



Council Workshop

10 September 2026



RANGITIKEI
DISTRICT COUNCIL

Agenda

- 9.30am – 11.00am: Representation Review
- 11.00am onwards: Long Term Plan
 - Significance and Engagement Policy
 - Finance



Representation Review



Representation Review 2028 Workshop 1

Rangitikei District Council
10 September 2026

Today's workshop

- Overview of representation review process
 - Why are we doing this and what is it?
 - Starting point – current status
 - Statutory dates
 - Key principles and community boards
- Recap 2025 review
- Population changes
- Council size comparison
- Starter questions for 2028 review
- Preliminary engagement
- What's your role?
- What about local government reforms?
- Questions



Representation Review – why and what?

- Representation Review is a statutory requirement for all councils under Local Electoral Act 2001
 - Reviews current representation arrangements
 - Must be undertaken at least every six years
 - Council can choose to do a review after three years
 - **Rangitikei last did a review for the 2022 elections**
 - **Also required to review as 2025 poll resulted in disestablishment of Māori ward**
 - Any new arrangements will apply for local elections in 2028 and 2031
- Representation arrangements to be determined
 - Number of wards
 - Boundaries and names of wards
 - Number of elected members
 - Basis of election: by wards, at large or mix of wards and at large
 - Establishment/retention of community boards

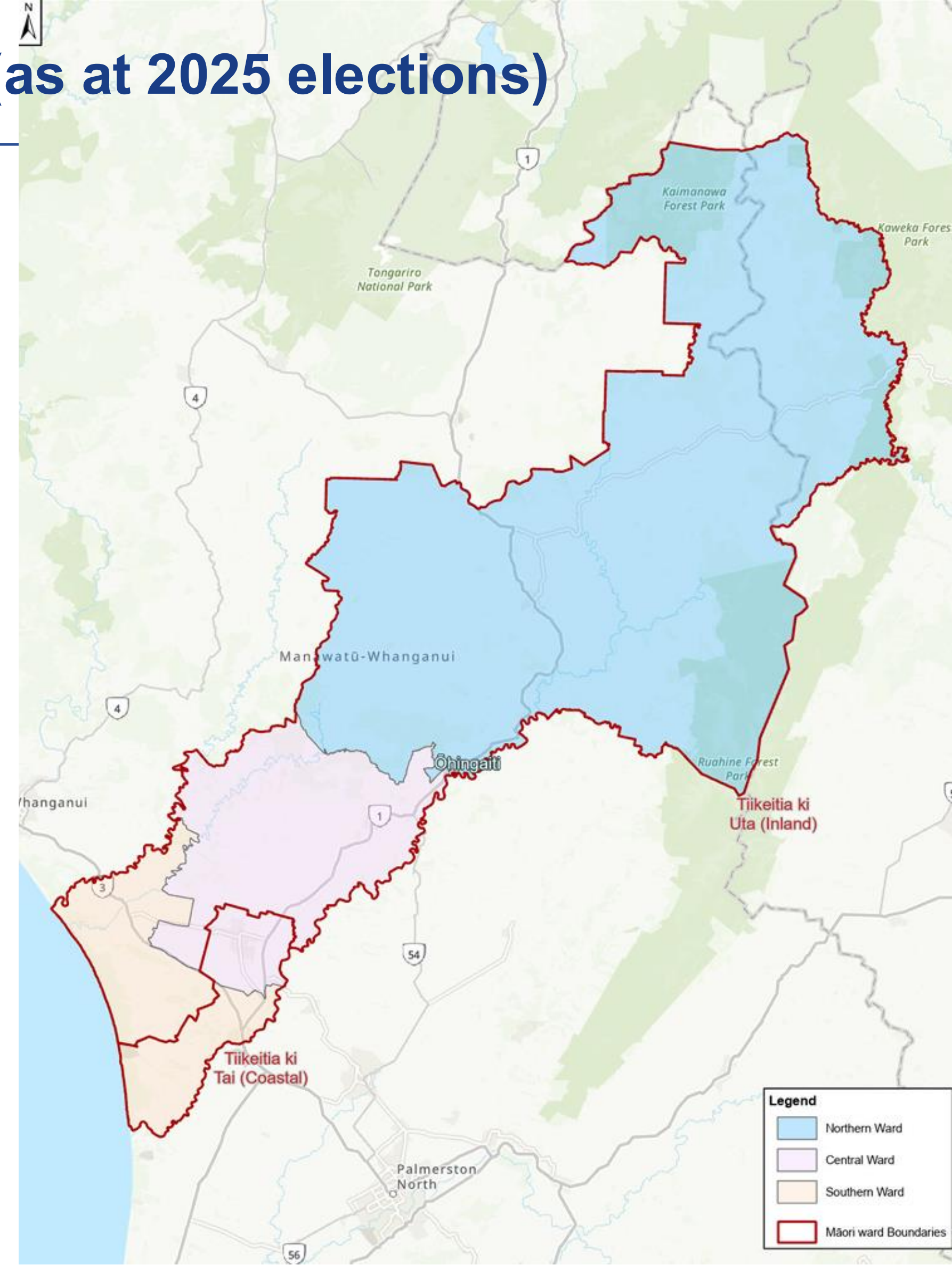
Rangitikei District – current status (as at 2025 elections)

Rangitikei District Council currently comprises a mayor (elected at large) and 11 councillors, elected from three general and two Māori wards

