



Rangitikei District Council

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Rangitikei
UNSPOILT...

Finance/Performance Committee Meeting

Order Paper

**Thursday, 27 November 2014,
9.30 am**

**Council Chamber, Rangitikei District Council
46 High Street, Marton**

Website: www.rangitikei.govt.nz

Email: info@rangitikei.govt.nz

Chair

His Worship the Mayor, Andy Watson

Deputy Chair

Cr Nigel Belsham

Membership

Councillors Cath Ash, Tim Harris, Dean McManaway, Rebecca McNeil, Soraya Peke-Mason, Ruth Rainey and Lynne Sheridan

Please Note: Items in this agenda may be subject to amendments or withdrawal at the meeting. It is recommended therefore that items not be reported upon until after adoption by the Council. Reporters who do not attend the meeting are requested to seek confirmation of the agenda material or proceedings of the meeting from the Chief Executive prior to any media reports being filed.

Rangitikei District Council

Finance and Performance Committee Meeting

Order Paper – Thursday 27 November 2014 – 9:30 a.m.

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The quorum for the Finance/Performance Committee is 5

At its meeting of 28 October 2010 Council resolved that 'The quorum at any meeting of a standing committee or sub-committee of the Council (including Te Roopu Ahi Kaa, the Community Committees, the Reserve Management Committees and the Rural Water Supply Management Sub-committees) is that required for a meeting of the local authority in SO 2.4.3 and 3.4.3.'

1 Welcome

2 Council prayer

3 Apologies/leave of absence

4 Confirmation of order of business

That, taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, be dealt with as a late item at this meeting.

5 Confirmation of minutes

Recommendation

That the Minutes of the Finance/Performance Committee meeting held on 30 October 2014 be taken as read and verified as an accurate and correct record of the meeting.

6 Chair's report

A report will be tabled at the meeting and circulated electronically to Elected Members beforehand

File ref: 3-CT-14-1

Recommendation

That the Chair's report to the Finance/Performance Committee meeting on 27 November 2014 be received.

7 Monthly Financial Report – October 2014

A report will be tabled at the meeting and circulated electronically to Elected Members beforehand

File ref: 5-FR-4-1

Recommendation

That the financial report for October 2014 be received.

8 Financial strategy

A draft financial strategy is attached for discussion. It is a key component of the Long Term Plan.

File ref: 1-LTP15-8

Recommendation

That the draft financial strategy be received

9 Economic Development Strategy – further considerations

A revised draft strategy is attached.

Recommendations

1. That the revised draft economic development strategy be received.
2. That key elements of the revised draft economic development strategy for the Rangitikei District presented to the Finance/Performance Committee's meeting of 27 November 2014 be incorporated into the draft 2015/25 Long term Plan.

10 Labour force projections over the next 30 years

A discussion paper is attached.

Recommendations

1. That the discussion paper 'Labour force projections over the next 30 years' be received.
2. That key elements [as amended] of labour force projections for the Rangitikei District contained in the discussion paper presented to the Finance/Performance Committee's meeting of 27 November 2014 be incorporated into the draft 2015/25 Long term Plan.

11 Santoft Domain – lease management and potential uses

A report is attached

File ref: 6-RF-1-14

Recommendation

That the report 'Santoft Domain – lease management and potential uses' be received.

12 Update on the review of the Hunterville Rural Water Supply Scheme

Discussions are in progress with the Ministry of Primary Industries on how this review is best progressed. An update will be provided to the meeting (or included in the discussion of the 'End-of project report' at Council's meeting on 27 November 2014.

13 Late items

14 Future items for the agenda

15 Next meeting

Thursday 26 February 2015, 9.30 am

16 Meeting closed

Attachment 1

Rangitikei District Council

Finance and Performance Committee Meeting

Minutes – Thursday 30 October 2014 – 9:30 a.m.

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Present:

- His Worship the Mayor, Andy Watson
- Cr Dean McManaway
- Cr Cath Ash
- Cr Nigel Belsham
- Cr Angus Gordon
- Cr Tim Harris
- Cr Rebecca McNeil
- Cr Soraya Peke-Mason
- Cr Ruth Rainey
- Cr Lynne Sheridan

In attendance:

- Mr George McIrvine, Finance & Business Support Group Manager
- Mr Michael Hodder, Community & Regulatory Services Group Manager
- Ms Denise Servante, Senior Policy Analyst
- Ms Samantha Whitcombe, Governance Administrator

1 Welcome

His Worship the Mayor welcomed everyone to the meeting.

2 Council prayer

His Worship the Mayor read the Council Prayer.

3 Apologies/Leave of absence

That the apology for lateness from Cr McNeil be received.

Cr Sheridan / Cr Belsham. Carried

4 Confirmation of order of business

His Worship the Mayor informed the Committee that there would be no change to the order of business from that set out in the Agenda.

5 Confirmation of minutes

Resolved minute number **14/FPE/098** **File Ref**

That the Minutes of the Finance/Performance Committee meeting held on 2 October 2014 be taken as read and verified as an accurate and correct record of the meeting.

Cr Harris / Cr Belsham. Carried

6 Chair's report

His Worship the Mayor informed the Committee that he was expecting a call in the next few days regarding the finalised Funding Assistance Rate for Roding from NZTA, and that the outcome of this phone call would be forwarded to the Committee via email.

Resolved minute number **14/FPE/099** **File Ref** **3-CT-14-1**

That the Chair's report to the Finance/Performance Committee meeting on 30 October 2014 be received.

His Worship the Mayor / Cr Peke-Mason. Carried

8 Financial Highlights and Commentary to 30 September 2014

Mr McIlrvine spoke to the report, highlighting the major variances within the budgets and briefly summarising the commentary.

Resolved minute number **14/FPE/100** **File Ref**

That the memorandum 'Financial Highlights and Commentary to 30 September 2014' to the Finance/Performance Committee meeting on 30 October 2014 be received.

His Worship the Mayor / Cr Harris. Carried

7 Financial Strategy for the 2015-25 Long Term Plan

Mr McIlrvine narrated a PowerPoint presentation on the proposed Financial Strategy for the 2015-25 Long Term Plan.

Cr McManaway left Chambers 10.17 am / 10.19 am - Cr Peke-Mason left Chambers 10.19 am / 10.21 am

11 Request for Relocation Support – Itza Journey Ltd

His Worship the Mayor spoke briefly to the memorandum and letter from Itza Journey Ltd.

Resolved minute number **14/FPE/101** **File Ref** **4-ED-1-2**

That the memorandum 'Request for relocation support – Itza Journey Ltd' be received.

Cr Sheridan / Cr Belsham. Carried

Resolved minute number **14/FPE/102** **File Ref** **4-ED-1-2**

That, in response to the request from Itza Journey Ltd for relocation support from its current premises in 304 Broadway, Marton, the Finance/Performance Committee declines to make a grant.

Cr McManaway / Cr Rainey. Carried

Cr Sheridan voted against the motion.

Motion

That the Finance/Performance Committee seeks clarification of the amount of the grant requested by Itza Journey Ltd, supporting its relocation costs.

Cr Sheridan / Cr Peke-Mason. Lost

9 Statement of service performance – 1 July – 30 September 2014

Mr Hodder spoke briefly to the Statement of Service Performance for the first quarter of the 2014/15 financial year.

Resolved minute number **14/FPE/103** **File Ref**

That the Statement of Service Performance 1 July – 30 September 2014 be received.

Cr Peke-Mason / Cr McManaway. Carried

10 Discussion Paper: Economic Development Strategy

Ms Servante spoke to the discussion item. His Worship the Mayor suggested that the best way for comments to be collected was for Committee members to forward their comments to Ms Servante via email by Friday 14 November 2014.

Cr McNeil arrived 11.08 am – Cr Gordon arrived 11.17 am

12 Update on the review of the Hunterville Rural Water Supply Scheme

The Committee noted the progress made on the review of the Hunterville Rural Water Supply Scheme.

13 Late items

14 Future items for the agenda

15 Next meeting

Thursday 27 November 2014, 9.30 am

16 Meeting closed – 11.27 am

Confirmed/Chair: _____

Date: _____

Attachment 2

Financial Strategy

a. Introduction

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

In addition to these challenges, local government is a large and quite complicated business, which provides many different services, for its communities now, but also into the long-term future. Further, some members of our community have an expectation that the Council will continue to undertake new projects and increase levels of service.

As a result of this environment:

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

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

The Financial Strategy sets out how Rangitikei District Council plans to manage its financial performance over the next 10 years. It provides a guide as to how the Council will consider and approach funding and expenditure proposals when undertaking activities and determining which

activities it should undertake. The benchmark disclosures prescribed by legislation form an important part of this strategy and the measures set by council for these benchmarks will provide evidence on how successful council has been.

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

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

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

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

b. Background and equity

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

Setting the appropriate rates levels for Council requires balancing how much expenditure should be funded by current rate payers (through rates and charges) and how much by future ratepayers (by borrowing).

In recent benchmarking exercises and a review of Rural Councils financial statements this trend is consistent with other rural Councils in New Zealand who have adopted conservative funding strategies' for funding their assets.

c. Key Strategy

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

This strategy does mean that for some communities where demographic changes indicate there is population reduction this low debt level strategy will restrict borrowing for major scheme works and that other solutions will be found including possible reductions in the levels of service. This is consistent with Council's planned demographic trends in that it is an investment in the future strategy and means that future generations have a benefit from these assets as an investment by previous generations.

d. Funding depreciation

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

e. Current and proposed benchmarks

Rangitikei District Council	Current measure	Proposed Measure
Rates (income) affordability		
This consists of measuring actual rates income to, and comparing it with, the quantified limit set on rates in the financial strategy in the long-term plan. Unfortunately, there was no quantified limit in dollar terms on rates income set, but there was a limit on increases as noted below in the next benchmark. To provide a base upon which to compare the actual, the actual rates collected for each prior year will be inflated by the quantified limit on increases.	Annually calculated based on ratio below. (000)'s Limit 2014 \$20,286 Actual 2014 \$19,735	
Rates (increases) affordability	10% excluding inflation for three years	LGCI +2% per annum. This equates to about 4.5% in 2015. (Note this as a 6.66% limit in 2014 with 3.76% Actual)

Debt affordability (total interest cost)	Total interest expense on net external debt will not exceed 15% of total rates income	No change (this was 0.52% in 2014)
Debt affordability (total interest gearing)	The ratio of net external debt to annual rates income will not exceed 150%.	No Change (note this was -49.8% based on available cash or near cash investments)
Debt affordability (total interest per capita)	Net external debt will not exceed \$2,500 per capita	No change from Financial strategy (This was -4 for 2014) (Note with declining demographics this could reduce total debt limits over time).
Balance budget benchmark The benchmark is displayed as a percentage calculated by dividing revenue by expenses.	This benchmark is met if Council's revenue for the year exceeds its operating expenses.	No change (2014 was 107%) (note effect of large valuation movements)
Essential services benchmark The benchmark is displayed as a percentage calculated by dividing capital expenditure by depreciation	This benchmark is met if Council's capital expenditure (whether renewals or new capital) is equal to, or greater than, its depreciation charge for that year.	No change (2014 was 121%) Applies only to core council services
Debt servicing benchmark The benchmark is displayed as a percentage calculated by dividing borrowing costs by revenue.	This benchmark is met if Council's borrowing costs for the year are equal to, or less than, 10% of its revenue. Revenue excludes contributions, vested assets, gains on derivatives of revaluation of property, plant and equipment.	No change (2014 was 0.3%)
Debt control benchmark The benchmark is displayed as a percentage calculated by dividing actual net debt by planned net debt.	This is met if actual net debt at the end of the year is less than, or equal to, the net debt planned for the end of the year	No change (2014 was -79%)

	in its long-term plan. This tends to emphasise the need to get it right in the long-term plan! There is no opportunity to use revised figures from annual plans in the intervening years.	
Operations control benchmark This benchmark is displayed as a percentage calculated by dividing actual net cashflow from operations by the planned net cash flow from operations	This benchmark is met if the actual net cash flow from operations for the year equals, or is greater than, the planned operations for the year.	No change (2014 was 122% with 2010 being 95%)

DRAFT

Attachment 3

ECONOMIC DEVELOPMENT STRATEGY

Preamble:

Council has a policy on promoting economic development (Policy Manual, policy intent 1: promoting economic development).

This identifies Council as a significant business and employer in the District in its own right. It is also a provider of activities and services that have capacity to support business retention, development and expansion. Finally Council has a role in community leadership to influence, where it can, the wider determinants of economic prosperity, such as

- Employment
- Education level and opportunities for skill development
- Creation and distribution of wealth
- Income levels
- Working conditions
- Childcare

Following the triennium election in October 2013, economic development was identified as a key strategic priority for the new Council and a series of workshops and information sessions were held during February-April 2014. These would inform Council's activity management plan for the Economic Development and District Promotion activity for the 2015-25 LTP.

Review of Economic Development in Rangitikei

1. Rangitikei's economic profile

The Council has joined with regional partners through the LASS (Local Authority Shared Services) to subscribe to the Infometrics economic data services. The "Rangitikei at a Glance 2013" set of economic indicators and statistics identifies that over the past ten years, the District has performed well in terms of productivity growth, growth in GDP per capita and in housing affordability. However,

according to other indicators, the District is not performing well. These indicators are GDP growth and GDP per capita, business and employment growth, annual earnings and industrial diversity.

Agriculture remains the dominant driver of the District's economy, with associated downstream manufacturing also remaining important. Education and training, retail and construction sectors are relatively strong. These five sectors between them contribute about 65% to the District GDP.

2. Manawatu-Whanganui Regional Growth Study

Central government's intention is to double primary sector exports by 2025 nationwide, and to double the agribusiness exports from the Manawatu/Whanganui region in the same timeframe. The Ministry of Business, Innovation and Enterprise (MBIE) has commissioned the Manawatu-Whanganui Regional Growth Study. The Manawatu/Whanganui region was chosen for the Regional Growth Study partly because it has been identified as one of the most undeveloped and under-performing regions in terms of economic growth.

The Horizons Regional Council press release on 10 July 2014 states that "ultimately, the study will provide a comprehensive analysis of the Horizons regional economy, its current comparative and competitive advantages, the constraints that need to be addressed and the opportunities for development. Most importantly the study will identify actions that need to be taken to strengthen the region's economy."

The timeline for completion of the Regional Growth Study is February/March 2015. The study will inform a regional agribusiness strategy¹. This is unlikely to be completed in time to fully inform the LTP planning process.

However, the Council is concerned to ensure that the Rangitikei is an active partner in regional growth, playing its part in implementing a strategy and also reaping the benefits of growth.

¹ Council's Strategic Water Assessment programme will also be part of the background material for the strategy.

3. Council's current role in economic development

Following a review of economic development in 2011 to inform the 2012-22 LTP, Council confirmed its role in economic development as:

- Prioritising the renewal and maintenance of essential District network infrastructure (roading, water, waste water and storm water services)
- Developing a regulatory system that is efficient and minimalist in approach
- Reinforcing a customer service focus across all departments within Council
- Advocating and promoting the District to local and national government agencies
- Tourism and district promotion through visitor information centres in Bulls and Taihape and an annual grant to Rangitikei Tourism to promote the District
- Town centre development with annual grants to the three town coordinators in Taihape, Bulls and Marton and a small amount of funding for the Community Boards and Committees to spend in their respective areas
- New and iconic local events through the Community Initiatives Fund
- Supporting new, non-competing businesses to establish in an appropriate commercial zone through limited rates remission
- Recently, Council has also amended its rates remission policy to provide limited remission to property owners who are required to address earthquake-risk associated with their commercial properties.

