



Summary

Annual Report

2012/13

Message from the Former Mayor



We are pleased to present the 2012/13 Annual Report on behalf of Ruapehu District Council.

This is the last report I present as Mayor, as I have stepped down from the role at the recent election having been your Mayor for the last 12 years.

Whilst my time as Mayor has seen many changes there have been some consistent themes in my tenure. I have always listened to the Ratepayers and been an advocate for them in their various interactions with Council and Government at all levels.

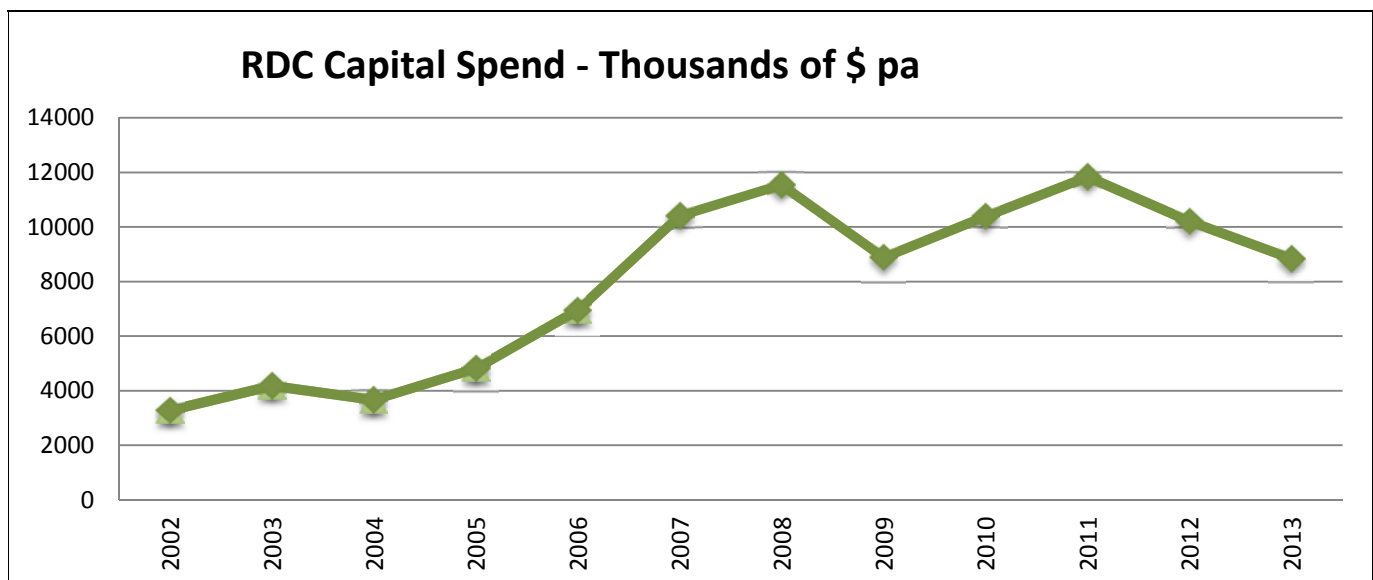
Council has been a consistent advocate for improved health services in the area. I was instrumental in the establishment of the Rural Health Advocacy Group. Taumarunui Hospital owes its present shape partly due to the advocacy from Council during my term.

We have taken many issues to Wellington for national assistance during my term. For example after the Ruapehu eruptions we obtained Government support for increased tourism promotion which has borne fruit over subsequent years.

There have been some spectacular capital works completed. A new iconic i-SITE in Ohakune was completed in 2006. The service centres in Raetihi, Ohakune and Taumarunui have all been renovated.

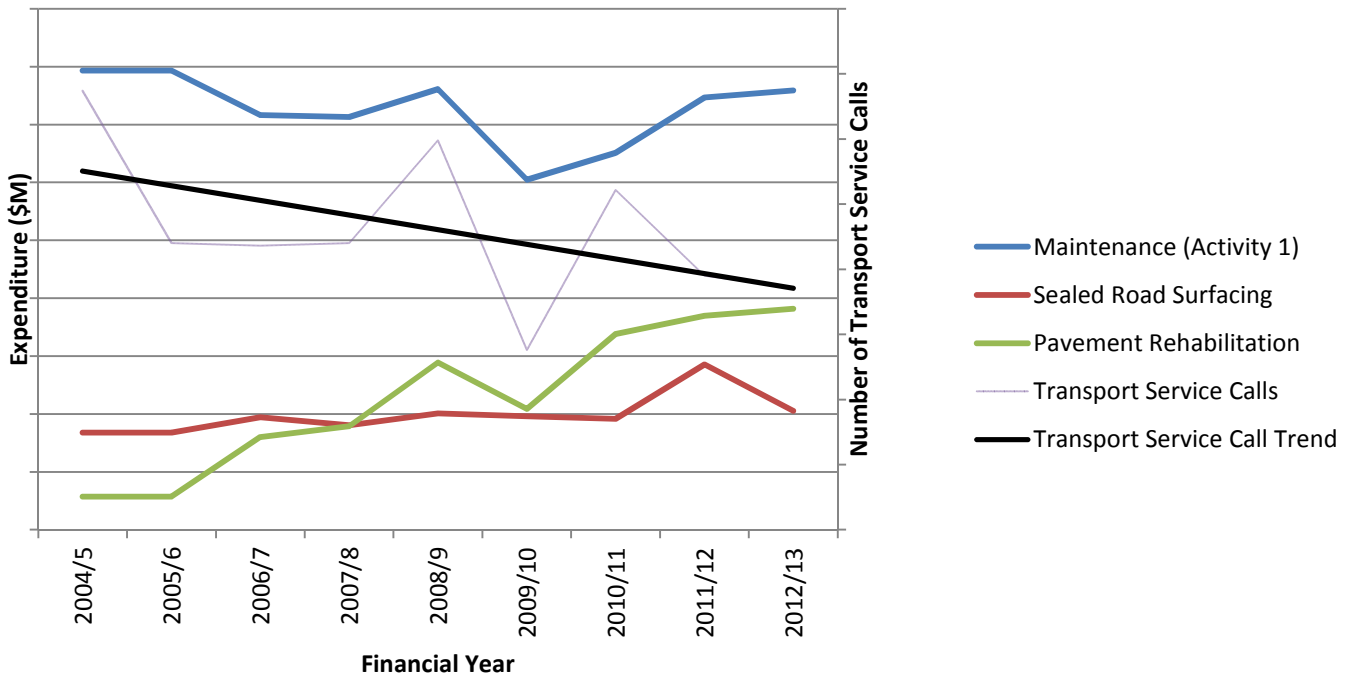
The 9km road over the Okahukura Saddle has been sealed. 22km of the road from Raetihi through Pipiriki to Jerusalem and thence on to Wanganui will be completely sealed this coming summer. In 2008 Dobbs Bluff was "netted over" to stop falling rocks from crushing cars on the road below. The length of roads reconstructed every year has increased from less than a kilometre every year to over 7km last year.