- 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

Māori wards established in 2021

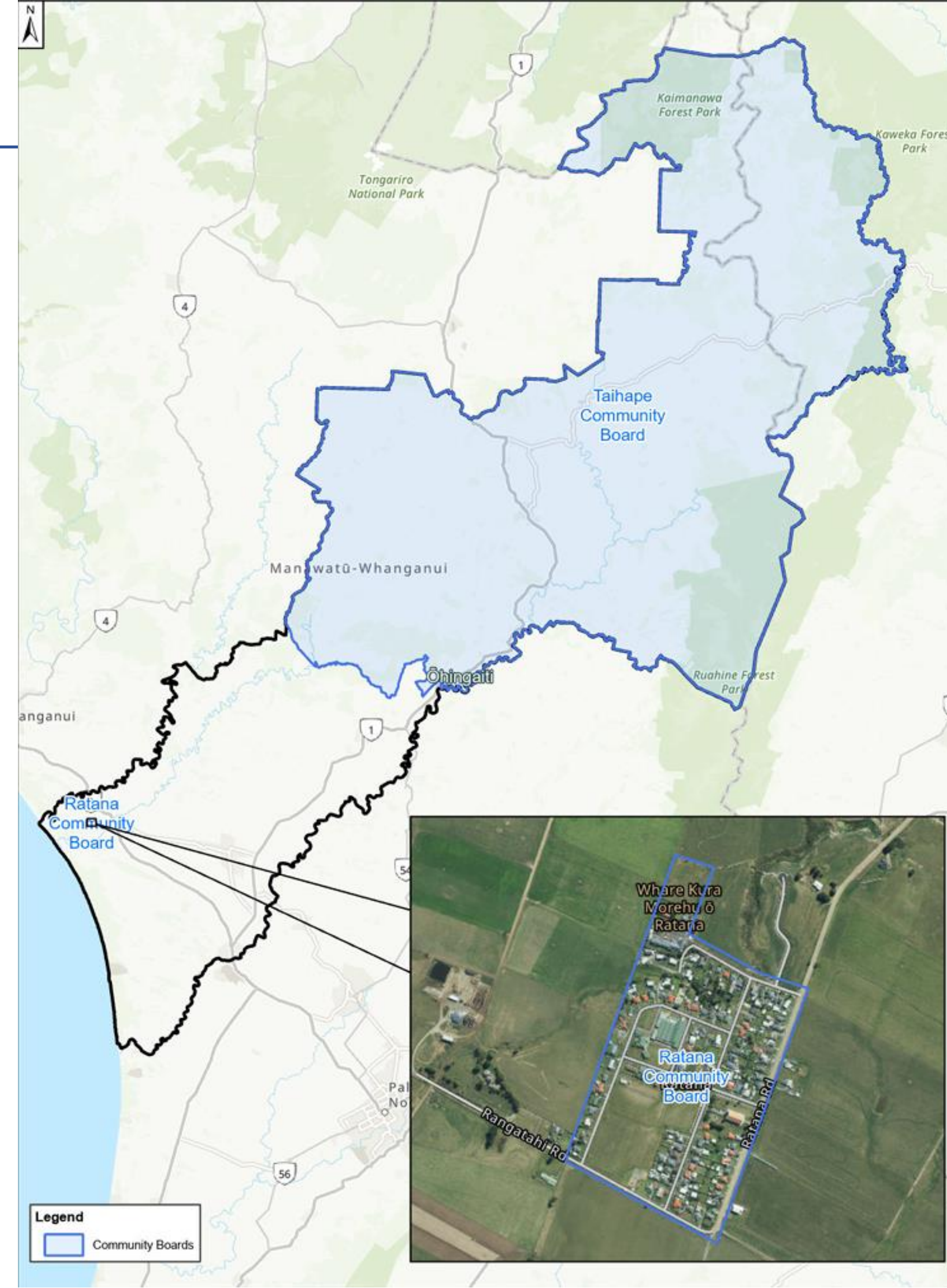
As a result of a binding poll in 2025, there can be no Māori ward for the 2028 and 2031 elections



Current status – Community Boards

Two Community Boards

- Rātana Community Board
 - (4 elected members, 1 appointed councillor)
- Taihape Community Board
 - (4 elected members, 2 appointed councillors)



Statutory dates

Electoral system	Confirmed – First Past the Post (FPP)
Representation Review	
From now	Information gathering, research, preliminary engagement, options development
From 20 December 2026	<u>Earliest date</u> to resolve Initial Proposal
By 31 July 2027	<u>Last date</u> to resolve Initial Proposal
14 days from resolution (No later than 8 August 2027)	Notification of Initial Proposal – consultation opens
Not less than one month from notification	Public submissions on Initial Proposal close
Within 8 weeks of submissions closing	Notification of Final Proposal (following hearing of submissions)
Not less than one month after notification (No later than 3 December 2027)	Last date for public appeals/objections on Final Proposal
By 11 April 2028	If appeals/objections – last date for LGC determination
14 October 2028	Local elections

Key principles to consider in review

- Communities of interest
 - Relevant to determining the **number and boundaries of wards**
- Effective representation of communities of interest
 - Relevant to determining **number of members**
 - Relevant to determining the **basis of election**: by wards, at-large, or a mix of both
- Fair representation of electors
 - +/- 10% requirement
 - Relevant for ensuring **equality of representation** per member
- Community boards
 - Whether to establish/disestablish
 - Number of members, boundaries, subdivisions

Communities of interest

Relevant to determining the **number and boundaries of wards**

- No fixed definition, but consider these dimensions:
 - Perceptual – do people feel a sense of belonging and identity with an area
 - Functional – how do people relate to the everyday living aspects of a place: services, facilities, recreation, transport
 - Geographical – where people live, natural boundaries, accessibility and movement
- Characteristics to consider:
 - sense of community identity and belonging
 - distinctive physical and topographical features (eg mountains, hills, rivers)
 - similarities in economic or social activities carried out in the area
 - Connection to services and facilities – schools, clubs, recreation, cultural, retail and services
 - similarities in the demographic, socio-economic and/or ethnic characteristics of residents
 - distinct local history of the area
 - the rohe or takiwā of local iwi and hapū
 - transport and communication links
- Preliminary community engagement is not mandatory but can help to learn community's views
 - Note Head Start feedback on communities of interest, representation
- Make use of data you already have: planning, transport, emergency management, community networks etc

Effective representation

Relevant to determining **number of councillors**

Relevant to determining the **basis of election**: by wards, at-large, or a mix of both

- Key factors to consider:
 - Total **number** of elected members: what's the appropriate number of councillors to effectively serve the needs of the district based on population, area, travel distances etc
 - Note: in the last determination the LGC endorsed 11 as “appropriate” number
 - Removal of Māori wards means review of numbers is required
 - The appropriate **basis of election** of members for the district – what structure works best?
 - by wards – all members elected from their local communities – reflects local connection
 - at large – all members elected across the whole district – reflects district-wide identity, mobility
 - mixed – some elected in local wards, some elected across whole district
 - Note: in the 2022 review, at large or mixed model was not widely supported
- Issues to watch out for:
 - Avoid splitting recognised communities of interest between wards/subdivisions (eg Turakina)
 - Avoid grouping together two or more communities of interest that don't share common interest

Fair representation – the +/- 10% rule

Relevant to ensuring fair representation across electoral areas

- Aims to ensure each elected member represents a similar number of people
- Calculated per ward
- In a mixed system, this formula only applies to the ward area and does not impact upon the “at large” members
- In a fully at large system this formula does not apply
- The 10% rule is not absolute – it must be considered alongside the other factors including communities of interest
- Non-compliant arrangements can be proposed, based on
 - Protecting the integrity of communities of interest
 - Isolated or island communities
- You must make an evidence-based case for non-compliance
- Non-compliant proposals must be referred to LGC
- Note: in last determination LGC upheld non-compliant proposal for Southern Ward on the basis of retaining communities of interest

“... the population of each ward or constituency or subdivision, divided by the number of members to be elected by that ward or constituency or subdivision, produces a figure no more than 10% greater or smaller than the population of the district or ... community divided by the total number of elected members (other than members elected by the electors of a territorial authority as a whole, if any, and the mayor, if any).”

