



Economic Sustainability

This group of activities contains the significant activities of:

- **Land Transport**
- **Water Supply**

Economic Sustainability

Why Council Provides This Group of Activities

The Economic Sustainability group of activities contains the activities of Land Transport, and Water Supply. These activities share the commonality of adding to the economic health and well-being of the District. This group of activities targets Community Outcomes more closely associated with economic sustainability. These activities are outlined individually in the following sections of the Future Ruapehu Long Term Plan 2006-16 (LTP 2006-16).

Land Transport and Water Supply provide infrastructural assets that are necessary for the continued growth of the economy. The Land Transport activity is grouped under the Economic Sustainability group of activities, as without an efficient roading network the produce of the farming community could not be transported out of the District, visitors and tourists could not visit the District and retailers would have no way of replenishing stock that is sold to customers.

The Water Supply activity is grouped under the Economic Sustainability group of activities, as a safe and sustainable source of water is necessary for economic growth.

Without good quality roading and a reliable and safe drinking water supply, the economy in the District could not grow and prosper. However it should be noted that these activities may also have environmental and social impacts.

Council's long-term focus is to assist communities in the development and management of their own futures while ensuring the health, safety and amenity needs of the community are met. The

Economic Sustainability group of activities reflects Council's statutory obligations to provide physical infrastructure.

The reasons why Council undertakes the activity, any negative effects of the activity and the mitigation of those effects are outlined under each activity section.

How is This Group of Activities undertaken?

Operations and Maintenance

Various Council contractors undertake general maintenance required by the Land Transport and Water Services activities. The respective Activity Managers establish the programme of work and operational levels of service that are included in the maintenance contracts.

The operational costs of this group of activities (including maintenance budgets) are recovered through rates, subsidies and user fees and charges. Council's Revenue and Financing Policy provides information on the methods Council has chosen to fund each activity that makes up this group.

Assets

Economic Sustainability assets are those directly associated with the provision of each individual activity that makes up this group. For example the provision of drinking water requires pipe work and treatment plant infrastructure. To ensure the provision of adequate and appropriate assets, an Asset Management Plan (AMP) is developed by Council for each activity. The following AMPs directly relate to Economic Sustainability activities:

- Land Transport AMP
- Water Supply AMP

Information on the assets and detailed levels of service relating to those assets are available in the respective AMP.

Asset Management

Changes in demand or consumption of a service can have significant implications for Council assets. Community or legislative demands for higher levels of service from assets has much the same effect. Council assesses and manages changes in these areas in the following ways:

- In 2005 Council undertook a desktop review of past consultations to formulate Levels of Services for the LTP 2006–16. The results of this review have been considered when developing the AMP so that Council's assets and services are managed in such a way that the required level of service can be delivered.
- Usage patterns for some services (including average and peak use) are monitored. This data is used for forecasting future demand and is assessed against current asset capacity. If changes to the management of Council's assets are needed to provide for additional demand or consumption, changes are reflected in the relevant AMP.
- Council operates a customer service request and complaint system. This system allows Council to assess which assets are causing the most concern to their users.

AMPs and Levels of Service will be reviewed on a three yearly basis as part of the overall strategic planning of Council Activities.

Asset Development

All asset development projects identified in this activity group are funded through rates loans, Development or Financial Contributions or by subsidies. Further information is outlined where appropriate under each separate activity.

Contractors undertake renewal of assets with all major work subject to competitive tendering. Consultant engineers and Council staff monitor standards of work.

There are a number of renewals associated with this group of activities. Details of projects contained within the renewals budgets are available from the respective AMP.

Additional Asset Capacity

The District has a relatively stable usually resident population, although economic and visitor growth is expected in National Park Taumarunui and Ohakune and surrounding areas. Demand for services and additional asset capacity is discussed in the relevant AMP.

The majority of Council's asset development programme is in response to the need for higher Level of Service.

A summary of capital projects, major operational projects, and their timing is provided in each activity section.

Levels of Service

Council's performance targets and measures are set at the activity level and are included in separate activity sections of this LTP. These targets and measures allow the community to monitor the performance of Council in achieving the agreed Levels of Service.

Estimated Expenses for Each Group of Activities

Details of the asset development and ongoing operational budgets associated with the groups of assets are outlined under the respective activities.

The summarised financial information relating to the expenses of achieving and maintaining the identified Level of Service, and operational budgets, is outlined in each activity section.

Further information on the assumptions that this activity is based on is located in the prospective financial statements and planning assumptions section in Part Three.

Key Challenges

Council is faced with a number of significant challenges in the provision of the Economic Sustainability activities in the future:

1 Asset Condition and Funding

Land Transport and Water Supply systems represent essential community infrastructure to ensure that the districts economy remains sustainable. A key challenge for Council is to ensure that the District can continue to sustain and provide this essential infrastructure at an affordable level, given the small funding base.

