

2022 Pre-Election Report

TE PURONGO PŌTITANGA MOATA
MŌ TE PŌTITANGA-Ā-ROHE 2022



VOTE
2022
LOCAL ELECTIONS

PŌTI
2022
NGA PŌTITANGA Ā-ROHE

Purpose

Te kaupapa o te pūrongo

The purpose of this pre-election report is to provide information to promote public discussion about the issues facing Rangitikei District Council. It is a factual, non-political view of the financial position of Council. It outlines the achievement of the financial targets and limits established in the Long Term Plan (LTP).

It is a requirement in the Local Government Act.

The financial information and schedule of major projects are drawn from the information in the current Annual Plan (2022/23) and Long Term Plan (2021-31) and reflects the policy and service delivery decisions of the current Council (elected for the 2019-22 period).

More detailed information, including full copies of the Annual Plan and Long Term Plan can be found on our website – www.rangitikei.govt.nz.

Message from Council's Chief Executive – Peter Beggs

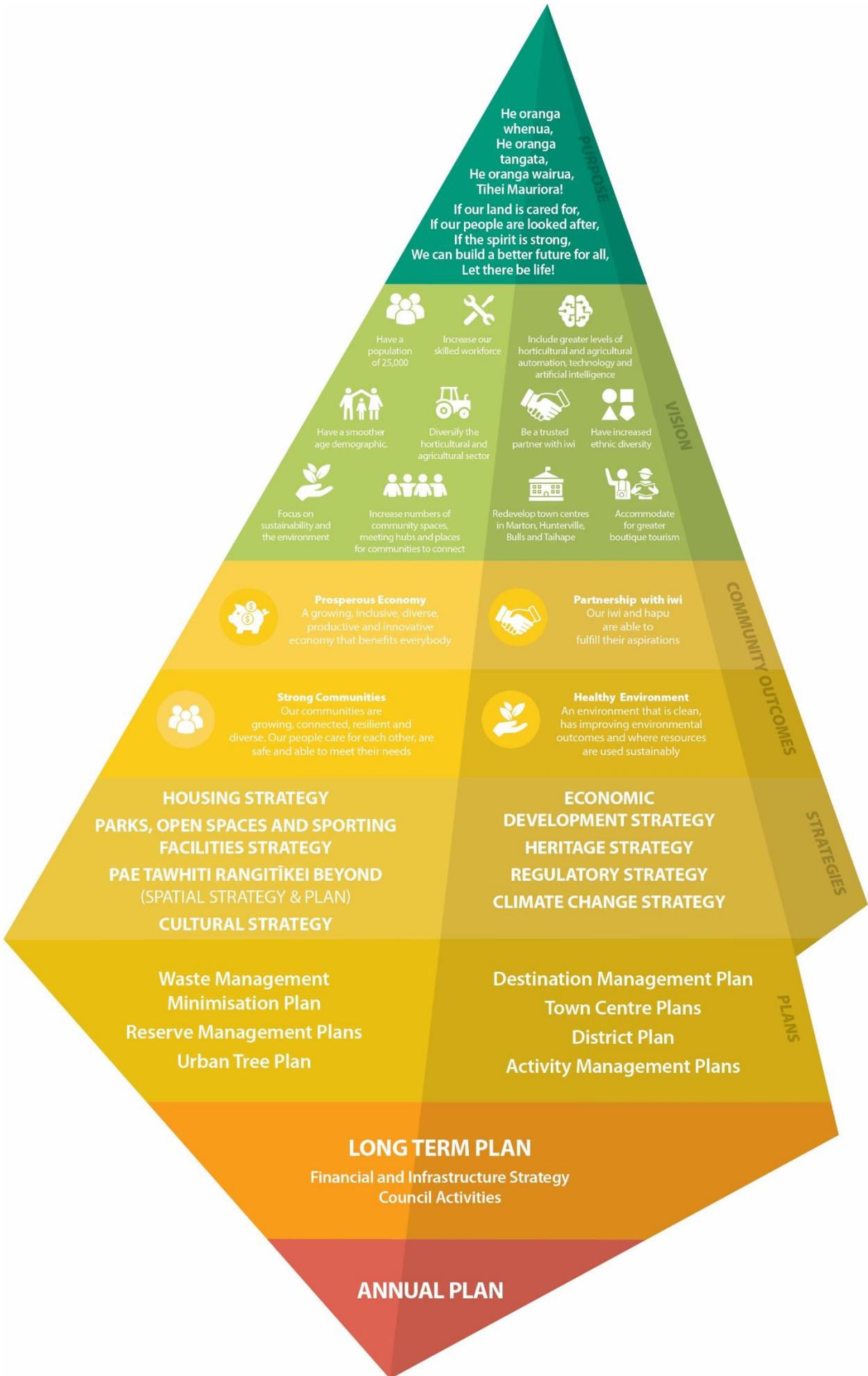
Kupu Whakataki ā te Tumu Whakarae

It's an exciting time to live in the Rangitikei District and to be part of the Rangitikei District Council, with significant investment and transformation taking place across the district to support a thriving Rangitikei.

