



2019 Local Government Elections

PRE-ELECTION REPORT

TE PŪRONGO PŌTITANGA MOATA MŌ TE PŌTITANGA-Ā-ROHE 2019



RANGITĪKEI
DISTRICT COUNCIL



Chief Executives Message

Kupu Whakataki ā te Tumu Whakarāe

It's an exciting time for the Rangitikei District and 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 (2019/20) and the three years following the October 2019 local elections (July 2020 to June 2023).

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.



Ross McNeil | Chief Executive

The Council has a clear vision for the Rangitikei – A Thriving District. This vision underpins our Long Term Plan and the programmes, projects and services we deliver to our communities. The Council has established clear priorities, which we have been working towards. These are:

1. Infrastructure Service Levels – Ensuring services meet appropriate standards and are affordable;
2. Economic Development – Facilitating growth through infrastructure investment, an enabling regulatory framework and collaboration;
3. Community Facilities – Ensuring community facilities are future-fit and appropriately managed;
4. Earthquake-prone Buildings – Reducing the people-risk from Council-owned buildings and providing leadership/support for owners of earthquake-prone buildings;
5. Communication, Engagement and Collaboration – Ensuring communities are well informed and engaged in decision-making, and productive partnerships are established/maintained;
6. Rates Level, Affordability and Value – Ensuring rate levels are prudent, and value to ratepayers is demonstrated.

Progress towards these priorities is demonstrated by:

- Investment in our town centres, with the construction of the Bulls Community Centre well advanced, and design concepts for a Marton Civic Centre and a Taihape amenity facility being developed.
- A commitment to build new amenity facilities in our towns.
- Partnerships with community groups across the District for the development of new/upgraded facilities, such as skate parks, playgrounds, halls, parks/reserves and public spaces.
- Building strong relationships/partnerships with Iwi, who have similar aspirations for thriving communities.
- A commitment to shift to a land-based system for wastewater disposal for Marton, Bulls and Rātana.
- An increased focus on providing good quality, safe drinking water.
- Maintaining investment in our roading network.
- Working with businesses and developers to support growth, and seeking Government assistance for projects that improve economic wellbeing for our District.
- Increased community engagement, including with youth.

We have a strong desire to continually improve what we do and how we do it. While there is still more to do – we can have confidence that we are on the right path. Last year we were awarded for the first time, a BB rating through the CouncilMARK™ local government excellence programme. This external and independent assessment of our progress to date and our priorities for the future gives us assurance and our community confidence that we are on the right path.

Despite our progress, we do face some significant challenges in the years ahead that will require strong leadership across the community. Our focus needs to remain on balancing our aspirations, with delivering value for money and effective services for residents, all the while responding to some of the District's most challenging issues – such as affordability of essential infrastructure, addressing earthquake-prone buildings, building community resilience, growing jobs, and ensuring the wellbeing and prosperity of our community. 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 the other councils in our region on projects, services and sharing expertise remains a key part of our desire to deliver value.

Community engagement and 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.

I feel privileged in my role, not only to serve our community, but to be part of a group of passionate and dedicated people, working constructively and collectively with our elected members and community for a thriving Rangitikei.

Key Dates In The Election Process

Te Wātaka Pōti

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.



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 election, or if you have an interest in standing, please visit our website: <https://www.rangitikei.govt.nz/council/elections>.

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 prospective financial data and schedule of major projects are drawn from the information in the current Annual Plan (2019/20) and Long Term Plan (2018-28) and reflects the policy and service delivery decisions of the current Council (elected for the 2016-19 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.

Audit Information

Ngā pārongo arotake

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

- The 2017/18 retrospective financial data has been audited as it has been taken directly from the relevant Annual Report.
- The next three years' (2020/21 – 2022/23) prospective financial data is from the Long-Term Plan 2018-2028, and was audited when these documents were prepared.

The retrospective financial information from the 2018/19 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 2018-28.

