



Rangitikei District Council

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**Rangitikei**  
UNSPOILT...

# Finance/Performance Committee Meeting

# Order Paper

**Thursday, 28 May 2015,  
9.30 am**

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

**Website:** [www.rangitikei.govt.nz](http://www.rangitikei.govt.nz)

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**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

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**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/Performance Committee Meeting

Order Paper – Thursday 28 May 2015 – 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 April 2015 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..

File ref: 3-CT-14-1

**Recommendation**

That the Chair's report to the Finance/Performance Committee meeting on 28 May 2015 be received.

**7 Financial Highlights and Commentary to 30 April 2015**

The Financial results for April are attached together with commentary and detailed analysis on variances.

File ref: 5-FR-4-1

**Recommendation**

That the report 'Financial Highlights and Commentary to 30 April 2015' be received.

**8 New financial budgeting and reporting systems**

A presentation on the new financial budgeting and reporting systems will be made at the meeting.

## **9 Event Sponsorship Scheme Application Form**

In April 2015, the Committee considered the report, "Review of Criteria for Funding through Council's contestable funding scheme", and requested that a draft application form for Council's sponsorship of events be provided to the Committee in May 2015. A draft form is attached for comment and feedback. Particularly, feedback is sought about whether there should be one application round or two.

### **Recommendations:**

- 1 That the draft Event Sponsorship Scheme Application Form is received.
- 2 That the Event Sponsorship Scheme Application Form [as amended] is adopted.

## **10 Growth projections for the 2015-25 Long Term Plan - Update May 2015**

A discussion document is attached

Statistics New Zealand has now released population projections based upon 2013 Census data. Last year Statistics New Zealand produced interim projections based on the 2006 Census for territorial authorities to use to develop their 30 year infrastructure strategies. These were supplied with a cautionary note regarding their accuracy and Council staff were further advised that the medium projections supplied were likely to be optimistic. However, the latest projections, based on the 2013 Census data, paint a less bleak picture of population decline; indeed the high projections indicate that the District population could remain stable – at least until absolute population decline occurs beyond 2040. In addition, InfoMetrics have updated the economic data to include 2014. This data has also been incorporated into the analysis where relevant.

The key impact of a more stable population is that economic development becomes even more important, to meet the aspirations of the women and older people to participate in the labour force and stay living in the District.

### **Recommendations**

- 1 That the discussion paper 'Growth projections for the 2015-25 Long Term Plan - Update May 2015' be received.
- 2 That the medium population projections produced by Statistics New Zealand based on 2013 Census data be used as the basis for Council's strategic planning through the 2015-25 Long Term Plan
- 3 That key elements 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 2015/25 Long Term Plan.



**11 Update on Strategic Water Assessment and review of the  
Hunternville Rural Water Supply Scheme**

An oral update will be provided to the meeting.

**12 Late items**

**13 Future items for the agenda**

**14 Next meeting**

Thursday 25 June 2015, 9.30 am

**15 Meeting closed**

# Attachment 1

# Rangitikei District Council

## Finance/Performance Committee Meeting

Minutes – Thursday 30 April 2015 – 9:32 a.m.

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### Present:

His Worship the Mayor, Andy Watson  
 Cr Nigel Belsham  
 Cr Cath Ash  
 Cr Tim Harris  
 Cr Dean McManaway  
 Cr Rebecca McNeil  
 Cr Ruth Rainey  
 Cr Lynne Sheridan

### In attendance:

Mr Ross McNeil, Chief Executive  
 Mr Michael Hodder, Community & Regulatory Services Group Manager  
 Mr George McIrvine, Finance & Business Support Group Manager  
 Ms Samantha Whitcombe, Governance Administrator

### Tabled documents:

#### Item 7

Financial Highlights and Commentary to 31 March 2015 (Rates Debtors Report as at 31 January 2015)

## **1 Welcome**

The Chair welcomed everyone to the meeting.

## **2 Council prayer**

Cr McNeil read the Council prayer.

## **3 Apologies/leave of absence**

That the apology for absence from Cr Peke-Mason be received.

His Worship the Mayor / Cr McManaway. Carried

## **4 Confirmation of order of business**

The Chair informed the Committee that a report on Rates Debtors would be tabled as part of the discussion on Item 7.

## **5 Confirmation of minutes**

Resolved minute number	15/FPE/011	File Ref
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That the Minutes of the Finance/Performance Committee meeting held on 26 March 2015 be taken as read and verified as an accurate and correct record of the meeting.

Cr Sheridan / Cr Belsham. Carried

## **6 Chair's report**

His Worship the Mayor spoke briefly to his report.

Resolved minute number	15/FPE/012	File Ref	3-CT-14-1
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That the Chair's report to the Finance/Performance Committee meeting on 30 April 2015 be received.

His Worship the Mayor / Cr Sheridan. Carried

## **7 Financial Highlights and Commentary to 31 March 2015**

Mr McIrvine spoke to the report, giving a brief overview of the commentary to the report and the budget variances.

The Committee asked for a breakdown of what is in Net Projects to be brought to the next meeting.

The following queries for referred to the Assets/Infrastructure Committee:

- Will the unspent capital funds within the Halls activity be carried forward?
- Will the capital funds tagged for a pit access upgrade at the Marton Waste Transfer Station be used this financial year?

The Committee also asked that the following information be included in future reports:

- Identify the \$100,000 grant for the Shelton Pavilion upgrade.
- Additional budgetary provisions for overspent or new projects.
- Carry-forwards from the previous financial year.
- A forecasting position (at least on a quarterly basis).

It was agreed that a report on the benefits of E-road would be provided to Council after a full twelve-months experience with the system had elapsed and the necessary analysis done.

**Resolved minute number**                      **15/FPE/013**                      **File Ref**                      **5-FR-4-1**

That the report 'Financial Highlights and Commentary to 31 March 2015' be received.

Cr McManaway / Cr Sheridan. Carried

During this item, Mr McIrvine tabled a report on overdue rates debtors. He spoke briefly to the report and informed the Committee of what is being done to recover these overdue rates.

**Resolved minute number**                      **15/FPE/014**                      **File Ref**

That the Finance/Performance Committee recommends to Council that it proceed with further action pursuant to the Local Government Rating Act 2002, including the sale of the properties owned by the six ratepayers identified in the report who have been through the all the prescribed steps, to recover the overdue unpaid rates on these properties.

Hs Worship the Mayor / Cr Harris. Carried

## **8      Nine-month Statement of Service Performance**

Mr Hodder spoke briefly to the nine-month Statement of Service Performance, highlighting the inclusion of the results of the recent Versus surveys.

**Resolved minute number**                      **15/FPE/015**                      **File Ref**                      **5-FR-1-2**

That the nine-month Statement of Service Performance to 31 March 2015 be received.

Cr Sheridan / Cr Belsham. Carried

## **9 Review of Criteria for Funding Events through Council's Contestable Funding Scheme**

Mr Hodder spoke briefly to the report, focusing on the conclusions drawn within the report and what feedback is being sought from the Committee.

**Resolved minute number**                      **15/FPE/016**                      **File Ref**                      **3-GF-8**

That the report "Review of Criteria for Funding Events through Council's Contestable Funding Scheme" be received.

Cr Sheridan / Cr McNeil. Carried

**Resolved minute number**                      **15/FPE/017**                      **File Ref**

That a further report is brought to the Finance/Performance Committee's meeting in May 2015 with a draft Event Sponsorship Application Form prepared in line with the conclusions in the report "Review of Criteria for Funding Events through Council's Contestable Funding Scheme" as amended, viz:

- Council will consider developing sponsorship arrangements with any organisation seeking financial support for an event in the District;
- Council will consider recurring sponsorship arrangements where an event has the potential to gain considerable community interest and/or achieve a high profile outside the District;
- The normal maximum term of any sponsorship arrangement (reviewed annually) will be 5 years, at which time Council and the event organisers will jointly review the value of the event and its future potential (after which Council may develop a further sponsorship arrangement);
- Events will be classified as community, community/high profile or high profile based on actual and/or estimated numbers and locations of participants/attendees;
- Applicants will be required to outline their strategies for maximising interest in attending the event and for income generation strategies (including the potential for the event to be self-funding);
- Successful applicants will be required to complete a Post-Event report form which includes financial and attendance data;
- Council may commission an independent economic impact report for all high profile and high profile, community events
- Evaluation of events will be incorporated into the annual residents' survey.
- Council will require recognition of its sponsorship of an event (signage), and events need to be listed on the events calendar on Rangitikei.com.

His Worship the Mayor / Cr Sheridan. Carried

## **10 Update on Strategic Water Assessment and review of the Hunterville Rural Water Supply Scheme**

Mr McNeil provided a brief verbal update on the Strategic Water Assessment and the review of the Hunterville Rural Water Supply Scheme.

He provided a brief overview of the meeting held with the local farming community to inform them of the proposed stage two application for funding. At this meeting there was universal support for the development of a stage two application.

## **11 Late items**

Nil

## **12 Future items for the agenda**

Treasury Function Policy

## **13 Next meeting**

Thursday 28 May 2015, 9.30 am

## **14 Meeting closed – 11.28am**

Confirmed/Chair: \_\_\_\_\_

Date: \_\_\_\_\_



# Attachment 2

## MEMORANDUM

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TO: Ross McNeil

COPIES: Council

FROM: George McIrvine

DATE: 21 May 2015

SUBJECT: **Financial Highlights and Commentary to 30 April 2015**

FILE:

Attachments: Statement of Financial Position and Financial Performance, Strategic Perspective Operating Results, Group Activities accounts.

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### Operating Results

Operating results for month of April are in line with budget in most activities, with revenue being close \$1.156M ahead of year to date budget. Refuse revenue is behind by \$21K, with the main positive variances being in Roothing, the 3 Waters and Treasury due to increase returns from more cash on hand as noted last month. At 10 months revenue is above 84% of the full year budget and looks on track to retain this to year end.

### Expenditure

As we rush towards year-end we are pushing staff to ensure that all costs are captured for the 2015 financial years. Overall Expenditure is still tracking behind budget except for Roothing, Enviroment and Regulatory, Investment (with lower borrowings) and Community Well-Being - see detailed commentary later in this report. At 10 months total expenditure is 79.3% of the full year budget.

### Statement of Financial Position as at End of March 2015.

Overall Council retains a strong balance sheet as at the end of April however, in a separate paper I will ask that Council approve establishing a drawdown facility which will be a precursor to establishing permanent debt as capital programmes are executed. As noted last month the likely scenario is that we borrow short-term with our existing trading banks with which we have established debenture documents and then as the borrowings stabilise in the \$5M mark look to consolidate these into long-term debt arrangements with LGFA.

See detailed commentary below.

**Rangitikei District Council**  
**Statement of Financial Performance**  
**For the 10 Months ended 30th April 2015**

	<b>YTD Actual 2014/15</b>	<b>Ytd Budget 2014/15</b>	<b>FYR Budget 2014/15</b>	<b>FY Actual 2013/14</b>
<b>Income</b>				
Community Leadership	440	0	0	48,494
Community Wellbeing	274,654	156,130	169,605	175,573
Environmental and Regulatory	790,282	717,799	819,052	934,028
Community & Leisure Assets	450,772	394,873	480,718	418,656
Investment	283,733	172,920	194,669	14,996,186
Public Refuse Collection - Litter	325,686	346,746	406,509	407,810
Water and Wastewater	220,462	142,700	1,071,241	913,151
Subsidised Rooding	6,366,903	6,041,720	7,250,051	7,993,692
Business Units	35,212	16,150	19,381	40,289
<b>Total Revenue</b>	<b>8,748,145</b>	<b>7,989,038</b>	<b>10,411,226</b>	<b>25,927,879</b>
<b>Rates</b>				
Community Leadership	54,111	52,915	52,915	52,115
Community & Leisure Assets	714,471	715,293	715,293	765,245
Investment	6,080,455	6,014,951	6,064,951	5,810,974
Public Refuse Collection - Litter	435,297	435,294	435,294	338,597
Water and Wastewater	6,470,727	6,204,095	6,623,685	7,093,833
Subsidised Rooding	6,339,021	6,274,108	6,274,816	6,171,247
<b>Total Rates</b>	<b>20,094,081</b>	<b>19,696,656</b>	<b>20,166,954</b>	<b>20,232,010</b>
<b>Total Apportioned Rate:</b>	<b>0</b>	<b>-4,245</b>	<b>-101,573</b>	<b>-230,190</b>
<b>Total Internal Charges</b>	<b>5,618,207</b>	<b>6,137,480</b>	<b>7,364,926</b>	<b>6,761,336</b>
<b>Total Internal Recoverie</b>	<b>5,618,207</b>	<b>6,137,440</b>	<b>7,364,926</b>	<b>6,761,336</b>
<b>Expenditure</b>				
Community Leadership	562,924	568,696	664,488	640,437
Community Wellbeing	974,137	756,744	905,695	738,724
Environmental and Regulatory	250,523	211,000	251,344	283,065
Community & Leisure Assets	2,191,084	2,519,191	2,907,726	2,841,375
Investment	472,855	961,934	1,187,044	684,493
Public Refuse Collection - Litter	738,591	798,944	956,493	869,305
Water and Wastewater	3,465,214	4,457,210	5,335,258.00	5,453,545
Subsidised Rooding	10,229,999	9,731,080	11,677,256	33,876,032
Business Units	4,318,025	4,499,353	5,373,611	4,920,824
<b>Total Expenditure</b>	<b>23,203,351</b>	<b>24,504,152</b>	<b>29,258,915</b>	<b>50,307,800</b>
<b>Net Surplus</b>	<b>5,638,874</b>	<b>3,177,257</b>	<b>1,217,692</b>	<b>-4,378,100</b>



<b>Rangitikei District Council</b> <b>Statement of Financial Position</b> <b>For the 10 Months ended 30th April 2015</b>		
	<b>YTD Actual</b> <b>2014/15</b>	<b>FY Actual</b> <b>2013/14</b>
<b>Equity</b>		
Reserves	31,744,204	31,744,204
Equity	447,487,977	451,857,165
Net Surplus	5,638,874	-4,378,100
<b>Total Equity</b>	<b>484,871,055</b>	<b>479,223,269</b>
<b>Current Assets</b>		
<b>Total Current Assets</b>	<b>9,131,884</b>	<b>4,106,036</b>
<b>Current Liabilities</b>		
Provisions	469,952	469,952
Current Liabilities	4,617,769	3,391,702
Agency Liabilities	544,050	379,143
<b>Total Current Liabilities</b>	<b>5,631,771</b>	<b>4,240,797</b>
<b>Working Capital</b>	<b>3,500,113</b>	<b>-134,762</b>
<b>Non Current Assets</b>		
Other Financial Assets	5,163,600	6,653,674
Forestry	204,814	204,814
Fixed Assets	13,468,863	21,466,672
Infrastructural Assets	451,512,562	451,241,146
Net Projects	11,229,378	
<b>Total Non Current Asse</b>	<b>481,579,217</b>	<b>479,566,306</b>
<b>Non Current Liabilities</b>		
Loans External	208,276	208,276
Provisions		
<b>Total Non Current Liabi</b>	<b>208,276</b>	<b>208,276</b>
<b>Net Assets</b>	<b>484,871,055</b>	<b>479,223,269</b>