[LEA 2001, s.19V]

Community Boards

- Review must include consideration of “whether there should be community boards in the district and, if so, the nature of those communities and the structure of the community boards”
 - Key principles – to provide fair and effective representation of communities of interest within the community and fair representation of electors
- Boards can be established outside Representation Review process, but can only be disestablished or altered through Review or a reorganisation scheme
- Minimum 4 / maximum 12 members, with at least 4 elected
 - Council-appointed members must be less than half total members
- Board may be divided into subdivisions to reflect distinct communities of interest
- Consider the purpose and expectations of the Board, delegated powers and budget

Community Boards – role and powers

Community boards are unincorporated bodies established under the LGA, distinct from councils and not committees of councils

- Their statutory roles (LGA s.52) include:
 - Representing and advocating for their community's interests
 - Considering and reporting on matters referred by the council or of community concern
 - Maintaining an overview of council services in their area
 - Preparing annual submissions on local expenditure
 - Communicating with local organisations and groups
 - Undertaking responsibilities delegated by the council.
- Powers may be delegated at the discretion of the council and can be withdrawn at any time.
- Councils cannot delegate the power to make rates, bylaws, or borrow money/purchase/dispose of assets (except as per the long-term plan).
- Current delegated powers for Rātana and Taihape Community Boards include:
 - Determine and set names for roads in their area
 - Seek community views on projects or initiatives requiring or allocated Council funding
 - Managing specified community facilities and services within the area covered by the Board
 - Authority to make decisions on major tree removals in public spaces, including community consultation
 - (Taihape) Delegated authority to consider the annual work programmes, and make recommendations to Council from the Taihape MoU community partner(s)
 - (Taihape) Delegated authority for the \$5,000 annual allocation for “defined small local works”

2022 Representation Review

- Council resolved to establish Māori wards in 2021, triggering review
- Initial proposal - 11 members from 3 general and 2 Māori wards
 - Largely retained existing boundaries, except Turakina Valley moved from Southern to Central
 - Community Boards retained
- 11 submissions received: 6 in support, four in opposition
 - Issues – relocation of Turakina Valley; prefer one Māori ward
- Final proposal largely similar
 - Turakina Valley retained in Southern ward
 - Māori wards renamed
 - Northern to Tiikeitia ki Uta (Inland)
 - Southern to Tiikeitia ki Tai (Coastal)
- Referred to Local Government Commission
 - Southern ward did not comply with +/-10%
 - One valid appeal received (sought increase to 13 councillors)
- **LGC upheld Council's final proposal**
 - Upheld number of councillors
 - Upheld non-compliance on grounds of communities of interest

2022 Initial proposal	Popn	No. cllrs
Northern General	2,800	2
Central General	6,960	5
Southern General	3,140	2
Total General wards	12,900	9
Northern Māori	1,450	1
Southern Māori	1,420	1
Total Māori wards	2,870	2
+ Community Boards retained		

2022 Final proposal		
Northern General	2,800	2
Central General	6,860	5
Southern General	3,240	2
Total General wards	12,900	9
Tiikeitia ki Uta (Inland) Maori	1,450	1
Tiikeitia ki Tai (Coastal) Maori	1,420	1
Total Māori wards	2,870	2
+ Community Boards retained		

Wards: Population and fair representation

		Electoral population estimate*	Number of councillors per ward	Population per councillor	Deviation from district average	% deviation from district average
2020	General wards					
*StatsNZ	Northern General Ward	2,800	2	1,400	-33	-2.33
estimates	Central General Ward	6,860	5	1,372	-61	-4.28
	Southern General Ward	3,240	2	1,620	187	+13.02
	<i>Subtotal</i>	<i>12,900</i>	<i>9</i>	<i>1,433</i>		
	Māori wards					
	Tiikeitia ki Uta (Inland) Māori Ward	1,450	1	1,450	15	+1.05
	Tiikeitia ki Tai (Coastal) Māori Ward	1,420	1	1,420	-15	-1.05
	<i>Subtotal</i>	<i>2,870</i>	<i>2</i>	<i>1,435</i>		
	District total	15,770	11	1,434		

2025	Northern General Ward	2,690	2	1,345	-110	-7.73
*StatsNZ	Central General Ward	7,010	5	1,402	-53	-3.74
estimates	Southern General Ward	3,160	2	1,580	125	8.72
	Subtotal	12,860	9	1,429		
	Māori wards					
	Tiikeitia ki Uta (Inland) Māori Ward	1,670	1	1,670	95	6.03
	Tiikeitia ki Tai (Coastal) Māori Ward	1,480	1	1,480	-95	-6.03
	Subtotal	3,150	2	1,575		
	District total	16,010	11	1,455		

2026 population data will be available in October. Note: the population from the Māori ward still to be allocated back to general wards

How many councillors?

- Effective representation: removal of Māori wards means reconsideration of number of members
 - Is the overall number of Councillors appropriate to provide effective representation?
 - LGC noted existing number was “appropriate” on 2022 determination
 - Legislation allows for between 5 and 29 members
 - How does Rangitikei compare to other similar-size councils (10-20,000)?

	District (Popn. 40-60,000)	Population	No. of Councillors	
TERRITORIAL	Rangitikei	16,010	11	9 from General / 2 from Māori
	Carterton	10,300	8	At large
	South Wairarapa	12,180	10	9 Gen / 1 Māori
	Otorohanga	10,800	9	7 Gen / 2 Māori
	Opotiki	10,250	7	4 Gen / 3 Māori
	Central Hawkes Bay	15,970	9	6 Gen / 1 Māori / 2 At large
	Ruapehu	13,440	9	6 Gen / 3 Maori
	Grey	14,600	8	8 Gen
	Hurunui	14,360	10	10 Gen
	Clutha	18,810	9	9 Gen
	Gore	12,970	11	8 Gen / 3 At large

Starter questions for 2028 review

- Communities of interest
 - Are any boundary adjustments needed?
 - Any changes in communities of interest?
 - How communities rely on different services to function as part of the wider district
 - Demographic characteristics
 - How communities organise themselves and interact with other areas
 - Community Board boundaries – eg feedback from Ratana Community Board
- Fair and effective representation
 - Do ward arrangements align with communities of interest
 - Preserve and enhance rural representation
 - Do current community boards continue to enhance representation? Are more/fewer required?

What does the data tell us?

- Population projections
 - Residential growth
- Use of facilities and services
 - Demographic trends
- Regional economic profile

2028 Review – options to consider

- **Wards | At-large | Mixed**
- **How many wards**
- **How many members**

- Three wards**
- **11 members**
 - **10 members**
 - **9 members**
 - **8 members**

- Four wards**
- **11 members**
 - **9 members**
 - **8 members**

Some previous examples

- **Four wards**
- Taihape | Hunterville | Marton | Bulls
- **11 members**
- 1989-2007

- **Five wards**
- Taihape | Hunterville | Marton
Bulls | Turakina
- **11 members**
- 2007-2019

Viable options to be modelled from October when population data available

Plus community boards? How many?

Options for preliminary engagement

- Early research and community feedback can help
 - Collate and analyse Council and community-held data to understand communities of interest (eg feedback from Head Start engagement)
 - Gauge residents' perceptions of current situation
 - Engage directly with residents to build a picture of communities
- Test alternative options early
 - Different options can only be tested during preliminary engagement
 - Initial Proposal can only be ONE option
- Pay attention to community and stakeholder views
 - Engage early with iwi, community and resident groups, stakeholders, associations
- Building awareness
 - Help people understand what the review is about
 - Build civic awareness, participation and capability

What's your role as elected members?

