
Depreciation Reserves	2,439	2,854	2,176	2,235	2,699	3,068	2,672	2,987	3,007	3,051	3,371	3,462
Transfers (To)/From Operational Reserves	5,772	8,441	9,591	6,205	6,482	7,965	7,104	7,015	7,232	7,440	7,375	7,518
<b>Total Funding</b>	<b>8,434</b>	<b>12,752</b>	<b>12,489</b>	<b>8,473</b>	<b>9,215</b>	<b>11,067</b>	<b>9,812</b>	<b>10,038</b>	<b>10,276</b>	<b>10,529</b>	<b>10,785</b>	<b>11,020</b>
Depreciation*	5,909	6,115	6,024	6,061	6,752	6,831	6,914	7,501	7,592	7,687	8,317	8,420
Interest*	-	104	79	161	156	157	150	146	142	138	133	129

\* The above costs are included in the Operating Costs above

## Water Management Services Group of Activities

**OVERVIEW AND STRATEGIC FACTORS:** There are two fundamental reasons for this group of activities which includes water, wastewater and stormwater. These are to manage the collection and disposal of water to meet demands of modern day lifestyles (whilst at the same time to protect natural water courses and sources). And, perhaps more importantly, protect public health by safeguarding water supplies and preventing the spread of water-borne diseases.

Nowadays, the management of the water cycle - from collection and management at source - through the efficient delivery to households and businesses to the safe disposal of wastewater back to the environment – is expected as part of the infrastructure provided by local government.

The availability of water is increasingly becoming an issue: how can humans access the water needed for modern-day lifestyles and population levels and yet also protect the water courses and sources upon which it depends. The issue is made worse by increasingly unsettled weather patterns and the impact into the future is not known.

Because of these factors, this group of activities is very dependent upon compliance with national legislative standards around human health and environmental protection. Uncertainty about future demands on water and supply mean it is an area that is likely to be increasingly monitored and enforced. This is likely to bring additional compliance costs to bear on Council.

Much of our water, wastewater and stormwater reticulation is ageing and reaching the end of its useful life. Funding for depreciation of these systems commenced in 1999 so there is not a large enough depreciation fund to maintain the system to its current standard, unless the fund is topped up from the rates. The graph below demonstrates the impending crisis in reticulation of the water supply: 62% of the District's pipes are more than 40 years old (a normal expectation of useful life ranges between 40 and 90 years dependent upon the material type).

Although the costs for stormwater, wastewater and water schemes in each town are managed separately, the Council sets a District wide 'cap' or limit on the annual charges to those residents who are connected to urban stormwater (\$210), urban wastewater (\$550) and urban unmetered water (\$585). The amounts shown for each type of scheme are the caps which will apply in 2009/10: they have been increased by \$50 each as a result of Council's deliberations on submissions during the consultation on the draft Plan. They are subject to a 3% annual adjustment for inflation.

Costs for each scheme now include full depreciation. In many schemes, the depreciation reserves are insufficient to cover the renewal of ageing pipes noted above and, where this is the case, the costs of renewals has been added to the scheme costs.

The effect of the caps is:

- they set the maximum amount which can be charged to those connected to each scheme;
- if a particular scheme costs less than the full cap would recover, the cost per ratepayer is the actual cost; and
- if a particular scheme costs more than the full cap would recover, the shortfall - or spillage - is obtained through a uniform annual charge (UAC) on rural ratepayers to cover one third of the spillage and two thirds via the urban General rate (i.e. all urban ratepayers pay, on a capital value basis). This is a change from the draft Plan which had proposed that the spillage was wholly covered through a District-wide General rate.

**10 year vision:**  
*To renew the current reticulation and treatment systems progressively to meet national quality standards in an affordable, rolling programme*

However, where urban reticulated water is metered (as is the case in Bulls, Hunterville and Mangaweka), the caps do not apply. So it is possible for individual consumers there to pay more for water than the cap. If the revenue in any of these towns is insufficient, the principle of obtaining the shortfall through the General rate is applied. This is currently the case for Hunterville and Mangaweka, but not Bulls.

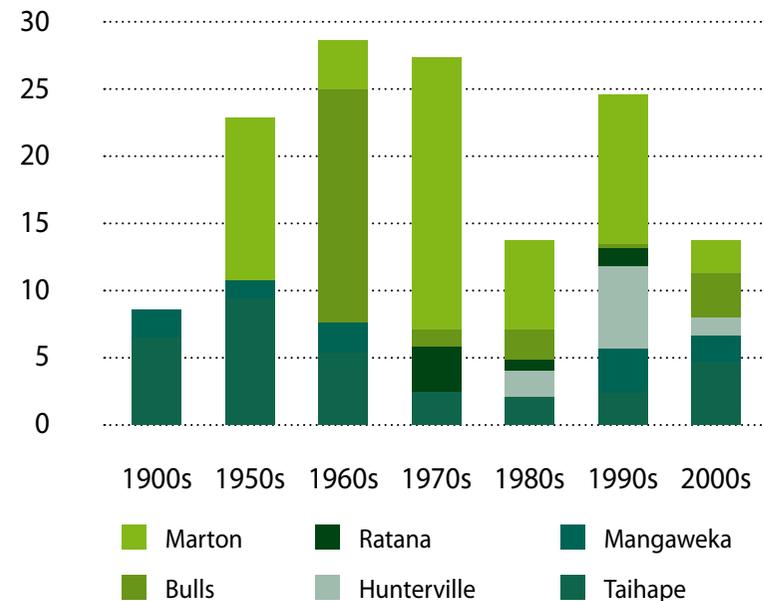
The implications of having caps was an issue which drew a large number of submissions during the consultation process for the draft Plan. This was because the proposed upgrades of Marton water and Hunterville wastewater would have been funded through application of the cap mechanism – which means the costs for both projects would have been recovered through the General rate. The impact would have been that high value rural properties would have been paying more for the urban reticulated water systems than many of the households directly using these services. This is examined further in the Revenue and Financing Policy (in section 9).

The condition and performance of all assets has been assessed and a renewal programme has been developed in conjunction with the Asset Management Plans. The question of affordability for the community within the current planning timetable given other demands on the rate take, was addressed in depth through the consultation process of the draft LTCCP. The capital programme has been re-scheduled to spread costs further out into and beyond the current 10-year planning frame.

Over the longer term, there is a need to build redundancy into the infrastructure design. This means that the infrastructure is developed to deal with the most extreme usage and so, by implication, will be sufficient for everyday requirements.

For example, for water supply, every part of the network including layout, reservoir capacity and production capability, is designed to meet fire fighting capacity. This is generally in excess of that required for consumers to drink, cook and wash – and sufficient to meet the peak summer demand<sup>7</sup>. The exception is the Rātana Community during the annual Birthday Celebrations and a programme is included in this plan to address this.

WATER PIPE AGE (Kms) GRAPH



Community Outcomes: this group of activities will contribute to...	
...a buoyant District economy, with effective infrastructure and attractive towns that entice growth	Provision of water management services is vital to the productivity of the two major “wet” industries in the area: agriculture and downstream processing.
... a treasured natural environment, with a focus on sustainable use of our land and water-ways	This activity ensures that human activity does not impact unduly on the natural environment and it minimises damage to people and property from the effects of extreme weather
... enjoying life in the Rangitikei, with a distinct identity and a reputation as a viable and attractive place to live, work and play	This activity ensures that the quality of life for residents in the Rangitikei is sustained. Particularly, the sourcing of an alternative water supply for Marton will improve the quality of life for residents in that town

<sup>7</sup> Council has strategies to enable it to manage the peak demand to guarantee supply. These are restrictions on use (e.g. sprinklers), conservation (reduce use/demand), pressure management (controls both usage and leakage), metering vs Uniform Annual Charges or a combination of both, restriction of supply (fixed volume of supply delivered over a 24hr period) and proactive leak detection/repair programmes. A combination of any or all of these could be used if, for example, a prolonged drought brings water shortages. It is also not feasible to separate potable from non-potable water in a reticulated supply. So, although only a small percentage of urban water is for drinking, the whole supply must meet drinking water standards.

**WATER ACTIVITY:** This activity provides readily-available drinking water, as well as the provision of fire fighting capability to selected communities (Marton, Bulls, Rātana, Hunterville, Mangaweka and Taihape) and rural water (non potable) schemes to other, selected communities (Hunterville, Omatone, Putorino and Erewhon)<sup>8</sup>. Although there is no statutory obligation to provide clean water for drinking, once it is provided, it must continue to be provided<sup>9</sup> and it must comply with statutory and regulatory standards laid down by various statutes.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...good tasting, good smelling and safe drinking water that meets legislative requirements (the Health Act 1956 as amended by the Health (Drinking Water) Amendment Act 2007)	...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	In 2009/10: Complete audit (through the Public Health Risk Management Plans) of the process, operations and maintenance manuals for each water treatment plant In 2010/11 and 2011/12, compile, maintain, and establish a review of paper trails for the monitoring and treatment processes and the operations and maintenance manuals	Maintain (and update where necessary to comply with any new requirements) all required documentation processes for providing a drinking water supply that meets legislative requirements (the Health Act 1956 as amended by the Health (Drinking Water) Amendment Act 2007)
	...manage its water resources sustainably	100% compliance with resource consents in each year 2009/10, 2010/11, 2011/12	100% compliance with resource consents
	...provide a reliable water supply	Fewer than 25 unplanned water supply disruptions affecting multiple properties in each year 2009/10, 2010/11, 2011/12 <sup>10</sup>	Fewer than 15 unplanned water supply disruptions affecting multiple properties each year

**WASTEWATER ACTIVITY:** The aim of this activity is to manage wastewater treatment and the use of sewage or sewage products in the short- and the long-term, to protect the health of local communities and the surrounding environments. Local authorities are obliged to provide sanitary works, including those for the disposal of sewage, and it is a heavily regulated activity, for example, the Health Act 1956, the Building Act 2004, and the Resource Management Act 1991.

In planning for the Levels of Service, Council has assumed that the new development currently occurring in rural lifestyle blocks generally does not connect to the public wastewater reticulation systems. There is limited capacity for significant new wet industries generating high organic loadings in the urban areas. It is therefore assumed that any new industries are likely to provide their own wastewater treatment and disposal systems.

<sup>8</sup> The previous LTCCP noted Council's interest in exploring the feasibility of a subscriber-funded Southern Water Scheme providing rural water. Not all the funding available to investigate the feasibility of such a scheme was spent. It may be that a possible outcome of the Marton alternative water supply project is sufficient surplus capacity for the provision of a rural water scheme.

<sup>9</sup> The Local Government Act 2002 does make provision for territorial authorities to close water schemes that serve less than 200 people (s. 130-131) but Council intends to retain all existing schemes.

<sup>10</sup> Assumes that planned programmes will not allow improvement in this target within the coming three years.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
... a safe and reliable system to dispose of wastewater	...provide wastewater infrastructure that reliably collects and transports sewage to an appropriate treatment facility within constraints of affordability to the community	No single network experiences more than ten overflows during 2009/10 with progressive reduction in succeeding years as the result of the renewal programme, in conjunction with flow capacity modeling	No single network experiences more than two overflows within any one year period
	...provide wastewater services that minimise the effects on the environment	100% discharge effluent meets standards of Resource Consent and RMA, in each year 2009/10, 2010/11, 2011/12	100% discharge effluent meets standards of Resource Consent and RMA
	...provide a reliable service that responds to repairs and faults	In the 2007 Communitrak survey, 92% receivers of the service are satisfied. In the 2010 survey, this will be maintained or improved	95% receivers of the service are satisfied (Communitrak)

**STORMWATER ACTIVITY:** This activity provides for stormwater reticulation within urban areas and to minimise damage and risk to people and property. There is a shared legal requirement for property owners to pass water across their property and discharge it without causing nuisance or detrimental effect. It is more cost-effective if property owners join together to provide stormwater services and so these are traditionally one of the key elements of infrastructure that local authorities develop and maintain on behalf of the ratepayers.

Stormwater services are governed by the Land Drainage Act, the Building Act and the Resource Management Act. It is guided by the District Plan and Horizons Regional Council Regional Plan and proposed One Plan. The Stormwater Management Plan model will monitor flows through the existing system. This will help Council to assess if unsettled weather patterns are pushing the current capacity beyond its limits. New stormwater system designs will include a climate change factor to future proof the network against changes in rainfall intensities.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
... a stormwater system that is effective, integrated and efficient at disposing of stormwater without causing damage to buildings or roads, and has minimum impact on the environment.	...provide urban stormwater systems that protect public and private property from normal flooding events	In a 1 in 20 year storm event, no more than 20 habitable properties per 1000 will be affected (i.e. made uninhabitable for more than 24 hours) in each year 2009/10, 2010/11, 2011/12	In a 1 in 20 year storm event, no more than 20 habitable properties per 1000 will be affected. (i.e. made uninhabitable for more than 24 hours) <sup>11</sup>
	... provide a stormwater network that is safe for the public	Less than 5 accidents per year caused by open drains or inlets reported by members of the public) in each year 2009/10, 2010/11, 2011/12	Less than 5 accidents per year caused by open drains or inlets reported by members of the public
	... provide a stormwater service that is reliable with prompt response to faults	75% of call-outs for faults and blockages are responded to within the allocated response timeframe) in each year 2009/10, 2010/11, 2011/12	85% of call-outs for faults and blockages are responded to within the allocated response timeframe

<sup>11</sup> This performance measure acknowledges that the frequency of qualifying events may increase due to anticipated unsettled weather patterns.

**MAJOR PROGRAMMES FOR THE WATER GROUP OF ACTIVITIES: Marton Urban Water Supply:** The Council has been investigating an alternative water source for Marton to address quality (taste and odour), certainty (supply of water in extreme drought conditions) and quantity (increased storage to cope with 24-hour needs). The system meets current demand but there are many complaints about taste, odour and incidences of dirty water. At this stage we have taken the precaution of including \$13.2 million over 10 years as the maximum sum needed to address the problem with the water supply in Marton. This makes provision for accessing an alternative water supply, increasing storage and upgrading the water treatment plant in a staged manner. The outcome of the test/production bore will narrow down the options so we can be more accurate in preparing the Annual Plan for 2010/11 about what needs to be done and how much it will cost. The only commitment at this stage is borrowing of \$850,000 in year 2010/11 for the initial design work needed to improve the quality of water.

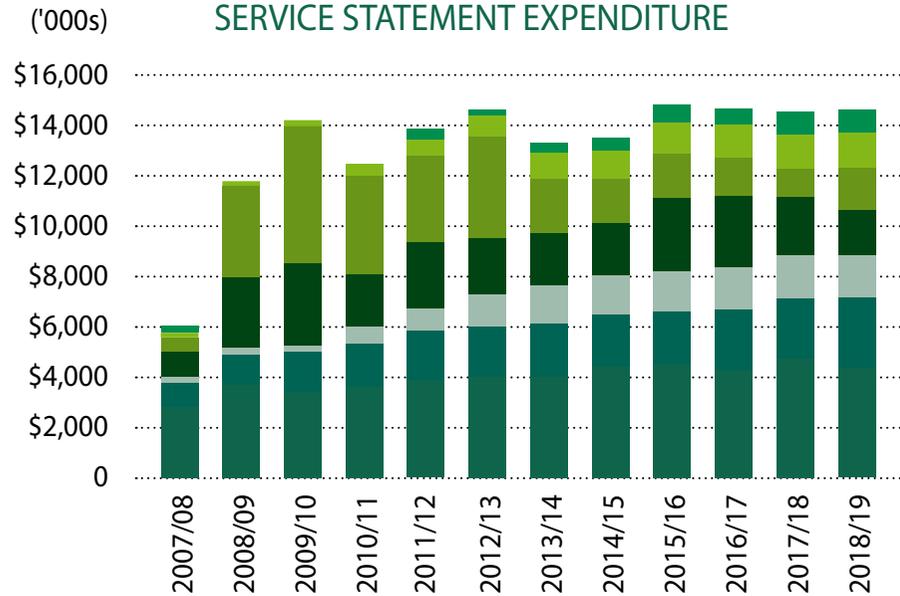
The Council is making a commitment to community consultation on all options in our Annual Plan 2010/11. The Asset Management Plan provides more detail about the programme and can be accessed via the web site [www.rangitikei.govt.nz](http://www.rangitikei.govt.nz) or call 0800 422 522 and we will send you a copy.

**Upgrade to stormwater capacity in Hunterville:** Recent flooding in Hunterville highlighted a need to increase the capacity of the stormwater system in that town. Council put a proposal in the draft LTCCP to complete this work within the next two years at a cost of \$1 million. Given the need to look again at the capital programme to defer all absolutely non-essential work, this programme has been put on hold and is not included in the current Plan.

The capital expenditure for the balance of the LTCCP period will be for ongoing monitoring of water management systems and renewals once the proposed capital upgrades have been completed.

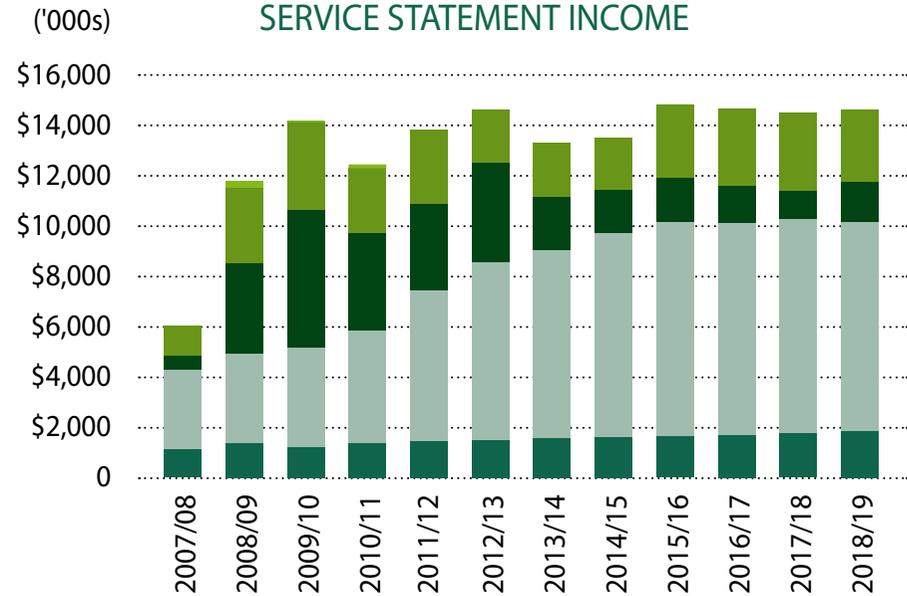
- > Increase storage capacity in Marton to meet Standards New Zealand PAS 4509: 2008 Code of Practice issued by National Commander, New Zealand Fire Service for fire fighting capability
- > Upgrade the UV treatment process to meet the Protozoa criteria of the New Zealand Drinking Water Standards
- > Programmed upgrades for Marton, Taihape, Bulls and Hunterville wastewater plants to meet ammonia reductions during winter conditions
- > Significant treatment process upgrades on the Bulls (4/5 years), Taihape (2/3 years) and Hunterville (1/2 years) wastewater treatment plants for compliance with more stringent resource consent conditions
- > The renewal of the Taihape main pumping station with an increased storage capacity to reduce overflows and installation and renewal of ageing telemetry systems (3/4 years)

### WATER MANAGEMENT COST OF SERVICE STATEMENT EXPENDITURE



- Transfer to Reserve
- Loan Repayments
- Capital Developments
- Renewals
- Interest
- Depreciation Funded
- Operating Costs

### WATER MANAGEMENT COST OF SERVICE STATEMENT INCOME



- Transfer from Reserve
- Depreciation Reserves
- Loans
- Rates Revenue
- Subsidies
- Activity Revenue

**WATER MANAGEMENT COST OF SERVICE STATEMENT**

	Actual 2007/08 (\$000)	Annual Plan 2008/09 (\$000)	Forecast 2009/10 (\$000)	2010/11 (\$000)	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)
<b>Operational Expenditure and Funding</b>												
<b>Operating Costs</b>												
Water Urban Schemes	1,422	1,925	2,122	2,352	2,732	3,056	3,218	3,502	3,617	3,739	3,992	4,005
Water Rural Schemes	369	367	559	558	612	623	638	680	689	708	768	801
Wastewater	1,063	872	1,782	2,080	2,328	2,505	2,676	2,774	2,779	2,776	2,929	2,848
Stormwater	188	224	553	647	705	714	729	751	747	740	763	778
Internal Charges	1,158	1,925	514	636	649	676	679	669	703	721	743	765
<b>Total Operating Costs</b>	<b>4,199</b>	<b>5,313</b>	<b>5,530</b>	<b>6,274</b>	<b>7,026</b>	<b>7,575</b>	<b>7,939</b>	<b>8,376</b>	<b>8,535</b>	<b>8,685</b>	<b>9,196</b>	<b>9,197</b>
<b>Group Activity Income</b>												
Activity Revenue	1,153	1,371	1,237	1,365	1,453	1,504	1,569	1,627	1,675	1,729	1,804	1,859
Subsidies	-	-	-	-	-	-	-	-	-	-	-	-
Rates Revenue	3,142	3,569	3,952	4,505	6,026	7,046	7,474	8,093	8,506	8,401	8,492	8,289
<b>Total Group Activity Income</b>	<b>4,295</b>	<b>4,940</b>	<b>5,190</b>	<b>5,869</b>	<b>7,478</b>	<b>8,549</b>	<b>9,043</b>	<b>9,719</b>	<b>10,181</b>	<b>10,130</b>	<b>10,296</b>	<b>10,148</b>
Net Cost of Service - Surplus (Deficit)	96	(373)	(341)	(404)	452	975	1,104	1,344	1,646	1,445	1,101	951
<b>Operating Surplus (Deficit) Transferred To/(From)</b>												
Retained Earnings	257	(270)	(82)	(145)	398	252	413	492	745	648	879	904
Capital Expenditure	-	-	-	-	343	1,012	980	1,172	1,220	1,118	580	405
Unfunded Depreciation	(161)	(103)	(259)	(259)	(289)	(289)	(289)	(321)	(320)	(320)	(358)	(358)
<b>Total Funding Operational</b>	<b>96</b>	<b>(373)</b>	<b>(341)</b>	<b>(404)</b>	<b>452</b>	<b>975</b>	<b>1,104</b>	<b>1,343</b>	<b>1,645</b>	<b>1,446</b>	<b>1,101</b>	<b>950</b>
<b>Capital Expenditure and Funding</b>												
Renewals	988	2,756	3,234	2,090	2,648	2,268	2,067	2,073	2,878	2,858	2,309	1,800
Capital Development	551	3,623	5,462	3,860	3,391	3,992	2,147	1,724	1,766	1,483	1,097	1,633
Loan Repayments	187	198	239	489	681	848	1,040	1,147	1,233	1,320	1,394	1,445
<b>Funding Required</b>	<b>1,726</b>	<b>6,577</b>	<b>8,934</b>	<b>6,439</b>	<b>6,720</b>	<b>7,108</b>	<b>5,254</b>	<b>4,944</b>	<b>5,877</b>	<b>5,661</b>	<b>4,800</b>	<b>4,878</b>
<b>Funded by:</b>												
Loans	551	3,623	5,462	3,860	3,391	3,992	2,147	1,724	1,766	1,483	1,097	1,633
Depreciation Reserves	1,175	2,954	3,472	2,579	2,986	2,103	2,127	2,048	2,891	3,060	3,123	2,840
Transfers (To)/From Operational Reserves	-	-	-	-	343	1,013	980	1,172	1,220	1,118	580	405
<b>Total Funding</b>	<b>1,726</b>	<b>6,577</b>	<b>8,934</b>	<b>6,439</b>	<b>6,720</b>	<b>7,108</b>	<b>5,254</b>	<b>4,944</b>	<b>5,877</b>	<b>5,661</b>	<b>4,800</b>	<b>4,878</b>
Depreciation*	1,085	1,266	1,870	1,976	2,268	2,336	2,416	2,396	2,430	2,785	2,792	3,172
Interest*	264	321	254	656	891	1,234	1,485	1,573	1,619	1,661	1,672	1,644

\* The above costs are included in the Operating Costs above

**10 year vision:**  
*to review the Council's  
 portfolio of leisure and  
 community assets  
 to provide relevant and well-  
 used facilities that are fit for  
 purpose*

## Leisure and Community Assets Group of Activities || OVERVIEW AND STRATEGIC

**CLIMATE:** This group of activities covers Council's non-infrastructure assets - halls and community buildings, public toilets, swimming pools, parks and reserves, libraries, cemeteries and community housing. Together, these assets make a significant contribution to the social and cultural well-being of the District, providing venues for recreation, socialising, events, festivals and celebrations. They reflect the character and pride of the people of the Rangitikei.

The leisure and community assets are managed over the long term to meet the changing demands on use from the resident population. This includes changes in the age demographic, lifestyle, "fashions" in sports and outdoor recreation, patterns of indoor activities, work-life balance and the distance that people are prepared to travel to access these activities.

Rangitikei District has, by accepted national standards, an abundance of parks, reserves and community spaces. Many of these facilities are reaching the end of their useful lives, either through age or because they are no longer fit for purpose. Council began to fund depreciation for its community assets during the 1990s but this has not accumulated enough to fund the urgent repairs and renewals that are now due. This means tough decisions need to be made based on risk analysis versus maintenance and renewal programmes. Council has established a maintenance programme for the next 10 years which will meet compliance requirements but it is coming at quite a cost to the ratepayer.

Council has the difficult task of balancing the costs of maintaining these assets against the actual use and residents' expectations that "their" facility will remain accessible to them. Council will undertake a review of all its leisure and community assets, in close consultation with the community and main users. The review will look at both current and future use of the asset and whether it complements or duplicates other provisions. It will balance this with the cost of future development and maintenance programmes. The review will address equality of access and services within the District and between urban and rural communities. It will also investigate other forms of ownership which sees local communities assuming a greater responsibility for maintenance and upkeep.

The review process will almost inevitably lead to changes in the assets held by Council<sup>12</sup>: The final value of assets held by Council may be more, less or the same as at present. However, the assets that remain will need to be delivering real value for money and earn their upkeep!

<sup>12</sup> The Non-Infrastructure Asset Review has already identified some Council assets that are surplus to requirement and are for sale. A list can be found on the web site [www.rangitikei.govt.nz](http://www.rangitikei.govt.nz) or by contacting the Property Manager, RDC, Private Bag 1102, Marton 4741, phone 06 327 0099 or 0800 422 522.

Community Outcomes: this group of activities will contribute to...	
... a treasured natural environment, with a focus on sustainable use of our land and water-ways	The parks and reserves programme provides opportunity for residents and visitors to enjoy open-air spaces and areas of protected natural environment in a sustainable way
... enjoying life in the Rangitikei, with a distinct identity and a reputation as a viable and attractive place to live, work and play	A review and re-assessment of the leisure and community asset portfolio will provide safe, secure and adaptive recreational and cultural venues where people can gather for social and other events, that are fit for purpose and affordable. This will contribute to the sustainability of communities in the Rangitikei
	The development of new facilities will reflect the local needs and the distinctive local character and generate civic and community pride

**PARKS AND RESERVES ACTIVITY:** Council provides a range of parks, reserves and open spaces for sporting, leisure and cultural activities. Council is obliged to retain and maintain designated reserves under the Reserves Act 1977. The District Plan also designates areas for parks and recreation and the Council observes and implements these requirements. This includes a requirement to maintain a level of open spaces with new subdivisions.

The outcome of the review over 10 years is that Council will aim to provide a full range of parks and reserves that meet the recreational and cultural needs of its population. It will work to maintain the range and quality of playing surfaces and facilities to meet the demand from a range of sporting codes.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...facilities that provide recreational and competitive sports opportunities throughout the year	... provide a number of parks and open spaces throughout the district that can be used for both organised sporting events and informal recreation	The 2007 Communitrak survey reported 85% satisfaction with maintenance of park facilities. In the 2010 Communitrak survey, this will be maintained	85% satisfaction with maintenance of park facilities (Communitrak)
...facilities that are well-managed in a sustainable way for the benefit of future generations.			
... open spaces where they can safely enjoy a range of active and passive activities	... provide fun playgrounds that are safe for children and youth	Fewer than 10 reports of playground accidents in 2009/10 and maintained or improved in each year 2010/11 and 2011/12	Fewer than 5 reports of playground accidents per year

**HALLS AND COMMUNITY BUILDINGS ACTIVITY:** Council holds a range of halls and community buildings as focal points for community activity. Some have value as community “history”, others as memorials. All contribute to community pride. Some community halls have recently been refurbished on a rolling programme through donations from the Dudding Trust – others will be part of Council’s renewals programme. The renewals programme will be carried out hand-in-hand with a review of the facilities. If a facility is not well used, or it is not fit for that use, then the renewals programme will be amended accordingly.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...halls and community buildings that are well maintained and suit a wide range of purposes and are affordable	... provide community buildings that provide a good quality experience for users	The 2007 Communitrak survey reported 72% of residents (89% of users) are satisfied with the provision of public halls. In the 2010 Communitrak survey, this will be maintained	75% of residents (90% of users) are satisfied with the provision of public halls (Communitrak)

**CEMETERIES ACTIVITY:** Council has a statutory obligation to provide burial and cremation plots for its resident population. The cultural and spiritual significance of an appropriately sacred place for the disposal of bodies and remembrance of loved ones is a human expectation that goes back to beginning of human society. This activity also provides a historic record that contributes towards the District’s cultural heritage.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...to bury their loved ones with dignity in a well-maintained and attractive environment that is accessible to visitors	...maintain cemeteries in an attractive condition, and prepare burial plots on request	The 2007 Communitrak survey reported 71% of residents (96% of visitors) were satisfied with cemeteries, including maintenance of cemeteries. In the 2010 Communitrak survey, this will be maintained	71% of residents (96% of visitors) are satisfied with cemeteries, including maintenance of cemeteries (Communitrak)
	...maintain accurate cemetery records, available for public reference	Less than 10 complaints of significant issues with reserved plots or historical data in each year 2009/10, 2010/11, 2011/12	Less than 5 complaints per year of significant issues with reserved plots or historical data

**PUBLIC TOILETS ACTIVITY:** This activity provides for public toilets in centres of congregation or mass activity. The provision of public toilets is a public health service to maintain acceptable standards of public hygiene and disease control. It provides amenities to the public (both local and visiting) with appropriate waste control. Public toilet facilities are currently maintained by Council in Taihape, Hunterville, Marton, Bulls, Duddings Lake and Koitiata. Council supports the provision of facilities in Mangaweka and Turakina.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
... public toilets to be accessible and well maintained to reflect well on the District's towns	... provide public toilets that are clean and provide a good quality experience	Half yearly ratings from Community Board/ Committee on 1-10 scale is greater than 7 in each year 2009/10, 2010/11, 2011/12	Half yearly ratings from Community Board/ Committee on 1-10 scale is greater than 8

**HOUSING ACTIVITY:** Council provides a supply of secure tenure housing, available at affordable rent to residents with specific housing needs - currently 50 units in Marton, 12 units in Taihape, 6 units in Bulls and 4 units in Rātana. Poor housing can contribute to a range of health problems in vulnerable people. The provision of these clustered units provides opportunities for social interaction and for more easy access to services.

There is no statutory requirement for Council to provide community housing. But, once provided, it must comply with building and energy conservation legislation.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
... housing to meet specific housing needs, that is well maintained and safe	... maintain housing complexes to ensure buildings are functional and tidy	Six monthly surveys of tenants show 70% satisfaction rating that responses to maintenance requests are timely and appropriate in 2009/10 and are maintained or improved in each of 2010/11 and 2011/12	Six monthly surveys of tenants give 80% satisfaction rating that responses to maintenance requests are timely and appropriate

Significant negative effects	Council's response
Creates clusters of vulnerable people with different lifestyle expectations e.g. elderly, low-income, different ethnicities	While Council tries to maintain full occupancy of its community housing (so as to avoid impact on rates), it looks at the characteristics of existing tenants when deciding on new tenants. Council recognises that the nature of the housing largely excludes couples and families, but the investment required to modify the properties is too great. Council has previously explored the feasibility of transferring the housing to an operator or trust with more capability and capacity for improving the housing and supporting tenants from different backgrounds – and remains open to considering this if an opportunity arises

**LIBRARIES ACTIVITY:** The District has libraries in Marton, Bulls and Taihape. These provide a range of services based on free borrowing from a collection of books, magazines and newspapers, videos and DVDs. The Libraries also provide access to the Internet (including a range of subscription databases), outreach programmes (especially during school holidays) and local history and genealogy resources. In both Taihape and Marton, the local genealogy groups have placed their research collections in the libraries for everyone to use.

The Libraries provide quiet community space for casual reading and study. The District libraries, located in Marton, Bulls and Taihape, are a clear focal point for each of these three towns and are the most heavily used community facility in the District.

Community surveys consistently show high satisfaction with libraries coupled with an expectation that they will provide outreach programmes (especially in school holidays) and promote reading (whether through hosting book clubs or running writing competitions). The draft LTCCP proposed a major upgrade of the Marton Library building in 2014/15 but this was not considered necessary by the majority of submitters and Council has decided not to proceed with this.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
... to read for enjoyment and education, with easy access to a wide range of up-to-date information	... provide a wide and interesting range of new printed and audio-visual material, available for borrowing throughout the District	75% of the titles on the "best reading lists" are held by the district libraries in 2009/10 and this is maintained or improved in each of 2010/11 and 2011/12	80% of the titles on the "best reading lists" are held by the district libraries
	... provide relevant and accessible electronic resources, available through the District libraries	2,500 minutes spent over the year by users searching electronic resources in 2009/10 and this is maintained or improved in each of 2010/11 and 2011/12	5,000 minutes spent over the year by users searching electronic resources
... a spacious environment that is welcoming, with knowledgeable and friendly staff	... 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	In the 2007 Communitrak survey, 75% residents (93% users) were very/fairly satisfied with the District libraries. In the 2010 Communitrak survey, this will be maintained or improved	80% residents (95% users) are very/fairly satisfied with the District libraries (Communitrak)

**SWIMMING POOLS ACTIVITY:** The Council currently owns swimming facilities in Marton, Taihape and Hunterville which are managed by different community trusts and subsidised through a targeted rate. The pools provide opportunities for leisure, education and fun at reasonable cost to the user. Swimming pools are an expensive asset for any community to maintain, particularly relatively small communities such as those in the Rangitikei. None of these assets were being depreciated. This means that, although ongoing maintenance is funded, there was no allowance for major refurbishment or renewal.