The associated annual budgets for this have been:

- Information Centres in Taihape and Bulls \$357,000 (excluding commissions and earned income)
- District Promotion budget \$250,000 (excluding internal charges)

Including:

- | | |
|--|-----------|
| ○ Community Initiatives Fund | \$30,000 |
| ○ Maori Community Development project | \$15,000 |
| ○ Youth Strategy | \$14,000 |
| ○ CCTV surveillance | \$18,000 |
| ○ Strategic Water Assessment | \$50,000 |
| ○ MOU arrangements with Town coordinators/RT | \$100,000 |
| ○ Path to Well-being initiatives | \$22,000 |

4. Identify Rangitikei's economic development opportunities (strengths) and threats (weaknesses)

Council undertook an analysis of strengths and weaknesses in workshop during April 2014 (Appendix 1). As a result, the drivers of economic development were identified and the strengths and weaknesses of each driver identified. In considering these, Council identified five potential Key Result Areas (KRAs) as a focus for Council economic development activity in the future.

- KRA1: Economic development leadership
- KRA2: Growth and development of the identified sectors, specifically primary production, education and Maori economic development
- KRA3: High-class infrastructural, utilities and telecommunications network throughout the district
- KRA4: Vibrant and attractive towns that entice growth
- KRA5: Promotion of the District as a great place to visit and to live

5. Develop a purpose/mission statement for Council's economic development activity and identify the outcomes sought

PURPOSE: To increase the wealth, sustainability and resilience of the District through an increase in human resources and capital

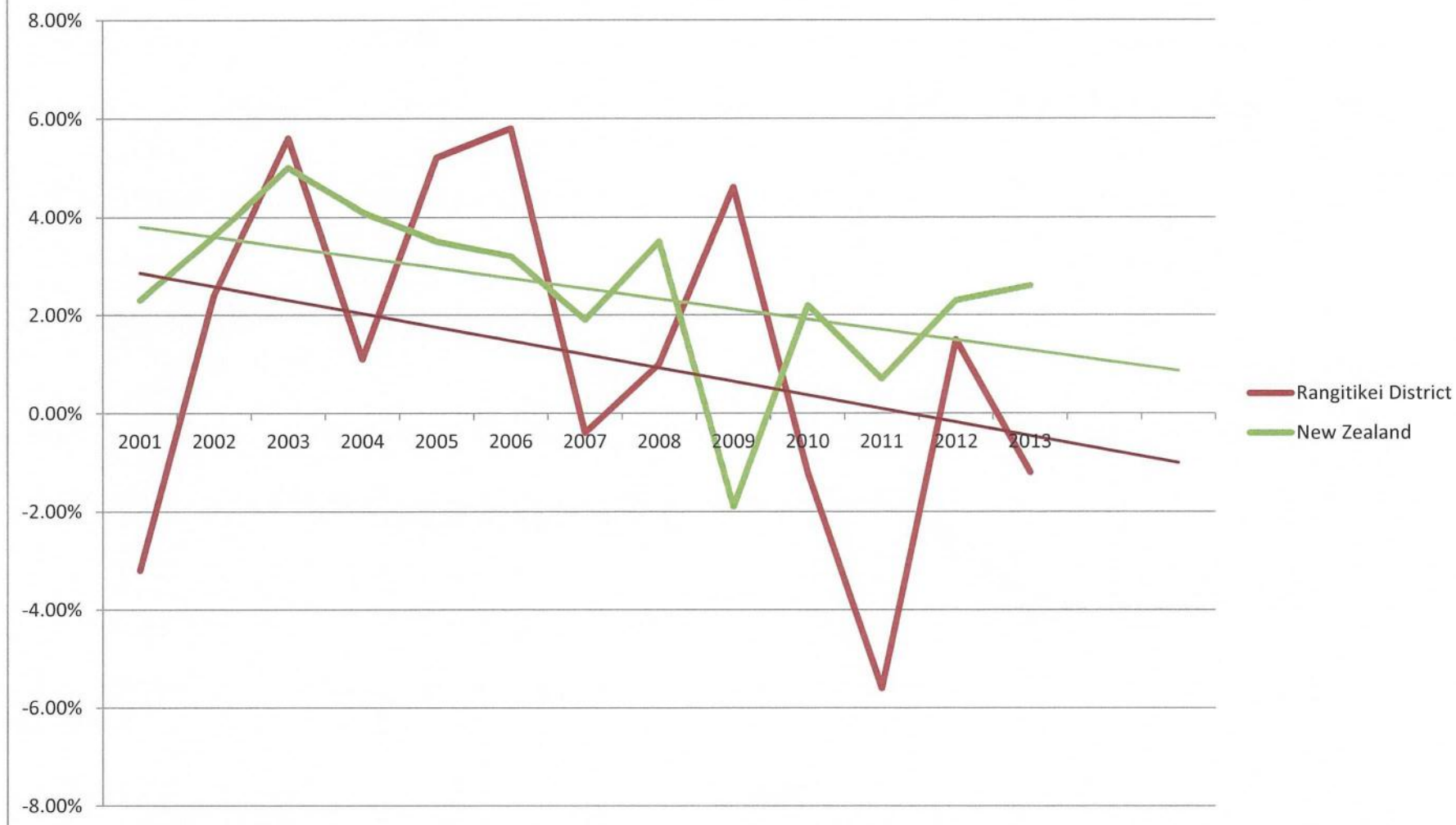
TARGET POPULATION

- High productivity businesses
- Agricultural sector
- Businesses associated with the District's lifestyle
- Businesses that capitalise on regional strengths and growth

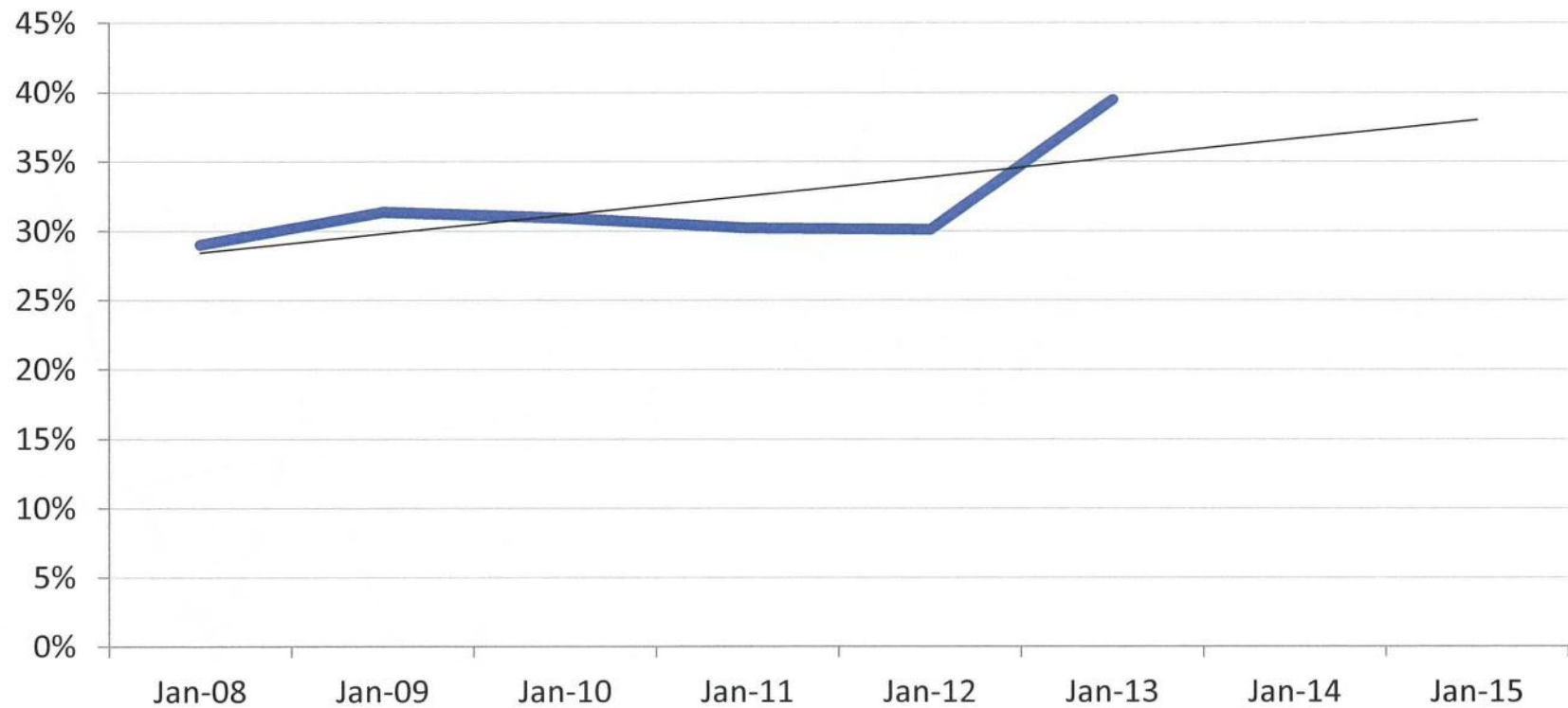
KEY INDICATORS OF SUCCESS

- The District's share of national GDP is more reflective of our share of the population
- A greater proportion of young people living in the District are attending local schools
- More people living and working in the District (than is currently projected by Statistics New Zealand)

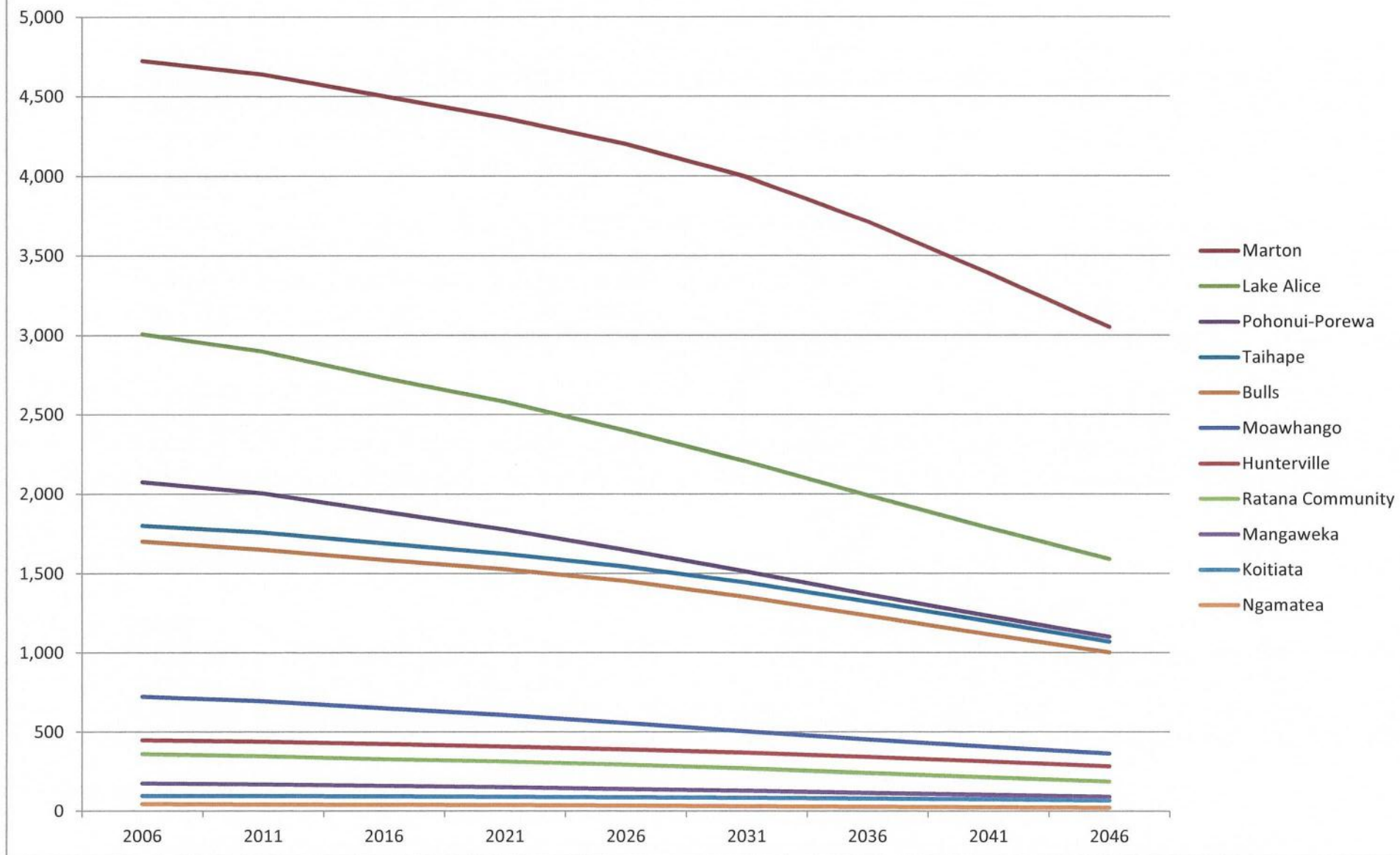
Headline indicator 1: growth in GDP



Headline indicator 2: % resident of high school age / roll at Rangitikei College



Headline Indicator 3: Resident population 2006 - 2046



WHAT WILL SUCCESS LOOK LIKE?

By 2025, the District has doubled the value of its agribusiness exports. The primary production sector is thriving with intensification leading to growth in productivity and GDP. The growth has been achieved sustainably through a proactive approach to managing the environmental impacts of that intensification. There is an air of prosperity in the rural areas – well-maintained homes, farm buildings and fences, an efficient roading network that gets goods in and out from the productive units and population in the rural area units is stable.

The knock-on effects of this rural growth are seen in the towns. Concerted efforts ensure that support services are provided locally and competitively and the towns are thriving.

In the main town of Marton, the town centre has been revived, there are more SMEs focussing on services for residents and visitors, mainly those that rely upon a good level of disposable income i.e. cafes, restaurants, clothing boutiques etc. There may be a new major manufacturer/distributor in the area but nonetheless, Marton is a vibrant residential satellite for Palmerston North, offering a distinct and high quality rural small town lifestyle. It is cohesive and well-connected town with a strong sense of identity as well as community².

In Bulls, the new multi-purpose facility with Council service centre, located in the heart of the CBD, has driven a regeneration of the town as a great place to live and a great place to stop. The town provides easy access to services that enhance the traveller's experience as well as modern and affordable services for local people. Many of the additional personnel relocated to Ohakea have chosen to establish family homes in Bulls because of the easy, rural lifestyle. The town looks great: active place-making has created a number of relaxing and inviting people-places which encourage people to linger longer in the town and add to the general sense of a bustling crossroads.

In Taihape, the distinctive flavour of a community in the heart of rural New Zealand is immediately evident: a sense of intimacy combined with a warm welcome for those passing through and an invitation to stop and refresh. The beauty of the surrounding countryside is reflected in the town through the green spaces dotted throughout the CBD, with the magnificent Ruapehu Mountain and spectacular upper reaches of the Rangitikei River providing the back drop. The town has ingeniously reinvented its public and civic spaces to provide everything that a vibrant and self sufficient rural community could need.

² To be confirmed once the Marton Town Centre Plan has been adopted

WHAT INDICATORS DESCRIBE THIS PICTURE OF SUCCESS?

- Retail spending through Eftpos terminals
- School enrolments
- Employment rates
- Average income
- Number of consents - commercial and residential

NOTE: It is important to select indicators that are

- a) Are easy to collect
- b) Have a good proxy value (i.e. a rise in the indicator has direct correlation with the identified success factors)
- c) Have are able to communicate powerfully what is the desired outcome

It is also important not to have too many indicators which can detract from the factors that contribute most to success.