- (a) Land Transport funding represents a significant portion of Council's overall funding requirement. This level of investment is important to ensure that transport systems are maintained at a safe and effective level. With the enactment of the Land Transport Management Act 2003, rural councils such as Ruapehu may find it more difficult to advocate for roading projects with Land Transport New Zealand. This is because other "transport" priorities (such as public transport, cycle and walkways etc) have been added as funding priorities alongside road infrastructure to compete for the same funding pool. The review of "Special Purpose Roads" as a category has made the business cases for upgrading of tourist routes such as the Raetihi Pipiriki and Oio Roads more uncertain.
- (b) Council is also facing future demand issues around the possibility of the resumption of Coal Mining near Ohura and significant forests in the District that will be harvested over the next 10-15 years. These issues will result in more truck movements on the District roads and this major impact will need to be planned for.
- (c) The Water Supply asset's condition is regularly monitored. Council is signalling that there is increasing work to be undertaken on most supplies (such as Ohakune and Raetihi) in the next 10 years to replace pipes and components. These works are outlined in the Water Supply section of this LTP. Council is also signalling that it needs to upgrade water supplies to target compliance with Ministry of

Health Guidelines stated in the Drinking water standards for New Zealand 2005.

Council must consider wider community well-being and community affordability by assessing the needs of critical infrastructure such as roads and water supplies against other demands competing for funding. With the ageing of Council's infrastructure these types of community choices will increasingly need to be made in urban areas.

Council will need to be prepared to respond quickly and in an informed manner to other funding opportunities as they arise. A good example of this type of funding is the Drinking Water Assistance Programme.

There are a number of legislative changes emerging in the area of water supply, which Council will need to respond to. Council has no choice but to implement these changes. Council maintains a strong advocacy role in submitting on issues from the Community perspective on these legislative proposals.

2 Stakeholders

It is becoming increasingly clear through recent changes in legislation that to achieve central government funding in a number of areas, issues should be addressed by way of regional approach. The current trend towards requiring regionally integrated planning of activities such as civil defence, passenger transport, environmental issues and land transport projects are evidence of this. This is especially important in regards to the funding of land transport projects.

Funding for the Land Transport activity is highly dependent on both central government and regional council policy. Council continuously monitors changes in policy direction from these stakeholders and advocates for the needs of the Community. Council is committed to working with Horizons Regional Council to develop a strategic direction for the Region's land transport network and to ensure that the needs of the District are advocated.

3 Tourism

Tourism creates economic opportunities but at the same time poses many issues for Council activities. Tourism in the District is seasonal. This has the impact of sharply increasing demand for services for a relatively short period.

4 Resource Allocation

Economic Sustainability involves the allocation of resources towards activities and outcomes that often do not bring instant results. It involves developing medium to long-term plans that take into consideration a "whole of district" approach and implementing those plans using a "whole of council" approach. This ensures that the delivery of economic sustainability outcomes align with the Ruapehu Community Outcomes Report 2005, and with Council's capacity to deliver at its current resourcing level. More resources would be needed to be able to deliver the range of desired outcomes and to ensure that initiatives are built on a strong foundation so that economic sustainability outcomes are achievable in the short term, and are sustainable over the longer term.

5 Iwi Representation and Involvement

Given that close to 40% of the District's population is Maori, it is critical that a high level of effective consultation and communication is achieved with Maori leaders. This consultation process of determining future communication protocols was initiated with Maori in 2004. Accordingly, Economic Sustainability initiatives need to be developed in close consultation with Maori leaders and Iwi organisations.

The Strategic Goals contained in this LTP recognise the importance of Maori involvement in the decision making process. For example Maori views and wishes are taken into account when applying for resource consents for water extraction from rivers for to provide drinking water and the removal of gravel from riverbeds for various roading projects.

Land Transport

Introduction

The Land Transport activity involves the maintenance and development of roads, kerbs and channels, bridges, street lighting, footpaths and street furniture for all of the Ruapehu District with the exception of the State Highways, which are managed by Transit New Zealand (Transit). Council maintains its roads under contract to a standard that provides safe and comfortable driving within the limitations of available funding.

The District road network consists of over 457 km of sealed roads, 880 km of unsealed road and 336 bridges. Ruapehu District has over 65 km of footpaths, mostly concrete, and 1,556 streetlights, 87% of which are modern mercury vapour and high-pressure sodium lights.

Rationale for Delivery

Council provides the Land Transport activity in order to provide a road and pedestrian infrastructure that allows for the safe, reliable, efficient and effective movement of vehicles and people. Roads are essential infrastructure for community and economic development and were confirmed by Council's Future Ruapehu Community Outcomes Report 2005 consultation as essential to Ruapehu District's development.

Negative Effects and Mitigation

Negative Effects	Mitigation
<p>There are significant negative effects associated with the provision of a roads service including landscape amenity values, increased erosion, stormwater runoff, noise, dust, vehicle emissions, and traffic safety.</p>	<ul style="list-style-type: none"> • Council mitigates many of these effects through the provisions in its maintenance and improvement contracts. Council also supports this approach by inspections of road conditions, regular reporting by its contractor, audits of contractor performance and responding to public notification of road condition problems. • Council aims to achieve dust suppression by the use of appropriate maintenance aggregates and seal extension. • Council's Land Transport Bylaw and Policy supports the protection of its road network by regulating the behaviour of people who impact on road conditions.

