



Summary Annual Report

2013/14

Message from the Mayor



We are pleased to present the 2013/2014 Annual Report on behalf of Ruapehu District Council. Despite the need to confront some unique (and difficult) challenges Council has performed well both operationally and financially and ends the year with cash debt down about \$2 million.

Financially Council is well placed against all our key financial indicators. Two key indicators (Interest Expenses/Operating Revenue, Total Liabilities/Total Assets) out of the three below the prescribed Liability Management Policy limits on borrowing and interest rate exposures and the third (Net Debt/Operating Revenue) is near the prudent lower limit.

The drop in debt has been created by Council not undertaking some planned capital works and extremely good debt recovery. This in turn was due to schedule work being deferred due to the diesel contamination of the Raetihi water supply from Ruapehu Alpine Lifts (RAL) Turoa ski field.

The diesel spill, which was in late September- October 2013, caused a major civil defence emergency that became (almost) the total focus for Council and some of our key contractors until we were able to return reticulated water to the town. Due to Council resources being focused on Raetihi, the planned capital works did not occur.

In the middle of the Raetihi water supply diesel contamination the Waimarino area was hit by an extreme weather bomb equivalent to a one in 20 year event. The flash flooding caused the stream next to the sewerage treatment ponds in Ohakune and Raetihi to overtop the stop banks. This led to the inundation of the Ohakune and Raetihi sewerage treatment ponds and associated works.

The other significant event during the diesel contamination response was the Triennial Election on 10 October where incumbent Mayor Sue Morris stood down and then Deputy Mayor Don Cameron was elected. The election saw councillor Marion Gillard, (Ohura Ward) returned unopposed, returning councillor Rhonda Wood, (Taumarunui Ward) and new councillors David (Rabbit) Nottage and Pita Pehi (both Waimarino-Waiouru Ward).

The National Park and Waimarino-Waiouru Community Boards had one new member each (Hamish Sinclair, National Park, and Lucy Conway, Waimarino-Waiouru).

The small turnover of elected members has retained invaluable experience and allowed for a smooth transition from the previous triennial period.

Despite the Raetihi diesel contamination deferring some capital works, around \$8 million of planned capital works were completed during the year.

This included the completion of the Whanganui River Road seal extension which was one of the major projects completed. This completed a project that was begun in 2007 and is seen as an important regional initiative that is helping to unlock significant economic benefits for Ruapehu.



The significant challenge currently facing Ruapehu land transport is the planned drop in roading subsidy levels by the NZ Transport Authority (NZTA) that determines the subsidy level on any particular type of road works. Ruapehu has been at the forefront of efforts to have this decision reviewed as not being in support of NZ's growth objectives.

Council also continues to build and strengthen their positive relationships with local iwi through its mandated Iwi Members on Te Kaunihera Maori a Rohe o Ruapehu (Ruapehu District Maori Council). Council is continuing to consider the best options to provide effective engagement with Maori. This includes looking at the potential for including Maori Wards.

Council welcomed the on-going Waitangi Treaty settlements that are benefiting Ruapehu Iwi. The recent Whanganui River settlement is the first in a series of settlements that will have a tremendous impact on Ruapehu and its communities. Council will be doing all it can to be a conduit for local iwi and to assist them to prosper.

Council has already started work on next year's LTP 2015-2015 in the form of community engagement meetings and developing growth assumptions for the District. The LTP consultation will challenge Ruapehu ratepayers to consider how we can manage our ageing infrastructure, allow for growth pressures through tourism, and maintain essential services while keeping rate increases at a sustainable level. Council is confident it will be able to develop asset management plans that will allow this as long as (council) inflation is kept under control.

Over the past year Council has undertaken a wide range of governance activities. A number of Bylaws and Policies were consulted on and adopted during the year including the Public Health and Safety Bylaw, Land Transport Bylaw and a Policy on Council Requirement for Wastewater and Stormwater Drains and Standards of Plans for Subdivisions.