Next steps

All the information gathered through the workshop and discussion process has been pulled together into this draft economic development strategy. The next step is to share this draft with stakeholders throughout the District to try and achieve a shared vision and set of strategic objectives that can guide activities over the next ten years or so.

ACTIONS

1. SECTOR DEVELOPMENT FOCUSING ON PRIMARY PRODUCTION

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

Contributes to KRA1, KRA2, KRA3

Action Plan:		
What?	Stakeholders	Resources
The Mayor and Chief Executive to convene/support/facilitate sector groups on primary production and intensification/diversification of rural production	Federated Farmers, Vision Manawatu, local businesses	Staff time (CE, Policy)
Investigation of realistic opportunities for further developing these sectors in the district e.g. detailed investigation of the additional rural (agricultural, horticultural, cropping, forestry, etc.) production potential of the district	Regional Growth Strategy (following Regional growth Study)	Staff time (CE, Policy) \$50,000 per annum from 2015/16
Identify specific initiatives from the Strategic Water Assessment and work with MPI further on co-funded programmes to ensure water availability for production purposes	Rangitikei Growth Strategy	\$75,000 investment 2015/16 and \$50,000 thereafter
Develop local procurement policy for Council's own goods and services, including supporting local contractors to bid successfully for Council contracts, as far as practicable and in line with the procurement policy. Develop targets for local procurement.	Local contractors	Staff time (CE, Senior Management, Asset Managers)
Promote local procurement policy to other businesses in the District e.g. what services and industries do we need to develop/support locally	Local businesses	Staff time (CE, Policy)

Action Plan:		
What?	Stakeholders	Resources
Delivery of roading and network utility capital and renewal/maintenance programmes: particularly looking at strategic investment in new roads to ensure productivity gains for the primary sector/agribusiness	Rural landowners	Identified in existing AMPs for utility networks and roading
Advocacy for central Government infrastructural maintenance, upgrading and development programmes	NZTA, MBIE, MOH	Staff time (CE, Senior Management Team, Asset Managers)
Advocacy for maintenance and upgrading of utility services (power, ultrafast broadband etc.) throughout the district	Utility network providers, Spark, Chorus, etc.	\$100,000 set aside for investment in UFB (one-off)

2. SECTOR DEVELOPMENT FOCUSING ON EDUCATION SECTOR

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

Contributes to KRA1, KRA2, KRA5

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

3. SECTOR DEVELOPMENT FOCUSING ON MAORI ECONOMIC DEVELOPMENT

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

Contributes to KRA1, KRA2, KRA5

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

4. TOWN CENTRE DEVELOPMENT

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

Contributes to: KRA1, KRA3, KRA4

Action Plan:		
What?	Stakeholders	Resources
The Mayor and Chief Executive to convene/support/facilitate (as appropriate) town centre development groups in Marton, Taihape and Bulls – in conjunction with Town Coordinators.	Town Centre Plan Steering Groups	Staff time (CE, Policy)
Ongoing implementation of the Town Centre Plans in Bulls, Taihape, Marton and Hunterville.	Town Centre Plan Steering Groups, CC/CBs, Project Marton, TCDT, BDCT	\$90,000 for each of 2015/16, 2016/17, 2017/18 and thereafter \$10,000 per annum
Develop and implement a strong vision for leisure and community assets across the District to provide for a quality lifestyle in the District.	Community groups, community facility owners	Identified in C&L AMP
Make an amount available to Community Boards/Committees to undertake local initiatives, including small works, that contribute (where appropriate) to the overall Town Centre Plans e.g. prototyping projects	CC/CBs	\$20,000 per annum
Contract with local agencies in line with identified priorities: <ul style="list-style-type: none"> • Stop traffic • Attract families • Grow businesses 	Project Marton, BDCT, TCDT	\$75,000

5. DISTRICT PROMOTION

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

Contributes to KRA1, KRA2, KRA5

Action Plan:		
What?	Stakeholders	Resources
The Mayor and Chief Executive to convene/support/facilitate a District Promotion group in conjunction with Town Coordinators and Rangitikei Tourism	Project Marton, TCDT, BDCT, Rangitikei Tourism	Staff time (CE, Community Services Team Leader)
Provide visitor information centres in Taihape and Bulls as the gateways to our District, develop clear information centre identity for Marton. How much impact is derived from the Information available and IT connectivity for visitors and locals? Would strengthening the connections to other businesses and facilities within each town make a difference?	Rangitikei Tourism, community groups and organisations	Included in Information Centres activity management plan
A more coherent web presence for the District Update website to be more user friendly and contain resources and/or links to resources. Is the separation between RT's website and Council's helpful for the local community and visitors?	Rangitikei Tourism, Project Marton, TCDT, BDCT	Included in IT activity management plan \$25,000 for contracts with MOU groups
Develop and implement an events strategy (Appendix 2) that showcases the District lifestyle, attracts residents and visitors to the District, heavily promote the District lifestyle at these events	Event organisers	\$25,000

<p>Investigate and compile a portfolio of identified future industry/ business development opportunities for the district which includes:</p> <p>Develop promotional materials (such as a database of commercial property available in the District, for example, Kensington Road)</p>	<p>Real Estate Agents, property owners, businesses, business groups, Iwi organisations</p>	<p>Staff time (CE, Community Services Team Leader)</p> <p>\$10,000</p>
<p>Leverage off Destination Manawatu, Visit Ruapehu and Visit Wanganui's programmes and initiatives. The promotion of the district must be done within a regional context.</p> <p>For these organisations, including Rangitikei (such as through the 'Country Road' promotion, extending cycle trails from Ruapehu through to Wanganui)) extends the range of visitor attractions.</p> <p>The well-established operators (e.g. River Valley, Mangaweka Adventure) don't need Rangitikei Tourism as a promotion vehicle. It's doubtful whether smaller businesses see benefit in greater familiarity with other attractions in the District. The Te Kahui Tupua initiative attempted to get all business operators into thinking about the bigger, regional picture. Does that approach need re-stimulation?</p>	<p>Destination Manawatu, Visit Wanganui, Rangitikei Tourism</p>	<p>Staff time (CE, Community Services Team Leader)</p> <p>\$10,000</p>

6. MONITORING AND EVALUATION

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

Contributes to KRA1

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

Appendix 1: Key Result Areas, opportunities and threats

KRA1: Economic development leadership in the district		
Drivers	Opportunities	Issues/barriers
<p>Good understanding of the current economic profile</p> <p>Good understanding and analysis of the opportunities/limitations for growth and development</p> <p>A business friendly Council</p>	<p>New Council with renewed focus on economic development</p> <p>Strong advocacy to central government</p> <p>Local procurement/local supply chains</p> <p>Links with Massey/UCOL</p>	<p>Information gaps (e.g. disaggregation from regional figures such as bed-night numbers included in regional figures.</p> <p>The best case scenario for Marton is to become a satellite for Palmerston North (in terms of distribution/manufacturing), unless we can attract a big manufacturer/distributor to the area.</p>

KRA 2: Growth and development of the specific identified sectors, e.g. rural production, processing/added value, manufacturing sectors in the district, tourism		
Drivers	Opportunities	Issues/barriers
<p>Strong and supportive local networks of businesses</p> <p>Local supply chains</p> <p>Local work force</p>	<p>Strong primary production sector</p> <p>Strong education sector in Marton</p> <p>Ag-Trade College: Ngati Apa potential purchase of the farming block at Flock House.</p> <p>Adding value/processing of raw materials/primary production</p> <p>Diversification of primary production</p>	<p>Geographical spread of businesses</p>

KRA3: High-class infrastructural, utilities and telecommunications network throughout the district		
Drivers	Opportunities	Issues/barriers
<p>Broadband</p> <p>The infrastructure for the power industry also needs to be looked into (in regards to our District);</p> <p>Roading - TEU's – twenty-foot container equivalent units.</p>	<p>Join roads to make circuits</p>	<p>Lack of UFB connectivity</p> <p>Lots of rural properties purchasing generators to protect themselves from power outages.</p>

KRA4: Vibrant and attractive towns that entice growth		
Drivers	Opportunities	Issues/barriers
<p>"Live-ability" of communities (access to good, essential services – namely education, health, employment, housing)</p> <p>MOU arrangements with Town Coordinators</p>	<p>Sector meetings e.g. education to develop collaboration to provide full range of curriculum subjects</p> <p>Town Centre Plans in Bulls, Taihape, Marton, Hunterville</p>	<p>Loss of services erodes community</p>

KRA5: Promotion of the District as a great place to visit, to live and to do business		
Drivers	Opportunities	Issues/barriers
<p>Visitors to the District - stop and spend</p> <p>Website (geared towards people looking for a new community to live in, as well as attracting overseas tourists)</p> <p>Good measurable data and stories behind the facts</p> <p>Availability of information via multiple media e.g.</p>	<p>Elder friendly, family friendly</p> <p>Promote the District as being motorhome, motorcycle and cycle friendly</p> <p>Database commercial opportunities</p> <p>Events calendar</p> <p>Better 'sell' the District</p>	<p>Lack of visibly information centre in Marton</p> <p>How do we let the 'greater' population know that we are a 'business-friendly' district?</p> <p>There needs to be more of a link between</p>

website, specialist magazines etc.	<p>Also look into promotional videos on the website; linked from any paper or electronic advertising</p> <p>Website linked/reinforcing marketing strategy</p> <p>Successful manufacturers are our biggest advertisement for being a 'business-friendly' district.</p>	<p>the Council website, the Rangitikei Tourism website and the information centres.</p> <p>Have to be able to deliver on what we are promoting.</p> <p>User-friendly website</p> <p>Tourism/Hospitality is a very small 'chunk of the pie', yet a large portion of our 'cash' goes into funding this area.</p>
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Appendix 2: Events strategy

Council's Iconic Events Policy

To develop a sense of place in the Rangitikei through iconic events that reflect the diversity of the Rangitikei communities and add to the attractiveness and vibrancy of the District towns to attract businesses, residents and visitors.

Council needs to develop a strategy to achieve the policy intent. There is overlap with the regular MOU meetings (currently twice per year) and the work programme contracted through the MOU arrangement. There is also overlap with the economic development strategy – that work needs to acknowledge and input into the Iconic Events Strategy.

Initial thoughts

A key factor affecting population projections is net migration. From Census data, migration to and from Rangitikei is predominantly within the region. It may be that the best place to promote and showcase the Rangitikei lifestyle is at our events which could be supported based on their ability to attract large numbers of local and near-local residents.

Current “iconic” events

- Taihape Gumboot Day
- Marton Harvest Festival
- Marton Country Music festival
- Wear-a-bull Art
- Turakina Highland Games
- Hunterville Shemozzle
- Mangaweka Fakes and Forgeries
- A family-focussed Christmas event in each of Marton, Bulls and Taihape

Attachment 4

GROWTH PROJECTIONS FOR THE 2015-25 LONG TERM PLAN

Introduction

At its meeting in August, the Policy/Planning Committee endorsed “taking the mid-point in the low and medium projections as the basis for planning facilities and services in the 2015/25 Long Term Plan, noting that labour force projections could produce different results in different parts of the District and requests a further report back to the Committee (14/PPL/081).”

In September, the Committee clarified that two further elements which should be considered as part of the discussion growth projections for the 2015-25 LTP.

1. To undertake an analysis of the labour force projections under optimistic and pessimistic scenarios of participation rates by women and older people
2. Attempt to identify a realistic model for growth in the primary agriculture and agribusiness sectors that aligns the District with highest performing Districts across New Zealand to generate indicative gaps in the labour force and drive inward migration¹

The gap between the projected labour force and the potentially required labour force may indicate what population projections the Council could use in its planning. This is particularly relevant in the context of a renewed emphasis by Council on economic development and District promotion.

Executive Summary

Section 1 of this report reproduces where possible for Rangitikei, the analysis used in the report commissioned from the National Institute of Demographic and Economic Analysis (NIDEA)² at Waikato University for the Bay of Plenty Region. The report uses as its baseline the population projections provided by Statistics New Zealand to support territorial authorities in developing 30 year infrastructure strategies. The labour force participation rate, as determined through the 2006 and 2013 Census³, is then applied to estimate the size of the labour force through to 2046 under a “business as usual” scenario.

The report then determines the potential labour force derived from the population projections under four other scenarios :

- a) A decrease in youth unemployment which leads to a greater work force in the 15-24 age group
- b) An increase in labour force participation rates amongst women
- c) An increase in labour force participation rates by older workers³
- d) All of the above assumptions are included in the final scenario

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

¹ The availability of economic data for the District has recently become available through Council’s subscription to Infometrics available through the LASS shared service

² The methodology used is based on “2014 Review of Demographic and Labour Force Projections for the Bay of Plenty Region 2013-2063”, National Institute of Demographic and Economic Analysis, Waikato University (April 2014). No stochastic projections have been undertaken.

³ These latter two scenarios reflect consistent recent trends

Section 2 of this report focuses on the productive capacity of the local economy in the agribusiness sector (primary production and related secondary sector activity). Attempts to predict a realistic growth model are fraught for non-specialist economists. It is more appropriately left to the Regional Growth Study which aims to identify strategies to meet central government's intention to:

- a) Double primary sector exports by 2025 nationwide, and
- b) Double the agribusiness exports from the Manawatu/Whanganui region in the same timeframe

Some analysis of the local economy is provided, including GDP growth, economic diversity, the District's strengths and the contribution to exports from primary, secondary and agribusiness sectors. Analysis is also provided of employment in the District and the distribution of jobs between the various sectors.

The community has previously feedback to Council that it believes that employment in the agribusiness sector is reasonably secure, providing some stability to rural populations. For the purposes of this report, it is assumed that employment in the primary and secondary sectors in the District remain constant in the foreseeable future. It is also assumed that employment in the tourism sector, although a relatively small contributor to overall employment, remains at current levels since tourism is likely to continue even in a period of population decline.

The remainder of the employment in the District is assumed to be services that are dependent upon population and therefore will be lost as population declines. These projections of labour force required to maintain the agribusiness sector under a "business as usual" scenario were then plotted against the projected labour force under each scenario from section 1.

The result indicates that under business-as-usual scenarios for both economic activity and labour force participation, labour shortages could occur as soon as 2026. The projected population at this point is 12,735.

However, if labour force participation follows likely scenarios (greater participation by women and older people and less youth unemployment), then a lack of economic growth and associated job creation, could further drive outward migration and accelerate population decline. Under the most optimistic projection of the labour force (scenario 5), labour shortages may not occur before 2046, in which case the population decline could play out as predicted by Statistics New Zealand.

Targeted economic growth as part of a wider regional growth strategy should aim in the first instance to at least meet the additional demand for jobs from younger and older workers and women, and, potentially provide additional job opportunities that could drive inward migration.

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

However, it does provide a basic methodology that can be used and refined to track progress of the Rangitikei Growth Strategy as part of the regional growth strategy.