# Strategic Perspective

## For the 10 Months ended 30th April 2015

### Strategic Activities - Operating Results

	Actual YTD	Budget YTD	Variance YTD	Full Year Budget
<b>Community Leadership</b>				
Council	179,984	152,840	27,144	-
Council Committees	14,714	1,778	12,936	(10,074)
Taihape Community Board	11,482	5,802	5,680	(4)
Ratana Community Board	3,636	1,553	2,083	(1,345)
Elections	204	3,873	(3,669)	3,504
Net Surplus (Deficit) of activities	210,020	165,846	44,174	(7,919)
<b>Community Wellbeing</b>				
Community Awards	18,109	9,961	8,148	(2,982)
Information Centres	86,410	75,463	10,947	21,855
District Promotions & Dev	(24,951)	(12,870)	(12,081)	(86,167)
Civil Defence	23,042	17,082	5,960	(7,454)
Rural Fire	(55,313)	34,150	(89,463)	(7,088)
Net Surplus (Deficit) of activities	47,298	123,786	(76,488)	(81,836)
<b>Environment &amp; Regulatory</b>				
Building	141,787	119,693	22,094	56,294
District Planning	139,164	139,918	(754)	99,506
Dog Control	55,670	(1,625)	57,295	(63,128)
Health	42,744	8,070	34,674	-
Resource Consents	(75,764)	4,326	(80,090)	-
Stock Control	23,036	7,106	15,930	(1,057)
Net Surplus (Deficit) of activities	326,637	277,488	49,149	91,615
<b>Community &amp; Leisure Assets</b>				
Libraries	197,293	123,613	73,680	(2)
Domains	201,356	37,375	163,981	59,739
Cemeteries	89,755	55,353	34,402	30,912
Real Estate	82,538	77,871	4,667	29,866
Swim Centres	210,718	162,230	48,488	(19,609)
Community Housing	(236,775)	(255,781)	19,006	(279,137)
Public Toilets	100,698	42,255	58,443	(23,575)
Halls	41,075	(22,708)	63,783	(82,732)
Forestry Investments	(12,355)	(989)	(11,366)	(2,170)
Net Surplus (Deficit) of activities	674,303	219,219	455,084	(286,708)
<b>Investment</b>	(418,711)	(1,084,108)	665,397	(100,001)
<b>Rubbish &amp; Recycling</b>				
Public Refuse and Bin Collection	13,211	11,360	1,851	-
Landfills and Waste Transfer Stns	(44,780)	(64,989)	20,209	(102,688)
Waste Minimisation	49,944	16,205	33,739	-
Net Surplus (Deficit) of activities	18,375	(37,424)	55,799	(102,688)
<b>Waters</b>				
Stormwater	349,543	120,952	228,591	(1)
Water	1,875,630	985,982	889,648	832,738
Wastewater	898,284	571,998	326,286	2
Rural Water	(198,642)	(149,687)	(48,955)	18,685
Net Surplus (Deficit) of activities	2,924,815	1,529,245	1,395,570	851,424
<b>Roading</b>				
Roading	1,520,923	1,686,509	(165,586)	783,937
Non Subsidised Roothing	335,236	245,179	90,057	1
Net Surplus (Deficit) of activities	1,856,160	1,931,688	(75,528)	783,938
Business Units	(22)	51,517	(51,539)	72,868
<b>TOTAL OPERATING SURPLUS (DEFICIT) ACTIVITIES</b>	<b>5,638,874</b>	<b>3,177,257</b>	<b>2,461,617</b>	<b>1,220,693</b>
Tsf to Flood Reserves				
Variance	-			
Per Balance Sheet	5,638,874			
<b>Strategic Activities - Capital Expenditure</b>	<b>Actual YTD</b>	<b>Full Yr Budget</b>	<b>Variance</b>	
Community Wellbeing	-	20,000	20,000	}
Community & Leisure Assets	173,507	752,727	579,220	
Environment & Reg Services	-	-	-	
Rubbish & Recycling	105,234	222,506	117,272	
Waters	4,076,123	12,594,222	8,518,099	
Roading	6,544,953	7,608,757	1,063,804	
<b>TOTAL CAPITAL EXPENDITURE &amp; RENEWALS</b>	<b>10,899,818</b>	<b>21,198,212</b>	<b>10,298,394</b>	



## Community Leadership

For the 10 Months ended 30th April 2015

	Actual YTD	Budget YTD	Var +/-	FY Budget
<b>Consolidated</b>				
Revenue	440		440	
Rates Revenue	1,125,808	1,124,612	1,196	1,124,612
Internal Charges	353,303	390,070	36,767	468,043
Expenditure	562,924	568,696	5,772	664,488
Net Surplus	210,020	165,846	44,175	-7,919
<b>Council</b>				
Revenue	313		313	
Rates Revenue	1,004,937	1,004,936	1	1,004,936
Internal Charges	327,700	360,460	32,760	432,535
Expenditure	497,567	491,636	-5,931	572,401
Net Surplus	179,984	152,840	27,143	
<b>Council Committees</b>				
Rates Revenue	61,027	61,028	-1	61,028
Internal Charges	12,948	14,870	1,922	17,848
Expenditure	33,365	44,380	11,015	53,254
Net Surplus	14,714	1,778	12,936	-10,074
<b>Taihape Community Board</b>				
Revenue	326		326	
Rates Revenue	37,949	36,832	1,117	36,832
Internal Charges	7,045	8,070	1,025	9,669
Expenditure	19,747	22,960	3,213	27,167
Net Surplus	11,482	5,802	5,681	-4
<b>Ratana Community Board</b>				
Rates Revenue	16,162	16,083	79	16,083
Internal Charges	4,052	4,810	758	5,762
Expenditure	8,474	9,720	1,246	11,666
Net Surplus	3,636	1,553	2,083	-1,345
<b>Elections</b>				
Revenue	-200		-200	
Rates Revenue	5,733	5,733		5,733
Internal Charges	1,558	1,860	302	2,229
Expenditure	3,771		-3,771	
Net Surplus	204	3,873	-3,669	3,504

## Community Wellbeing

For the 10 Months ended 30th April 2015

	Actual YTD	Budget YTD	Var +/-	FY Budget
<b>Consolidated</b>				
Revenue	274,654	156,130	118,524	169,605
Rates Revenue	1,048,053	1,047,860	193	1,042,403
Internal Charges	301,272	323,460	22,188	388,149
Expenditure	974,137	756,744	-217,393	905,695
Net Surplus	47,298	123,786	-76,488	-81,836
<b>Community Awards</b>				
Revenue	25,861	23,561	2,300	23,561
Rates Revenue	1,173	980	193	1,173
Internal Charges	1,935	2,580	645	3,098
Expenditure	6,990	12,000	5,010	24,618
Net Surplus	18,109	9,961	8,148	-2,982
<b>Information Centres</b>				
Revenue	19,525	20,410	-885	24,495
Rates Revenue	343,633	343,633		343,633
Internal Charges	202,955	209,370	6,415	251,233
Expenditure	73,793	79,210	5,417	95,040
Net Surplus	86,410	75,463	10,947	21,855
<b>District Promotions &amp; Dev</b>				
Revenue	214,226	106,829	107,397	115,159
Rates Revenue	429,817	429,817		429,817
Internal Charges	44,971	52,780	7,809	63,346
Expenditure	624,024	496,736	-127,288	567,797
Net Surplus	-24,951	-12,870	-12,082	-86,167
<b>Civil Defence</b>				
Rates Revenue	101,628	101,628		100,313
Internal Charges	11,282	13,310	2,028	15,972
Expenditure	67,304	71,236	3,932	91,795
Net Surplus	23,042	17,082	5,960	-7,454
<b>Rural Fire</b>				
Revenue	15,042	5,330	9,712	6,390
Rates Revenue	171,802	171,802		167,467
Internal Charges	40,129	45,420	5,291	54,500
Expenditure	202,027	97,562	-104,465	126,445
Net Surplus	-55,313	34,150	-89,462	-7,088



# Environment & Regulatory Services

For the 10 Months ended 30th April 2015

	Actual YTD	Budget YTD	Var +/-	FY Budget
<b>Consolidated</b>				
Revenue	790,282	717,799	72,483	819,052
Rates Revenue	863,030	863,969	-939	835,825
Internal Charges	1,076,152	1,093,280	17,128	1,311,918
Expenditure	250,523	211,000	-39,523	251,344
Net Surplus	326,637	277,488	49,149	91,615
<b>Building</b>				
Revenue	213,589	205,030	8,559	246,032
Rates Revenue	371,903	371,903		357,266
Internal Charges	375,341	378,280	2,939	453,930
Expenditure	68,364	78,960	10,596	93,074
Net Surplus	141,787	119,693	22,094	56,294
<b>District Planning</b>				
Revenue				
Rates Revenue	212,968	212,968		187,165
Internal Charges	25,777	28,360	2,584	34,025
Expenditure	48,028	44,690	-3,338	53,634
Net Surplus	139,164	139,918	-754	99,506
<b>Dog Control</b>				
Revenue	452,398	415,529	36,869	461,354
Rates Revenue	147,396	147,396		152,997
Internal Charges	530,930	535,180	4,250	642,213
Expenditure	13,194	29,370	16,176	35,266
Net Surplus	55,670	-1,625	57,295	-63,128
<b>Health</b>				
Revenue	77,715	51,630	26,085	56,951
Rates Revenue	23,340	23,820	-480	23,907
Internal Charges	55,421	57,920	2,499	69,503
Expenditure	2,889	9,460	6,571	11,355
Net Surplus	42,744	8,070	34,675	
<b>Resource Consents</b>				
Revenue	29,836	44,720	-14,884	53,650
Rates Revenue	59,477	59,476	1	65,988
Internal Charges	47,029	51,350	4,321	61,623
Expenditure	118,048	48,520	-69,528	58,015
Net Surplus	-75,764	4,326	-80,090	
<b>Stock Control</b>				
Revenue	16,744	890	15,854	1,065
Rates Revenue	47,946	48,406	-460	48,502
Internal Charges	41,654	42,190	536	50,624
Expenditure				
Net Surplus	23,036	7,106	15,930	-1,057

## Community & Leisure Assets

For the 10 Months ended 30th April 2015

	Actual YTD	Budget YTD	Var +/-	FY Budget
<b>Consolidated</b>				
Revenue	450,772	394,873	55,899	480,718
Rates Revenue	3,184,166	3,184,987	-821	3,150,034
Internal Charges	769,551	841,450	71,899	1,009,734
Expenditure	2,191,084	2,519,191	328,107	2,907,726
Net Surplus	674,303	219,219	455,084	-286,708
<b>Libraries</b>				
Revenue	40,442	36,190	4,252	37,433
Rates Revenue	714,471	715,293	-822	715,137
Internal Charges	389,066	398,720	9,654	478,459
Expenditure	168,554	229,150	60,596	274,113
Net Surplus	197,293	123,613	73,680	-2
<b>Domains</b>				
Revenue	123,383	23,140	100,243	27,770
Rates Revenue	634,397	634,397		763,334
Internal Charges	112,700	134,030	21,330	160,835
Expenditure	443,723	486,132	42,409	570,530
Net Surplus	201,356	37,375	163,982	59,739
<b>Cemeteries</b>				
Revenue	53,225	44,218	9,007	52,661
Rates Revenue	169,115	169,115		167,834
Internal Charges	45,487	50,830	5,343	61,008
Expenditure	87,098	107,150	20,052	128,575
Net Surplus	89,755	55,353	34,402	30,912
<b>Real Estate</b>				
Revenue	27,240	21,880	5,360	26,253
Rates Revenue	130,915	130,915		88,706
Internal Charges	28,539	31,230	2,691	37,466
Expenditure	47,078	43,694	-3,384	47,627
Net Surplus	82,538	77,871	4,667	29,866

## Community & Leisure Assets Cont ...

For the 10 Months ended 30th April 2015

	Actual YTD	Budget YTD	Var +/-	FY Budget
<b>Swim Centres</b>				
Revenue	854	37,640	-36,786	61,181
Rates Revenue	938,085	938,084	1	835,603
Internal Charges	62,353	72,200	9,847	86,622
Expenditure	665,868	741,294	75,426	829,771
Net Surplus	210,718	162,230	48,488	-19,609
<b>Community Housing</b>				
Revenue	192,514	202,510	-9,996	243,017
Internal Charges	48,381	54,620	6,239	65,533
Expenditure	380,909	403,671	22,762	456,621
Net Surplus	-236,775	-255,781	19,005	-279,137
<b>Public Toilets</b>				
Rates Revenue	282,595	282,595		264,832
Internal Charges	33,796	39,640	5,844	47,577
Expenditure	148,100	200,700	52,600	240,830
Net Surplus	100,698	42,255	58,444	-23,575
<b>Halls</b>				
Revenue	13,114	15,530	-2,416	18,638
Rates Revenue	314,588	314,588		314,588
Internal Charges	47,109	57,580	10,471	69,113
Expenditure	239,519	295,246	55,727	346,845
Net Surplus	41,075	-22,708	63,782	-82,732
<b>Forestry Investments</b>				
Revenue		13,765	-13,765	13,765
Internal Charges	2,120	2,600	480	3,121
Expenditure	10,236	12,154	1,918	12,814
Net Surplus	-12,355	-989	-11,367	-2,170
<b>Treasury</b>				
For the 10 Months ended 30th April 2015				
<b>Consolidated</b>				
Revenue	283,733	172,920	110,813	194,669
Rates Revenue	6,080,455	6,014,951	65,504	6,064,951
Apportioned Rates	-6,310,045	-6,310,045		-5,172,577
Expenditure	472,855	961,934	489,079	1,187,044
Net Surplus	-418,711	-1,084,108	665,396	-100,001





## Rubbish & Recycling

For the 10 Months ended 30th April 2015

<b>Consolidated</b>	Actual YTD	Budget YTD	Var +/-	FY Budget
Revenue	325,686	346,746	-21,060	406,509
Rates Revenue	543,717	543,714	3	602,059
Internal Charges	112,437	128,940	16,503	154,763
Expenditure	738,591	798,944	60,353	956,493
Net Surplus	18,375	-37,424	55,799	-102,688

### Public Refuse and Bin Collection

Rates Revenue	108,420	108,420		116,480
Internal Charges	16,526	19,610	3,084	23,542
Expenditure	78,683	77,450	-1,233	92,938
Net Surplus	13,211	11,360	1,851	

### Landfills and Waste Transfer Stns

Revenue	271,278	297,930	-26,652	357,518
Rates Revenue	385,998	385,995	3	436,280
Internal Charges	73,369	85,380	12,011	102,482
Expenditure	628,687	663,534	34,847	794,004
Net Surplus	-44,780	-64,989	20,209	-102,688

### Waste Minimisation

Revenue	54,408	48,816	5,592	48,991
Rates Revenue	49,299	49,299		49,299
Internal Charges	22,543	23,950	1,407	28,739
Expenditure	31,220	57,960	26,740	69,551
Net Surplus	49,944	16,205	33,739	