This pre-election report provides a summary of the key aspects of Council's business – it's been prepared for the community and prospective election candidates. It outlines our major projects and expected expenditure programme for this financial year (2022/23) and the three years following the October 2022 local elections (July 2023 to June 2026).

I hope you find this information useful, and that it promotes well-informed discussion and debate about the key issues we face over the coming term.

The Council has a clear strategic vision for the Rangitikei, which is depicted in the form of a visual display below:



This strategic framework identifies what is most important and what we are working towards. It identifies our purpose, vision, community outcomes, strategies and plans. The strategic framework shows a hierarchy; our purpose at the top guides everything we do, with everything below working towards achieving that purpose. It's important to have a clear strategic framework to guide Council investment. It helps us to know where we are going, and what is important so we can deliver services and projects that contribute to this.

The design has been developed to align with our brand - the kōwhai. Rangitikei is renowned for having the most prolific kōwhai stand in New Zealand. The kōwhai is a cultural and social icon and is an important and sometimes overlooked ecological feature of our District.

Despite our positive progress, we face some significant challenges in the years ahead that will require strong leadership from Council and across the community. Our focus will remain on balancing our aspirations and delivering value for money and effective services for our community, all the while responding to some of the district's most challenging issues - such as affordability of essential infrastructure, responding to the challenges and consequences of climate change, addressing earthquake-prone buildings, as well as responding on behalf of our community to the ambitious central government reforms that are currently underway – three waters; Resource Management Act and the Future for Local Government review.

Maintaining and developing effective local, regional and national partnerships/relationships will be critical to addressing some of these issues, as well as securing some of the many economic and social development opportunities that exist. Collaborating with mana whenua and with other councils in our region on projects, services and sharing expertise remains a key part of our desire to deliver value and to achieve the outcomes our community seek.

Community engagement and meaningful involvement in decision-making is a key priority, and strong governance and organisational capability are central to achieving our priorities and taking the district forward. These will continue to be critical in maintaining momentum over the coming term.

Some of the key projects Council are working on include:

- 'Better Business Case' for the Marton Civic Centre and the Taihape Civic Centre to guide investment in these significant community assets¹.
- Work on the Marton Water Strategy to remove drinking water reliance on the Marton dams has started. The project is due to be completed in 2024 and aims to consistently deliver good quality, affordable, safe drinking water at volumes for today and the future.
- Work is well underway on the new amenities building, Nga Awa Block, at Taihape Memorial Park. Nga Awa Block will provide sports teams with a modern changing facility that will serve our community for many years to come.
- The Marton to Bulls Wastewater Centralisation Project is progressing well. This project creates efficiencies by combing the discharges and aims to improve long term environmental outcomes.
- We are working with consultants to produce a Parks, Open Spaces and Sporting Facilities Strategy which will provide long term guidance on the parks and open spaces that we need across the district.
- An Urban Design Study for Taihape Memorial Park has commenced and will help make informed decisions about what the park needs and where it should go.
- We're now part-way through the development of a spatial plan for the Rangitikei - Pae Tawhiti Rangitikei Beyond, the purpose of this project is to develop a plan that identifies community aspirations and sets out the strategic direction for future growth. So far, we've done background research, and completed

¹ Note: The purpose of Better Business Case is to provide objective analysis in a consistent format to decision-makers. This allows for better comparability and transparency, and enables investment decisions that maximise public value.

the first community engagement phase. We are currently developing a draft spatial plan, that we will share with the community for submissions. Once complete, the spatial plan will guide a range of Council projects, including our infrastructure planning and district plan review.

I am proud to lead an organisation that has passionate and dedicated people, working constructively and collectively with our elected members and community for a thriving Rangitikei. My team strive to serve our community well, and while we may not always get it right, we are always working towards continuous improvement.