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Section 1: Labour force projections based on Statistics NZ population projections

1. Population projections

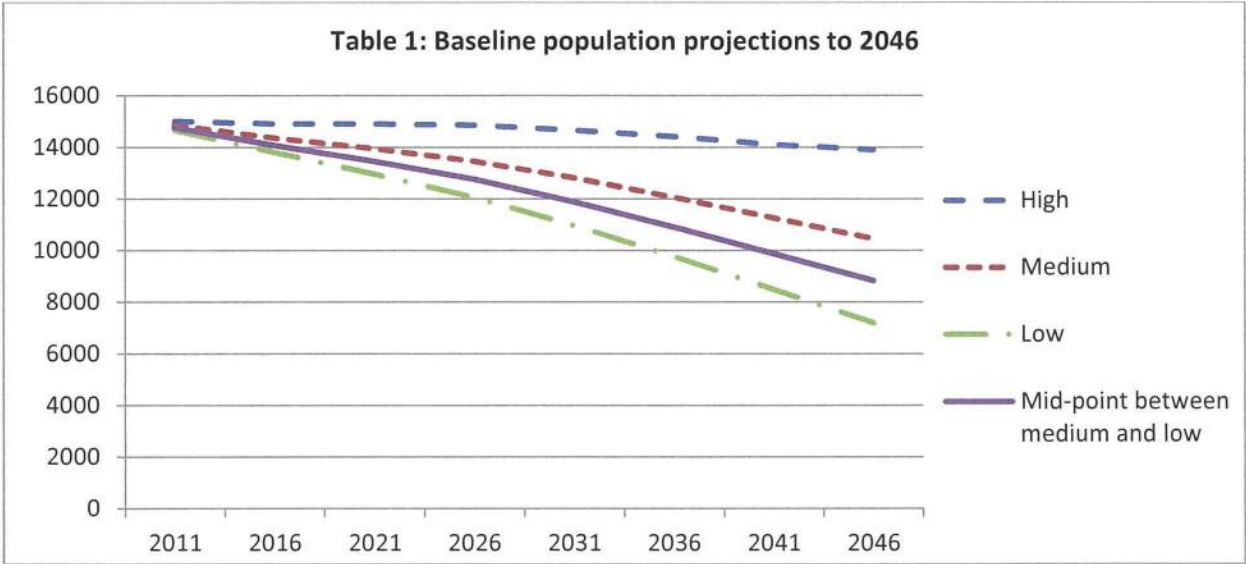


Table 1 shows population projections provided by Statistics New Zealand using their high, medium and low projections developed to 2031 and extended for the purposes of local government 2015-25 Long-term Plans. Based on the Census night 2013 population estimate (14,040), Council has agreed to use the mid-point between the medium and low projections as its baseline for planning purposes.

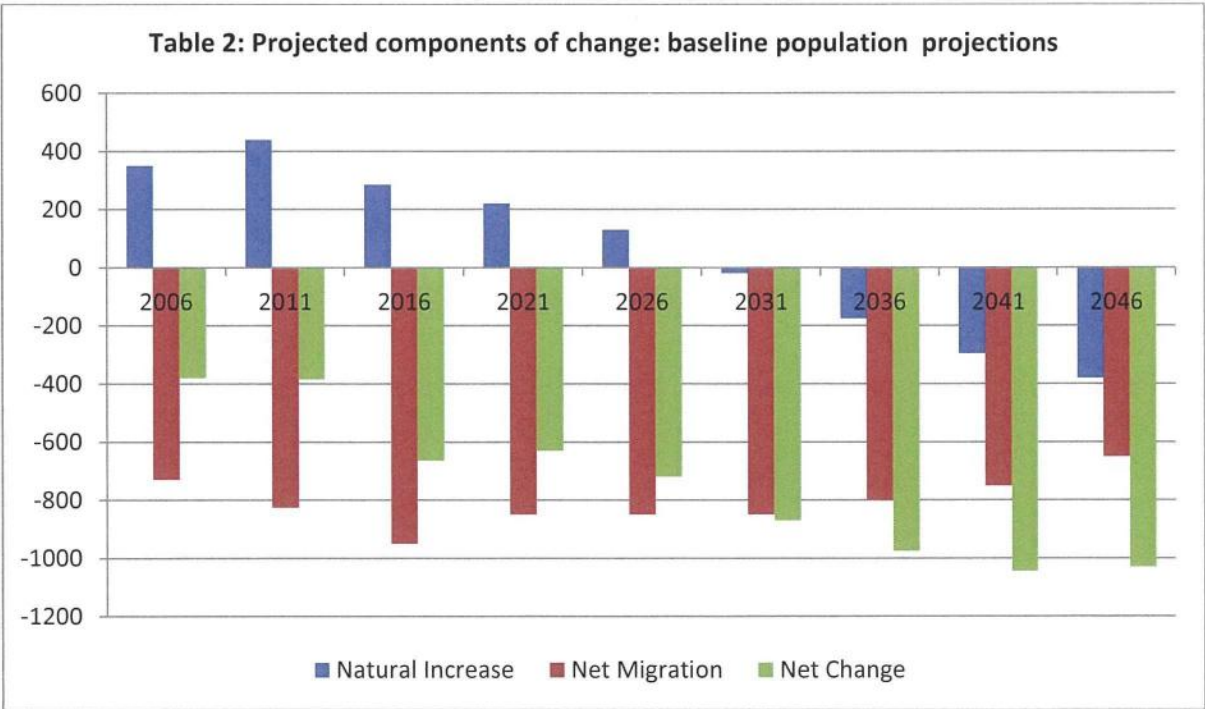


Table 2 shows the contribution from natural increase and net migration to the projected change in population.

The pattern of the components is indicative of the structural ageing of the population that characterises most of the developed world. That is a move from a natural increase (more births than deaths) to a natural decrease (more deaths than births). Net migration is predicted to remain consistent between 700—900 per annum outward.

Table 3 shows the highest and lowest (>10) net migration from/to Rangitikei using the Census variable of where people usually resided five years ago if not at their current residential address. This indicates that most inward and outward migrations occur within the Horizons Region, with a drift towards the urban centres of Palmerston North, Whanganui and Feilding.

Table 3: Migration patterns between 2008 and 2013

Area	net gain
Manawatu District	-219
Palmerston North City	-156
Wanganui District	-114
Taupo District	-33
Napier City	-33
Masterton District	-33
Hastings District	-24
Southland District	-24
Marlborough District	-21
Hamilton City	-15
Tauranga City	-15
New Plymouth District	-15
Dunedin City	-15
Far North District	-12
Kaipara District	-12
Rodney Local Board Area	-12
Lower Hutt City	-12
Carterton District	-12
Selwyn District	-12
Waitaki District	-12
Kapiti Coast District	15
Rotorua District	18
Ruapehu District	30
Horowhenua District	33
Tararua District	39
Not Born 5 Years Ago	1011
Overseas	99
Deceased ([under]estimate from regional figures)	-729

By 2031, more than one in three of the population will be aged 65+ years, up from 17% in 2011. By 2046, that proportion is predicted to reach 34% with almost 10% in the 85+ age group. The ratio of elderly (65+ years) compared to children (0-14 years) rises from 79 per 100 children to 223 per 100 children in 2046. This is illustrated in tables 4-7 below.

Table 4: Projected baseline numbers and change by broad age group

Mid point between low and medium projections				Percentage by broad age group		
	2011	2031	2046	2011	2031	2046
0-14	3,065	2,205	1,345	21%	19%	15%
15-39	4,215	2,960	1,945	29%	25%	22%
40-64	5,015	3,040	2,535	34%	26%	29%
65+	2,435	3,675	2,995	17%	31%	34%
Total	14,730	11,880	8,820	100%	100%	100%
85+	245	505	820	2%	4%	9%
Elderly:children ratio	0.79	1.67	2.23			

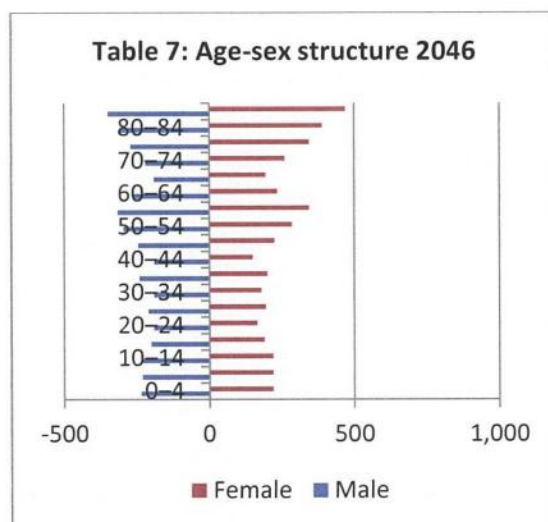
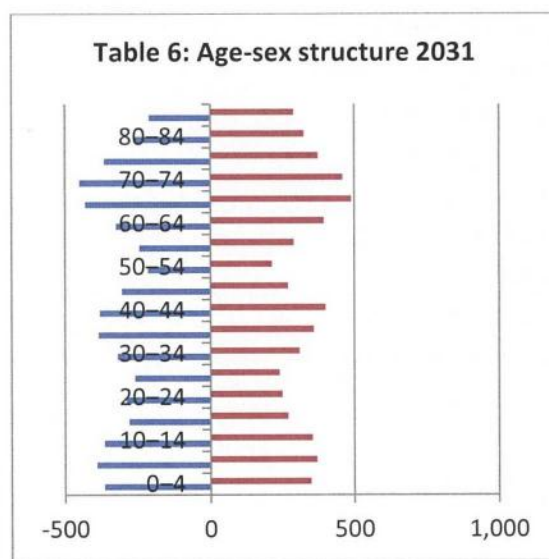
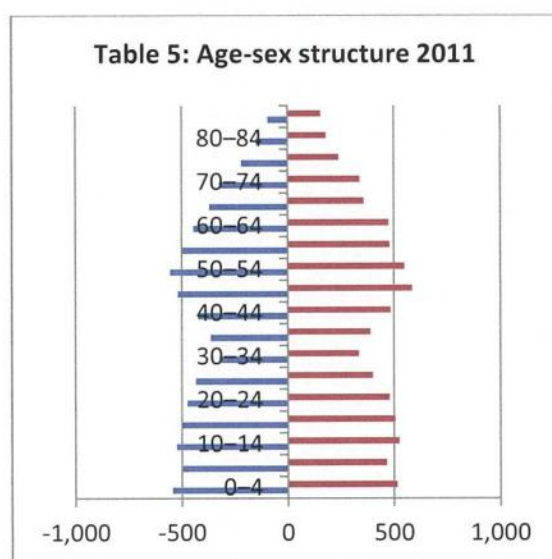


Table 8 below confirms the trend that in the early part of the period under consideration (2016 - 2031), an increase in the proportion of older people contributes to structural ageing of the population whereas in the latter part (2031 – 2046) the decrease in population occurs across all age groups. It also confirms that the biggest contribution to growth is in the 85+ age group.

Table 8: Projected (baseline) contribution to change by broad age group

	2016-2031		2031-2046		2016-2046		Contribution to change		
	change (n)	change (%)	change (n)	change (%)	change (n)	change (%)	2016-2031	2031-2046	2016-2046
0-14	-545	-20%	-860	-36%	-1,405	-41%	-25%	-28%	-27%
15-39	-1,045	-26%	-1,015	-29%	-2,060	-46%	-47%	-33%	-39%
40-64	-1,500	-33%	-505	-15%	-2,005	-39%	-68%	-17%	-38%
65+	885	32%	-680	-20%	205	9%	40%	-22%	4%
Total	-2,205	-16%	-3,060	-24%	-5,265	-35%	-100%	-100%	-100%
85+	195	63%	315	72%	610	290%	9%	10%	12%

2. Household and dwelling projections

This section covers the projection of the number of households (and by inference occupied private dwellings) by household type for the period 2006 – 2031. The projections contained in table 9 have been provided by Statistics New Zealand based on 2006 census baseline data⁴.

Table 9: Household Projection 2006 – 2031 (using Statistics New Zealand medium projections⁵)

Year at 30 June	Family type				Household type				Average household size
	Couple without children	Two-parent	One-parent	Total	Family	Other multi-person	One-person	Total	
2006	1900	1700	800	4400	4300	200	1500	6000	2.5
2011	2000	1500	700	4300	4200	200	1700	6000	2.4
2016	2100	1300	700	4200	4100	200	1800	6000	2.3
2021	2200	1200	700	4000	4000	200	1900	6000	2.2
2026	2100	1000	700	3800	3700	100	1900	5800	2.2
2031	2000	900	600	3600	3500	100	1900	5600	2.1

In line with the population trends, the number of households gradually decreases over the period of review. One of the trends in the developed world is the reduction in household size as fertility declines and life expectancy increases. This means that even in a phase of ageing and declining population, the number of households can continue to rise (as average household size declines). The number of households will eventually begin to fall as natural decline begins to occur. This is illustrated by table 9.

⁴ The updated projections for 2013-2043 from the 2013 Census are due for release by Statistics NZ on 2 December 2014.

⁵ This may overstate the number of households since Council is using the mid-point between medium and low projections as its baseline. However, the low projection is not provided on the Statistics NZ website would need to be procured separately.

3. Labour force projections

The labour force comprises members of the working age population (15 years or more) who are either employed (part-time or full-time) or unemployed and actively seeking work. The labour force participation rate (LFP) measures the proportion of the working age population that meet either of these criteria (i.e. form part of the labour force).

The employment:population rate (ER) excludes those who are unemployed and actively seeking employment. In other words, it only measures the proportion of the working population that are in full-time or part-time paid employment.

This section provides four scenarios projecting the labour force for the region. Table 11 provides the context for the four scenarios. It shows age specific LFP and ER figures from the 2001 and 2013 Census' and the percentage change over this period. Comparative data for New Zealand is also provided.

The LFP rate in the older age groups (45-64 and 65+) has increased in both the local and national data but is more pronounced in the local dataset. This is explored in scenario 4. Conversely, there has been a drop in the LFP rate locally across both younger age bands (15-24 and 25-44) and this is less pronounced in the local dataset. This is explored in scenario 2.

Table 10 illustrates this point.