During the consultation phase for the draft LTCCP, we asked residents and ratepayers whether the swimming pools should be kept and, if so, how they should be maintained and managed in to the future. Overwhelmingly, the response was that the swimming pools are valued extremely highly. As a result, Council has allocated \$50,000 per year towards depreciation for the pools and will work with relevant and interested parties to secure the future for the pools in the District.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
... a safe, clean pool, which is affordable	... 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	There are less than 10 complaints per season about pool water quality in 2009/10 and this is maintained or improved in 2010/11 and 2011/12	There are less than 5 complaints per season about pool water quality
		Charges are on a par with comparable facilities in each year 2009/10, 2010/11, 2011/12	Charges are on a par with comparable facilities
... to have fun, be fit and healthy, and learn about water safety and sports		In the 2007 Communitrak survey, 60% residents (90% users) were very/fairly satisfied with the District swimming pools. In the 2010 Communitrak survey, this will be maintained	60% residents (90% users) are very/fairly satisfied with the District swimming pools (Communitrak)

**MAJOR PROGRAMMES FOR THE LEISURE AND COMMUNITY ASSETS GROUP OF ACTIVITIES:** Programmed renewal and maintenance of Community Leisure Assets (parks and reserves, halls and community buildings, cemeteries, public toilets, community housing and swimming pools), including addressing the risks of earthquakes.

**PROVISION OF THE LIBRARY SERVICE:**

- > Developing the collections - this includes both printed and electronic materials
- > Outreach programmes - this includes visits to schools, in-house events and activities, competitions and publishing
- > Review of the collection management system (Koha) and supporting IT infrastructure

Plan for upgrade or relocation of present library spaces. The space in all three libraries provides very limited opportunities for outreach programmes, community meetings and other events.

**URBAN PARKS AND RESERVE MANAGEMENT PLANNING:** Council is required to have management plans for its reserves. A draft management plan has been developed for Wilson Park, Marton. Consultation around this plan has led to a Steering Group that will be looking to consolidate (and upgrade) the town's urban park facilities. This could include multi-use facilities that are more easily managed and maintained when the burden is shared by multiple users.

Such an approach has relevance for other towns. If any parks were sold<sup>13</sup>, some of the proceeds could be reinvested in community assets to fund upgrades. Otherwise, Council is unlikely to be able to provide significant funding for improved community assets given the substantial planned commitments to upgrade infrastructure. It will, however, work with community trusts and similar bodies to source external funding.

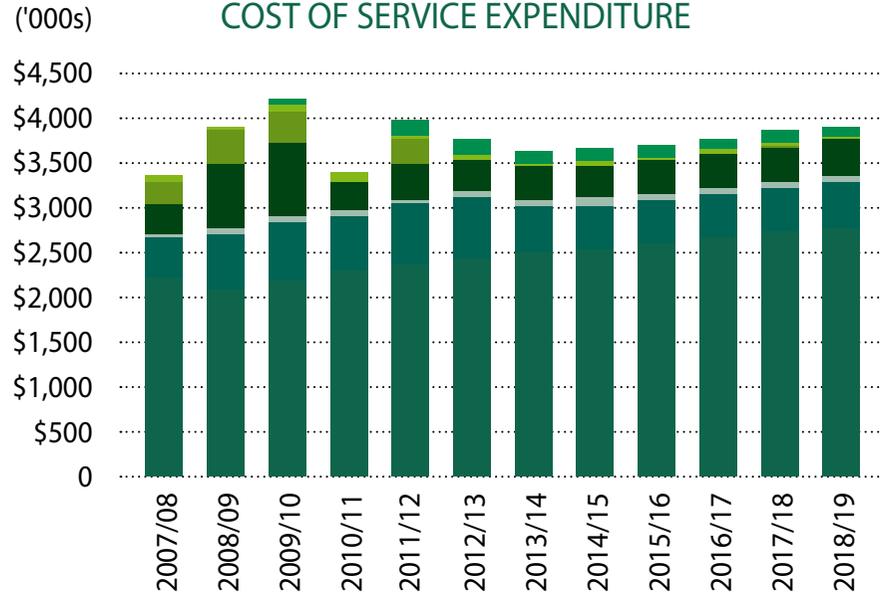
The same principles have been underpinning the development of a draft Reserve Management Plan for War Memorial Park in Taihape. A Steering Group, comprising representatives from interested community and sports groups, is working through proposals to develop a multi-purpose, flexible sports and leisure hub to replace the existing club facilities and link with the swimming pool and the new facilities at Taihape Area School. Council will work alongside this group to develop its Reserve Management Plan for consultation with the community in due course. Council has agreed to underwrite a sum of \$7,000 that the local Steering Group is incurring towards architects' fees that will only be payable if the project does not proceed.

The possibility of Duddings Lake being managed as a regional park by Horizons Regional Council was suggested in the draft LTCCP. The overwhelming response, from Marton residents and ratepayers in particular, is that they want the park retained and managed locally for local people to use. Council has agreed to keep the Lake and fund it as a Marton park. A management plan for Duddings Lake will be developed with Marton stakeholders during 2009/10.

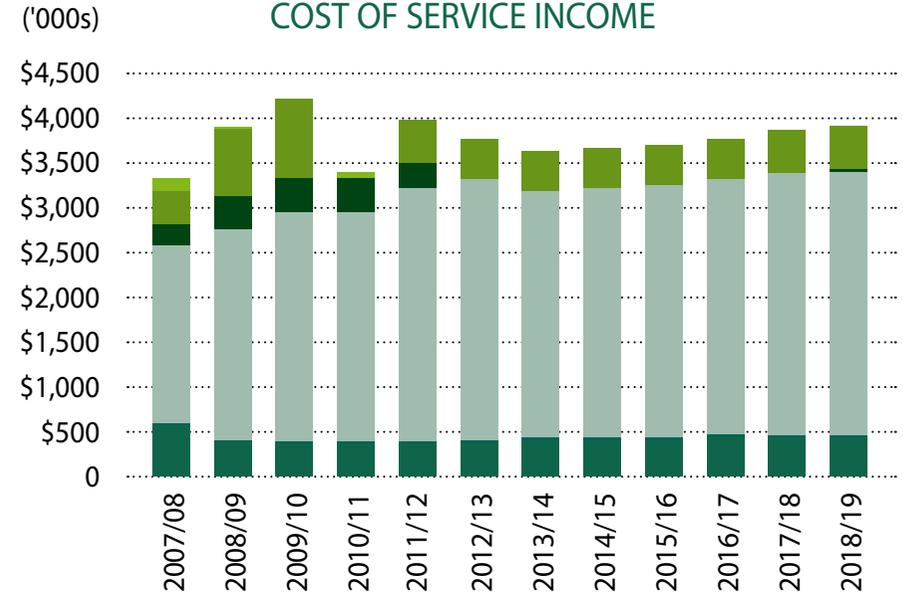
**OTHER COMMUNITY ASSETS:** Council holds other assets on behalf of ratepayers that contribute to community life. These include parks, libraries, community halls, community housing, swimming pools and public toilets. These assets have had a lower maintenance priority, to the point where some are now 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. Through the lifetime of this LTCCP, we want to work with each community to identify those assets we most want to keep. We then want to develop them into modern but modest facilities that we can all use with pride and afford to maintain. We will be looking to fund any developments from the sale of existing facilities that communities no longer require, together with fundraising from local and national sources.

<sup>13</sup> Subject to the appropriate legislative restrictions on the sale of parks and reserves and the uses to which the proceeds may be applied.

### COMMUNITY AND LEISURE ASSETS COST OF SERVICE EXPENDITURE



### COMMUNITY AND LEISURE ASSETS COST OF SERVICE INCOME



- Transfer to Reserve
- Interest
- Loan Repayments
- Depreciation Funded
- Capital Developments
- Operating Costs
- Renewals

- Transfer from Reserve
- Rates Revenue
- Depreciation Reserves
- Subsidies
- Loans
- Activity Revenue

## COMMUNITY AND LEISURE ASSETS COSTS OF SERVICE STATEMENT

	Actual 2007/08 (\$000)	Annual Plan 2008/09 (\$000)	2009/10 (\$000)	2010/11 (\$000)	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)
<b>Operational Expenditure and Funding</b>												
<b>Operating Costs</b>												
Property	47	37	79	80	81	82	83	55	56	57	59	60
Swimming Pools	472	516	540	555	575	588	611	624	637	644	657	672
Libraries	207	245	223	227	240	251	257	261	270	282	288	302
Community Housing	217	262	401	408	431	436	370	375	370	390	396	403
Cemeteries	90	110	105	109	111	113	116	119	121	124	127	131
Parks and Reserves	513	529	514	539	555	563	527	537	541	559	568	579
Public Toilets	190	196	223	245	249	283	283	286	289	295	299	302
Halls	386	313	290	293	308	313	279	283	275	290	294	300
Internal Charges	756	718	698	719	754	777	779	781	802	815	829	844
<b>Total Operating Costs</b>	<b>2,879</b>	<b>2,926</b>	<b>3,073</b>	<b>3,174</b>	<b>3,304</b>	<b>3,407</b>	<b>3,306</b>	<b>3,321</b>	<b>3,360</b>	<b>3,457</b>	<b>3,517</b>	<b>3,593</b>
<b>Group Activity Income</b>												
Activity Revenue	561	375	367	379	386	396	406	415	426	436	446	457
Subsidies	37	30	30	31	32	33	33	34	35	36	37	38
Rates Revenue	1,984	2,360	2,577	2,551	2,817	2,919	2,773	2,807	2,803	2,868	2,919	2,934
<b>Total Group Activity Income</b>	<b>2,582</b>	<b>2,765</b>	<b>2,974</b>	<b>2,961</b>	<b>3,235</b>	<b>3,347</b>	<b>3,212</b>	<b>3,256</b>	<b>3,264</b>	<b>3,339</b>	<b>3,402</b>	<b>3,429</b>
<b>Net Cost of Service - Surplus (Deficit)</b>	<b>(297)</b>	<b>(161)</b>	<b>(99)</b>	<b>(213)</b>	<b>(69)</b>	<b>(59)</b>	<b>(94)</b>	<b>(65)</b>	<b>(97)</b>	<b>(117)</b>	<b>(115)</b>	<b>(164)</b>
<b>Operating Surplus (Deficit) Transferred To/(From)</b>												
Retained Earnings	(147)	(23)	48	(40)	120	132	98	130	91	90	95	49
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Unfunded Depreciation	(150)	(138)	(147)	(172)	(188)	(191)	(192)	(194)	(187)	(207)	(210)	(213)
<b>Total Funding Operational</b>	<b>(297)</b>	<b>(161)</b>	<b>(99)</b>	<b>(213)</b>	<b>(69)</b>	<b>(59)</b>	<b>(94)</b>	<b>(65)</b>	<b>(97)</b>	<b>(117)</b>	<b>(115)</b>	<b>(164)</b>
<b>Capital Expenditure and Funding</b>												
Renewals	334	738	822	318	396	338	354	362	380	374	395	405
Capital Development	237	364	353	-	264	4	-	-	4	4	4	4
Loan Repayments	31	14	47	53	49	63	50	50	46	46	44	44
<b>Funding Required</b>	<b>602</b>	<b>1,116</b>	<b>1,221</b>	<b>370</b>	<b>709</b>	<b>405</b>	<b>404</b>	<b>412</b>	<b>430</b>	<b>423</b>	<b>443</b>	<b>453</b>
<b>Funded by:</b>												
Loans	237	364	353	-	264	4	-	-	4	4	4	4
Depreciation Reserves	365	752	868	370	446	401	404	412	426	419	438	448
Transfers (To)/From Operational Reserves	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Funding</b>	<b>602</b>	<b>1,116</b>	<b>1,221</b>	<b>370</b>	<b>709</b>	<b>405</b>	<b>404</b>	<b>412</b>	<b>430</b>	<b>423</b>	<b>443</b>	<b>453</b>
Depreciation*	595	740	794	796	851	866	723	695	670	706	705	719
Interest*	30	56	48	60	56	77	74	71	68	65	63	60

\* The above costs are included in the Operating Costs above

**10 year vision:**  
*To maintain the current level of service for domestic and trade waste and to encourage waste minimisation*

**Rubbish and Recycling Group of Activities || OVERVIEW AND STRATEGIC CLIMATE:** This group of activities, comprising Waste Management and Waste Minimisation, is one where central government is increasingly determining national standards that Council must meet. Council itself does not collect or dispose of rubbish within the District – this is all done by private contractors. Government’s focus is on waste minimisation, or the three principles of recycling: reduce, re-use, recycle. The potential impact of the waste levy, collected and distributed under the Waste Minimisation Act 2008 on recycling facilities in the District is unclear.

Waste minimisation strategies recognise that all waste management options have environmental impacts, such as transporting waste, noise and odour. The best and first step should be to minimise the production of waste in the first place. Waste reduction at source can be as simple and effective as good housekeeping, minimising spillages and maintaining production procedures.

The future of the Emission Trading Scheme and the mandatory reporting of methane emissions is currently uncertain. Under the scheme previously put forward, there would have been no direct impact on Council’s costs because the Council no longer operates landfills. However, the increased charges which would have been incurred by the waste transfer stations from 1 July 2013 would have been passed on to users of those facilities through fees and charges. Whatever measures may be taken to control greenhouse gas emissions, it would seem unlikely that costs in the future will reduce.

Community Outcomes: this group of activities will contribute to...	
... a treasured natural environment, with a focus on sustainable use of our land and water-ways	Council will encourage the community to aim for a high level of environmental protection. The careful disposal of waste, including waste reduction, re-use and recycling, is one of the actions that people can take every day to support sustainable development. Council facilitates this through the provision of waste transfer stations, recycling facilities and public litter bins

**WASTE MANAGEMENT ACTIVITY:** Waste collection and disposal within the Rangitikei District is carried out by contractors. Council provides waste transfer stations at Bulls, Marton, Hunterville, Rātana, Mangaweka and Taihape. All except Mangaweka are managed under contract to Council. Council is planning on the basis that the Bonny Glen landfill will not reach capacity within the LTCCP timeframe. New legislation means greater cost for the landfill operator. These costs will be passed on to Council as part of its contract with Bonny Glen. In turn this will be reflected in higher charges to the community.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
... efficient, affordable and convenient access to waste transfer station centres that can accept a range of different waste streams	...provide clean, safe, disposal facilities in each major urban area	In the 2007 Communitrak survey, 67% of users were fairly satisfied or very satisfied with services provided. The 2010 Communitrak survey will maintain this level of satisfaction	67% of users are fairly satisfied or very satisfied with services provided (Communitrak)

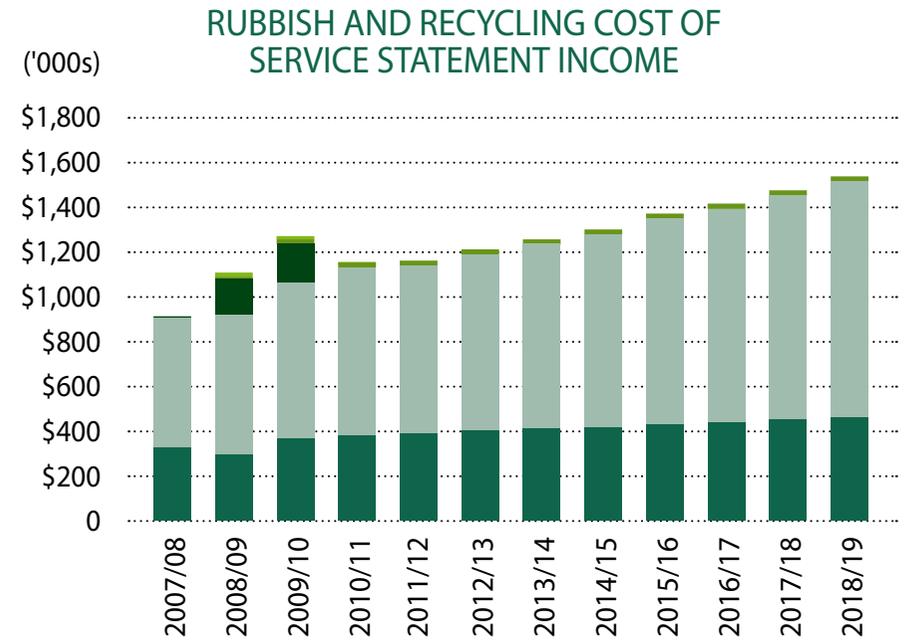
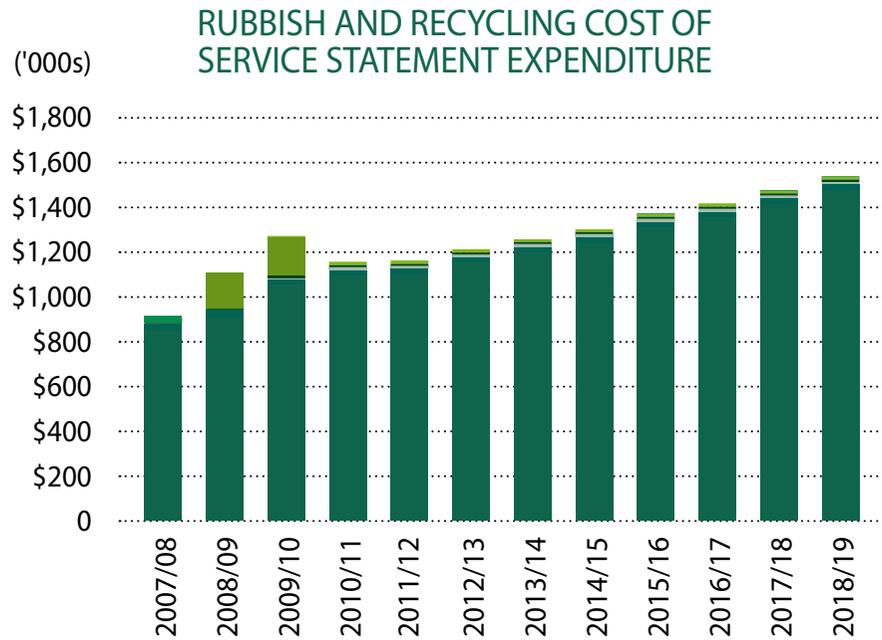
**WASTE MINIMISATION ACTIVITY:** Waste minimisation within the Rangitikei District is carried out as part of the contract for solid waste disposal. The contract requires a partnership approach with experienced contractors. Together they will work to develop solutions to minimise solid waste disposal to landfill in a cost efficient manner. This also requires a community willingness to participate in reducing the amount of waste that goes to landfill.

Community feedback to date has focused on improved facilities for recycling. Council will undertake further investigation into various schemes, particularly around recycling glass and composting. However, Council is aware that recycling is not always a cost-effective or environmentally-friendly solution and it will focus on reducing the amount of waste produced. Performance targets over the coming three years will be developed together with a review of the Waste Management and Minimisation Plan due in 2012.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
... to access recycling services at convenient locations and times	... provide opportunities for recycling	Development of glass recycling facility in 2009/10. Estimate of diversion of waste from landfill to recycling (e.g. number of tonnes diverted). Improvement on baseline established in 2010/11 and 2011/12	Diversion of waste from landfill to recycling (e.g. number of tonnes diverted) to meet best practice for rural peer authorities
		In the 2007 Communitrak survey, 44% of users were fairly satisfied or very satisfied with services provided. The 2010 Communitrak survey will increase the level of satisfaction	Development of recycling services to deliver resident satisfaction to level of rural peer authorities (currently 67%). (Communitrak)

### MAJOR PROGRAMMES FOR RUBBISH AND RECYCLING GROUP OF ACTIVITIES

- > Council owns waste transfer stations at Bulls, Marton, Hunterville, Rātana, Mangaweka and Taihape. There is programmed maintenance and renewal of these facilities that have been in existence for many years. Some of the cost of renewals is currently funded by rates as depreciation was not funded prior to 1999.
- > Council will investigate the need for a weighbridge in Taihape.
- > Provision of glass recycling facility at waste transfer stations from 2009/10.
- > Investigation of a shared service with neighbouring councils to develop schemes for organic waste recycling, including potential for alternative energy supply/ies.
- > Review the Council’s Waste Management and Minimisation Plan by 1 July 2012 to comply with the Waste Minimisation Act 2008. This is likely to impact upon the anticipated work programme and will be subject to consultation through the 2012-22 LTCCP.



- |   |  |  |   |
|---|--|--|---|
| <span style="color: #006633;">■</span> Transfer to Reserve  | <span style="color: #A9C9C9;">■</span> Interest            | <span style="color: #92D050;">■</span> Transfer from Reserve | <span style="color: #A9C9C9;">■</span> Rates Revenue    |
| <span style="color: #92D050;">■</span> Loan Repayments      | <span style="color: #006633;">■</span> Depreciation Funded | <span style="color: #669933;">■</span> Depreciation Reserves | <span style="color: #006633;">■</span> Subsidies        |
| <span style="color: #669933;">■</span> Capital Developments | <span style="color: #006633;">■</span> Operating Costs     | <span style="color: #006633;">■</span> Loans                 | <span style="color: #006633;">■</span> Activity Revenue |
| <span style="color: #006633;">■</span> Renewals             |  |  |   |

## RUBBISH AND RECYCLING COST OF SERVICE STATEMENT

Operational Expenditure and Funding	Actual 2007/08 (\$000)	Annual Plan 2008/09 (\$000)	Forecast 2009/10 (\$000)	2010/11 (\$000)	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)
<b>Operating Costs</b>												
Waste Transfer Stations	617	680	837	874	906	942	977	1,014	1,063	1,095	1,140	1,184
Closed Landfills	14	18	7	8	9	10	11	12	13	14	16	17
Public Refuse Collection	97	83	126	134	109	116	124	132	141	151	161	172
Internal Charges	153	161	112	117	116	122	124	122	131	134	136	141
<b>Total Operating Costs</b>	<b>881</b>	<b>942</b>	<b>1,082</b>	<b>1,133</b>	<b>1,140</b>	<b>1,190</b>	<b>1,236</b>	<b>1,280</b>	<b>1,348</b>	<b>1,394</b>	<b>1,452</b>	<b>1,514</b>
<b>Group Activity Income</b>												
Activity Revenue	329	299	371	384	393	402	412	421	431	442	453	464
Subsidies	-	-	-	-	-	-	-	-	-	-	-	-
Rates Revenue	579	624	695	746	747	788	824	859	918	953	1,001	1,051
<b>Total Group Activity Income</b>	<b>908</b>	<b>923</b>	<b>1,066</b>	<b>1,130</b>	<b>1,140</b>	<b>1,190</b>	<b>1,236</b>	<b>1,280</b>	<b>1,349</b>	<b>1,395</b>	<b>1,453</b>	<b>1,515</b>
<b>Net Cost of Service - Surplus (Deficit)</b>	<b>27</b>	<b>(19)</b>	<b>(16)</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Operating Surplus (Deficit) Transferred To/(From)</b>												
Retained Earnings	27	(19)	(16)	(3)	-	-	-	-	1	1	1	1
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Funding Operational</b>	<b>27</b>	<b>(19)</b>	<b>(16)</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Capital Expenditure and Funding</b>												
Renewals	4	8	16	10	9	9	9	9	10	10	10	10
Capital Development	-	160	170	-	-	-	-	-	-	-	-	-
Loan Repayments	-	-	5	13	13	13	13	13	13	13	13	13
<b>Funding Required</b>	<b>4</b>	<b>168</b>	<b>190</b>	<b>23</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>
<b>Funded by:</b>												
Loans	-	160	170	-	-	-	-	-	-	-	-	-
Depreciation Reserves	4	8	20	23	22	22	22	22	23	23	23	23
Transfers (To)/From Operational Reserves	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Funding</b>	<b>4</b>	<b>168</b>	<b>190</b>	<b>23</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>
Depreciation*	29	34	20	20	22	22	22	23	23	23	25	25
Interest*	-	-	5	18	17	17	17	17	17	15	13	12

\* The above costs are included in the Operating Costs above

**10 year vision:**  
*To provide a user-friendly and efficient service that meets regulatory and compliance issues*

**Environmental and Regulatory Services Group of Activities || OVERVIEW AND STRATEGIC FACTORS:**

This group of activities covers the areas where Council ensures compliance with legislative or statutory requirements in the areas of planning, building and development, animal control and environmental health. In the main, the services are funded on a user-pays principle, although Council contributes from the general rate where it considers that there is a public good.

In recent years, legislative compliance in this area has increased significantly. The Food Act Review and the introduction of Food Control Plans may put extra compliance standards on the environmental health area. There is a lot of uncertainty at the moment with the new government’s proposed review of the Resource Management Act 1991 and the Building Act 2004. Council cannot determine the effect the reviews will have on this activity until more information about the proposed reviews is announced.

Council has encountered a shortage of skilled staff in this activity and it is possible that this could be overcome through sharing services with neighbouring territorial authorities and by using external contractors to provide additional specialist support as necessary. Council already contracts out the inspection of food premises to Wanganui District Council.

Council has assumed a generally stable or declining population, combined with improved procedures and the introduction of new technology, will offset the increasing demand placed on the service by tighter compliance regimes.

Community Outcomes: this group of activities will contribute to...	
... a safe and caring community, through effective partnership with local policing, rescue services, neighbourhood support and local initiatives	The assurance that buildings are safe, sustainable and durable, that animals are kept under control and that environmental health is protected contributes to a sense of safety and security
... a buoyant District economy, with effective infrastructure and attractive towns that entice growth	The District Plan and consent processes ensure that development supports the District’s economic development strategy and that building activity is compliant and fit for purpose to ensure that businesses thrive here. Council aims to deliver these activities with minimum disruption to business interests.
... a treasured natural environment, with a focus on sustainable use of our land and waterways	The District Plan aims to protect the District’s natural resources and the implementation of resource consents ensures that this is carried through
... enjoying life in the Rangitikei, with a distinct identity and a reputation as a viable and attractive place to live, work and play	The District Plan and consent processes ensure that development supports the District’s sustainable communities, and that building activity is compliant and fit for purpose to ensure that the District remains vibrant and attractive

**BUILDING CONTROL ACTIVITY:** This activity is concerned with ensuring that buildings are safe, sustainable and durable (SSD), generally in compliance with government regulations for building. Buildings are inspected at various stages through construction up to the issuing of Code of Compliance Certificates (saying that the building has been constructed in the way described on the consent application papers).

This activity also has an ongoing monitoring role, for example to ensure that septic tanks are safe or to identify earthquake prone buildings. It is governed by the Building Act 2004 which enables local authorities to provide this service, subject to meeting accreditation requirements.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...Council to communicate effectively on how to comply with the building consent process. They want their consent applications to be processed quickly and efficiently	...provide information, process applications, and carry out inspections to ensure building work complies with the Building Act 2004	95% of consents are issued within the 20-day statutory timeframe in each year 2009/10, 2010/11, 2011/12	100% of consents are issued within the 20-day statutory timeframe

**ANIMAL CONTROL ACTIVITY:** This activity covers a range of services related to animal control and dog welfare. The Dog Control Act requires Council to adopt a policy on dogs which addresses its approach to public places where dogs are prohibited and to menacing dogs. The Act also requires Council to provide information to the National Dog Database.

The activity is responsive to the requirements of Dog Control and Stock Droving Bylaws and the District Plan through the enforcement of noise abatement notices for noisy animals. The staff attend call-outs for wandering stock and respond to complaints about troublesome livestock/animals.

Animal control staff are often called upon to act on animal welfare issues that are not dog related. They have no power in this area but it fits well with the job since animal neglect can often result in issues of break out and wandering. Council needs to consider empowering animal control officers in animal welfare. The Council maintains two animal control officers, one serving the north and one the south of the District.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...an animal control service that responds quickly and effectively to complaints about wandering and nuisance dogs and stock	...employ animal control officers to respond to complaints about wandering and nuisance dogs and stock	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	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
		The 2007 Communitrak survey found 71% residents were fairly or very satisfied with control of dogs. The 2010 Communitrak survey will maintain or improve on this	75% residents are fairly or very satisfied with control of dogs (Communitrak)

**DISTRICT PLAN ACTIVITY:** The District Plan is a map of the District’s land use. It outlines Council’s framework for the use, development and protection of the land and other natural and physical resources of the District. The District Plan provides guidance on approved/ permitted activities. In other words, it is the ‘rules and regulations’ for ‘what you can do where’.

Council will undertake to complete the mandatory review of the District Plan in years one and two of the LTCCP (2009-2011) as a one-off project. This timescale assumes that there is no significant change to the Resource Management Act and that there is continuing increasing pressure on natural resources. It is a very costly exercise, particularly burdensome for a small authority. Whilst it is possible to prepare District Plans in conjunction with neighbouring authorities, the investment can help the Council to prioritise resources. And by working with the community, it can protect activities that are valued locally.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...a District Plan that is permissive and flexible enough to allow for future growth, whilst recognising the importance of heritage and aquatic environments	...engage fully with the community during the preparation of the revised District Plan bearing in mind the need to meet statutory requirements	100% compliance with all statutory requirements on the process for review and subsequent monitoring 2010/11 - 80% satisfied with the opportunity to engage in the development of a revised District Plan	

**CONSENT PROCESSES ACTIVITY:** Processing of consent applications is required under the Resource Management Act 1991. It ensures compliance with the Resource Management Act and Council’s District Plan. It helps to ensure environmental sustainability of the District and is used to prepare State of Environment reports to advise how the environment of the District is coping with human demands. The activity must be consistent with Horizons’ Proposed One Plan, Manawatu-Wanganui Regional Plan, National Policy Statements and National Environmental Standards.

In planning for the Levels of Service, Council has assumed that there will not be a significant change to the Resource Management Act and that a trend of increasing pressure on natural resources will continue. It also assumes that with changing land use and increasing compliance requirements, there will be an increasing complexity to consent processes.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...Council to communicate effectively on how to apply for and comply with resource consents. They want their consent applications to be processed quickly and efficiently and they want to know consent holders are complying with the conditions of their consents	...provide information and process resource consent applications	75% of applicants get their consent processed within the legislative requirement of 20 working days in 2009/10 rising progressively in 2010/11 and 2011/12	90% of applicants get their consent processed within the legislative requirement of 20 working days
	...monitor resource consents for compliance with conditions	90% of consent holders comply with all conditions of their consent in 2009/10 rising progressively in 2010/11 and 2011/12	95% of consent holders comply with all conditions of their consent

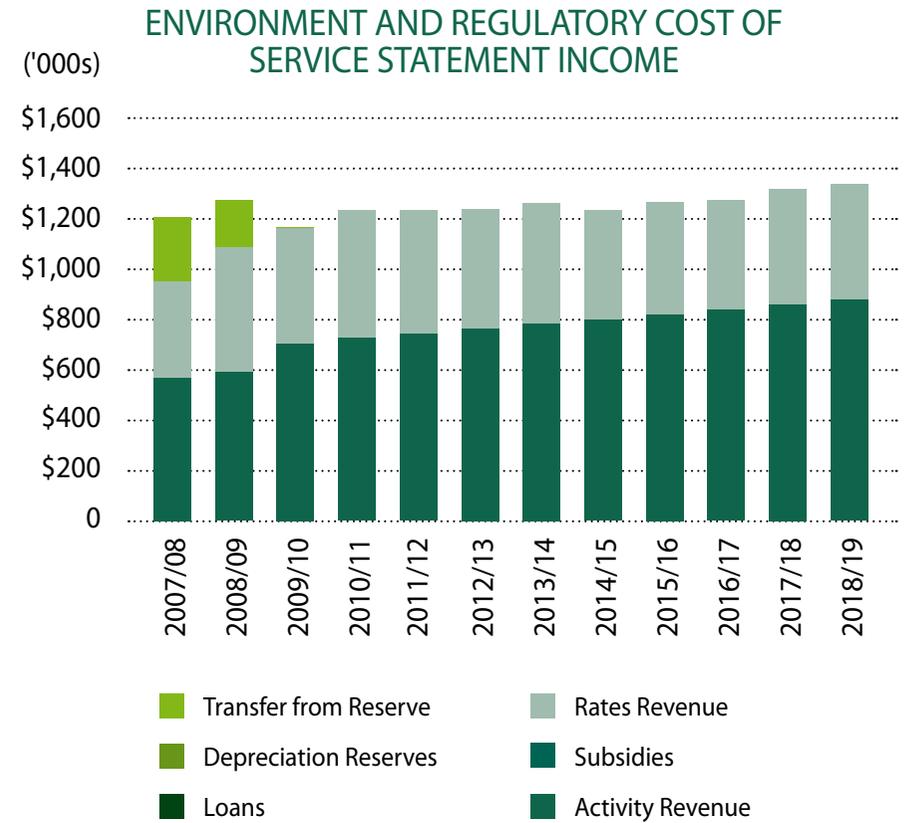
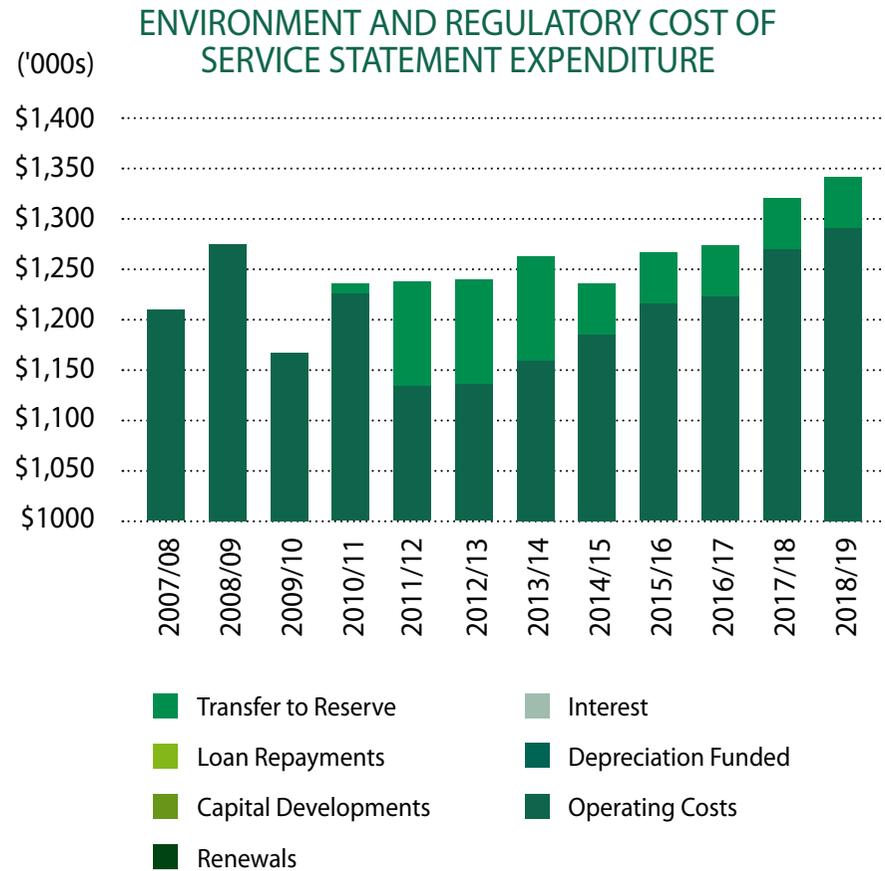
**ENVIRONMENTAL HEALTH ACTIVITY:** The environmental health activity involves the inspection of food and licensing outlets. This provides assurance to the public that outlets comply with appropriate food and hygiene standards. It also enforces noise control requirements and standards.