Additional Asset Capacity

Council undertakes annual seal smoothing (usually by way of area wide pavement treatment) and seal extension programmes. These programmes aim to provide a higher level of service for road users.

- (a) The seal-smoothing programme improves the comfort of travellers by improving the smoothness of their ride.

(b) The seal extension programme increases the percentage of the road network that is sealed; this is considered a higher Level of Service. Subject to the availability of funding, Council undertakes seal extensions to:

- Seal roads identified as essential to the District's sustainable economic development.
- Incrementally increase the Level of Service of lower grades of District roads that are experiencing increasing traffic volumes.
- Alleviate dust problems.

Council is currently investigating, and will possibly undertake, upgrades to several tourist routes in the District. In addition to being important to motivate economic development, the safety of motorists using these roads needs to be planned for. Ohakune Mountain Road is one such road. Passing lanes were constructed in 2003-04 and an additional lane is proposed in 2006-07. Works to reduce the risk of instability of a section of the road, to increase sun exposure with the intention to prevent icing, improving bends with poor accident history and replacing an existing one lane bridge with a two lane bridge are planned.

Privately Funded Roads

Council has introduced the concept of privately funded roads through the Land Transport Policy. This policy allows for individuals or groups to have an identified road or section of a road improved if that individual or group is willing to fund all or in some cases part of the construction costs. The adoption of this policy framework could potentially increase the Land Transport expenditure if Council partners with private groups to provide a higher Level of Service for specific roading assets. For works of a minor nature Council may

incorporate the cost into its current budget, for large or significant projects Council may incorporate the project into its Annual Planning or Long Term Planning Framework.

Waiouru Main Street

Council is investing in a project to develop a concept plan for the Waiouru Mainstreet. This project would not be large at this point in time but it is important that the Community begins to develop a vision of how the Waiouru Central Business District (CBD) will look and feel like in the future. This is particularly important at this time as Council is planning to embark on a full review of the Ruapehu District Plan. The Waiouru community needs to have the ability to plan how the CBD will look before making suggestions as to where, how and why the Ruapehu District Plan may be able regulate growth and development in support of the Community's vision for the CBD.

Raetihi Pipiriki Road

Council currently has an application to Land Transport New Zealand (LTNZ) for the upgrade of the Raetihi Pipiriki Road and for safety improvements for Dobbs Bluff and to Oio Road. The Bridge inspection programme has indicated that maintenance needs to be given increased attention and the remaining bridges will be inspected in 2006-07.

Future Strategic Issues

Pastoral farming is expected to remain the main demand generator for the District's roading network. However, the following factors are likely to have significant impacts:

- 1 Larger vehicles will put more stress on the rural roading network.
- 2 Coal mining in Ohura has the potential to cause substantial stress on particular roads. This may lead to the need to look at rail as an alternative mode of transport.
- 3 Forestry will have a major impact on roads throughout the District towards the end of the planning period, but the impact will need to be assessed and financial provisions put in place as soon as possible. It is estimated that there are in excess of 36,500 ha of forestry in the District that would yield 24 million tonnes of logs and will generate one million logging truck movements in each direction.
- 4 Recent bridge inspections have indicated some bridge deterioration, which will need to be addressed and reversed.
- 5 The need for Area Wide Pavement Treatment as a least cost maintenance option is expected to increase as roads progressively reach the end of their economic life, and the increased use of heavy vehicles increases as outlined above.
- 6 The demand for seal extension will remain high for the purposes of:
 - (a) Development of the strategic network, particularly on the Okahukura Saddle and Waitaanga Roads (part of what is often referred to as Route 40 linking State Highway 3 and State Highway 4 via Ohura).
 - (b) Development of tourist routes, particularly Raetihi Pipiriki Road servicing rural-residential areas for amenity and health reasons (dust and vehicle control).
- (c) Sealing rural roads for economic reasons, i.e. Benefit Cost <1.5.
- 7 The need for safety, stability and capacity improvements on the Ohakune Mountain Road resulting from increased patronage of the Turoa Skifield, the increased use of 40-seater buses, and some sections of the road which may require stabilisation, e.g. Arête Ridge.
- 8 Increased demand for footpath and kerb and channel extension in Ohakune, National Park, and to a lesser extent Raetihi and Rangataua, as a result of development of the townships due to tourism.

What Council Wants to Achieve

The Land Transport activity targets the following Strategic Goals.

- All maintained District roads provide reliable and well-maintained all weather travel that meets the needs of users.
- The Land Transport network enables residents and visitors to travel around the District while providing for the safety of its user network and for the safety of its users.
- Changing traffic patterns are monitored and taken into consideration when preparing annual roading programmes.

The following pages outline how Council will action the Strategic Goals for Land Transport in order to give effect to the Community Outcomes.

The tables contained in this section show the relationships between the Strategic Goals, Community Outcomes, Level of Service, and Key Performance Indicators. Key Performance Indicators show how

Future Ruapehu Long Term Plan 2006-16

Council will measure its performance against the Level of Service. The Key Performance Indicators have targets for the next ten years.