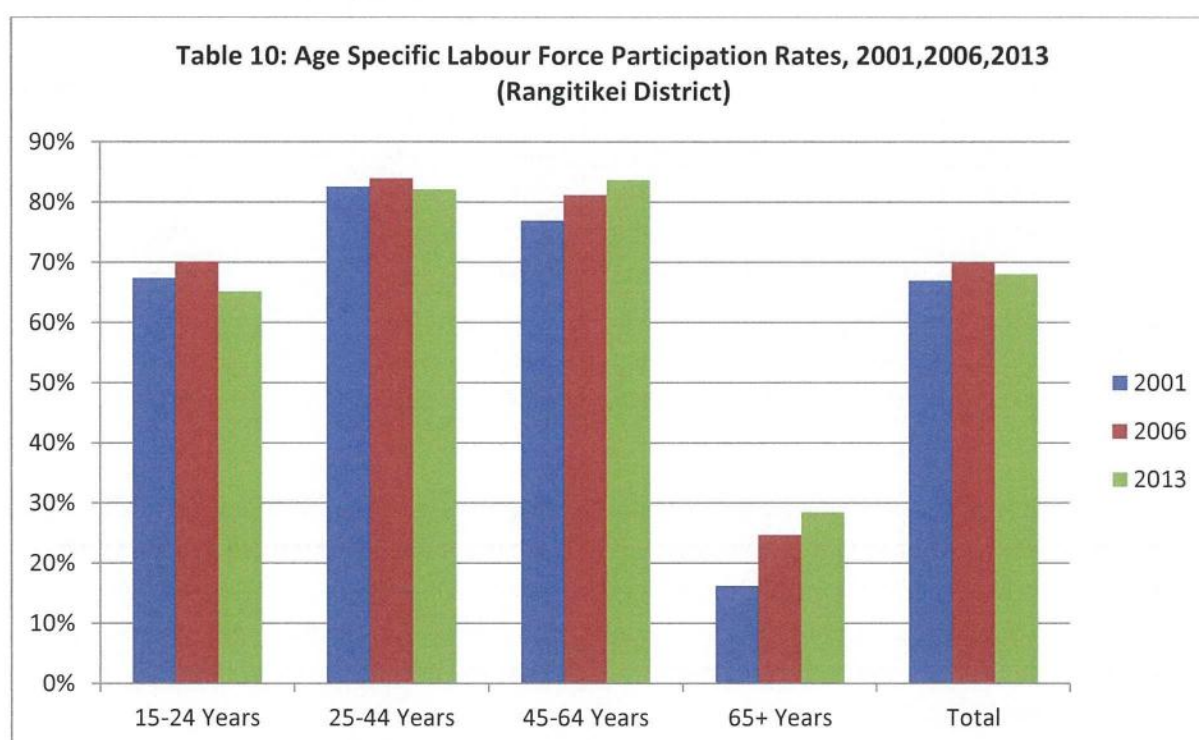


Table 11: Age specific labour Force Participation Rates (LFP) and Employment Rates: Population Rates (ER) 2011-2013

	15-24 Years			25-44 Years			45-64 Years			65+ Years			Total		
	2001	2013	% change	2001	2013	% change	2001	2013	% change	2001	2013	% change	2001	2013	% change
Rangitikei District															
Employed Full-time	621	606	-2%	2463	1767	-28%	1920	2481	29%	150	363	142%	5163	5229	1%
Employed Part-time	321	258	-20%	642	414	-36%	558	600	8%	150	315	110%	1671	1587	-5%
Total Employed	942	867	-8%	3105	2181	-30%	2478	3090	25%	303	681	125%	6834	6819	0%
Unemployed	189	162	-14%	216	150	-31%	117	126	8%	6	6	0%	522	441	-16%
Total Labour Force	1134	1032	-9%	3324	2334	-30%	2592	3213	24%	309	684	121%	7359	7260	-1%
Not in the Labour Force	552	555	1%	705	516	-27%	777	624	-20%	1593	1716	8%	3624	3414	-6%
Work and Labour Force Status Unidentifiable	45	75	67%	126	135	7%	81	126	56%	48	63	31%	300	393	31%
Total Labour Force Status	1728	1659	-4%	4152	2976	-28%	3450	3966	15%	1950	2466	26%	11286	11064	-2%
LFP	67%	65%		83%	82%		77%	84%		16%	28%		67%	68%	
ER	56%	55%		77%	77%		74%	80%		16%	28%		62%	64%	
	15-24 Years			25-44 Years			45-64 Years			65+ Years			Total		
Total NZ by Territorial Authority	2001	2013	% change	2001	2013	% change	2001	2013	% change	2001	2013	% change	2001	2013	% change
Employed Full-time	168984	163491	-3%	666324	653244	-2%	469383	655680	40%	23424	68652	193%	1328118	1541061	16%
Employed Part-time	102054	107589	5%	153990	136794	-11%	116598	154704	33%	26508	60861	130%	399153	459948	15%
Total Employed	271041	271080	0%	820308	790029	-4%	585993	810384	38%	49932	129513	159%	1727271	2001009	16%
Unemployed	56409	61302	9%	57609	53304	-7%	25080	36336	45%	813	2268	179%	139908	153210	10%
Total Labour Force	327447	332379	2%	877911	843339	-4%	611070	846717	39%	50745	131784	160%	1867176	2154216	15%
Not in the Labour Force	163278	219513	34%	195627	186198	-5%	187860	198468	6%	387141	453915	17%	933909	1058100	13%
Work and Labour Force Status Unidentifiable	14343	34554	141%	35715	58428	64%	25854	49788	93%	12534	21333	70%	88449	164100	86%
Total Labour Force Status	505065	586446	16%	1109259	1087959	-2%	824787	1094982	33%	450423	607035	35%	2889537	3376416	17%
LFP	67%	60%		82%	82%		76%	81%		12%	23%		67%	67%	
ER	55%	49%		76%	77%		73%	78%		11%	22%		62%	62%	

In applying the scenarios, it needs to be noted that the baseline population projections for the age groups 15 – 84 years has been used to apply the LFP rates. In other words, it assumes that those people aged 14 or less and aged 85 or over are not participating in the labour force. The scenarios 1-3 apply LFP rates derived from the 2006 Census to the 2006 population data and from then onwards applies the LFP rate derived from the 2013 Census data.

Labour Force Scenario 1:

Scenario 1 provides the “business as usual” scenario. That is, it assumes the baseline labour force participation rates apply throughout using the baseline population projections.

The result is illustrated in Table 12:

Table 12: Scenario 1 Labour Force Projections 2006 - 2046

	15-24	25-44	45-64	65-84	All ages
2006	1360	3107	3190	489	8146
2011	1277	2600	3435	623	7935
2016	1082	2485	3230	706	7502
2021	853	2481	2857	781	6973
2026	759	2452	2301	850	6362
2031	707	2181	1891	902	5681
2036	619	1828	1816	858	5121
2041	573	1491	1832	761	4658
2046	479	1273	1837	619	4208
%change 2006-2046	-65%	-59%	-42%	27%	-48%

Under this scenario, there is a marked decrease in the size of the labour force over the projected period. The only labour force showing any growth is the 65-84 year age group which is predicted to form a more significant section of the labour force than the 15-24 year age band. Once again the impact of the change from a natural increase to a natural decrease can be seen post 2031.

Labour Force Scenario 2:

The second scenario responds to the increase in youth unemployment which is a feature of the LFP rates for the younger age groups post 2006. It uses the baseline population projections for the age groups 15 – 84 years, and applies the LFP rates derived from the 2006 Census to the 2006 population data, thereafter it applies the 2013 LFP rates to 25+ age groups but for 2016 onwards reverts back to the 2006 LFP rate for the 15-24 age groups. This assumes that as the labour force decreases, young people will not be excluded from the work force to the current extent.

The impact is overall is marginal: an additional 36 individuals aged 15-24 in the workforce by 2046. The general observations under scenario 1 remain valid.

Table 13: Scenario 2 Labour Force Projections 2006-2046

	15-24	25-44	45-64	65-84	All ages
2006	1360	3107	3190	489	8146
2011	1277	2600	3435	623	7935
2016	1164	2485	3230	706	7585
2021	918	2481	2857	781	7038
2026	817	2452	2301	850	6420
2031	761	2181	1891	902	5735
2036	666	1828	1816	858	5168
2041	617	1491	1832	761	4702
2046	515	1273	1837	619	4244
%change 2006-2046	-62%	-59%	-42%	27%	-48%

Labour Force Scenario 3:

Scenario 3 (table 14) assumes that the labour force participation of women increases over the twenty year period (2011-2031) so that half of the age specific 2013 gender gap in labour force participation is closed. Thereafter, the participation rates hold for the remainder of the period (to 2046). As in scenario 1, LFP rates derived from 2006 Census are used for the 2006 population baseline, but thereafter the LFP rate derived from the 2013 Census is used.

Under this scenario, the decrease in the size of the labour force is less marked but again only marginally. An additional 226 people in the workforce by 2046 compared to the business as usual scenario. The increase in participation by women in the labour force is most noticeable in the older age groups and the observations under scenario 1 remain valid.

Table 14: Scenario 3 Labour Force Projection 2006-2046

	15-24			25-44			45-64			65-84			Total		
	M	W	All	M	W	All	M	W	All	M	W	All	M	W	All
2006	738	623	1362	1687	1424	3111	1732	1462	3194	266	224	490	4423	3733	8156
2011	692	591	1283	1395	1175	2570	1763	1672	3435	383	235	619	4233	3674	7907
2016	600	497	1097	1350	1148	2498	1640	1612	3252	432	297	729	4022	3553	7575
2021	479	388	867	1373	1155	2528	1417	1468	2885	481	353	833	3749	3363	7112
2026	437	352	789	1355	1161	2516	1128	1208	2336	524	413	937	3443	3134	6577
2031	405	338	743	1211	1061	2272	953	983	1936	544	479	1022	3112	2860	5973
2036	351	296	647	1049	863	1911	932	932	1864	508	464	972	2839	2555	5394
2041	327	273	600	860	701	1560	958	924	1882	441	422	863	2585	2320	4905
2046	277	231	508	747	587	1334	975	916	1891	356	345	702	2356	2079	4434
% change 2006-2046	-63%	-63%	-63%	-56%	-59%	-57%	-44%	-37%	-41%	34%	54%	43%	-47%	-44%	-46%

Labour Force Scenario 4:

Scenario 4 (table 15) assumes that current increases in labour force participation amongst older workers continue out to 2031 and then stabilises. In essence, where the peak labour force participation occurs (in the Rangitikei this occurs in the 45-49 year band) this rate is assumed to occur in the 50-54 year cohort in 2031. This wave of higher labour force participation continues through the older age groups so that each 5 year cohort from 45 years onwards is participating in the labour force at the same rate as was applied to the preceding cohort in 2011.

As above, the LFP rates for 2006 are only used on the 2006 population figures – all later projections use the 2013 LPF figures.

Clearly, this scenario relies upon a massive increase in LFP within the older age groups (65-84 years) which would appear to have a greater impact on the overall picture of the change in the labour force that is driven purely by population projections than increased participation by young people or women. Under this scenario an additional workforce of just over 1,000 could be gained from this assumption. This scenario yet again reinforces the importance of older workers in future labour markets, and yet again indicates that even this resource has its limits as natural decline overtakes natural increase as a contributing factor to population change.

Table 15: Scenario 4 Labour Force Projections 2006-2046

	15-24	25-44	45-64	65-84	All ages
2006	1363	3105	3239	489	8196
2011	1280	2595	3433	623	7932
2016	1093	2467	3235	992	7787
2021	866	2459	2864	1427	7617
2026	740	2440	2318	1910	7409
2031	711	2183	1947	2400	7241
2036	608	1827	1879	2283	6598
2041	567	1489	1899	2026	5980
2046	479	1266	1895	1647	5288
%change 2006-2046	-65%	-59%	-41%	237%	-35%

Labour Force Scenario 5:

The final scenario combines the assumptions of scenarios 2, 3 and 4. That is increased participation by young people, women and older workers in line with all assumptions made in the earlier scenarios, leading to an overall increase in the work force of 1,200 in 2046 compared to the business as usual scenario. Table 16 illustrates this scenario.

Table 16: Scenario 5 Labour Force Projections 2006-2046

	15-24			25-44			45-64			65-84			Total		
Labour force	M	W	All	M	W	All	M	W	All	M	W	All	M	W	All
2006	760	606	1366	1687	1424	3111	1732	1462	3194	266	224	490	4423	3733	8156
2011	693	583	1276	1401	1184	2585	1761	1643	3404	386	237	623	4229	3650	7879
2016	671	513	1184	1360	1140	2500	1640	1574	3214	552	426	978	4151	3634	7785
2021	537	414	951	1389	1146	2535	1419	1423	2842	774	635	1409	4061	3592	7653
2026	475	373	848	1374	1160	2534	1135	1166	2302	1019	872	1891	3946	3532	7477
2031	452	372	824	1233	1068	2300	975	958	1933	1242	1155	2397	3851	3513	7365
2036	385	320	705	1065	868	1933	957	923	1880	1159	1120	2279	3521	3194	6716
2041	359	296	656	874	705	1579	984	919	1903	1007	1019	2026	3183	2905	6088
2046	307	253	559	761	587	1348	998	902	1899	814	833	1647	2845	2547	5392
%change 2006-2046	-60%	-58%	-59%	-55%	-59%	-57%	-42%	-38%	-41%	206%	272%	236%	-36%	-32%	-34%

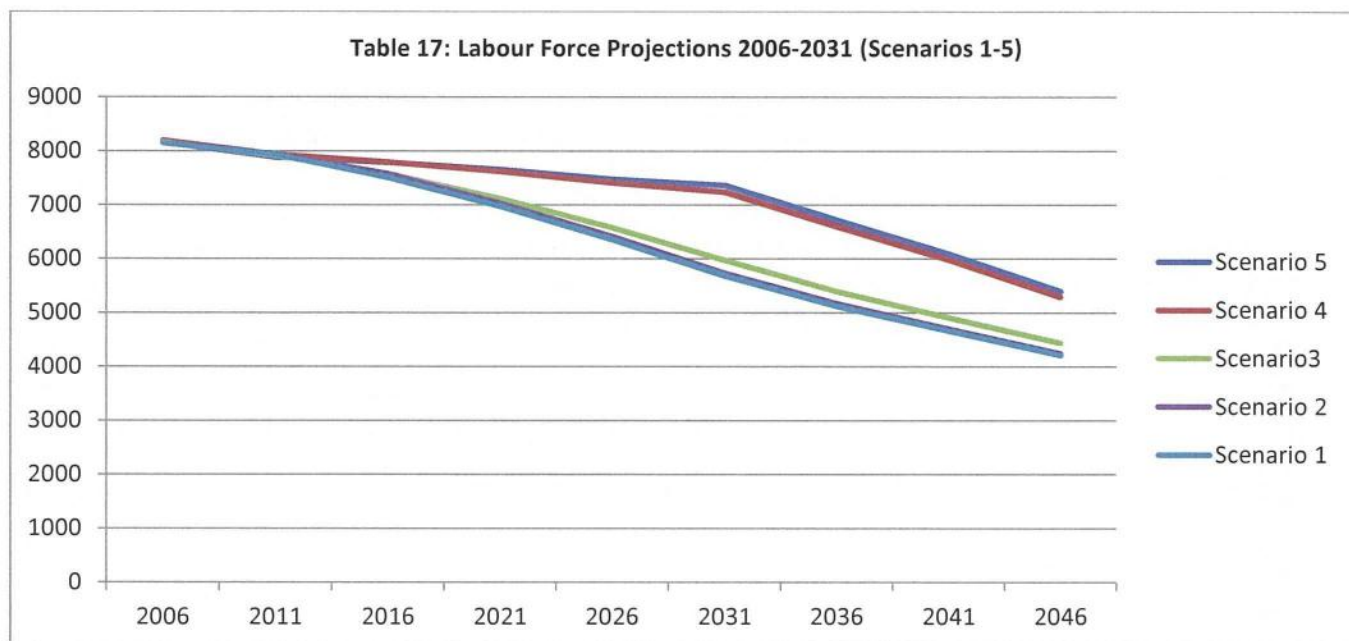
Predictably, the overall size of the projected labour force is greater under this scenario than any of the others but the same general pattern is observed.

General comment on the Labour Force Scenarios

The scenarios capture some of the drivers of changing labour force participation rates, namely changes on sex- and age-specific participation rates. The scenarios are based on a long pattern of increases in female labour force participation and considerable responsiveness to changes in superannuation. In the future this is likely to be exacerbated by a declining numbers of young people entering the labour market.

Under the most optimistic scenario, the potential labour force falls by 34%. This compares to the projected overall decrease in the population of 42% using the mid-point between the medium and low projections provided by Statistics New Zealand.

The pattern of labour force development under each scenario is illustrated in table 17.



Implications of the factors underpinning the projections:

The findings of the section on key trends and determinants affecting future population change from the 2014 Review of Demographic and Labour Force Projections for the Bay of Plenty Region 2013-2063, National Institute of Demographic and Economic Analysis⁶, are reproduced here as they are relevant to the Rangitikei District.

Global Trends:

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

Diminishing role of natural increase:

The trends (described in this Report) are consistent with the national picture at TLA level and thus unlikely to differ markedly from the projected situation. However, the

⁶ Waikato University (April 2014).

contribution to natural increase by Māori is somewhat greater in absolute terms than for the European-origin population, despite the latter's larger size. If young Māori became less likely to leave the region, their higher than average birth rates and earlier age at childbearing would assist in keeping natural increase relatively high for a longer period.