Water and sewage treatment plants have been upgraded in Ohakune, Raetihi, Taumarunui, Ohura, National Park and Owhangō.



The dividend to Ratepayers from this increase in capital expenditure has been a reduction in service requests for infrastructure maintenance.

Transport Trends

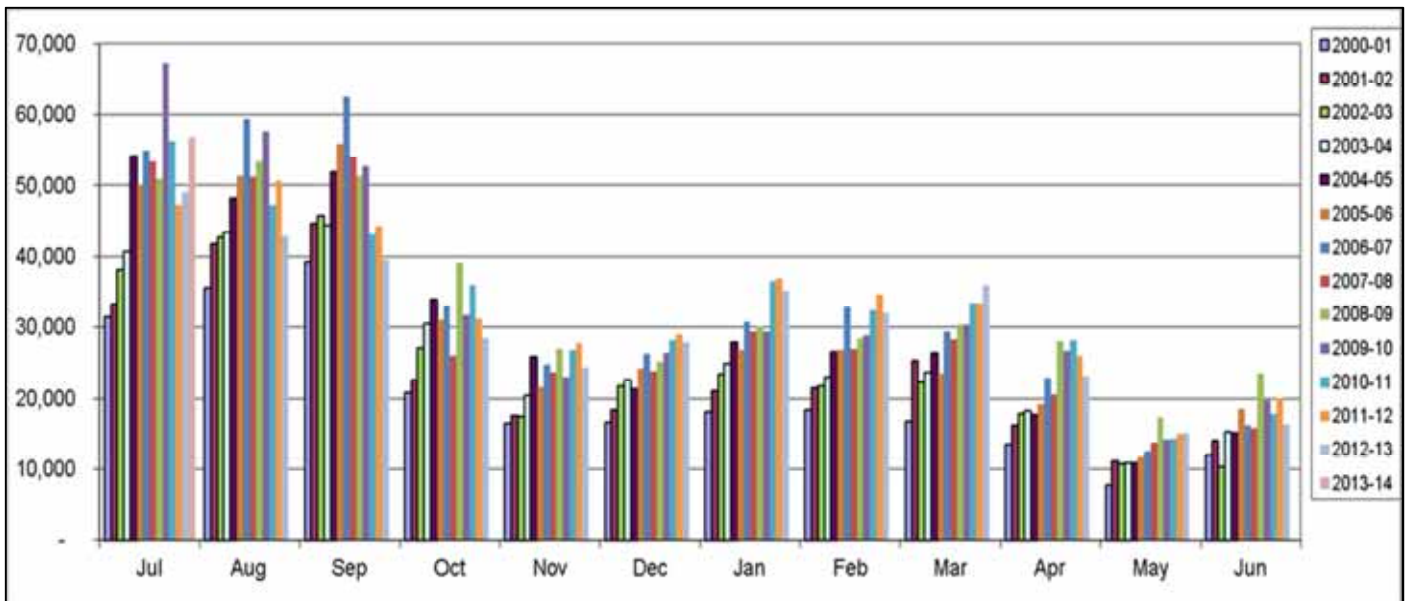


All this has been achieved whilst keeping the rates increase below 4% pa.

While recognising that, financially, things are still tough for many of Ruapehu's communities, the evidence points to Ruapehu having come through the slow economic environment of the last few years relatively well compared to other districts and with growing optimism for the future.

The chart below shows the number of tourist "bed nights" spent in the District every month since 2001. It shows the dramatic and consistent increase in summer accommodation bookings since I have been Mayor. The canoes, the cycleways, the Tongariro Crossing and the Forgotten World experience all make their contribution to the improved summer sales data.

Tourist Bed Nights - Ruapehu District – Source Accommodation Monitor



This clearly highlights that Ruapehu is well on its way to being recognised as a year round, all seasons destination.



Going forward, the challenge for Council and our communities is to continue to balance the need for infrastructure renewal and growth against affordability and long term sustainability.

The Annual Report reviews Council's progress and performance over the past year against the goals we set with community input through our Annual and Long Term Plans. As always we have had to cut our cloth according to the resources available. The CEO will report on this in the next section.

Finally I would like to thank you all for your support. 12 years have gone past very quickly and I wish you well for the future. I will be watching.



Sue Morris JP
FORMER MAYOR

Message from the New Mayor



I would like to thank the ratepayers for their votes in the 2013 Election. I look forward to serving the Ruapehu District over the next three years.

The Annual Report was prepared under Mayor Sue Morris' leadership and we have presented it to you in this manner.



Don Cameron
MAYOR

The Chief Executive's Year at a Glance



The following summary is an overview of the performance across the nine activities of Council.

The Annual Report compares the actual achievement with the performance promised in the Long Term Plan 2012–22 and shows the linkage between Council's actual activities and those consulted on and approved.

Highlights of the year include:

- A long dry summer with fewer storm events reducing our Land Transport spend
- Erua Escarpment slip
- Debt increased by \$880,000
- Debtors reduced by \$193,000 over the year, with increased focus on collecting outstanding rates and tracking down current owners.

How We Performed Financially

Operational Result

- There is a net surplus of \$641,000 from our operational activities against a budget of \$2.3million.
- Revenue is down \$1.4million against budget. There were a number of drivers of this including
 - A reduction in the NZTA subsidy received due to a lower than expected level of emergency works. We had a long dry summer and very few weather events. (\$1.2million)
 - Rates revenue fell by \$0.2million as we focused on cleaning up the rates database and working with outstanding ratepayers to clear old debt. This has seen us negotiating with ratepayers and writing off old penalties if they pay all of the outstanding rates.