A new Local Alcohol Policy was put in place as a result of changes in the Sale and Supply of Alcohol Act 2012. This involved input and consultation with the Police, District Health Boards, the hospitality industry and the broader community.

Research and investigation of diverse issues were undertaken for Council, including matters relating to feral cats, pigs in residential areas, noise nuisance matters, psychoactive substances, Genetic Engineering and Genetically Modified Organisms, the Deprivation Index and health services currently being provided in the Ruapehu District.

Submissions were prepared on matters of concern to the community. They included comments on the Buildings (Earthquake-Prone Buildings) Amendment Bill, Funding Assistance Rates Review (Land Transport), Freshwater Reform, the Local Government Act 2002 Amendment Bill (No 3) and the Gambling Act 2003; Public Consultation on four Class 4 gambling proposals and RDC's submission on Horizons Regional Council Annual Plan.

All in all Council has had a very busy and successful year. Staff and elected members have proven that they are able to deal with unforeseen issues and operate under pressure. Residents, ratepayers and other Ruapehu stakeholders should have every confidence in their Council and its ability to deliver the outcomes they need.

Don Cameron JP
MAYOR

Peter Till
CHIEF EXECUTIVE



The CEO's Year at a Glance



How We Performed Financially

Operational Result

Our Operational result for the 2013/2014 Financial Year shows a loss against a budgeted profit. The principal driver of the change has been in the requirement to depreciate our Council owned buildings at a much higher rate than had been anticipated when the Annual Plan was completed back in May 2013.

Capital Works Programme

We have completed a capital works programme in the last 12 months totalling \$8.4million.

Activity	Description	\$million
Land Transport	Renewals of various sorts	5.6
	Various minor works	1.7
Wastewater	Various minor works	0.4
Water	Various minor works	0.3
Overheads	Computer Equipment, Software and Furniture	0.3
	Plant and vehicles	0.1
Total		8.4m

Public Debt

Our overall debt was reduced by \$2million during the 2014 financial year.

Key Financial Indicators – Comparative Table

(\$million)

	Budget	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Income	32.2	31.2	30.0	31.8	32.1	32.3	31.9	28.6
Less Expenditure	30.9	31.5	29.4	31.5	28.7	29.0	32.0	26.4
Surplus/(Deficit)	1.3	(0.3)	0.6	0.3	3.4	3.3	-0.1	2.2

Weighted Average Interest Rates

	2014	2013	2012	2011
Short Term < 1 yr.	5.72%	6.80%	6.87%	7.28%
Long Term > 1 yr.	5.45%	5.56%	6.17%	6.83%



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	2014 Actual	2013 Actual	2012 Actual	2011 Actual
Interest Expense/Operating Revenue	5 to 15%	5.5%	6.20%	5.7%	5.9%
Total Liabilities /Total Assets	10 to 15%	8.7%	9.02%	8.9%	9.3%
Net Debt /Operating Revenue	1 to 1.5	0.9	1.0	0.9	0.8
Interest Rate Exposure					
<12 months	10% to 40%	21.2%	9.9%	35.8%	15%
12 months – 2 years	10% to 40%	28.3%	26.4%	10.4%	39%
2-4 years	20% to 50%	39.9%	44.6%	34.7%	30%
Over 4 years	10% to 20%	10.6%	19.1%	19.1%	15%

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 report on each activity area. The summary is shown in the table below.

	2014		
	Achieved	Not Achieved	Not Assessed
Community Support	6	1	-
Leadership	2	1	1
Regulation	13	1	-
Recreation and Community Facilities	4	6	-
Land Transport	6	2	1
Stormwater	2	-	2
Wastewater	2	1	2
Water	1	-	5
Waste Management and Minimisation	6	4	-
Total	42	16	11

The details behind these Key Performance Indicators can be found on the pages for each activity.

Summing Up

Overall this has been a solid performance financially. The only activity that spent significantly more than its budget was Civil Defence. This expenditure was caused by the diesel spill in the Raetihi water supply. The total expenditure of \$1million has been partially recovered during the financial year. It is likely that the remainder will be recovered during the 2014/15 year.