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

Increasing role of migration:

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

Workforce ageing:

Labour force participation at 60+ years in both New Zealand and the Rangitikei is already relatively high in global terms, suggesting that employment rates at these ages are unlikely to undergo further dramatic increase. The declining ratio of labour market entrants to exits may on the other hand see a decline in unemployment rates, especially at younger ages; however unemployment rates (and thus those currently unemployed) are included in labour force projections. These trends suggest that in numerical terms the future workforce of the Rangitikei is unlikely to greatly exceed that indicated in Scenarios 3 and 4.

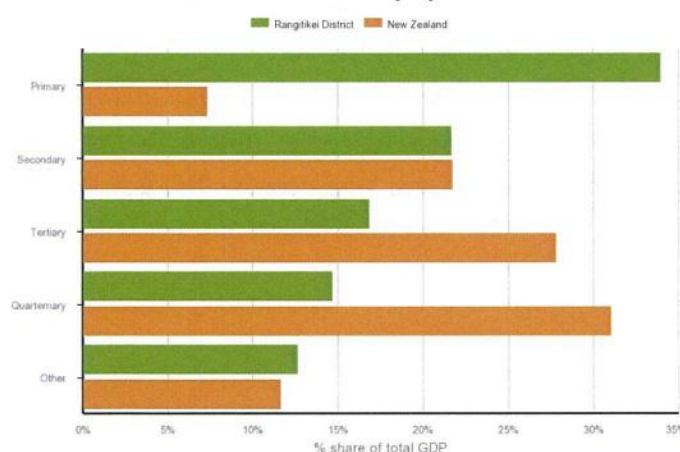
Section 2: Forecasting potential for economic development in the District

The District Council has subscribed to the Infometrics service which provides a range of economic indicators comparing the performance of Rangitikei District with the national performance across a range of economic and social indicators. This information is available publicly through the www.rangitikei.govt.nz website. Council also has access to the same information with the ability to compare the District performance with any other territorial authority in New Zealand. A condition of use is that this comparison information is available to guide decision-making but is not to be referenced in public statements. Using the comparator facility, it is possible to do some broad comparisons between the Rangitikei District and other Districts to identify where the District could sit if it was performing on a par with the better performing Districts.

Initially it is important to identify the important indicators of economic performance that could or should be improved. The key performance indicators are attached as “Rangitikei District at a glance”. This information tells us how big the local economy is (GDP), what is the underlying structure and what factors are driving growth.

Overall, the Rangitikei economy (as measured by GDP) has not grown apace with the rest of New Zealand. Over the past ten years, the growth in GDP has been 1% compared to 2.2% for New Zealand as a whole. The importance of the primary sector to the Rangitikei economy⁷ is illustrated by Table 17.

Table 17 Breakdown of the local economy by broad economic sector 2013



⁷ The primary sector extracts or harvests products from the earth and includes agriculture, forestry, fishing, and mining. The secondary sector produces manufactured and other processed goods and includes manufacturing, electricity, gas and water, and construction. The tertiary sector includes all service industries that are not knowledge intensive, such as retail trade, and food and accommodation services. The quarternary sector includes knowledge intensive service industries. Knowledge-intensive industries are industries that satisfy two basic criteria: At least 25 per cent of the workforce must be qualified to degree level and at least 30 per cent of the workforce must be employed in professional, managerial, as well as scientific and technical occupations. Other includes owner occupied property operation and unallocated activity.

The Herfindahl–Hirschman Index (HHI) measures the level of diversification of the economy using a combination of the comparative advantage that the District has (across the 54 industry classifications used in the National Accounts) with a number of other factors. An index of 0 represents a diversified economy with economic activity evenly spread across all industries. The higher the index, the more concentrated economic activity is on a few industries. Diversity can be good (less vulnerable to adverse events such as climatic conditions and commodity price fluctuations) but can also indicate that an economy is not investing enough in its strengths. It is important to understand why certain industries have a comparative advantage in an area, for example, natural assets, location, skilled labour force etc. Table 18 provides the comparison between Rangitikei District and the New Zealand HHI index since 2013⁸.

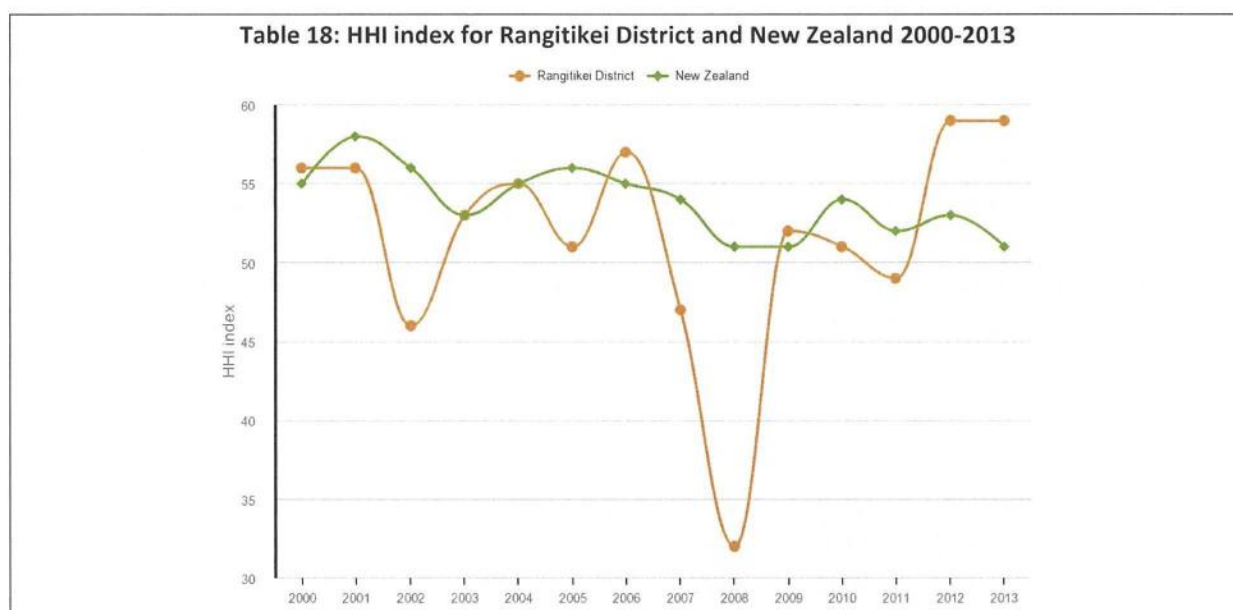
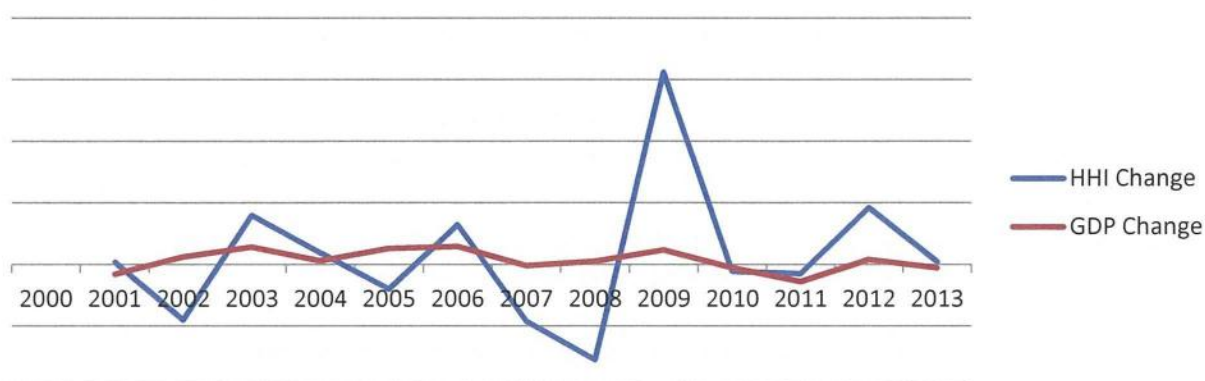


Table 18 illustrates that the New Zealand economy as a whole has become slightly more diversified over the period of review. The Rangitikei District, on the other hand, follows a more erratic path. There appears to be a correlation between GDP and HHI, i.e. when GDP is high, then HHI is also elevated (i.e. greater dependency on the primary sector). This is illustrated in table 19 below and demonstrates the sensitivity of the local economy to commodity prices in the primary sector.

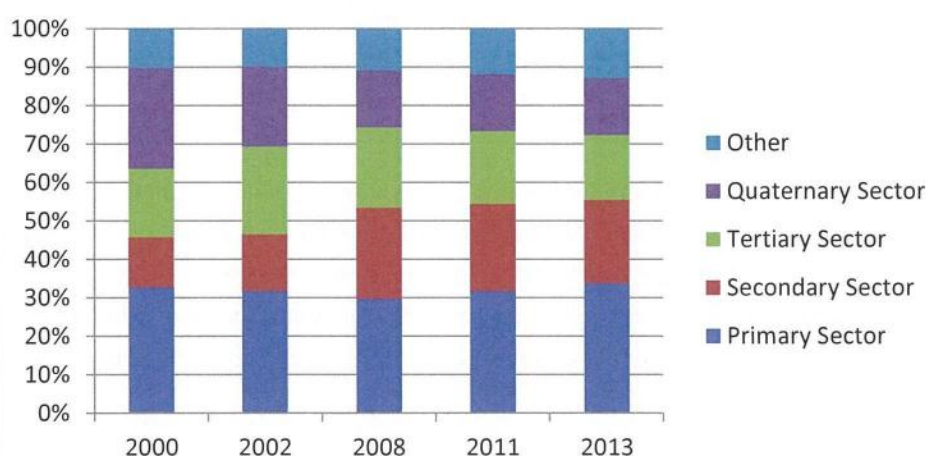
⁸ The spike demonstrated in 2008/2009 is likely to be a miscoding of data through Statistics New Zealand. It appears in tables 18 and 19 where it was not possible to disaggregate this data from the HHI index. For the rest of the tables and figures, this spike has been removed.

**Table 19: %age change in HHI versus %age change in GDP, Rangitikei District
2000 - 2013**



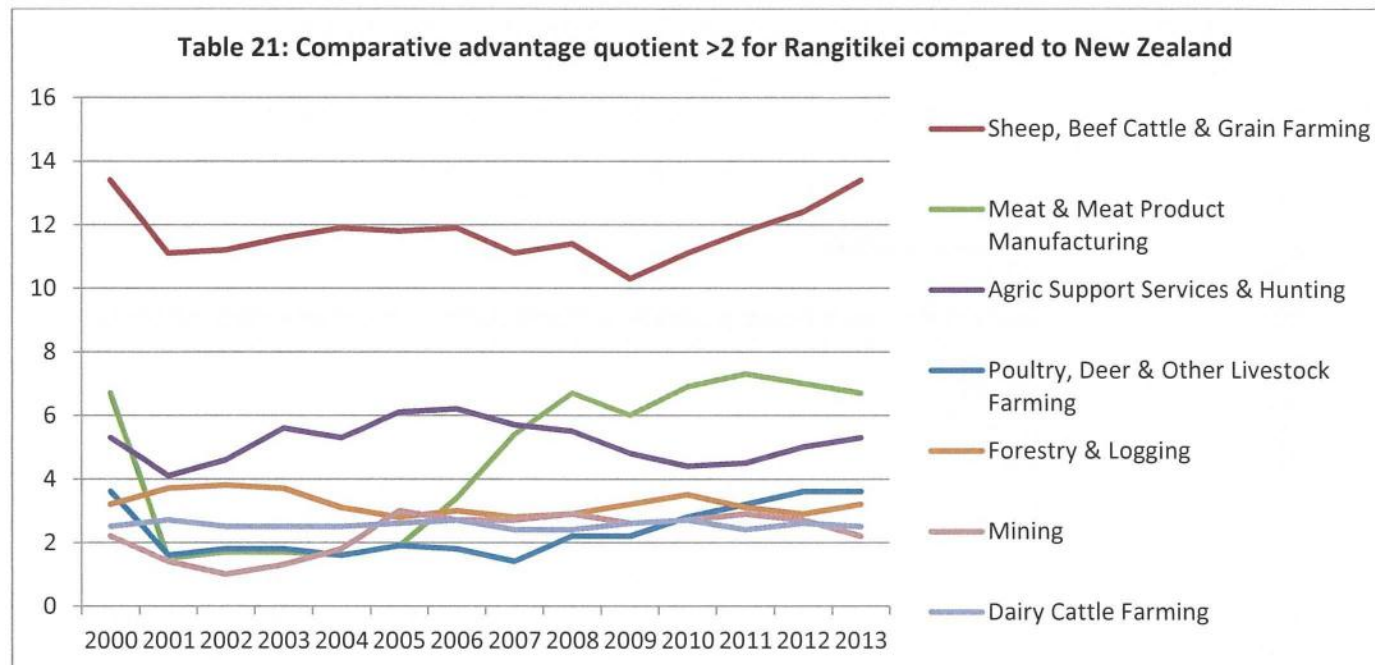
The breakdown of the broad sector groups for the periods of peaks and troughs are illustrated in table 20 below. This shows that whilst the primary sector has remained within 30-35% of the GDP for the District, secondary sector industries have increased (from 14% in 2000 to 22-24% since 2008) at the expense of the quaternary sector (knowledge intensive industries) which has dropped its share of GDP from 28% in 2000 to 15% in 2013.

Table 20: Breakdown of broad sector groups, Rangitikei District, 2000, 2002, 2008, 2011, 2013

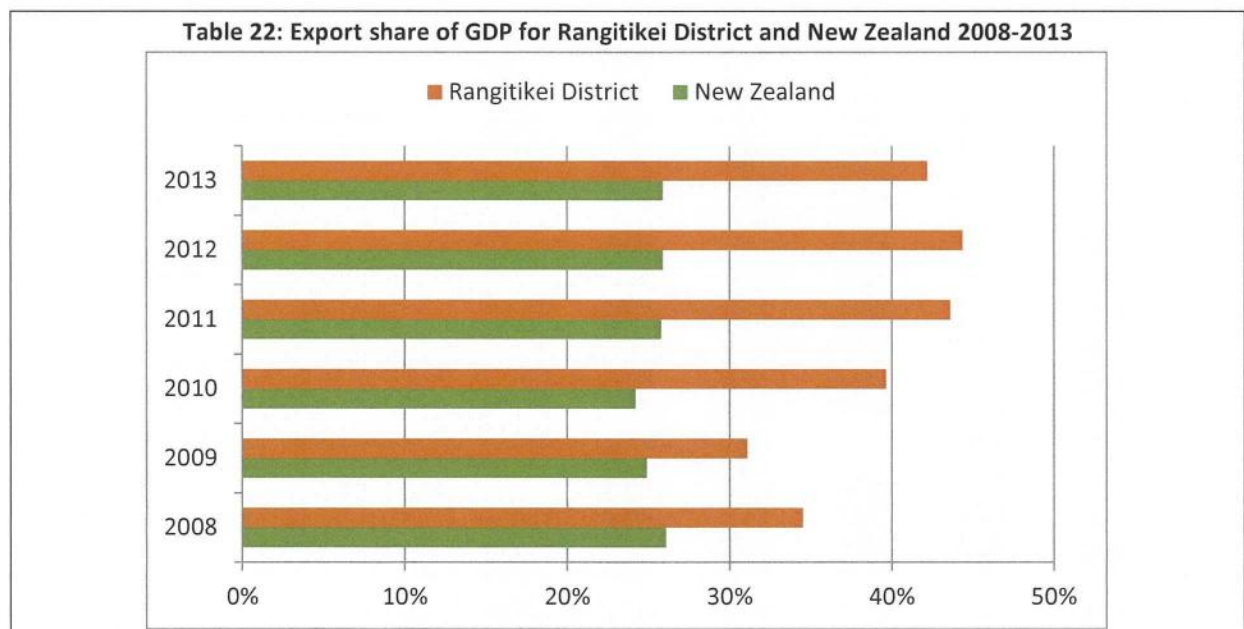


In other words, over the past ten years, there has been an exchange for share of local GDP between the secondary and quaternary sectors which, combined with poor commodity prices, provided flashes of greater economic diversity. This can in large part be explained by the establishment of the meat processing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

The comparative advantage that the Rangitikei has over New Zealand generally is shown in Table 21. A quotient of 1 means that the share of local GDP from that industry is equal to the share that it holds nationally. The data is provided for those industries with a quotient greater than 2 (i.e. have at least twice the proportional share of GDP than nationally).