- Multiple dimensions
 - Representation – representing the interests and aspirations of your community
 - Engagement – supporting and encouraging your communities to be involved in the process
 - Advocacy – both directions, including to Council, and to the community
 - Insight – bringing your knowledge of local communities to the discussion
 - Decision-makers (Council)
- Ways to contribute
 - Familiarise yourself with the issues and options
 - Participate in workshops
 - Participate in local engagement events
 - Tap into your local networks and contacts
 - Offer opportunities to speak
 - Encourage feedback, submissions, questions
- For councillors
 - Keep an open mind
 - Explore all options
 - Have a district-wide view

What about Simplifying Local Government proposals?

What we know

- Rangitikei has not submitted a formal Head Start proposal – but has submitted a ‘letter of intent’ to continue working with neighbouring councils
- Current advice is that councils must continue to meet requirements under existing legislation, until SLG enabling legislation is enacted.
 - Councils required to undertake a Representation Review (incl Rangitikei) must continue with process and meet statutory timeframes and milestones.

What we don't know

- Outcome of Head Start process
- Enabling legislation
- Representation review requirements for future new unitary entities
- Impacts of future government decisions on forced amalgamations

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Questions?



Long Term Plan

Significance and Engagement Policy

Presentation overview

- Statutory Context
- Our Significance and Engagement Policy
- Determining significance
- ‘Significance’ and ‘Significant’
- How we consider significance in practice
- Strategic Assets
- Engage v consult v inform
- Why it is important to get this right?
- Next Steps



Statutory Context

All councils are required under s76AA of the Local Government Act 2002 (LGA) to have a Significance and Engagement Policy (S&E Policy)

The Policy must set out:

- (a) that local authority's general **approach to determining the significance** of proposals and decisions in relation to issues, assets, and other matters; and*
- (b) any **criteria or procedures** that are to be used by the local authority in assessing the extent to which issues, proposals, assets, decisions, or activities are significant or may have significant consequences; and*
- (c) how the local authority will respond to **community preferences about engagement** on decisions relating to specific issues, assets, or other matters, including the form of consultation that may be desirable; and*
- (d) how the local authority will engage with communities on other matters.*



Statutory Context

This policy must list the assets considered by the local authority to be “*strategic assets*”.

The policy may be amended from time to time.

When adopting or amending a S&E Policy Council must consult in accordance with s82 of the LGA unless it considers on reasonable grounds that it has sufficient information about community interests and preferences to enable the purpose of the policy to be achieved.

Council needs to amend its S&E Policy to remove reference to the water assets that are being transferred to Central Districts Water. Under s76AA(7) this can be done without consultation if it:

(a) has established a water organisation under the Local Government (Water Services) Act 2025; and

(b) is working with that organisation in relation to the organisation’s significance and engagement policy under section 37(4) of that Act.



Significance and Engagement Policy

- Council last ‘reviewed’ and adopted its S&E Policy as part of the development of the LTP 2024-34
- You can find our Policy on our website (just search it by name)
- Purpose of this Policy is to:
 - Provide transparency to the community about the degree of significance Council attaches to a particular proposal, decision, service or asset; and
 - Provide clarity on **when** and **how** the community will be engaged with on decision-making.

RANGITĪKEI DISTRICT COUNCIL

SIGNIFICANCE AND ENGAGEMENT POLICY

Date of adoption: 16 May 2024

Resolution number: 24/RDC/118

Date by which review
must be completed: Not applicable

Relevant legislation: Local Government Act 2002
s76AA

Statutory/Policy: Statutory

Determining Significance

Part 1 – Significance

Significance means:

“...the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

- a) the district or region:
- b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:
- c) the capacity of the local authority to perform its role, and the
- d) financial and other costs of doing so.”

When assessing the **level of significance for all decisions**, the Council needs to consider:

- the community impact/interest (can be district-wide or localised)
- the impact on Māori cultural values and their relationship to land and water
- the impact on future interests of the community and district
- the potential effects of climate change
- the level of financial consequences of the proposal or decision
- the Council’s ability to deliver on the decision.

The Council has three levels of significance:

- low (minor, short term)
- medium (moderate, mid-term)
- high (major and/or long term).

In general, the more significant an issue, the greater the need for engagement and/or consultation.

‘Significance’ and ‘Significant’

Under the s5 of the LGA ‘significance’ is defined as:

“Significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

(a) the current and future social, economic, environmental, or cultural well-being of the district or region:

(b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:

(c) the capacity of the local authority to perform its role, and the financial and other costs of doing so”

The LGA also defines ‘significant’ as:

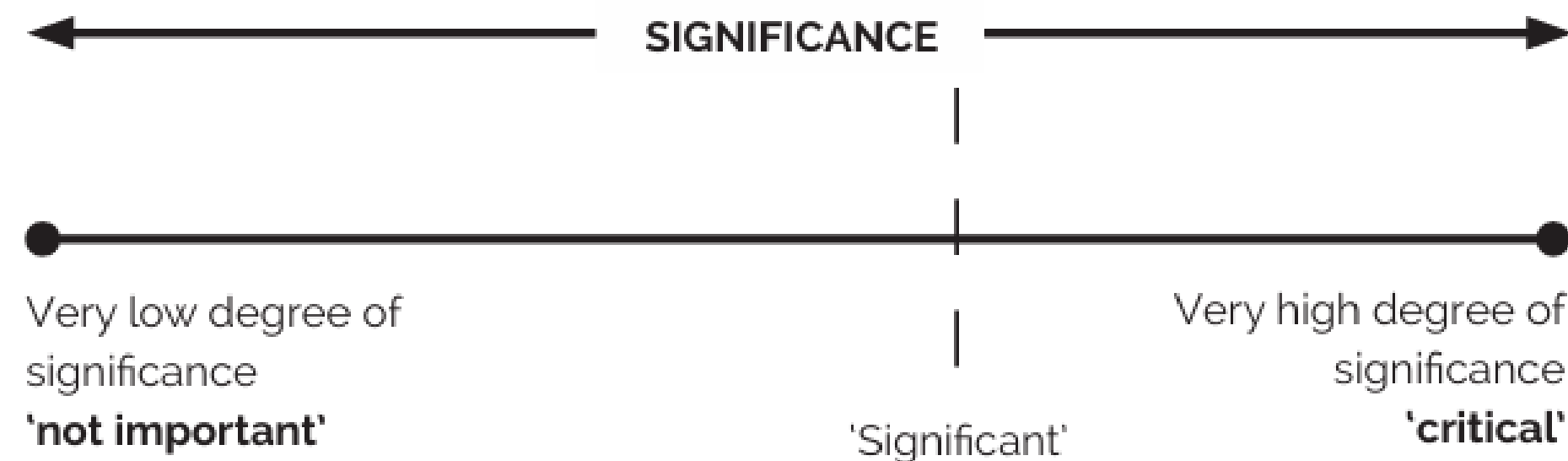
“significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.”