It is expected that food regulations will become more stringent over the next 10 years. Education of operators will be essential and Council will use Rangitikei District Council customer service staff to work with operators to provide education material in the District. Operators' records will be used to monitor the inspection regime of premises.

Level of Service		Performance Target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...to be assured that restaurants, cafes, and other food retailers meet food hygiene regulations	...conduct annual inspections of licensed premises for compliance with the conditions attached to their licences	80% of registered premises comply with statutory and regulatory requirements of their licence in 2009/10 rising progressively in 2010/11 and 2011/12	90% of registered premises comply with statutory and regulatory requirements of their licence

**MAJOR PROGRAMMES FOR THE ENVIRONMENTAL AND REGULATORY SERVICES GROUP OF ACTIVITIES**

- > Review of District Plan: This major project will include the preparation of heritage listings; growth strategy; subdivision guidelines. The review will require consultation with the community and considerable time from Council for hearing submissions. Total cost is estimated to be around \$460,000, spread across 2008/09-2010/11.
- > There is a statutory requirement for a State of the Environment report every five years: the next will occur in 2013/14, with a budget provision of \$50,000.
- > Refinement of the Council's local Dog database.
- > Consideration will be given to extending Animal Control officers' scope to include animal welfare issues (non-dog) as this is often the cause of break-out and other calls.
- > Electronic processing for building consents is being considered by Department of Building & Housing and the impact and suitability of this for this District will need to be assessed.
- > Investigating and maximising opportunities for working together/shared services with neighbouring councils.



## ENVIRONMENTAL AND REGULATORY COST OF SERVICE STATEMENT

	Actual 2007/08 (\$000)	Annual Plan 2008/09 (\$000)	Forecast 2009/10 (\$000)	2010/11 (\$000)	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)
<b>Operational Expenditure and Funding</b>												
<b>Operating Costs</b>												
Building Control	41	39	51	52	54	55	56	58	59	60	62	63
Animal Control	17	17	21	22	22	23	23	24	24	25	26	26
Resource Consents	29	4	49	51	52	53	55	56	57	59	60	61
District Plan	17	284	194	195	86	62	64	65	67	69	70	72
Health	19	40	30	31	32	33	33	34	35	36	37	38
Internal Charges	1,087	891	822	875	889	910	927	948	974	975	1,016	1,030
<b>Total Operating Costs</b>	<b>1,209</b>	<b>1,275</b>	<b>1,167</b>	<b>1,226</b>	<b>1,134</b>	<b>1,136</b>	<b>1,159</b>	<b>1,185</b>	<b>1,217</b>	<b>1,223</b>	<b>1,270</b>	<b>1,291</b>
<b>Group Activity Income</b>												
Activity Revenue	569	595	705	730	747	766	784	802	821	841	862	883
Subsidies	-	-	-	-	-	-	-	-	-	-	-	-
Rates Revenue	384	493	457	505	490	474	478	433	445	432	459	458
<b>Total Group Activity Income</b>	<b>953</b>	<b>1,088</b>	<b>1,162</b>	<b>1,236</b>	<b>1,238</b>	<b>1,240</b>	<b>1,262</b>	<b>1,235</b>	<b>1,267</b>	<b>1,273</b>	<b>1,320</b>	<b>1,341</b>
<b>Net Cost of Service - Surplus (Deficit)</b>	<b>(256)</b>	<b>(187)</b>	<b>(5)</b>	<b>9</b>	<b>103</b>	<b>103</b>	<b>103</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Operating Surplus (Deficit) Transferred To/(From)</b>												
Retained Earnings	(256)	(187)	(5)	9	103	103	103	50	50	50	50	50
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Funding Operational</b>	<b>(256)</b>	<b>(187)</b>	<b>(5)</b>	<b>9</b>	<b>103</b>	<b>103</b>	<b>103</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Capital Expenditure and Funding</b>												
Renewals	-	-	-	-	-	-	-	-	-	-	-	-
Capital Development	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Funding Required</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Funded by:</b>												
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Transfers (To)/From Operational Reserves	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation*	-	-	-	-	-	-	-	-	-	-	-	-
Interest*	-	-	-	-	-	-	-	-	-	-	-	-

\*The above costs are included in the Operating Costs above

**10 year vision:**  
*to improve preparedness of Rangitikei households, businesses and farms to emergency situations and to maintain an effective rural fire service*

**Community Support Group of Activities || OVERVIEW AND STRATEGIC CLIMATE**

Preparing for emergencies is recognised as a “must do” in the Rangitikei after the floods of 2004 and 2006 and the ongoing threat of climate change. The Community Support activity consists of Emergency Management and Rural Fire. The Council has legal obligations to provide both.

The Council provides these services to make sure that communities are prepared for and can respond to an emergency. To do this, effective communication and co-ordination with volunteers and government agencies is essential.

This activity relies on the network of volunteers and officers skilled and experienced in managing and responding to emergencies which threaten lives and property. The Rangitikei has emergency management personnel in both the south and the north of the District and has six volunteer rural fire brigades stationed throughout the District.

New technology is continually making a difference to the speed of people’s reaction to a disaster situation. However, it is sometimes better to use older technology to ensure that communication is achieved because of the remoteness of some of the communities in the Rangitikei.

Community Outcomes: this group of activities will contribute to...	
...a safe and caring community, through effective partnership with local policing, rescue services, neighbourhood support and local initiatives	Effective planning to cope with emergencies, whether an earthquake, a flood or a fire, that is communicated to residents, contributes to a sense of safety and security

**EMERGENCY MANAGEMENT ACTIVITY:** Emergency management involves managing a network of volunteers trained or experienced in managing and or responding to emergencies that threaten lives/property. The activity entails promotion and training of volunteers and staff, relationship building with other services and maintenance of equipment and annual exercises for emergency management.

In 2007, Council signed a shared service arrangement with Horizons Regional Council to operate the day-to-day management of this activity from Palmerston North. This agreement allows for stronger emergency planning and processes to be developed as Horizons has more personnel available to train the District’s volunteers. However in an emergency, the District will still rely on its volunteer emergency management force to protect the citizens despite Horizons taking over the running of emergency management in the District. Local knowledge is essential for this task to be carried out effectively.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...to live in a community that is prepared to respond to civil emergencies and natural disasters	...Raise awareness of the need to be prepared for an emergency	The 2007 Communitrak survey found that 66% of households were prepared for an emergency. The 2010 Communitrak survey will show an increase in this	75% of households are prepared for an emergency (Communitrak)

**RURAL FIRE ACTIVITY:** There are six volunteer rural fire brigades in the District, each responsible for attending to scrub and house fires and increasingly road accidents in their community. As a Fire Authority under the Forest and Rural Fires Act 1977, Council is responsible for providing rural fire services in the District.

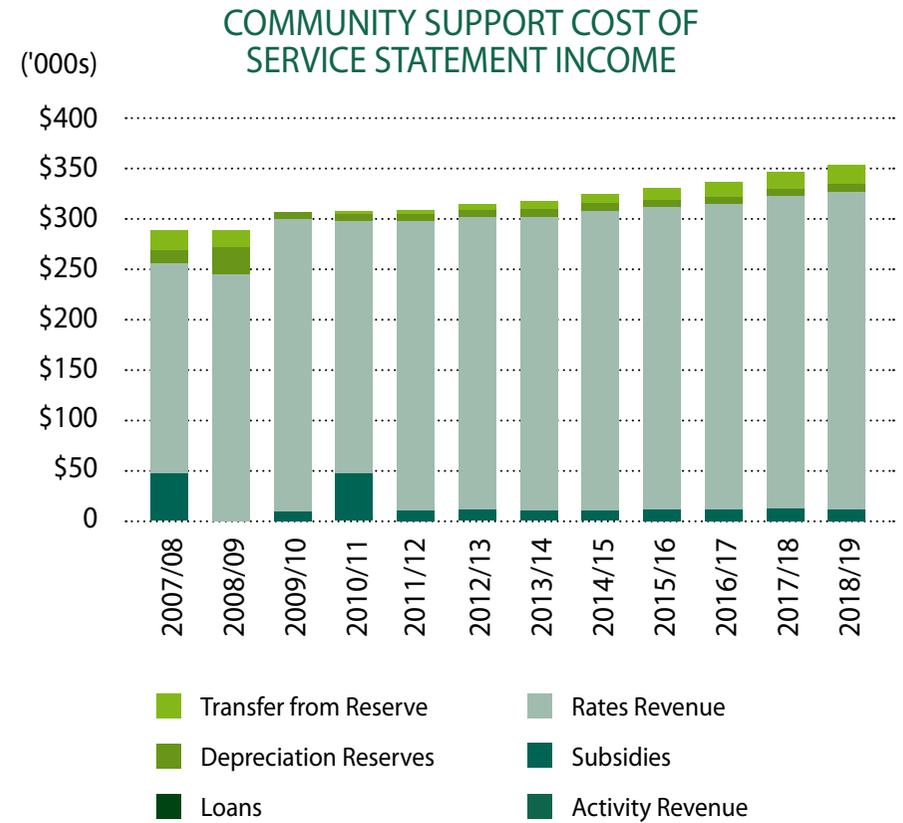
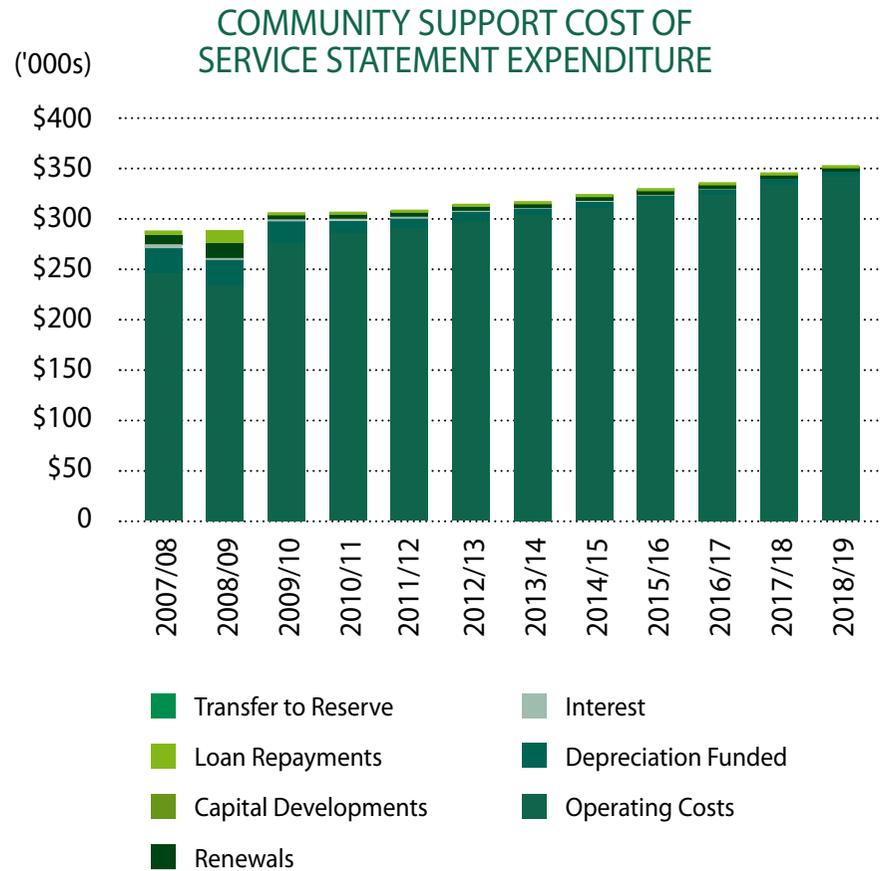
The National Rural Fire Association continues to promote the amalgamation of rural fire districts to provide for more consistent, professional management – a process that has been endorsed by the new Government on a voluntary basis<sup>14</sup>. Council can see potential in this concept and will investigate the benefits of the formation of a rural fire district with neighbouring authorities and Horizons during the term of this LTCCP. This would not see the withdrawal of support close at hand – to extinguish fires effectively and deal with traffic accidents. Retaining local volunteers and providing them with appropriate training and support is critical.

Council promotes the training of volunteers and staff, the maintenance of equipment and the building of relationships with other services.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...to be assured that they are protected from the dangers of fire in rural areas by an adequately trained and responsive Rural Fire Service	...fully train and adequately resource personnel to be in a position to respond to rural fire calls-outs with the minimum of delay	Rural Fire call-outs are responded to within 15 minutes of a call being received in each year 2009/10, 2010/11, 2011/12	Rural Fire call-outs are responded to within 15 minutes of a call being received

**MAJOR PROGRAMMES FOR COMMUNITY SUPPORT GROUP OF ACTIVITIES:** There are no major programmes planned in this area. The Emergency Operations Centre (EOC) is currently housed in a back room at the Marton Library and should be located in a building that is more fit for purpose (earthquake proofed, etc). Council will address this need as it considers the reviews of community assets, including any developments around the relocation of the administration offices.

<sup>14</sup>The previous Government proposed to amalgamate urban and rural fire services.



## COMMUNITY SUPPORT COST OF SERVICE STATEMENT

	Actual 2007/08 (\$000)	Annual Plan 2008/09 (\$000)	Forecast 2009/10 (\$000)	2010/11 (\$000)	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)
<b>Operational Expenditure and Funding</b>												
<b>Operating Costs</b>												
Civil Defence	17	78	88	84	86	88	90	91	94	96	98	100
Rural Fire	137	105	118	120	120	121	120	123	124	128	131	134
Internal Charges	121	78	93	96	97	99	101	103	105	106	110	112
<b>Total Operating Costs</b>	<b>275</b>	<b>261</b>	<b>299</b>	<b>300</b>	<b>302</b>	<b>308</b>	<b>311</b>	<b>318</b>	<b>323</b>	<b>329</b>	<b>339</b>	<b>346</b>
<b>Group Activity Income</b>												
Activity Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Subsidies	48	-	10	10	11	11	11	11	12	12	12	13
Rates Revenue	208	245	289	287	287	291	291	296	299	303	310	314
<b>Total Group Activity Income</b>	<b>256</b>	<b>245</b>	<b>299</b>	<b>297</b>	<b>297</b>	<b>301</b>	<b>302</b>	<b>307</b>	<b>311</b>	<b>315</b>	<b>322</b>	<b>327</b>
<b>Net Cost of Service - Surplus (Deficit)</b>	<b>(19)</b>	<b>(16)</b>	<b>-</b>	<b>(3)</b>	<b>(4)</b>	<b>(6)</b>	<b>(8)</b>	<b>(10)</b>	<b>(12)</b>	<b>(15)</b>	<b>(17)</b>	<b>(19)</b>
<b>Operating Surplus (Deficit) Transferred To/(From)</b>												
Retained Earnings	(19)	(16)	-	(3)	(4)	(6)	(8)	(10)	(12)	(15)	(17)	(19)
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Funding Operational</b>	<b>(19)</b>	<b>(16)</b>	<b>-</b>	<b>(3)</b>	<b>(4)</b>	<b>(6)</b>	<b>(8)</b>	<b>(10)</b>	<b>(12)</b>	<b>(15)</b>	<b>(17)</b>	<b>(19)</b>
<b>Capital Expenditure and Funding</b>												
Renewals	9	15	4	4	4	4	4	4	4	4	4	4
Capital Development	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayments	4	12	3	3	3	3	3	3	3	3	3	3
<b>Funding Required</b>	<b>13</b>	<b>27</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>8</b>
<b>Funded by:</b>												
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Reserves	13	27	7	7	7	7	7	7	7	7	7	8
Transfers (To)/From Operational Reserves	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Funding</b>	<b>13</b>	<b>27</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>8</b>
Depreciation*	25	25	22	13	10	9	6	6	4	5	5	5
Interest*	4	2	2	2	2	1	1	1	1	1	-	-

\* The above costs are included in the Operating Costs above

**10 year vision:**  
*To encourage population growth through support to Rangitikei businesses, to increase the contribution from the tourism sector and to invest in community activities and events*

### Community Economic Development Group of Activities || OVERVIEW AND

**STRATEGIC CLIMATE:** Council is obliged under the Local Government Act 2002 to have regard to the economic well-being of the District. In 2004, the Council developed a Business and Economic Development Plan that identified three objectives: the intensification of agriculture, development of downstream processing and integrated tourism. It has since provided resources to implement the plan. The activities covered in this area are economic development, information centres and grants.

The opportunities presented by the District's strategic position as well as the many cultural, heritage and outdoor sporting activities, has led to tourism being identified as one of the drivers for the local economy. The District participates in a major regional initiative, Te Kahui Tupua ([www.tekahuitupua.co.nz](http://www.tekahuitupua.co.nz)), to brand and grow the number of attractions and so attract more international visitors to the region. The Council's Information Centres at the northern and southern gateways to the District promote and encourage more people to stop and stay longer in the Rangitikei.

There are also opportunities for Council to provide small amounts of funding that can have a big impact in supporting and encouraging local events and festivals which add so much character to the District.

There has been increasing demand for assistance from local groups for their local events and Council has reviewed its grants policy and priorities for the coming three years. This was one of the areas for consultation through the draft LTCCP.

National and global changes in the market place will inevitably impact on the local economy, including land use. Climate change and energy costs are also likely to impact increasingly upon the global, national and hence, local economy. There may be an opportunity for Rangitikei to exploit its central position and the excellent communication routes (road and rail) that it enjoys. The development of broadband infrastructure is an area of need and opportunity.

The Council is clear on those issues over which it has no influence – climate change, technology developments, oil prices, etc. However, it will continue to advocate on the District's behalf on responses developed by central government or regional councils to such matters.

Community Outcomes: this group of activities will contribute to...	
...a buoyant District economy, with effective infrastructure and attractive towns that entice growth	Council's primary contribution is through provision of a range of services to support local businesses. This includes monitoring and reporting on economic conditions to inform Council's strategic planning Council's Information Centres support the tourism sector by providing information on events and activities and a booking service for local operators High profile events attract visitors from outside into the District: the criteria for Council's Community Initiatives grants scheme allows such events to apply for funding
...enjoying life in the Rangitikei, with a distinct identity and a reputation as a viable and attractive place to live, work and play	Information Centres help people to enjoy life in the Rangitikei through the provision of information on a range of events and activities, including sports, culture and heritage. Some of these activities are eligible for support through the Community Initiatives grants scheme

**ECONOMIC DEVELOPMENT ACTIVITY:** Council has committed to taking a business-friendly approach to everything it does, in the interests of creating jobs and fostering the growth and well-being of the District's economy. The District has a number of large businesses, predominantly in the agricultural and downstream processing sectors, whose continuing presence and success is important to a strong economy. The community expects that Council will do all it can to achieve increased investment and activity in the District<sup>15</sup>.

With town co-ordinators now in place and small business advisory services being delivered by other agencies, a full-time position in Council dedicated to economic development has been withdrawn. Council understands that its most effective contribution is to manage the community's infrastructure in a way which is complementary to business, and does not create unnecessary conflict.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...the Council to manage the infrastructure in a complementary manner to encourage economic development activities, to promote the growth of the District	...communicate with District businesses (large and small) to ensure each party understands the other, particularly at times of new standards being introduced	The 2007 Communitrak survey found 50% of residents were satisfied with how Council communicates its needs to District businesses and understands their needs. The 2010 Communitrak survey will increase this level of satisfaction	70% of residents are satisfied with how Council communicates its needs to District businesses and understands their needs. (Communitrak)
		The 2007 Communitrak survey found 66% residents were satisfied with the tourism promotion service. The 2010 Communitrak survey will maintain or increase this level of satisfaction	70% of residents are satisfied with the tourism promotion service (Communitrak)

<sup>15</sup> Communitrak survey 2007

**INFORMATION CENTRES ACTIVITY:** Council has two Information Centres: one in Taihape, located in the Town Hall with the Library, and one as a stand-alone service in Bulls. The Centres provide a range of services:

- > Itinerary planning and advice
- > Information and bookings for accommodation, transport (air, road, rail and ferry), attractions and activities, restaurants and cafes
- > Resources and gifts
- > Local souvenirs for purchase, maps and guide books, an up-to-date Calendar of Events and information on local events and entertainment

Council provides Information Centres because they are an important contributor to economic development activities. They also provide easy access to information about what's on in the District for residents. They contribute towards local pride by marketing the District both within and to outside visitors.

Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...information centres that provide them with information about what the District has to offer, and offers assistance with travel and accommodation booking services	...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	In the 2007 Communitrak survey, 60% of residents were aware of the information centres. The 2010 Communitrak survey will increase residents' awareness of the Information Centres	80% of residents are aware of the information centres (Communitrak)
		In the 2007 Communitrak survey, 90% of residents who have used the information centres were satisfied with their services. This level will be maintained in the 2010 Communitrak survey	90% of residents who have used the information centres are satisfied with their services. (Communitrak)

**GRANTS ACTIVITY:** Council considers that supporting community activities, particularly where voluntary effort is involved, is an investment that brings good value for money to the ratepayer. This is undertaken through the provision of annual grants to agencies with a responsibility for economic and community development (currently the three Town Co-ordinators and Rangitikei Tourism). These grants are subject to an appropriate performance framework, and performance.

Council has also established a community initiatives funding programme that local groups can apply to for necessary expenses for their events and projects.

During 2009/10 Council has committed to consulting with Te Roopu Ahi Kaa and other Māori groups about the possibility of allocating funding to Māori community development projects. Any allocations will be considered in the 2010/11 Annual Plan.

A local group in Marton is keen to develop an Astroturf which can provide a year-round playing surface for a number of sports (for example, hockey, soccer, tennis). The cost is estimated as \$1 million and Council has committed a one-off capital donation of \$75,000 in 2012/13 if the local group can raise the balance.

Council administers the allocation of central government funding schemes in addition to applying ratepayer funds to grants. Currently these are the Creative Communities Scheme (supporting arts and cultural activities) and the SPARC Rural Travel Fund (assisting with the costs of getting young people to participate in local sports competitions in the District).

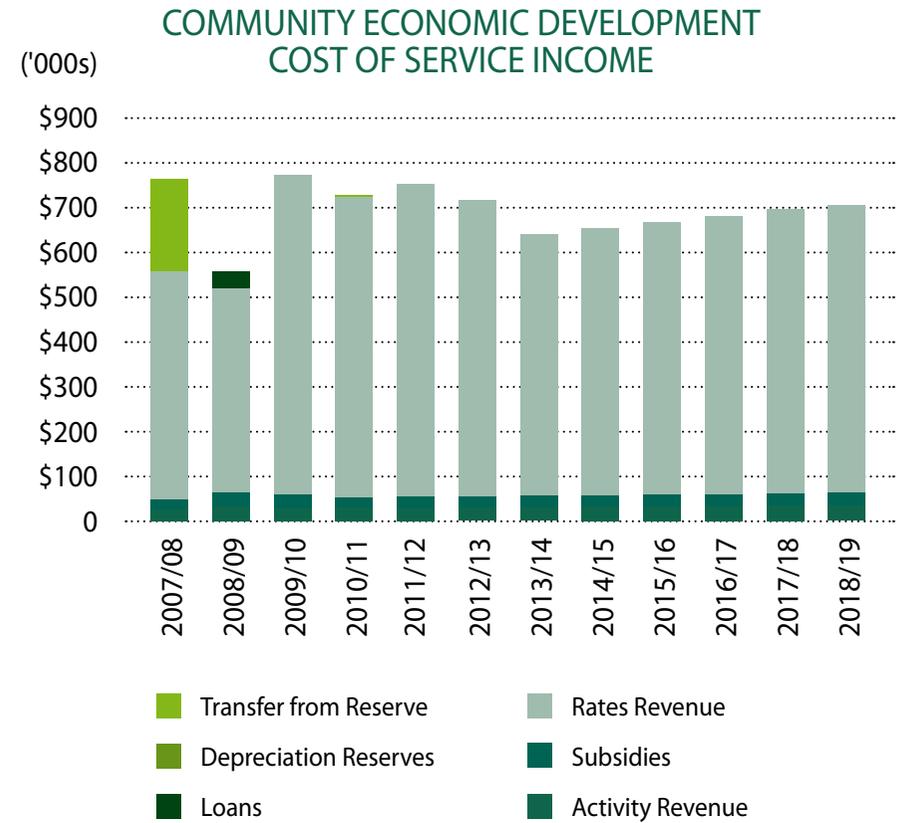
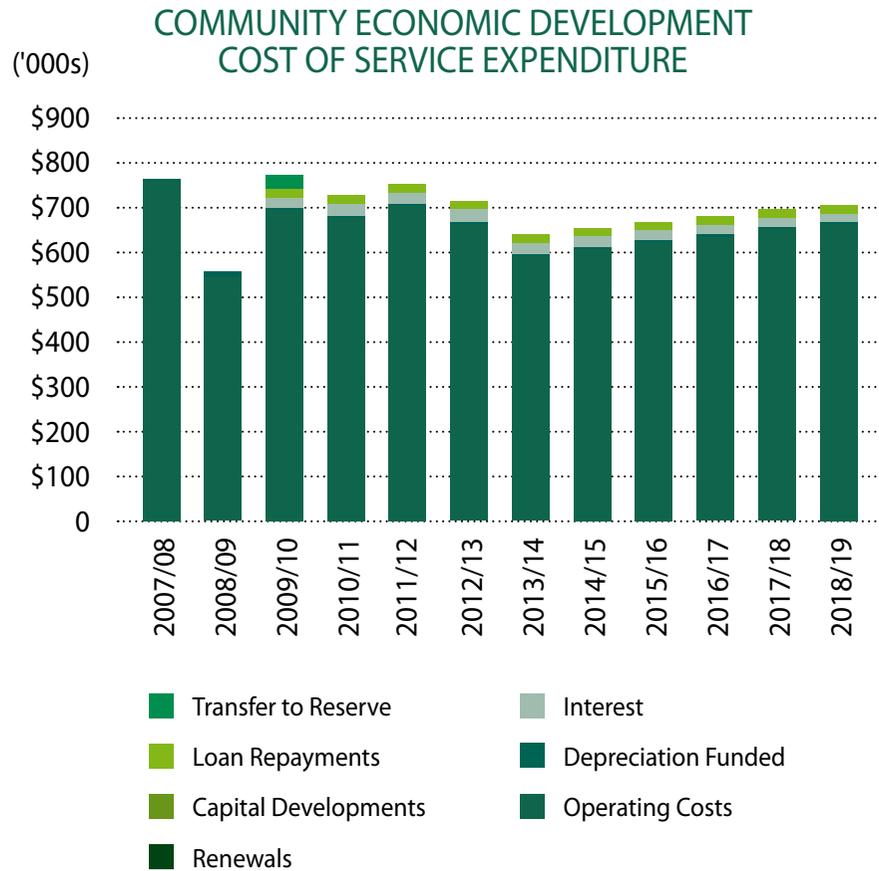
Level of Service		Performance target	
People want...	Council will...	2009/10, 2010/11, 2011/12	2019/20
...support for events to be held within the District, as a way of promoting a sense of community and providing entertainment, and also contributing to the economic development of the District through flow-on effects	...provide funding for activities and events that brings economic benefit to the District	There will be 10 events to promote economic development supported by Council sponsorship, and at least 2 first- or second-time events in each year 2009/10, 2010/11, 2011/12	There will be 12 events to promote economic development supported by Council sponsorship, and at least 4 first- or second-time events

Significant negative effects	Council's response
Creates division in the community about the value from such investment of ratepayer funds	Requiring applicants to think about and state the value to the community, and to report back to Council on completion of the project. Council will be more active in publicising the nature of the grants available and the results of the grants made

**MAJOR PROGRAMMES FOR THE COMMUNITY ECONOMIC DEVELOPMENT GROUP OF ACTIVITIES:** While Council anticipates continuing to support business growth and community economic development throughout the term of the plan, the mechanisms used to do this will vary. They will be influenced by national trends in the District's major sectors, central government's priorities and programmes, and the working together at a regional level.

- > \$25,000 each per year for the three Town Co-ordinators and Rangitikei Tourism
- > \$60,000 for a grants scheme allocated according to published criteria

Council will continue to seek external funding, for example from central government, to extend the scope of its community economic development initiatives.



## COMMUNITY ECONOMIC DEVELOPMENT COST OF SERVICE STATEMENT

	Actual 2007/08 (\$000)	Annual Plan 2008/09 (\$000)	Forecast 2009/10 (\$000)	2010/11 (\$000)	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)
<b>Operational Expenditure and Funding</b>												
<b>Operating Costs</b>												
District Promotion and Development	170	141	239	232	238	191	108	110	113	116	118	121
Information centres	69	44	46	47	48	50	50	51	52	54	55	49
Event Sponsorship	24	58	31	32	32	33	34	35	35	36	37	38
Community Projects	189	47	23	26	25	27	25	23	22	20	19	17
Internal Costs	312	253	383	371	389	395	404	415	426	435	447	459
<b>Total Operating Costs</b>	<b>763</b>	<b>543</b>	<b>722</b>	<b>708</b>	<b>732</b>	<b>695</b>	<b>620</b>	<b>634</b>	<b>649</b>	<b>661</b>	<b>676</b>	<b>685</b>
<b>Group Activity Income</b>												
Activity Revenue	25	33	29	29	30	31	32	32	33	34	35	36
Subsidies	23	33	33	24	24	25	26	26	27	27	28	29
Rates Revenue	510	454	711	669	697	659	583	595	608	619	633	640
<b>Total Group Activity Income</b>	<b>558</b>	<b>520</b>	<b>773</b>	<b>722</b>	<b>752</b>	<b>715</b>	<b>640</b>	<b>654</b>	<b>668</b>	<b>680</b>	<b>696</b>	<b>704</b>
<b>Net Cost of Service - Surplus (Deficit)</b>	<b>(205)</b>	<b>(23)</b>	<b>51</b>	<b>15</b>	<b>20</b>							
<b>Operating Surplus (Deficit) Transferred To/(From)</b>												
Retained Earnings	(205)	14	31	(5)	-	-	-	-	-	-	-	-
Capital Expenditure	-	(37)	20	20	20	20	20	20	20	20	20	20
<b>Total Funding Operational</b>	<b>(205)</b>	<b>(23)</b>	<b>51</b>	<b>15</b>	<b>20</b>							
<b>Capital Expenditure and Funding</b>												
Renewals	-	-	-	-	-	-	-	-	-	-	-	-
Capital Development	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayments	-	-	20	20	20	20	20	20	20	20	20	20
<b>Funding Required</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Funded by:</b>												
Loans	-	37	-	-	-	-	-	-	-	-	-	-
Depreciation Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Transfers (To)/From Operational Reserves	-	(37)	20	20	20	20	20	20	20	20	20	20
<b>Total Funding</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
Depreciation*	6	-	5	5	5	5	4	5	5	5	5	5
Interest*	-	-	23	26	25	27	25	23	22	20	19	17

\* The above costs are included in the Operating Costs above





# FINANCIAL OVERVIEW : 07

**Financial Strategy** || In its thinking on financial management, Council has a strong preference to remain risk averse on financial management. It needs to meet its statutory requirement of being prudent and ensure that rate requirements do not compromise the District's sustainability.