How Council will Keep Track of Progress

* Unless otherwise noted, the targets for the years 2009/10 to 2011/12 and 2012/13 to 2015/16 are per annum

Strategic Goal One		Community Outcomes				
All District roads provide continuous all weather travel.		4, 10, 12, 18, 20, 23, 31, 37				
Level of Service	Key Performance Indicators	Triennial Targets for Key Performance Indicators				
		2006/07	2007/08	2008/09	2009/10 to 2011/12	2012/13 to 2015/16
Roads are managed to an acceptable level.	Programmed Maintenance Works are completed on time.	85%	85%	85%	90%	90%
	The levels of service agreed to be delivered by contractors are met.	85%	85%	85%	90%	90%
	Percentage of respondents who are satisfied or very satisfied with the overall conditions of roads.	50%	55%	60%	60%	60%
Programmed improvement works are completed.	Programmed improvement works are completed on time.	85%	85%	85%	90%	90%
The level of smoothness of District Roads is acceptable to the users.	Percentage of respondents satisfied or very satisfied with service.	70%	75%	80%	85%	85%

How Strategic Goal One is Translated into Action

The road network of the District contains both sealed and unsealed roads. It services both urban centres and rural farm blocks. It is

important that Ruapehu residents and businesses that rely on the maintained road network have all weather access.

Council's Strategic Goal is to ensure that this is the case. Council operates a number of programmes aimed at ensuring the land transport network remains open to traffic at all times.

Strategic Goal Two		Community Outcomes				
The Land Transport activity provides for the safety of its users.		4, 10, 12,18, 20,23, 31, 37				
Level of Service	Key Performance Indicators	Triennial Targets for Key Performance Indicators				
		2006/07	2007/08	2008/09	2009/10 to 2011/12	2012/13 to 2015/16
Council maintains an active membership on the Regional Roadsafe Central Sub-Committee to ensure safety education is delivered to the Ruapehu area.	A Council representative attends the Road Safe Central Sub-Committee meetings.	90%	90%	90%	90%	90%
Council will identify areas of risk that require remediation after a crash has occurred.	The sites of all reported fatal and serious accidents are inspected and a report prepared on possible remedial action.	90%	90%	90%	95%	100%
The safety of District Roads is acceptable to users.	Number of reported fatal accidents.	< 6	< 5	< 5	< 4	< 4

How Strategic Goal Two is Translated into Action

The safety of the Ruapehu Community and its visitors is of utmost importance to Council. Each year Council allocates a sum of money to undertake safety improvement projects.

Council's process for identifying Minor Safety Work projects will be identified and consulted on as part of the Land Transport Programme annually. This provides the community with the opportunity to comment on these works and suggest other projects that they feel will improve the safety of the District's Land Transport network. Public transport safety education is undertaken through the Regional Road Safety Co-ordinator.

Council will work with this Co-ordinator to ensure that the safety of travellers in the Ruapehu District is advanced.

Land Transport New Zealand (LTNZ) is responsible for the preparation of national road safety strategies and priorities. LTNZ prepares annual reports highlighting road safety issues in each District. The most recent update for the Ruapehu District was released in July 2005. This report identified the following road safety priorities.

- Speed
- Loss of Control
- Road or Environmental Factors

Council will continue to work with LTNZ, the New Zealand Police and other stakeholders in addressing these road safety priorities.

Strategic Goal Three			Community Outcomes			
Changing traffic patterns are monitored and taken into consideration when preparing annual District Land Transport programmes.			4, 10, 12,18, 20,23, 31, 37			
Level of Service	Key Performance Indicators	Triennial Targets for Key Performance Indicators				
		2006/07	2007/08	2008/09	2009/10 to 2011/12	2012/13 to 2015/16
Traffic monitoring is undertaken to determine development and increased demand.	The number of times that traffic monitoring is undertaken per year for the duration of one week.	90	90	90	95	100

How Strategic Goal Three is Translated into Action

Council is expected to work closely with Horizons Regional Council in the area of Land Transport. Funding has been made available for regional priorities.

Areas that will benefit from this approach include:

- Infrastructure to support and grow economic development.
- Funding to increase the capacity of rural roads so that land may be better utilised for forestry or agriculture activities.
- Planning for and addressing the needs and negative effects of growing tourist numbers.

Council will take up any opportunity to work with Horizons Regional Council in planning for these issues and other issues of regional significance.

Whilst Council aims to promote Land Transport priorities, central government through the New Zealand Transport Strategy (NZTS) has developed national transport objectives including:

Assisting Economic Development: This includes identifying and funding the priorities of congestion, public transport, walking and cycling, regional development, alternatives to roads and safety.

Assisting Safety and Personal Security: Government introduced the Road Safety 2010 Strategy in 2003. Road safety includes improving quality of life through promotion of walking and cycling, public transport, strengthening current commitments to road safety education and enforcement of the Road Code.

Improving Access and Mobility: This includes increased funding for public transport and alternatives to roads.