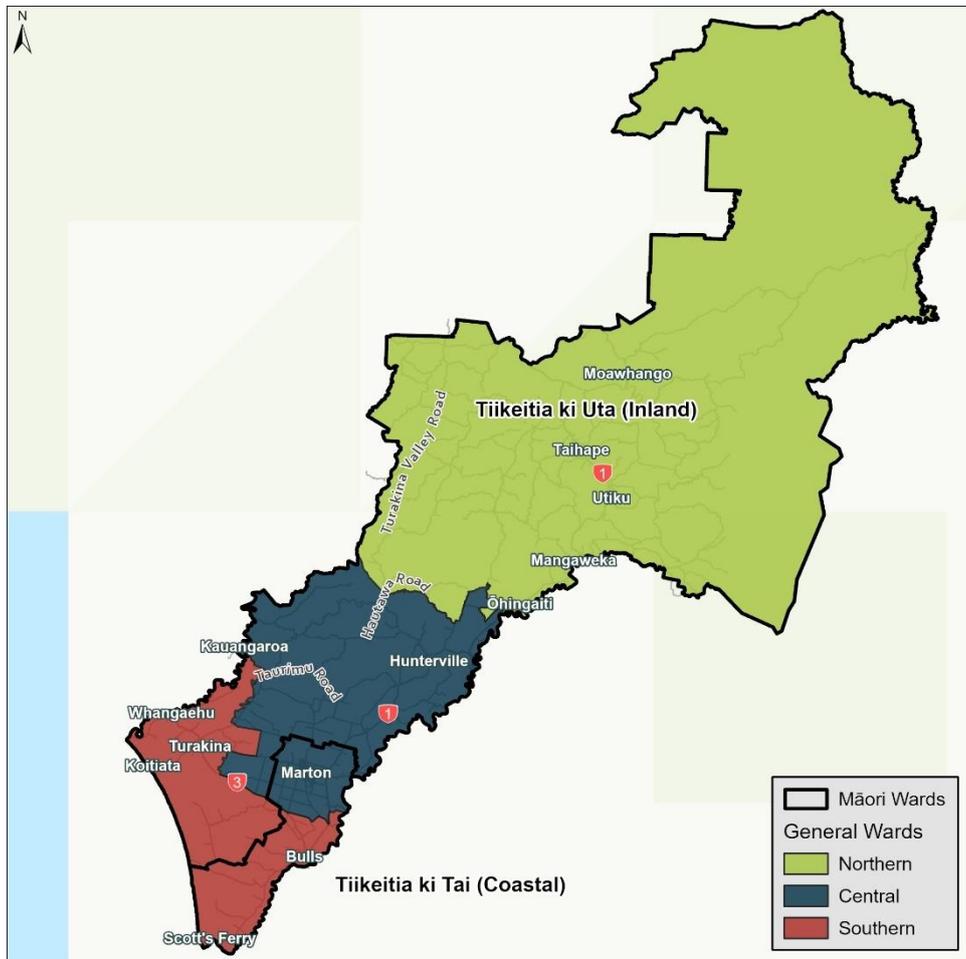
With so much change and uncertainty in our lives, it is important for our Council representatives to be both passionate and empathetic. These skills are of paramount importance as Council looks to deliver positive and constructive community outcomes.

Key Information for the Election Process

Ngā pārongo matua mō te Pōtitanga-ā-rohe

The Rangitikei District Council elections will use the first-past-the-post electoral system. Voters cast a single vote, and those elected are the highest-placed candidates. For example, if there are three vacancies, then the three candidates with the greatest numbers of votes are elected. Council also agreed to include Māori Wards for this election, so for this election the following positions:

- 1 Mayor
- 5 Councillors to represent the Central Ward
- 2 Councillors to represent the Northern Ward
- 2 Councillors to represent the Southern Ward
- 1 Councillor to represent Tiikeitia ki Uta (Inland) Māori
- 1 Councillor to represent Tiikeitia ki Tai (Coastal) Māori
- 4 Members to represent the Rātana Community Board
- 4 Members to represent the Taihape Community Board



Key Dates:

Te Wātaka Pōti



Nomination day:
Nominations close
at noon



Delivery of voting
papers



Election Day:
Voting closes
at noon



Declaration of
results

For additional details about the upcoming Rangitikei District Council elections, or if you have an interest in standing, please visit our website: <https://www.rangitikei.govt.nz/council/elections>.

Audit Information

Ngā pārongo arotake

While the Pre-Election Report itself has not been audited and does not require this, much of the information included has been audited by independent auditors. In particular:

- The 2020/21 retrospective financial data has been audited as it has been taken directly from the relevant Annual Report.
- The next three years (2022/23 – 2024/25) prospective financial data is taken directly from the Long-Term Plan 2021-2031 and was audited when these documents were prepared.

The retrospective financial information from the 2021/22 financial year has not been audited, as the timeframe in which Council has to prepare this report is insufficient to complete an audit process. Some information, including that of the current year, may have changed since it was audited in the Long Term Plan 2021-31.

Additional Information

Ngā pārongo tāpiri

The information provided in this report is a summary of the more detailed information available in other Council documents. If you want to know more about anything presented in this report, please contact our Customer Services Team or visit our website at <http://www.rangitikei.govt.nz> to find copies of the following documents:

- Long Term Plan 2021-31
- Annual Plan 2022/23
- Annual Reports 2019/20 and 2020/21

Major Reforms and Reviews

Ngā whakahoutanga me ngā arotake nui

There are three significant reform and review processes currently underway that will have an impact on local government - Three Waters, Resource Management, and the Future for Local Government.

The intent of these reforms and reviews is to achieve better outcomes for communities and the environment, create efficiency improvements, and give effect to the principles of Te Tiriti o Waitangi. They are individually complex and have already created challenges for local government, which will continue after the 2022 elections. The final outcomes of these reforms and reviews will be difficult to predict but will almost certainly be wide ranging and may significantly affect Council's core functions in the future.

Although challenging, the reforms may provide considerable opportunity to further the purpose of local government and will fundamentally change the system that this Council operates within, including how decisions are made, what core functions and roles are carried out, and who local government needs to work with.