## Waters

For the 10 Months ended 30th April 2015

	Actual YTD	Budget YTD	Var +/-	FY Budget
<b>Consolidated</b>				
Revenue	220,462	142,700	77,762	1,071,241
Rates Revenue	7,147,007	6,880,375	266,632	6,356,385
Internal Charges	977,440	1,036,620	59,180	1,243,944
Expenditure	3,465,214	4,457,210	991,996	5,332,258
Net Surplus	2,924,815	1,529,245	1,395,570	851,424
<b>Stormwater</b>				
Revenue	12,177	1,790	10,387	2,151
Rates	734,961	734,939	22	728,333
Internal Charges	122,303	131,670	9,367	158,015
Expenditure	275,293	484,107	208,814	572,470
Net Surplus	349,543	120,952	228,590	-1
<b>Water</b>				
Revenue	30,390		30,390	900,000
Rates	3,739,627	3,650,103	89,524	3,146,114
Internal Charges	483,502	505,880	22,378	607,044
Expenditure	1,410,885	2,158,241	747,356	2,606,332
Net Surplus	1,875,630	985,982	889,648	832,738
<b>Wastewater</b>				
Revenue	177,895	140,910	36,985	169,090
Rates	2,276,186	2,081,405	194,781	1,791,461
Internal Charges	280,444	301,150	20,706	361,372
Expenditure	1,275,354	1,349,167	73,813	1,599,177
Net Surplus	898,284	571,998	326,285	2
<b>Rural Water</b>				
Revenue				
Rates	396,232	413,928	-17,696	690,477
Internal Charges	91,191	97,920	6,729	117,513
Expenditure	503,682	465,695	-37,987	554,279
Net Surplus	-198,642	-149,687	-48,954	18,685

## Roading & Footpaths

For the 10 Months ended 30th April 2015

	Actual YTD	Budget YTD	Var +/-	FY Budget
<b>Consolidated</b>				
Revenue	6,366,903	6,041,720	325,183	7,250,051
Rates Revenue	6,339,021	6,274,108	64,913	5,994,810
Internal Charges	619,765	653,060	33,295	783,667
Expenditure	10,229,999	9,731,080	-498,919	11,677,256
Tsf to Flood Reserves				
Net Surplus	1,856,160	1,931,688	-75,528	783,938
<b>Roading</b>				
Revenue	6,351,062	6,041,720	309,342	7,250,051
Rates Revenue	5,306,542	5,238,069	68,473	5,045,800
Internal Charges	536,573	559,560	22,987	671,472
Expenditure	9,600,107	9,033,720	-566,387	10,840,442
Net Surplus	1,520,923	1,686,509	-165,585	783,937
<b>Non Subsidised Roothing</b>				
Revenue	15,841		15,841	
Rates Revenue	1,032,479	1,036,039	-3,560	949,010
Internal Charges	83,192	93,500	10,308	112,195
Expenditure	629,892	697,360	67,468	836,814
Net Surplus	335,236	245,179	90,057	1



## Business Units

For the 10 Months ended 30th April 2015

### Consolidated

	Actual YTD	Budget YTD	Var +/-	FY Budget
Revenue	35,212	16,150	19,062	19,381
Rates Revenue	72,870	67,880	4,990	66,879
Internal Charges	1,408,287	1,670,600	262,313	2,004,708
Internal Recoveries	5,618,207	6,137,440	-519,233	7,364,927
Expenditure	4,318,025	4,499,353	181,328	5,373,611
Net Surplus	-22	51,517	-51,540	72,868

### CEO Business Unit

Revenue	16,343		16,343	
Internal Charges	71,945	85,290	13,345	102,347
Internal Recoveries	384,277	405,110	-20,833	486,136
Expenditure	328,671	323,374	-5,297	383,789
Net Surplus	4	-3,554	3,558	

### Human Resources Business Unit

Revenue	2,400		2,400	
Internal Recoveries	69,678	127,340	-57,662	152,811
Expenditure	72,078	127,400	55,322	152,811
Net Surplus	1	-60	60	

### Policy & Governance Business Unit

Internal Charges	74,896	93,350	18,454	112,031
Internal Recoveries	399,550	433,750	-34,200	520,501
Expenditure	324,654	340,860	16,206	408,470
Net Surplus	0	-460	460	

### Finance Business Unit

Revenue	321	11,870	-11,549	14,245
Internal Charges	154,098	192,910	38,812	231,493
Internal Recoveries	852,587	891,710	-39,123	1,070,051
Expenditure	698,826	712,720	13,894	852,803
Net Surplus	-17	-2,050	2,034	

### Statutory Planning & Reporting Business Unit

Internal Charges	227,526	241,280	13,755	289,534
Internal Recoveries	357,117	551,580	-194,463	661,898
Expenditure	129,599	313,140	183,541	372,364
Net Surplus	-7	-2,840	2,833	

### Information Services Business Unit

Revenue	1,216		1,216	
Rates Revenue	36,435	36,435		36,435
Internal Charges	34,542	41,220	6,678	49,459
Internal Recoveries	716,371	867,390	-151,019	1,040,865
Expenditure	719,480	826,377	106,897	991,406
Net Surplus	0	36,228	-36,228	36,435

### Customer & Community Services Business Unit

Revenue	1,128		1,128	
Internal Charges	146,658	189,130	42,472	226,956
Internal Recoveries	609,576	613,960	-4,384	736,749
Expenditure	464,040	425,270	-38,770	509,793
Net Surplus	6	-440	446	

**Assets Business Unit**

Revenue	7,983		7,983	
Internal Charges	486,988	569,990	83,002	683,986
Internal Recoveries	983,542	959,250	24,292	1,151,095
Expenditure	504,537	393,114	-111,423	467,110
Net Surplus		-3,854	3,854	-1

**Property Management Business Unit**

Revenue	5,509	4,280	1,229	5,136
Rates Revenue		-150	150	-182
Internal Recoveries	149,461	164,360	-14,899	197,236
Expenditure	154,970	171,150	16,180	202,191
Net Surplus		-2,660	2,660	-1

**Fleet Management Business Unit**

Revenue				
Rates Revenue	36,435	31,595	4,840	30,626
Internal Recoveries	248,569	280,510	-31,941	336,614
Expenditure	285,004	277,604	-7,400	330,805
Net Surplus	0	34,501	-34,501	36,435

**Regulatory Business Unit**

Revenue	312		312	
Internal Charges	211,636	257,430	45,794	308,902
Internal Recoveries	847,480	842,480	5,000	1,010,971
Expenditure	636,164	588,344	-47,820	702,069
Net Surplus	-8	-3,294	3,286	

Statement of Capital Works 2014/15 For the 10 Months ended 30th April 2015		Full Year Budget 2014/15	Budget Carried Forward from 2014	Actual YTD 2014/15	Variance
Community & Leisure Assets					
Libraries					
Library Books	100,000		68,442	31,558	
Computer Equipment	6,000		3,650	2,350	
Furniture and Fittings	26,000		0	26,000	
Swimming Pools					
Renewals					
Marton - Pump	1,694		8,981	-7,287	
Taihape Pump	3,238		0	3,238	
Marton	10,588		4,479	6,109	
Taihape Pool Resurface	20,878		0	20,878	
Taihape Fans	28,812		0	28,812	
Taihape & H/Ville Blgs	15,883		0	15,883	
Marton Changing Rooms	5,294		0	5,294	
Marton Fencing & Impr	70,000		1,442	68,558	
Taihape Carpark	31,765		0	31,765	
DE Filter Bags Marton	5,294		0	5,294	
DE Filter Bags Taihape	5,294		0	5,294	
Community Housing					
District	25,310		4,885	20,425	
Parks & Reserves					
District - Renewals	153,767		30,229	123,538	
Bulls Court House	30,000		0	30,000	
Public Toilets					
Renewals					
Campground Toilet & WW T/Ment	100,000		3,943	96,057	
Halls					
Renewals					
District	81,261		33,356	47,905	
Cemeteries					
Renewals					
District	15,453		2,298	13,155	
New Capital					
District	16,196		11,803	4,393	
Total Community & Leisure Assets	752,727	0	173,507	579,220	
Community Wellbeing					
Info Centres					
District Promotions		20,000		20,000	
Rural Fire					
Total Community Wellbeing	0	20,000	0	20,000	
Rubbish and Recycling					
Renewals					
Marton	2,506		0	2,506	
New Capital					
Marton					
Total Rubbish and Recycling	2,506	0	0	2,506	
Waste Transfer Stations					
Renewals					
Marton - Ground Mtc & Fencing			1,375	-1,375	
New Capital					
Marton - Pit Access	220,000		103,860	116,140	
Total Waste Transfer Stations	220,000	0	105,234	114,766	

Statement of Capital Works 2014/15 For the 10 Months ended 30th April 2015		Full Year Budget 2014/15	Budget Carried Forward from 2014	Actual YTD 2014/15	Variance
Stormwater					
Renewals					
Renewals District Wide	386,999	227,000	154,692	459,307	
New Capital					
New Capital Distrcit Wide	173,101	0	19,208	153,893	
Total Stormwater	560,100	227,000	173,900	613,200	
Water					
Renewals District Wide	2,455,468	621,000	2,298,371	778,097	
Huntermville	43,131		13,761	29,370	
Erewhon Rural Water	112,510		76,800	35,710	
Huntermville Rural Water	120,614		60,742	59,872	
Omatane Rural Water			0	0	
Putorino RWS					
New Capital					
Marton	345,645	144,500	561,208	-71,063	
Taihape	402,356	105,000			
Bulls	77,383	44,000			
Mangaweka	19,442	40,000			
Ratana	1,467,172			1,467,172	
New Capital District Wide	2,311,998	333,500	561,208	2,084,290	
Huntermville	36,424		2,179	34,245	
Huntermville Rural Water			320	-320	
Erewhon Rural Water			1,360		
Total Water	5,080,145	954,500	3,014,741	3,019,904	
Wastewater					
Renewals					
Renewals District Wide	695,708	5,000	181,911	518,797	
New Capital					
New Capital District Wide	4,590,904	480,865	705,571	4,366,198	
Total Waste Water	5,286,612	485,865	887,482	4,884,995	
Roads and Transportation					
Renewals-Subsidised					
Structures Component Replacement	200,000		202,818	-2,818	
Pavement Rehabilitation	2,743,515		1,683,715	1,059,800	
Unsealed Road	333,502		251,804	81,698	
Drainage Renewals	296,193		443,982	-147,789	
Planning	0		300	-300	
Sub.Rdg.Pavement Rehab. Prf.Sr	180,000		99,606	80,394	
Sub.Rdg.Drainage Prof.Serv.	20,000		0	20,000	
Sub.Rdg.Struct.Comp.P/S	46,079		8,528	37,551	
Sub.Rdg.Traffic Ser Rnwl P/S	10,000		3,690	6,310	
Sub.Rdg.Sealed Rd Surfaccg.P/S	120,000		11,070	108,930	
Reseals	1,837,711		2,545,717	-708,006	
Traffic Services	100,000		104,839	-4,839	
Associated Improvements	106,000		99,059	6,941	
Renewals-Non Subsidised					
Renewals Prof Services	18,140		0	18,140	
Footpath Renewals	85,367		113,630	-28,263	
New Capital - Subsidised					
Taihape Napier Road			0	0	
Minor safety Projects - Principal Contr	531,290		473,537	57,753	
Prof Services - Minor Safety	0		1,425	-1,425	
Major Bridge Refurb	909,999		431,875	478,124	
New Capital - Non Subsidised					
Footpath Construction	64,025		69,360	-5,335	
Ratana Speed Humps	6,936		0	6,936	
Total Roads and Transportation	7,608,757	0	6,544,953	1,063,804	

<b>Statement of Capital Works 2014/15</b> For the 10 Months ended 30th April 2015		<b>Full Year Budget 2014/15</b>	<b>Budget Carried Forward from 2014</b>	<b>Actual YTD 2014/15</b>	<b>Variance</b>
<b>Miscellaneous</b>					
	Vehicles	175,000		243,094	-68,094
	<b>Total Vehicles</b>	175,000		243,094	-68,094
	PC Replacements			0	0
	Hardware Servers & Core Network	69,227		28,657	40,570
	PC Replacements	35,146		22,402	12,744
	Hardware - Other	26,626		14,246	12,380
	SAN	21,300		0	21,300
	Furniture & Fittings			787	
	Aerial Photography	31,951		0	31,951
	Plant & Machinery			2,170	-2,170
	Computer Additions	5,325		0	5,325
	Office Furniture Purchases	25,000		13,339	11,661
	Software Purchases	0		4,865	-4,865
	<b>Total Miscellaneous</b>	389,575	0	329,560	60,015
	<b>Grand Total</b>	19,900,422	1,687,365	11,229,378	10,358,409
			21,587,787	per budget books & NCS	

## Finance/Performance Committee 30 April 2015

### Rangitikei District Council Treasury Report For the 10 Months ended 30th April 2015

#### Investments

Bank Deposits	Maturity Date	Int Rate	Term	% of Portfolio	Amount	Comment
Westpac Current Account	Call	.30%	Call	1.27%	81,987.00	Immediate Needs
Westpac Call Account	Call	3.25%	Call	17.65%	1,143,409.00	Immediate Needs
BNZ-3023	01/05/15	3.88%	60	15.44%	1,000,000.00	Immediate Needs reinvested 60 days
ASB 0073	17/05/15	4.29%	80	15.44%	1,000,000.00	Immediate Needs
					<b>3,225,396.00</b>	49.79% Of total pool Investment policy allows up to 100%

The Investment Policy requires that maximum any one bank of \$5m

And maturity mix as follows

	Actual	Policy
0-3 months	69.00%	15%-40%
3-6 months	31.00%	10%-60%
6 month to 2 years	0.00%	10%-60%
6 month to 2 years	0.00%	10%-60%

Equity Investments	Number	Cost	Value 2013	@
Local Government Insurance Corporation	23,338	23,338	36,939	\$1
		<b>23,338</b>	<b>36,939</b>	0.57% Of total pool Investment policy allows up to 10%

## Corporate Bonds

Corporate Bonds							S &P Rating	
Date of Purchase								
		Effective	Coupon Rate	Face value	Fair Value 2014			
Purchased 16/02/06 Fonterra Perpetual Cap Note	none	5.73%	8.74%	191,963.00	201,735.76		}	
Purchased 21/02/06 Fonterra Perpetual Cap Note	none	5.73%	8.74%	280,000.00	294,072.88			
Notes Redeemed 10/07/06				-443,645.00	-465,086.38			
loss on Redemption					-981.01			
Balance as at 30 June 2014		5.44%		28,318.00	29,741.25	28,035	A	}
Purchased 24/03/06 Telecom 10 Year Bonds	24/03/2016	7.04%	7.04%		500,000.00	528,900	A-	
Purchased 20/09/07 RABOBANK Bonds Perpetual		3.708%	3.708%	1,000,000.00	1,000,000.00	935,000	A+	
Purchased 11/03/09 Fonterra Bonds 2015	10/03/2015	7.60%	7.75%	500,000.00	0.00	515,050	AA	
Purchased 22/09/10 Manukau City Council Bonds	29/09/2017	6.52%	6.52%	1,500,000.00	1,500,000.00	1,608,750.00	AA	
Total					3,029,741.25	3,615,734.82	46.77%	Of total pool Investment policy allows up to 50%



Forestry

185,799.00

2.87% Of total pool Investment  
policy allows up to 20%

Total Investments and  
Cash

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**6,477,875.25**

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**Significant Variances in the Financial Highlights and Commentary to 31 March 2015  
10% and greater than \$2,500.**

<b>Community Leadership</b>		
<b>Council Committees</b>	<b>Elections</b>	<b>Taihape Community Board</b>
Expenditure is down \$11,015	Expenditure is up \$3,771	Expenditure is down \$3,213
Lower than expected expenditure in payments to Members of Te Roopu Ahi Kaa (annual allowances, meeting fees, conference attendance)	This is due to costs for the Taihape Community Board by-election	This is due to the gap membership, lower than project expenditure on mileage and conferences.