- Development contributions collected totalled \$126,391 against a budget of \$521,566. 2012 Actuals totalled \$150,079, so while we have a variance to budget of \$395,175 there is not a large drop from the previous year.
 - Dog registrations are \$84,000 below budget and \$8,500 behind last year.
 - Our building inspections income is up on budget by \$24,850.
 - A collection of smaller revenue items were \$220,000 over budget.
 - We have also recognised our infringement income owing as at 30 June 2013 which amounted to \$235,466 in the dog area alone. This is a one off increase.
- Operating costs are on budget, with higher depreciation costs being offset by reduced Land Transport spend.

Capital Works Programme

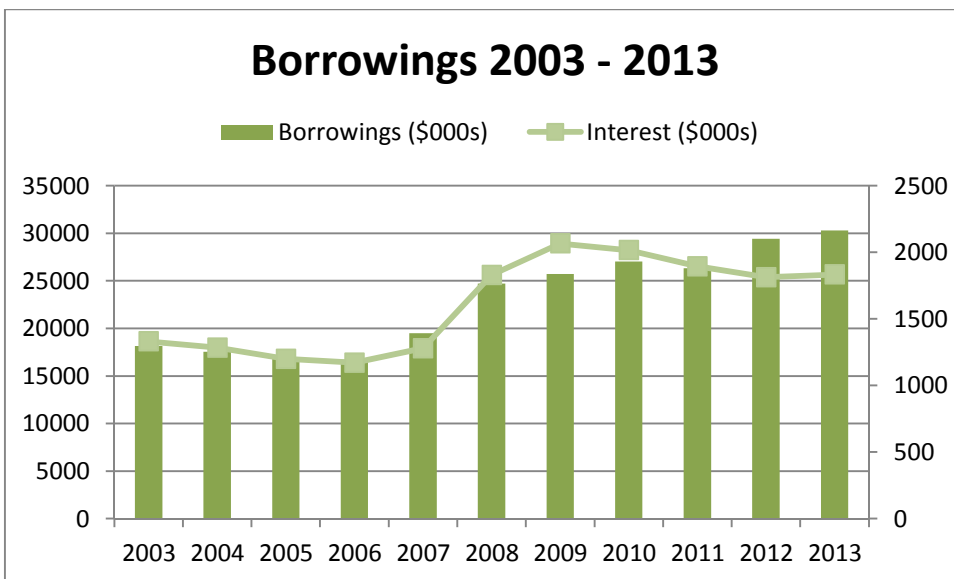
We have completed a capital works programme in the last 12 months totalling \$8.8million.

Activity	Description	\$million
Land Transport	Renewals of Various Sorts	6.0
	Whanganui River Road seal extension	0.2
	Various minor improvements	0.6
Water Supply	Taumarunui Chemical Bunding	0.2
Wastewater	Taumarunui Victory Bridge	0.3
	Portable Generators	0.1
Overheads	Computer Equipment and Software	0.1
	Plant and vehicles	0.1
Other Capital Works	Stormwater, Land, etc.	1.2
Total		8.8m

Capital Works were reduced this year from \$10.2million to \$8.8million (2011 was \$13million). Overall works were delayed in order to minimise debt increase.

Public Debt

The Public Debt owed by Council has increased from \$29.4million to \$30.3million and finance costs were \$44,000 higher than last year following an \$81,000 decrease from 2010/2011.



Key Financial Indicators – Comparative Table

(\$million)

	Budget	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07
Income	31.4	30.0	31.8	32.1	32.3	31.9	28.6	26.1
Less Expenditure	29.1	29.4	31.5	28.7	29.0	32.0	26.4	22.8
Surplus/(Deficit)	2.3	0.6	0.3	3.4	3.3	-0.1	2.2	3.3

Weighted Average Interest Rates

	2013	2012	2011	2010
Short Term < 1 yr.	6.80%	6.87%	7.28%	8.13%
Long Term > 1 yr.	5.56%	6.17%	6.83%	7.15%

Key Treasury Management Indicators

The table indicates the performance of Council's Treasury Management against the Liability Management Policy limits on borrowing and interest rate exposures. Council is well placed against all financial indicators with two out of the three being below the prescribed limits and the other being near the prudent lower limit.

	Acceptable Range	2013 Actual	2012 Actual	2011 Actual	2010 Actual
Interest Expense/Operating Revenue	5 to 15%	6.20%	5.7%	5.9%	6.5%
Total Liabilities /Total Assets	10 to 15%	9.02%	8.9%	9.3%	9.3%
Net Debt /Operating Revenue	1 to 1.5	1.0	0.9	0.8	0.9
Interest Rate Exposure					
<12 months	10% to 40%	9.9%	35.8%	15%	21%
12 months – 2 years	10% to 40%	26.4%	10.4%	39%	11%
2-4 years	20% to 50%	44.6%	34.7%	30%	49%
Over 4 years	10% to 20%	19.1%	19.1%	15%	19%

Key Performance Indicators

Council records a variety of key performance indicators (KPIs) which provide an understanding of non-financial performance. The individual indicators are enumerated in the Annual Report on each activity area. The summary is shown in the table below.

	2013		
	Achieved	Not Achieved	Not Assessed
Community Support	5	2	0
Leadership	4	0	0
Regulation	11	3	0
Recreation and Community Facilities	4	3	3
Land Transport	6	3	0
Storm water	4	0	0
Wastewater	5	0	0
Water	6	0	0
Waste Management and Minimisation	6	3	1
Total	51	14	4



Summing Up

This has been very much a business as usual year.

Considering the challenges Council has experienced during the year, the level of service has been maintained and, in a number of instances, improved.

Commitment to prudent management of all resources is continuing to ensure long term sustainability and provision of core services to the residents of the District.

The challenge in the immediate future is to preserve our existing Infrastructure whilst keeping expenditure within reasonable limits and containing rises in the rates. We are also facing some challenges on provision of services to declining communities.