‘Significance’ and ‘Significant’

The distinction between ‘significance’ and ‘significant’ can be important.

Section 76AA(2) of the LGA refers to “*degrees of significance*”. This supports the notion that significance is a continuum – ranging from the day-to-day matters with low impact on the community, right up to those with a very high significance.

If we accept that significance is a continuum then a project which was originally assessed as “not significant” / having a “low degree of significance” can change its place on the continuum as new information on this project becomes available and Council is required to make another decision.



How we consider significance in practice

An assessment against our S&E Policy is included in Council reports, ensuring it is part of Council’s decision-making.

Assessment of Significance - Option 1	
Criteria	level of significance
The community impact/interest (can be district-wide or localised)	High
The impact on Māori cultural values and their relationship to land and water	Low
The impact on future interests of the community and district	Low-Medium
The potential effects of climate change	Medium
The level of financial consequences of the proposal or decision	Low
The Council’s ability to deliver on the decision	Low
Overall level of significance assigned	Low-Medium

Decision Making Process

10.1 Council has undertaken engagement with iwi, the business sector, stakeholders, elected members and community and Officers recommend Council can proceed without the need to consult further on this draft which is consistent with our significance and engagement policy.

9. Statutory Implications

9.1 There are no requirements to complete a formal consultation process before adopting the Marton Streetscape Plan, therefore an informal consultation process is recommended to better understand if the draft plan aligns with the community’s vision for the Marton town centre. If consultation was to occur it will follow the principles of consultation set out in Section 82 of the Local Government Act 2002.

10. Decision Making Process

10.1 The decision making process has been described above in the options considered section.

11.10The following are identified as needing to be considered when assessing the level of significance of a decision:

11.10.1 The community impact/interest (can be district-wide or localised) – the level of interest is generally focused on the Marton community. There is a wider interest in funding, however, the majority of the funding is identified as coming from external sources.

11.10.2 The impact on Māori cultural values and their relationship to land and water – there are no known impacts on māori cultural values and their relationship to land and water.

S&E Policy: Strategic Assets

Rangitikei District Council's strategic assets are as follows.

- Sections of the roading network where:
 - loss of that section would create significant disruption (time for an alternative, number of vehicles affected)
 - there are no alternative routes
- Bridges
- Streetlights
- Wastewater network and treatment plants
- Water treatment, storage, and supply networks
- Stormwater networks
- Waste transfer stations
- Recreation facilities
- Community amenities
- Community housing
- Libraries
- Cemeteries
- Administration building (Marton)
- Emergency Operation Centres



Engage v Consult v Inform

Council's S&E Policy guides when a Council decision requires engagement v consultation v informing

- **Engage** – where Council seeks ideas or input from the community on an activity, project, or change in service to help inform options for Council to consider – early and collaborative
- **Consult** – where Council presents formal options and invites community feedback on these. Helps Council understand the community's preference or concerns about specified options
- **Inform** – where Council has made a decision and is simply informing the public



Why is it important to get this right?

- Open to legal challenge if we don't follow/implement our S&E Policy or the broader principles and requirements for consultation and decision-making in the LGA
- This Policy provides transparency, accountable and clarity for our community about the degree of significance Council attaches to a particular proposal, decision, service or asset AND how/when we will inform/consult/engage with them

“A good intention, with a bad approach, often leads to a poor result.” - Thomas Edison



Protesters are staging a sit-in at Foxton's cenotaph to protest a council plan to move the historical monument 10 metres down the road.



A petition of 1000 signatures against the move was given to the council.

Council chief executive David Clapperton said he was committed to achieving a positive resolution.

The council met with the objectors last week.

"We acknowledge that council needs to consult more broadly and apologise that we didn't achieve this," Clapperton said.

Source: Stuff Digital Ltd (article: October 4, 2016)

Why is it important to get this right?

- Ensures that the decisions Council makes are robust and considered in the context of significance
- Following good process positively impacts Council's reputation and the trust / confidence that our community has in our decision-making
- Gives our community the ability to appropriately influence decisions that are important to them, and which may affect them
- Meets our legal obligations



Next Steps

- Officers will undertake a high-level review of Council's S&E Policy to understand whether this Policy is fit-for-purpose
- Officers will come back to Council in October 2026 to outline any potential amendments that may be recommended

RANGITĪKEI DISTRICT COUNCIL

SIGNIFICANCE AND ENGAGEMENT POLICY

Date of adoption: 16 May 2024

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Relevant legislation: Local Government Act 2002
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Long Term Plan Finance

Agenda

- A quick Recap
- Rates differentials
- Financial Strategy Overview
- Known increases for this LTP
- Building the Budget & known increases
- How do we fund it all?
- Strategy to get to 2% (discussion)



A Quick Recap

- Rating review – including the use of differentials
- Other levers – UAGC% of CV's - % of each range that needs to capture?
- Preference for Civil Defence Rate – UAC or CV?
- Increase Forestry Contribution for Roading – Currently
- Demonstrated building a budget – takes us to 14% with what we know
- How do we get to 2% by 1 July 2029?

Differentials – TAs across the region

Differentials	Rangitīkei		Manawatū		Horowhenua	Tararua	Whanganui	Ruapehu
General	√ 0.001333	1.0	√0.00102	1.0	√0.0031323	√0.00188794**	84.3% (residential)	100%
Commercial	√0.001600	1.2	√0.00164	1.6			8.4%	
Industrial	√0.001600	1.2	√0.00164	1.6				
Utilities	√0.002000	1.5	√0.00164	1.6				
Defence Land	√0.001235*		√0.00041	0.4				
Rural Residential Rural			√0.00041 √0.00051	0.4 0.5	√0.0015662 (0.5)		7.3% (farming)	
CBD			√0.00230	2.25				
Hydro -CV exceeds \$50M								61%

* Capped at Land Value
 ** Land Value (not Capital Value)

Financial Strategy



- Balancing the Budget – over ten year of the LTP it must balance.
 - Currently this is not happening
 - Rates capping 2029/30 – BERL signalled @2.3%
 - Decisions around funding depreciation – what/when/purpose
- Capital Expenditure
 - What does the capital plan look like without Three Waters?
- Treasury and its debt limits. Debt shrinks as does revenue – how to balance the books?
- Use depreciation to pay down debt
- Other Significant Factors – Climate Change and Resilience (build back better)

Known increases for this LTP

- ~~Increase Civil Defence - Resilience~~
- ~~Climate Change – Building reserves for three weather events per annum~~
- Rooding @ 4.5% - as adopted by Council on 13 August
- Additional Toilets – Taihape \$256k
- Impact of new buildings/projects
- Paying back debt
- Inflation starting in the 3.4 – finishing @ 1.8% Average of 2.3%

Where does this take us.....