Savings in other areas have compensated for this over expenditure.

Peter Till
CHIEF EXECUTIVE



Highlights for the Year

Community Support

Grants

Over recent years the contestable Grants allocations from Council have been discontinued. The ring fenced grants were allocated to the Waiouru Library, Ohura Library and various Community Halls for maintenance activities.

Economic Development

The overall aim of this function is to facilitate economic development within the District and to promote social wellbeing by improving employment prospects in the District. It is done through a range of initiatives.

Council delivers the economic development activity across its senior manager roles and retains a budget to enable it to invest in worthy projects as they arise. As part of the role, council maintains significant partnerships within the community business associations and representative groups from which economic development is encouraged and leveraged. Council invest with the aim of facilitating economic development rather than actively leading economic development initiatives

The opening of two Cycle ways over the last three years represents the culmination of five years of Economic Development effort. The record number of bed nights sold by Commercial Accommodation industry is a testament to the success of this effort.

A seminar for small business owners on how to take advantage of the opportunities offered by this changing environment was well attended.

A facilitator and inspirational speaker, Brian Richards, was provided to spark and enable a change in the economic direction of the District fostering collaboration across the region from Taupo, Waitomo to Whanganui

Emergency Management (Civil Defence and Rural Fire)

Civil Defence Emergency Management swung into action in October 2013 due to the Raetihi Water Crisis following a large diesel spill into the Raetihi water source. For 20 days the Emergency Operations Centre (EOC) in Taumarunui coordinated the response and recovery of the Raetihi Water supply. All staff members had a role to play either in the EOC, on the ground, or to continue the Councils other functions on a reduced staff roster. This event tested our plans and staff for future emergencies. All the agencies worked together and showed the strengths of having good training and communication with other agencies. Overall the Civil Defence part of the event went smoothly.



In September the Ruapehu Volunteer Rural Fire Force was established at the Taumarunui Aerodrome. The force has 13 volunteers who give up their time freely for training and suppression activities. Over the year the VRFF was also gifted a 4x4 pole truck by The Lines Company and this is in the process of being turned into a tanker by the force. The Council also purchased an ex forestry tanker which was used successfully over the fire season. Hancock Forest Management has let the force borrow a forestry tanker for Taumarunui; this was also used in the fire season. Dry weather over summer saw the force being called to 18 vegetation fires. This is a reduction from last season, however much of this comes down to the great work by Rural people in not burning when it could get out of control.

Libraries

The Councils three Libraries in Taumarunui, Raetihi and Ohakune continue to provide excellent service. School holiday programmes were run in Taumarunui, Ohakune and Raetihi, and many school visits took place. The Taumarunui Library will move into the Administration building early in the New Year which will enable more attractive surroundings, longer opening hours and better service.

The free wifi continues to be popular, and there have been new electronic services added to the library's range of services, including e-books and free databases for library uses.

RTO Visit Ruapehu

Early in 2013/14 the Tongariro Alpine Crossing was reopened to the public following a year of limited access resulting from volcanic eruptions at Te Maari crater. The Tongariro Alpine Crossing is New Zealand's most popular Great Walk, attracting over 70,000 trampers and bringing an economic benefit to the Ruapehu/Taupo region of more than \$100 million each year.



The reopening of the Tongariro Alpine Crossing assisted by a focus on recreational cycling meant summer visitation for 2013/14 was a record year by some margin where successive months from November 13 to April 14 were all records in their own right.

Summer Visitor Nights (Nov – May) were 235k. This is up from 194k last summer and up 15% on our previous best in 2011/12 where we reached 203k.

International visitor arrivals over the period were up around 4% on last year and Ruapehu consistently exceeded 12%. However, it was a massive growth in domestic visits up 30% plus that was a key driver.

Visit Ruapehu staff hosted a range of key international and domestic media with some great outcomes. The “Great Escape” marketing campaign attracted and additional 7,000 Facebook likes and generated another 3,000 people to our consumer database.