The major implications of this in the LTCCP are:

- > Council aims to fund annual expenditure from rates, fees and charges, subsidies and grants relating to that year. This expenditure includes provision for depreciation (i.e. spreading the cost of an asset over its useful life) and to cover interest on loans for capital expenditure (i.e. new assets).
- > Council budgets for an operational surplus to allow for the accumulation of general or special reserves. This figure at 30 June 2008 totalled \$2.6 million. Council aims to put aside \$100,000 for flood recovery reserve.
- > The preparation of the LTCCP, triennial elections, identifying community outcomes, reviewing the District Plan are examples of expenditure "spikes" in particular years. The Council's approach is to smooth these out over several years.
- > Council will continue to maintain separate accounting for expenditure and revenue across its separate activities. This means that, for example, a surplus in a particular activity at the end of a year will be used to reduce the rate requirement for that activity in the subsequent year. It will not be used to underwrite over-expenditure in another activity. Such over-expenditure will be recovered through increased rates. This approach does not affect Council's cash position but it does reinforce sensible financial management and accountability.
- > The LTCCP contains a capital programme totalling \$165 million over 10 years to renew or create new assets. At present, Council has no external debt. As part of 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 \$12.7 million if all the planned projects in the capital programme go ahead. This may not occur because of uncertainties about whether the amount of central government subsidy or private sector contribution will be forthcoming in all cases.
- > Because the Council fully funds depreciation for most of its assets, there is an inter-generational equity<sup>16</sup>: 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 maintaining most existing assets (renewal expenditure) will be met from depreciation, as will the capital repayments on any loans taken out to purchase those assets. However, Council intends to continue with not funding depreciation for some community assets, notably pools, rural water schemes and some rural halls. If capital renewals or new capital works are needed, they have to be financed by additional rates, user charges or external grants. Depreciation on Roothing is not fully funded by the Council. This is because a subsidy is received from the NZTA for Capital Renewals (in most cases the subsidy at present is 59%). This reduces the costs to Council of this work and as it is funded from NZTA, there is no need to fund it twice. On the Roothing Costs of Service Statement, the figure is \$3,454,000 for 2009/10.

It is Council's plan to harvest its forestry blocks by the end of the 2009/10 financial year.

Council's financial strategy for the 2009-19 LTCCP differs in two significant ways from that in the previous LTCCPs.

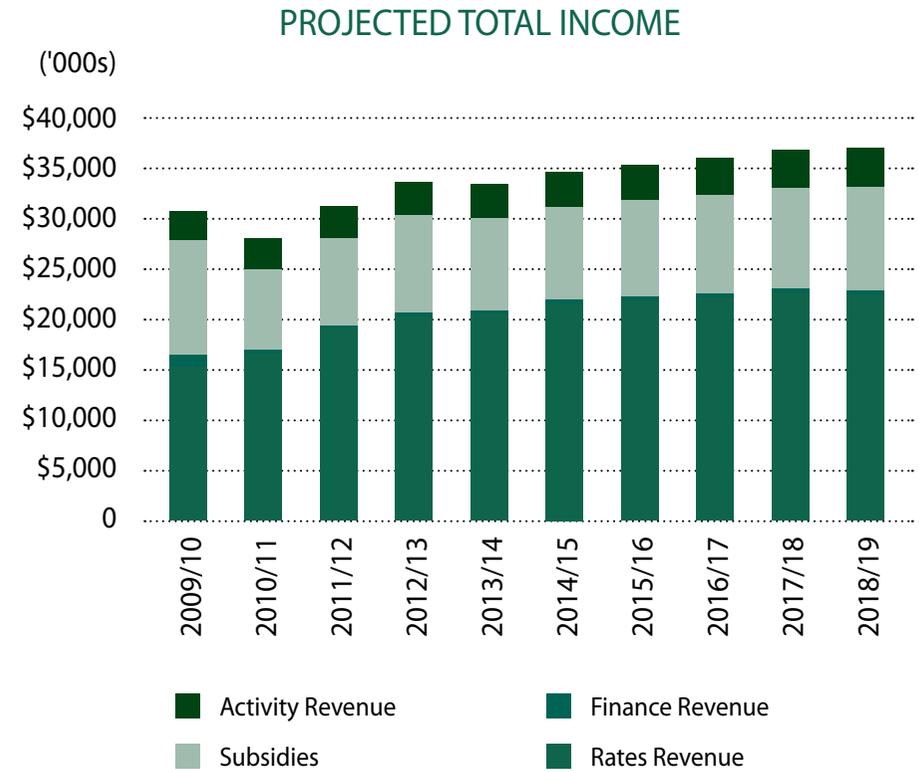
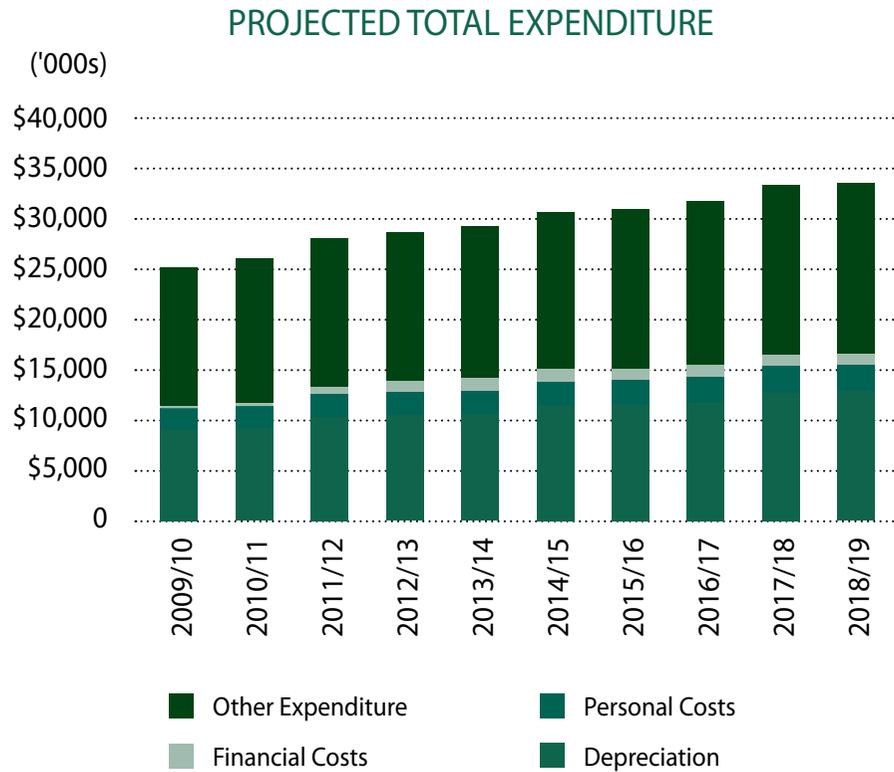
First is that (as noted above) Council will move from having no external debt to a projected maximum of \$12.7 million of external debt to fund the projected capital projects. This reflects acceptance of the position taken by the Panel conducting the 2007 Local Government Rates Inquiry that councils should use more debt to fund long-life assets (although the Council has not adopted the Inquiry Panel's view that such debt should be part of a move away from fully funding depreciation). In 1998/99, Council had external debt of \$2.4 million (and had a budget operating deficit of \$2.5 million). Since then, it has progressively repaid all external debt and not undertaken additional borrowing. In 2007/08, Council had no external debt and an operating surplus of \$2.6 million. Council's financial management has strengthened over the past 10 years, and none of the proposed external debt is required for operational purposes. During the consultation process for this LTCCP, residents and ratepayers were generally in favour of funding capital programmes through borrowing.

Council funds capital projects through four defined mechanisms, in the following order: external grants, existing investments (which amounts to internal loan funding), external local funding and capital contributions. Council's existing investments are insufficient to fund the proposed capital programme, so external debt will be incurred. Capital contributions are used only where there are comparatively few users for the facility being developed and they will be the only users. Some councils have given ratepayers the option of making upfront capital contributions in place of annual rates for the period of the loan. This has the advantage of reducing the Council's external debt. There are additional administrative costs in this approach and Council does not intend using it. Council will not have cash investments while it has external debt.

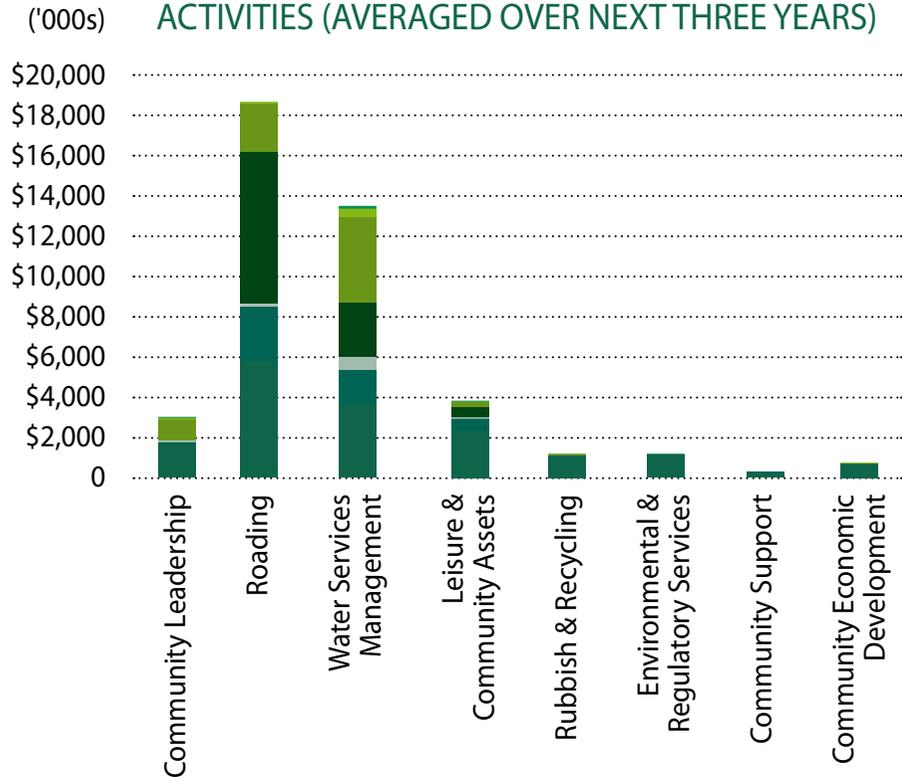
Second, Council has reviewed the right balance between allocating the cost of a service on a District-wide basis and assigning such costs to those who receive the service. Previously, the District-wide approach has been preferred for services whose users are hard to define (e.g. for District promotion) or Council expects all residents to use (e.g. roads) or Council believes would preferably be used by all residents (e.g. libraries). By contrast, each community largely pays for those parks within its area. Similarly, the cost of providing water, stormwater and wastewater has been allocated to each community receiving such services. However, for some time, Council has used a 'cap' to limit the charge on these services. Unfunded costs are then collected from all ratepayers.

Council recognises the vulnerability of small communities. Its longer-term approach is to favour a gradual movement to funding services on a District-wide basis so that all its communities remain viable and attractive. The proposed revenue and financing policy reflects this approach.

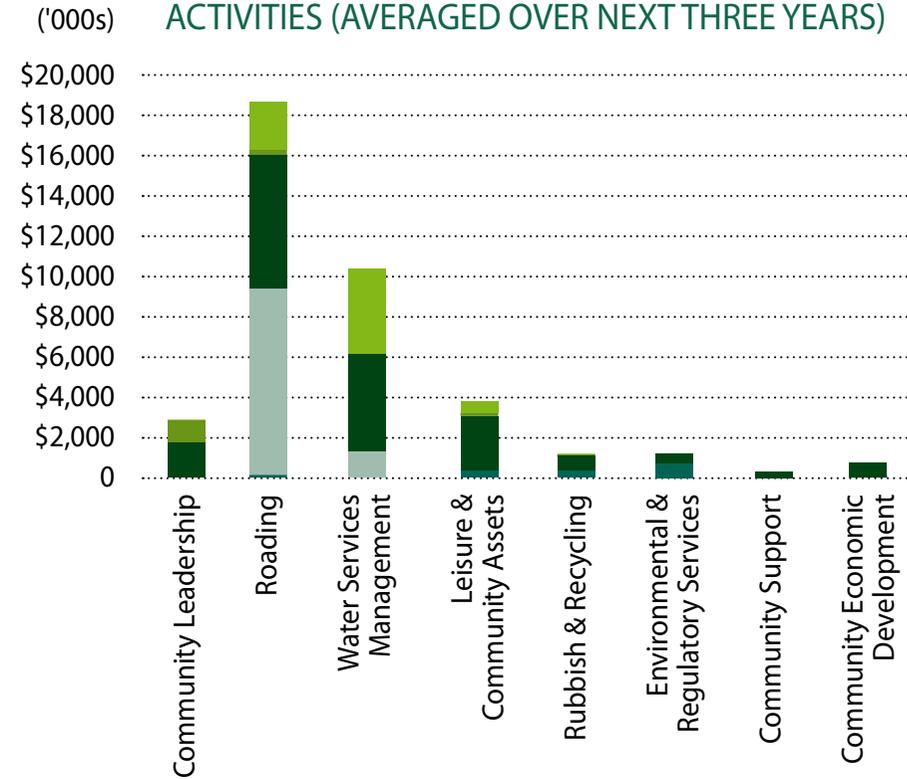
## Financial information for the whole District



TOTAL ANNUAL EXPENDITURE FOR EACH GROUP OF ACTIVITIES (AVERAGED OVER NEXT THREE YEARS)



TOTAL ANNUAL INCOME FOR EACH GROUP OF ACTIVITIES (AVERAGED OVER NEXT THREE YEARS)



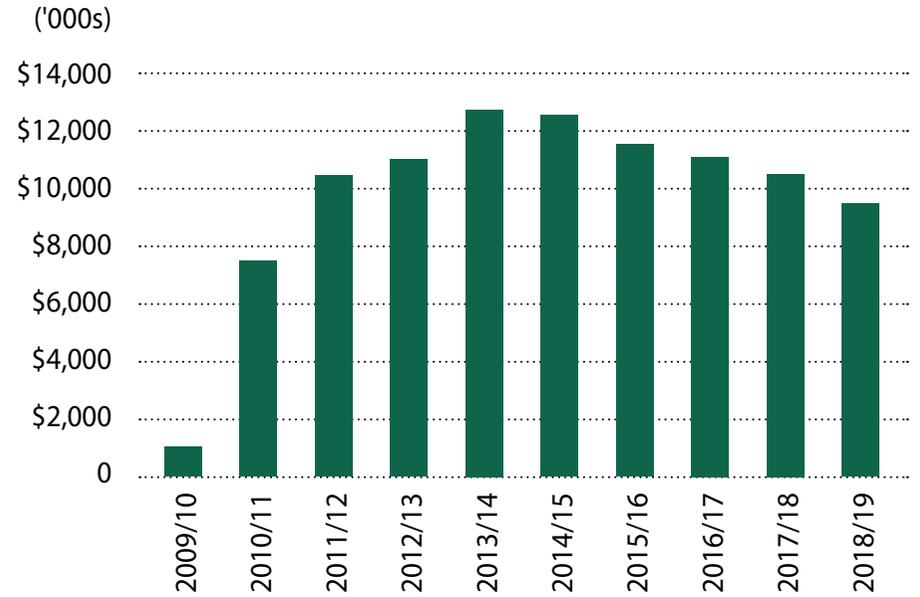
- Transfer to Reserve
- Loan Repayments
- Capital Developments
- Renewals
- Interest
- Depreciation Funded
- Operating Costs

- Transfer from Reserve
- Depreciation Reserves
- Loans
- Rates Revenue
- Subsidies
- Activity Revenue

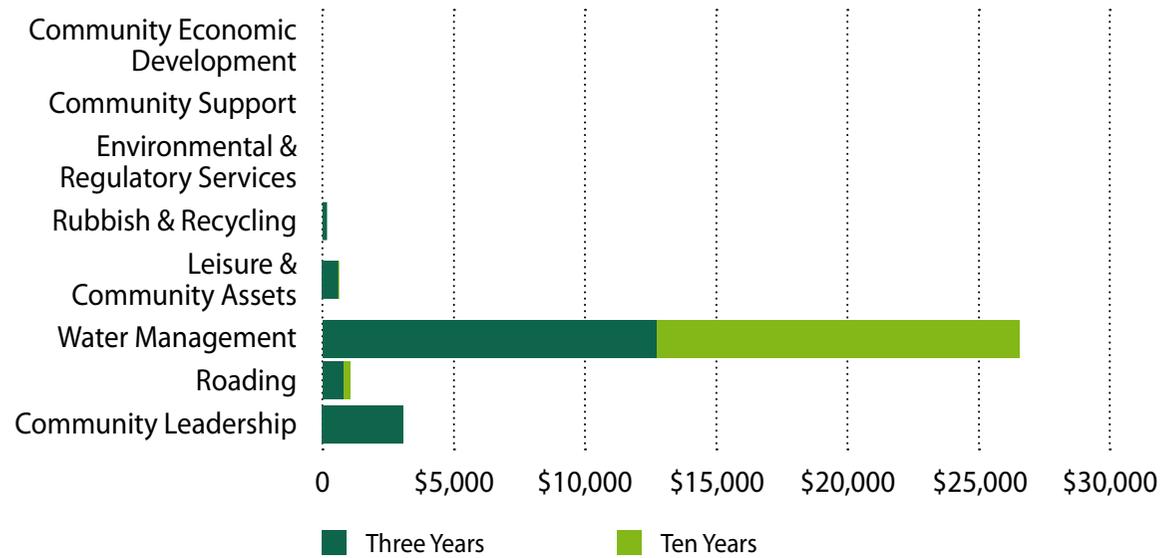
ANNUAL AVERAGE RATES PER PROPERTY  
(BASED ON 5,890 RATEABLE PROPERTIES)



NET DEBT



## NEW LOANS TO BE RAISED OVER NEXT TEN YEARS







# FINANCIAL STATEMENTS : 08

### *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 LTCCP is to provide users with information about the core 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 (RDC) 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 TAUPŌ County Councils. These prospective financial statements are for the Council alone as a separate legal entity.

The primary objectives of RDC are to provide goods and services for the community for the social benefit of the community rather than making a financial return. Accordingly RDC 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 2019, and are authorised for issue by the Council on 25th June 2009. 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 Economic Development
- > Community Leadership
- > Community Support
- > Environmental and Regulatory Services
- > Leisure and Community Assets
- > Roads and Transportation
- > Rubbish and Recycling
- > Water Activities (Water, Wastewater and Stormwater)

### *Basis of Preparation*

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 2009/10. 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 and the requirements of the Local Government Act 2002. They comply with FRS 42 Prospective Financial Statements, and other applicable Financial Reporting Standards, as appropriate for 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 RDC 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 Income Statement.

### 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.

Transfund (now 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 RDC 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

### Cost of Capital

A rate of zero per cent has been applied to all assets of the Council.

### 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 RDC

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 RDC, and the cost of the item can be reliably measured.

**Disposals:** Gains or losses on disposal are shown in the Income Statement 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 income statement.

Any revaluation deficit is recognised in the income statement 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.

RDC 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.

### Land and Buildings

Land and Buildings, including waste transfer stations, were valued as at 30 June 2008 by Kerry Stewart (FPINZ, FNZIV) of QV Valuations.

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 2008.

For roading assets the valuation was carried out by Julian Watts (BapplsSc – AgEng) of GHD and reviewed by Mark Sneddon (BE, BSc MBA, MIPENZ, MIStructE) Principal Consultant at GHD Wellington.

For water, wastewater and stormwater the valuation was carried out internally by James Torrie (BE) of RDC 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 QV as at 30 June 2008.

Additions to assets between valuations are recorded at cost.

#### Total fair value of property valued by each valuer as at 30/06/2008

	Council	Consolidated
	2008	2008
	\$000	\$000
K Stewart of QV Valuations	21,281	21,281
Julian Watts of GHD	333,316	333,316
James Torrie of RDC	57,600	57,600
K Stewart of QV Valuations	42,439	42,439

These prospective financial statements have included Revaluations of Infrastructural assets and Land and Buildings at the 30/06/2011, 30/06/2014 and 30/06/2017.

### 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 RDC'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 Infrastructure Asset Depreciation 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

<b>Bridges</b>	50 - 100 years
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##### 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

<b>Waste Transfer Stations</b>	50 years
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### 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.

**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 statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

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 statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

RDC's assets do not generate direct cash inflows, and cannot therefore use the profitability of cash generating units to assess if impairment has occurred.

RDC 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 RDC 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 RDC 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 RDC.

#### LANDFILL POST CLOSURE COSTS:

RDC 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 Income Statement, 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 Income Statement.

#### 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 statement of financial performance.

Purchase and sales of investments are recognised on trade-date, the date on which RDC 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 RDC 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 RDC 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 RDC 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 Income Statement. Investments in this category include Corporate Bonds.
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. RDC'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 statement of financial performance.

At present RDC 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 RDC holds for strategic purposes. Investments in this category include New Zealand Local Government Insurance shares.

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 Income Statement. 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 Income Statement.

#### **IMPAIRMENT OF FINANCIAL ASSETS**

At each balance sheet date, RDC 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 statement of financial performance.

Impairment of a loan or a receivable is established when there is objective evidence that RDC 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 Statement of Financial Performance. 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 RDC 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 statement of financial performance.

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 Statement of Financial Performance) is removed from equity and recognised in the Statement of Financial Performance. Impairment losses recognised in the Statement of Financial performance on equity investments are not reversed through the Statement of Financial Performance.

#### **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 Statement of Financial Performance.

#### **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. Any gains or losses in valuation are taken to the Income Statement. 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 Income Statement.

#### **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 RDC.

Restricted reserves are those reserves subject to specific conditions accepted as binding by RDC and which RDC 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.

RDC-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.

*Cost of Service Statements:* The Cost of Service Statements, as provided in the Statement of Service Performance, report the net cost of services for significant activities of RDC, and are represented by the cost of providing the service less all revenue that can be allocated to these activities.

*Cost of Allocation:* RDC 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 RDC 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 RDC 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.

RDC 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 Income Statement 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.

At present, RDC does not hold any non current assets for sale.

#### EMPLOYMENT BENEFITS

Employee benefits that RDC 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.

RDC 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 statement of financial performance as incurred.

RDC 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.

#### **CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

In preparing these financial statements, RDC 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 RDC 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. RDC could be over or under-estimating these, but is obviously making assumptions based on the best knowledge available.

Experienced independent valuers perform RDC's infrastructural asset revaluation.

#### **CRITICAL JUDGEMENTS IN APPLYING RDC'S ACCOUNTING POLICIES**

Management has exercised the following critical judgement in applying its accounting policies for the 10 years ending 30th June 2019. RDC 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 Rangitikei District Council on 25 June 2009. Rangitikei District Council is responsible for these prospective financial statements, including the appropriateness of the assumptions and other disclosures.

Rangitikei District Council's planning processes are governed by the Local Government Act 2002. The Act requires the Council to prepare a 10 year Long-term Council Community Plan (LTCCP) every three years and an Annual Plan, which updates the LTCCP by exception, in the intervening years. This is Rangitikei District Council's draft LTCCP for the period 2009-19 and is prepared in accordance with the Act. Caution should be exercised in using these financial statements for any other purpose.

## PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June	Notes	2009/10	2010/11	2011/12	2012/13	2013/14	Forecast		2016/17	2017/18	2018/19
		\$000	\$000	\$000	\$000	\$000	2014/15	2015/16	\$000	\$000	\$000
<b>Revenue</b>											
Revenue from Rates	1	15,222	16,541	19,042	20,234	20,513	21,479	21,837	22,101	22,623	22,405
Finance Revenue		1,207	436	446	457	468	479	491	502	515	527
Subsidies		11,447	8,051	8,547	9,745	9,065	9,269	9,498	9,727	9,964	10,209
Activity Revenue		2,830	3,043	3,136	3,229	3,368	3,433	3,525	3,660	3,746	3,848
<b>Total Operating Revenue</b>		<b>30,706</b>	<b>28,071</b>	<b>31,172</b>	<b>33,665</b>	<b>33,414</b>	<b>34,660</b>	<b>35,350</b>	<b>35,991</b>	<b>36,848</b>	<b>36,989</b>
<b>Expenditure</b>											
Depreciation and amortisation expense		8,985	9,195	10,298	10,496	10,511	11,385	11,495	11,689	12,694	12,852
Personnel Costs		2,210	2,210	2,262	2,316	2,370	2,429	2,492	2,556	2,625	2,698
Finance costs		264	333	815	1,099	1,303	1,307	1,245	1,227	1,200	1,105
Other Expenditure		13,670	14,266	14,701	14,722	15,056	15,567	15,730	16,239	16,818	16,920
<b>Total Operating Expenditure</b>		<b>25,130</b>	<b>26,005</b>	<b>28,077</b>	<b>28,634</b>	<b>29,241</b>	<b>30,688</b>	<b>30,962</b>	<b>31,712</b>	<b>33,337</b>	<b>33,575</b>
<b>Operating Surplus (deficit) before tax</b>		<b>5,576</b>	<b>2,066</b>	<b>3,095</b>	<b>5,031</b>	<b>4,174</b>	<b>3,971</b>	<b>4,387</b>	<b>4,279</b>	<b>3,511</b>	<b>3,414</b>
Less tax expense		-	-	-	-	-	-	-	-	-	-
<b>Net Surplus (Deficit) after Taxation</b>		<b>5,576</b>	<b>2,066</b>	<b>3,095</b>	<b>5,031</b>	<b>4,174</b>	<b>3,971</b>	<b>4,387</b>	<b>4,279</b>	<b>3,511</b>	<b>3,414</b>
<b>Other Comprehensive Income</b>											
Gain on Infrastructural Assets Revaluation		-	51,601	-	-	46,812	-	-	52,041	-	-
Financial Assets at fair value through equity		-	-	-	-	-	-	-	-	-	-
Gains on land and buildings revaluation		-	1,833	-	-	2,194	-	-	2,514	-	-
Income Tax relating to components of other comprehensive income		-	-	-	-	-	-	-	-	-	-
<b>Total Net Other Comprehensive Income for the Year</b>		<b>-</b>	<b>53,433</b>	<b>-</b>	<b>-</b>	<b>49,007</b>	<b>-</b>	<b>-</b>	<b>54,555</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Year</b>		<b>5,576</b>	<b>55,500</b>	<b>3,095</b>	<b>5,031</b>	<b>53,181</b>	<b>3,971</b>	<b>4,387</b>	<b>58,834</b>	<b>3,511</b>	<b>3,414</b>

**Reconciliation between Prospective Cost of Service Statements and the Prospective Statement of Comprehensive Income**

For the year ended 30 June							Forecast			
	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
<b>Total Operating Revenue from Cost of Service Statement</b>										
Total Operating Revenue from Cost of Service Statement										
Community Economic Development	773	722	752	715	640	654	668	680	696	704
Community Leadership	1,476	1,699	2,201	1,996	2,071	2,314	2,075	2,146	2,411	2,163
Community Support	299	297	297	301	302	307	311	315	322	327
Environmental and Regulatory	1,162	1,236	1,238	1,240	1,262	1,235	1,267	1,273	1,320	1,341
Roads and Transportation	17,849	14,803	15,505	17,153	16,453	16,716	17,085	17,575	17,804	18,158
Rubbish & Recycling	1,066	1,130	1,140	1,190	1,236	1,280	1,349	1,395	1,453	1,515
Community and Leisure Assets	2,974	2,961	3,235	3,347	3,212	3,256	3,264	3,339	3,402	3,429
Water Management	5,190	5,869	7,478	8,549	9,043	9,719	10,181	10,130	10,296	10,148
<b>Total Operating Revenue from Cost of Service Statement</b>	<b>30,789</b>	<b>28,717</b>	<b>31,846</b>	<b>34,491</b>	<b>34,219</b>	<b>35,483</b>	<b>36,199</b>	<b>36,853</b>	<b>37,704</b>	<b>37,784</b>
Total Revenue Statement of Comprehensive Income	30,706	28,071	31,172	33,665	33,414	34,660	35,350	35,991	36,848	36,989
<b>Variance</b>	<b>84</b>	<b>646</b>	<b>674</b>	<b>826</b>	<b>804</b>	<b>823</b>	<b>849</b>	<b>863</b>	<b>856</b>	<b>795</b>
<b>Reconciling Items:</b>										
Finance Revenue not included in Cost of Service Statements	(1,207)	(436)	(446)	(457)	(468)	(479)	(491)	(502)	(515)	(527)
General Rates contribution from Treasury Function	1,291	1,082	1,120	1,283	1,273	1,302	1,339	1,365	1,371	1,322
	<b>83</b>	<b>646</b>	<b>674</b>	<b>826</b>	<b>805</b>	<b>824</b>	<b>848</b>	<b>862</b>	<b>856</b>	<b>794</b>
<b>EXPENDITURE - Significant Activities</b>										
Community Economic Development	722	708	732	695	620	634	649	661	676	685
Community Leadership	1,632	1,759	2,211	2,004	2,121	2,325	2,086	2,200	2,422	2,174
Community Support	299	300	302	308	311	318	323	329	339	346
Environmental and Regulatory	1,167	1,226	1,134	1,136	1,159	1,185	1,217	1,223	1,270	1,291
Community and Leisure Assets	3,073	3,174	3,304	3,407	3,306	3,321	3,360	3,457	3,517	3,593
Roads and Transportation	11,704	12,076	12,900	13,145	13,352	14,071	14,290	14,624	15,319	15,568
Rubbish & Recycling	1,082	1,133	1,140	1,190	1,236	1,280	1,348	1,394	1,452	1,514
Water Management	5,530	6,274	7,026	7,575	7,939	8,376	8,535	8,685	9,196	9,197
	<b>25,209</b>	<b>26,649</b>	<b>28,748</b>	<b>29,459</b>	<b>30,044</b>	<b>31,509</b>	<b>31,808</b>	<b>32,572</b>	<b>34,191</b>	<b>34,367</b>
Less: Internal Interest Charged	345	917	950	1,110	1,095	1,119	1,151	1,172	1,174	1,120
	<b>24,864</b>	<b>25,732</b>	<b>27,798</b>	<b>28,349</b>	<b>28,949</b>	<b>30,390</b>	<b>30,657</b>	<b>31,400</b>	<b>33,017</b>	<b>33,248</b>
Total Expenditure per Statement of Comprehensive Income	25,130	26,005	28,077	28,634	29,241	30,688	30,962	31,712	33,337	33,575
<b>Variance</b>	<b>266</b>	<b>273</b>	<b>279</b>	<b>285</b>	<b>292</b>	<b>298</b>	<b>305</b>	<b>312</b>	<b>319</b>	<b>327</b>
<b>Reconciling Items:</b>										
Finance Costs not included in Cost of Service Statements	264	273	279	285	292	298	305	312	319	327

## PROSPECTIVE BALANCE SHEET

As at the 30 June		2009/10	2010/11	2011/12	2012/13	Forecast	2014/15	2015/16	2016/17	2017/18	2018/19
		\$000	\$000	\$000	\$000	2013/14	\$000	\$000	\$000	\$000	\$000
<b>EQUITY</b>											
Accumulated Funds	Notes 2	454,862	456,697	459,546	464,276	468,124	471,744	475,753	479,622	482,691	485,626
Reserves	3	22,094	75,758	76,004	76,306	125,638	125,989	126,368	181,333	181,776	182,254
<b>TOTAL EQUITY</b>		<b>476,956</b>	<b>532,455</b>	<b>535,550</b>	<b>540,582</b>	<b>593,762</b>	<b>597,733</b>	<b>602,121</b>	<b>660,955</b>	<b>664,467</b>	<b>667,880</b>
<b>Represented by:</b>											
<b>CURRENT ASSETS</b>											
Cash and Cash Equivalents	4	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	4,398	5,038
Trade and Other Receivables	5	2,650	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605
Prepayments		60	60	60	60	60	60	60	60	60	60
Other Financial Assets		10	-	-	-	-	-	-	-	-	-
<b>TOTAL CURRENT ASSETS</b>		<b>6,220</b>	<b>6,165</b>	<b>7,063</b>	<b>7,703</b>						
<b>Less Current Liabilities</b>											
Trade and Other Accounts Payable		3,600	3,620	3,640	3,660	3,680	3,700	3,720	3,740	3,760	3,780
Employee Benefit Liabilities		210	210	210	210	210	210	210	210	210	210
Income in Advance		440	440	440	440	440	440	440	440	440	440
Current Portion of Term Debt		27	388	520	635	627	578	556	528	502	476
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,277</b>	<b>4,658</b>	<b>4,810</b>	<b>4,945</b>	<b>4,957</b>	<b>4,928</b>	<b>4,926</b>	<b>4,918</b>	<b>4,912</b>	<b>4,906</b>
<b>NET WORKING CAPITAL</b>		<b>1,943</b>	<b>1,507</b>	<b>1,355</b>	<b>1,220</b>	<b>1,208</b>	<b>1,237</b>	<b>1,239</b>	<b>1,247</b>	<b>2,151</b>	<b>2,797</b>
<b>Non Current Assets</b>											
Plant and Property - Operational		22,228	26,717	26,472	25,878	27,618	27,233	26,850	28,928	28,543	28,211
Plant and Property - Infrastructural		454,453	512,230	518,246	526,197	577,491	580,889	585,243	641,454	643,943	646,567
Intangible Assets- Computer Software		43	38	35	31	30	30	30	30	30	30
Forestry - Biological Assets		-	-	-	-	-	-	-	-	-	-
Other Financial Assets		-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>476,725</b>	<b>538,985</b>	<b>544,753</b>	<b>552,106</b>	<b>605,139</b>	<b>608,152</b>	<b>612,123</b>	<b>670,412</b>	<b>672,516</b>	<b>674,808</b>
<b>Non Current Liabilities</b>											
Employee Benefit Liabilities		10	10	10	10	10	10	10	10	10	10
Provision for Landfills		651	662	662	662	662	662	662	662	662	662
Term Liabilities		1,051	7,365	9,886	12,072	11,913	10,984	10,568	10,031	9,529	9,053
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,712</b>	<b>8,037</b>	<b>10,558</b>	<b>12,744</b>	<b>12,585</b>	<b>11,656</b>	<b>11,240</b>	<b>10,703</b>	<b>10,201</b>	<b>9,725</b>
<b>NET ASSETS</b>		<b>476,956</b>	<b>532,455</b>	<b>535,550</b>	<b>540,582</b>	<b>593,762</b>	<b>597,733</b>	<b>602,121</b>	<b>660,955</b>	<b>664,467</b>	<b>667,880</b>