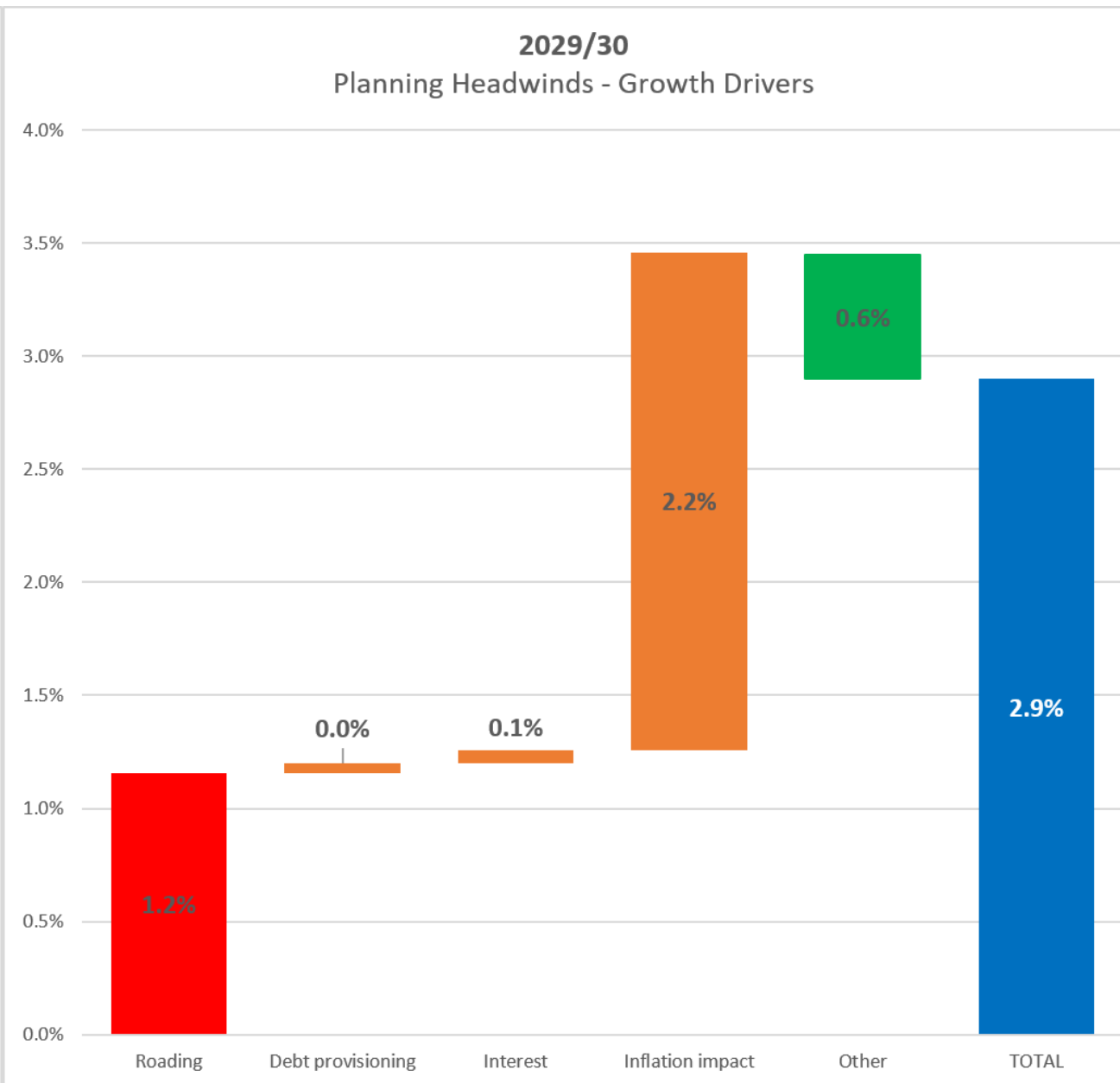
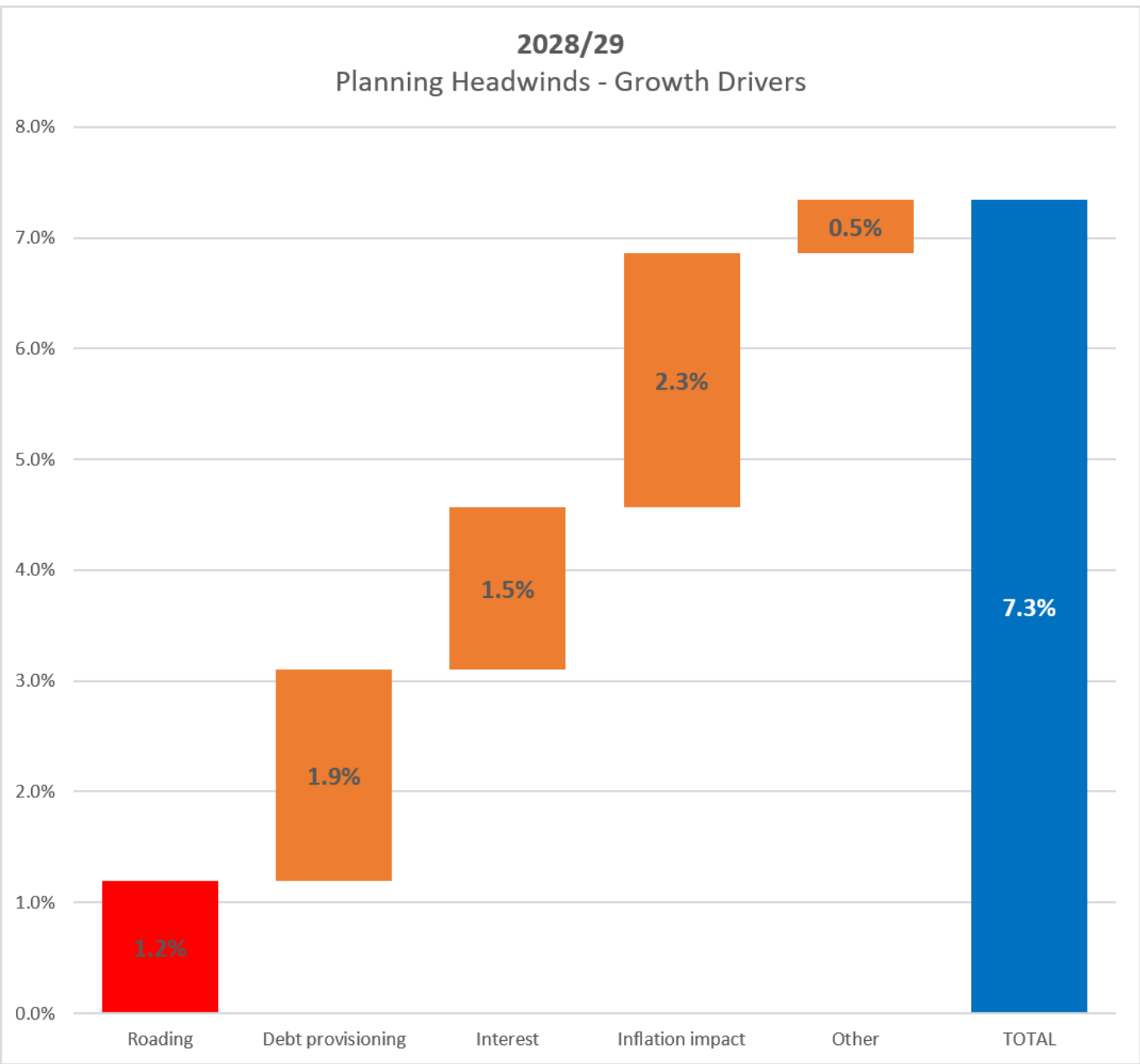
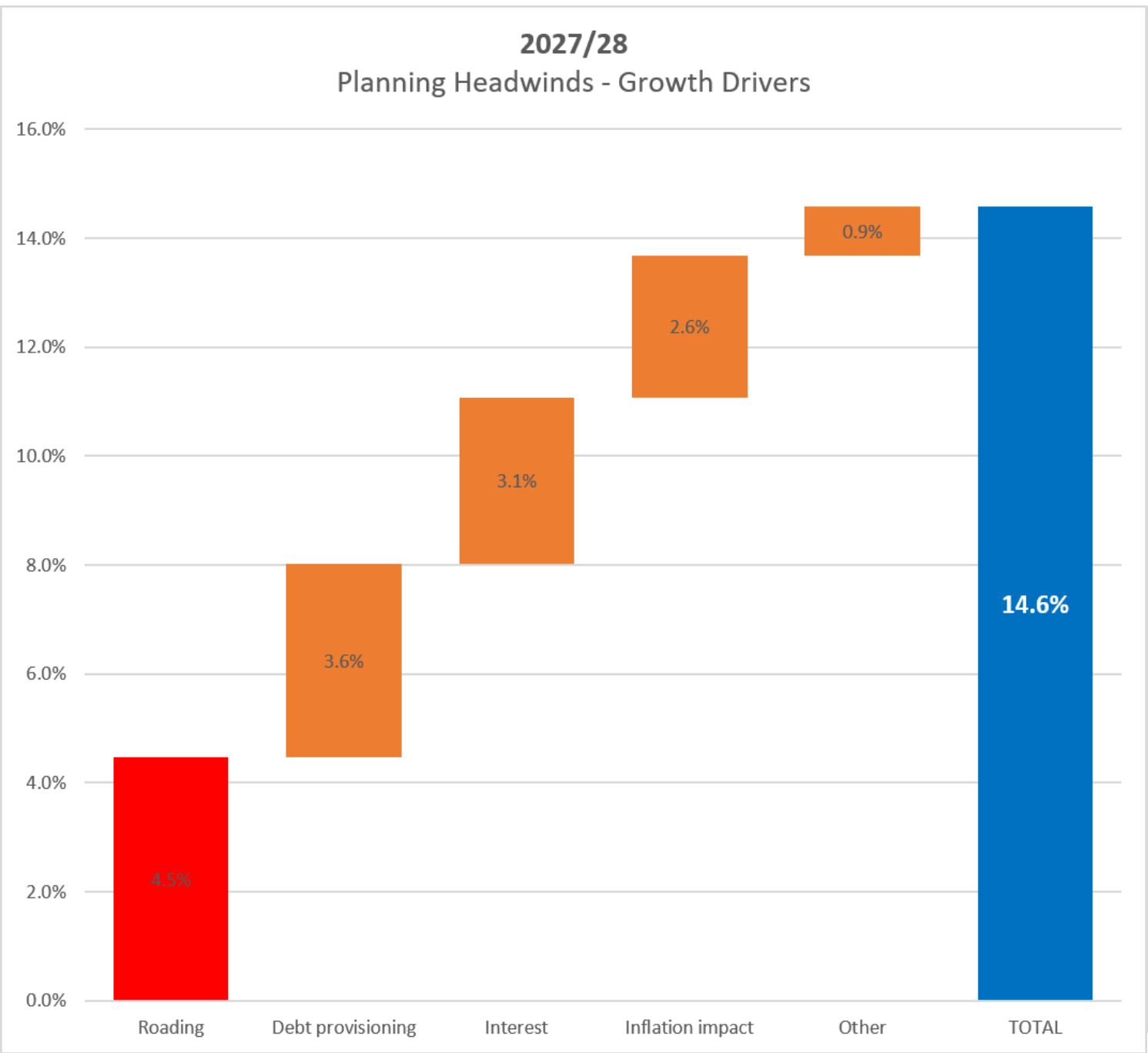