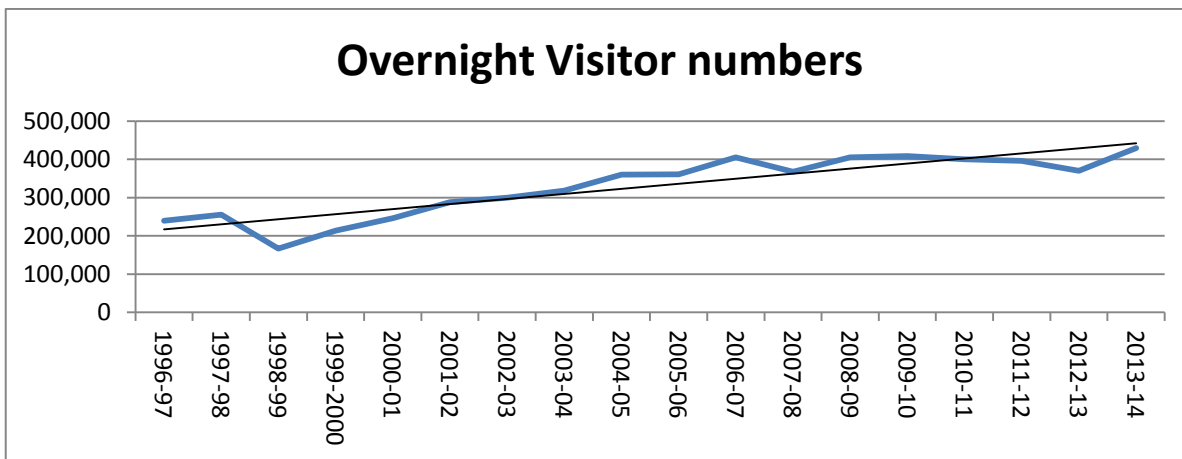
The Trade Show season culminated in TRENZ 2014 at The Cloud in Auckland where Ruapehu was represented by seven operators. There was excellent business conducted consolidating growth for future years and significant renewed interest in Ruapehu’s tourism assets.

For winter 2014, the team are working hard on strengthening working relationships with key associates such as Ruapehu Alpine Lifts (RAL) management and are jointly delivering the “Come Anyway” campaign to encourage people to not cancel planned winter visits based upon poor weather forecasts. The campaign is based around 100 activities to do off mountain within the Ruapehu region.

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.

The funding agreement with the Visit Ruapehu Trust to deliver Regional Tourism Organisation (RTO) function is renewed on a triennial basis. The RTO contract is for three years, valued at \$267,000 (plus inflation) per annum.

Annually the contract performance is measured by whether the District is experiencing an increase of visitors. The change from 2012 to 2013 was measured to be an increase of 4%, which is believed attributable to summer growth in the domestic market supported by the cycle ways reopening of the Tongariro Alpine Crossing and general economic recovery.



Commercial Accommodation Monitor supplied by Statistics New Zealand

Visitor Information Centre

This year the operation of the i-Sites were resumed by Council after five years of outsourcing operations. The decision to outsource this activity will be reviewed in the context of the Long Term Plan review 2015 – 2025. The move from a contracted service to an in house provision has dominated the year for Council staff.

Council used the opportunity to improve the service by lengthening the hours and changing the range of souvenirs available.

The way that visitors use this service and its interaction with the internet will cause this service to change in the years ahead.

Youth Co-ordinator

The existing Contract with the Government came to an end during the year. The Van was donated to local Iwi to enable apprentice training for the Apprentices for Christchurch scheme. This scheme, run by Te Puni Kokiri has been a great success. The Youth Council in Taumarunui has been revived and has proposed several projects including shop displays and painting the skate park.



We were fortunate to be awarded another Youth Development Grant from the Government towards the end of the year. This will be used to facilitate Youth oriented projects throughout the District.