Protecting and Promoting Public Health: Through increasing funding for walking and cycling initiatives, improving fuel specifications, and placing greater emphasis on social and environmental responsibility in transport planning and funding.

Ensuring Environmental Sustainability: Including increased funding for alternatives to roads, and the implementation of the Vehicle Fleet Emission Control Strategy.

Council does not intend extending the District's road network. Instead Council's priority will be to raise the Level of Service that is provided by the existing network. Council operates several programmes that assist in raising the Level of Service of the network including:

- Seal extension programme
- Bridge renewal programme
- Seal widening programme
- Minor Safety project programmes
- Footpath development
- Kerb and channel development
- Bus shelters

Commentary – Major Capital Works and Projects 2006-16

Okahukura Saddle Road Year 2006/07 to 2009/10	Total costs \$1,552,000
The Okahukura Saddle Road is an important east-west link for Taumarunui, Ohura and New Plymouth. Improvements and seal extensions are planned for this route. This project is stated to be undertaken between 2005-2011, and will improve the level of service for this route. This project attracts a 72% Land Transport New Zealand subsidy.	

Dobbs Bluff Year 2006/07 to 2007/08	Total costs \$2,890,000
Dobbs Bluff is situated on Oio Road, an important access route to the Whanganui River. The Bluff has been the scene of accidents in the past and has an ongoing problem of dangerous rock falls. Council intends to create a stable face on this section of Oio Road. This project is stated to be undertaken in 2006/07 – 2007/08. The improvement will increase the Level of Service for this road, as well as improving the safety of the road. This project attracts a 72% Land Transport New Zealand subsidy.	

Project JAAZ Year 2006/07 to 2015/16	Total costs \$157,000
<p>On 10 December 2004 Council received a deputation from Ohakune 2000, a community organisation committed to promoting and developing Ohakune, which outlined their plans for the redevelopment of the Ohakune Junction area (Project JAAZ). Council's involvement in this project will consist of co-operating with various local initiatives and projects in the road reserve and aligning Council's own redevelopment and maintenance works with Project JAAZ.</p> <p>Work funded and carried out by Ohakune 2000, and overseen by Council, will include work associated with the walkway bridge over the Mangawhero River and the work associated with the Old Coach Road; both of which have already commenced.</p> <p>Work that will be carried out entirely by Council includes the redevelopment of the road reserve between the railway line and Thames Street. A Project Liaison Group has been set up to progress the detail of this work. The planning for this work was completed in the 2005/06 year. The redevelopment work will be spread over a number of years with Council budgeting \$157,000 in the 2006/07 Financial Year. Council will review its contribution to Project JAAZ as part of the exceptions Annual Plan process.</p>	

Taumarunui Footpaths Year 2006/07 to 2008/09	Total costs \$767,000
<p>Footpaths in the Taumarunui Central Business District are currently not providing the level of service required by the Community and should be redeveloped. This project is a material investment in improving the physical and visual amenity of the Taumarunui Central Business District. The investment in the renewal of the footpaths in the CBD is forecast to be \$200,000 in the 2006/07 year, \$200,000 in 2007/08 and \$300,000 in 2008/09 (excluding inflation).</p>	

Ohakune Mountain Road Capacity and Safety Improvements Year 2006/07 to 2012/13	Total costs \$3,346,000
<p>There are a number of capacity and safety improvements to be made to the Ohakune Mountain Road. These include the widening or replacing of the bridge at the 9km mark, daylight cutting at the 12km mark, improvements at the 7.6km mark, Hairpin and Arête Ridge, and passing lanes at the 3km and the 5km marks. This project is stated to be undertaken between 2006 and 2013, and will increase the Level of Service for this road. The road is seeing a large increase in traffic, including buses, and these improvements are necessary for safety. This project attracts a 75% Land Transport New Zealand subsidy. Council plans to seek funding for major projects from Ruapehu Alpine Lifts prior to commencing any significant works.</p>	

Raetihi Pipiriki Road Year 2006/07 to 2010/11	Total costs \$3,671,500
<p>The Raetihi Pipiriki Road gives access to Pipiriki and the Whanganui River. This road is becoming an important tourist route and the Level of Service needs to be improved to meet the needs of the community and visitors. Council intends to seal the 6.1 km length of the Whanganui River Road within the Ruapehu District and the 16.6 km length of the Raetihi Pipiriki Road that remains unsealed. This project is stated to be undertaken between 2006/07 and 2010/11. This project attracts a 79% Land Transport New Zealand subsidy. Council is planning to lobby Land Transport New Zealand and work in collaboration with other stakeholders with the goal of attracting a higher subsidy rate for this road.</p>	