Community Wellbeing		
Community Awards	District Promotion	Rural Fire
Expenditure is down \$5,010	Revenue up by \$107,397; internal costs are down by \$7,809; expenditure is up by \$127,288	Revenue is up by \$9,712; internal costs down by \$5,291; expenditure is up \$104,465
This activity includes the Creative Communities Scheme which has its second allocation meeting on 27 May 2015 when the remaining funds will probably be fully allocated.	Higher expenditure comes from the town centre plan projects and the Bulls Community Centre (for which additional provision has been made). The decreased internal costs are due to lower than expected allocated overheads. The previous netting-off of expenditure for the District-wide CCTV installation against grants has been reversed so that they are disclosed separately. This means expenditure and revenue both increase.	Increased revenue is due to reimbursement for fire-fighting costs; decreased internal charges due to lower allocated costs for property; the increased expenditure is for the costs of the Santoft Road fire, reimbursement from the Nation Rural Fire Authority has been sought but not yet received.

<b>Environment &amp; Regulatory Services</b>			
<b>District Planning</b>	<b>Dog Control</b>	<b>Resource Consents</b>	<b>Stock Control</b>
Expenditure is up \$3,338	Revenue is up \$36,869; expenditure is down \$16,176	Revenue is down by \$14,884; expenditure is up \$69,528	Revenue is up \$15,854
This is due to incorrect coding (noise control callouts) and advice for reviewing the District Plan <i>Note:</i> resource consent service arrangement with Wanganui District Council is budgeted and expensed here.	Increased revenue is due to on-call work done for Wanganui District Council; reduced expenditure is due to the lower than budgeted legal costs.	These two are inter-related; there has not yet been recovery of costs related to the Bonny Glen resource consent. There are also unbudgeted costs for legal advice on Meridian's application to extend lapse date for Project Central Wind.	This is due to recovery of costs (from NZTA) associated with retrieving stock from State Highways.
<b>Health</b>	<b>Building</b>		
Revenue is up \$26,085; expenditure is down \$6,571	Revenue is up \$8,559; expenditure is up by \$10,956		
Higher than budgeted revenue from liquor licences (higher fees set by statute) and from food premises registration (100% coverage); lower than budgeted expenditure because of mis-coded noise control (under District Plan)	These variations are due to increased consenting activity (i.e. increased revenue from fees and charges, and increased use of external contractor).		

<b>Community &amp; Leisure Assets</b>			
<b>Libraries</b>	<b>Domains</b>	<b>Cemeteries</b>	<b>Real estate</b>
Revenue is up \$4,252; expenditure is down \$60,596; internal costs are down \$9,654	Revenue is up \$100,243; expenditure is down \$42,409; internal charges are down \$21,330	Revenue is up \$9,007; Expenditure is down \$20,052; internal charges down \$5,343	Revenue is up \$5,360
Year-to-date revenue is slightly lower than the same period last year: the budget is conservative as it is dependent on demand for sale books, printing and photocopying. Higher expenditure is due to lower ongoing fee for Overdrive (e-book service) and reduced spending on magazines, different format for publishing annual local writing competition; seasonal lower use of electricity; less use than expected use of external contractors. There has been less cost than expected related to statutory planning and reporting, hence the lower internal charge.	The higher revenue is due to the \$100,000 Lotteries Facilities grant for refurbishing the Shelton Pavilion. The decreased expenditure is due to lower costs from the principal contractor - primarily through less day works than last year and less vandalism: extraordinary repairs are \$17,000 below budget. There has been less cost than expected related to statutory planning and reporting, hence the lower internal charge.	The higher revenue is due to higher than expected user charges and contributions. Lower expenditure reflects the reduced number of repairs required and fewer new berms being needed than expected. There has been less cost than expected related to statutory planning and reporting, hence the lower internal charge.	Increased revenue is the result of reviewing leases and licences.

<b>Swim Centres</b>	<b>Community housing</b>	<b>Public Toilets</b>	<b>Halls</b>
Revenue is down \$36,786; internal costs are down \$9,847; expenditure is down \$75,426.	Revenue is down \$9,996; internal costs are down \$6,239; expenditure is down \$22,762	Internal charges are down by \$5,844; expenditure is down \$52,600	Internal costs are down by \$10,471; expenditure is down \$55,727
The lower revenue is due to the terms of the contract for the management of the Marton Swim Centre; revenue is issued as a credit note and deducted from the invoice. There has been less cost related to statutory planning (so lower than expected internal charges); the budget for operating grants is now too high (having regard for the treatment of revenue at the Marton Swim Centre).	Reduced revenue is the result of a slightly higher vacancy rate; there has been less cost than expected related to statutory planning and reporting (so lower than expected internal charges); the amount of renewals work done has been less than projected.	There has been less cost than expected related to statutory planning and reporting. The lower expenditure is primarily the result of too high a budget provision. Overall, expenditure is similar to last year's but slightly lower due to a decreased use of the Wallace Development toilets in Bulls, compared with the now closed High Street toilets, and a decreased spend on 'reinstatement after vandalism'	There has been less cost than expected related to statutory planning and reporting. The lower than budgeted expenditure is because of over provision for grants and for external contractor where the expenditure pattern has been similar to last year.
<b>Forestry investments</b>			
Revenue is down by \$13,765			
No logging has been done this year			

<b>Rubbish and recycling</b>		
<b>Public Refuse and Bin Collection</b>	<b>Landfills and Waste Transfer Stations</b>	<b>Waste Minimisation</b>
Internal charges are down by \$3,084	Revenue is down by \$26,652; internal costs are down by \$12,011	Revenue is up \$5,592; expenditure is down by \$26,740
There has been less than expected cost from statutory planning and reporting.	The lower revenue reflects the reducing quantity of waste going to landfill (greenwaste is charged at a lower rate). There has been less cost than expected from statutory planning and reporting.	Higher revenue is due to income from recycling being greater than forecast Lower expenditure is the result of the lower uptake of the Zero Waste programme within Schools.

<b>Waters</b>			
<b>Stormwater</b>	<b>Water</b>	<b>Wastewater</b>	<b>Rural water</b>
Revenue is up \$10,378 and expenditure is down \$208,814	Expenditure is down \$747,356	Revenue is up \$36,985; internal charges are down by \$20,706; expenditure is down by \$73,813.	Internal charges are down \$6,729; expenditure is up by \$37,987.
The increased revenue is due to a correction of invoices for connections. The lower than budget expenditure is due to (i) the \$100,000 set aside for the investigations associated with Council's Water-Related Services Bylaw and (ii) the over-provision for repairs to the network	Lower expenditure is the result of operational efficiencies (lower costs for chemicals and electricity), different deployment of Shared Services staff and contractors/consultants, and reallocation of costs to capital/renewal projects. High rates reflects the greater use of metered (extraordinary water) over the dry summer.	The revenue earned from user charges is similar to the same period last year; the budget was set too low. There has been less cost than expected related to statutory planning and reporting (hence lower internal charges). Although electricity costs are higher than for the same period last year, they are \$46,000 less than budget. There have been lower year-to-date costs for chemicals and materials (\$26,000) and Manawatu shared services staff (\$131,000) but higher year-to-date costs for contractors/consultants, resource consents (\$13,000), insurance and rates.	The main reasons for increased expenditure is the higher electricity costs for the Hunterville Scheme and increased external contractor costs for the Erewhon Scheme. Less cost from statutory planning and reporting has meant a lower internal charge.



Roading	
Roading	Non-Subsidised Roading
Revenue is up \$309,342; internal costs are down \$22,987; expenditure is up \$566,387	Revenue is up \$15,841; internal charges are down by \$10,308; expenditure is down \$67,468
The increased revenue and expenditure is due to the earlier than usual start to the sealing and pavement rehabilitation programme. There has been less cost than expected related to statutory planning and reporting (hence lower internal charges)	The increased revenue is due to a contribution from St John for a vehicle crossing in Linnet Street, Taihape, and the decreased expenditure is due to lower than expected expenditure in various areas (including: survey costs and legalisation, roadside tree maintenance and berm mowing). There has been less cost than expected related to statutory planning and reporting (hence lower internal charges)

<b>Business Units</b>			
<b>CEO</b>	<b>Human Resources</b>	<b>Finance</b>	<b>Statutory Planning &amp; Reporting</b>
Internal costs are down \$13,345	Expenditure is down \$55,322	Revenue is down \$11,549; internal costs are down \$38,812	Expenditure is down \$183,541
The decreased internal costs are due to lower than expected allocated overheads. <i>Note:</i> the revenue shown in the CEO business unit is Work & Income subsidy for short-term placements	This is due to a decrease in HR staffing and less expenditure on corporate training than projected.	This is a timing issue - payment of the share by Horizons in the QV valuation.	This is due to timing. Invoices have yet to come from the Council's auditors and the designers of "What's the Plan Rangitikei...?"
<b>Information Services</b>	<b>Customer &amp; Community Services</b>	<b>Assets</b>	<b>Regulatory</b>
Expenditure is down \$106,897; internal charges are down \$6,678	Internal costs are down \$42,472; Expenditure is up \$38,770	Internal costs are down \$83,002; Expenditure is up \$111,423	Internal costs are down \$45,794; Expenditure is up \$47,820
Although spending on external contractors and consultants aligns with the same period last year, it is under budget. The other elements of the year-to-date under-expenditure are: postage, hardware maintenance, and staff training. With the fibre installation some costs are being incurred with this set up.	The decreased internal costs are due to lower than expected allocated overheads. Wages and salaries align with the same period last year, this is \$30,000 over budget. There is under-expenditure on training of \$8,000.	The decreased internal costs are due to lower than expected allocated overheads. The increased expenditure is due to increased charges associated with software, contractors and small tools.	The decreased internal costs are due to lower than expected allocated overheads. The increased expenditure is caused by the additional animal control staffing related to the shared services arrangement with Manawatu. The budget does not reflect that.

## Variances other Capital

- Capital – computing servers \$90,527 was budgeted to buy new servers and other hardware Storage area network or SAN. This did not include approximately \$20,000 which was charged to Council the last time this was done to transfer the application and data between servers. Council requested proposals for a number of suppliers to look to replace these and suppliers are increasingly offering leasing as a good option. Basically for the cost of the depreciation approximately 2000 per month we have been able to secure new servers which are leased and this cost includes the upfront transfer between old and new machines and also some of the monthly support costs are included in the price by the supplier saving nearly \$4K per month. This is a model that the MWLASS is likely to move to with perhaps the servers being accommodated in other locations now that we have a fibre connection just about operational.
- Capital Computing – desktops approximately \$14K is left in this year budget for Desktop Computer replacements although some of this will be needed for replacements before year end (this has proved correct with one machine being replaced in the month!). It is requested that the balance of these funds are carried forward and used as part of a refresh of desktops likely in Oct 2015 with the arrival of Windows 10. Moving to later versions of the ubiquitous Windows operating system will reduce maintenance costs and simplify support while providing staff with fit for purpose machines. Exactly which type of machines has not yet been fully determined but with the positive experience with Surface tablets which are compatible with the full Microsoft Office suite it is likely that increasing numbers of staff who are mobile will be provided with Surface Pro 3 (or 4 which have a larger 14” screen so provide more utility).
- Community & Leisure Assets – The majority of these capital budgets will be spent by the end of June 2015 or have been approved as carry-forwards to 2015/16. The budget for fencing and improvements at the Marton Swimming Pool was identified as an overprovision, \$35,000 of this budget will be spent by the end of June 2015. The majority of the budget for District – Renewals under Parks & Reserves is for the upgrade of the Shelton Pavilion. There has been a substantial purchase of library books in May, the project for the refurbishment of the Old Bulls Gaol has commenced and works orders have been issued for upgrade projects at both pools.
- Waste Transfer Stations – The unspent capital budget of \$116,140 for an upgrade to the pit access at the Marton Waste Transfer Station will be spent by the end of June 2015. Contracts are being entered into this week to carry out overhauls of the gantry crane system. This work will be completed by the middle of June. This maintenance work will ensure that the gantry crane will provide trouble free running for 10 years plus. This is key infrastructure, without its operation we cannot easily nor economically ship waste offsite to landfill. Other money from this capital upgrade fund is being spent at the Taihape Waste Transfer Station to catch up on deferred maintenance (e.g. worn out broken asphaltic

concrete, slumping pavements, greenwaste acceptance and missing fences). ***This information was presented to the Assets/Infrastructure Committee meeting on 14 May 2015.***

- Roads and Transportation – All of the remaining capital budget in Roads and Transportation will be spent by the end of June 2015.
- Capital Vehicles – This expenditure is over budget by \$68,094. This will be recovered from the disposal of existing vehicles.
- Carry-forwards to 2015/16 – The proposed carry-forwards to 2015/16, as approved by Council at its meeting on 30 April 2015, are as follows:
  - Stormwater = \$184,000
  - Wastewater = \$3,207,772
  - Water = \$1,158,200
  - Community & Leisure Assets = \$174,690
  - Miscellaneous = \$59,279

**Rangitikei District Council  
Treasury Report  
For the 9 Months ended 31st March 2015**

**Investments**

Bank Deposits	Maturity Date	Int Rate	Term	% of Portfolio	Amount	Comment
Westpac Current Account	Call	3.30%	Call	1.65%	137,528.37	Immediate Needs
Westpac Call Account	Call	3.25%	Call	10.92%	910,431.03	Immediate Needs
BNZ-3023	01/05/15	3.88%	60	12.27%	1,022,688.86	Immediate Needs reinvested 60 days
BNZ-3024	23/04/15	3.88%	30	12.13%	1,011,095.89	Immediate Needs
Westpac 0013	27/04/15	4.34%	91	12.00%	1,000,000.00	Immediate Needs
ASB 0073	17/05/15	4.29%	80	12.00%	1,000,000.00	Immediate Needs 1000000 80 days from 26/02

**5,081,744.15**

60.97% Of total pool Investment  
policy allows up to 100%

The Investment Policy requires that maximum any one bank of \$5m

And maturity mix as follows

	Actual	Policy
0-3 months	60.64%	15%-40%
3-6 months	39.36%	10%-60%
6 month to 2 years	0.00%	10%-60%

**Equity Investments**

	Number	Cost	Value 2013	@
Local Government Insurance Corporation	23,338	23,338	36,939	\$1
		<b>23,338</b>	<b>36,939</b>	

0.44% Of total pool Investment  
policy allows up to 10%

## Corporate Bonds

						S & P Rating
Date of Purchase						
Purchased 16/02/06		Effectiv	Coupon	Face value	Fair Value 2014	
Fonterra Perpetual Cap Note	none	5.73%	8.74%	191,963.00	201,735.76	
Purchased 21/02/06						
Fonterra Perpetual Cap Note	none	5.73%	8.74%	280,000.00	294,072.88	
Notes Redeemed 10/07/06				-443,645.00	-465,086.38	
loss on Redemption					-981.01	
Balance as at 30 June 2014		5.44%		28,318.00	29,741.25	A
Purchased 24/03/06						
Telecom 10 Year Bonds	24/03/2016	7.04%	7.04%	500,000.00	528,900	A-
Purchased 20/09/07						
RABOBANK Bonds Perpetual		3.708%	3.708%	1,000,000.00	1,000,000.00	935,000 A+
Purchased 11/03/09						
Fonterra Bonds 2015	10/03/2015	7.60%	7.75%	500,000.00	0.00	515,050 AA
Purchased 22/09/10						
Manukau City Council Bonds	29/09/2017	6.52%	6.52%	1,500,000.00	1,500,000.00	1,608,750.00 AA
Total					3,029,741.25	3,615,734.82
Forestry					185,799.00	2.23%
Total Investments and Cash					8,334,223.40	

Of total pool Investment  
policy allows up to 50%

Of total pool Investment  
policy allows up to 20%

# Attachment 3





## Rangitikei District Council

# Events Sponsorship Scheme Application Form 2015

### PLEASE NOTE

Applications close 12.00 pm (noon), xx July 2015. The Finance/Performance Committee will consider the applications at its meeting on xx August 2015.