Additional Information

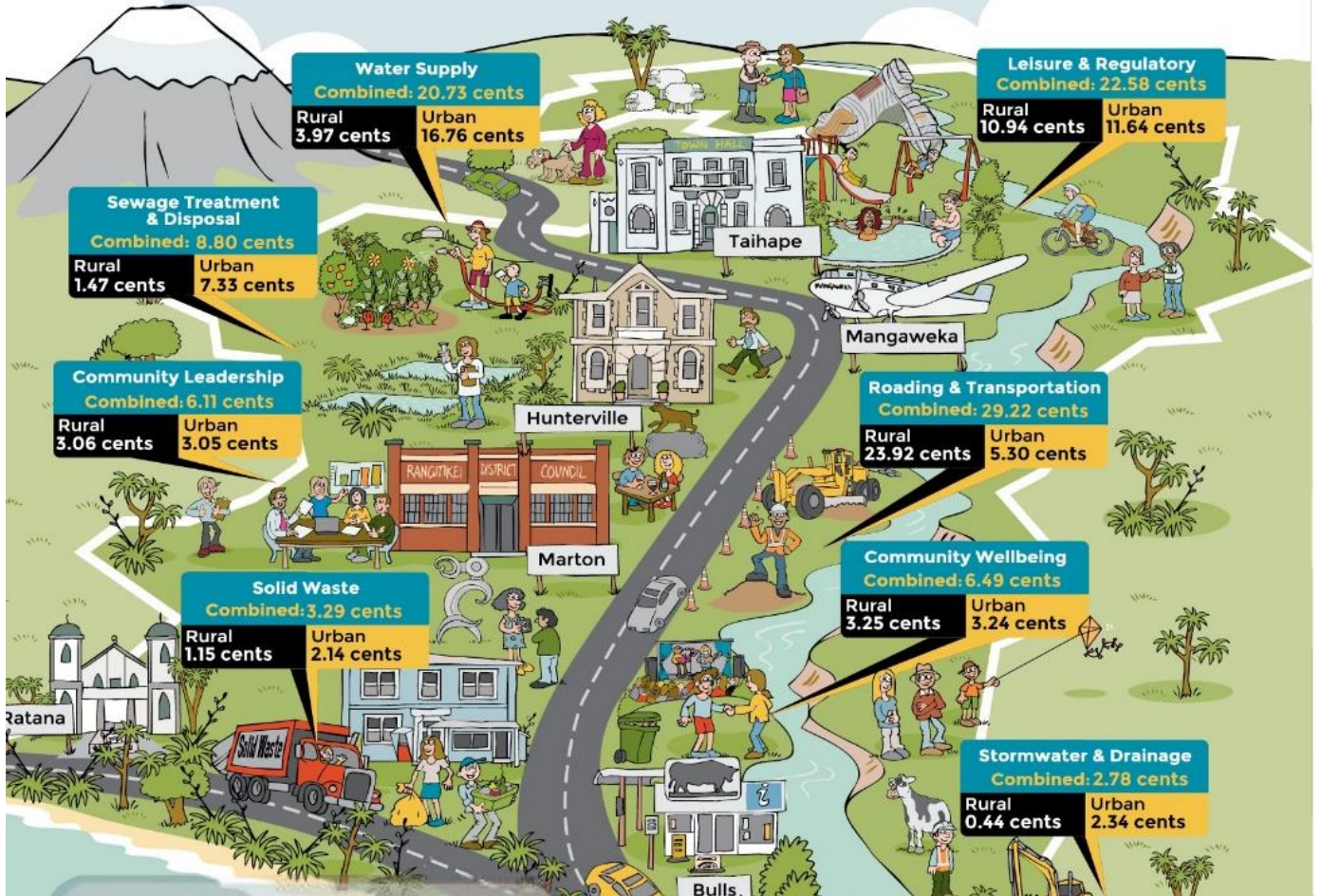
Ngā pārongo tāpiri

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 please visit our website at www.rangitikei.govt.nz to find copies of the following documents:

- Long Term Plan 2018-28
- Annual Plan 2019-20
- Annual Reports 2016/17 and 2017/18

Council Activities in the Rangitikei District

All the facilities and services we enjoy in the Rangitikei District are provided for by the rates and charges that you pay.