Peter Till
CHIEF EXECUTIVE



Highlights for the Year

Community Support

- Perhaps the biggest challenge was unexpected eruptions of Te Maari crater on Mt Tongariro in August and again in November 2012. The resulting full and subsequent partial closure of the Tongariro Alpine Crossing (TAC) meant the Visit Ruapehu team had to manage a very complex situation across a range of stakeholders under the spotlight of media and community interest. The dialogue created between Department of Conservation, Iwi and tourism investors will have far reaching benefits going forward as we look to work collaboratively with our neighbouring partners. Later in the season Ruapehu experienced record visitor numbers across March and April with March being an all-time record month, this helped to off-set the adverse effects of the eruptive phase of Te Maari.
- The team fully re-designed and re-launched the Ruapehu Visitor Guide and website prior to Christmas 2012. 62 operators signed up financially to be part of this.
- Visit Ruapehu hosted two large industry networking events, Brian Richards (BRR Ltd) spoke at the Chateau Tongariro in September and Gareth Morgan in December. The latter being by far the most well attended event of its type ever held in Ruapehu.
- The Escape the City marketing campaign from January – April showcased the many and varied accommodation, activities, eating places and attractions Ruapehu has to offer.
- Between December and June the team hosted many domestic and international journalists, travel agents and Tourism New Zealand staff. This is a huge undertaking for a small region. We are enormously grateful to the many operators who gave freely of their time and businesses to make each and every one a success.
- The Timber Trail was also officially opened by the Right Honourable Nick Smith, Minister of Conservation at the beginning of April and promoted nationally and internationally.
- Interim websites for Mountains to Sea and the Timber Trail were developed and launched in December and April respectively. This is the first stage in a large body of work that will be undertaken progressively as we showcase these two new tourism assets to the world.
- Tourism Industry Rendezvous NZ (TRENZ) was in April this year and hosted at The Cloud in Auckland. It was an outstanding success for Ruapehu with seven operators attending. There was significant and renewed interest in Ruapehu's tourism assets. The Visit Ruapehu Board want to personally thank our small team for their efforts and for continuing to "punch well above their weight" in destination marketing within New Zealand.

Youth Co-ordinator

- The Ministry of Youth Development (MYD) funded Youth Project that has been actively engaging young people during the past year. The Co-ordinator interacted with a youth camp forum in Kakahi during the year working collaboratively with Taumarunui High School and Ruapehu College and followed this up with planning for youth week which was delivered in July 2013. Youth week was delivered across the District and was well attended. Looking forward the Ruapehu Youth Voice will continue to be promoted to encourage our young people to directly participate in issues that affect them.

Community Development (Grants)

- Grants of \$60,000 were distributed to community organisations including Christmas Parades, St John, Totally Taumarunui Tourism (T3), Libraries, various Halls and other activities or organisations. These grants, alongside the SPARC Rural Travel Fund and Creative New Zealand, allow the community and the volunteer sector to be supported.

Customer Services

- Customer services has focused on making improvements that will benefit both customers and staff. Changes to the Request for Service System has enabled Customer Services Officers (CSO) to enter calls and view call history more efficiently. Audits of the Request for Service (RFS) system were also undertaken to measure performance, and encourage improvement across the organisation. To date these audits highlighted the importance of communication to the customer and as a result measures have been introduced to ensure that communication improves.
- The diverse weather pattern throughout the year showed an increased number of wandering stock, overgrown sections, and roading calls, especially during the drought period this year.
- Customer Services join the nation in the drop cover and hold earthquake drill and have completed Emergency Management Information system training (EMIS).
- The year was busy with four rate instalments, dog and health registration and customer enquiries.
- Ohakune office noticed an increased number of visitors using facilities such as the library when ski fields are closed.



Libraries

- The 'Schools in Libraries' programme has attracted a number of schools in Taumarunui, and has resulted in more children wanting to join the library, as well as very positive feedback from participating schools and preschool groups. The children often bring parents in to join as well.
- Extension of the WIFI system has been well received by users, with steadily rising use, now up to almost 3,000 connections each month and the APN computers have remained steady with over 2,000 users each month.
- Issue of library books varies between 2,000 and 2,500 per month.
- One of the highlights of the year was a visiting entertainer from the USA (Andy Mason). The children enjoyed his music and style greatly.

Leadership

Governance (Mayor and Council)

- The Elected Council and Community Boards have had a busy year with 46 meetings held, as well as a number of workshops for both the Exceptions Annual Plan and the Liquor Licensing legislative changes.

Strategic Development

- The Strategic Development activity has had a busy year, with the development and adoption of the Exceptions Annual Plan (EAP).
- Council received 112 submissions on the draft EAP 2013/14 which covered 73 topics with 28 submitters choosing to support their submission with a presentation to Council.
- Submission main issues were: Visitor Accommodation, National Park Playground, Transfer Stations, Rural Fire, and Library relocation, Raetihi Girl Guide Hall, Discretionary Grants and Ohura Water Supply.
- A number of Bylaws and Policies were consulted on during the year including Class 4 Venues, Public Health and Safety Bylaw. Work is on-going on the Land Transport Bylaw, a new Local Alcohol Policy and Animal Control Bylaw.
- A number of submissions were written to various organisations, including Central Government. They included Development Contributions, Improving Resource Management Systems, Drinking Water Grading Consultation, Funding Assistance Rates submission, Freshwater 2013 and Beyond, Towards better regulations, Remuneration Disclosure, Fee Regime for Alcohol licensing, Local Alcohol Policy Regulations and RDC's submission to Horizons Regional Council.
- The Strategic Development Team continued to organise and run the Ruapehu District Maori Council (RDMC) meetings. Details pertaining to the RDMC are now available on Council's website. Use of the website enables greater accessibility to information and ensures the community is kept up to date with the activities involving the RDMC.

Youth Week was celebrated by coordinating a variety of activities with the Ministry of Social Development. These included:

- "The Amazing Race" in Taumarunui,
- A "Wipe-out" Challenge,
- A pool party at Taumarunui High School, and
- A Paintball event in Ohakune.

The National Research Bureau conducted a Customer Satisfaction Survey with 300 respondents throughout the District between 21 and 30 June 2013.

The Team met with a variety of interest groups and stakeholders, most notably Ngati Rangi and the Ruapehu Whanau Transformation Project Group.

Ruapehu District Maori Council

Ruapehu District Council has established a Ruapehu District Maori Council, where it has mandated Iwi members continue to build and strengthen their positive relationships with Council. Through the Ruapehu District Maori Council, Iwi members are asked to voice opinions, which can then be put before Council, and thereby the Iwi contribute to the decision-making process of Ruapehu District Council.

Major events for the Maori Council year (Feb 2013- Jun 2013) were:

- 15 February – official signing of the Memorandum of Understanding between RDC and RDMC
- Para Kora Project – Marae working toward Zero Waste
- The Welcome Sign at the Northern Entrance
- Rates Remission and Postponement Policy discussions
- Induction of Pita Pehi on 24 May 2013 as a newly mandated member of RDMC
- KiwiRail and Global consents presentation
- In August 2012 the Mayor and CEO witnessed the signing of the Heads of Agreement for the Whanganui River Settlement in Wellington which brought Te Awa Tupua into existence.