Three Waters Reform

Following the serious campylobacter outbreak in 2016 and the Government Inquiry into Havelock North Drinking-Water, central and local government have been considering the issues and opportunities facing regulation and management of the three waters (drinking water, wastewater, and stormwater).

The focus has been on how to ensure safe drinking water for all, how to improve the environmental performance and transparency of wastewater and stormwater networks, and how to deal with funding and affordability challenges – particularly for communities with small rating bases or high-growth areas that have reached their prudential borrowing limits. There is also a need to future-proof the assets and plan for the effects of climate change.

Both central and local government, including this Council, are committed to better outcomes for communities and the environment and there is widespread agreement that the status quo is not sustainable, despite the significant contribution, investment, and effort that local government and communities have made to date.

It was originally signalled by Government that participation in the Three Waters Reform by local councils would be optional. However, in 2021 the Government announced that participation would be mandatory. You can find a short video in which the Minister of Local Government explains the Government's reasons for the change at <https://www.youtube.com/watch?v=CN-IFClobuQ>

The reform will transfer the control of three waters assets from local government to four new water entities. The Rangitikei District Council will be included in Entity B (Western-Central Water Services Entity), as per the below map. Government intends to complete this transfer on 01 July 2024, although legislation to this effect has yet to be passed. This means that the transfer will most likely take place during the term of the incoming council.



Parliament is currently considering the Water Services Entities Bill that creates the Western-Central Water Services Entity and the three other entities around the country. Under the proposed Bill, these entities will manage the future delivery of three waters services. The Bill also sets out how these entities will operate, and their accountability to local communities.

The Government has stated that later in the year, a second Bill will provide further details on the powers and duties of the entities. That Bill will also allow the Government to regulate the amount and the ways in which the entities charge for these services, and how they will demonstrate that their services are value for money. This Bill will likely enter Parliament around September this year and the incoming Council will need to decide whether it wishes to provide a submission to Government, and what any submission might say.

If you would like more information, please go to the three waters reform page on the Department of Internal Affairs website:

https://www.dia.govt.nz/diawebsite.NSF/wpg_URL/Resource-material-Our-Policy-Advice-Areas-Local-Government-Policy?OpenDocument#reform

Additionally, you can read more about this on Council's website:

[Three Waters Reform - Rangitikei District Council](#)

This is a significant issue for our Council.

The percentage of rates that are earmarked to go towards our water assets in 2022/23 is 36%.

Roughly 1/3 of rates will no longer be collected by Council once the transfer of water assets to the new entity takes place in 2024. Households will instead pay water charges, although the cost of these water charges will be set at a later date by the new entity.

Government has indicated that Council will be compensated for the current debt that we hold in relation to our water assets (forecast to be around \$50m), although this arrangement has not yet been confirmed. Should Council receive compensation, this will radically reduce the amount of debt that we hold:

- Debt at 01 July 2024 with compensation: ~\$17 m
- Debt at 01 July 2024 without compensation: ~\$67 m

The loss of Council's water related revenue and assets will have an effect on our ability to borrow. However, as shown above, it will also significantly reduce our debt levels.

The 2022/23 Annual Plan does not include any significant changes caused by the impending reform. As it is expected all three waters related activities will be transferred to the new entity in 2024, we are currently progressing as normal but note there will be considerable work required in the future to address this change in Council's 2024-2034 Long Term Plan.

We are committed to working with the National Transition Unit (NTU), and our own staff to ensure a smooth transition of water services to the new entity. This includes us remaining actively involved and up-to-date across all NTU work streams, responding to information requests, and sharing what we know with our staff.

At this stage Council is unsure of the full impact of what losing the three waters will mean for its future role and responsibilities, so Council needs to be mindful of this to ensure it is able to adapt to what its future will be.

Water services are crucial to the wellbeing of our communities and the environment. It is also important for our future – for example, where new houses can be built, what types of businesses might reside in our community, and what our economy will look like. It is also important to consider how this reform relates to Resource Management reforms, including spatial planning, new regional plans, climate change adaptation and mitigation plans, and community aspirations.

In 2021, Council submitted to the Minister for Local Government on issues that were of concern to Council and to our community. Subsequently in 2022 Council submitted to the Select Committee considering the Water Services Entities Bill. This submission noted Rangitikei District Council strongly opposed the Bill. In this submission, Council:

- Believed it is rushed legislation that has not been carefully thought through with very little attempt to seek regional solutions.
- Does not support the governance structures in their present form.
- Noted that local influence and transparency is not evident or guaranteed within the Bill.

The next Council will need to work with the Western-Central Water Services Entity to ensure that our district receives the services it needs. Council will need to work closely with the Government to ensure that the district has representation via the regional representative group, or a subsidiary regional advisory panel. Council will also need to work with its Chief Executive as its sole employee to ensure that staff are

supported through a challenging period of change management, both for those transitioning to the new entity and for those that are not, as well as continuing to deliver on the work programmes that Council committed to in its Long Term Plan 2021-31 and Annual Plan 2022/23.