## PROSPECTIVE CASHFLOW

As at the 30 June	2009/10	2010/11	2011/12	2012/13	Forecast 2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cashflows from Operating Activities</b>										
Cash was provided from:										
Revenue from Rates	15,222	16,541	19,042	20,234	20,513	21,479	21,837	22,101	22,623	22,405
Other Revenue	14,776	11,386	11,936	13,233	12,698	12,973	13,301	13,672	14,001	14,355
Interest Received	665	186	190	195	200	204	209	214	220	225
Dividends	3	3	3	3	4	4	4	4	4	4
GST	-	-	-	-	-	-	-	-	-	-
	<u>30,666</u>	<u>28,116</u>	<u>31,172</u>	<u>33,665</u>	<u>33,414</u>	<u>34,660</u>	<u>35,351</u>	<u>35,991</u>	<u>36,848</u>	<u>36,989</u>
<b>Cash was disbursed to:</b>										
Supplies, services and employees	15,718	16,719	17,222	17,304	17,697	18,275	18,507	19,087	19,742	19,926
Interest Paid	-	60	536	814	1,012	1,009	940	915	881	778
GST	-	-	-	-	-	-	-	-	-	-
Income tax Paid	-	-	-	-	-	-	-	-	-	-
	<u>15,718</u>	<u>16,780</u>	<u>17,759</u>	<u>18,118</u>	<u>18,709</u>	<u>19,283</u>	<u>19,448</u>	<u>20,002</u>	<u>20,623</u>	<u>20,703</u>
<b>Net Cashflow from Operating Activities</b>	<b>14,948</b>	<b>11,336</b>	<b>13,413</b>	<b>15,547</b>	<b>14,705</b>	<b>15,376</b>	<b>15,903</b>	<b>15,988</b>	<b>16,225</b>	<b>16,286</b>
<b>Cashflows from Investing Activities</b>										
Cash was provided from:										
Proceeds from Asset Sales	-	-	-	-	-	-	-	-	-	-
Proceeds from Investments	6,864	10	-	-	-	-	-	-	-	-
	<u>6,864</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash was disbursed to:										
Purchases of Investments	-	-	-	-	-	-	-	-	-	-
Purchases of Plant, Property and Equipment	22,693	18,012	16,057	17,838	14,528	14,387	15,456	15,413	14,789	15,134
Purchases of Intangibles	10	10	10	10	10	10	10	10	10	10
	<u>22,703</u>	<u>18,022</u>	<u>16,067</u>	<u>17,848</u>	<u>14,538</u>	<u>14,397</u>	<u>15,466</u>	<u>15,423</u>	<u>14,799</u>	<u>15,144</u>
<b>Net Cashflow from Investing Activities</b>	<b>(15,839)</b>	<b>(18,012)</b>	<b>(16,067)</b>	<b>(17,848)</b>	<b>(14,538)</b>	<b>(14,397)</b>	<b>(15,466)</b>	<b>(15,423)</b>	<b>(14,799)</b>	<b>(15,144)</b>
<b>Cashflows from Financing Activities</b>										
Cash was provided from:										
Loans Raised	1,078	6,702	3,041	2,821	469	-	141	-	-	-
	<u>1,078</u>	<u>6,702</u>	<u>3,041</u>	<u>2,821</u>	<u>469</u>	<u>-</u>	<u>141</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash was disbursed to:										
Repayment of Public Debt	-	27	388	520	635	979	578	565	528	502
	<u>-</u>	<u>27</u>	<u>388</u>	<u>520</u>	<u>635</u>	<u>979</u>	<u>578</u>	<u>565</u>	<u>528</u>	<u>502</u>
<b>Net Cashflow from Financing Activities</b>	<b>1,078</b>	<b>6,675</b>	<b>2,653</b>	<b>2,301</b>	<b>(167)</b>	<b>(979)</b>	<b>(437)</b>	<b>(565)</b>	<b>(528)</b>	<b>(502)</b>
Net increase (decrease) in Cash Held	186	(1)	-	-	-	-	-	-	898	640
Add Opening Cash brought forward	3,314	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	4,398
<b>Closing Cash balance</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>4,398</b>	<b>5,038</b>
Closing Cash Balance made up of:										
Cash and Cash Equivalents	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	4,398	5,038

## PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June

	2009/10	2010/11	2011/12	2012/13	Forecast	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	2013/14	\$000	\$000	\$000	\$000	\$000
Equity at 01 July	471,378	476,954	532,454	535,549	540,579	593,760	597,731	602,119	660,952	664,463
Total Comprehensive Income	5,576	55,500	3,095	5,031	53,181	3,971	4,387	58,834	3,511	3,414
<b>Total Recognised Revenues and Expenses for the period</b>	<b>5,576</b>	<b>55,500</b>	<b>3,095</b>	<b>5,031</b>	<b>53,181</b>	<b>3,971</b>	<b>4,387</b>	<b>58,834</b>	<b>3,511</b>	<b>3,414</b>
<b>Equity at 30 June</b>	<b>476,954</b>	<b>532,454</b>	<b>535,549</b>	<b>540,579</b>	<b>593,760</b>	<b>597,731</b>	<b>602,119</b>	<b>660,952</b>	<b>664,463</b>	<b>667,878</b>

**NOTES TO THE FINANCIAL STATEMENTS**

	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	Forecast 2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
<b>1. RATES</b>										
<b>General Rates</b>										
General Rates	539	759	762	480	402	314	284	344	287	305
UAGC	1,452	1,640	2,159	1,948	1,993	2,264	2,023	2,061	2,362	2,106
<b>Targeted rates attributable to activities</b>										
Roading Rates	6,105	6,307	6,516	6,976	6,958	7,018	7,159	7,335	7,412	7,520
Community Services Rates	1,823	1,819	2,068	2,138	2,087	2,153	2,171	2,232	2,291	2,350
Library Rate	623	646	631	667	674	692	707	725	745	768
Solid Waste Uniform Charge	559	589	613	645	673	700	748	772	809	848
Wastewater	1,399	1,613	2,300	2,444	2,705	2,802	2,906	2,971	3,080	3,141
Water	1,656	1,783	1,889	1,947	2,009	2,070	2,134	2,196	2,266	2,323
Stormwater and Drainage	495	529	640	663	693	727	742	760	791	837
Utilities Caps	389	566	1,182	1,979	2,054	2,481	2,710	2,462	2,342	1,975
Hunterville Storm Water	13	13	13	13	13	13	13	13	13	13
Taihape Business Development										
Taihape Mainstreet Development	-	32	32	36	36	36	36	36	36	36
Bulls Mainstreet Undergrounding	43	46	44	46	45	43	41	40	38	37
Marton Astroturf	-	-	-	75	-	-	-	-	-	-
Scotts Ferry Roading	12	12	11	-	-	-	-	-	-	-
Taihape Napier Road	115	187	182	177	172	166	161	156	151	146
<b>Total Rates</b>	<b>15,222</b>	<b>16,541</b>	<b>19,042</b>	<b>20,234</b>	<b>20,513</b>	<b>21,479</b>	<b>21,837</b>	<b>22,101</b>	<b>22,623</b>	<b>22,405</b>
Percentage rates increase/(decrease)	7.30%	8.66%	15.12%	6.26%	1.38%	4.71%	1.67%	1.21%	2.37%	-0.97%
<b>2. ACCUMMULATED FUNDS</b>										
Opening Balance at 01 July	449,471	454,862	456,697	459,546	464,276	468,124	471,744	475,753	479,622	482,691
Net Surplus/(Deficit)	5,578	2,066	3,095	5,031	4,173	3,971	4,388	4,279	3,511	3,414
Transfers to/from Reserves	455,049 (187)	456,928 (230)	459,792 (246)	464,577 (301)	468,449 (325)	472,095 (351)	476,132 (380)	480,032 (410)	483,133 (443)	486,105 (478)
<b>Closing Balance at 30 June</b>	<b>454,862</b>	<b>456,697</b>	<b>459,546</b>	<b>464,276</b>	<b>468,124</b>	<b>471,744</b>	<b>475,753</b>	<b>479,622</b>	<b>482,691</b>	<b>485,626</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	Forecast 2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
<b>3. RESERVES AND SPECIAL FUNDS</b>										
<b>Sinking Funds</b>										
Opening Balance at 01 July	-	-	-	-	-	-	-	-	-	-
Interest on funds	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-
Withdrawals	-	-	-	-	-	-	-	-	-	-
<b>Closing Balance at 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reserve and Special Funds</b>										
Opening Balance at 01 July	3,103	3,289	3,519	3,766	4,067	4,392	4,744	5,123	5,533	5,976
Transfer (to) from Ratepayers Equity	-	-	-	-	-	-	-	-	-	-
Interest	186	230	246	301	325	351	380	410	443	478
Receipts	-	-	-	-	-	-	-	-	-	-
Withdrawals	-	-	-	-	-	-	-	-	-	-
<b>Closing Balance at 30 June</b>	<b>3,289</b>	<b>3,519</b>	<b>3,766</b>	<b>4,067</b>	<b>4,392</b>	<b>4,744</b>	<b>5,123</b>	<b>5,533</b>	<b>5,976</b>	<b>6,454</b>
<b>ASSET REVALUATION RESERVES</b>										
<b>Asset revaluation reserves consist of:</b>										
Land	3,820	4,467	4,467	4,467	5,288	5,288	5,288	6,282	6,282	6,282
Buildings	3,117	4,303	4,303	4,303	5,676	5,676	5,676	7,196	7,196	7,196
Sewerage systems	4,041	6,469	6,469	6,469	9,555	9,555	9,555	13,558	13,558	13,558
Water systems	3,057	6,523	6,523	6,523	11,160	11,160	11,160	17,411	17,411	17,411
Stormwater network	2,619	3,757	3,757	3,757	5,037	5,037	5,037	6,629	6,629	6,629
Roading network	2,104	46,604	46,604	46,604	84,332	84,332	84,332	124,434	124,434	124,434
Solid Waste	-	69	69	69	151	151	151	244	244	244
<b>Closing Balance at 30 June</b>	<b>18,758</b>	<b>72,191</b>	<b>72,191</b>	<b>72,191</b>	<b>121,198</b>	<b>121,198</b>	<b>121,198</b>	<b>175,753</b>	<b>175,753</b>	<b>175,753</b>
<b>Sinking Funds</b>										
	-	-	-	-	-	-	-	-	-	-
<b>Fair Value through Equity Reserve</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>
<b>TOTAL SINKING FUNDS AND RESERVES</b>	<b>22,094</b>	<b>75,758</b>	<b>76,004</b>	<b>76,306</b>	<b>125,638</b>	<b>125,989</b>	<b>126,368</b>	<b>181,333</b>	<b>181,776</b>	<b>182,254</b>
<b>4. CASH AND CASH EQUIVALENTS</b>										
Cash at Bank and in hand	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	4,398	5,038
Short Term Deposits maturing in 3 months or less	-	-	-	-	-	-	-	-	-	-
<b>Total Cash and Cash Equivalents</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>4,398</b>	<b>5,038</b>

**NOTES TO THE FINANCIAL STATEMENTS**

	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	Forecast 2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
<b>5. TRADE AND OTHER RECEIVABLES</b>										
General debtors	2,290	2,245	2,245	2,245	2,245	2,245	2,245	2,245	2,245	2,245
Rates Receivables	740	740	740	740	740	740	740	740	740	740
Related party receivables	-	-	-	-	-	-	-	-	-	-
Gross debtors and other receivables	3,030	2,985	2,985	2,985	2,985	2,985	2,985	2,985	2,985	2,985
less Impairment of receivables	(380)	(380)	(380)	(380)	(380)	(380)	(380)	(380)	(380)	(380)
<b>Total Debtors and Other Receivables</b>	<b>2,650</b>	<b>2,605</b>	<b>2,605</b>	<b>2,605</b>	<b>2,605</b>	<b>2,605</b>	<b>2,605</b>	<b>2,605</b>	<b>2,605</b>	<b>2,605</b>

## PROSPECTIVE CAPITAL EXPENDITURE

	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	Forecast 2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000
<b>Total Capital Expenditure</b>										
Community Economic Development	-	-	-	-	-	-	-	-	-	-
Community Leadership	7	3,109	8	8	8	8	8	9	9	9
Community Support	4	4	4	4	4	4	4	4	4	4
Environmental and Regulatory Services	-	-	-	-	-	-	-	-	-	-
Leisure and Community Assets	1,174	318	660	342	354	362	384	378	399	409
Roads and Transportation	12,416	8,356	9,096	10,961	9,704	9,932	10,169	10,423	10,677	10,914
Rubbish and Recycling	186	10	9	9	9	9	10	10	10	10
Stormwater	1,269	280	316	238	219	516	140	244	498	404
Wastewater	4,209	1,533	1,874	2,459	742	602	1,573	1,225	764	296
Water	3,218	4,138	3,850	3,564	3,253	2,678	2,931	2,872	2,143	2,732
Miscellaneous - vehicles, computers	221	266	241	255	235	276	237	250	284	355
	<b>22,703</b>	<b>18,012</b>	<b>16,057</b>	<b>17,838</b>	<b>14,528</b>	<b>14,387</b>	<b>15,456</b>	<b>15,413</b>	<b>14,789</b>	<b>15,134</b>
<b>Renewals Expenditure</b>										
Community Economic Development	-	-	-	-	-	-	-	-	-	-
Community Leadership	7	7	8	8	8	8	8	9	9	9
Community Support	4	4	4	4	4	4	4	4	4	4
Environmental and Regulatory Services	-	-	-	-	-	-	-	-	-	-
Leisure and Community Assets	822	318	396	338	354	362	380	374	395	405
Roads and Transportation	6,944	7,470	8,187	10,029	8,750	8,955	9,169	9,398	9,627	9,840
Rubbish and Recycling	16	10	9	9	9	9	10	10	10	10
Stormwater	460	105	276	34	129	465	69	127	126	280
Wastewater	1,920	802	870	628	675	602	1,573	1,225	764	296
Water	854	1,183	1,503	1,605	1,263	1,006	1,236	1,506	1,419	1,223
Miscellaneous - vehicles, computers	221	266	241	255	235	276	237	250	284	355
	<b>11,247</b>	<b>10,165</b>	<b>11,492</b>	<b>12,911</b>	<b>11,427</b>	<b>11,687</b>	<b>12,685</b>	<b>12,901</b>	<b>12,638</b>	<b>12,423</b>
<b>New Capital</b>										
Community Economic Development	-	-	-	-	-	-	-	-	-	-
Community Leadership	-	3,102	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-	-	-
Environmental and Regulatory Services	-	-	-	-	-	-	-	-	-	-
Leisure and Community Assets	353	-	264	4	-	-	4	4	4	4
Roads and Transportation	5,472	885	909	932	954	977	1,000	1,025	1,050	1,073
Rubbish and Recycling	170	-	-	-	-	-	-	-	-	-
Stormwater	809	175	40	204	91	51	71	117	372	124
Wastewater	2,289	730	1,004	1,831	68	-	-	-	-	-
Water	2,365	2,955	2,347	1,958	1,989	1,673	1,695	1,366	724	1,509
	<b>11,456</b>	<b>7,847</b>	<b>4,564</b>	<b>4,928</b>	<b>3,102</b>	<b>2,700</b>	<b>2,770</b>	<b>2,512</b>	<b>2,151</b>	<b>2,711</b>
<b>Total Capital Expenditure</b>	<b>22,703</b>	<b>18,012</b>	<b>16,057</b>	<b>17,838</b>	<b>14,528</b>	<b>14,387</b>	<b>15,456</b>	<b>15,413</b>	<b>14,789</b>	<b>15,134</b>

## FUNDING IMPACT STATEMENT

### Part A: High Level Financial Information

	2009/10	2010/11	2011/12	2012/13	Forecast 2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>OPERATING REVENUE</b>										
General Rates	1,990	2,399	2,920	2,428	2,395	2,578	2,307	2,404	2,648	2,411
Targeted Rates	13,232	14,142	16,122	17,806	18,118	18,901	19,529	19,696	19,975	19,994
Rates penalty income	210	217	222	228	233	238	244	250	256	263
Fees and Charges	2,830	3,043	3,136	3,229	3,368	3,433	3,525	3,660	3,746	3,848
Investment Income	1,343	1,136	1,174	1,339	1,330	1,359	1,397	1,425	1,432	1,384
Government Subsidies	11,447	8,051	8,547	9,745	9,065	9,269	9,498	9,727	9,964	10,209
Less: Internal Interest	345	917	950	1,110	1,095	1,119	1,151	1,172	1,174	1,120
<b>Total Operating Revenue</b>	<b>30,706</b>	<b>28,071</b>	<b>31,172</b>	<b>33,665</b>	<b>33,414</b>	<b>34,660</b>	<b>35,351</b>	<b>35,991</b>	<b>36,848</b>	<b>36,989</b>
<b>Less Operating Expenditure</b>										
Operational Expenditure	16,143	16,749	17,242	17,324	17,717	18,295	18,527	19,107	19,762	19,946
Interest Expense	345	977	1,486	1,923	2,107	2,128	2,092	2,088	2,054	1,897
Depreciation	8,985	9,195	10,298	10,496	10,511	11,385	11,495	11,689	12,694	12,852
Less: Internal Interest	345	917	950	1,110	1,095	1,119	1,151	1,172	1,174	1,120
<b>Total Operating Expenditure</b>	<b>25,128</b>	<b>26,005</b>	<b>28,077</b>	<b>28,634</b>	<b>29,240</b>	<b>30,688</b>	<b>30,962</b>	<b>31,711</b>	<b>33,337</b>	<b>33,575</b>
Operating Surplus/ (Deficit)	5,449	2,017	2,868	4,760	3,985	4,789	3,890	3,821	3,003	2,878
<b>Non-Operating Expenses</b>										
Reverse depreciation (non cash) *	(3,860)	(3,909)	(4,354)	(4,436)	(4,485)	(4,884)	(4,944)	(5,017)	(5,458)	(5,500)
Capital Development Expenditure	11,456	7,847	4,564	4,928	3,102	2,700	2,770	2,512	2,151	2,711
Capital Renewals Expenditure	11,247	10,165	11,492	12,911	11,427	11,687	12,685	12,901	12,638	12,423
External Loan repayments	-	27	388	520	635	979	578	577	528	501
<b>Funding Required</b>	<b>13,266</b>	<b>12,064</b>	<b>8,995</b>	<b>8,891</b>	<b>6,505</b>	<b>6,511</b>	<b>6,701</b>	<b>6,694</b>	<b>6,348</b>	<b>6,721</b>
<b>Funded By;</b>										
External Loans Raised	1,078	6,702	3,041	2,821	469	-	141	-	-	-
Movement in Bank Account	186	(1)	-	-	-	-	-	(12)	898	641
Sale of Investments	6,864	-	-	-	-	-	-	-	-	-
Funding from Reserves	5,137	5,363	5,954	6,070	6,037	6,511	6,561	6,706	5,449	6,080
<b>Total Funding</b>	<b>13,266</b>	<b>12,064</b>	<b>8,995</b>	<b>8,891</b>	<b>6,505</b>	<b>6,511</b>	<b>6,701</b>	<b>6,694</b>	<b>6,348</b>	<b>6,721</b>

## FUNDING IMPACT STATEMENT

### General and Community Rate

	2009/10	2010/11	2011/12	2012/13	Forecast	2014/15	2015/16	2016/17	2017/18	2018/19
The General Rate	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
funds the following Activities:-										
Community Economic Development	490	438	464	344	341	350	360	367	376	387
Community Leadership	1,448	1,637	2,155	1,944	1,985	2,261	2,019	2,054	2,354	2,104
Community Support	130	124	124	125	126	127	128	128	130	131
Environment and Regulatory	457	505	490	474	478	433	445	432	459	458
Investments	(1,289)	(1,081)	(1,118)	(1,282)	(1,272)	(1,299)	(1,337)	(1,363)	(1,369)	(1,320)
Community and Leisure Assets	712	725	754	769	682	650	634	642	638	589
Roads and Transportation	43	50	51	53	55	56	57	144	60	62
	<b>1,990</b>	<b>2,399</b>	<b>2,920</b>	<b>2,428</b>	<b>2,395</b>	<b>2,578</b>	<b>2,307</b>	<b>2,404</b>	<b>2,648</b>	<b>2,411</b>

### Community Services Rates

fund the following Activities:-										
Community Leadership	26	28	43	49	50	51	52	53	55	56
Community Economic Development	8	8	8	8	8	9	9	9	9	1
Community Support	160	163	163	165	165	169	171	174	180	183
Community and Leisure Assets	1,414	1,357	1,613	1,668	1,607	1,659	1,661	1,705	1,745	1,792
Roads and Transportation	80	105	106	104	104	106	108	110	112	115
Rubbish and Recycling	135	157	135	143	151	160	169	180	191	203
	<b>1,822</b>	<b>1,819</b>	<b>2,067</b>	<b>2,137</b>	<b>2,086</b>	<b>2,153</b>	<b>2,170</b>	<b>2,231</b>	<b>2,291</b>	<b>2,350</b>

## FUNDING IMPACT STATEMENT

Source	Catageories	Legislation	Calculation Base	Rate in \$	Revenue	Revenue									
					GST Incl 2009/10	GST Incl 2010/11	GST Incl 2011/12	GST Incl 2012/13	GST Incl 2013/14	GST Incl 2014/15	GST Incl 2015/16	GST Incl 2016/17	GST Incl 2017/18	GST Incl 2018/19	
<b>General Rate</b>	on all Rating Units (excluding Defence Land)	Schedule 2.8	CV	0.0001427	605,899	850,313	853,456	537,377	448,854	345,648	309,469	384,068	316,887	347,612	
	Defence Land	S 22	LV	0.0001979	1,804	2,532	2,542	1,600	1,337	1,029	922	1,144	944	1,035	
	UAGC	S15 (1)(b) a rating unit	per portion of	\$217.00	1,632,057	1,842,645	2,429,283	2,188,611	2,241,258	2,549,619	2,278,863	2,316,468	2,654,913	2,369,115	
<b>Targeted Rate</b>															
Solid Waste Disposal	Fixed Charge	S16(3)(a) & (4)(a) a rating unit	per portion of	\$84.00	631,764	669,369	691,932	729,537	759,621	789,705	842,352	872,436	917,562	955,167	
<b>Targeted Rate</b>															
Roading		Schedule 2.6	CV	0.0016126	6,847,979	7,074,425	7,310,074	7,826,607	7,805,797	7,872,858	8,031,148	8,228,441	8,315,291	8,436,388	
	Defence Land	S 22	LV	0.0022435	20,454	21,130	21,834	23,377	23,315	23,515	23,988	24,577	24,837	25,198	
<b>Targeted Rates</b>															
Community Services	Marion Non-Commercial	Schedule 2.1& 5	CV	0.0012239	471,932	540,102	570,211	588,500	564,455	581,102	579,642	605,300	606,632	620,848	
	Marion Commercial	Schedule 2.1& 6	CV	0.0016681	25,804	32,644	34,267	35,491	35,018	36,204	36,743	38,477	39,176	40,420	
	Taihape Non - Commercial	Schedule 2.1& 5	CV	0.0034729	369,741	367,509	371,785	392,026	369,897	382,612	386,823	388,651	411,653	422,136	
	Taihape Commercial	Schedule 2.1& 6	CV	0.0041721	94,406	92,721	94,233	99,251	95,317	98,741	100,518	101,834	107,684	111,239	
	Taihape Rural	Schedule 2.1& 6	CV	0.0001069	119,851	118,133	130,226	133,370	131,803	135,550	135,986	142,244	142,760	146,001	
	Defence-Taihape Rural	S 22	LV	0.00002	7	7	10	12	13	13	13	14	14	14	
	Bulls Non Commercial	Schedule 2.1& 6	CV	0.001087	125,186	68,408	151,717	156,155	147,221	147,929	150,528	153,676	155,252	156,347	
	Bulls Commercial	Schedule 2.1& 6	CV	0.001707	18,271	14,741	22,655	23,280	22,647	22,915	23,397	23,912	24,296	24,628	
	Defence Land Bulls	S 22	LV	0.0037384	31,522	17,225	38,202	39,320	37,070	37,249	37,903	38,696	39,093	39,368	
	Huntermville Non Comm.	Schedule 2.1& 6	CV	0.0032051	99,807	131,726	122,054	125,795	127,850	129,510	132,506	136,143	138,874	141,368	
	Huntermville Commercial	Schedule 2.1& 6	CV	0.0043396	14,455	17,768	16,937	17,573	18,033	18,466	19,078	19,766	20,384	21,001	
	Ratana	Schedule 2.6	CV	0.0011559	10,045	10,636	19,033	19,488	19,908	20,333	20,827	21,314	21,799	22,328	
	Rural General	Schedule 2.6	CV	0.0000922	214,325	210,760	220,272	215,596	211,177	217,815	217,263	228,933	228,512	233,690	
	Defence -Rural General	S 22	LV	0.0001693	51	50	52	51	50	52	51	54	54	55	
	District Wide	S16(3)(a)	CV	0.0001094	453,568	422,365	533,358	557,699	565,355	592,149	599,043	610,011	639,921	662,998	
	Defence -District Wide	S 22	LV	0.0001482	1,351	1,258	1,588	1,661	1,684	1,763	1,784	1,817	1,906	1,351	

**FUNDING IMPACT STATEMENT**

Source	Categories	Legislation	Calculation Base	Rate in \$	Revenue GST Incl 2009/10	Revenue GST Incl 2010/11	Revenue GST Incl 2011/12	Revenue GST Incl 2012/13	Revenue GST Incl 2013/14	Revenue GST Incl 2014/15	Revenue GST Incl 2015/16	Revenue GST Incl 2016/17	Revenue GST Incl 2017/18	Revenue GST Incl 2018/19
<b>Targeted Rate</b>	Marton network area	Schedule 2.5	per number of Water closets	\$302.00	821,893	903,538	1,385,244	1,469,610	1,534,926	1,594,799	1,643,786	1,692,773	1,744,482	1,793,469
Wastewater (Sewage) Disposal														
(Note a remission policy applies for rating units)	Taihape network area	Schedule 2.5	per number of Water closets	\$322.00	359,513	417,571	653,153	673,250	694,463	715,677	738,007	760,337	783,783	808,346
	Bulls network area	Schedule 2.5	per number of Water closets	\$228.00	212,154	243,791	282,872	332,189	531,316	552,717	587,146	581,563	618,783	603,895
	Koitiata network area	Schedule 2.5	per number of Water closets	\$550.00	10,450	10,773	11,115	11,457	11,818	12,179	12,559	12,939	13,338	13,756
	Mangaweka network area	Schedule 2.5	per number of Water closets	\$550.00	35,750	36,855	38,025	39,195	40,430	41,665	42,965	44,265	45,630	47,060
	Hunterville network area	Schedule 2.5	per number of Water closets	\$291.00	66,930	130,410	134,550	138,690	143,060	147,430	152,030	156,630	161,460	166,520
	Ratana network area	Schedule 2.5	per number of Water closets	\$550.00	78,100	80,514	83,070	85,626	88,324	91,022	93,862	96,702	99,684	102,808
			Calculation											
<b>Targeted Rate</b>	Marton network area	Schedule 2.5	per portion of a rating unit	\$523.00	1,261,738	1,384,775	1,486,100	1,531,938	1,580,188	1,628,438	1,679,100	1,729,763	1,782,838	1,838,325
Water Supply		S19 (2)(a)	per cubic metre	\$ 1.40	163,125	166,714	172,097	177,317	182,863	189,062	195,261	201,786	208,800	216,141
	Taihape network area	Schedule 2.5	per portion of a rating unit	\$580.00	529,830	546,273	562,716	580,073	598,343	616,613	635,796	651,326	675,077	681,471
		S19 (2)(a)	per cubic metre	\$1.90	67,500	68,985	71,213	73,373	75,668	78,233	80,798	83,498	86,400	89,438
				\$0.95										
	Bulls network area	S19 (2)(a)	per cubic metre	\$1.40	390,685	439,378	461,549	473,695	499,412	520,513	529,536	533,909	564,206	569,337
	Bulls Riverlands		per cubic metre	\$1.15										
	Mangaweka network area	S19 (2)(a)	per cubic metre	\$2.70	55,080	56,732	58,434	60,187	61,993	63,853	65,768	67,741	69,774	71,867
	Hunterville urban network	S19 (2)(a)	per cubic metre	\$2.70	135,000	137,970	142,425	146,745	151,335	156,465	161,595	166,995	172,800	178,875
	Ratana network area	Schedule 2.5	per portion of a rating unit	\$580.00	71,050	73,255	75,460	77,788	80,238	82,688	85,260	87,833	90,528	93,345
		S19 (2)(a)	per cubic metre	\$1.60	4,500	4,599	4,748	4,892	5,045	5,216	5,387	5,567	5,760	5,963
	Hunterville Rural													
	Water Supply	S19	per unit pa	\$160.00	279,000	326,250	348,750	348,750	348,750	348,750	348,750	348,750	348,750	348,750
	Erewhon Rural	S19	per unit pa	\$137.00	206,019	213,750	225,000	241,875	258,750	270,000	281,250	303,750	320,625	337,500
	Water Supply													
	Omatane Rural	S19	per unit pa	\$45.00	6,750	9,000	11,250	12,375	13,500	14,625	15,750	16,875	18,000	19,125
	Water Supply													
	Putorino water supply	Schedule 2.5	LV	0.0000894	761	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125

## FUNDING IMPACT STATEMENT

Source	Categories	Legislation	Calculation Base	Rate in \$	Revenue GST Incl 2009/10	Revenue GST Incl 2010/11	Revenue GST Incl 2011/12	Revenue GST Incl 2012/13	Revenue GST Incl 2013/14	Revenue GST Incl 2014/15	Revenue GST Incl 2015/16	Revenue GST Incl 2016/17	Revenue GST Incl 2017/18	Revenue GST Incl 2018/19
<b>Targeted Rate</b>														
Stormwater	Marton area	Schedule 2.5	per rating Unit	\$72.00	160,920	172,095	283,845	295,020	317,370	337,485	339,720	344,190	364,305	397,830
	Taihape area	Schedule 2.5	per rating Unit	\$210.00	180,600	186,620	192,640	198,660	204,680	211,560	218,440	225,320	232,200	239,940
	Bulls area	Schedule 2.5	per rating Unit	\$210.00	152,145	157,217	162,288	167,360	172,431	178,227	184,023	189,819	195,615	202,136
	Mangaweka area	Schedule 2.5	per rating Unit	\$210.00	14,280	14,756	15,232	15,708	16,184	16,728	17,272	17,816	18,360	18,972
	Hunterville area	Schedule 2.5	per rating Unit	\$210.00	41,265	42,641	44,016	45,392	46,767	48,339	49,911	51,483	53,055	54,824
	Ratana area	Schedule 2.5	per rating Unit	\$82.00	8,200	21,700	22,400	23,100	23,800	24,600	25,400	26,200	27,000	27,900
Land Drainage	Class A Land	Schedule 2.6	LV	0.00005	635	634.5	635	635	635	635	1,061	635	635	635
Rakataua	Class B Land	Schedule 2.6	LV	0.00002										
Hunterville Stormwater Improvement	Hunterville area	Schedule 2.5	per rating Unit	\$76	14,819	14,819	14,819	14,819	14,819	14,819	14,819	14,819	14,819	14,819
<b>Targeted Rate</b>														
Taihape Projects and Events Coordinator	Taihape commercial	Schedule 2.6	per rating Unit	\$180.00	0	0	0	0	0	0	0	0	0	0
Library	Fixed Charge	S16(3)(a) & (4)(a)	per portion of a rating unit	\$93.30	700,354	726,864	710,199	750,915	758,147	779,051	795,812	815,916	838,767	864,203
Southern Water Supply	Bulls, Turakina Martoin Wards	Schedule 2.5	CV		0									
<b>Taihape Main Street</b>														
Development	Taihape Commercial	Schedule 2.6	CV	0	0	11,812	11,812	13,509	13,509	13,509	13,509	13,509	13,509	13,509
	Taihape Non -commercial	Schedule 2.6	CV	0	0	11,818	11,818	13,521	13,521	13,521	13,521	13,521	13,521	13,521
	Taihape Ward	Schedule 2.6	CV	0	0	12,330	12,330	14,572	14,572	14,572	14,572	14,572	14,572	14,572
<b>New Targeted Rates</b>														
<b>Taihape/Napier Road</b>														
	Taihape/Napier Rd Rating Units	Schedule 2.6	CV	0.000108	43,052	70,160	68,166	66,173	64,180	62,586	60,592	58,599	56,606	54,613
	Taihape Ward	Schedule 2.6	CV	0.00005	42,569	70,665	68,111	66,408	64,705	62,151	60,448	58,746	56,192	54,489
	District Wide	Schedule 2.6	CV	0.00001	42,440	70,067	67,944	67,944	63,697	63,697	59,451	59,451	55,204	55,204
Scotts Ferry Rooding	Scotts Ferry residential	Schedule 2.6	CV	0.000726	6,776	6,674	6,310							
	Bulls Ward (ecl Scotts Ferry)	Schedule 2.6	CV	0.000008	6,494	6,494	6,494							
	Defence (Bulls Ward)	S 22	LV	0.000013	114	114	105							