Making a Dollar Go Round



Leisure & Regulatory includes:
Cemeteries, Community Housing, Domains, Forestry Investments, Halls, Libraries, Public Toilets, Real Estate, Swim Centres, Building Consents and Dog Control

Community Leadership includes:
Council, Council Committees, Elections, Ratana Community Board, Taihape Community Board

Community Wellbeing includes:
Civil Defence, Community Awards, District Promotions, Information Centres, Rural Fire

- Every dollar you provide in rates and charges is divided over the cost of the services and facilities that Council provides. Specific targeted rates and user charges are divided in a way that makes our rating system as equitable as possible.
- In Rangitikei District urban ratepayers provide 50.52% of the rates money used for district services and facilities and rural ratepayers provide 49.48%. This means that urban and rural ratepayers share the costs of the district's facilities and services almost equally.

Major Projects Facing Council

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

The 2018/28 Long Term Plan shows major projects in detail. Modifications to this were made for the 2019/20 financial year as part of the annual plan adopted on 27 June 2019. The following table provides an updated list of major projects.

RENEWALS	BRIEF DESCRIPTION	FUNDING SOURCE	2020	2021	2022	2023
			Annual plan \$000	Long-term plan* \$000	Long-term plan* \$000	Long-term plan* \$000
Replacement of bridges and structures	Programmed renewals	Subsidy/reserves/rates	4,681	754	1,387	1,416
Sealed road surfacing	Programmed renewals	Subsidy/reserves/rates	1,480	1,449	1,478	1,509
Pavement rehabilitation	Programmed renewals	Subsidy/reserves/rates	1,106	1,027	1,047	1,069
Road Improvements	Programmed renewals	Subsidy/reserves/rates	1,084	801	641	655
Wastewater – Marton, Bulls and Rātana	Treatment and reticulation	Reserves/debt	2,765	7,158	2,612	2,444
Taihape water	Treatment and reticulation	Reserves/debt	965	1,000	753	385
Bulls water	Treatment and reticulation	Reserves/debt	1,361	-	321	330
Marton water	Treatment and reticulation	Reserves/debt	1,480	444	1,196	-
Urban stormwater	Treatment and reticulation	Reserves/debt	668	365	855	526
IMPROVED SERVICE LEVELS						
Taihape Memorial Park	Amenities and community facility	Reserves/contributions/debt	1,200	-	-	-
Huntermville Urban water	Treatment and reticulation	Reserves/grants/debt	411	-	-	-
GROWTH						
Bulls	New community centre	Reserves/contributions/debt	3,527	-	-	-
Marton	New civic centre	Grants/reserves/debt	255	3,656	8,798	-
Kerbside rubbish and recycling	New service	Debt	-	593	-	-

* Long-term plan has been updated for forecast changes, carry-forwards and price level changes as a result of the 2019/20 annual plan process.