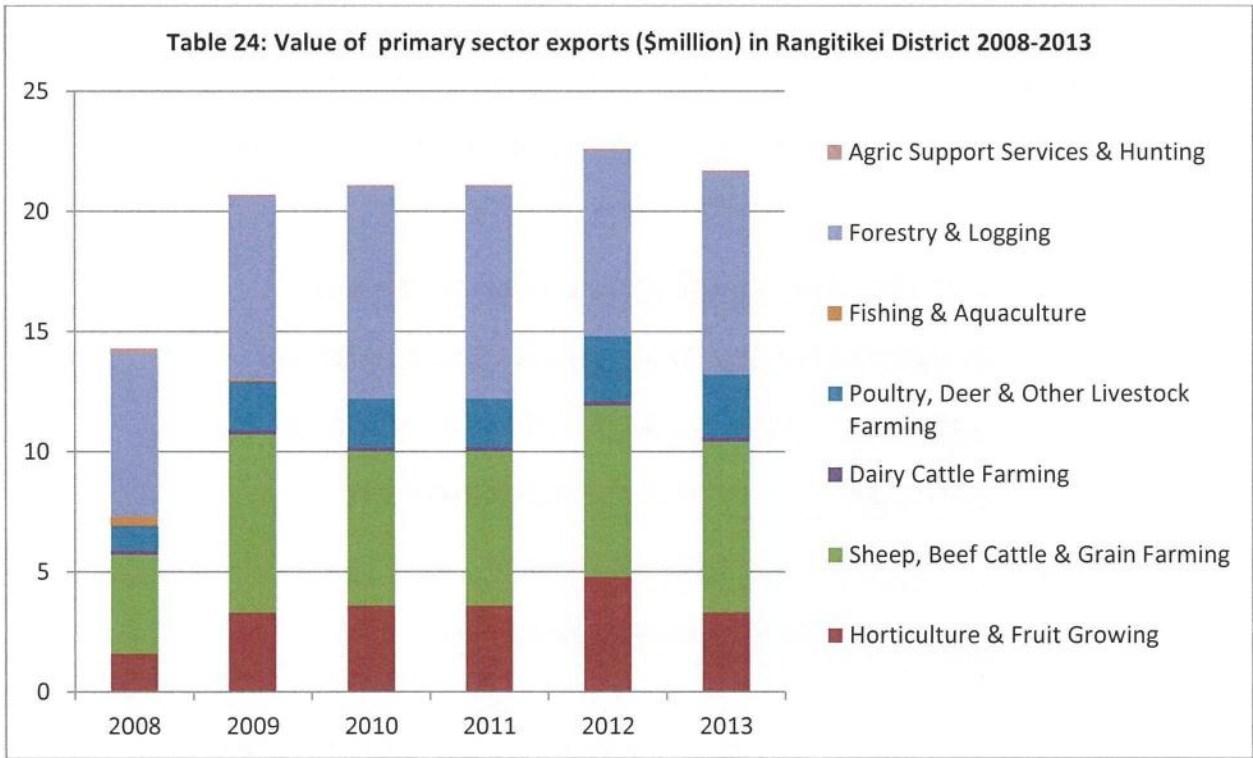
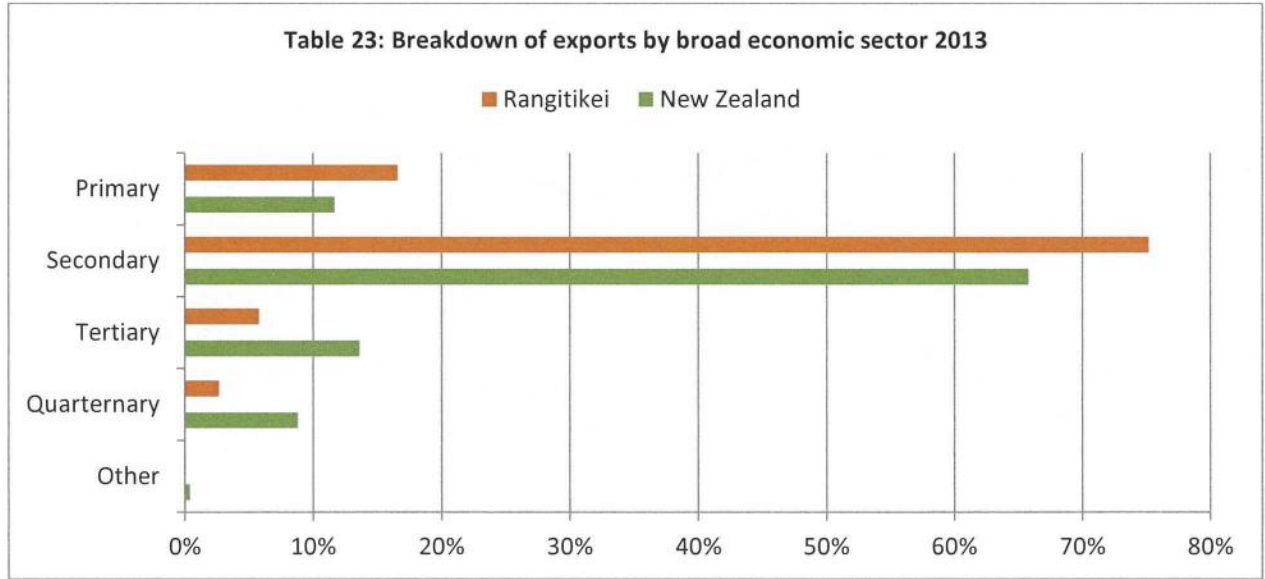
Infometrics provides data on exports but makes a disclaimer as to its robustness. Particularly, the data assumes an equivalent share of local production for export markets as seen nationally⁹. Nonetheless, table 22 demonstrates the importance of the local economy for national exports.



⁹ This explains the prevalence of mining in District exports in the Infometrics data. Local knowledge suggests that the mining in the District is confined to the aggregates industry which does not command a large slice of the export market. Mining has therefore been excluded from the data presented in Table 24.

Central government’s intention is to double primary sector exports by 2025 nationwide, and to double the agribusiness¹⁰ exports from the Manawatu/Whanganui region in the same timeframe.

Table 23 clarifies that the export contribution from the Rangitikei is derived from the primary and secondary economic sectors. Tables 24, 25 and 26 break down the primary, secondary and agribusiness sector contributions further and indicate the growth trend since 2008.



¹⁰ A business that earns most or all of its revenues from agriculture, this includes the primary sector, excluding mining, processing and manufacturing and/or the packaging and distribution of products

Table 25: Value of secondary sector exports (\$million) in Rangitikei District 2008-2013

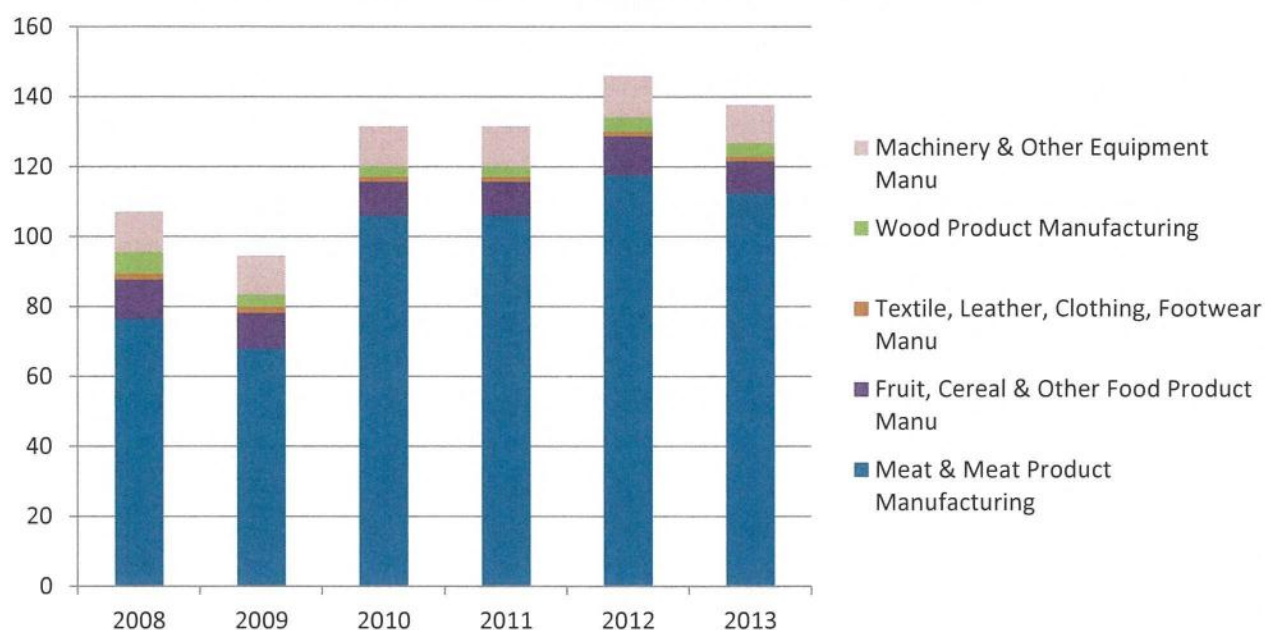
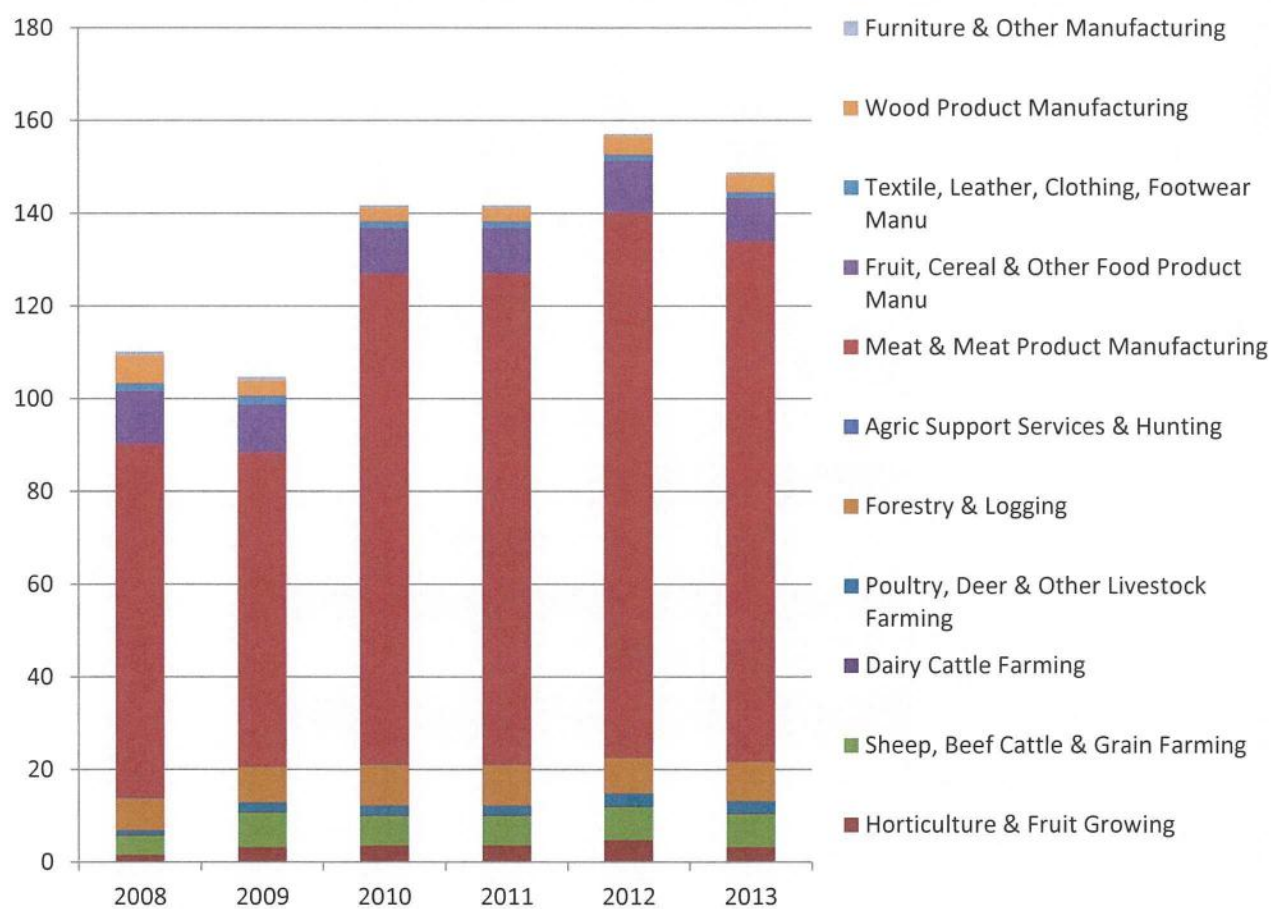


Table 26: Value of agribusiness exports (\$million) in Rangitikei District 2008-2013



These figures indicate that the value of agribusiness exports is almost totally comprised of secondary sector exports. It would seem unlikely that the District is going to attract significant additional

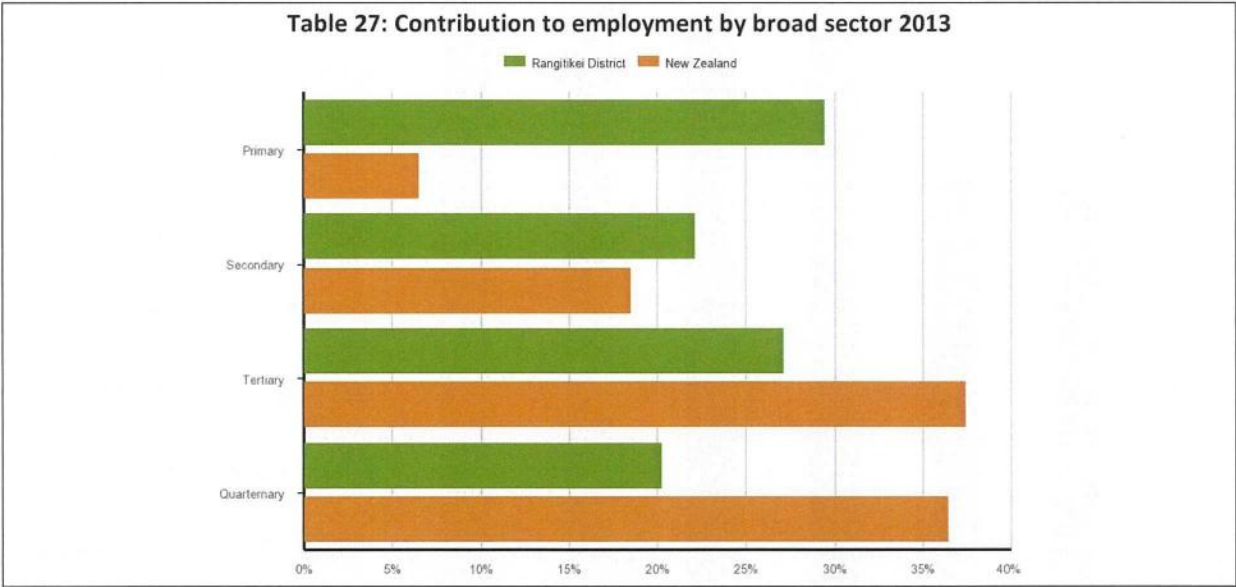
secondary sector agribusiness activity, particularly given the dairy processing facilities at Pahiatua and Hawera. It may be hoped that the meat processing plants in Marton and Bulls will be strengthened by a drive to double exports from the Horizons region. It may be possible to increase the comparative advantage that Rangitikei District derives from some industries within the agribusiness sector. For example, dairy farming has a quotient value of 2.5 locally (compared to the quotient value for sheep and beef cattle farming of 13.4) and horticulture and fruit growing in the District has a comparative advantage quotient value of only 0.7 (which is exactly the same as the quotient value for Palmerston North City). It must also be remembered that without productivity gains, switching from one primary product which is processed within the District to another which is processed elsewhere will not lead to GDP growth, and in fact could result in a drop in GDP.