Regulation

Compliance

- Compliance has had a successful year with the dog rehoming programme assisted by Anna Fuller. Over the past 12 months 138 dogs were rehomed or sent to foster homes until a permanent home was found. Foster homes are sought to help keep down the number of dogs kept in the pound using Council resources. Only 69 dogs were euthanized which is considerably lower than previous years.
- Mini dog registration campaigns have been undertaken in the Matapuna and Lairdvale areas to help keep registrations updated. These are successful with obtaining correct information and providing education for welfare or legal requirements of owning a dog to any owner.
- Council and Police have worked closely on public issues involving Bylaws, safety issues with horse riding and stock on the roads which has proved positive in educating and enforcing those matters that need addressing as they appear.
- The Animal Control Bylaw is being reviewed to include possible banned areas for horse riding and residing on properties in urban areas. This will also include the keeping of pigs and stock on residential properties to show clearer interpretation to the public.

Building Inspection

- Building saw a reorganisation of the way the Team works at the start of the 2012/13 year, and has settled into the new method of working very well.
- There were a total of 289 Building Consents issued in 2012/13. These had a total value of \$22million, up by \$5million on the previous year.
- Builders and local contractors are using the pre-lodgement meetings more often and this has improved the delivery of the service greatly.

Emergency Management (Civil Defence and Rural Fire)

- Exercise Shakeout on 26 September 2012 was a huge success with over 1.34 million New Zealanders taking part in the first New Zealand wide earthquake drill. Council established the emergency operations centre in Tamarunui and ran an exercise with assistance from the CDEM group.
- CDEM group conducted emergency management information system training with the northern and southern Council staff. This new computer system will assist in collating data and information in the emergency operations centre.
- Following the flooding of roads around Ohura, Matiere and Tokorima earlier in the year, flooding signs were installed to warn motorists of road closures. These are permanent road signs which flip up when required. This was a combined team effort with assistance given from civil defence, roading, GHD, Inframax, Downers and NZTA.

- Although no declarations were made in the year there were a number of events that did occur which Civil Defence gave assistance to. Te Maari crater, on Mt. Tongariro had a gas eruption which affected residents along state Highway 46. Storms affected most of the District from Matiere in the north to Pipiriki in the South. Heavy snow dumps around National Park and Waiouru affected road users and residents in these areas. Through these events civil defence builds our resilience and knowledge base for larger events.
- Our busiest rural fire season in recent times occurred this year. 57 callouts with volunteers attending to 18 vegetation fires. Rural fire has 11 volunteers who give up their time to fight rural fires. A big thank you to the New Zealand Fire Service volunteers in the District for helping us with the large number of fires over the season.

Environmental Health and Liquor Licensing

- Achieving an excellent compliance result on premises standards and compliance with legislation relating to health and liquor regulatory compliance / owner, licensee obligations during routine checks including controlled purchase operations.
- Working together with organizers and agencies to hold 'incident free' large community events in the district such as Mardi Gras, Dinner at the Domain, Christmas Parade, A&P Shows, and Gypsy Trading etc.
- Introduction of an Alfresco Dining Policy within the District to allow members of the public to enjoy the ambience of outdoor drinking / dining.
- Monitoring air and drinking water quality standards ensuring that the population is not exposed to any form of health risks and that compliance is achieved.
- Undertaking joint inspections of liquor licensed premises with other agencies ensuring compliance with legislation, license conditions and codes.
- Assisting developers and owners towards opening new food / liquor and other types of health related businesses in the District.
- Revamping easy to follow and user friendly Health and Liquor pamphlets as guidance documents including customer access to health / liquor information via Council website.
- Successfully undertaking the annual renewal of premise registrations using Council's Ozone programme ensuring that licenses are renewed on time.
- Successfully mediating with agencies and licensees to resolve a number of complicated and complex RFS relating to noise and neighbourhood problems.

Recreation and Community Facilities

- The exterior of the remaining three blocks of Rochfort Flats were painted.
- The Taumarunui Public Swimming Pool at Taumarunui was repainted.
- The Raetihi Memorial Baths pool fence was renewed.
- The Raetihi Memorial Baths ablution block roof was replaced with funding accessed by the "Chills Off" committee.
- The Ohakune Railway Station roof was repainted.
- The annual social housing survey was undertaken with 91% of the respondents being very satisfied or satisfied with their accommodation.
- The concept plan for the new Waiouru Public Toilets was completed and presented to the Waimarino-Waiouru Community Board.
- Digital TV satellites were provided for those tenanted social housing units which had not already connected.
- The Rotary Moa was unveiled in Manson's Garden and spotlights were installed.
- A new gate and fencing was installed at the Raetihi Cemetery.
- A new berm was laid at the Manunui cemetery.
- The gate was replaced at the Rangataua Cemetery.
- 14 new trees were planted at the Taumarunui Old Cemetery.
- A retaining wall was built along the bank on the left hand side of the RSA block at the Taumarunui Cemetery.
- Taumarunui CBD footpaths were cleaned for the first time with a hot water high pressure system which resulted in an improvement in their appearance.
- Ohakune Service Centre windows were tinted to cut down on the high temperatures experienced during the summer.
- The front gardens of the Rangimarie Flats in Taupo Road were barked and planted with shrubs. The back gardens converted to grass.
- The fence along drive to the back of the Rangimarie Flats was replaced.
- The Douglas fir plantation behind Bell Road, Taumarunui was felled. As the trees were shadowing the adjacent road and properties, no replanting is planned to take place.
- The Pinus radiata on road reserve and Council land on Piriaka Hill were felled. This was located on a small plot of land, close to State Highway 4. No replanting is planned to take place, due to low expectance of profit.



- The *Pinus radiata* in the two Plantations on the Pipiriki Raetihi Road were harvested. No replanting is planned for the two plantations. Instead Council is looking into leasing the plots to the plot neighbours.
- The Taumarunui Netball courts were levelled by grinding, depressions were patched and the court lines were repainted.
- Love New Zealand recycling bins have been well used throughout the District.
- A new walkway has been built on Snowmass Drive, Ohakune.
- Funding was approved by The Lines Company for painting out of graffiti on their transformer boxes by Council contractors.
- Interpretation panels were unveiled at Ruatiti Domain.