Council Finances

Te pūtea-ā-te-Kaunihera

Statement of Cash Flows Tauākī kapewhiti	2017	2018	2019	2020	2021	2022	2023
	Annual	Annual	Long-term	Annual	Long-term	Long-term	Long-term
	report	report	plan	plan	plan	plan	plan
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities							
Receipts from rates revenue	20,012	20,497	21,676	22,463	24,106	25,468	26,646
Receipts from other revenue	14,113	12,280	11,730	15,719	10,146	10,624	10,875
Interest received	253	217	220	225	230	235	240
Dividends received	-	-	-	-	-	-	-
Payments to suppliers and employees	(20,846)	(22,134)	(21,352)	(22,113)	(23,008)	(23,508)	(24,145)
Interest paid	-	(1)	(8)	(117)	(818)	(1,137)	(1,614)
Goods and services tax (net)	109	(297)	-	-	-	-	-
Net cash inflows (outflows) from operating activities	13,641	10,562	12,266	16,177	10,656	11,682	12,002
Cash flows from investing activities							
Receipts from sale of property, plant and equipment	99	665	50	-	-	-	-
Receipts from sale of investments	-	2,540	714	1,221	233	90	266
Acquisition of investments	-	(2,000)	-	-	-	-	-
Purchases of property, plant and equipment	(13,373)	(12,831)	(28,245)	(30,410)	(17,163)	(20,975)	(15,004)
Purchases of intangible assets	-	-	-	-	-	-	-
Net cash inflows (outflows) from investing activities	(13,274)	(11,626)	(27,481)	(29,189)	(16,930)	(20,885)	(14,738)
Cash flows from financing activities							
Proceeds from borrowings	-	-	10,215	13,011	6,274	9,203	2,737
Repayment of borrowings	(16)	(16)	-	-	-	-	-
Net cash inflows (outflows) from financing activities	(16)	(16)	10,215	13,011	6,274	9,203	2,737
Net increase (decrease) in cash, and cash equivalents	352	(1,080)	(5,000)	(1)	-	-	1
Cash and cash equivalents at the beginning of the year*	6,605	6,957	9,503	6,781	4,503	4,503	4,503
Cash and cash equivalents at the end of the year	6,957	5,877	4,503	6,780	4,503	4,503	4,504

* Opening cash does not equal closing cash from the previous year in 2019, 2020 and 2021 due to timing differences from when parts of this information were prepared.

Funding Impact Statement	2017	2018	2019	2020	2021	2022	2023
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	7,043	6,566	7,006	7,345	6,987	7,633	8,789
Targeted rates	14,231	15,108	14,670	15,186	17,188	17,906	17,932
Subsidies and grants for operating purposes	7,253	5,361	3,579	3,486	3,738	3,823	3,914
Fees, charges, and targeted rates for water supply	2,295	2,465	1,922	2,339	2,005	2,048	2,095
Interest and dividends from investments	253	217	220	225	230	235	240
Local authorities fuel tax, fines, infringement fees, and other receipts	533	308	467	466	488	499	510
Total operating funding	31,608	30,025	27,864	29,047	30,636	32,144	33,480
Applications of operating funding							
Payment to staff and suppliers	20,855	21,888	21,352	22,181	23,077	23,578	24,222
Finance costs	-	1	8	117	818	1,137	1,614
Other operating funding applications	-	-	-	-	-	-	-
Total applications of operating funding	20,855	21,889	21,360	22,298	23,895	24,715	25,836
Surplus (deficit) of operating funding	10,753	8,136	6,504	6,749	6,741	7,429	7,644
Sources of capital funding							
Subsidies and grants for capital expenditure	4,106	3,779	5,762	9,428	3,915	4,254	4,356
Development and financial contributions	-	-	-	-	-	-	-
Increase (decrease) in debt	(16)	(16)	10,215	13,011	6,274	9,203	2,737
Gross proceeds from sale of assets	(99)	666	714	1,221	233	90	266
Lump sum contributions	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-
Total sources of capital funding	3,991	4,429	16,691	23,660	10,422	13,547	7,359
Application of capital funding							
Capital expenditure**							
- to meet additional demand	-	-	3,842	4,714	4,046	8,772	-
- to improve the level of service	2,521	1,308	2,081	4,631	1,771	1,449	1,483
- to replace existing assets	11,080	11,437	22,322	21,064	11,346	10,754	13,521
Increase (decrease) in reserves	1,215	2,548	-	-	-	-	-
Increase (decrease) in investments	(72)	(2,728)	(5,050)	-	-	-	-
Total applications of capital funding	14,744	12,565	23,195	30,409	17,163	20,975	15,004
Surplus (deficit) of capital funding	(10,753)	(8,136)	(6,504)	(6,749)	(6,741)	(7,428)	(7,645)
Funding balance	-	-	-	-	-	1	(1)
Note: Depreciation expense not included above	10,710	10,677	10,677	10,783	11,457	11,554	11,680