### PURPOSE

The purpose of the Events Sponsorship Scheme is to support events in Rangitikei District that help to develop community cohesion and reinforce economic growth.

### DEFINITIONS FOR THE PURPOSES OF THIS FUNDING SCHEME

Events: events of a celebratory, educational, competitive, commemorative or exhibitive nature that are distinctly defined, occur for a limited time and may be repeated on a cyclical basis (e.g annually) but are not regularly scheduled (e.g regular organised Saturday sport)

High profile events: events which:

- a) provide a regional/national profile and attract a significant number of visitors to the District; and
- b) provide an opportunity to showcase the District.

Community events: events which

- a) are locally significant and/or of special interest to local people; and
- b) enhance community well-being.

High profile community events: events which

- a) provide a regional/national profile and attract a significant number of visitors to the District; and
- b) provide an opportunity to showcase the District, and
- c) are locally significant and/or of special interest to local people; and
- d) enhance community well-being.

Please complete this application form in conjunction with the Funding Guide.

**CLOSING DATE FOR APPLICATIONS: 12.00 pm (noon) Friday xx July 2015. Late applications will NOT be considered.**

**All sponsorship applications are copied into the Finance/Performance Committee Order Paper and are therefore available to the general public.**

### SEND YOUR APPLICATION TO:

Postal address: Samantha Whitcombe Grants Administrator  
Rangitikei District Council, Private Bag 1102, Marton

Hand deliver to: Rangitikei District Council Office, 46 High Street, Marton; or  
Taihape Service Centre, Hautapu Street, Taihape

Email: [samantha.whitcombe@rangitikei.govt.nz](mailto:samantha.whitcombe@rangitikei.govt.nz)

## 1. APPLICANT DETAILS

Full Name of  
Organisation: \_\_\_\_\_

Street address: \_\_\_\_\_

Postal address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Post Code: \_\_\_\_\_

Contact 1 Name \_\_\_\_\_

Telephone (day) \_\_\_\_\_

Email: \_\_\_\_\_

Contact 2 Name \_\_\_\_\_

Telephone (day): \_\_\_\_\_

Email: \_\_\_\_\_

**Legal Status** (see Applicant eligibility criteria)

IS YOUR ORGANISATION ACTING AS  
AN UMBRELLA ORGANISATION?

☐

Yes

☐

No

IS YOUR ORGANISATION GST  
REGISTERED?

☐

Yes

☐

No

If so, please provide  
your GST Number:

## 2. WHAT ARE THE OBJECTIVES OF YOUR ORGANISATION?

Attach additional sheets if you need to

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Applicant eligibility criteria:

Applicant must be able to meet all the criteria stipulated in the guidelines;

Applicant/organisation must be an Incorporated Society (certificate or documentation of proof must be supplied);

Trust or Association (please supply documentation);

Community Group under an Umbrella Group;

Council is unable to issue funds directly to individual recipients. Council will however issue funds to an umbrella organisation.

It is expected that the 'umbrella organisation' will have an interest in the event for which funding is being sought.

An umbrella organisation is an established organisation that is willing to oversee and monitor the use of grants made to individuals through:

\* Receiving a cheque on behalf of a grantee. The Council will issue a covering letter with the cheque, which will set out the amount of funds granted, the name of the organisation and the nature of the project that is being funded.

\* Issuing grant funds to the total amount of the grant to the grantee as required, and in line with the purpose of the project for which funding has been approved by the allocation committee.

\* Endorsing accountability reports on the project. A report is submitted on the progress of the report within three months of the event date.

### 3. THE EVENT *(See Event Eligibility criteria)*

3.1 What is the name of your event? \_\_\_\_\_

\_\_\_\_\_

3.2 When will it take place: \_\_\_\_\_

3.3 Where will it take place: \_\_\_\_\_

3.4 What type of event are you planning?

- ☐ One-off event?
- ☐ New event that will become a regular event (e.g. annually or bi-annually)?
- ☐ An event that is becoming established as a regular event (but has not yet been held 5 times)?
- ☐ An established, regular event (that has been held more than 5 times)?

Please tick the **ONE** box that ***best*** describes your project. *(See Event Sponsorship Scheme guidelines)*

- ☐ High profile event
- ☐ Community event
- ☐ High profile, community event

3.5 Describe your event in full:

*Attach additional sheets if you need to.*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Event eligibility criteria

All events eligible for funding must:

- \* Take place within Rangitikei;
- \* Not have started before an application for event sponsorship is approved by the Committee;
- \* Not apply for funding from the Events Sponsorship Scheme more than once in any financial year;
- \* Not have been financially supported by the Rangitikei District Council through some other means for the same event in the same financial year, i.e through the Creative Communities New Zealand Scheme, Community Boards/ Committees, Annual Plan etc.;
- \* Provide a detailed and realistic marketing/ promotional plan;
- \* Provide a realistic and balanced budget;
- \* Be able to contribute a significant proportion to the cost of the project (see Section 4).

### Ineligible events

The types of events ineligible for funding include:

- \* Annual General Meetings;
- \* Events that have no economic or community benefit to Rangitikei;
- \* Events solely run for commercial purposes;
- \* Events promoting religion or political purposes;
- \* Regularly scheduled (for example Saturday morning sport).

3.6 How many people do you **expect** to attend your event? (See *Accountability Reports*)

Resident in Rangitikei District?		Visitors from neighbouring Districts <sup>1</sup> ?	
Visitors from the rest of New Zealand?		Overseas visitors?	
Total			

3.7 How will the event be promoted? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3.8 How will you acknowledge the sponsorship provided by Rangitikei District Council? (See *Promoting Rangitikei District Council's support*)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Accountability Reports

If your application for sponsorship is successful, then you will need to report back to Council on the outcomes of your event.

For all events this will include estimating how many people attended your event and their place of origin.

If you are applying for sponsorship under the "high profile" or "high profile, community" categories, Council will help you assess the economic impact of your event using retail data available from MarketView Research.

Council will use its annual residents' survey to test community views on its sponsored events.

Council will also seek your feedback on what worked well for your event and what could be improved.

**Please see also the notes on Council's expectations from its sponsorship of events at the end of this application form.**

### Promoting Rangitikei District Council's support:

The support of the Rangitikei District Council must be acknowledged on all publicity material. Logos may be obtained from the Council Administrator. Signs and banners promoting the Council's support are also available from the Council Administrator. It is expected that this signage will be displayed at your event. It is the applicant's responsibility to take charge of these items and return them intact and undamaged within 3 days on conclusion of the event.

<sup>1</sup> Horowhenua, Manawatu, Ruapehu, Palmerston North, Tararua and Whanganui.





**4.3 Has your group received funding from the Rangitikei District Council in the last 5 years? If yes, please list all grants made below.**

Event/Project/Activity	Amount	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	

**4.4 Please name two referees for your organisation and your event**

Name: \_\_\_\_\_

Telephone (day): \_\_\_\_\_

Name: \_\_\_\_\_

Telephone (day): \_\_\_\_\_

**5. DECLARATION**

☐ I declare that the information supplied here is correct.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Position in organisation: \_\_\_\_\_

Date: \_\_\_\_\_

Please provide a pre-printed bank account deposit slip for payment should your application be successful.

Please attach your group's latest audited annual accounts.

Quotes must be provided for all goods and services. For services such as power where it is not possible to get a quote, an estimate based on proven figures from previous years must be provided.

**HAVE YOU ATTENDED TO ALL OF THE FOLLOWING?**

*Tick as appropriate*

<input type="checkbox"/>	Answered all of the questions?
<input type="checkbox"/>	Does your financial information add up? <b>Please check!</b>
<input type="checkbox"/>	Provided daytime phone numbers?
<input type="checkbox"/>	Provided full details of your project and included extra pages as appropriate?
<input type="checkbox"/>	Provide quotes for all appropriate items?
<input type="checkbox"/>	Provided a pre-printed deposit slip?
<input type="checkbox"/>	Provided your latest annual accounts?

All applications that do not have the full and complete documentation (including quotes) cannot be considered by the Committee.

Council staff will check all applications to ensure they meet the criteria included in this application form and are complete. Council staff will contact you for further information if necessary.

## EXPECTATIONS OF COUNCIL FROM SPONSORSHIP ARRANGEMENTS

High profile events: Council expects an economic impact for the District from high profile events in terms of increased spending at local retailers or tourism outlets from a large influx of visitors from outside the District, either as day visitors or overnight visitors. Council expects such events to generate income from participants (through for example, ticket sales or sale of goods) and from other sponsorship arrangements. If high profile events are recurring, then Council expects them to become increasingly self-funding over a maximum of five years. Its sponsorship of recurring events is not guaranteed but will certainly decrease over time.

Community events: Council recognises that there are community events, such as the Christmas Parades, that are important to Rangitikei's community life and well-being but where there would not be a large influx of visitors from outside the District. Such events **may** generate income from participants (through for example, ticket sales or sale of goods) and from other sponsorship arrangements. If these events are recurring community events, then Council expects them to demonstrate continuing community support through maintaining or increasing the number of people who take part in them.

High Profile Community events: Council expects that these events are likely to attract large numbers of visitors from outside the District and also be important community events for local people. Council is expecting both an economic impact for the District in terms of increased spending at local retailers or tourism outlets and increasing participation from people, particularly local people. These events may generate income from other sponsorship arrangements or from fees charged to, for example, stall holders, but generally would be free to the general public.

## EXAMPLE OF ELIGIBLE PROJECT COSTS

'Eligible project costs' means any expenses that the sponsorship scheme will support, according to the eligibility criteria, ignoring those costs which are ineligible.

### Example – Expenditure Budget – Festival 'X'

Item	Amount	
Equipment hire*	\$	3,000.00
Venue hire*	\$	2,500.00
Catering (VIP's)	\$	500.00
Professional services	\$	4,000.00
Training*	\$	500.00
Advertising*	\$	2,000.00
Prize money*	\$	1,000.00
T-Shirts (branded)*	\$	250.00
Total Cost (GST inclusive / <del>exclusive</del> . Please delete one)	\$	13,750.00

### \* Eligible projects/activities

Festival 'X' costs \$13,750 of which \$9,250 is for eligible project costs. Therefore the **maximum** sponsorship from Council will be \$4,625.

# Attachment 4

# GROWTH PROJECTIONS FOR THE 2015-25 LONG TERM PLAN

## UPDATE MAY 2015

### Introduction

At its meeting on 27 November 2014, Finance/Performance Committee, considered a discussion paper which:

1. Undertook an analysis of the labour force projections under optimistic and pessimistic scenarios of participation rates by women and older people
2. Attempted 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 migration<sup>1</sup>

The analysis used population projections supplied by Statistics New Zealand to support territorial authorities to develop 30-year infrastructure strategies for their 2015-25 Long Term Plans, but based on 2006 Census data. This data has now been updated to reflect the 2013 Census and so the figures in the initial report have now been updated to reflect the latest information.

### 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)<sup>2</sup> 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 Census', is then applied to estimate the size of the labour force through to 2043 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 workers<sup>3</sup>
- 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 8%. This compares to the projected overall decrease in the population of 15%.

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<sup>1</sup> The availability of economic data for the District has recently become available through Council's subscription to Infometrics available through the LASS shared service

<sup>2</sup> 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.

<sup>3</sup> 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 2023. The projected population at this point is 14,200.

However, if labour force participation follows recent trends (increasing participation by women and older people), then under business-as-usual economic activity, labour shortages may not occur.

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. . However, this could require that focus is put on retraining women and older people to meet local skill shortages.

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. 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

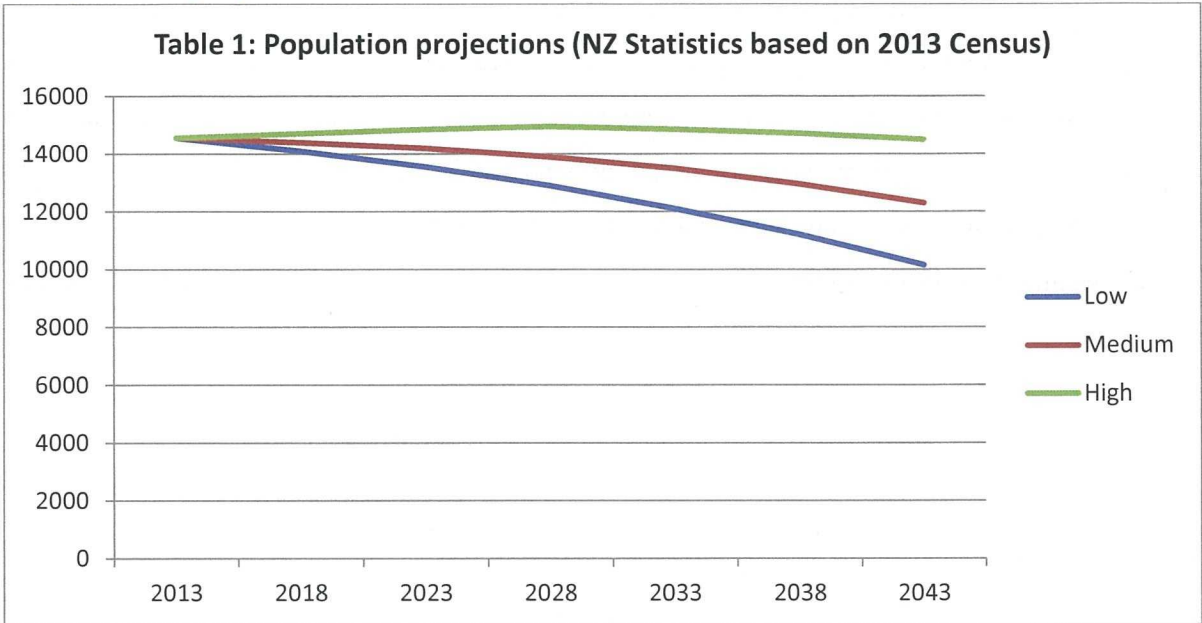


Table 1 shows population projections provided by Statistics New Zealand using their high, medium and low projections. Council assumes the medium projections for planning purposes.