Land Transport

- Council has continued a strong focus on sealed road renewals, with 6.7km of pavement rehabilitation being undertaken for \$1.8million on Ngakonui-Ongarue, Ohura, Oio and Ruatiti Roads and Miro Street in Ohakune. Work on Oio Road was contracted out and won by Stringfellow Contracts Limited, with the remainder of the work carried out by Inframax Construction Limited.
- Ruatiti Road pavement rehabilitation and minor improvement work is part of an ongoing programme to renew failed pavement sections, widen narrow lanes and ease corners to improve efficiency and safety for road users. This year's focus was to complete advanced earthworks between 11 and 16km. Work will continue next year to renew the pavement.
- The urban centre pavement rehabilitation in Miro Street, Ohakune included new footpaths and enclosed a section of open drain. Compliments were received from residents as this tidied up a patchy piece of road and addressed resident concerns regarding open drains and lack of safe pedestrian passage from the Junction area.
- Valley meetings were held in Ohura, Waimiha and Kaitieke Valleys at the start of the year. Minor improvement work identified as a result of the meetings was carried out throughout the year as well as work identified from previous years' meetings. These meetings attract a large amount of interest and participation from locals.
- The Erua Escarpment slip accelerated over the course of the year, reaching the safety zone designated around Erua Road. As a result of this, the 700m Erua Road deviation had to be accelerated. Excellent co-operation from affected agencies and Iwi saw consent being gained in a very short time frame which enabled work to go ahead quickly. The new road section was completed prior to winter. Savings from other works, such as emergency works, helped cover the local share of this project without increasing Council's debt.
- The drought over summer meant fewer storm events during the year, with only three events for the year, the last of which was in June. For work completed in 2012/13, 108 sites have been completed, for a value of \$1.9million.
- Footpath Development in Waimarino continued. This project was funded in 2011/12, with work beginning on Burns Street in Ohakune. It was continued this year with Miro Street in Ohakune and Seddon, SH4, Ranfurly and Duncan Streets in Raetihi. In Taumarunui, a shared cycle and walkway was constructed along Marsack Road to connect the community with the CBD.
- Whanganui River Road seal extension work will begin in October 2013. The remaining 11km of unsealed road is programmed for completion by June 2014. 1km is in Ruapehu, the remainder is in Wanganui District.
- Community Plans for Pipiriki and Waiouru were developed and consulted on through the year.

Stormwater

- Council has focused on ensuring our watercourses and stormwater channels remain open and flow freely. This is achieved by maintenance, cleaning of silt and spraying of weeds. Such works have steadily brought down the number of complaints around ponding and flooding across the District.
- The stormwater system does not capture all of the volume of water when there is an alternative path of least resistance. This generally occurs where there are cracks or holes in the wastewater reticulation network, low gully traps or direct illegal action by property owners. Council has a rolling programme to investigate the inflow and ingress into sewers. Part of the solution is to ensure that the stormwater channels provide the path of least resistance to conduct this volume of water. Each year a programme of inspections and closed-circuit television (CCTV) works are undertaken across the District.



Owhango Stormwater

- Horizons Regional Council has provided some flood modelling data to help in the analysis of flooding within Taumarunui and Ohakune. This modelling data is being fed into local scenarios and is used in pipe selection for renewal or increased levels of service. Miro Street, Ohakune is a good example where this information has been utilised to calculate the pipe size required to replace the existing open channel drain. Piping allows for the road to be widened in this congestion area.



Waste Water

- A number of tools have been used to provide information around the infiltration and ingress into the wastewater system. These included Closed Circuit Television (CCTV), Supervisory Control and Data Acquisition (SCADA), that is electronic monitoring of parameters at wastewater plants and pump stations, and mapping of pipes. This information along with the asset condition assessment is used to plan works to ensure Council is replacing its infrastructure in a timely manner with the most appropriate technology. Taumarunui and National Park had CCTV works undertaken in the collection system. This information has been used to prioritise work to be completed over the next two years.
- Raetihi Wastewater Relining Programme is an example where Council is renewing assets with advanced technology. Relining provides the same structural strength as new pipe and is undertaken in one length, from manhole to manhole (150 metres). Avoiding the cost of digging up the pipes in the road and replacing them with new concrete pipe which are joined every six metres. Waiouru Township also had a section of main renewed by relining.
- Taumarunui had a number of assets at the end of life. Golf Road Wastewater Pumping Main Switch Board and the Victory Bridge Pumping Main Pipe Line across Victory Bridge were both replaced.
- Two portable generators have been purchased which enable the Wastewater Pumping Stations to be serviced during power cuts. These can also be used for planned outages at our Water Plants with the exception of Taumarunui. The Taumarunui Water Treatment Plant load is too large for our generators, however the risk is lower as there is up to three days storage within the township and most houses are supplied by gravity from the reservoirs.



Florescent Dye Testing Ohakune 1

Water Supply

- The Water Supply Mains upgrade has continued this year with the major works being undertaken in, Goldfinch Street, Ohakune; Bullians Ave and Kenheath Place, Huia Street to Katarina Street, in Taumarunui; and George and Islington Street in Raetihi.
- Taumarunui Water Treatment Plant has benefited from the completion of Chemical Storage Facilities being replaced with new legislative compliant tanks. Along with a Level of Service improvement in being able to monitor through SCADA for chemical use. The completion of carbon cleansing has significantly improved the taste of water according to compliments provided to Councillors.
- National Park Water Supply Roof replacement was brought forward due to the accelerated deterioration of the roof and the increasing risk of ash fall from Mount Tongariro eruptions. This money was diverted from the meter replacement programme and some pipe works.
- Investigations into infrastructural replacement in Owhango Township suggest that the condition sample used to extrapolate the useful life has been overstated. Further work to assess the actual condition of pipeline will be undertaken. After these works are completed then the assessment on pipeline upgrade and storage will be undertaken.
- The Raetihi Raw Water Line was the subject of two significant breaks during the year. In both cases the Raw Line was deteriorated AC pipe. This line is nearing the end of its useful life and meter replacement originally planned for this area was placed on hold until a cost benefit report on this line has been completed.



National Park reservoir roof replacement



The status of Resource Consents for Water Plants is as follows:

Town	Expiry Date	Notes
Ohura	14 November 2021	Current
Taumarunui	20 June 2017	Current
Owhango	20 March 2016	Current
National Park	12 December 2026	Current
Raetihi	30 April 2015	Current
Ohakune	11 September 2025	Current
Waiouru *	Not Applicable	Current

*Water for Waiouru Township is procured from the New Zealand Defence Force

Waste Management and Minimisation

The Solid Waste activity had some very significant achievements in 2012/13.