Statement of Financial Position Pārongo pūtea	2017 Annual report \$000	2018 Annual report \$000	2019 Long-term plan \$000	2020 Annual plan \$000	2021 Long-term plan \$000	2022 Long-term plan \$000	2023 Long-term plan \$000
Assets							
Current Assets							
Cash and cash equivalents	6,957	5,877	4,503	6,781	4,503	4,503	4,503
Debtors and other receivables	3,447	3,315	3,068	3,382	3,204	3,275	3,350
Prepayments	65	96	65	97	65	65	65
Other financial assets	1,540	2,000	-	-	-	-	-
Non-current assets held for sale	-	-	-	-	-	-	-
Total current assets	12,009	11,288	7,636	10,260	7,772	7,843	7,918
Non-current assets							
Plant, property and equipment	484,698	486,618	510,306	536,461	552,093	561,424	591,939
Intangible assets	105	110	80	111	80	80	80
Forestry assets	244	53	194	53	92	92	92
Other financial assets	1,076	100	70	100	70	70	70
Total non-current assets	486,123	486,881	510,650	536,725	552,335	561,666	592,181
Total assets	498,132	498,169	518,286	546,985	560,107	569,509	600,099
Liabilities							
Current Liabilities							
Creditors and other payables	4,460	3,628	4,779	4,397	4,915	4,986	5,060
Employee entitlements	429	472	446	342	446	446	446
Income in advance	535	682	68	112	68	68	68
Borrowings	16	16	395	16	395	395	395
Total current liabilities	5,440	4,798	5,688	4,867	5,824	5,895	5,969
Non-current liabilities							
Employee entitlements	16	6	13	6	13	13	13
Provisions	297	276	297	276	297	297	297
Borrowings	144	128	10,359	16,140	23,579	32,781	35,518
Total non-current liabilities	457	410	10,669	16,422	23,889	33,091	35,828
Total liabilities	5,897	5,208	16,357	21,289	29,713	38,986	41,797
Net Assets	492,235	492,961	501,929	525,696	530,394	530,523	558,302
Equity							
Accumulated funds	442,164	432,501	445,915	450,145	448,025	448,154	448,475
Special and restricted reserves	4,850	5,099	9,371	4,257	9,371	9,371	9,371
Other reserves	45,221	31,529	46,643	71,294	72,998	72,998	100,456
Total equity	492,235	469,129	501,929	525,696	530,394	530,523	558,302

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	2015/16 annual report compliance	2016/17 annual report compliance	2017/18 annual report compliance	2018/19 long term plan (year 1)
Rates	Long-term plan quantified limit on rates increases of 4.24% in 2015/16, 4.45% in 2016/17, 4.53% in 2017/18 and 4.61% in 2018/19.	3.2% (achieved)	2.56% (achieved)	1.56% (achieved)	4.23% (achieved)
Rates increases	Annual rate increases to be held between 0% and 10% (excluding inflation).	Increase within limit	Increase within limit	Increase within limit	Increase within limit
Debt affordability	Interest expense on net external debt will not exceed 15% of total rates income.	Achieved No secured debt	Achieved No secured debt	Achieved No secured debt	Achieved (0%)
	The ratio of net external debt to annual rates income will not exceed 150%.	Achieved No secured debt	Achieved No secured debt	Achieved No secured debt	Achieved (47.9%)
	Net external debt per capita will not exceed \$2,500 for the 10 years of the LTP	Achieved No secured debt	Achieved No secured debt	Achieved No secured debt	Achieved \$701 net external debt per capita
Financial investments	Investments must yield return greater than borrowing rate.	Not applicable No secured debt	Not applicable No secured debt	Not applicable No secured debt	-
Property and equity investments	No limits set for property or equity investments as both are held for strategic purposes only.	Not applicable	Not applicable	Not applicable	Not applicable
Debt Servicing Benchmark	Planned borrowing costs are equal or less than 10% of planned revenue.	Achieved 0%	Achieved 0%	Achieved 0%	Achieved 0.2%

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RANGITĪKEI
DISTRICT COUNCIL
Making this place home.