## FUNDING IMPACT STATEMENT

Source	Categories	Legislation	Calculation Base	Rate in \$	Revenue GST Incl 2009/10	Revenue GST Incl 2010/11	Revenue GST Incl 2011/12	Revenue GST Incl 2012/13	Revenue GST Incl 2013/14	Revenue GST Incl 2014/15	Revenue GST Incl 2015/16	Revenue GST Incl 2016/17	Revenue GST Incl 2017/18	Revenue GST Incl 2018/19
Astroturf	Marton Town 40%	Schedule 2.6	CV	0.0000842				33,750						
	Bulls Ward 15%	Schedule 2.6	CV	0.0000325				12,446						
	Marton Ward 30%	Schedule 2.6	CV	0.0000179				25,312						
	District Wide 15%	Schedule 2.6	CV	0.0000005				12,656						
	Defence Bulls Ward	S 22	LV	0.000024				210						
Bulls Undergrounding	Bulls Community	Schedule 2.6	CV	0.000105	13,216	13,971	13,468	14,097	13,594	13,216	12,712	12,209	11,706	11,328
	Defence Bulls Comm	S 22	LV	0.000358	3,019	3,196	3,103	3,238	3,128	3,019	2,909	2,799	2,690	2,580
	Bulls Ward (excl Bulls Community)	Schedule 2.6	CV	0.0023	15,990	17,380	16,685	17,380	16,685	15,990	15,295	15,295	14,600	13,904
	Defence Bulls Ward	S 22	LV	0.000031	271	288	279	288	279	271	262	253	244	236
	District Wide (excl Bulls Ward)	Schedule 2.6	CV	0.000004	16,986	21,232	16,986	21,232	16,986	16,986	16,986	16,986	16,986	16,986
	Defence District Wide	S 22	LV	0.000005	46	55	46	55	46	46	46	46	46	46
<b>Utilities Cap</b>														
Non Connected														
Properties	Water		per portion of a rating unit	32.58	98,557	125,580	248,053	581,756	613,017	599,568	641,008	664,740	656,730	573,981
	Wastewater		per portion of a rating unit	13.50	45,126	59,948	100,734	158,492	151,436	155,446	335,987	255,542	216,763	141,109
	Stormwater		per portion of a rating unit	1.90	5,847	32,913	132,219	43,391	44,695	206,246	45,633	47,783	51,038	50,323
Connected Properties	Water		CV	0.0002299	191,855	244,458	482,868	1,132,465	1,193,319	1,167,138	1,247,806	1,294,004	1,278,411	1,117,330
	Wastewater		CV	0.0001312	87,249	115,908	194,766	306,438	292,795	300,549	649,618	494,082	419,103	272,829
	Stormwater		CV	0.0000165	11,318	63,706	255,920	83,987	86,511	399,206	88,326	92,488	98,788	97,404
	Defence Water Cap		LV	0.0006656	5,260	6,702	13,238	31,047	32,716	31,998	34,210	35,476	35,049	30,633
New Targeted Rates														
	Defence Wastewater Cap		LV	0.00038	3,002	3,989	6,702	10,545	10,076	10,343	22,355	17,003	14,422	9,389
	Defence Stormwater Cap		LV	0.000048	377	2,120	8,518	2,795	2,879	13,287	2,940	3,078	3,288	3,242
Total Rates GST Inc					18,458,887	20,067,648	23,037,364	24,437,840	24,796,403	25,910,630	26,269,221	26,738,479	27,394,506	27,133,898
Total Rates GST Excl					16,407,900	17,837,909	20,477,657	21,722,525	22,041,247	23,031,671	23,350,418	23,767,537	24,350,672	24,119,020

**Corporate Assumptions** || The following are Council’s draft corporate forecasting assumptions for the 2009-19 LTCCP:

Forecasting assumption	Risk	Level of uncertainty (in respect of the LTCCP)	Reasons and Financial Effect of Uncertainty
<b>Population Growth</b> - 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 different than that projected by Statistics NZ, or that the District experiences population increase over the 10-year period. The risk is that Council’s planned infrastructure maintenance and renewals will be inadequate to cope with the changing population of the District	Low	The current trend of population change suggests that the likelihood of population increase over the next 10 years is very minimal Greater than expected population decline will have minimal impact on Council’s plans in that existing infrastructure is sufficient to meet existing demand. However, it could mean non-compliance with the Council’s borrowing limits (because one of these is per-capita based and the lowest threshold determines the limit)
<b>Numbers and size of households</b> -the number of households will not decrease by more than 5%	Though population overall may decline in the District, the number of households may not decrease by the same rate. The risk is that the decline is greater than expected, or that a substantial increase in the number of households occurs (due to an increasingly ageing population, living alone). This risk may result in higher infrastructure costs without a sustainable income base (multiple income earners per household)	Low	Current projections from Statistics NZ suggest that the number of households is likely to decline slightly over the next 10 years. This correlates with data collected by the Council. A declining number of households may have financial impacts in terms of the rating base, though the projected decline is unlikely to affect the rating base sharply
<b>Ageing population</b> - 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 Council assumes that the population will continue to age, and that the 65+ demographic will continue to grow. The risk is that the increase will be faster than anticipated, and Council will not be able to respond to the needs of the ageing population quickly enough	Low	The ageing population trend is demonstrated over a substantial period, is reflected at the national level, and is supported by a rural-urban drift that is seeing many younger people leave rural areas for urban environments. The ageing of the District population is unlikely to have significant financial impact
<b>Levels of Service</b> - Changes in customer expectations regarding level of service will impact on assets development and operating costs, and that Council has anticipated and/or planned for these changes	That Council has under- or over-estimated the impact of changes in customer expectations on asset development and operating costs, e.g. the drive to improve access to high-speed internet	Low	Most communities have already defined levels of service that they are used to and expect and are prepared to pay for. The changes will be small and incremental so that Council has the opportunity to assess the ongoing impact on a continual basis

Forecasting assumption	Risk	Level of uncertainty	Reasons and Financial Effect of Uncertainty
<b>Levels of Service</b> - Changes in government legislation and regulation will impact on assets development and operating costs	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 correctly anticipated	Low	Sector good practice guides have identified current legislation with a potential impact on the LTCCP
<b>Liaison with Māori</b> - there will be progressive inclusion and engagement of Iwi and Māori communities and that this will impact upon the Level of Service in most activity areas	The urgency and extent of engagement will be viewed differently by the partners to change and create tension and ill-will which will be counter-productive	Medium	Council has established mechanisms for engagement with Iwi and Māori communities through Te Roopu Ahi Kaa so has a basis for understanding and moving forward
<b>Council policy</b> - there will be no significant changes to council policy	Changes in valuations may result in changes to the Revenue and Financing Policy. Council policy may change in subsequent years	Medium	Any changes in costs will be reflected in the year after any change in policy that affects costs
<b>Skills Shortage:</b> 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	High	Council has adopted strategies to minimise difficulties in recruiting appropriately -skilled staff and contractors. However, recent experience indicates a high risk and the impact of mitigation strategies is currently unknown
<b>Governance</b> - the structure of the elected representation will not change from that adopted for the 2004 elections	That the representation review will reduce councillor numbers and change ward boundaries and introduce new community boards	Low	Costs are unlikely to change significantly if councillor numbers change. The Revenue and Financing Policy does not rely on ward boundaries. Every new community board could increase the costs to the community it serves by approximately \$30,000
<b>Resource Consents</b> - Conditions on resource consents renewals will be met and all consents will be renewed	That conditions on resource consents are changed to the point that Council will not be able to comply	Low	The likely environmental standards are known and Council is able to alter and fund the changes to the infrastructural assets concerned
<b>Natural Disasters</b> – There will be no natural disasters requiring emergency work that cannot be funded out of normal operating budgets All natural disasters requiring emergency work can be funded out of normal operating budgets	That there will be a natural disaster requiring additional unbudgeted expenditure and financing	Medium	Climate changes suggest that these events may become more frequent and severe. The effect of any disaster on Council's financial position is dependent on the scale, duration and location of any event. Council maintains a Roading Flood Reserve to cope with all but the major events
<b>Replacement of existing assets</b> does not mean an increase in levels of service, unless otherwise stated	Technological advances in replaced assets leads to increase levels of service	Low	

Forecasting assumption	Risk	Level of uncertainty	Reasons and Financial Effect of Uncertainty
<b>Contracts</b> - There will be no significant variations in terms of price and performance of service provision contracts	There is a significant change in price levels of new contracts	Medium	Covered by inflation indices
<b>Inflation</b> - The financial information is based on inflating figures from 2010/11 onwards using the BERL indices for inflation <sup>17</sup>	That inflation (CPI) is greater than predicated or that operational costs do not vary in line with the CPI	Medium	Inflation is affected by macro economic factors beyond Council control. Income will also increase by the same levels
<b>Interest</b> - Interest on external borrowing is calculated at 6% for the first year, 7% for the following two years and 8% thereafter. Interest on investments is based on 6% for the first year, 7% for the following two years and 8% thereafter	That interest rates will change from those used	Medium	Forecast interest rates are forecast for the first year but unknown for the following 9 years However, the risk is not high as the economy cools - interest rates should decrease rather than increase
<b>Funding Sources</b> are those disclosed in the Revenue and Financing Policy	Some user charges may not be achievable	Low	Levels of charges are set at previously achieved levels
<b>Revaluation</b> – Figures have been adjusted for revaluations - assumed to be done on the 30 June 2008, 2011 and 2014. The value of infrastructural assets and land and buildings have been increased by the BERL estimates for rates for inflation for those assets. Depreciation has increased after revaluation by the same amount as the revaluation	That the BERL estimates are greater or less than the actual rates of inflation for those assets	Medium	Inflation and the future value of assets are affected by macro economic factors beyond Council control. If costs increase because of revaluation then income will also increase by the same levels
<b>Capital Works Costs</b> - Costs do not include overheads and will not change significantly from those estimated	Costs are greater than estimates resulting in higher debt levels	Medium	Costs increases higher than inflation may occur further out
<b>Useful lives of Assets</b> are described in the Statement of Accounting policies and have been derived from predictions contained in the Asset Management Plans	That more detailed information on condition of assets may alter the life estimates on infrastructural assets thus increasing (decreasing) depreciation funding costs	Medium for water supplies Low for other asset types	Council is continually updating asset management plans. These assets have long life cycles; changes should be able to be funded in the long-term
<b>Taihape/Napier Road improvements</b> are assumed to attract an NZTA subsidy rate of 75% and that the funding of the local share of this project will be; * 1/3 from a local area targeted rate, * 1/3 from a Taihape Ward targeted rate, and * 1/3 from a targeted rate from the district as a whole	That the subsidy rate will change when approved by NZTA	Low	Council is likely to proceed with this project

Forecasting assumption	Risk	Level of uncertainty	Reasons and Financial Effect of Uncertainty
<p><b>Technology</b> - 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</p>	<p>The risk is that Council is required to adopt some piece of untested or experimental technology</p>	<p>Low</p>	<p>Council has a large degree of autonomy over which technology it chooses to implement, and so the risk can be adequately managed</p>
<p><b>The Manawatu-Rangitikei Shared Services Arrangement:</b></p> <ul style="list-style-type: none"> <li>* Will not impact on Rangitikei's separate identity</li> <li>* Will provide greater certainty that there is sufficient staffing resource in both local authorities to manage and plan for the Council's assets – because of a greater range and depth of work than would be available in either council on its own</li> <li>* Will contribute to harmonising operational procedures in both local authorities – 'taking the best of each'</li> <li>* Will reduce the dependency on (and the higher costs of) external consultants.</li> <li>* Will be cost-neutral compared with each local authority having their own designated assets staff</li> <li>* Will support documentation for all Rangitikei assets and for planning/ maintenance done on them</li> <li>* Will not preclude arrangements by either council with another local authority</li> <li>* May lead to shared services in other functional areas of the two councils</li> <li>* Can be extended to one or more other neighbouring local authorities</li> </ul>	<p>The risks of the shared services arrangements are:</p> <ul style="list-style-type: none"> <li>* Rangitikei's separate identity will be lost</li> <li>* Sufficiently qualified staff will not be able to be recruited</li> <li>* The higher costs of external consultants are not diminished</li> <li>* Will discourage other councils from seeking a working relationship with Rangitikei</li> </ul>	<p>Low - medium</p>	

Forecasting assumption	Risk	Level of uncertainty	Reasons and Financial Effect of Uncertainty
<p><b>The Regional Shared Services arrangement:</b>                      * Will continue to be on an opt-in basis – i.e. Council will retain a choice whether to participate in any particular shared services initiative                      * May secure efficiencies and/or provide savings for Rangitikei in back office operations or supplies                      * May link with other regionally-based programmes (e.g. economic development) which may affect the operations currently run or planned by Rangitikei and other local authorities in the region</p>	<p>The risks of the Regional Shared Services arrangement are:                      * That involvement with the shared services arrangement becomes an obligation                      * That no efficiencies or savings are achieved</p>	<p>Low</p>	
<p><b>Costs of maintaining water, wastewater and stormwater reticulation</b> are not projected to rise as a result of improved condition data needing a review of other priorities or consideration of new funding sources</p>	<p>That major previously-unknown faults are identified needing urgent attention</p>	<p>Medium for water supplies                      Low for wastewater and stormwater</p>	<p>Council believes that the improved knowledge will result in better targeting of maintenance and considers it unlikely there will be an increase in cost needing a review of other priorities or consideration of new funding sources. The different levels of uncertainty reflect that condition data is more accurate for wastewater and stormwater than for water reticulation systems</p>

Note: The LTCCP acknowledges potential impacts from climate change but sees it as an issue over which Council has no influence. During the preparation of the Plan, Council gave specific consideration to environmental regulations – i.e. central government expectations for local government such as carbon credits, emissions, etc., and the impact on the LTCCP’s projections. Council decided against including such regulations as a significant forecasting assumption because of their perceived low impact on Council’s ability to deliver services.



# POLICIES: 09

## Revenue and Financing Policy || INTRODUCTION

Section 102(4) of the Local Government Act 2002 requires the Council to adopt a Revenue and Financing Policy. The purpose of this policy is twofold. The first is to state the Council's policies in respect of funding both operating expenses and capital expenditure from the sources available to it. The second is 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 two parts, with the summary of how it has been applied to Council's 10 groups of activities provided as an appendix.

### *Valuation system* || COUNCIL USES A CAPITAL VALUE SYSTEM TO APPORTION RATES.

The General Rate (other than the Uniform Annual General Charge), Roading Rate and the various Community Services Rates are all set using capital value as a base.

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

- > Generally people who own high value properties have high incomes. This is, unfortunately, not true in all cases. As rates are generally a tax, taxation is always geared toward levying the tax against those people who can afford it. Valuation is an imperfect tool with which to do this but is the only tool given to local government to levy a tax.
- > 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 utilise Council's infrastructure (especially roading) to a greater degree than a residential property that has the equivalent land value.
- > Capital value also ensures that anyone building a house and moving into the District would pay their share of the tax. 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.

## 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. The fixed Uniform Annual General Charge is a fixed amount per 'separately used or inhabited parts of a rating unit'; it is used when a benefit is received equally <sup>18</sup>
Targeted rates (including, for Community Services, a commercial differential for the main urban centres)	Used to 'target' a funding mechanism to a particular group within the District when Council considers that transparency is important, that it is the most fair approach than other rating tools, and that it is relevant to have regard for particular aspects of the land (such as location) whether a service is provided or not. Differential rating is used when Council considers that some rating units receive a greater benefit than others. This is the case for under veranda lighting, car parks and litter control where the CBD areas are perceived to receive more benefit than other residents
Fees and charges	Used when Council considers that the high level of benefit received by specific individuals justifies seeking user charges, that such individuals (or groups) can be identified, and that it is economic to collect the charges
Interest and dividends from investments	Applied to the benefit of the whole Council – i.e. income from external investing is used to offset the general rate requirement; internal lending is set at the 90-day bill mid-rate each quarter
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)
Donations, grants and subsidies towards operating expenses	Primarily from central government and typically related to specific activities
Other operating revenue	Recognises that Council may apply other sources of funds on a case-by-case basis, taking the most equitable course

<sup>18</sup>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 sewer rates) to a maximum of 30% of Council's total income from all rating mechanisms.

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 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 inter-generational 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 (because of 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 rate (or other funding) of depreciation reserves are used only to fund replacements and renewals of operational assets and infrastructural assets. This fits with the concept of inter-generational equity. In the situation where a depreciation reserve is in deficit, Council has decided that capital renewals should be funded from rates
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 sewer 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 Statement of Financial Performance as the expenditure is recognised in the "balance sheet" Statement of Financial Position. 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 inter-generational equity whereby the future ratepayers or users who benefit from the new asset pay for the loan interest charges and loan repayments. Depreciation Reserves can be used to pay the loan repayments. Council's policy is to repay such loans over a 20-year period



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. The 'queue-jumping policy' in previous LTCCPs has been discontinued.

In addition, the summary shows changes to the funding mechanisms which Council envisages may happen during the term of the LTCCP 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).

### *Process for developing the policy*

Having identified the activities which it intends to be involved in, Council conducted an analysis for each activity, giving specific consideration to:

- > The community outcomes to which each activity primarily contributes. For example, the Stormwater activity contributes to a minimised human impact on the environment.
- > How the benefits of the activity are spread – i.e. whether it is across the whole community or to particular groups of individuals. For example, Council's strategic planning activity impacts on everyone but rural fire relates primarily to farmers.
- > Who will benefit from the activity in future – i.e. 'inter-generational equity' – and how this is fairly translated into the spread of payments over time.
- > Who particularly contributes to the need for a particular activity (and whether it is feasible to require payment from them) – i.e. 'exacerbator pays'. For example, stock control is needed to ensure that farm animals getting through fences are removed from roads as soon as possible to prevent accidents.
- > Cost and benefits of funding activities as distinct from other activities – i.e. to ensure that ratepayers are adequately informed about the costs of those activities which are a major expenditure (such as roads) or where the cost is known to be of interest (such as libraries).

Finally, Council is required to consider the overall impact on community well-being – social, economic, environmental and cultural. This is most obviously given effect in reviewing budgets for all activities. It is also reflected in the changes to funding mechanisms from the previous LTCCP, and also in the transitions (particularly with the way urban water supply is funded) over the next few years.

## Appendix: Revenue and Financing Policy

	Group	Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for capital	Variation projected after 2009/10 <sup>19</sup>
<b>1</b>	<b>COMMUNITY ECONOMIC DEVELOPMENT</b>							
	a	Information Centres	100:0	General rate	NA	District-wide benefit, not specific to Bulls and Taihape	NA	Not envisaged
	aa	AA licensing services	100:0	Targeted Community Services rate	N/A	People from Marton (76%), Bulls (15%) and Hunterville (9%) use the service	N/A	Not envisaged
	b	Grants to community organisations	100:0	Uniform Annual General Charge	N/A	District-wide benefit	N/A	Not envisaged
	c	Economic development	100:0	General rate	N/A	District-wide benefit; impossibly complex to identify benefit to specific businesses	N/A	Not envisaged
<b>2</b>	<b>COMMUNITY LEADERSHIP</b>							
	a	Council	100:0	Uniform Annual General Charge	N/A	Benefits potentially shared equally among all residents	N/A	Not envisaged
	aa	Administration Building (including the capital programme)	100:0	Uniform Annual General Charge	N/A	Benefits potentially shared equally among all residents	N/A	Not envisaged
	b	Strategic planning	100:0	Uniform Annual General Charge	N/A	Benefits potentially shared equally among all residents	N/A	Not envisaged
	c	Iwi liaison	100:0	Uniform Annual General Charge	N/A	Benefits potentially shared equally among all residents – not specific to Iwi or Māori	N/A	Not envisaged
	d	Community Boards/ Community Committees	100:0	Targeted Community Services rate	N/A	Benefit from Community Boards and Committees is to their respective communities rather than all residents in the District	N/A	Not envisaged (unless further guidance is provided and accepted on the application of clause 39, Schedule 7 of the Local Government Act) 2002
	e	Elections	100:0	Uniform Annual General Charge	N/A	Benefits are spread equally through the freedom of choice to participate in elections	N/A	Not envisaged

<sup>19</sup> Apart from review of share from user charges or central government grants and subsidies

	Group	Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for capital	Variation projected after 2009/10 <sup>20</sup>
<b>3</b>	<b>COMMUNITY SUPPORT</b>							
	a	Rural fire	95:5	Targeted rate on rural sector	Central government subsidy	Benefits are primarily to the rural sector rather than to all residents in the District	No variation: Loan funded with interest recovered by targeted rate on rural sector	Not envisaged
	b	Emergency management	100:0	General rate	Not applicable	Benefits are across the District –there is no knowing where an emergency might occur	No variation: Loan funded with interest recovered by general rate	Not envisaged
<b>4</b>	<b>ENVIRONMENTAL AND REGULATORY SERVICES</b>							
	a	Building control	15:85 to 25:75	General rate	User charges	Although there is a primary benefit to the individual through receiving a consent to build, the assurance to the district at large that buildings are safe and conform to specific standards is a secondary benefit and recognised in the apportionment of costs	N/A	Not envisaged
	b	Animal control: Dogs. Wandering stock.	70:30 to 80:20 5:95 to 10:90	General rate	User charges	The primary benefit occurs to the District at large. While the exacerbator principle is acknowledged, there are practical difficulties in recovering fees from such people	N/A	Not envisaged
	c	District Plan	100:0	General rate	N/A	The plan applies to the entire District, for the protection of the environment	N/A	Not envisaged
	d	Consent processes	50:50 to 60:40	General rate	User charges	Although there is a primary benefit to the individual through receiving a consent, the District as a whole has an interest in ensuring all appropriate consents are sought	N/A	Not envisaged
	e	Environmental health	50:50 to 60:40	General rate	User charges	Although there is a primary benefit to the individual through complying with environmental health requirements, the District as a whole has an interest in ensuring this occurs	N/A	Not envisaged

	Group	Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for capital	Variation projected after 2009/10 <sup>21</sup>
5	<b>LEISURE AND COMMUNITY ASSETS</b>							
	a	Parks and reserves (except for Duddings Lake)	95:5 to 100:0	25% from General rate; 70-75% from targeted Community Services rate (calculated on projected costs of maintaining each park and reserve)	User charges	The primary benefit is to the communities near different parks and reserves, but there is also a District-wide benefit in having such recreational facilities. User fees are a minor source	To be determined by Council on a case-by-case basis following consultation with affected communities	Not envisaged
	aa	Duddings Lake	85:15 to 95:5	25% from General rate; 60-70% from targeted Community Services rate on Marton Ward (calculated on projected costs of maintaining the park)	User charges	The primary benefit is to the Marton Ward community as successor to the Borough to whom the land was entrusted as a reserve. Council experience is that there is limited potential for commercial activity which can be used to offset a proportion of the costs	To be determined by Council on a case-by-case basis following consultation with affected communities	Not envisaged
	b	Cemeteries	45:55 to 55:45	General rate	User charges	While such facilities are important for those people wishing to bury family members, there is a considerable District-wide benefit in having these places	To be determined by Council on a case-by-case basis following consultation with affected communities	Not envisaged
	c	Halls and community buildings (under direct Council management)	95:5 to 100:0	30% from General rate; 65-70% from targeted Community Services rate (calculated on projected cost of maintaining each building)	User charges	The primary benefit is to the communities near different halls and community buildings but there is also a District-wide benefit in having such facilities. User fees are a minor source	N/A	(Other halls and community buildings may become subject to service contracts like the Koitiata Hall from 1 July 2008)

<sup>21</sup> Apart from review of share from user charges or central government grants and subsidies

	Group	Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for capital	Variation projected after 2009/10 <sup>22</sup>
	d	Public toilets	100:0	50% from targeted Community Services rate (calculated on projected cost of maintaining and operating each facility) and 50% from a targeted rate District-wide	N/A	This activity is partly a public health and service issue, and partly a benefit to businesses in the vicinity (but that has potential to be burdensome on commercial sectors in the smaller towns). The two mechanisms strike a balance	No variation: Loan funded with interest recovered by general rate	Not envisaged
	e	Housing	10:90 to 0:100	General rate based on capital value (when a shortfall from user charges)	User charges	This activity is intended to be fully funded by tenants, but there will be shortfalls due to less than full occupancy	No variation: Loan funded with interest initially recovered through user charges and any shortfall through the general rate	Not envisaged
	f	Libraries	95:5 to 100:0	Uniform targeted rate	User charges	The benefit is to individuals. The three libraries provide a District-wide service and web-based services make them increasingly accessible to rural residents	Not applicable (Purchases of books etc are treated as renewals, and funded by depreciation)	Not envisaged
	g	Swimming Pools	100:0	60% from targeted Community Services rate (calculated on projected cost of maintaining and operating each facility) and 40% from a targeted rate District-wide	N/A (User charges are retained by the community trust running each pool)	The primary benefit is to the residents where the pools are located (Taihape, Hunterville and Marton) but there is also a District-wide benefit	To be determined by Council on a case-by-case basis following consultation with affected communities	(It is envisaged that Council's three pools - Taihape, Hunterville, Marton - will continue to be managed by community trusts)
<b>6</b>	<b>ROADING</b>							
	a	Bridges	41:59	Targeted rate (District-wide)	Central government grants and subsidies	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. (However, Council does envisage developing a policy on disposal of bridges providing access to a single property)

	Group	Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for capital	Variation projected after 2009/10 <sup>23</sup>
	b	Footpaths, street lighting and car parks						
		<i>Footpaths and street lighting</i>	100:0	Targeted rate (District-wide)	Central government subsidy for street lighting on state highways	District-wide benefit, property-related. Roading is a significant activity warranting a separately disclosed rate	No variation: Loan funded with interest recovered through the targeted rate	Not envisaged
		<i>Under-veranda street lighting</i>	50:30:20	Targeted Community Services rate; Targeted rate (District-wide); and Commercial differential	N/A	Primary benefits is the businesses and then residents in each town, with some District-wide benefit	No variation: Loan funded with interest recovered through the identified mechanisms	Not envisaged
		<i>Car parks</i>	50:30:20	Targeted Community Services rate; Targeted rate (District-wide); and Commercial differential	N/A	Primary benefits is the businesses and then residents in each town, with some District-wide benefit	No variation: Loan funded with interest recovered through the identified mechanisms	Not envisaged
	c	Roads	41:59	Targeted rate (District-wide)	Extension of the roading network through subdivision is funded by the developer	District-wide benefit, property-related, with substantial central government subsidy. Roading is a significant activity warranting a separately disclosed rate	Funding of other new roads or upgrades (other than the normal seal extension programme) to be determined by Council on a case-by-case basis following consultation with affected communities. Minor safety works are funded by subsidy with any remaining balance from the Roading Rate	Not envisaged

<sup>23</sup> Apart from review of share from user charges or central government grants and subsidies

	Group	Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for capital	Variation projected after 2009/10 <sup>24</sup>
7	<b>RUBBISH AND RECYCLING</b>							
	a	Waste management						Transition from three different mechanisms to 70% Uniform targeted rate for solid waste and 30% Waste transfer station fees
		<i>Waste transfer stations</i>	45:55 to 55:45	Uniform targeted rate for solid waste	User charges	Users of the facilities benefit – but so does every resident in the District as a whole in terms of health and tidiness of the environment	To be determined by Council on a case-by-case basis following consultation with affected communities	Not envisaged
		<i>Closed landfills</i>	100:0	Uniform targeted rate for solid waste	N/A	There are no current users – benefit is primarily related to the individual rather than the property	N/A	Not envisaged
		<i>Town litter control</i>	100:0	50% Targeted Community Services rate; 30% Targeted rate (District-wide); and 20% Commercial differential	N/A	Primary benefits is the businesses and then residents in each town, with some District-wide benefit	N/A	Not envisaged
	b	Waste minimisation	100:0	Uniform targeted rate for Solid Waste	N/A	There is an equal benefit to each resident in the District	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged

	Group	Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for capital	Variation projected after 2009/10 <sup>25</sup>
8	<b>STORMWATER</b>							
			100:0	Cap to remain (set at \$210 for 2009/10). Any shortfall in scheme income to be met one-third from the UAC on rural ratepayers and two-thirds from the General rate on urban ratepayers based on capital value		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 stormwater schemes	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged
9	<b>WASTEWATER</b>							
			75:25 to 85:15	Cap to remain (set at \$550 for 2009/10). Any shortfall in scheme income to be met one-third from the UAC on rural ratepayers and two-thirds from the General rate on urban ratepayers based on capital value	User charges (through the Trade Waste Bylaw)	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	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged

<sup>25</sup> Apart from review of share from user charges or central government grants and subsidies

	Group	Activity	Funding split public: private	Public mechanism	Private mechanism	Rationale for funding mechanisms	Variation for capital	Variation projected after 2009/10 <sup>26</sup>
10	WATER							
	a	Potable water (town reticulation schemes)	90:10 to 100:0	Cap to remain (set at \$580 for 2009/10), but not applicable to metered supply. Any shortfall in scheme income to be met one-third from the UAC on rural ratepayers and two-thirds from the General rate on urban ratepayers based on capital value	User charges (bulk sales)	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	To be determined by Council on a case-by-case basis, following consultation with affected communities	Not envisaged
		<i>Taihape</i>		Targeted rate (with cap)				
		<i>Mangaweka</i>		Metered supply <sup>27</sup>				
		<i>Huntermville</i>		Metered supply <sup>28</sup>				
		<i>Marton</i>		Targeted rate (with cap)				
		<i>Rātana</i>		Targeted rate (with cap)				
		<i>Bulls</i>		Metered supply				
	b	Non-potable water (rural supply schemes)	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
		<i>Erewhon</i>						
		<i>Omatane</i>						
		<i>Putorino</i>						
		<i>Huntermville</i>						

<sup>26</sup> Apart from review of share from user charges or central government grants and subsidies

<sup>27</sup> Cost to individual users may exceed cap

<sup>28</sup> Apart from review of share from user charges or central government grants and subsidies

## Liability management policy

The Council borrows as it considers appropriate and exercises its flexible and diversified borrowing powers pursuant to the Local Government Act 2002. Council may delegate any of its responsibilities, duties or powers noted in this policy in accordance with clause 32(1) of Schedule 7, Local Government Act 2002.

Council approves, by resolution, the borrowing requirement for each financial year during the annual planning process. A resolution of Council is not required for hire purchase, leased, credit or deferred purchase of goods if:

- > The period of indebtedness is less than 91 days; or
- > The goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council.<sup>29</sup>

The arrangement of precise terms and conditions of borrowing is delegated to the Finance Leader.

Overall, the Council raises debt for the following primary purposes:

- > General debt to fund Council's capital works being primarily infrastructural assets (which generally have long economic lives and long-term benefits);
- > Short-term debt to manage timing differences between cash inflows and outflows and to maintain Council's liquidity;
- > Borrowing through hire purchase, credit, deferred payment or lease arrangements in the ordinary course of Council business;

The use of debt is seen as an appropriate and efficient mechanism for promoting inter-generational equity between current and future ratepayers in relation to such assets. Council does not borrow to fund investment activity.

Section 113 of the Local Government Act 2002 prohibits the Council from entering into loan arrangements denominated in any foreign currency. All the approved instruments in Appendix 1 of this policy cannot be used in any currency except for the New Zealand dollar.

## BORROWING LIMITS

In managing debt, Council will adhere to the following limits:

- > total interest expense on net external debt will not exceed 15% of total annual rates income; or
- > ratio of net external debt to annual rates income will not exceed 150%; or
- > net external debt per capita will not exceed \$1,400;
- > repayment of loans over a 10-30 year period depending on the characteristics of the asset(s);
- > whichever is the lowest.

In addition, Council will retain on short-term investments at least sufficient to cover one month's operations plus a further \$1 million cover for emergency work.

## BORROWING MECHANISM

The Council is able to borrow through a variety of market mechanisms including issuing stock and direct bank borrowing. Refer definitions of approved borrowing instruments in Appendix 2 of the Investment Policy.

In evaluating strategies for new borrowing (in relation to source, term, size, and pricing) the Council requires the Finance Leader to take into account the following:

- > the size and economic life of the project/asset;
- > the impact of new debt on borrowing limits;
- > consistency with the Long Term Council Community Plan;
- > relevant margins and total cost under each borrowing source;
- > Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time;
- > the market's outlook on future interest rate movements as well as its own;
- > prevailing interest rates relative to term for both loan stock issuance and bank borrowing;
- > available terms from banks and loan stock issuance;
- > opportunities within the sector for collaborative bond issues or similar;
- > legal documentation and financial covenants.

<sup>29</sup> This provision aligns with the requirements of the Local Government Act 2002, section 112 – borrowing – (c)

The Finance Leader uses the internal loan portfolio as an input into determining the Council's external debt requirements. Where possible, the Council's reserves are used to reduce external debt, effectively reducing the Council's net interest cost.

#### LIQUIDITY AND CREDIT RISK MANAGEMENT

Liquidity risk management refers to the timely availability of funds to the Council when needed, without incurring penalty costs. The Council minimises its liquidity risk by:

- > enhancing its cashflows through encouraging ratepayers to pay rates early by offering discounts.
- > matching operational and capital expenditure closely to its revenue streams and managing cashflow-timing differences to its favour;
- > maintaining its financial investments in liquid instruments;
- > maintaining a committed overdraft facility with its relationship bank;
- > avoiding concentration of debt maturity dates by minimising the risk of large concentrations of debt and facilities maturing or being reissued in periods where credit margins are high for reasons within or beyond the Council's control. The Council ensures debt is spread over a band of maturities and ensures that, no more than 33% or \$6 million (whichever is the highest) of total borrowing is subject to refinancing in any financial year. Total borrowing includes forecast borrowing.

#### INTERNAL BORROWING

The Finance Leader is responsible for administering the Council's internal loan portfolio. Loans are set up within the portfolio based on planned capital or operational expenditure as approved by a Council resolution as part of the Annual Plan/LTCCP.

The primary objective in funding internally is to use specific reserves effectively, by establishing an internal loan portfolio that provides funding to internal activity centres. This creates operational efficiencies as savings are created by eliminating the 'bankers margin' that would be owing through Council simultaneously investing and borrowing with the bank. The available reserve funds may be used for internal borrowing purposes.

The following operational parameters apply to the management of Council's internal loan portfolio:

All internal borrowing activities are consistent with the principles and parameters outlined throughout the Liability Management and Investment Policy;

- > The Council firstly seeks to utilise internal reserve funds and if insufficient reserves are available utilises external debt;
- > The Council seeks to match the term of its interest rate profile on borrowing and investment activities to its internal lending activities;
- > A notional internal loan is set up for all new capital or operational expenditure purposes and allocated in the internal loan portfolio to the activity centre incurring the obligation;
- > Interest received is allocated into the general account and offset against general rate requirements.