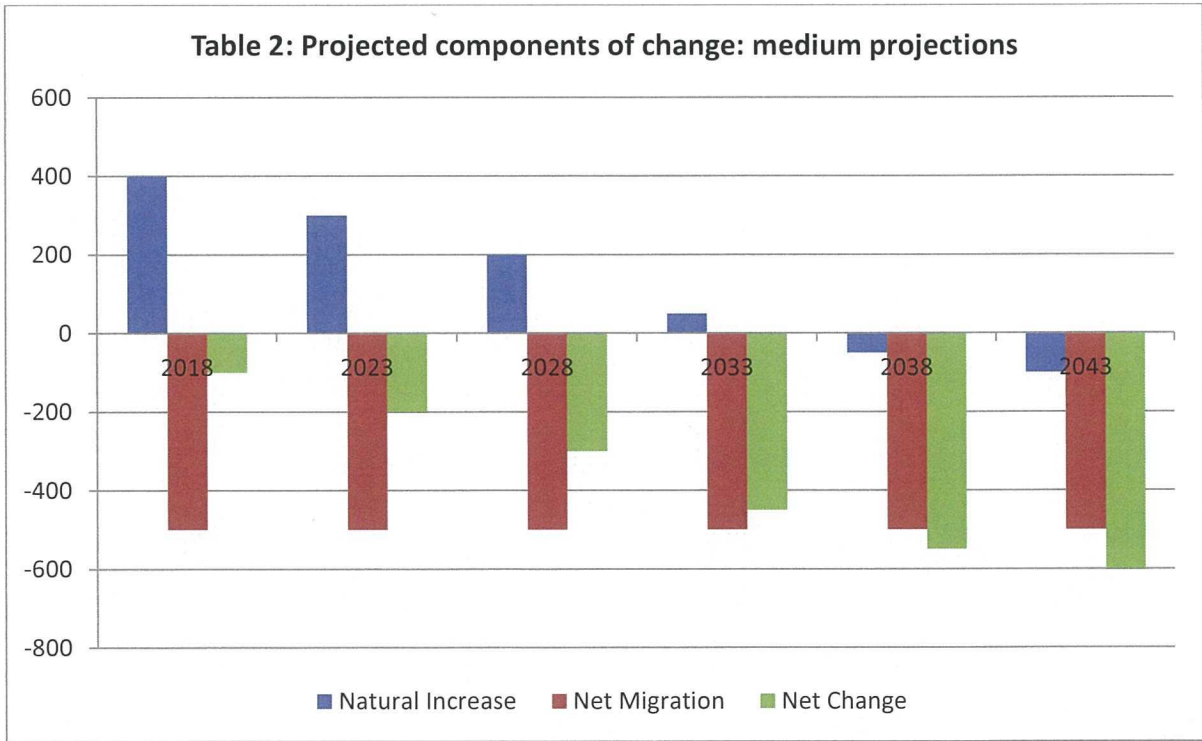


Table 2 shows the contribution from natural increase and net migration to the projected change in population.

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 at 500 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**

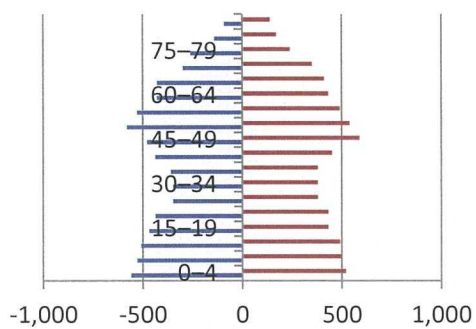
Area	net gain
Manawatu District	-219
Palmerston North City	-156
Wanganui District	-114
Taupo District	-33
Napier City	-33
Masterton District	-33
Hastings District	-24
Southland District	-24
Marlborough District	-21
Hamilton City	-15
Tauranga City	-15
New Plymouth District	-15
Dunedin City	-15
Far North 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 2028, almost one in three of the population will be aged 65+ years, up from 17% in 2013. By 2043, that proportion is predicted to reach 31% with 7% in the 85+ age group (compared to 2% in 2013). The ratio of elderly (65+ years) compared to children (0-14 years) rises from 81 per 100 children to 169 per 100 children in 2043. This is illustrated in tables 4-7 below.

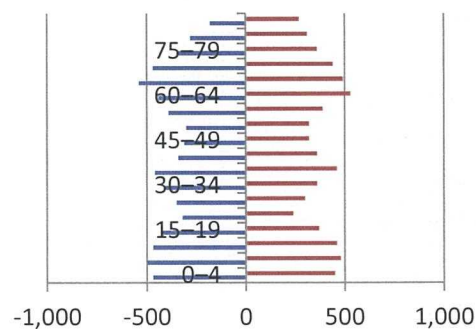
**Table 4: Projected baseline numbers and change by broad age group**

				Percentage by Broad Age Group		
	2013	2028	2043	2013	2028	2043
<b>0-14</b>	3,100	2,850	2,250	21%	21%	18%
<b>15-39</b>	3,950	3,700	3,000	27%	27%	24%
<b>40-64</b>	4,950	3,700	3,250	34%	27%	26%
<b>65+</b>	2,500	3,700	3,800	17%	27%	31%
<b>Total</b>	14,550	13,900	12,300	100%	100%	100%
<b>85+</b>	220	450	830	2%	3%	7%
<b>Elderly:children ratio</b>	0.81	1.30	1.69			

**Table 5: Age-sex structure  
2013**



**Table 6: Age-sex structure  
2028**



**Table 7: Age-sex structure 2043**

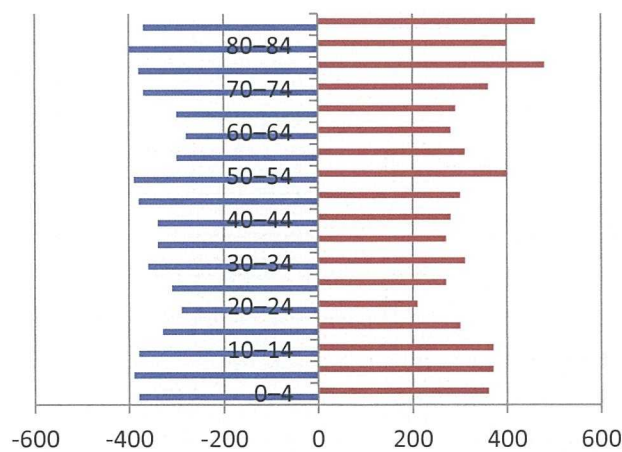


Table 8 below confirms the trend that in the early part of the period under consideration (2013 - 2028), an increase in the proportion of older people contributes to structural ageing of the population whereas in the latter part (2028 - 2043) the decrease in population occurs more evenly across all age 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**

	2013-2028		2028-2043		2013-2043		Contribution to change		
	change (n)	change (%)	change (n)	change (%)	change (n)	change (%)	2013-2028	2028-2043	2013-2043
<b>0-14</b>	-250	-8%	-600	-21%	-850	-27%	-38%	-38%	-38%
<b>15-39</b>	-250	-6%	-700	-19%	-950	-24%	-38%	-44%	-42%
<b>40-64</b>	-1,250	-25%	-450	-12%	-1,700	-34%	-192%	-28%	-76%
<b>65+</b>	1,200	48%	100	3%	1,300	52%	185%	6%	58%
<b>Total</b>	-650	-4%	-1,600	-12%	-2,250	-15%	-100%	-100%	-100%
<b>85+</b>	230	105%	380	84%	610	277%	35%	24%	27%

## 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 data<sup>4</sup>.

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

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.

<sup>4</sup> The updated projections for 2013-2043 from the 2013 Census are due for release by Statistics NZ in October 2015.



### 3. Labour force projections

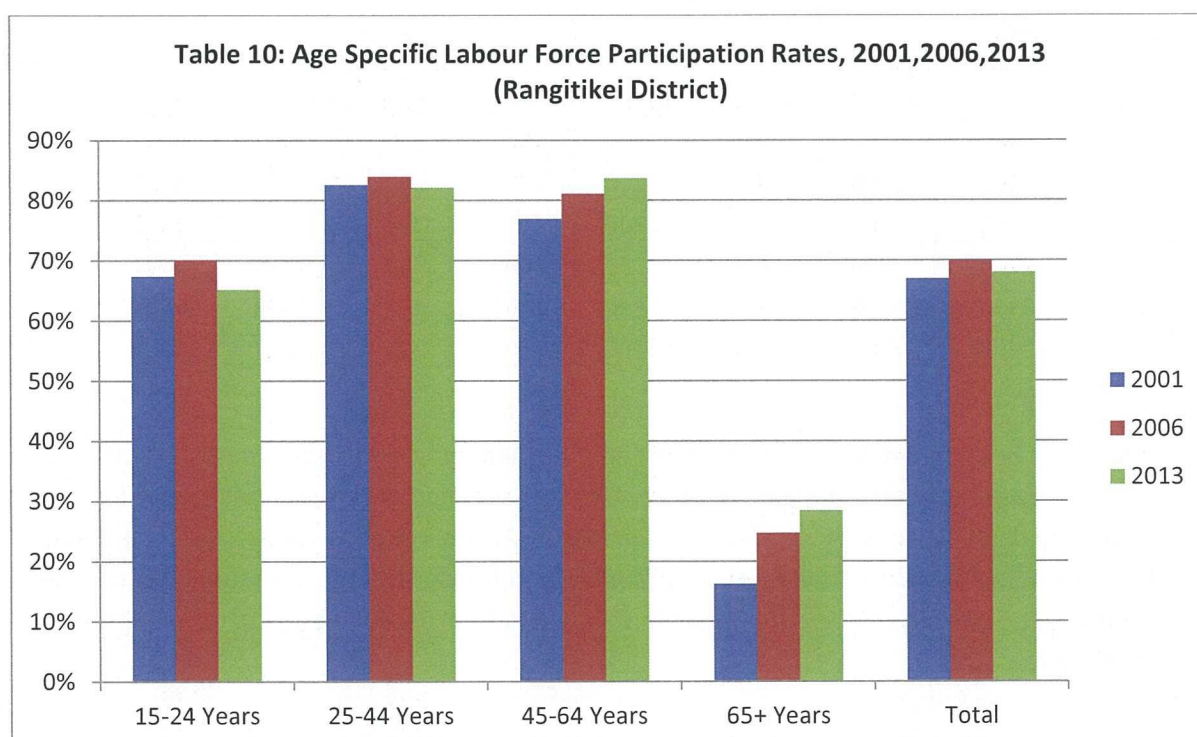
The labour force comprises members of the working age population (15 years or more) who are either employed (part-time or full-time) or unemployed and actively seeking work. The labour force participation rate (LFP) measures the proportion of the working age population that meet either of these criteria (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) 2001-2013**

	15-24 Years			25-44 Years			45-64 Years			65+ Years			Total		
Rangitikei District	2001	2013	% change	2001	2013	% change	2001	2013	% change	2001	2013	% change	2001	2013	% change
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	<b>67%</b>	<b>65%</b>		<b>83%</b>	<b>82%</b>		<b>77%</b>	<b>84%</b>		<b>16%</b>	<b>28%</b>		<b>67%</b>	<b>68%</b>	
ER	<b>56%</b>	<b>55%</b>		<b>77%</b>	<b>77%</b>		<b>74%</b>	<b>80%</b>		<b>16%</b>	<b>28%</b>		<b>62%</b>	<b>64%</b>	
	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	<b>67%</b>	<b>60%</b>		<b>82%</b>	<b>82%</b>		<b>76%</b>	<b>81%</b>		<b>12%</b>	<b>23%</b>		<b>67%</b>	<b>67%</b>	
ER	<b>55%</b>	<b>49%</b>		<b>76%</b>	<b>77%</b>		<b>73%</b>	<b>78%</b>		<b>11%</b>	<b>22%</b>		<b>62%</b>	<b>62%</b>	



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 - 2043**

	15-24	25-44	45-64	65-84	All ages
2006	1360	3107	3190	489	8146
2013	1147	2539	3397	652	7734
2018	984	2522	3305	734	7545
2023	880	2539	2937	831	7186
2028	880	2489	2519	928	6815
2033	867	2382	2192	962	6403
2038	795	2177	2201	948	6120
2043	736	2037	2209	848	5831
%change 2006-2043	-46%	-34%	-31%	73%	-28%

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 2028.

### ***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 2018 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 56 individuals aged 15-24 in the workforce by 2043. The general observations under scenario 1 remain valid.

**Table 13: Scenario 2 Labour Force Projections 2006-2043**

	15-24	25-44	45-64	65-84	All ages
2006	1360	3107	3190	489	8146
2013	1147	2539	3397	652	7734
2018	1059	2522	3305	734	7620
2023	946	2539	2937	831	7253
2028	946	2489	2519	928	6882
2033	932	2382	2192	962	6469
2038	855	2177	2201	948	6181
2043	792	2037	2209	848	5887
%change 2006-2043	-42%	-34%	-31%	73%	-28%

***Labour Force Scenario 3:***

Scenario 3 (table 14) assumes that the labour force participation of women increases over the twenty year period (2013-2033) 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 2043). 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 301 people in the workforce by 2043 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 2006-2043**

	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
2013	646	516	1162	1350	1161	2511	1767	1640	3407	407	246	653	4170	3562	7732
2018	582	421	1003	1350	1185	2535	1706	1620	3326	461	299	760	4099	3525	7624
2023	518	384	903	1395	1186	2581	1496	1484	2980	518	370	888	3928	3424	7352
2028	525	390	916	1404	1169	2573	1260	1295	2554	590	432	1022	3779	3286	7066
2033	518	390	908	1377	1110	2487	1128	1109	2237	601	499	1100	3625	3107	6732
2038	469	364	833	1305	964	2269	1137	1117	2254	587	490	1077	3498	2935	6433
2043	440	332	772	1215	915	2130	1181	1084	2265	522	444	966	3358	2774	6132
% change 2006-2043	-40%	-47%	-43%	-28%	-36%	-32%	-32%	-26%	-29%	96%	98%	97%	-24%	-26%	-25%

***Labour Force Scenario 4:***

Scenario 4 (table 15) assumes that current increases in labour force participation amongst older workers continue out to 2033 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 2033. 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 2013.

As above, the LFP rates for 2006 are only used on the 2006 population figures – all later projections use the 2013 LFP 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 almost 1,500 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 2006-2043**

	15-24	25-44	45-64	65-84	All ages
2006	1363	3105	3239	489	8196
2013	1150	2536	3400	652	7738
2018	979	2506	3308	1032	7825
2023	865	2525	2944	1518	7853
2028	854	2481	2544	2086	7965
2033	855	2384	2260	2559	8058
2038	779	2172	2276	2522	7749
2043	724	2031	2286	2257	7297
%change 2006-2043	-47%	-35%	-29%	361%	-11%

#### ***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 1,700 in 2046 compared to the business as usual scenario. Table 16 illustrates this scenario.