- A waste audit was conducted by consultants SKM, EnviroWaste and Council. Bags were collected from Ohakune, Rangataua and Raetihi, split open and sorted into waste categories. The data was subsequently analysed and reported by SKM and assisted Council in strategic planning
- Electronic recycling collection commenced in the District in partnership with RCN e-cycle. The service is provided in Ohakune, National Park and Taumarunui Transfer Stations. CRT TVs and computer monitors are the most common products
- The waste audit indicated that 17% of Raetihi's waste to landfill comprised disposable nappies. An initiative was subsequently launched with the Nappy Lady, Kate Meads, who ran a workshop for Plunket staff and midwives followed by launch meetings in Taumarunui and Raetihi. The scheme has made available packages worth \$100, including three cloth nappies, at a subsidized rate of \$20. By the end of June, more than 80 mothers had taken advantage of the scheme.
- EnviroWaste provided a great service at Dinner @ the Domain involving collection of refuse and the use of wheelie bins. The community fully participated with collection of bins for both waste and recycling. The kerbside truck was on display showing the different angles it can move.
- Para Kore, a nationwide programme aimed at Marae and meaning waste minimisation, was presented to the Maori Council. Council is ready to assist with this initiative using funding from the Waste Minimisation levy.
- Two worm farms have been set up at the Taumarunui and Ohakune Council Offices. These are demonstrating how worms can break down food wastes to produce compost and worm tea.
- All Transfer Stations had new signs erected at the front gates to provide information on opening hours, fees and charges and what waste is accepted at the station.
- Several schools visited the Taumarunui Transfer Station and Landfill as part of their Zero Waste Education.



One happy customer

Consolidated Statement of Comprehensive Income

Group and Parent

For the year ended 30 June 2013

	Council and Group		
	Actual	Budget	Actual
	2013	2013	2012
	\$000	\$000	\$000
Income			
Rates, excluding targeted water supply rates	15,723	15,912	15,200
Fees, charges and targeted rates for water supply	4,790	5,116	4,966
Development and financial contributions	126	522	150
Subsidies and grants	8,295	9,527	10,993
Finance income	20	46	42
Other revenue	559	195	457
Gains	458	79	-
Total income	29,971	31,397	31,808
Expenditure			
Personnel costs	3,883	3,749	4,070
Depreciation and amortisation expense	8,328	7,352	7,292
Finance costs	1,857	1,864	1,813
Other expenses	14,678	16,123	17,019
Losses	589	-	1,296
Total operating expenditure	29,335	29,088	31,490
Share of associate's surplus / (deficit)	5	-	-
Net Surplus	641	2,309	318
Other comprehensive income			
Gains / (losses) on property revaluations	(5,607)	1,637	36,362
Financial assets at fair value through other comprehensive income	27	-	(32)
Total comprehensive income	(4,939)	3,946	36,648

Statement of Accounting Policies

Ruapehu District Council (Council) is a territorial local authority governed by the Local Government Act 2002 (LGA). The full financial statements of Council and group have been prepared in accordance with NZ GAAP. They comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities and are prepared on a "going concern" basis.

This Summary Annual Report complies with FRS-43 Summary Financial Statements.

The accounting policies can be found on pages 8-20 of section two of the full Annual Report. These policies have been applied consistently to all periods presented in these financial statements. The financial statements have been prepared on a historical cost basis, modified by the revaluations of land and buildings, certain infrastructural assets, and investment property. The financial statements are presented in New Zealand dollars and are rounded to the nearest thousand dollars (\$'000).

Some of the Actual 2012 and Budget 2013 figures have been reclassified and restated. Disclosure on these changes is included in Note 37 of the full Annual Report.



Consolidated Statement of Financial Position

Group and Parent
As at 30 June 2013

	Council and Group		
	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Assets			
Current assets			
Cash and cash equivalents	1,169	70	1,150
Debtors and other receivables	4,011	4,954	4,204
Prepayments and accrued income	346	-	50
Inventories	86	8	15
Non-current assets held for sale	-	-	-
Total current assets	5,612	5,032	5,419
Non-current assets			
Investment in associates	84	-	5
Other financial assets:			
- Investment in CCOs	-	-	-
- Investment in other entities	437	418	397
Total other financial assets	521	418	402
Property, plant, and equipment	378,795	376,087	384,323
Intangible assets	579	-	635
Investment property	3,635	3,389	3,221
Total non-current assets	383,530	379,894	388,581
Total assets	389,142	384,926	394,000
Liabilities			
Current Liabilities			
Creditors and other payables	4,097	5,151	4,812
Borrowings	3,000	4,100	10,920
Employee entitlements	205	262	265
Income in Advance	-	916	-
Total current liabilities	7,302	10,429	15,997
Non-current Liabilities			
Borrowings	27,300	25,371	18,500
Employee entitlements	-	4	4
Provisions	485	493	505
Total non-current liabilities	27,785	25,868	19,009
Total liabilities	35,087	36,297	35,006
Net assets	354,055	348,629	358,994
Equity			
Ratepayers equity	259,195	250,706	258,385
Other reserves	94,860	97,923	100,609
Total equity	354,055	348,629	358,994

The specific disclosures included in this Summary Annual Report have been extracted from the full Annual Report adopted by Ruapehu District Council on 11 October 2013. The full Annual Report has been audited and an unmodified audit report has been received.

The Summary Annual Report does not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full Annual Report of the financial and service performance, financial position and cash flows of Council.

The Summary Annual Report has been audited for consistency with the full Annual Report and a copy of the unmodified audit report is included. This Summary Annual Report was authorised for issue by the Chief Executive on 21 October 2013.

There was a significant event after balance date, with the Raetihi water supply being contaminated as a result of a diesel spill. However, the diesel spill does not affect the 2012/13 results.