Building the Budget

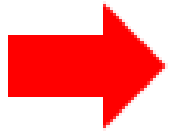


Years 1-3 Changes

Recapping on where we were last time



14.6%



7.3%



2.95%

Years 1-3 Changes

Recapping on where we were last time

These were the key assumptions.....

2027/28 → 2028/29 → 2029/30
 14.6% → 7.3% → 2.95%

	2027/28	2028/29	2029/30
Interest Rate	5%	5%	5%
CPI	3.0%	3.0%	3.0%
	\$M's	\$M's	\$M's
Increase in Fees and Charges in 27/28?			
Reduction in LOS / Operating Expenditure in 27/28?			
Opening Debt	30.00	48.84	49.32
Closing Debt	48.84	49.32	49.68
Collection of Cash held for future Debt repayment	1.00	1.63	1.64
Capex Spend (Including Roothing)	32.73	15.18	15.58

Years 1-3 Changes

What is the impact of.....

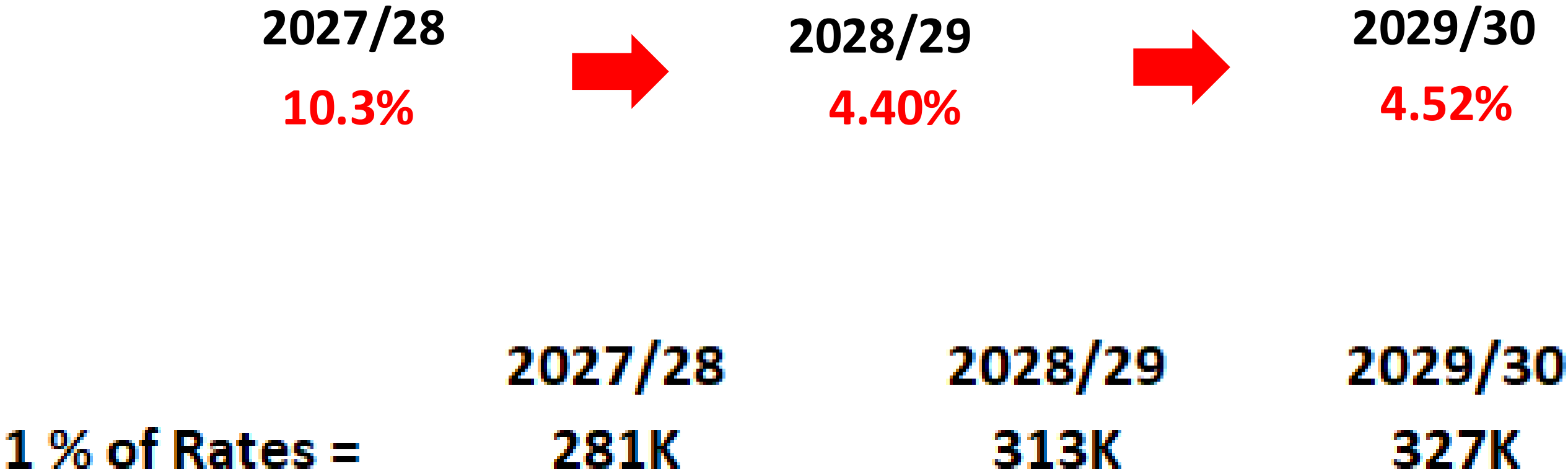
- Adjusting CPI and Interest Rates
- Progressive phasing in of debt repayment
- And reducing 26/27 and 27/28 capex to a more likely outcome