**Table 16: Scenario 5 Labour Force Projections 2006-2043**

	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	760	606	1366	1687	1424	3111	1732	1462	3194	266	224	490	4445	3716	8161
2013	645	512	1157	1357	1165	2522	1764	1615	3379	410	248	657	4176	3539	7716
2018	645	427	1072	1358	1177	2535	1705	1579	3285	589	429	1018	4297	3613	7910
2023	570	397	967	1411	1182	2593	1498	1440	2938	835	666	1501	4314	3685	7999
2028	571	411	982	1424	1171	2596	1271	1257	2528	1148	912	2060	4414	3752	8165
2033	573	420	993	1401	1118	2519	1153	1089	2242	1373	1204	2577	4500	3831	8331
2038	513	391	904	1327	968	2295	1167	1107	2274	1340	1183	2523	4346	3650	7996
2043	484	356	841	1237	918	2156	1212	1071	2283	1192	1071	2263	4126	3417	7543
% change 2006-2043	-36%	-41%	-38%	27%	-35%	-31%	-30%	-27%	-29%	349%	378%	362%	-7%	-8%	-8%

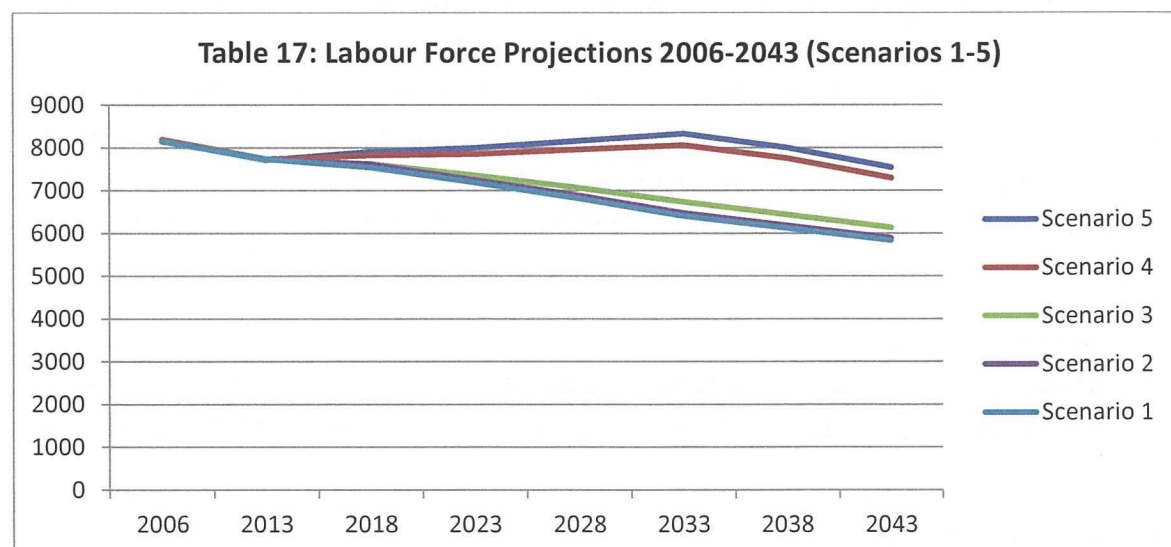
Predictably, the overall size of the projected labour force is greater under this scenario than any of the others but the same general pattern is observed.

#### 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 Analysis<sup>5</sup>, 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 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*

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<sup>5</sup> Waikato University (April 2014).

*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.*

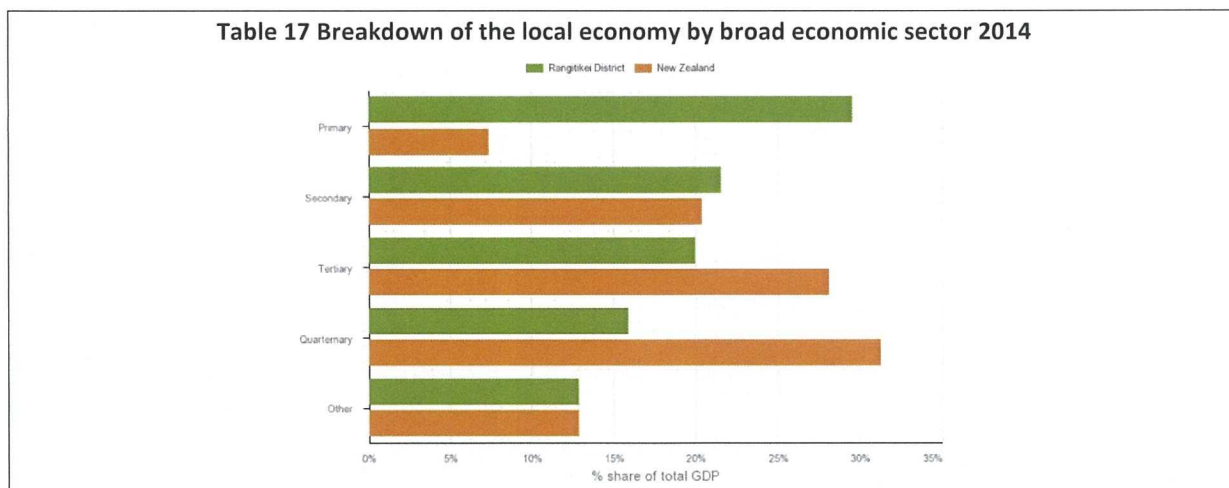


## Section 2: Forecasting potential for economic development in the District

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](http://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 1.8% for New Zealand as a whole. The importance of the primary sector to the Rangitikei economy<sup>6</sup> is illustrated by Table 17.



<sup>6</sup> 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 2000<sup>7</sup>.

**Table 18: HHI index for Rangitikei District and New Zealand 2000-2014**

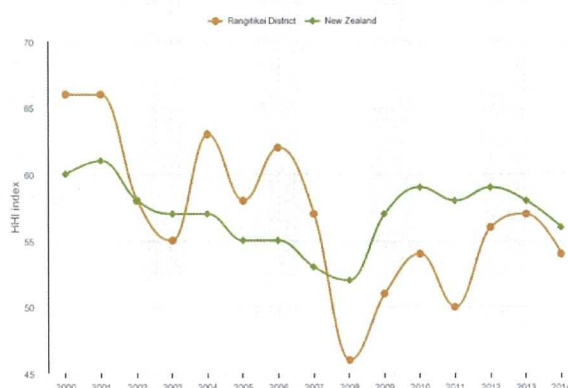
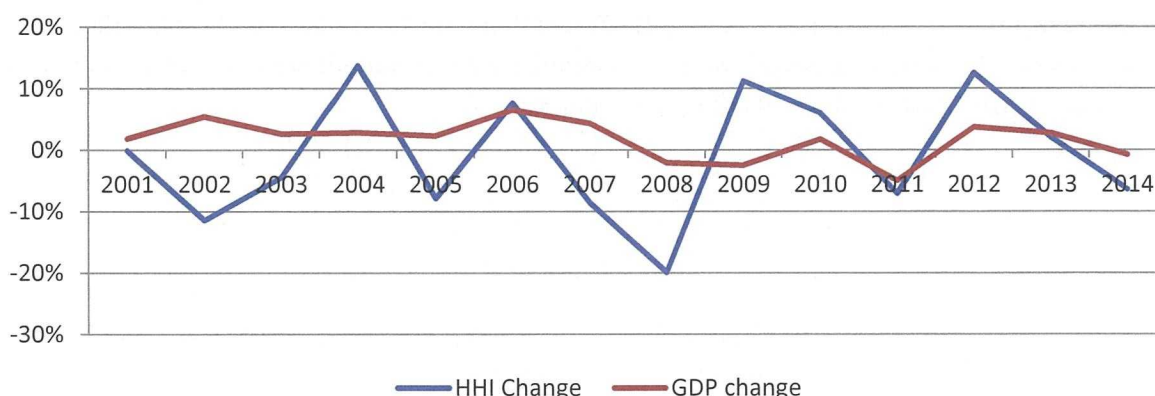


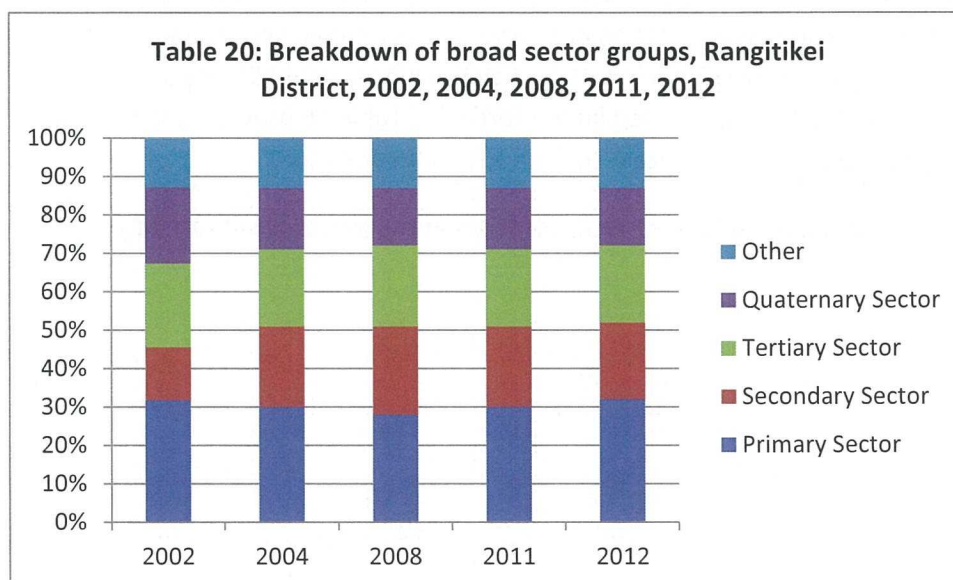
Table 18 illustrates that the New Zealand economy as a whole has become slightly more diversified over the period of review. The Rangitikei District, on the other hand, follows a more erratic path. There appears to be a correlation between GDP and HHI, i.e. when GDP is high, then HHI is also elevated (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.

**Table 19: %age change in HHI versus %age change in GDP, Rangitikei District 2001 - 2014**



<sup>7</sup> 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.

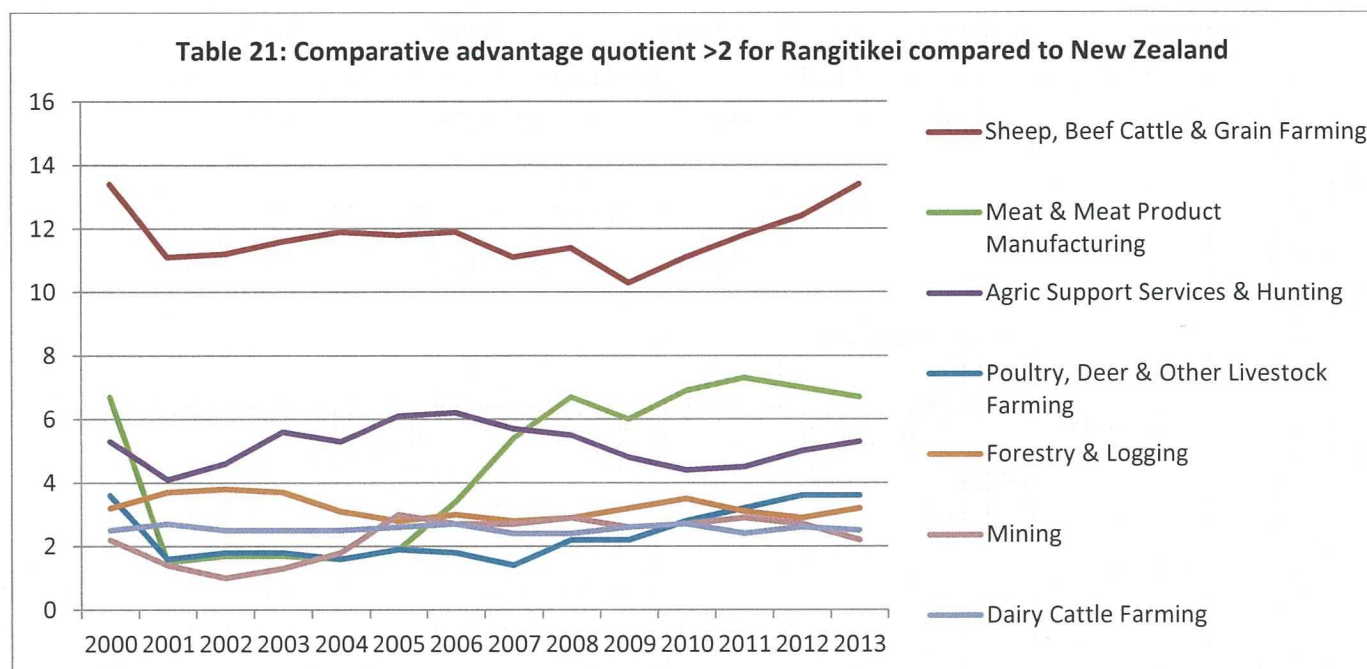
The breakdown of the broad sector groups for the periods of peaks and troughs are illustrated in table 20 below. This shows that the primary sector has remained within 30-35% of the GDP for the District, secondary sector industries have increased (from 14% in 2000 to 22-24% since 2004) at the expense of the quaternary sector (knowledge intensive industries) which has dropped its share of GDP from 28% in 2000 to 15/16% since 2004.



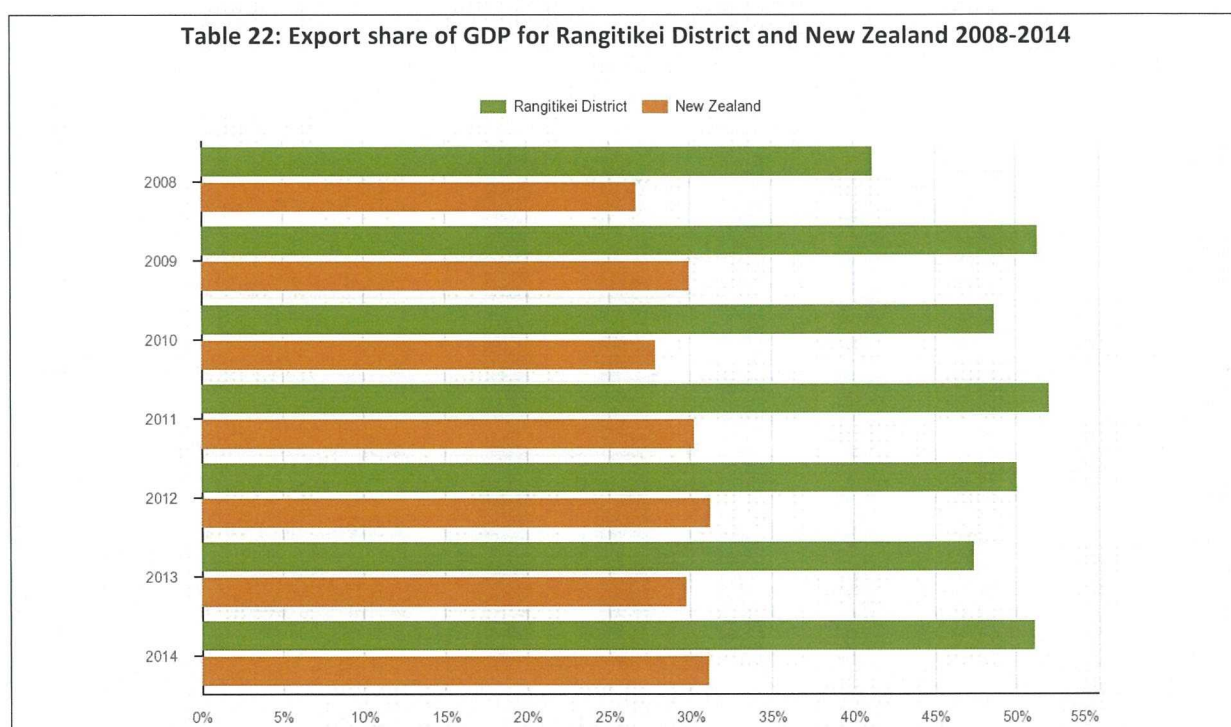
In other words, over the past ten years, there has been an exchange for share of local GDP between the secondary and quaternary sectors which, combined with poor commodity prices, provided flashes of greater economic diversity. This can in large part be explained by the establishment of the meat processing 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 almost 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).