Cost of Service Statement

2005/06 \$000	Land Transport - Activity Budget	2006/07 \$000	2007/08 \$000	2008/09 \$000	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000
	Operating Cost										
7,092	Road Maintenance	7,148	7,622	7,789	7,933	8,240	8,332	8,408	8,619	8,640	8,660
800	Emergency Works	800	821	840	859	876	893	907	921	933	946
198	Special Purpose Roads	217	222	228	233	237	242	246	249	253	256
94	Kerb and Channel Maintenance	100	129	150	163	161	159	157	153	146	138
383	Footpath Maintenance	380	398	386	372	361	347	333	316	293	271
8,567	Total Operating Cost	8,645	9,192	9,393	9,560	9,875	9,973	10,051	10,258	10,265	10,271
0	Development Contributions	(44)	(45)	(46)	(47)	(49)	(50)	(51)	(52)	(52)	(54)
(6,930)	Land Transport NZ Subsidy	(6,423)	(8,566)	(8,478)	(8,787)	(9,746)	(9,685)	(9,539)	(9,721)	(9,824)	(9,217)
(3,575)	Separate Rate	(4,056)	(4,520)	(4,930)	(5,208)	(5,664)	(5,627)	(5,535)	(5,608)	(5,623)	(5,296)
(1,938)	NET COST OF SERVICE	(1,878)	(3,939)	(4,061)	(4,482)	(5,584)	(5,389)	(5,074)	(5,123)	(5,234)	(4,296)
	Other Funding Requirements										
4,382	Development Expenditure	646	883	892	979	1,140	1,163	1,107	1,125	1,135	991
	Renewal Expenditure	208	475	410	283	294	151	145	193	196	195
	Levels of Service Expenditure	4,664	6,622	6,635	6,454	7,464	7,204	6,861	7,069	7,161	6,275
289	Loan Repayments	315	357	408	460	488	512	530	548	566	585
0	Transfer to Development Contributions	44	45	46	47	49	50	51	52	52	54
2,733	Total Funding Requirement	3,999	4,443	4,330	3,741	3,851	3,691	3,620	3,864	3,876	3,804
	Funded By:										
483	Loans Raised	1,032	1,298	1,286	695	601	448	456	462	468	476
2,250	Depreciation Funds / Other transfers	2,967	3,101	2,999	3,000	3,203	3,206	3,128	3,352	3,358	3,280
0	Transfer from Development Contributions	0	44	45	46	47	37	36	50	50	48
2,733	Total Funding	3,999	4,443	4,330	3,741	3,851	3,691	3,620	3,864	3,876	3,804

NOTES Other transfers refer to movement in equity, reserves and special funds.

Capital Expenditure has been split into three categories, depending on what the need is, i.e. change in Level of Service, growth in the District or renewals

Water Supply

Introduction

The purpose of the Water Supply activity is to supply safe drinking water to the communities of the District. Water supply is essential to run households, maintain public health, and sustain economic development. Council is committed to providing a water supply service that meets the needs of the Community.

Council's water supply service consists of 6 treatment plants, 8 reservoirs, 185 km of pipelines and approximately 4,500 service connections.

Rationale For Delivery

- 1 The Future Ruapehu Community Outcomes Report 2005 consultation highlighted that water supply is perceived by communities to be one of the essential services of Council and should remain Council's responsibility.
- 2 Council is required under the Local Government Act 2002 (LGA 2002) to assess the need and provision of water services, including water supply, (sections 125, 126).
- 3 Council has requirements under the Horizons Regional Council Regional Policy Statement (1998) in regards to quantity of water used.

Council has a requirement under the LGA 2002 to retain its Water Supplies.

Negative Effects and Mitigation

Negative Effects	Reasons for Mitigation
<ul style="list-style-type: none"> • the provision of water supply services inadvertently results in negative environmental and cultural impacts on waterways which are often the source of supply of drinking water. • Council use of waterways has an opportunity cost to others through reducing the amount of water that may be used by others who make use of the river, for example, commercial or industrial businesses and farms. This may have a detrimental economic impact on those businesses. 	<ul style="list-style-type: none"> • Council mitigates these effects by drawing water to an agreed level that meets resource consent conditions. • In addition, Council's contractor has prepared a Health and Safety Risk Assessment to assist Council to prioritise, plan, and implement mitigation measures. This report is available to view at Council Offices.

Additional Asset Capacity

Council is to undertake an asset development programme in the Water Supply activity to ensure that water supplies in the District are upgraded to comply with planned legislative changes. This programme will deliver a higher Level of Service to most communities.

In order to provide this higher Level of Service, upgrades are required to the Taumarunui, Ohura, Raetihi, Owango, Piriaka, and Ohakune water networks, including treatment plant upgrades in

most situations. These upgrades will allow the systems to provide higher quality water to the residents connected to the schemes.

An opportunity presented itself in 2005 that may enable Council to obtain funding from Central Government for the upgrading of the Ohura Water Supply to a fully automated system under the Drinking Water Assistance Programme.

What Council Wants to Achieve

The Water Supply activity targets the following Strategic Goals.

- To provide and maintain an appropriate level of infrastructure in order to deliver the agreed Level of Service.
- The activity utilises current industry best practice in order to protect the environment and ensure the health and safety of the Community.

- The negative effects of the activity on the environment are avoided, remedied or mitigated.
- Cultural values and practices are recognised and taken into consideration and incorporated where possible.

The following pages outline how Council will action the Strategic Goals for Water Supply in order to address the Community Outcomes.