The Ruapehu Youth Council has taken a new form and is now made up of Taumarunui Youth Ambassadors and Waimarino Youth Ambassadors. Taumarunui Youth Ambassadors meet fortnightly in Council Chambers and have been busy engaging in projects throughout the community. There is currently funding left over from the Ministry of Youth Development which is supporting their various means of community engagement, projects and workshops. Taumarunui Youth have been able to enjoy the benefits of being involved in conferences, workshops and community projects such as the Lower North Island Youth Council Conference, Ministry of Youth Development led Workshops and the local skate park project. Engagement with Waimarino Youth is ongoing and looking positive.

Customer Services

The renovation of the Taumarunui building and moving of staff to enable the Library move into the administration building dominated the year.

The system for recording customer enquiries has been upgraded and our service consequently improved.

The Palmerston North afterhours service was of great assistance during the Raetihi diesel contamination event in October. Their service has significantly improved during the year.

Leadership

Governance (Mayor and Council)

Governance had a very busy and successful year with elections and induction of some new Council Members.

The Triennial Election was held successfully on 10 October with no errors. As the incumbent Mayor (Sue Morris) stood down, a new Mayor (Don Cameron) was elected. One councillor (Marion Gillard, Ohura) was returned unopposed. There was one new councillor that had previously served (Rhonda Wood, Taumarunui Ward) and two new councillors (Rabbit Nottage and Pita Pehi) in the Waimarino-Waiouru Ward.

The National Park and Waimarino-Waiouru Community Boards had one new member each (Hamish Sinclair, National Park, and Lucy Conway, Waimarino-Waiouru).

The small turnover allows for a smooth transition from the previous triennial period.

There was a workshop to introduce new councillors to how Council operates. Community Board members and Maori Council members were also invited to attend.

Council adopted the Local Governance Statement and the Code of Conduct within the legal timeframes. These are available on Council's website. All agendas are also available online.

The Councillors are now equipped with i-Pads and most are working with these and not hard copies. With this and other initiatives, Council has reduced its photocopying and administration costs.

There were 23 Council meetings in the 2013/14 year as well as nine workshops. National Park Community Board met seven times and the Waimarino-Waiouru Community Board met 11 times.

The Management Committee was formed following the October 2013 election.

Strategic Development

Development and adoption of the Exceptions Annual Plan (EAP) dominated the second half of the financial year. Council received 83 submissions. Council heard verbal submissions and deliberated in May. Reports were prepared to support Council's decision making.

The LTP 2015-2025 got underway in February. Growth Assumptions, a key early input to the LTP, were developed. This demographic data assists with infrastructure planning. Community engagement meetings were held to elicit information on concerns and priorities of different communities.

A number of Bylaws and Policies were consulted on and adopted during the year including the Public Health and Safety Bylaw, Land Transport Bylaw and a Policy on Council Requirements for Wastewater and Stormwater Drains and Standards of Plans for Subdivisions.

A new Local Alcohol Policy was put in place as a result of changes in the legislation within the enactment of the Sale and Supply of Alcohol Act 2012. This involved input and consultation with the Police, District Health Boards, the hospitality industry and the broader community.



Research and investigation of diverse issues were undertaken for Council, including matters relating to feral cats, pigs in the residential areas, noise nuisance matters, psychoactive substances, Genetic Engineering and Genetically Modified Organisms, the Deprivation Index and health services currently being provided in the Ruapehu District.

Submissions were prepared on matters of concern to the community. They included comments on the Buildings (Earthquake-Prone Buildings) Amendment Bill, Funding Assistance Rates Review (Land Transport), Freshwater Reform, the Local Government Act 2002 Amendment Bill (No 3) and the Gambling Act 2003: Public Consultation on the Class 4 Venue Policy and RDC's submission on Horizons Regional Council Annual Plan.

The triennial NBR survey on customer satisfaction with services and an Out of District Ratepayers Survey 2013-14 were completed. Both provide valuable feedback on levels of service and ratepayer concerns.

Work continued on the long term future of the Ohura Water supply with research, reports, and consultation occurring with the community and stakeholders such as the District Health Boards.