	2027/28		2028/29		2028/29	
	Revised	Original	Revised	Original	Revised	Original
Interest Rate	5.0%	5.0%	3.3%	5.0%	3.5%	5.0%
CPI	3.0%	3.0%	2.2%	3.0%	2.3%	3.0%
	\$M's	\$M's	\$M's	\$M's	\$M's	\$M's
Opening Debt	22.86	30.00	32.54	48.84	33.02	49.32
Closing Debt	32.54	48.84	33.02	49.32	33.38	49.68
Collection of Cash held for future Debt repayment	0.00	1.00	0.54	1.63	1.10	1.64
Capex Spend (Including Roothing)	23.57	32.73	15.18	15.18	15.58	15.58

Years 1-3 Changes

What is the impact of.....

- Adjusting CPI and Interest Rates
- Progress phasing in of debt repayment
- And reducing 26/27 and 27/28 capex to a more likely outcome



Years 1-3 Changes

Financially, this looks like....

		10.3%				4.40%			4.52%	
	2026/27			2027/28				2028/29		
	Normalised (Baseline)	Roading Year 1	Non Roding Year 1	Total		Roading Year 2	Non Roding Year 2	Total	Roading Year 3	Non Roding year 3
	(\$000)			(\$000)				(\$000)		
Sources of operating funding										
General rates, uniform annual general charge, rates penalties	15,059			31,347				32,727		
Targeted rates	3,950	10,373				10,766			11,174	
Subsidies and grants for operating purposes	356	7,846	356	8,202		8,160	356	8,516	8,486	356
Fees and charges	3,788		3,902	3,902			3,987	3,987		4,079
Interest and dividends from investments	459		549	549			549	549		549
receipts	742		764	764			781	781		799
Total operating funding (A)	24,354	18,219	5,571	44,763		18,925	5,674	46,560	19,660	5,783
Applications of operating funding										
Payment to suppliers	12,440	12,675	12,813	25,488		13,182	13,095	26,277	13,709	13,396
Personnel Costs	11,999		12,359	12,359			12,631	12,631		12,921
Finance costs	552	559	826	1,385		559	523	1,082	559	586
Internal Overhead Expense	(1,481)			-						
Total applications of operating funding (B)	23,510	13,234	25,998	39,232		13,741	26,249	39,989	14,268	26,904
Surplus (deficit) of operating funding (A - B)	844	4,985	(20,427)	5,531		5,185	(20,575)	6,570	5,392	(21,121)
Sources of capital funding										
Subsidies and grants for capital expenditure	-	8,100		8,100		8,424		8,424	8,761	
Increase (decrease) in debt	26,051		9,684	9,684			475	475		361
Gross proceeds from sale of assets	253		254	254			254	254		254
Total sources of capital funding (C)	26,304	8,100	9,938	18,038		8,424	729	9,153	8,761	615
Application of capital funding										
Capital expenditure										
- to meet additional demand	180									
- to improve the level of service	13,176		9,684	9,684			475	475		361
- to replace existing assets	11,439	13,085	800	13,885		13,609	1,097	14,706	14,153	1,064
Increase (decrease) in reserves	-			-				-		-
Increase (decrease) in Cash and Investments	2,353		-	-			542	542		1,101
Total applications of capital funding (D)	27,148	13,085	10,484	23,570		13,609	2,114	15,723	14,153	2,526
Surplus (deficit) of capital funding (C - D)	(844)	(4,985)	(546)	(5,531)		(5,185)	(1,385)	(6,570)	(5,392)	(1,911)
Funding balance ((A - B) + (C - D))	-	-	(20,973)	-		-	(21,961)	(0)	-	(23,031)

Years 1-3 Changes

Capex Programme excluding Water and Roading

	2026/27			2027/28			
	Plan	Carry into 27/28	Revised Forecast	Plan	Carry in from 26/27	Deferred?	2027/28 Suggested Plan
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<u>Growth and LOS</u>							
Taihape Town Hall	4.60	2.30	2.30	9.30	2.30	-9.30	2.30
Taihape Grandstand*	0.65		0.65	0.00			0.00
EOC	3.03		3.03	0.00			0.00
Marton Build Refurb/or Hub	4.68	2.34	2.34	9.00	2.34	-9.00	2.34
Taihape Toilets	0.26		0.26	0.00			0.00
Other				0.544			0.54
<i>Street Scope</i>				2.00			2.00
Erewhon Rural Water Scheme*	5.00	2.50	2.50	0.00	2.50		2.50
Total	18.21	7.14	11.07	20.84	7.14	-18.30	9.68
Renewals							
Other	1.10		1.10	0.80			0.80
Marton Pool	5.30		5.30	0.00			0.00
Total Capex	24.61	7.14	17.47	21.644	7.14	-18.30	10.48

* will not be subject to rates cap

Beyond 27/28, there is no significant capital expenditure forecast...

	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$m's	\$m's	\$m's	\$m's	\$m's	\$m's
GROWTH / LOS	0.47	0.36	0.42	0.37	0.38	0.39
RENEWALS	1.10	1.06	1.06	1.12	1.11	1.13
Grand Total	1.57	1.42	1.49	1.49	1.49	1.52



How do we fund it all?

- Revenue (cash) sources:
 - Subsidies
 - Fees & Charges
 - Grants
 - Rates
- Other Sources:
 - Reserves: Accumulation, Depreciation and Targeted/Special
 - Subsidies & Grants
 - Loans



Strategy to get to 2% in 2029...

- ~~Sale of Properties?~~
- Reduce borrowing
 - No significant capital expenditure on buildings beyond this year – will save interest, debt repayment?
- Amend levels of service?
- Comprehensive review of all fees and charges and property rentals?
- Review pool management contract?

	2027/28	2028/29	2029/30
1 % of Rates =	281K	313K	327K
\$10m of capex in year 1 equates to a rates increase of	1.39%	0.39%	0.82%





Ngā mihi, Thank you



RANGITIKEI
DISTRICT COUNCIL