The tables contained in this section show the relationships between the Strategic Goals, Community Outcomes, Level of Service, and Key Performance Indicators. Key Performance Indicators show how Council will measure its performance against the Level of Service. The Key Performance Indicators have targets for the next ten years.

Strategic Goal One				Community Outcomes		
To provide and maintain an appropriate level of infrastructure.				10, 22, 23		
Level of Service	Key Performance Indicators	Triennial Targets for Key Performance Indicators				
		2006/07	2007/08	2008/09	2009/10 to 2011/12	2012/13 to 2015/16
Communities that require a supply and are willing to meet the cost to have reticulated water available.	Applicable communities have a water supply available.	100%	100%	100%	100%	100%
The water flow and pressure provided meets the needs of the community.	Contractual indicators for leakage and quality response times, continuity of supply, operational techniques and treatment standards are met.	90%	90%	90%	95%	95%
Council will supply adequate flow and pressure.	Flow 15 litres per minute per household. Pressure 200-300 kPa minimum one day.	100%	100%	100%	100%	100%
Volume of Water extracted.	Compliance with water rights.	100%	100%	100%	100%	100%
The reticulated supply meets Health Authority Standards.	Number of instances of substandard supply reported by the Health Authorities quarterly.	<3	<3	<3	<2	<2
The reticulated supply meets Drinking Water Standards.	Number of instances of substandard supply.	<3	<3	<3	<2	<1
The reticulated supply meets the needs of the Community.	Percentage of respondents who are satisfied or very satisfied with the overall Level of Service for water services.	65%	65%	70%	75%	75%

How Strategic Goal One is Translated into Action

Council intends to remain responsible for the provision of the Water Supply activity for the Ruapehu Community. Council considers the provision of the Water Supply activity to be one of its essential functions. In the future Council will endeavour to provide a higher Level of Service for Water Supply as identified by the Community Outcomes.

The Community Outcomes process highlighted, that health and safety is a strategic issue for the Community. Not all communities within the District are served by a reticulated water supply network. Council wishes to ensure that all communities who require and are willing to pay for this service are provided with it.

This Strategic Goal targets the relevant Community Outcomes by recognising that the various communities expect to be provided with water supply networks that are affordable and meet the needs of all developed urban areas.

As part of its commitment to maintaining an appropriate level of infrastructure in order to deliver the agreed Level of Service, Council is undergoing a process for the collection and maintenance of data to inform future decision making. The aim of the process is to reduce future costs by improving the effectiveness of future spending.

Strategic Goal Two				Community Outcomes		
The activity utilises current industry best practice in order to protect the environment and ensure the health and safety of the community.				22		
Level of Service	Key Performance Indicators	Triennial Targets for Key Performance Indicators				
		2006/07	2007/08	2008/09	2009/10 to 2011/12	2012/13 to 2015/16
Projects are designed and carried out in accordance with best practice.	Projects are designed and carried out in accordance with current best practice.	100%	100%	100%	100%	100%

How Strategic Goal Two is Translated into Action

Council will utilise best practice as defined by legislation and the expertise available to carry out its objectives.

Council is bound by many legislative standards, and as such

Council must work strategically to ensure that all the Water Supply activity provides a Level of Service that communities feel is suitable, whilst remaining compliant with all applicable legislation.

This Strategic Goal targets the expectation of the Community to be provided with a continuous supply of safe drinking water.

Strategic Goal Three		Community Outcomes				
The negative effects of the activity on the environment are avoided, remedied or mitigated.		10, 22, 23				
Level of Service	Key Performance Indicators	Triennial Targets for Key Performance Indicators				
		2006/07	2007/08	2008/09	2009/10 to 2011/12	2012/13 to 2015/16
The environmental effects of taking water from natural watercourses are minimised.	All various consent conditions are complied with including disposal of the by-products of the water treatment process are met.	100%	100%	100%	100%	100%

How Strategic Goal Three is Translated into Action

The Water Supply activity does have the potential to negatively affect the natural environment. This Strategic Goal targets the

Community's expectation that river catchments will not be affected more than necessary by the public's requirement for water supply.

Achievement is best demonstrated by recording Compliance with Horizons Regional Councils Resource Consents.

Strategic Goal Four				Community Outcomes		
Cultural values and practices are recognised and taken into consideration and incorporated where possible.				32		
Level of Service	Key Performance Indicators	Triennial Targets for Key Performance Indicators				
		2006/07	2007/08	2008/09	2009/10 to 2011/12	2012/13 to 2015/16
Consultation is undertaken with affected parties prior to renewing discharge permits.	Affected parties are notified.	100%	100%	100%	100%	100%

How Strategic Goal Four is Translated into Action

Many cultures hold a spiritual belief in the environment. Groups may also have beliefs about the 'right way' to behave in relation to the environment and whether or not there is an obvious physical impact resulting from their actions.

This Strategic Goal targets the Community's expectation that Council recognises and takes cultural values into consideration wherever possible. Council will take into consideration cultural expectations through its consultation processes with the community and local Maori.

Commentary Major Capital Projects 2009-16

Upgrade the Water Treatment Plant Owhango Years 2006/07 to 2009/10	Total costs \$925,000
To provide safe drinking water in accordance with DWSNZ 2005.	