Finance has the ability to reset interest rates on a quarterly basis.

For operational lending the following specific parameters apply:

- > The term of the loan is limited to a maximum of one year with the loan to be fully repaid by the second anniversary of the loan;
- > Interest is set on all balances (surplus and deficit) at the 90-Day Reuters BKBM FRA Rate at the beginning of the calendar quarter. If external debt is used the weighted average 90 day interest rate (including any credit margin) is used;
- > Interest is paid quarterly in arrears.

For capital lending the following specific parameters apply:

- > The Council approves lending for capital purposes through the Annual Plan/LTCCP. These are ratified by the Council subsequent to the Annual Plan being approved. Any expenditure less than \$50,000 in the Annual Plan/LTCCP does not require subsequent ratification;
- > The term of the loan is limited to a maximum of 3 years providing the loan is no greater than the original purpose of the reserve;
- > Principal and interest instalment amounts are agreed on establishment of the loan and determined on a table mortgage basis;
- > Instalment amounts are paid quarterly in arrears;
- > The interest rate is fixed based on the 3-year Swap Mid Rate, or a weighted average 3-year interest rate (including any credit margin) if external debt is utilised.

## INTEREST RATE RISK MANAGEMENT

Interest rate risk refers to the impact that movements in interest rates can have on the Council's cashflows. The Council's borrowing gives rise to direct exposure to interest rate movements.

The Finance Leader determines an interest rate risk management strategy by monitoring the interest rate markets on a regular basis and evaluating the outlook for short term rates in comparison to the rates payable on the Council's fixed rate borrowing. An appropriate hedged/floating rate mix is approved by the Chief Executive every six months.

Generally, given the long-term nature of the Council's assets, intergenerational factors and the Council's preference to avoid an adverse impact on rates, there is a general tendency to have a higher percentage of long- term fixed rate or hedged borrowing.

Notwithstanding the above, it may be appropriate from time to time, depending on the Council's outlook on interest rates, to have a floating rate profile (any debt or interest rate risk management instrument where interest rates are being reset on a frequency less than 180 days).

The Chief Executive can approve (following recommendation from the Finance Leader) up to 30% of total external debt to have a floating rate profile.

The Council seeks to match the term of its interest rate profile on borrowing and investment activities to its internal lending activities.

The Council is also exposed to yield re-pricing risk on the maturing of existing fixed rate borrowing that is refinanced, as well as issue yield risk on planned new external debt. The Council manages this risk by spreading its debt maturities as outlined above.

The Finance Leader implements the approved interest rate risk management strategy through the following:

Using interest rate risk management instruments to convert fixed rate borrowing into floating rate borrowing or hedged borrowing, and floating rate borrowing into fixed or hedged borrowing.

The Council approves the use of interest rate risk management instruments. A current list of approved interest rate risk management instruments with appropriate definitions is included in Appendix 1 of the Investment Policy.

Additions to and deletions from this list are recommended by the Finance Leader and approved by the Council.

## SECURITY

The Council generally does not offer assets other than a charge over rates or rate revenue as security for general borrowing programmes. Security is granted over the rating income of the Council as governed by the Debenture dated 9 November 1998 between the Council and Perpetual Trust Limited. Pursuant to section 116 of the Local Government Act 2002, a register of securities is available for inspection at the Council Offices, 46 High Street, Marton.

## REPAYMENT

The Council repays borrowings from general funds or from the specific sinking fund allocated to that borrowing.

## Investment policy

The Council's philosophy in the management of investments is to optimise returns in the long term while balancing risk and return considerations. The Council recognises that, as a responsible public authority, any investments that it does hold should be low risk. It also recognises that lower risk generally means lower returns. It is noted that the Council may have very good reasons, other than financial, for investing in Council Controlled Organisations and other organisations. The Council manages a portfolio of investments comprising equity investments, property, forestry, loans and advances, and financial investments. Council may delegate any of its responsibilities, duties or powers noted in this policy in accordance with clause 32(1) of Schedule 7, Local Government Act 2002.

## ACQUIRING NEW INVESTMENTS

The acquisition of new investments is a Council decision. The acquisition of Equity, Forestry Investments, Property Investments and Community Loans and Advances is by way of a Council resolution after receiving a report under the Council approved report format. This report will provide advice on the risks involved, the returns on investment and also the significance of the decision. The Finance Leader will make investments in banks and corporate bonds with delegated authority from the Chief Executive.

### INVESTMENT MIX

The Council maintains investments in the following assets:

- > Equity investments and other shareholdings;
- > Property investments incorporating land, buildings and a portfolio of ground leases;
- > Forestry investments;
- > Community loans and advances;
- > Financial investments incorporating longer term and liquidity investments.

In considering whether to make a new investment, the Council will consider the proportion of its funds that it will invest in the various categories. The following table provides the guidelines:

Investment Category	Proportion of total funds invested
Equity Investments <sup>30</sup>	Up to 10%
Forestry <sup>31</sup>	Up to 5%
Community Loans	Up to 15%
Property Investments <sup>32</sup>	Up to 20%
Bank Investments	Up to 100%
Corporate Bonds and/or Local Government Stock	Up to 50%

Council does not invest in foreign currency.

### EQUITY INVESTMENTS

Council believes it may be appropriate to have limited investment in equity (shares) when Council wishes to invest in equities for strategic, economic development or social reasons.

Council will approve equity investments on a case-by-case basis, if and when they arise.

Generally such investments will be in (but not limited to) infrastructural companies and/or local government joint ventures (including Council Controlled Trading Organisations) to further District or regional economic development. Council does not invest in overseas companies.

Refer also to Council's Policy on "Partnerships with the Private Sector".

The Council's investments in such assets fulfil various strategic, economic development, social and financial objectives as outlined in the Council's long term council community plan.

The Council reviews performance of these investments as part of the annual planning process to ensure that their stated objectives are being achieved.

The Finance Leader will monitor and report all share prices on a quarterly basis to the Council.

Any disposition of these investments if the market value exceeds \$50,000 (requires approval by the Council) For investments equal to or less than \$50,000, the decision is made by the Finance Leader and the Chief Executive. Acquisition of new equity investments requires Council approval. The Council decides on the allocation of proceeds from the disposition of equity investments on a case-by-case basis.

All income, including dividends, from the Council's equity investments is included in general revenues in the Statement of Financial Performance.

### PROPERTY INVESTMENTS

Investments in property fall into three classes:

(i) *Leased property*

The types of assets that the Council invests in on a commercial basis could include residential housing, commercial /industrial property and/or farmland. Council will seek professional advice before purchasing any land for investment purposes.

(ii) *Land subdivision*

The Council may facilitate or partake in property development or subdivision where a clear economic benefit is perceived to benefit the District Ratepayers.

<sup>30</sup> Equity Investments excludes those investments that are not held for Strategic or Economic Development reasons.

<sup>31</sup> Forestry includes only Forestry held purely for investment purposes, i.e. forestry held for the purposes set out in numbers 1 and 2 of the section on Forestry Investments is not included in this measure.

<sup>32</sup> Property excludes property held for operational purposes.

*(iii) Non-commercial properties*

Currently the Council holds buildings such as halls, libraries and administration buildings for non-commercial purposes and as such does not get a market return on them or make fully adequate provision for their eventual replacement.

It also holds a number of flats let out to predominantly elderly persons in the Rangitikei District on a non-profit basis sufficient to cover operational and longer-term maintenance. Council has identified those properties that are held for strategic purposes and schedules of these are available.

Through the Long-Term Council Community Planning process the Council reviews property ownership by assessing the benefits of continued ownership in comparison to other arrangements that could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services. Surplus property in relation to this criterion is disposed of.

All Council property, which is surplus to requirements, is available for sale.

For all property disposals that have been approved by Council, the Chief Executive may accept any offer for purchase that is over the rateable value of the property if that rateable value is less than \$100,000. For property sales over \$100,000 (or for property in class (i) and (ii)) an independent valuation should be sought as a benchmark for offers and rewards. Council approval is required for property sales where the offer price is less than rateable value or (for class (i) and (ii) and class (iii) properties over \$100,000) the independent valuation.

Proceeds from the disposition of property investments form part of the Council's general funds. Any gains or losses on sale are included as general revenues or expenditure in the Statement of Financial Performance.

All income, including rentals and ground rent from property investments, is included in property activity in the Statement of Financial Performance.

**FORESTRY INVESTMENT**

The Council has a number of small forestry holdings throughout the District. These holdings are situated on land that:

1. is used as part of other activities such as water catchment areas, landfills, and road stabilisation;

2. was used for other activities and is no longer required for the original purpose and cannot be disposed of; or
3. is purely for investment purposes.

All forestry assets are held as long-term investments on the basis of their net annual positive discounted cashflows, factoring in projected market prices, annual maintenance, and felling costs.

All forestry assets are held to maturity. Council is aware that this will require significant upgrade of some roads to enable the harvest to occur. The Council reviews the use of the land thereafter for commercial or strategic purposes.

Proceeds from the disposition of forestry investments form part of the Council's general funds unless the forestry was planted on a reserve under the Reserves Act, in which case the proceeds must be spent on reserves within the District. Any gains or losses on sale are included as general revenue or expenditure in the Statement of Financial Performance.

**INVESTMENTS IN COMMUNITY PROJECTS**

At various times groups within the community request loans, advances or guarantees for projects that will be of benefit to a significant proportion of the community. As these investments are with groups that the Council would not normally invest with. The Council needs to debate the suitability of any loan application. During this process Councillors pay particular regard to the ability of the applicant to service the debt and repay principal.

The Council will be responsible for authorising any such loans, advances or guarantees.

**LOANS AND ADVANCES**

From time to time, the Council makes loans to other parties. All loans are secured and all loan advances are reviewed as part of the annual planning process to ensure that interest and principal repayments are made in accordance with the loan agreement.

**FINANCIAL INVESTMENTS**

The Council maintains financial investments for the following primary reasons:

- > Invest surplus cash and working capital funds.
- > Invest amounts allocated to special funds (e.g. Flood Damage Reserve) and general reserves.

- > Proceeds from the sale of assets are invested in long-term investments or internally lent to activity centres.
  - > The Council seeks to maintain the purchasing power of these funds and accordingly inflation indexes the investment on an annual basis. The fund value is preserved on a yearly basis by reference to the change in Statistics New Zealand “All Group Consumer Price Index”. Income earned from investments is utilised firstly to preserve the value of the fund then allocated to the general account and offset against rate requirements.
- The Council invests other reserve and special fund accounts as set up by a Council resolution, in liquid and strongly-rated investments or internally lends to activity centres. These reserve and special fund investments must be accounted for separately but may be invested in total as governed by the Financial Investment Objectives.

### FINANCIAL INVESTMENT OBJECTIVES

The Council's primary objective when investing is the protection of its investment. Accordingly, only creditworthy counter-parties are acceptable. Creditworthy counter-parties are selected on the basis of their current Standard and Poors (S&P) rating that must be strong or better. Credit risk is minimised by placing maximum limits for each class of issuer and by limiting investments to registered bank investments, strongly rated corporates and government securities.

#### DEFINITIONS FOR APPROVED FINANCIAL INVESTMENT INSTRUMENTS ARE:

Authorised Asset Class	Overall Limit as Percentage of total Portfolio	Approved financial Market Investment instruments	Credit Rating Criteria (Standard and Poors)	Individual Issuers Limits
New Zealand Government or Government Guaranteed	100%	> Government Stock > Treasury Bills	N/A	Unlimited
Local Authorities with a credit rating or where rates are used as security	50%	> Commercial Paper > Fixed Rate Bonds/ Floating rate Notes	N/A	\$2 million
New Zealand Registered Banks	100%	> Deposits > Fixed Rate Bonds/ Floating rate Notes	S&P ratings A+, A1 or better	\$5 million
State Owned Enterprises	50%	> Commercial Paper > Fixed Rate Bonds/ Floating rate Notes	S&P rating of BBB+, A2 or better	\$2 million
Corporates	50%	> Commercial Paper > Fixed Rate Bonds/ Floating rate Notes	S&P rating of A, A1 or better	\$2 million

The Finance Leader monitors credit ratings on a six-monthly basis from updated S&P advices. If any counter-party's credit rating falls below the minimum specified in the above table, exceptions are reported to the Council for approval which will then determine the most appropriate course of action.

It may be necessary to make decisions within a short time frame regarding the liquidation of investments prior to maturity. This is in order to take advantage of specific situations that may occur in the financial markets. Such decisions are made by the Finance Leader and the Chief Executive for investments less than or equal to \$2 million, and by the Council for investments greater than \$2 million.

Liquidity risk is minimised by ensuring that all investments must be capable of being liquidated in a readily available secondary market. Furthermore, the Council manages its liquidity risk through the following parameters.

Term	Minimum	Maximum
0 - 3 months	15%	40%
3 - 6 months	10%	60%
6 months to 2 years	10%	60%

Within the above credit limits, the Council also seeks to:

- > maximise investment return;
- > ensure investments are liquid; and
- > minimise potential capital losses due to interest rate movements if investments need to be liquidated before maturity.

Normally financial investments are held to maturity date. Where investments are liquidated prior to maturity, approval is obtained from the Council

Reserve and Special Fund monies must be separately accounted for but may be invested in total.

#### PROCEEDS FROM DISPOSITION AND DISPOSITION OF REVENUE

Proceeds from the disposition of financial investments are used for operational expenditure purposes or for the purpose for which they have been established. Interest income from financial investments is credited to general funds, except for income from investments for special funds where interest is credited to the

particular fund. All income is included in sundry revenues in the Statement of Financial Performance.

#### INTEREST RATE RISK MANAGEMENT

After evaluating the costs/benefits of using risk management instruments as well as considering the types of financial investments it generally holds (mainly call and term deposits), the Council does not intend to use interest rate risk management instruments for financial investments. This policy of non-usage is reviewed as part of the annual planning process.

#### SINKING FUNDS

The Council is not required to use specific funding mechanisms and accordingly the Council does not establish sinking funds for new borrowing. Established sinking funds are wound down as loans mature or are used to repay existing borrowing at the earliest opportunity. Appointed commissioners, in a manner consistent with the Council's investment policy, manage remaining sinking funds. The sinking fund commissioners prepare a statement of sinking funds annually.

#### CASH MANAGEMENT

From time to time, the Council has short-term cash-flow surpluses and borrowing requirements due to the mismatch of receipts and payments. All cash inflows and expenses pass through the main bank account controlled by the finance function.

The Management Accountant compiles daily transaction logs and bank statement reconciliations from the ANZ Direct system. A monthly cash position report is produced. Generally any cash to be invested for longer than three months is covered by the section on Financial Investments.

Cash Management policy deals with the net balance in the Council's main bank account with its principal banker. Cash management activities must be undertaken within the following parameters, limiting the cash management instruments to:

- > Call deposits with registered banks.
- > Registered certificates of deposit with a maturity less than three months.
- > Term Deposits (less than three months) with registered banks. Not recommended if early break penalties are enforced.

- > Cash may only be invested with registered banks within the limits detailed above.
- > A target balance of \$20,000 is aimed for in the main bank account, with surplus funds invested in approved cash management instruments.
- > Council has a committed \$50,000 overdraft facility with the ANZ Bank. Overdraft facilities are utilised as little as possible.

The use of interest rate risk management instruments on cash management balances is not permitted.

#### POLICY SETTING AND MANAGEMENT

The Council approves policy parameters in relation to its investment and borrowing activities. Council's Chief Executive has overall responsibility for the operations of Council. The Finance Leader has financial management responsibility over Council's borrowing and investments. The Property Manager undertakes operational management of Council's property investments.

ACTIVITY	Primary responsibilities allocated to:
Approve policy document	Council
Alter policy document	Council
Open/close bank accounts	Chief Executive
Acquisition and disposition of investments (other than financial investments and Equity Investments less than or equal to \$50,000)	Council
Approval of borrowing programme for the year	Council
Approval for charging assets as security over borrowing	Council
Approve new loans in accordance with Council resolution	Chief Executive
Debt negotiations in relation to interest rate, term and maturity date	Finance Leader
Approved cheque signatories	As per register approved by the Chief Executive
Borrowing management	Chief Executive (approve strategy)
Finance Leader (recommend strategy)	Management Accountant (execute strategy)
Approve interest rate risk management instruments	Council
Financial investment management	Chief Executive (approve strategy)
Finance Leader (recommend strategy)	Management Accountant (execute strategy)
Cash management	Management Accountant

## REPORTING

Each quarter the Council shall be provided with a Treasury Management Report, which includes:

- > A breakdown of investments by type and/or by institution.
- > A report on the performance of investments including investments in land, buildings, leases and forestry.
- > A report on total borrowing (both external and internal).

## PERFORMANCE MONITORING

Measuring the effectiveness of the Council's treasury activities is achieved through a mixture of subjective and objective measures. The predominant subjective measure is the overall quality of treasury management information. The Council has prime responsibility for determining the overall quality of this information. Objective measures are as follows:

### Borrowing Management

- > Adherence to policy and in particular the borrowing limits outlined.

### Investment Management

- > The Financial Investments portion of the portfolio shall be benchmarked against appropriate external reference rates (i.e. the Official Cash rate and the 90 Day Bill Rate).
- > The benchmark to be reviewed annually by the Chief Executive. No benchmark is required if Financial Instruments investments total less than \$5 million.

### Cash Management

- > Adherence to policy.

Each quarter, performance is reported in the Treasury Management Report to the Council.

## Appendix 1:

### APPROVED INTEREST RATE RISK MANAGEMENT INSTRUMENTS

#### 1. Borrowing Instruments:

The following interest rate risk management instruments are available following approval by the Finance Committee and are consistent with the Borrowing Policy:

- > Fixing through physical borrowing instruments e.g. loan stock, bank term loan;
- > Floating through physical borrowing instruments, e.g. short term revolving stock and bank borrowing;
- > Forward rate agreements;
- > Interest rate swaps;
- > Purchase of interest rate option products including caps;
- > Interest rate collar type option strategies.

#### 2. Definitions:

*BKBM* - the Bank Bill Mid Market settlement rate as determined at 10:45am each business day on Reuters page BKBM. This is the standard rate for the settlement of interest rate swaps, forward rate agreements and interest rate floors, caps and collars.

*Forward Rate Agreement (FRA)* - an agreement between Council and a counterparty (usually a bank) protecting Council against a future adverse interest rate movement for a specified period of time. The Council and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark rate (usually BKBM).

For a borrower, this product is particularly useful where the underlying exposure is certain and Council's dominant view is that yields will rise above current levels.

*Interest Rate Options* - the purchase of an interest rate option gives the holder (in return for the payment of a premium) the right but not the obligation to invest (described as a floor) or borrow (described as a cap) at a future date for a specified period. The Council and the counter-party agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark rate (usually BKBM). Interest rate option products include caps, floors and swaptions.

From a borrower's perspective, these products offer the Council maximum flexibility, protecting the Council from a rise in rates while allowing full participation in a fall in rates. This product is used where either there is some uncertainty in the underlying exposure or the outlook for interest rates is favourable but the policy requires some form of protection.

*Interest Rate Collar Strategy* - the combined purchase (sale) of a floor or cap with the sale (purchase) of another floor or cap. This can be a zero premium cost strategy. See the interest rate option for further details.

Both an investor and a borrower can use this product.

From a borrower's perspective, this product is transacted to provide a limited amount of participation in a downward movement in interest rates to an agreed strike rate. If the interest rate continues to move downwards, the Council cannot participate in any movement beyond the strike rate. If interest rates move in an unfavourable direction (upwards) then the predetermined strike rate provides certainty through a known worst-case rate.

This product outperforms the forward rate agreement if rates fall but under performs if rates rise. A borrower, for known exposures, would use this product where the interest rate is expected to decline moderately from current levels.

*Interest Rate Swap* - an interest rate swap is an agreement between Council and a counter-party (usually a bank) whereby Council pays (or receives) a fixed interest rate and receives (or pays) a floating interest rate. The parties to the contract agree notional principal; start date of the contract, term of the contract, interest rate and the benchmark rate (usually BKBM).

This product is particularly useful where the underlying exposure is certain and the Council's dominant view is that interest rates will rise above current levels.

*Swaption* - The purchase of a swaption gives Council the right but not the obligation to enter into an interest rate swap, at a future date, at a specific interest rate.

## Appendix 2:

### APPROVED BORROWING INSTRUMENTS

#### 1. Bank Sourced Borrowing

##### 1.1 Overdraft

Overdraft facilities are calculated on a simple interest basis with interest calculated daily and paid in arrears. Overdraft facilities are usually for a term of up to one year and are priced off the bank's indicator rate. Most borrowers use these facilities to borrow on an overnight basis

#### Costs

The lending bank sets the indicator rate (which includes a credit margin) at the time of lending along with a line fee (expressed in basis points or percentage per annum). This rate is usually set for the term of the facility.

##### 1.2 Committed Bank Facilities

Committed bank facilities are calculated on a simple interest basis with interest paid in arrears. Committed bank facilities are usually for a term of up to three years but may be for as long as five years. Most facilities allow for the borrower to draw up to the facility amount in various portions of debt and for various terms out to the maturity date of the facility.

#### Costs

The lending bank sets the BKBM rate at the time of lending along with the line fee (expressed in basis points or percentage per annum) and credit margin. This rate generally re-prices on a 90-day basis.

#### 2. Local Authority Sourced Borrowing

Local Authority stock is registered and issued, via tender or private placement to a range of investors. Stock is usually issued for maturities ranging from one to 10 years. A fixed coupon payment determined at the outset is made semi-annually to the holder of the security.

## Policy on development contributions or financial contributions

The Council's present policy is to not require development contributions.

Sections 197-211 of the Local Government Act 2002 introduced a regime enabling the territorial authority to charge development contributions when a resource consent or building consent is issued or a service connection is required. Development contributions are only intended to be required to meet the cost of capital expenditure required as a result of growth.

The District is not experiencing population growth. Thus, there is no capital expenditure proposed in the LTCCP to meet increased demand for community facilities resulting from growth.

However, specific growth in some areas may need additional capital expenditure. The District Plan provides for financial contributions.

Typically these are limited to the cost of physical infrastructure necessary to serve an approved subdivision. The Council's District Plan does not require land or cash for reserves. The Council's District Plan can be viewed at the Council offices in Marton and Taihape, its libraries, and on the Council web site [www.rangitikei.govt.nz](http://www.rangitikei.govt.nz).

## Policy on partnerships between the local authority and the private sector

The objective of this policy is to enable the Council to enter into partnerships with the private sector where there is a potential benefit for the present and future well-being of the community in the Rangitikei District.

In terms of this policy, "private sector" means any company either privately or publicly owned or any other entity that engages in business for profit.

Community Trusts, Charitable Trusts, Not-for-profit Incorporated Societies and other not-for-profit community groups (clubs and associations) are not regarded as private sector organisations for the purposes of this policy.

"Partnering" defined under contracts for the supply of any goods or services is also excluded from the definition of public private partnerships. Likewise, arrangements or agreements between local authorities (and their council organisations) are excluded.<sup>33</sup>

### 1. Circumstances where Council will provide funding or other resources to any form of partnership with the private sector:

- > There is a clear present and future benefit to the community over the long term in financial, social, cultural or environmental terms; or
- > A need that the partnership will satisfy has been defined in measurable output terms; or
- > The partnership will contribute to Council's strategic objectives; or
- > The public sector is unwilling or unable to provide sufficient resources for the achievement of these outcomes without private sector support.

In all cases, the present and future financial, social, cultural and economic benefits to the District of such a partnership must exceed the costs and it is Council's ultimate discretion as to whether to enter into a partnership with the private sector.

### 2. What consultation the Council will undertake in respect to any proposal to provide funding or other resources in such a case:

- > The Council will always consult on a proposal for a partnership with the private sector through the Special Consultative Procedure.
- > The Council will endeavour where possible to do this through the Annual Plan or Long Term Council Community Plan process.

### 3. What conditions the Council will impose before providing funding or resources in such a case:

- > The private sector partner must agree to meet the performance standards set by the Council.
- > Constructed physical assets shall either remain the assets of Council or shall be transferred to Council at the end of the agreement.
- > The Council must be granted security to the level of its investment over any assets of the partnership.

### 4. How risks associated with providing funding or resources be assessed and managed in such a case:

- > The risks will be assessed in terms of the Council's existing risk management strategy which covers:
  - > safety,
  - > reputational risk [to the Council],
  - > financial risk,
  - > risk to the capacity of the Council to carry out its functions,
  - > property risk,
  - > intellectual property risk
  - > environmental risk, and
  - > risk of any other potential loss.
- > Risk will be assessed using the methods in the AS/NZS 4360 (or successor standard) as used in the Council's existing risk assessments.
- > The Council will manage the risks associated with partnerships with the private sector through the monitoring and reporting processes described below.

### 5. Outline of monitoring and reporting processes for provision of funding and/or resources:

- > The Council will develop a set of measurable and auditable indicators for each partnership and will identify at this time those community outcomes to which the partnership is intended to contribute.

<sup>33</sup> This provision aligns with section 107(2) of the Local Government Act 2002.

- > A formal report to the Council will be produced for each partnership on a not less than six-monthly basis (to be agreed on between the parties). The report will detail progress towards the intended results of the partnership, the financial performance and the risk management process.
- > These reports and audited annual reports will be reported to the Council.
- > The partnership reporting will be managed in the same fashion as all other Council activities and will meet the requirements of all other Local Government reporting.

**6. Outline of how the Council will assess, monitor, and report on the extent to which community outcomes are being furthered by the provision of this funding and/or resources:**

- > Council acknowledges that it may often be hard to demonstrate a link between the performance of a partnership and how much progress this means towards a community outcome.
- > In its reporting on the progress to achieving community outcomes, both that required by the Local Government Act 2002 and any additional reporting, the Council will have regard to the intended contribution from its partnerships.

## Rates remission policy

This policy remits rates under six specific objectives and criteria:

1. Development
2. Community, sporting and other not-for-profit organisations
3. Multiple toilet pans
4. Penalties
5. Land affected by natural calamity
6. Land protected for natural conservation purposes

This policy is in addition to the statutory provisions for fully non-rateable land provided in Schedule 1 of the Local Government Act 2002.

### 1. Rates Relief for development

#### *Objective*

To assist the economic development of the Rangitikei and to increase the variety of goods and services able to be obtained in the Rangitikei.

#### *Conditions and criteria*

As provided by section 85 of the Local Government (Rating) Act 2002, the Council will consider the remittance of rates (other than Uniform Annual Charges) to any business or businesses that wish to establish and operate as a business which in the view of the Council:

- > is a new type of business or a type of business which does not compete with any existing business within a recognised zone or area; and
- > operates from premises, which are regarded as commercial, i.e. as distinct from residential.

### 2. Rates remissions for Community, Sporting and other Not-For-Profit Organisations

#### *Objective*

To facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities for the residents of the Rangitikei District.

#### *Conditions and criteria*

This part of the policy applies to land owned or occupied by a charitable organisation, (by or in trust for any society or association of persons, whether incorporated or not) which is used exclusively for the free maintenance and relief<sup>34</sup> of persons in need<sup>35</sup>, or provides welfare, sporting, recreation, or community services. The policy does not apply to organisations operated for private pecuniary profit.

#### *Full Remission*

To qualify, land -

- > must be owned by an organisation, whose object or principal object is to promote generally the arts or any purpose of recreation, cultural, health, education, or instruction for the benefit of all the residents or any group or groups of residents of the District; and
- > does not fit within the definition of non-rateable land under schedule 1 of the Local Government (Rating) Act 2002; but
- > excludes land in respect to which a club licence under the Sale of Liquor Act 1989 is for the time being in force.

<sup>34</sup> An Institution will be treated as carried on for the free maintenance and relief of the persons to whom this clause applies if; (a), those persons are admitted to the institution regardless of their ability to pay for the maintenance or relief; and (b) no charge is made to those persons or any other persons if payment of the charge would cause those persons to suffer hardship.

<sup>35</sup> Persons in need are defined as persons in New Zealand, who need care, support, or assistance because they are orphaned, aged, infirm, disabled, sick or needy.

*The Council will grant the following rates remission:*

- > 100% on all rates other than rates for utility services.
- > 50% on rates for utility services (water supply, sewage disposal, and stormwater).

#### *Partial Remission*

To those organisations in respect to which a club licence under the Sale of Liquor Act 1989 is for the time being in force the council will grant the following rates remission.

- > A remission of 75% on all rates other than rates for utility services.

#### *Application Information*

Organisations making application for the first time must include the following in their application:

- > statement of objectives or charter document; and
- > financial accounts; and
- > information on activities and programmes; and
- > details of membership or clients; and
- > any other information that supports the application in relation to the eligibility criteria

### **3. Remission of rates set on Multiple Toilet Pans**

#### *Objective*

To recognise that many properties with multiple toilet pans are not fully utilised and offer some relief to those rating units so affected.

#### *Conditions and criteria*

Where the Council has set a rate per number of water closet and urinals (toilet pans) within the rating unit or part of the rating unit the Council will remit the rate according to the following formula:

- > The first two pans will receive only one charge
- > 3-10 toilet pans: 50% of the value of the Fixed Annual Charge for each pan
- > 11+ toilet pans: 75% of the value of the Uniform Annual Charge for each pan

### **4. Remission of Penalties**

#### *Objective*

To enable the Council to act fairly and reasonably in its consideration of rates that have not been received by the Council by the Penalty date.

#### *Conditions and criteria*

- > Unless there is an element of error on the part of the Council or the Council staff, then any application for penalty remission is declined unless remitted as part of a payment plan.
- > The Finance Leader is delegated the authority to remit one instalment penalty in cases where the rate payment history of the property occupier over the last five years (or back to purchase date where property has been occupied/owned for less than five years) shows no evidence of previous late payment and the instalment was received within 10 working days of the penalty date.
- > The Finance Leader is delegated the authority to remit one instalment penalty if the owner/occupier of the property enters into a Direct Debit payment plan for the next instalment.

### **5. Remission of rates on Land Affected by Natural Calamity**

#### *Objective*

To assist ratepayers experiencing extreme financial hardship due to a natural calamity that affects their ability to pay rates.

#### *Conditions and criteria*

This part of the policy applies to a single event where erosion, subsidence, submersion, or other natural calamity has affected the use or occupation of any rating unit. The policy does not apply to erosion, subsidence, submersion, etc that may have occurred without a recognised major event.

The Council may, at its discretion, remit all or part of any rate assessed on any rating unit so affected by natural calamity.

The Council will set the criteria for remission with each event. Criteria may change depending on the severity of the event and available funding at the time. The Council may require financial or other records to be provided as part of the remission approval process.

Remissions approved under this policy do not set a precedent and will be applied only for each specific event and only to properties affected by the event.

#### 6. Rates remission on Land Protected for Natural Conservation Purposes

##### *Objective*

To provide rates relief to property owners who have voluntarily protected land of natural conservation purposes; to protect and promote significant natural areas; and to support the District Plan where a number of these features have been identified.

##### *Conditions and Criteria*

Ratepayers who own rating units which include significant natural areas, including those identified in the District Plan, and who have voluntarily protected these features, may qualify for remission of rates under this part of the policy.

Land that is non rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, wastewater or refuse collection will not qualify for remission under this part of the policy.

Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit, e.g. a copy of the covenant or other legal mechanism.

Applications for the remission will be considered by officers of the Council acting under delegated authority from the Council.

In consideration of any application for rates remission under this part of the policy, Council will consider the following criteria:

- > The extent to which the protection of significant natural areas will be promoted by granting remission of rates on the rating unit;
- > The degree to which the significant natural areas are present on the land, and
- > The degree to which the significant natural areas inhibit the economic utilisation of the land.

In granting the submissions for land protected for natural conservation purposes, the Council may specify conditions that must be met before remission is granted. Applicants will agree in writing to these conditions and agree to repay the remission if the conditions are violated.

Council will decide remissions on a case-by-case basis; remissions will usually be applied to the value of the rating unit or proportion of a rating unit that contains the areas of significant natural flora.

The Council may agree to an on-going remission in perpetuity provided the terms and conditions of the voluntary legal mechanism applying to the feature are not altered.

## Policy on the remission and postponement of rates on Māori freehold land

### 1. Introduction

The policy provides for the fair and equitable collection of rates from Māori freehold land, recognising that certain Māori-owned freehold lands have particular conditions, features, ownership structures or other circumstances determining the land as having limited rateability under legislation. This policy also acknowledges the desirability of avoiding further alienation of Māori freehold land.

Māori freehold Land is defined by section 5 of the Local Government (Rating) Act 2002 as “land whose beneficial ownership has been determined by the Māori Land Court by freehold order”. Only land that is the subject of such an order may qualify for remission under this policy.

Note: The policy applies to unsold land affected by the Māori Affairs Amendment Act 1967, which provided for Māori land owned by not more than four persons to be changed to General land. While this amendment was repealed in 1973, those blocks that had been changed remained as General land and therefore could be subject to compulsory sale to recover rate arrears.<sup>36</sup> The onus for identifying this status to the Council lies with the land owners.

## 2. Objective

The objectives of this Policy is to provide rates relief for Māori freehold land in multiple ownership and to recognise, support and take account of:

- > facilitating any wish of the owners to develop the land for economic use;
- > the presence of Waahi Tapu that may affect the use of the land for other purposes;
- > the importance of associated housing in providing Kaumātua support and enhancement for Marae;
- > the importance of the land for community goals relating to:
  - > the preservation of the natural character of the coastal environment;
  - > the protection of outstanding natural features; and
  - > the protection of significant indigenous vegetation and significant habitats of indigenous fauna.
- > matters related to the legal, physical and practical accessibility of the land;
- > land that is in and will continue to be in a natural and undeveloped state.