Consolidated Statement of Cash Flows

Group and Parent
For the year ended 30 June 2013

	Council and Group		
	Actual	Budget	Actual
	2013	2013	2012
	\$000	\$000	\$000
Cash flows from operating activities			
Receipts from rates revenue, excluding targeted water supply rates	15,723	15,912	15,292
Receipts from subsidies and grants	8,421	9,527	11,131
Interest received	19	46	36
Dividends received	1	-	6
Receipts from targeted rates for water and other revenue	6,169	5,833	5,921
Payments to suppliers	(15,668)	(15,644)	(17,355)
Payments to employees and elected members	(3,957)	(4,227)	(4,350)
Interest paid	(2,009)	(1,864)	(1,848)
Goods and services tax (net)	(347)	-	(647)
Net cash flow from operating activities	8,352	9,583	8,186
Cash flows from investing activities			
Receipts from sale of property, plant and equipment	13	-	19
Receipts from sale of investments	-	-	-
Purchase of property, plant and equipment	(9,113)	(10,309)	(10,004)
Purchase of intangible assets	(100)	-	(205)
Purchase of investments	(13)	-	(16)
Net cash flow from investment activities	(9,213)	(10,309)	(10,206)
Cash flows from financing activities			
Proceeds from borrowings	11,800	4,728	3,100
Repayment of borrowings	(10,920)	(4,000)	-
Net cash flow from financing activities	880	728	3,100
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	19	2	1,080
Cash, cash equivalents and bank overdrafts at the beginning of the year	1,150	68	70
Cash, cash equivalents and bank overdrafts at the end of the year	1,169	70	1,150



Consolidated Statement of Changes in Equity

Group and Parent
For the year ended 30 June 2013

	Council and Group		
	Actual	Budget	Actual
	2013	2013	2012
	\$000	\$000	\$000
Balance at 1 July	358,994	344,683	322,346
Total comprehensive income	(4,939)	3,946	36,648
Balance at 30 June	354,055	348,629	358,994



Major Variations Against Budget

The largest variations to budget can be found in subsidies and grants and other expenses, both are mainly due to less than expected emergency works in the 2012/13 financial year.

The reduced subsidies from New Zealand Transport Agency (NZTA) received, are partially offset by the reduced expenditure on roading emergency maintenance.

Other large variations are in gains and losses, where the actual amounts were not budgeted for due to the nature of the entries.

These gains are due to gains on value on the investment properties and losses were due to disposal of assets and loss on solid waste assets, due to a write down of value when assets were re-valued. The remaining variations to budget are included in Note 36 of the full Annual Report.

The greatest movement within the statement financial position is the decrease in property, plant and equipment and equity due to the significant valuation movements reflected in 2013.

Working capital has improved from (\$10,578,000) at 30 June 2012 to (\$1,690,000) at 30 June 2013 as the current portion of term debt facilities matured during the financial year and was replaced with long term debt. If this is excluded working capital has improved from \$342,000 to \$1,310,000 (an improvement of \$968,000).

Most of the variances in the statement of cash flow can be explained by the variances in the statement of comprehensive income; the main difference that cannot be explained by the above are purchases of property, plant and equipment which were \$1.25million lower than the LTP due to the lower than budgeted capital expenditure, mainly on community facilities (\$205,000), solid waste (\$28,000), stormwater (\$109,000) water supply (\$285,000) and roading (\$509,000).



Commitments and Leases

RDC has entered into a number of binding contracts for the delivery of services. At the end of 2012/13 financial year; Council had operating and capital commitments totalling \$21.2million (2012: \$26.1million).

RDC leases property, plant and equipment in the normal course of its business. The future aggregate minimum lease payments payable under binding operating leases total \$573,000 (2012: \$473,000). There are also commitments on leases where RDC serves as the lessor. At the end of 2012/13 financial year; the minimum future lease payments totalled \$157,000 (2012: \$160,000).

Contingencies

RDC has paper roads which they do not put a value on. The value of the paper roads will be realised either through the sale of the land, on which these paper roads are located, or the development of the site covered by paper roads.

The value of the paper roads represents the right for RDC to construct a road on that location. A sale of a paper road is effectively a sale of the right to put a road on that location.

RDC is subject to one legal proceeding against it, alleging inadequate compensation for acquired land. The potential liability to RDC, if the claim is successful, is estimated to be \$150,000. The probable outcome of the claim will not be known until legal proceedings progress further (2012: As for 2013).

Transactions with Related Parties

RDC has a wholly owned subsidiary (RDC Holdings Ltd – not trading), and has influence over Manawatu-Wanganui LASS Ltd (owns 1/7 together with other local councils); the Wanganui-Rangitikei-Ruapehu Economic Development Trust (33% interest), and the Whanganui River Enhancement Charitable Trust (33% interest).

For the 2013 financial year; there were only transactions with Manawatu-Wanganui LASS Ltd of \$5,000 (2012: \$18,000).

Key management personnel include the Mayor, Councillors, Chief Executive and the other three members of the senior management team, plus a former member of the senior management team. In the 2013 financial year; RDC paid salaries totalling \$833,000 (2012: \$853,000) and post-employment benefits of \$6,000 (2012: \$9,000) to the key management personnel.

During the year, Councillors and senior management, as part of a normal customer relationship were involved in minor transactions with RDC (such as the payment of rates).

During the year, transactions were conducted on normal commercial terms with Councillors, key management personnel or entities with which they are involved, totalling \$642,000 (2012: \$909,000).

Councillors are also involved in various non-profit organisations throughout the community, which receive funding from RDC. During the year RDC provided funding to these entities totalling \$275,000 (2012: \$275,000).



Independent Auditor's Report

**To the readers of
Ruapehu District Council and group's
summary of the annual report
for the year ended 30 June 2013**

We have audited the summary of the annual report (the summary) as set out on pages 1 to 19, which was derived from the audited statements in the annual report of the Ruapehu District Council (the District Council) and group for the year ended 30 June 2013 on which we expressed an unmodified audit opinion in our report dated 11 October 2013.

The summary comprises:

- the summary statement of financial position as at 30 June 2013, and summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the District Council and group's non-financial performance information and summaries of other information contained in its annual report.

Opinion

In our opinion, the information reported in the summary complies with FRS-43: Summary Financial Statements and represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

Basis of opinion

The audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand).

The summary and the audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 11 October 2013 on the audited statements.

The summary does not contain all the disclosures required for audited statements under generally accepted accounting practice in New Zealand. Reading the summary, therefore, is not a substitute for reading the audited statements in the annual report of the District Council and group.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary in accordance with FRS-43: Summary Financial Statements. The Council is also responsible for the publication of the summary, whether in printed or electronic form. We are responsible for expressing an opinion on the summary, based on the procedures required by the Auditor-General's auditing standards and the

International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

In addition to this audit we have carried out a review of the tender process for the Taumarunui and Ohakune i-Site visitor information centres. Other than this assignment, we have no relationship with, or interests in, the District Council or its subsidiary.



Clarence Susan,
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand
21 October 2013