Development of Ohakune Distribution System Years 2006/07 to 2009/10	Total costs \$1,410,000
Increase pipe sizes to provide for increased development and improve flows to lower part of town.	

Treatment Plant Upgrade - Raetihi Years 2006/07 to 2009/10	Total costs \$759,000
Improve quality of drinking water in order to meet DWSNZ 2005 as per new Resource Consent.	

Renewal of all Remaining AC Mains - Raetihi Years 2006/07 to 2009/10	Total costs \$2,857,000
To replace aged and leaking water mains throughout the town. Water consumption should then reduce to nationally accepted levels.	

Replace Matapuna rising main and various other mains over 10 years - Taumarunui Years 2006/07 to 2009/10	Total costs \$1,219,000
To provide a reliable supply at the least cost. Mains will only be replaced after condition assessment and analysis of least cost option. To provide safe drinking water in accordance with DWSNZ 2005 and fire fighting water.	
Matapuna Treatment Plant Upgrade - Taumarunui Years 2006/07 to 2009/10	Total costs \$551,000
Improve quality of drinking water in order to meet DWSNZ 2005 as per new Resource Consent envisaged towards the end of the period.	

Ohakune Water Treatment Plant Years 2006/07 to 2007/08	Total costs \$102,100
To upgrade the backwash system and to revamp the existing UV Treatment. The current filter was to be repaired and the UV system replaced in 2005/06 at an estimated cost of \$50,000. This work was not carried out as investigation into the best solution was not complete. The upgrade will utilise the existing budget of \$50,000 with an additional \$50,000 to be budgeted in 2007/08.	

Matapuna Reservoir Roof Replacement - Taumarunui Years 2006/07 to 2009/10	Total costs \$200,000
Improved quality of water complying with DWSNZ 2005.	
Renewal of rising main and intake/treatment plant- Ohura Years 2011/12	Total costs \$887,000
To replace aged and leaking water main and provide a new intake with its associated treatment plant to comply with DWSNZ 2005.	

** The projected costs of major capital works are project costs only and do not allow for support costs.*

Cost of Service Statement

2005/06 \$000	<u>Water Supply - Activity Budget</u>	2006/07 \$000	2007/08 \$000	2008/09 \$000	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000
	Operating Cost										
129	Ohura	118	141	129	136	154	161	162	165	164	163
1,123	Taumarunui	1,158	1,334	1,262	1,260	1,261	1,259	1,266	1,272	1,235	1,196
124	National Park	134	128	130	132	143	139	141	147	149	150
16	Piriaka	15	21	19	24	25	25	25	36	44	41
115	Owhango	122	128	130	150	186	207	205	206	207	212
494	Ohakune	482	542	540	539	560	543	537	544	539	533
216	Raetihi	233	290	286	314	351	388	404	426	428	424
30	Waiouru	33	61	57	58	63	70	79	83	83	81
2,247	Total Operating Costs	2,295	2,645	2,553	2,613	2,743	2,792	2,819	2,879	2,849	2,800
0	Development Contributions	(98)	(105)	(112)	(119)	(127)	(134)	(142)	(150)	(158)	(166)
(285)	Operating Revenue	(294)	(414)	(412)	(431)	(446)	(1,021)	(472)	(474)	(471)	(468)
(1,976)	Separate Rate	(2,147)	(2,396)	(2,352)	(2,425)	(2,473)	(2,553)	(2,556)	(2,596)	(2,586)	(2,557)
(14)	NET COST OF SERVICE	(244)	(270)	(323)	(362)	(303)	(916)	(351)	(341)	(366)	(391)
	Other Funding Requirements:										
839	Development Expenditure	79	223	203	99	55	55	56	180	180	182
	Renewal Expenditure	700	374	380	842	818	772	742	872	874	882
	Levels of Service Expenditure	266	405	498	509	757	845	218	443	393	137
386	Loan Repayments	448	484	511	544	591	649	691	729	779	827
(64)	Less Depreciation Not Funded	(56)	(28)	(44)	(29)	(32)	(4)	(16)	(15)	(13)	(10)
0	Transfer to Development Contributions	98	105	112	119	127	134	142	150	158	166
1,147	Total Funding Requirement	1,291	1,293	1,337	1,722	2,013	1,535	1,482	2,018	2,005	1,793
	Funded By:										
(29)	General Rate	(5)	(10)	(29)	(29)	(29)	(29)	(29)	(29)	(29)	(29)
752	Loans Raised	917	707	791	1,171	1,452	1,054	949	1,244	1,204	1,005
424	Depreciation Funds / Other Transfers	379	499	471	480	534	456	508	622	649	634
0	Transfer from Development Contributions	0	97	104	100	56	54	54	181	181	183
1,147	TOTAL FUNDING	1,291	1,293	1,337	1,722	2,013	1,535	1,482	2,018	2,005	1,793

NOTES Other transfers refer to movement in equity, reserves and special funds.

Capital Expenditure has been split into three categories, depending on what the need is, i.e. change in Level of Service, growth in the District or renewals.