Resource Management System Reform

After many years of incremental changes, the Government is overhauling the resource management system² to:

- Protect and restore the environment and provide for intergenerational wellbeing.
- Better enable development within environmental limits.
- Better recognise Te Tiriti o Waitangi principles, te ao Māori and mātauranga Māori.
- Better prepare for adapting to climate change and risks from natural hazards, as well as mitigating greenhouse gas emissions.
- Make the system less complex and more efficient while retaining local democratic input.

The Government has said it will introduce three new pieces of legislation to achieve its objectives, including:

- Natural and Built Environments Act - the primary replacement for the Resource Management Act 1991. It will require outcomes-based planning and development within environmental limits and targets, give effect to the principles of Te Tiriti o Waitangi, and create a single regional plan, overseen by a single regional committee, that is supported by a National Planning Framework.
- Strategic Planning Act – introduces mandatory 30-year regional spatial strategies that will set out, at a high level, how regions and communities will develop integrating land use, major infrastructure and investment. It will also be guided by the National Planning Framework and will be overseen by a regional committee.
- Climate Adaptation Act – this will deal with the complex policy, economic and legal issues around adapting to the effects of climate change, including managed retreat.

The Natural and Built Environments and Strategic Planning Bills will be introduced into Parliament around or shortly after the local government election period. The incoming Council will need to consider whether and how it wishes to respond to these Bills. The Climate Adaptation Bill is likely to be introduced in 2023.

The reform of the resource management system will have a significant impact on Council, including future governance arrangements, functions, structure, decision making, operations, and investment priorities. The resource requirements and costs of transition cannot be underestimated, particularly as we transition to the new system while fulfilling essential requirements under the current one.

The resource management sector is currently under significant strain and facing capacity issues, including sourcing and retaining appropriately skilled people. There is currently a shortage of skilled planners and spatial planning will draw on the skills and expertise of a wide range of specialists and expertise from across the Council and beyond. There are already constraints on mana whenua and their capacity to fully participate in the current system, and these may be more pronounced in the future system.

The success of the new resource management system and Council's part in it will depend to a large extent on how well the transition to and implementation of the new system is achieved. Other major reforms that are simultaneously taking place may also have an effect.

For the Rangitikei, our biggest area of advocacy is ensuring that local voice is not lost under the regional system. Council is in the final stages of preparing a spatial plan for the Rangitikei District. This project, called

² Based largely on the recommendations of the independent review of the resource management system – the Randerson Report (launched in 2019 and [published in 2020](#)).

Pae Tawhiti Rangitikei Beyond, sets out future growth and land use aspirations for our communities for the next 30 years. It will be used to provide an overview of our local context and priorities when the regional spatial strategy and regional plan are being created under the proposed legislation.

More details about the reform of resource management can be found on the Ministry for the Environment website at <https://environment.govt.nz/what-government-is-doing/key-initiatives/resource-management-system-reform/overview/>

More details on Pae Tawhiti Rangitikei Beyond can be found on Council's website at www.rangitikei.govt.nz/paetawhiti

Future for Local Government

On 24 April 2021 the Minister of Local Government announced that she had established a Ministerial Review into the Future for Local Government. The overall purpose of the review is to *“identify how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership.”*

In September last year, the panel released an interim report that set out the engagement it had done up to that time, and the lines of inquiry it would follow. The full report, *Ārewa te ake Kaupapa: Raising the Platform* can be found at:

https://www.futureforlocalgovernment.govt.nz/assets/Uploads/DIA_16724_Te-Arotake-Future-of-Local-Government_Interim-report_22.pdf

Ārewa te ake Kaupapa poses five key questions:

1. How should the system of local governance be reshaped so it can adapt to future challenges and enable communities to thrive?
2. What are the future functions, roles and essential features of New Zealand's system of local government?
3. How might a system of local governance embody authentic partnership under Te Tiriti o Waitangi, creating conditions for shared prosperity and wellbeing?
4. What needs to change so local government and its leaders can best reflect and respond to the communities they serve?
5. What should change in local governance funding and financing to ensure viability and sustainability, fairness and equity, and maximum wellbeing?

The panel has met with every local authority as part of its engagement, including a meeting on 15 March 2022 with the Mayor, Councillors and the Executive Leadership Team.

At that meeting, the Panel explored the following five big shifts and how our local context might influence them:

1. Strengthened Local Democracy.
2. Stronger Focus on Wellbeing.
3. Authentic Relationship with Hapū/Iwi/Māori.
4. Genuine Partnership between Central Government and Local Government.
5. More Equitable Funding.

In particular Council raised issues affecting smaller councils and the effect all the reforms is having on it; our Community sees Council as a voice for it that can advocate for the community; Council already has a successful model that provides engagement with Tangata Whenua – through its Te Roopuu Ahi Kaa Komiti;

Council advocated for a strengthened relationship with Central Government and said this was vital going forward; and the current rating system should be changed from a population base to a needs-based approach.