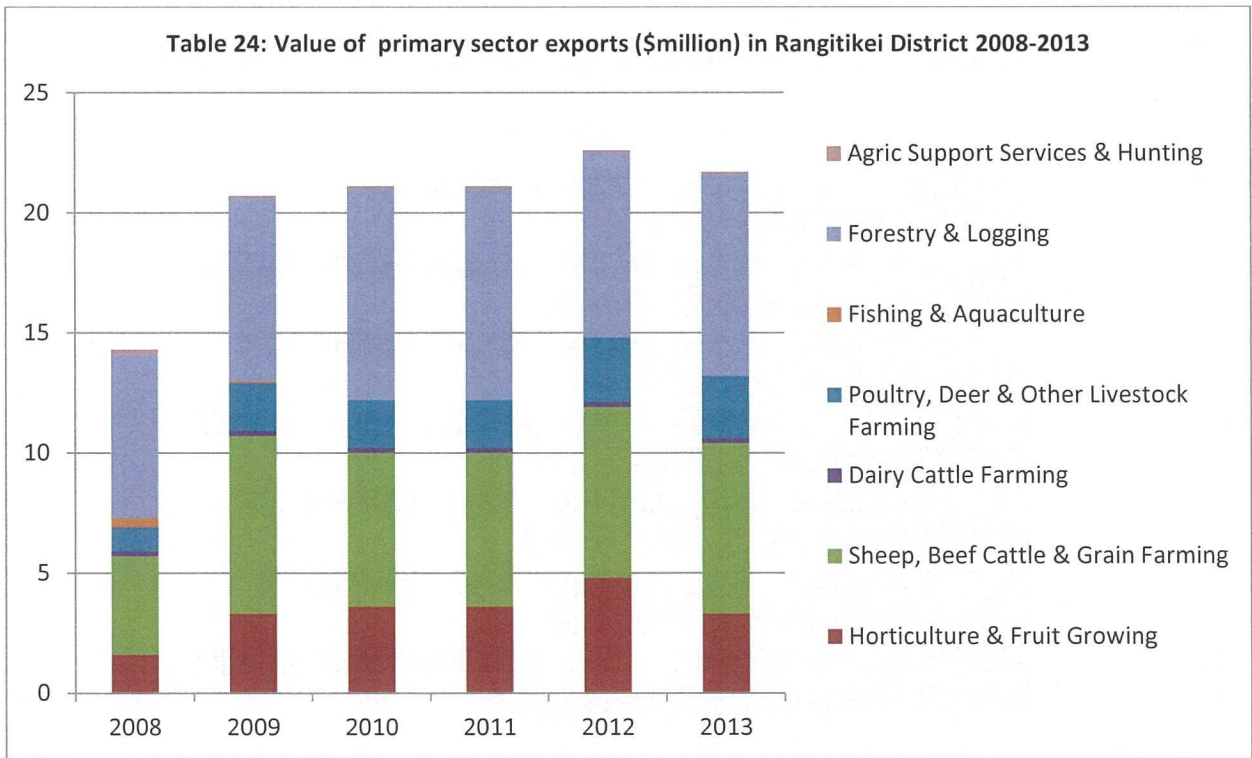
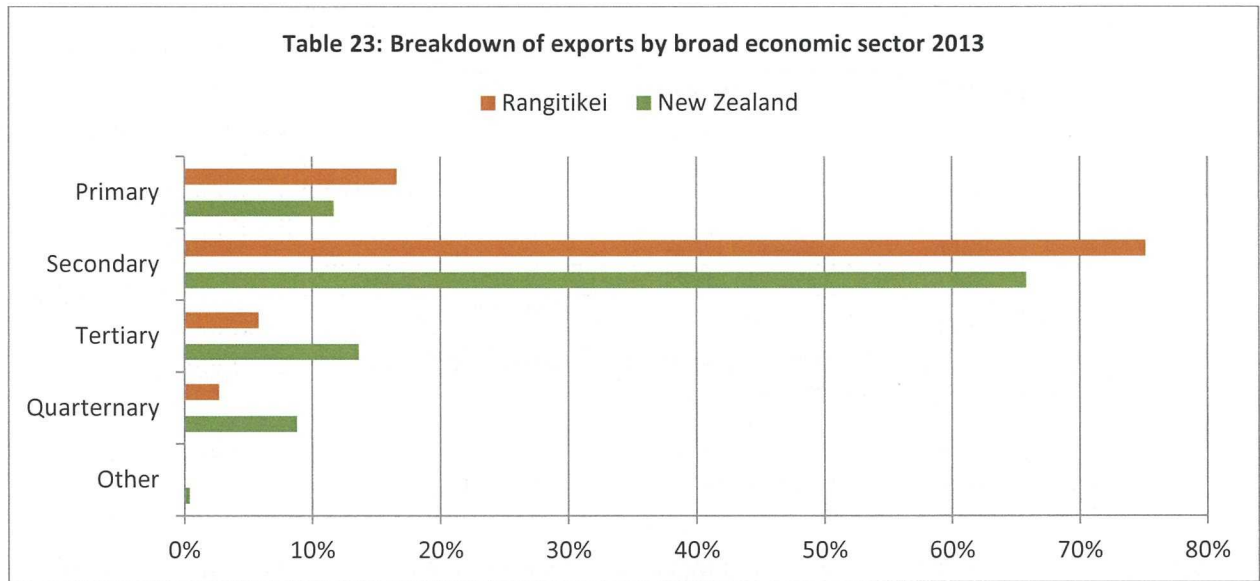
Infometrics provides data on exports but makes a disclaimer as to its robustness. Particularly, the data assumes an equivalent share of local production for export markets as seen nationally<sup>8</sup>. Nonetheless, table 22 demonstrates the importance of the local economy for national exports.



Central government's intention is to double primary sector exports by 2025 nationwide, and to double the agribusiness<sup>9</sup> exports from the Manawatu/Whanganui region in the same timeframe.

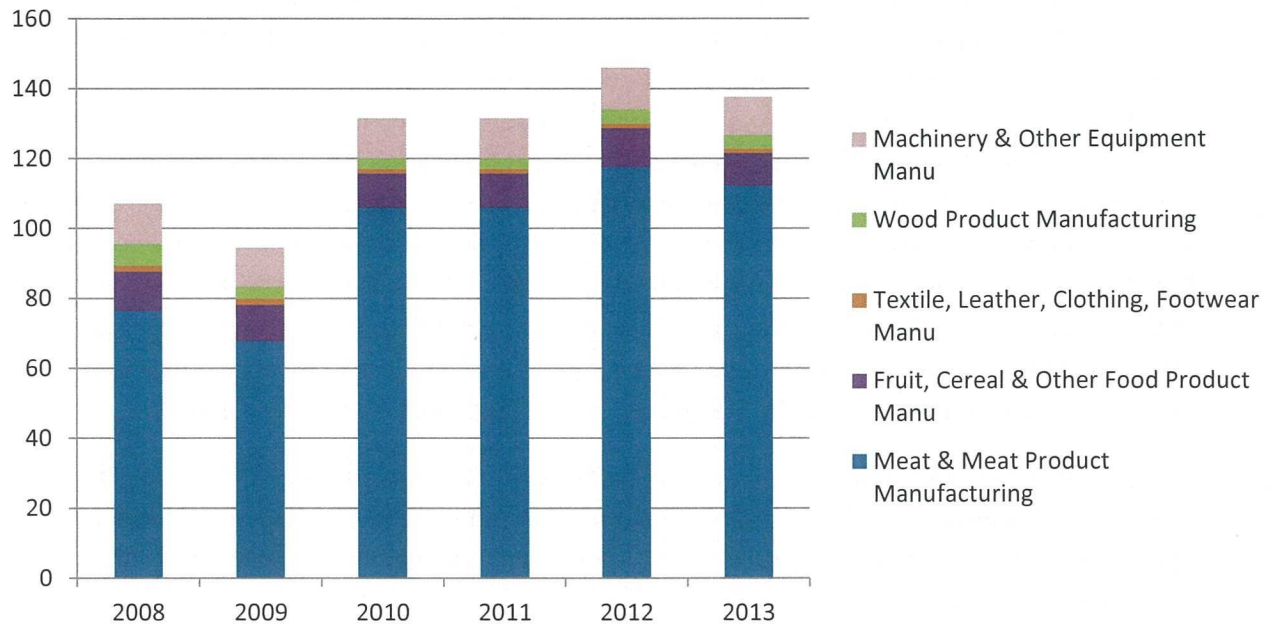
<sup>8</sup> This explains the prevalence of mining in District exports in the Infometrics data. Local knowledge suggests that the mining in the District is confined to the aggregates industry which does not command a large slice of the export market. Mining has therefore been excluded from the data presented in Table 24.

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.

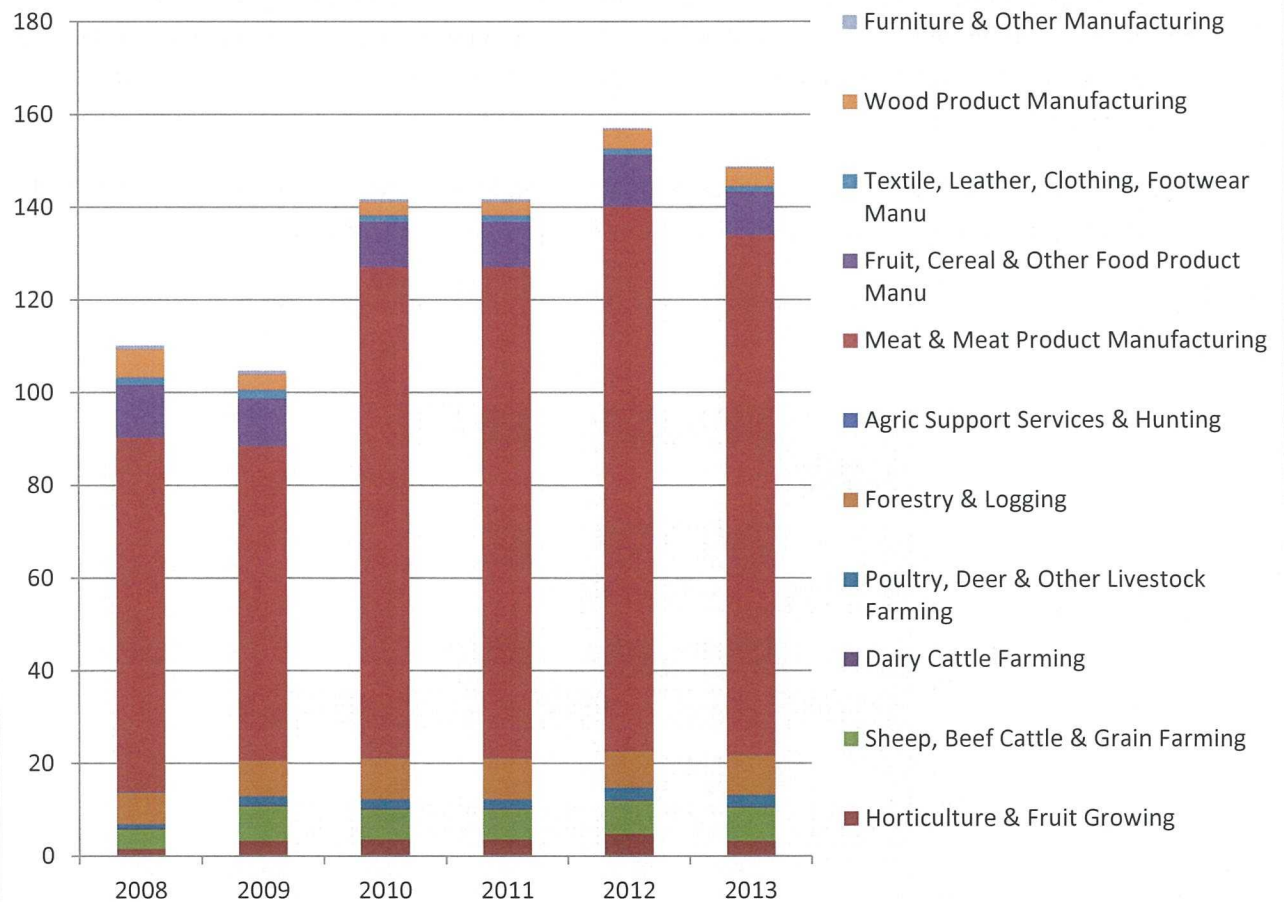


<sup>9</sup> A business that earns most or all of its revenues from agriculture, this includes the primary sector, excluding mining, processing and manufacturing and/or the packaging and distribution of products

**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**





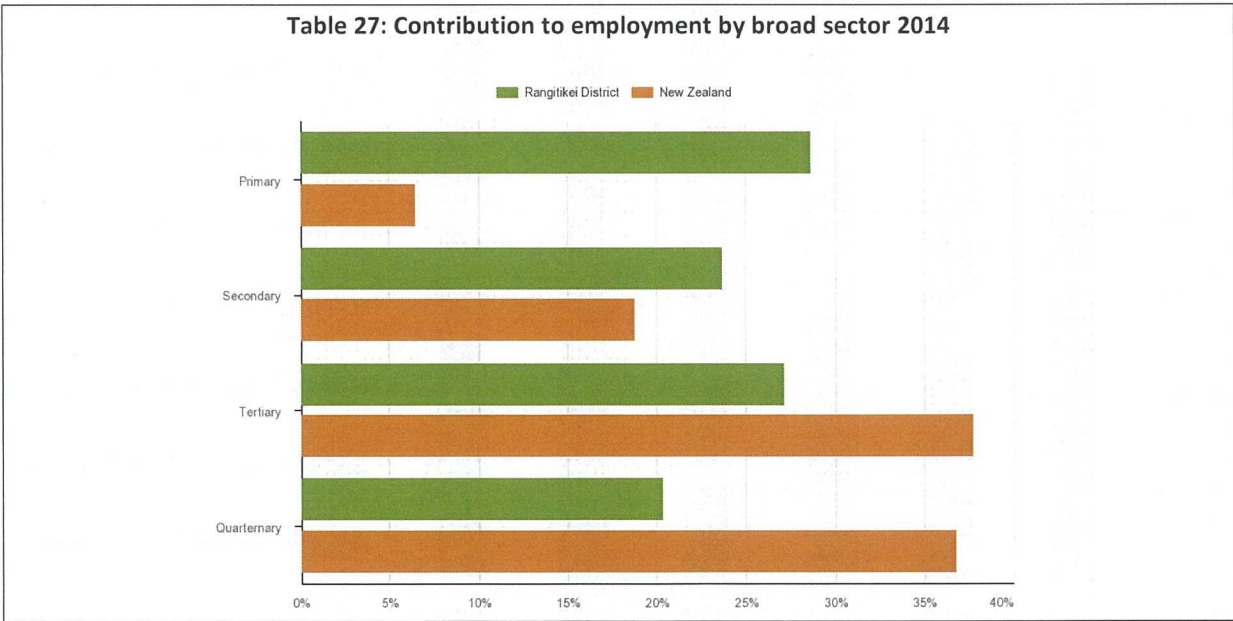
These figures indicate that the value of agribusiness exports is almost totally comprised of secondary sector exports. It would seem unlikely that the District is going to attract significant additional secondary sector agribusiness activity, particularly given the dairy processing facilities at Pahiatua 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:



<b>Table 28: Number of jobs by broad sector and tourism, Rangitikei (2014)</b>	
<b>Sector</b>	<b>Number of jobs (2014)</b>
Primary Sector	1,742
Secondary sector	1,439
Tourism employment	377
Non-tourism tertiary sector	1,051
Quarternary sector	1,463
<b>Total</b>	<b>6,072</b>

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. The gap between the labour force and local employment shows the net exodus from the District to undertake work elsewhere<sup>10</sup>. This indicates that under a business-as-usual scenario of economic activity and labour force participation, as the lines converge, there are likely to be labour shortages. 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. Alternatively targeted economic growth (and the development of appropriate skills) 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.

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<sup>10</sup> The unemployment rate for Rangitikei was 6.1% in 2013, c.f. 7.1% nationally

**Table 29: Alignment of labour force from population projections  
and current economic activity**