However, these are issues that are more properly dealt with through the Regional Growth Study and resultant Agribusiness Growth Strategy. For the purposes of this paper, it is assumed that the local agribusiness economy remains steady with 2013 conditions and maintains current levels of employment into the future.

Employment in the local economy

The number of filled jobs in the District in 2013 was 6,097. The 2013 Census figure for residents in employment in the District is 6,819 indicating that there is a net outflow of people from the District to their work place. The total labour force from the 2013 Census was 7,263 (including those registering as unemployed).

Table 27 shows the distribution of employment according to broad sector and table 28 provides the number of jobs available in the different sectors, including jobs in the tourism sector.

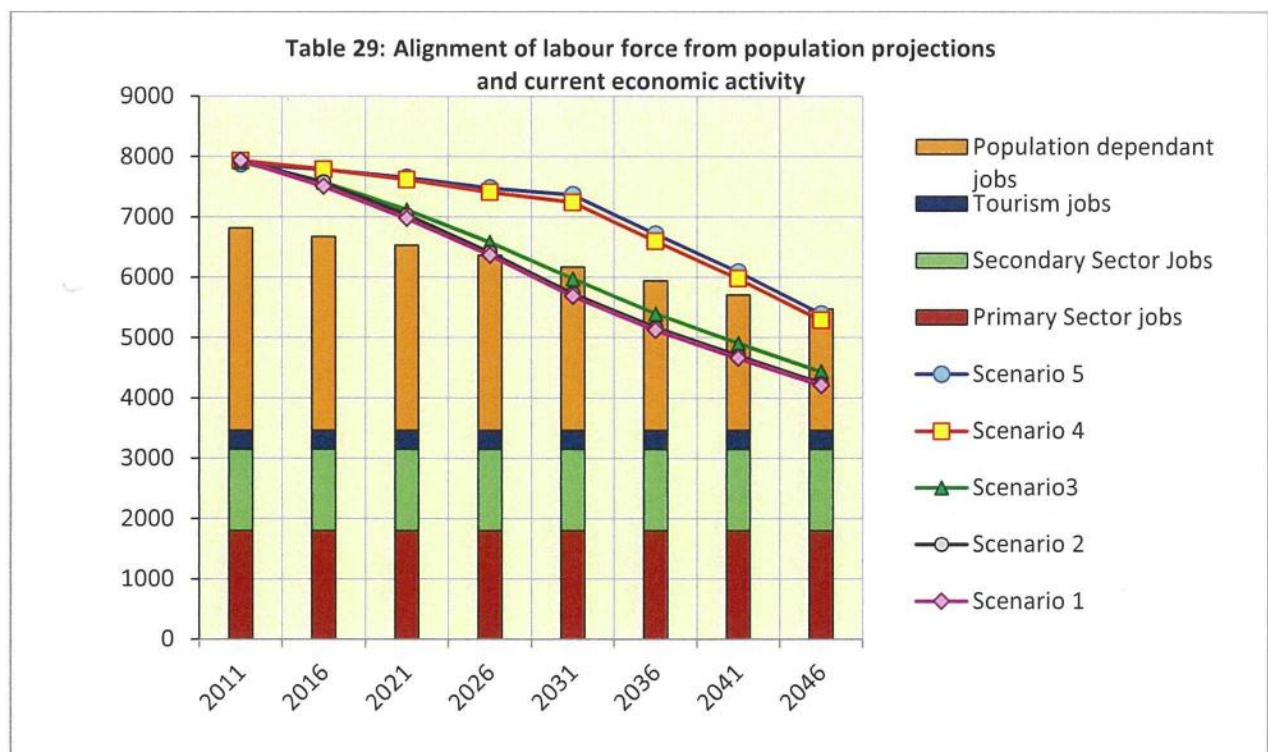


In broad terms this means that the number of jobs in each sector are as follows:

Table 28: Number of jobs by broad sector and tourism, Rangitikei (2013)	
Sector	Number of jobs (2013)
Primary Sector	1,797
Secondary sector	1,353
Tourism employment	313
Non-tourism tertiary sector	1,165
Quarternary sector	1,469
Total	6,097

If assumptions are made that all primary, secondary and tourism jobs are not population dependant whereas other sectors are, and that the net number of people travelling to work outside of the District is also population dependent, then projections can be made using the estimated workforce under scenarios 1-5 to identify the likely end-point for population decline. This model makes no allowances for economic growth (or decline). Neither does it analyse the skills required for the jobs and any potential skills shortages that would need to be addressed to meet the forecast demand for the labour force. Again, these issues should be dealt with through the Regional Growth Study and any further research required as a result of that. The intention of this paper is to scope out a rationale and methodology to develop population projections for strategic planning through the 2015-25 Long Term Plan.

The result is shown in table 29. This indicates that under a business-as-usual scenario of economic activity and labour force participation, labour shortages could occur as soon as 2026. If labour force participation follows likely scenarios (greater participation by women and older people and less youth unemployment), then a lack of economic growth and associated job creation could further drive outward migration and accelerate population decline. Alternatively targeted economic growth as part of a wider regional growth strategy could potentially meet the additional demand for jobs from younger and older workers and women, and at best drive inward migration.



Appendix 1

economy

Gross domestic product

\$446

million in 2010 prices

0.2%

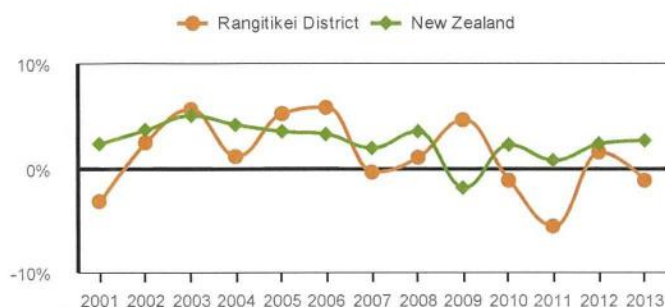
of national total

Economic growth

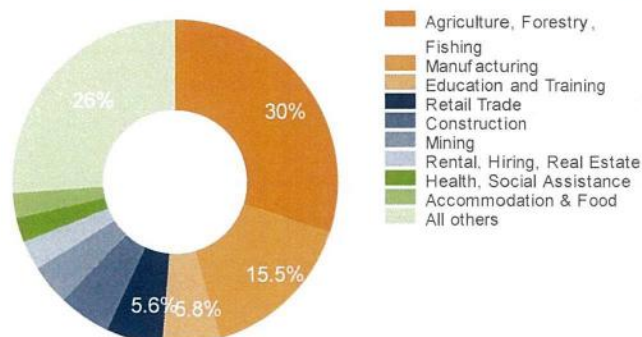
Annual average % change

	2013	Last 10 years
RANGITIKEI DISTRICT	-1.2%	1.0%
NEW ZEALAND	2.6%	2.2%

Economic growth



Industry proportion of GDP



Biggest contributors to economic growth 2003-2013

Manufacturing	\$31
Mining	\$7
Agriculture, Forestry and Fishing	\$6
Electricity, Gas, Water and Waste Services	\$4
Retail Trade	\$4
All other industries	(\$9)
Total increase in GDP (\$m)	\$43

labour market

Total employment

6,093

Filled Jobs

0.3%

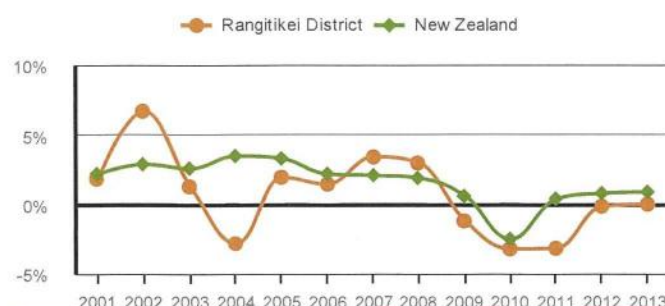
of national total

Employment growth

Annual average % change

	2013	Last 10 years
RANGITIKEI DISTRICT	0.0%	-0.1%
NEW ZEALAND	0.9%	1.3%

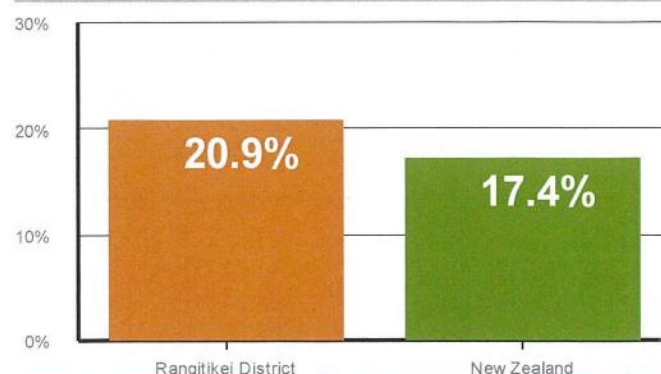
Employment growth



Industries which created most jobs since 2003

Manufacturing	268
Education and Training	51
Administrative and Support Services	37
Electricity, Gas, Water and Waste Services	29
Mining	25
All other industries	-466
Total increase in employment	-57

Self employment rate, 2013



productivity

GDP per employed person

\$73,144

GDP per employee

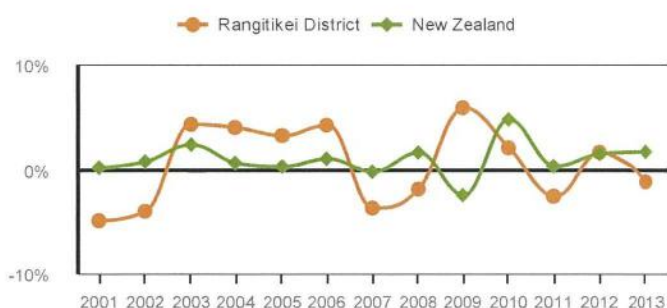
\$91,196

New Zealand

Productivity growth Annual average % change

	2013	Last 10 years
RANGITIKEI DISTRICT	-1.2%	1.1%
NEW ZEALAND	1.7%	0.9%

Productivity growth



business units

No. of business units

2,203

Business units

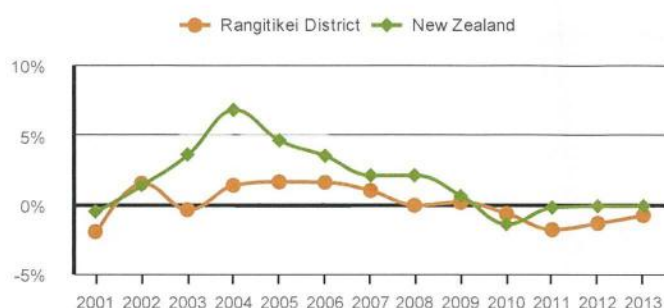
0.4%

of national total

Growth in business units Annual average % change

	2013	Last 10 years
RANGITIKEI DISTRICT	-0.8%	0.1%
NEW ZEALAND	-0.1%	1.8%

Growth in business units:



population

Total population

14,550

Usually resident persons

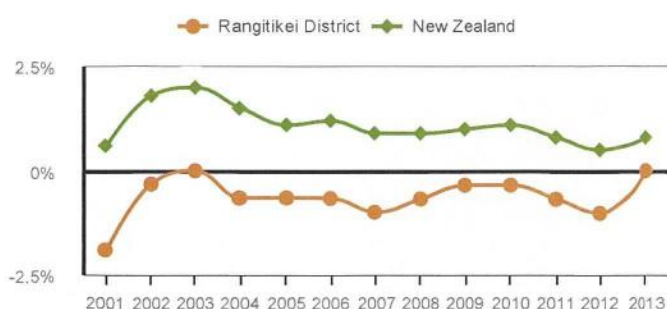
0.3%

of national total

Population growth Annual average % change

	2013	Last 10 years
RANGITIKEI DISTRICT	0.0%	-0.6%
NEW ZEALAND	0.8%	1.0%

Population growth:



standard of living

Mean annual earnings 2013

\$40,580

Rangitikei District

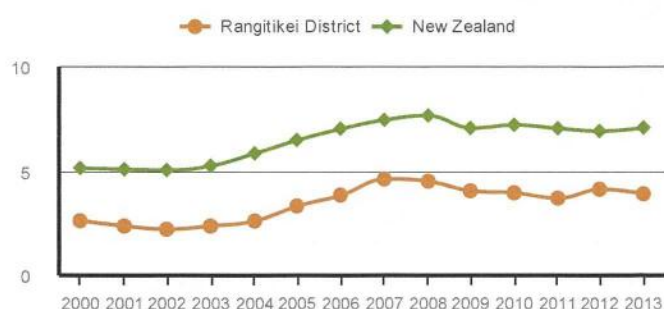
\$53,120

New Zealand

Annual earnings growth Annual average % change

	2013	Last 10 years
RANGITIKEI DISTRICT	2.4%	3.9%
NEW ZEALAND	3.0%	3.9%

Housing affordability (higher is less affordable)



Attachment 5

REPORT

SUBJECT: **Santoft Domain – lease management and potential uses**

TO: Finance/Performance Committee

FROM: George McIrvine, Finance & Business Support Manager
Gaylene Prince, Community & Leisure Services Team Leader

DATE: 20 November 2014

FILE: 6-RF-1-14

1 Background

- 1.1 Santoft Domain is a Crown Derived Reserve vested in the Rangitikei District Council (as successor to the Rangitikei County Council) as a recreation reserve under the Reserves Act 1977 pursuant to NZ Gazette 1985 page 1582.
- 1.2 The Domain was previously managed by the Santoft Domain Committee following approval for the establishment of such a Committee at the Council's meeting of 27th August 1998.
- 1.3 The Reserve became neglected and Council received a number of complaints about the condition and lack of access to the Reserve so following a public meeting in May 2005, and at a Council meeting on 26 May 2005, Council resolved to take over the management of the Domain with immediate effect and to disband the Santoft Domain Committee pursuant to Schedule 7 Section 30(5) of the Local Government Act 2002.
- 1.4 The property (8.5566 hectares) is zoned rural and is leased for sheep and cattle grazing and the lease is now due for renewal.
- 1.5 Council staff are presently obtaining suggested market rental for this land. Negotiations with the present leasee will be considered for a further year, and if negotiations are unsuccessful, tenders will be called for.

2 Recommendation

- 2.1 That the report 'Santoft Domain – lease management and potential uses' be received.

George McIrvine
Finance & Business Support Manager

Gaylene Prince
Community & Leisure Services Team Leader