A draft report and recommendations for public consultation will be released by the Panel after the local government elections. The final report will be presented to the Government by mid 2023. With national elections likely taking place in late 2023, the Government may take some time to decide what, if any, of the Panel's recommendations it wishes to adopt.

The new Council will need to respond to the Panel's recommendations soon after being elected, and then consider the Panel's recommendations to Parliament. In the future, Government decisions may change Council's role, functions and structure.

Community Leadership Group of Activities

To ensure a Council that is more engaged with and connected to its communities, that represents, and is representative of, its residents.

Rationale	This group of activities contributes to opportunities to participate in civic life and to have an impact over decisions that affect quality of life.
Significant negative effects on the local community	No significant negative effects have been identified for this group of activities
Contribution to community outcomes	Healthy and resilient communities Partnership with iwi Prosperous economy
Major aspect of the service for statement of service provision	<ol style="list-style-type: none"> 1. Completion of Annual Plan actions on time 2. Completion of capital programme 3. Commencement of Spatial Plan for the District 4. District Plan review 5. Effectiveness of communication 6. Māori responsiveness framework 7. Engagement with sector excellence programmes

The Community Leadership group of activities is concerned with local democratic decision-making. It includes – strategic planning, elections, Council, community boards and committees and iwi liaison.

What we plan to do this year

Year	Programmes
Year 2 (2022/2023)	<p>Strategic Planning Annual Report 2021/22 Annual Plan 2023/24 Delivery of programme of policy and bylaw reviews Continuation of Council's Spatial Plan, including progress on actions, including any response to climate change District Plan review to continue Preparation of the pre-election report (for the 2022 election) Conduct of 2022 local elections</p> <p>Council Induction of Council, Community Boards/Committees for the 2022-25 triennium Preparation of Local Governance Statement and update Elected Members Handbook Preparation of order papers that ensure compliant decision-making Engagement with sector excellence programme (if appropriate)</p> <p>Iwi Liaison Māori Responsiveness Framework- annual review and implement actions Confirmation of Te Roopuu Ahi Kaa membership for the 2022-25 triennium</p>

Variations from the Long Term Plan

Change under Council “Engagement with sector excellence programme” – there are no plans to undertake this in year 2.

There are no other significant variations in the planned work programme.

Levels of Service from the 2021-31 Long Term Plan

Level of Service	Measurements and Targets
Council's intended Level of Service is to:	<i>Make decisions that are robust, fair, timely, legally compliant and address critical issues, and that are communicated to the community</i>
Performance measure	On-time completion of, or substantially undertaken annual plan actions
How we will measure	Record through Council's quarterly Statement of Service Performance 2019/20 results: <ul style="list-style-type: none"> Annual plan actions – 47%
Years 1-3	
Year 4-10	90% - Annual plan actions
Performance measure	Completion of capital programme
How we will measure	Record through Council's quarterly Statement of Service Performance 2019/20 results: <ul style="list-style-type: none"> Achievement of planned capital programme – 48.9%
Years 1-3	
Year 4-10	85% - planned capital programme
Performance measure	Māori responsiveness framework
How we will measure	Satisfaction ratings from each member of Te Roopuu Ahi Kaa about the effectiveness of each framework outcome area. <ul style="list-style-type: none"> Governance and relationships Culture and identity Prosperity and well-being Resources and infrastructure
Years 1-3	
Year 4-10	80% or more overall satisfaction
Councils Intended Level of Service is to:	<i>Provide a high customer experience that satisfies the needs of the community.</i>
Performance measure (new)	Customer views of their experience (both the customer service and service provided) with Council.
How we will measure	HappyOrNot Customer Surveys.
Years 1-3	Number of responses: 500 or above
Year 4-10	Customer Satisfaction Index (provided via the HappyOrNot system): <ul style="list-style-type: none"> Year 1 baseline Year 2-10 improvement on previous year.

Major Projects Facing Council

Ngā tūmahi nunui o te Kaunihera e mahia ana inaia tonu nei

			2023	2024	2025	2026
			Annual plan	Long-term plan*	Long-term plan*	Long-term plan*
BRIEF DESCRIPTION	FUNDING SOURCE		\$000	\$000	\$000	\$000
RENEWALS						
Fleet, Information Services	Programmed renewals	Reserves/rates/disposals	419	623	550	564
Community & Leisure	Programmed renewals	Subsidy/reserves/rates	2,728	397	347	237
Stormwater	Programmed renewals	Reserves/rates	104	107	110	113
Wastewater	Programmed renewals	Reserves/rates	614	632	648	665
Water District	Programmed renewals	Reserves/rates	923	649	666	683
Road Improvements	Programmed renewals	Subsidy/reserves/rates	4,224	3,824	6,026	6,187
IMPROVED SERVICE LEVELS						
Information Services	Technology upgrades	Reserves/subsidy/debt	187	192	197	202
Community & Leisure Assets	Amenities and community facility	Reserves/subsidy/debt	3,872	5,200	8,500	8,000
Stormwater	Treatment and reticulation	Reserves/subsidy/debt	969	423	108	-
Wastewater	Treatment and reticulation	Reserves/subsidy/debt	13,814	8,212	54	56
Water District	Treatment and reticulation	Reserves/subsidy/debt	6,585	5,190	87	89
Road Improvements	Road Improvements	Reserves/subsidy/debt	7,725	3,068	4,830	4,958
GROWTH						
Marton Rail Hub	New service	Subsidy/debt	7,225	-	-	-

* Long-term plan has been updated for forecast changes, carry-forwards and price level changes as a result of the 2022/23 annual plan process.