## 3. Conditions and Criteria

In order for a property, or part of a property to qualify for a rates remission under this policy it must meet all of the required criteria and at least one of the optional criteria:

*The required criteria are*

- > Māori Freehold land as defined in the Local Government (Rating) Act 2002, and
- > in multiple ownership, defined as two or more owners, and
- > unoccupied.

Occupation for this policy is where a person/persons do one or more of the following for their significant profit or benefit:

- > leases the land to another party, or
- > permanently resides upon the land, or
- > de-pastures or maintains livestock on the land, or
- > undertakes significant commercial operations.

Under this policy land must not be occupied as defined above unless the land and its housing is used to contribute to the Kaumātua support and enhancement of the Marae under the optional criteria below:

*The optional criteria are:*

- > Development of the land for economic use. If any land is to be developed for economic use, particularly if it will provide employment for local Māori, a rates remission will be considered. This remission will decrease in proportion to the property increased economic use through development. Plans of the development and financial projections will be required to support application under this criterion;
- > The presence of Waahi Tapu that may affect the use of the land for other purposes. A rates remission will be considered on a property or part of a property where the use of that property is affected by the presence of Waahi Tapu.
- > Where houses are in the vicinity of the Marae the Committee will consider representations for rates remissions, considering the contribution to the Kaumātua support and enhancement of the Marae;
- > Used for preservation/protection of character or coastline, outstanding natural features, significant indigenous vegetation and habitats of indigenous fauna. Applications under this criterion need to be supported by an existing Department of Conservation or Regional Council Management Plan, (e.g. in the Department of Conservation Coastal Management Plan for the area);
- > Accessibility Issues. If it is difficult to legally, physically or practically access a property, a rates remission will be considered. Examples of accessibility issues are:
  - > The property is landlocked by properties owned by other people/entities.
  - > Access is legally available by paper road or easement but the road does not exist.
  - > A road ends or passes a property but a river, ravine, cliff or other impediment prevents practical access.
- > In a natural and undeveloped state, and will continue to remain in such state. If the property is in and will remain in a natural and undeveloped state and there is no significant financial income, a rates remission will be considered.

## 4. Process of Application and Consideration for Rates Remission under this policy

*Applications*

On application to the Rangitikei District Council, consideration will be given for the remission of rates on Māori freehold land under this policy.

The application for rates remission under this policy shall include:

- > details of appropriate contacts;
- > details of property and occupancy;
- > the condition(s), as listed in Section 4 of this policy, under which the application is made;
- > any relevant information to support the application, such as historical, ancestral, cultural, archaeological, geographical or topographical information;
- > details of the financial status of the land supported by full financial statements;
- > a copy of any agreements or licenses to operate on the land; and
- > a declaration stating that the information supplied is true and correct and that any changes in circumstances during that period of rate remission will be notified to the Council.

#### **5. Consideration of Applications by Māori Land Rates Remission Committee**

All applications for rates remission under this policy shall be considered and decided upon by the Māori Land Rates Remission Committee. The Māori Land Rates Remission Committee is to consist of three Council members and three Tangata Whenua, most likely Te Roopu Ahi Kaa members.

Any decision as to whether any land or part thereof meets or continues to meet the qualifying criteria shall be made by the Māori Land Rates Remission Committee.

#### *Six Year Duration*

Any remission of rates granted under this policy will generally apply for a six-year period.

In order to align with the Council's Long Term Council Community Plan cycle all remissions will be reviewed in January 2009 and six yearly after that review.

If the use of a property changes within the period the owners will notify the Council immediately and the remission status of the property will be reviewed.

Any changes of rates remission status will be effective from the date the property use changed.

#### *Right of Appeal to Full Council*

If an applicant considers the decision of the Māori Land Rates Remission Committee is not correct they may appeal to the full Council.

#### **6. Māori Land Rates Remission Committee can consider properties without Application by Owners (i.e. Committee-generated Applications)**

If a property could apply for a rates remission but the owners have not applied for the remission, the Committee can consider the granting of a remission of rates under the criteria outlined in section 4 of this Policy.

An example of the situation where this Committee-generated application could apply is where the presence of an unregistered urupa is publicly known but an application has not been made as the owners are geographically dispersed.

#### **7. Rate and Penalty Arrears Write Off**

##### *Intention to Write Off Rate Arrears and Penalties*

For a number of landlocked properties considerable rate arrears have accrued over the past decade due to an inability of the property to sustain the rates assessed. Council intends to write off these arrears, on a case-by-case basis, once the Committee has approved a Māori land rate remission for individual properties.

##### *Committee can recommend arrears write off to Council*

When considering a Māori land rate remission the Committee is to assess any rates and penalty arrears on the property. If these arrears have resulted from the inability of the property to sustain the rates, the Committee is to recommend to Council that the arrears be written off.

#### **8. Right to change conditions and criteria**

The Council reserves the right to add to delete or alter in any way the above conditions and criteria from time to time.

When making such changes Council will follow its consultation policy and ensure affected parties are engaged in the change process.

#### **9. No postponement of rates**

Nothing in this policy is to be taken as providing or implying a policy providing for the postponement of rates on Māori freehold land.

## Summary of policy on determining significance

Council’s policy on determining significance is designed to enable and enhance local decision-making and action. It helps Council to identify and recognise issues that the community regard as significant and wish to be consulted on.

The policy has two aspects.

First, it requires Council to make a judgement on the likely impact of a decision (and thus how to apply the Council’s consultation policy) by using a threshold table:

	Significant	Not Significant
Impact on Council’s direction in terms of its strategic objectives	Major and Long term	Medium-Low
Change from Council’s current level of service	Major and Long term	Medium-Low
Level of public impact and or/interest	Major and/or District Wide	Medium-Low
Impact on Council’s capability (non cost), to continue to provide existing services	Major and Long term	Medium-Low

Second, the policy defines Council’s groups of strategic assets, i.e. what Council considers, having regard for current and future community well-being, it needs to retain to provide a District-wide service. The groups of strategic assets are:

- > Community housing
- > Road network and street lighting,
- > Wastewater networks and treatment plants in Rātana, Bulls, Marton, Hunterville, Mangaweka and Taihape
- > Water treatment, storage, and supply networks in Rātana, Bulls, Marton, Hunterville, Mangaweka and Taihape
- > Stormwater networks in Rātana, Bulls, Marton, Hunterville, Mangaweka and Taihape
- > Recreation facilities
- > District libraries
- > District cemeteries

Significant decisions in relation to strategic assets are 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.

Any decisions relating to the maintenance of an asset in accordance with the Activity Management Plan are not considered significant decisions. They are the normal business of the Council.

## Development of Māori capacity to contribute to Council decision-making

### 1. 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.

### 2. 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 Memorandum was subject to review during 2004, to bring it into line with legislative change that had occurred since its inception and to provide opportunity for further input from the signatory parties. Changes made included the recognition that Te Tiriti o Waitangi is the starting point for Iwi and Hapu to determine their relationship with the Crown, its agencies and

the Rangitikei District Council; acknowledgement of the tino rangatiratanga of each signatory Iwi and Hapu, arising from their Mana Whenua, when speaking for their respective areas; the inclusion of a representative from the Rātana community<sup>37</sup>; not dissolving the Komiti after each triennial election but requiring notification within 3 months of each election, its recommended members, and incorporating a provision for development of capacity building in decision-making with specified roles for both partners.

Additionally, Te Roopu Ahi Kaa acknowledged that there is an on-going need for capacity building and that the Komiti would bring recommendations to the Council as the need arose. It was further recommended that Council should call upon Te Roopu Ahi Kaa for its capacity building (in respect of kaupapa Māori).

All parties committed to reviewing the Memorandum of Understanding: Tutohinga at the same time as each Representation Review. This work will commence in August 2012.

### **3. Building on current strategies**

Following initial reporting to Te Roopu Ahi Kaa in July 2004, the Komiti recommended that an Induction Programme following the Elections be held for Komiti members and that they also contribute to the induction of new Council members. Following the 2007 elections, a session in the induction programme was provided for representatives of the Komiti to explain its role and outline some of its key issues.

To meet the obligations under s.81 of the Local Government 2002, the above processes have been translated into action in a variety of ways, but particularly through the development of a strategic plan for Te Roopu Ahi Kaa (first adopted in December 2006 and reviewed annually). 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.

The Council and Te Roopu Ahi Kaa expect that the strategic plan will be the principal mechanism for consolidating and extending the engagement of Māori in Council's decision-making processes. Progress with the plan is reviewed at each bi-monthly meeting of the Komiti.

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.



# OTHER INFORMATION: 10

**Introduction** || All local authorities are obliged to undertake an assessment of their water and sanitary services in accordance with Part 7 of the Local Government Act 2002. These include water supply, wastewater and stormwater disposal, public toilet facilities, cemeteries and crematoria and solid waste. The main focus of these assessments is to ensure that public health is maintained.

The intended approach for this assessment and much of the required information was included in the Council's LTCCP for 2004. The assessments of the District's water services (water supply, wastewater disposal and stormwater disposal) were adopted on 24 November 2005. In making the required assessments of sanitary services under s.125 of the Local Government Act 2002, the Council is required to consult with, and take into account, the comments of the appropriate Medical Officer of Health. These comments are reflected in the assessment of sanitary services included in this plan.

The information used in making these assessments has been compiled from a number of sources, including data collected from various Council plans, previous reports and information received from consultation with Horizons Regional Council and the Medical Officer of Health.

This information represents Council's best endeavours to provide an accurate snapshot of the District. As further consultation is undertaken there will be an opportunity to close information gaps based on feedback received from the owners and operators of the various private systems in the District.

**Summary of Assessment of Water Services** || **WATER SUPPLY:** Council owns and operates reticulated public water supplies that service the towns of Bulls, Hunterville, Mangaweka, Marton, Rātana, and Taihape. With the planned renewal and development projects, the systems are adequate to meet current and future needs. Council is committed to maintaining these supplies to the current standard. It will also investigate cost-effective options to upgrade the treatment plants in response to changes in Drinking Water Standards for New Zealand.

The quality and adequacy of the supply of drinking water available for each of the Council owned and operated reticulated public water supply is shown on the next page. It is followed by the current and estimated future demand for water services within the District.

## Quality and adequacy of drinking water for each Council owned and operated reticulated public water supply

	Treatment	DWSNZ 1993 Grading	Compliance Criteria - DWSNZ2000	Waterborne Illness Outbreaks
Bulls	Chlorination UV Disinfection Aeration Dual media rapid sand filters	Da	Did not conform to Protozoa or E.coli criteria mainly due to inadequate or insufficient sampling	x
Huntermville	Microfiltration Post Chlorination	Ed	Conformed to E.coli criteria but not the Protozoa compliance criteria	x
Mangaweka		Aa	Conformed to E.coli criteria but not the Protozoa compliance criteria	x
Marton	Coagulation Filtration Chlorination	Ua	Tutaenui dams and Marton Treatment Plant conformed to both the E.coli criteria and Protozoa compliance criteria	x
Rātana	Aeration Chlorination Clarification Filtration	Ba	Conformed to both the E.coli criteria and Protozoa compliance criteria	x
Taihape	Coagulation/Flocculation Up-flow clarification AVG filtering Pre and post chlorination Post pH control	Aa	Conformed to both the E.coli criteria and Protozoa compliance criteria	x

**Current and estimated future demand for water services within the District**

Current and estimated future demand	
Bulls	<p>Water supply in Bulls is sufficient to meet current demand. However, it will be limited in future by the resource consent. The peak daily demand is around 88% of the maximum water take allowed by the consent. This is currently under review by Horizons Regional Council. Reduced recharge levels for the two shallow bores in the summer indicate further water restrictions need to be applied</p> <p>The meat processing plant in Bulls uses up to half the maximum demand highlighting the need for additional water storage capacity</p>
Hunterville	<p>Hunterville water supply is sourced from the Hunterville Rural Water Supply Scheme (HRWSS). Currently the urban water scheme purchases 370 m<sup>3</sup>/day, which is less than the peak demand of 380 m<sup>3</sup>/day. More water can be purchased from the HRWSS if required. However the treatment plant has a maximum sustainable production of 220 m<sup>3</sup>/day and therefore extra demand will reduce the quality of water supplied</p> <p>Water meters are being installed on commercial properties and other large users and these properties will pay for water on a volumetric basis</p>
Mangaweka	<p>Peak demand for water at Mangaweka at 190 m<sup>3</sup>/day frequently exceeds the maximum allowed by the resource consent for 90 m<sup>3</sup>/day. The consent is currently under review by the Regional Council</p> <p>Static pressure in the reticulation is good indicating that the reticulation meets the current demand. However, this may need reviewing once new fire fighting regulations for domestic supply are confirmed in the future. A plan is currently in place to replace old pipes that have poor structural strength</p>
Marion	<p>The scheme operates with sufficient capacity to supply the peak demand (4,500 m<sup>3</sup>/day) and has not been subject to water restrictions in the recent past. However there is insufficient storage should there be a major fire in town. Use of Bore No. 1 in the case of emergency will solve this problem</p> <p>The clear water reservoir currently has a capacity of 5-8 hours in summer, which is insufficient to maintain supply in the event of plant failure and therefore should be increased to 24 hours to reduce the risk</p> <p>AC pipes used in the reticulation in Marion are nearing their expected design life and some steel pipes are also causing problems, perhaps due to soil conditions. Both should be replaced. However this work has not been scheduled as yet</p>
Rātana	<p>Peak daily demand for drinking water in Rātana is 185 m<sup>3</sup>/day, whilst the resource consent is limited to 130 m<sup>3</sup>/day. However this can be extended to 300 m<sup>3</sup>/day during the Rātana Festival. Supply is considered sufficient to meet current demand in Rātana as the water supply scheme is intended to supplement the private collection of rainwater for most residents. The Rātana Festival does however place a strain on the capacity of the treatment plant</p> <p>The last Fire Service Report indicated that Rātana did not meet the requirements of the Area Commander. This could mean that a pump station will need to be installed to boost town flow rates or additional hydrants are required</p> <p>Valves in the reticulation supply in Rātana are affected by sediment settling which necessitates the shutting down of the water supply to large numbers of consumers. Investigation into the replacement of these valves is being undertaken</p>
Taihape	<p>The water supply scheme in Taihape is sufficient to meet current demand. Peak daily demand is around 57% of the maximum sustainable production from the treatment plant and is 33% of the maximum take allowed by the resource consent. The system also has capacity for three days storage</p> <p>Two rural subdivisions on the outskirts of Taihape are supplied by way of a low-pressure system. This could be upgraded to a high-pressure system if the community is willing to pay for the improvement works</p> <p>In the town reticulation, there are very few valves, which mean that maintenance work necessitates shutting down large numbers of consumers. More valves are currently being installed to correct the problem</p>

Approximately 36% of the District's population is not connected to these public services and rely on some form of private supply. Council operates four rural water supply schemes. These are intended for stock water only and are not intended for drinking water. A number of communities may be using the rural water supply schemes as a source of potable water. There are potential demand issues at Whangaehu, where the existing supply is not sufficient to meet the current demand.

Septic tank overflows in Turakina may adversely affect the quality of the drinking water in this area. High groundwater levels in Koitiata, Scott's Ferry and Flock House may also impact on the water quality in these communities. There is a general lack of knowledge about personal supplies of safe and clean water, correct operation of septic tanks, and prevention of backflow contamination.

Currently Council has no involvement in private water supply other than providing a filling station for commercial water carriers. Although the absence of a public water supply does present some potential risks to public health, evidence gathered to date suggests that the majority of rural households are not interested in public supply. Council's role includes carrying out further investigations and advocating for improvements.

#### **WASTEWATER DISPOSAL:**

Council provides wastewater reticulation, treatment and disposal services at Bulls, Hunterville, Mangaweka, Marton, Taihape, Rātana, Duddings Lake and part of Koitiata.

Council is committed to protect public health by providing a reliable, safe system for the disposal of wastewater. These systems have sufficient capacity to meet future demand. Treatment systems are being upgraded to reduce impacts on public health as the relevant resource consents for the discharges are renewed.

The quantity and quality of wastewater discharged from the sewage treatment plants provided by Council is shown below.

A number of communities that provide their own wastewater treatment and disposal have been identified.

Sewage is disposed of via septic tanks in most private situations. Potential health risks relating to sewage discharges have been identified. Overflows of septic tanks to surface water, particularly to streams in the Turakina area, are likely to continue to cause public health risks and environmental impacts. Sewage discharges from on-site systems in Koitiata, Scott's Ferry and Flock House have the potential to contaminate ground water and surface water drinking supplies. This is due to the free draining soils and high water tables in these areas. Some on-site systems are incorrectly operated or poorly maintained which can result in surface ponding.

As systems age they will require maintenance or replacement with modern designed systems. Some systems have insufficient capacity to cope with fluctuating loads from holiday visitors/tourism or Marae activities. Council's role includes carrying out further investigations and advocating for improvements.

Quantity and Quality of Wastewater discharged from the Sewage Treatment Plants

	Quantity	Quality
Bulls	The Bulls plant currently serves a population of 1,800. However the treatment system was designed for a larger population providing security for possible growth or infiltration. Effluent discharge is limited by the resource consent to 515 m <sup>3</sup> /day	The quality of the final effluent generally meets the conditions of the resource consent with no recorded cases of non-compliance
Huntermville	The resource consent for Huntermville currently allows a daily discharge of 175 m <sup>3</sup> /day. The treatment plant serves a population of 400 people	The effluent discharged to Porewa Stream meets all resource consent requirements
Mangaweka	The newly constructed treatment plant at Mangaweka serves a resident population of 250 people. The resource consent limits discharge of effluent to 90 m <sup>3</sup> /day, with a peak flow of no more than 20 m <sup>3</sup> /h. The reticulation suffers from high levels of inflow and infiltration (I/I), which have affected the performance of the septic tank in the past	The new system is likely to conform to the conditions of the resource consent
Marion	The Marion wastewater treatment plant currently serves a population of 5,500 people. There is no limit on the discharge volume from the treatment plant. However the plant capacity is 3,600 m <sup>3</sup> /day. Again there is evidence that I/I in the network is causing overloading of the treatment plant	The Marion Wastewater Treatment Plant is failing to meet the consent requirement for ammonia. There are also occasional peaks in CBOD5, but generally the Plant operates within these limits
Rātana	The Rātana scheme is limited to a discharge of 136 m <sup>3</sup> /day by the resource consent. It currently serves a population of 450 people which is only slightly less than the design population of 500 people. There are currently no problems with the capacity of the Rātana scheme	The Rātana Plant generally meets the conditions of the resource consent for Dissolved Oxygen and Enterococci. Suspended Solids, Ammonia and CBOD5 are averaged on a yearly basis. Recent yearly results have shown that Suspended Solids Ammonia and CBOD5 are also within guidelines set by the resource consent
Taihape	The wastewater treatment plant at Taihape holds a consent to discharge 3,873 m <sup>3</sup> /day. However the total daily flow is 4,546 m <sup>3</sup> /day. It serves a population of approximately 2,200 people. The consent is currently under review by HRC	The effluent meets with the standards of the previous resource consent. However it is expected that further conditions will be imposed before another consent is granted
Duddings Lake	No information is currently available on the discharge of effluent from the camping ground at Duddings Lake. However the resource consent limits the discharge of effluent to 15 m <sup>3</sup> /day	Results of effluent quality monitoring were unavailable for inclusion in the assessment
Koitiata	The population of Koitiata fluctuates throughout the season with a normally resident population of approximately 111 people, which increases substantially during the summer months. As a consequence, the oxidation lagoon often operates well below the design capacity. There is no resource consent to discharge effluent	As the final effluent is discharged to air (by evapotranspiration), resource consent is not required. This meets with all relevant environmental standards

## Current and estimated future demand for water services (discharges of sewage) within the District

	Current and estimated future demand
Bulls	The treatment plant at Bulls is operating within the conditions of its resource consent with no recorded cases of non-compliances. The treatment ponds are oversized for the community hence providing extra security for population growth or infiltration
Hunterville	Hunterville treatment plant serves a population of around 400 people. The effluent discharge consistently meets resource consent conditions, and therefore there are no upgrades planned However the reticulation system is old and there are significant I/I problems. Even without I/I considerations, the system is undersized. There is a need to upgrade the capacity to manage the ongoing problem
Mangaweka	The community of Mangaweka has a population of around 250. This figure is not expected to increase over the next few years. The community septic tank suffers from poor detention time due to high levels of I/I, and regular sludge removal is necessary to optimise effluent quality Although there are currently no conditions on the resource consent, this is currently under review by HRC. Investigations into a distributed treatment strategy are being undertaken to allow for eventual replacement of this structure The Mangaweka Camping Ground is experiencing increasing popularity over the summer months. This has been dealt with to date by the construction of a filter bed. High levels of I/I mean that the reticulation system is under capacity
Marton	The need for capacity upgrades in Marton is not likely to be driven by population growth. The current population is around 5,500 people and this is expected to remain static over the next few years. However high levels of I/I from poor condition earthenware and concrete pipes are known to be causing overloading of the treatment ponds
Taihape	As with Bulls, the treatment plant at Taihape is oversized for the community it serves providing an extra level of security for possible growth or infiltration. While it is currently meeting the standards of the resource consent, this has expired and is under review by the Regional Council. It is expected that when a new consent is granted the conditions will necessitate an upgrade to the treatment plant High levels of I/I in the reticulation are likely to be due to the age of the network
Rātana	Rātana has a declining population and the wastewater scheme is relatively new. Therefore both the reticulation and the treatment plant have no issues relating to capacity. The system is slightly oversized for the resident population. However during the annual Rātana Festival the system is at full capacity
Duddings Lake	The wastewater scheme at Duddings Lake is currently undergoing a major upgrade following the granting of a consent in 2003. Population growth due to holidaymakers may place pressure on the system in the future
Koitiata	The wastewater scheme at Koitiata operates for most of the time at a level well below the design capacity. Increasing popularity of the area as a holiday destination may place pressure on the system in the future
Non-reticulated Communities	Overall the population of non-reticulated communities in Rangitikei District is expected to decline over the next few years. However, as for the reticulated communities, the demand for wastewater services may increase due to I/I

## HEALTH AND ENVIRONMENTAL IMPACTS OF DISCHARGES OF SEWAGE ARISING FROM CURRENT AND FUTURE DEMANDS

### *Current Issues - Public*

Treatment plants in Bulls, Hunterville, and Rātana consistently meet the conditions set out by their individual resource consents. The Marton treatment plant also achieves compliance for all conditions except for ammonia.

The treatment plant in Taihape meets current discharge conditions. However, the consent is under review by the Regional Council. It is expected that consent conditions will change and therefore an upgrade of the treatment plant will be required.

High levels of I/I in most of the public schemes are posing a risk to the quality and quantity of effluent discharged from the treatment plant. I/I levels are often higher during the cold winter months when biological treatment processes are slower and higher loadings reduce the detention time of the treatment system.

### *Current Issues - Private*

A number of properties in the Turakina area have problems with septic tanks during the wet winter months. The problems include overflows of untreated wastewater into local streams.

There are potential drinking water contamination issues in Koitiata, Scott's Ferry and Flock House resulting from private effluent discharges.

Effluent from septic tanks and the community disposal system is discharged to free draining sands in Koitiata. This combined, with high groundwater levels, could lead to the contamination of drinking water supplies for some members of the community. As the drinking water is untreated, this becomes a potential public health risk.

Scott's Ferry and Flock House also have high groundwater levels that could lead to contamination of bore water from septic tank discharges. Again, the water is often untreated creating risk to the health of the community. Septic tank discharges could also cause contamination of surface waters.

Problems for Marae located in Rangitikei District may also include inadequate facilities to cope with peaks in population loading associated with short-term events.

### *Future Environmental and Human Health Impacts*

- > Environmental and health impacts of discharges, where high levels of I/I have caused a reduction in treatment efficiency, are likely to increase in the future as the reticulation in the urban areas ages. This will be tempered by pipe renewal programs. CCTV pipe inspection work, and flow monitoring, is required to identify areas where high levels of I/I are occurring and enable Council to target specific areas for rehabilitation work.
- > Overflows of septic tanks to surface water, such as streams in the Turakina area, are likely to continue causing public health risks and environmental impacts in these areas.
- > More information is required on the nature of the overflows and education of property owners on adequate maintenance and operation of systems.
- > Sewage discharges from on-site systems are already a potential problem in Koitiata, Scott's Ferry and Flock House. These discharges have the potential to contaminate ground and surface water drinking supplies. More information is required on system status and education of property owners on adequate maintenance and operation of systems. It is imperative that the design of new on-site systems is controlled to ensure they are adequate for the proposed loadings on the disposal system.
- > Future pressures – particularly in tourist areas are likely to exacerbate this problem – as well as the result of generally ageing on-site systems.

### *Options available to meet estimated future demand*

It is likely that the options available for meeting current and future demand are limited given the “ability to pay” and population decline issues in the District.

The key options for wastewater management are as follows:

- > Compliance with resource consents – upgrade/renewal of treatment plant facilities
- > Implementation of a pipe renewal program in areas where I/I is affecting the quality and quantity of effluent discharged from the treatment system
- > Implementation of a stormwater cross-connection identification programme
- > Government subsidies may provide some funds for services – e.g. tourism subsidies for coastal areas such as Scott's Ferry, Flock House, Koitiata and Turakina
- > Implement investigation of effectiveness of on-site treatment in conjunction with the Regional Council

- > Implement investigation of on-site treatment systems in conjunction with the Regional Council, focusing on areas where problems associated with effluent discharge and overflows may be occurring
- > Ongoing education of system/property owners is required to ensure they know how to protect, maintain and operate their private wastewater treatment systems
- > Consultation with Medical Officer of Health and HRC
- > Compliance with AS/NZS 1547:2000 On-site Domestic Wastewater Management through Councils' Engineering Codes of Practice.

#### *Stormwater Disposal*

Council provides stormwater services for the townships of Bulls, Hunterville, Mangaweka, Marton, Rātana and Taihape. The primary system includes pipelines and open drains. There is an overflow from the primary system conveyed by secondary systems of overland flow paths along roads, through public reserves and private land. These systems have sufficient capacity for current and future demand. Council will continue to own, manage and fund stormwater activity on the public schemes.

Outside the town, stormwater systems collection and disposal of stormwater, is achieved through a combination of privately-owned pipes, open drains and natural watercourses. The maintenance of these systems is usually the responsibility of the landowner. The District Plan identifies land that may be subject to flooding. Council will continue to work with Horizons Regional Council to improve the accuracy of flood maps for the District.

#### *Current and estimated future demand*

All systems provided by RDC generally have the capacity to convey flows relating to a 10% AEP storm; that is a storm with a 10% chance of recurring annually. There are a number of pipes that are assessed as high risk as a result of I/I. CCTV inspections will improve confidence in condition ratings for most of the stormwater schemes and will highlight areas that require renewal. They may also facilitate the deferral of renewal work.

It is expected that no development works will be required over the 10-year planning period for Marton, Bulls, Mangaweka or Rātana. However, a small amount of unplanned development work could result from service requests in Marton.

The implications of growth trends over the next 10 years will be:

- > Extensions to the stormwater networks may be funded by developers;
- > Any increased demands on capacity can be accommodated without substantial upgrading by demanding on-site disposal that also improves recharge to groundwater;
- > Future maintenance and renewals associated with the growth of the networks will be negligible; and
- > Any reversal of the population decline will only require a review of forecasting.

#### **HEALTH AND ENVIRONMENTAL IMPACTS OF DISCHARGES OF STORMWATER ARISING FROM CURRENT AND FUTURE DEMANDS**

The catchments have a mixture of land uses and activities operating within their boundaries. Each land use and activity has the potential to deliver point and non-point sources of contaminants to drains, streams and the coastal environment. Each contaminant has the potential for either environmental or human health effects or both.

A level of risk to the environment and human health can be determined and ranked from these effects. A range of options can then be investigated and implemented to avoid, mitigate or remedy potential adverse effects identified (if any).

#### **FUTURE ENVIRONMENTAL AND HEALTH IMPACTS**

Environmental and human health will be safeguarded in future through the following practises:

- > Implementation of Best Management Practices;
- > Monitoring;
- > Compliance with Resource Consent Conditions; and
- > Education.

All new stormwater assets constructed by Council or acquired from subdivision developments will be built in accordance with:

- > NZS4404:1951 Code of Practice for Urban Land Subdivision;
- > The New Zealand Building Code;
- > Transit New Zealand Guidelines;
- > Health and Safety in Employment Act; and
- > Relevant technical Standards for materials.

Industrial and commercial businesses who work with known hazardous substances or contaminants (solvents, acids, hydrocarbons) will need to either treat runoff/stormwater prior to discharge on-site or discharge as trade waste to the sewer system. Health impacts relate to contact with or ingestion of water contaminated with effluent or wastewater overflows.

Treatment at source is the key to the protection and enhancement of environmental and human health. This therefore avoids, remedies or mitigating any adverse effects that may occur.

## Summary of Assessment of Sanitary Services

“Sanitary services” means:

- > drainage works, sewerage works, and works for the disposal of sewage;
- > waterworks;
- > works for the collection and disposal of refuse, nightsoil and other offensive matter;
- > sanitary conveniences for the use of the public;
- > cemeteries; and
- > crematoria.

The assessment of water services covered drainage works and waterworks. The Council’s waste management plan (the rubbish and recycling activity plan in volume 2 of the draft Long term Council Community Plan covers the collection and disposal of refuse. The Council does not operate a crematorium. This means the assessment of sanitary services is confined to public toilets and cemeteries.

### *Cemeteries*

The Rangitikei District Council owns cemeteries in Marton, Bulls, Taihape and Ohingaiti. It directly manages and maintains the Marton, Bulls and Taihape cemeteries. A community committee maintains the Ohingaiti cemetery. Council manages and maintains the cemetery in Turakina but does not own it. The Council, in conjunction with the Rātana Communal Board of Trustees, manages Rātana cemetery. Other cemeteries in the District are managed by community-based committees or church organisations.

Plot availability is sufficient to meet the expected need. However, there is potential to extend within the available designated land. It is proposed,

however, to continue the current level of operation for the foreseeable future. There is no intention to develop new cemetery sites within the District, or to establish any crematoria in the District.

### *Public toilets*

The Council manages public toilets in Marton, Bulls, Taihape, Hunterville and Koitiata. It ensures these facilities are maintained and cleaned. Council also ensures public toilets are available in Mangaweka and Turakina. Council does not own these facilities but provides an annual financial contribution to assist with maintenance.

Future demand for public toilets is likely to rise. Tourist/traveller numbers in Taihape, Hunterville and Bulls appear to be increasing as a result of growth of traffic along State Highways 1 and 3. To meet this demand, construction of new toilets in Taihape and Hunterville is planned for 2006-2008 and new toilets are budgeted for Bulls in 2008/09. The Council will continue to operate and maintain these sites.

### *Consultation with the Medical Officer of Health*

The Council is required to consult with the Medical Officer of Health as part of developing this assessment. The comments received are that “the proposals are appropriate for the protection of public health”. There are no other issues with regards to public toilets and cemeteries from the public health perspective.

## Summary of Waste Management Plan

Council is required to have a summary of its Waste Management Plan or the plan in its entirety included in the LTCCP. This requirement comes from Clause 3, Part 1 of Schedule 10 of the Local Government Act 2002.

Council’s Waste Management Plan is in Section 6 of this Long Term Council Community Plan as the Rubbish and Recycling Activity Management Plan.



# MANAGEMENT STRUCTURE : 11



## Council Controlled Organisations

### **Mayoral Flood Relief Fund**

The Rangitikei Mayoral Flood Relief Trust was created in response to the flood and civil defence emergency in February of 2004. It was designed to assist those in the Rangitikei who had suffered as a result of the flood.

The Trust is considered to be a Council Controlled Organisation (CCO) under the Local Government Act 2002.

The finances of the Trust are controlled by the Council, though separately audited, and are included in the consolidated figures.

This entity has been exempted under Section 7 of the Local Government Act 2002.

### **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 treated as a CCO.

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.

# CITIZENS OF THE RANGITIKEI DISTRICT

COUNCIL  
Mayor and Councillors

GOVERNANCE

HUMAN RESOURCES ADVISOR  
Ida Strichen

CHIEF EXECUTIVE  
Clare Hadley

EXECUTIVE ASSISTANT  
Zoi Grammaticogiannis

MANAGEMENT

FINANCE LEADER  
Steve Rostron

ASSET SERVICES GROUP  
MANAGER Richard Kirby

DISTRICT PLANNER  
Vacant

COMMUNITY SERVICES GROUP  
MANAGER Michael Hodder

Finance  
Investments  
Rates  
Funding

Asset Management –  
Bridges, Roads, Footpaths  
Property (including  
Community Housing, Halls  
and Pools)  
Parks and Reserves  
Cemeteries  
Solid Waste  
Water Supplies  
Wastewater  
Stormwater

Democracy  
Policy  
Strategic Planning  
Customer Services (including  
Libraries and Information  
Centres)  
Environmental Services  
Community Economic  
Development  
Information Services  
Records





# INDEX & GLOSSARY OF TERMS: 12

## 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](http://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** – aspiration statements that range from improved access to health to enjoying life in the Rangitikei that the Community developed in 2005 as a sort of ‘wish list’ of how they would see the Rangitikei in the future.

**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 eg wastewater, roading, libraries.

**CPI** – Consumer Price Index.

**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.

**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.

**Inter-Generational 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 eg for recycling – Council proposed to provide only glass recycling facilities as opposed to providing a full range of recycling.

**LGA 2002** – Local Government Act 2002 - the current legislation providing for democratic and effective local government.

**LTCCP** – Long Term Council Community Plan – a 10 year plan that Council reviews every three years. The LTCCP 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 LTCCP 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](http://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. Two oral hearings are scheduled for the LTCCP 2009/19 on the 22 April in Taihape and 23 April in Marton.

**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, waste water 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](http://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.

**Tangata Whenua** – original inhabitants.

**TKI** - Te Kete Ipurangi – The Online Learning Centre ([www.tki.org.nz](http://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.

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