Council Finances

Te pūtea-ā-te-Kaunihera

Statement of Cash Flows Tauākī kapewhiti	2020	2021	2022	2023	2024	2025	2026
	Annual report \$000	Annual report \$000	Long-term plan \$000	Annual plan \$000	Long-term plan \$000	Long-term plan \$000	Long-term plan \$000
Cash flows from operating activities							
Receipts from rates revenue	21,965	22,845	24,381	26,540	28,025	29,930	32,657
Receipts from other revenue	11,889	19,704	22,213	25,380	12,329	15,303	15,621
Interest received	104	62	13	41	65	65	65
Dividends received	-	-	-	-	-	-	-
Payments to suppliers and employees	(20,110)	(26,133)	(26,033)	(32,110)	(26,508)	(27,484)	(28,278)
Interest paid	(96)	(87)	(496)	(752)	(1,339)	(1,615)	(1,732)
Goods and services tax (net)	111	-	-	-	-	-	-
Net cash inflows (outflows) from operating activities	13,863	16,391	20,078	19,099	12,572	16,199	18,332
Cash flows from investing activities							
Receipts from sale of property, plant and equipment	440	362	-	-	-	-	-
Receipts from sale of investments	-	-	-	840	600	485	-
Acquisition of investments	40	-	-	-	-	-	-
Purchases of property, plant and equipment	(15,424)	(18,079)	(43,271)	(50,134)	(28,551)	(22,085)	(21,715)
Purchases of intangible assets	-	(74)	-	-	-	-	-
Net cash inflows (outflows) from investing activities	(14,944)	(17,791)	(43,271)	(49,294)	(27,951)	(21,600)	(21,715)
Cash flows from financing activities							
Proceeds from borrowings	-	-	26,308	28,683	15,452	5,312	3,283
Repayment of borrowings	(16)	(16)	-	-	-	-	-
Net cash inflows (outflows) from financing activities	(16)	(16)	26,308	28,683	15,452	9,203	2,737
Net increase (decrease) in cash, and cash equivalents	(1,097)	(1,416)	3,115	(1,512)	74	(89)	(100)
Cash and cash equivalents at the beginning of the year*	9,504	8,407	4,767	9,504	9,931	10,005	9,915
Cash and cash equivalents at the end of the year	8,407	6,991	7,882	7,992	10,005	9,915	9,815

* Opening cash does not equal closing cash from the previous year in 2022 and 2023 due to timing differences from when parts of this information were prepared.

Funding Impact Statement	2020	2021	2022	2023	2024	2025	2026
Tauākī pūtea whakapānga	Annual report	Annual report	Long-term plan	Annual plan	Long-term plan	Long-term plan	Long-term plan
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding							
General rates, uniform annual general charge, rates penalties	6,767	6,441	7,104	8,181	8,277	8,890	9,769
Targeted rates	15,048	16,115	17,398	18,360	19,887	21,188	23,050
Subsidies and grants for operating purposes	5,552	5,529	4,668	5,269	4,441	4,901	5,032
Fees, charges, and targeted rates for water supply	2,556	31,110	2,348	3,360	2,491	2,566	2,540
Interest and dividends from investments	106	62	13	40	65	65	65
Local authorities fuel tax, fines, infringement fees, and other receipts	892	495	1,196	515	1,268	1,305	1344
Total operating funding	30,921	31,753	32,746	35,725	36,429	38,915	41,800
Applications of operating funding							
Payment to staff and suppliers	22,504	24,999	26,164	29,213	26,641	27,622	28,421
Finance costs	96	87	496	752	1,339	1,615	1,732
Other operating funding applications	-	-	-	-	-	-	-
Total applications of operating funding	22,600	25,086	26,660	29,965	27,980	29,237	30,153
Surplus (deficit) of operating funding	8,321	6,667	6086	5,759	8,449	9,679	11,647
Sources of capital funding							
Subsidies and grants for capital expenditure	3,798	7,310	14,092	16,236	4,190	6,607	6,783
Development and financial contributions	-	-	-	-	-	-	-
Increase (decrease) in debt	(16)	(16)	26,310	27,299	16,055	5,799	3,285
Gross proceeds from sale of assets	(440)	452	-	840	600	485	-
Lump sum contributions	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-
Total sources of capital funding	3,342	7,746	40,402	44,375	20,845	12,891	10,068
Application of capital funding							
Capital expenditure**							
- to meet additional demand	-	-	8,625	7,225	214	-	-
- to improve the level of service	5,558	2,006	18,484	21,649	22,284	13,776	13,305
- to replace existing assets	9,291	16,123	16,379	21,260	6,196	8,309	8,409
Increase (decrease) in reserves	(3,164)	(3,717)	3000	-	600	485	-
Increase (decrease) in investments	(22)	-	-	-	-	-	-
Total applications of capital funding	11,663	14,412	46,488	50,134	29,294	22,570	21,715
Surplus (deficit) of capital funding	(8,321)	(6,666)	(6,086)	(5,759)	(8,449)	(9,679)	(11,647)
Funding balance	-						
Note: Depreciation expense not included above	13,141	12,661	14,042	14,834	16,374	17,070	18,763

Statement of Financial Position	2020	2021	2022	2023	2024	2025	2026
Pārongo pūtea	Annual report	Annual report	Long-term plan	Annual plan	Long-term plan	Long-term Plan	Long-term plan
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets							
Current Assets							
Cash and cash equivalents	8,407	6,991	7,881	7992	10,005	9,915	9,815
Debtors and other receivables	4,272	3,088	4,556	4,556	4,971	5,199	5,441
Prepayments	217	213	219	219	219	219	219
Other financial assets	-	-	-	-	-	-	-
Non-current assets held for sale	-	-	-	-	-	-	-
Total current assets	12,896	10,292	12,656	12,767	15,195	15,333	15,475
Non-current assets							
Plant, property and equipment	603,662	611,353	677,609	693,857	701,078	765,104	772,714
Intangible assets	145	275	145	145	145	145	145
Forestry assets	67	69	71	71	71	71	71
Other financial assets	128	128	128	128	128	128	128
Total non-current assets	604,002	611,825	677,953	694,201	701,422	765,448	773,058
Total assets	616,898	622,117	690,609	706,968	716,617	780,781	788,533
Liabilities							
Current Liabilities							
Creditors and other payables	5,009	4,315	5,357	5,357	5,896	6,034	6,176
Employee entitlements	645	467	720	720	720	720	720
Income in advance	666	2,938	166	166	166	166	166
Borrowings	16	16	16	16	16	16	16
Total current liabilities	6,336	7,736	6,259	6,259	6,798	6,936	7,078
Non-current liabilities							
Employee entitlements	5	7	5	5	5	5	5
Provisions	777	586	792	792	792	792	792
Borrowings	3,096	3,080	34,404	47,667	62,014	67,326	70,609
Total non-current liabilities	3,878	3,673	35,201	48,464	62,811	68,123	71,406
Total liabilities	10,214	11,409	41,460	54,723	69,609	75,059	78,484
Net Assets	606,684	610,708	649,149	652,245	647,007	705,721	710,049
Equity							
Accumulated funds	462,942	466,754	473,593	474,704	469,166	468,234	467,754
Special and restricted reserves	4,292	4,504	4,517	4,517	4,817	4,967	5,117
Other reserves	139,450	139,450	171,039	173,024	173,024	232,520	237,178
Total equity	606,684	610,708	649,149	652,245	647,007	705,721	710,049

Statement of Comparison with Financial Strategy

Ngā whakaritenga pūtea

Rangitikei District Council specifies financial limits as part of its long term plan and reports on them annually as part of its annual report. The table below reports on the actual results against those limits.

The Council set the following limits:

	Criteria	2018/19 annual report compliance	2019/20 annual report compliance	20/21 annual report compliance	2021/22 (draft) annual report compliance
Rates (increases) affordability	Long-term plan quantified limit on rates increases of 4.61% in 2018/19, 4.75% in 2019/20, 4.90% in 2020/21 and 7.5% in 2021/22.	Not achieved 5.12%	Achieved 3.15%	Achieved 2.87%	Achieved 7.10%
Interest Rate Exposure	21/31 LTP = Net interest payments as a ratio of total revenue must be less than 20%	-	-	-	Achieved 0.62%
	21/31 LTP = Net interest payments as a ratio of annual rates revenue must be less than 25%	-	-	-	Achieved 1.15%
Liquidity	18/28 LTP = Total interest expense on net external debt will not exceed 15% of total rates income or 10% of total revenue	Achieved 0.22%	Achieved 0.42%	Achieved 0.37%	-
	18/28 LTP = The ratio of net external debt to annual rates income will not exceed 150%.	Achieved -11.15%	Achieved 3.64%	Achieved 5.83%	-
	18/28 LTP = Net external debt per capita will not exceed \$2,500 for the 10 years of the LTP	Achieved -1	Achieved 0	Achieved \$237 per capita	-
	21/31 LTP = Net debt as a ratio of total revenue must be less than 175%.	-	-	-	Achieved 18.07%
	21/31 LTP = External debt plus liquid investments divided by external debt must be more than 110%	-	-	-	Achieved 169%
Debt Servicing Benchmark	Planned borrowing costs are equal or less than 10% of planned revenue.	Achieved 0.14%	Achieved 0.27%	Achieved 0.19%	Achieved 0.68%