Te Kaunihera Māori a Rohe o Ruapehu - Ruapehu District Māori Council

Ruapehu District Council continued to build and strengthen their positive relationships with local Iwi through its mandated Iwi Members on Te Kaunihera Māori a Rohe o Ruapehu (Te Kaunihera Māori). The establishment of Te Kaunihera Māori forum allows Iwi Members to voice opinions, which can then be put before Council, and thereby Iwi to contribute to the decision-making process of the Ruapehu District Council.

The Strategic Development Team continued to support Te Kaunihera Māori.

Te Kaunihera Māori currently have seven active members, this leaves two vacant seats for a Tuwharetoa and a Southern Iwi representative, Te Kaunihera Māori has changed their meeting structure in order to embrace tikanga Māori (traditions and customs) whenever appropriate. The new structure does not compromise the meeting agendas and the minute recording process remains unchanged.

Te Kaunihera Māori has also established a Rates and a Resource Consents Working Party Group. The working party groups have been valuable for sharing information in order to enhance a better understanding of Council's processes in these areas.

Two public rating hui were organized with Te Kaunihera Māori to discuss the problems both Council and family members are faced with in terms of rates arrears on Māori Land.

A Resource Consent Working Party Forum was held with Te Kaunihera Māori Council on 6 June 2014. The forum was an opportunity for Members to gain an understanding about Council's resource consenting process.

Te Kaunihera Māori has also been working with the wider Iwi on the proposed King Tawhiao sign project. Two public hui were held on 9 December 2013 at Ngapuwaiwaha Marae and on 29 April 2014 at Te Koura Marae.

The meetings generated a good amount of public interest among the wider Iwi sector and prompted some good discussion which resulted in a general consensus supporting the proposal.

Regulation

Compliance

Animal Control ensured registration of all seized dogs within the year. Horse issues were targeted with a couple of horses seized during the year, this resulted in increased publications hence awareness of the bylaws. This carried a message to the owners of horses who were offending; believe this made a positive result with a decline of calls received for horse complaints.

The number of calls for dog attacks has dropped this year compared to the previous year. This year a total of 57 calls were logged compared to 72 in the previous year.

A series of vehicle accidents and near misses prompted a combined effort from Police, DOC and Council to cull approximately a dozen cattle that were left to roam freely in the National Park area. They were reported as being wild stock.

Resource Consents

Additional achievements this year:

- The District Plan was completed by 30 June 2014.
- On 2 April 2014 Council signed off a monitoring compliance for a relocated dwelling that was received on 8 April 2010. The owner resides overseas.
- Acknowledgment from the Minister for the Environment for Council's 100% audit performance.



The drop in resource consent applications over the past year has impacted significantly on Development Contribution revenue. Council will be reviewing its Development Contribution Policy in the 2014/15 financial year, taking into account the current trends for much lower subdivision and land use applications.

The impact of the 2012 National Environmental Standards (NES) relating to contaminated land has become clearer in the past year and Council is developing process and public information related to NES.

Building Inspection

Accreditation of Council as a Building Consent Authority was re-confirmed following an audit by International Accreditation New Zealand in November 2013. This reflects the hard work put in by the Building Consent Team to keep its processes updated and complied with.

Although building consent application numbers have been down reflecting the slower economy, there have been some significant building projects within the District in the past year including three Marae and a large extension to the National Park water bottling plant.

Environmental Health and Liquor Licensing

The past year has been extremely busy for the Liquor Licensing team with the establishment of a District Liquor Licensing Committee and the updating of all forms associated with liquor licensing to comply with the provisions of the Supply and Supply of Alcohol Act 2012 and its associated Regulations. Council has also completed the process of consulting on and adopting a new Local Alcohol Policy as required under the Act.

The time and cost of processing applications under the new legislation is considerably greater than under the old Act however the cost to date has been offset by the new statutory licence fees. There were no hearings during the year of the Committee under the new Act so the implication of cost associated with hearings is as yet unknown.

The Environmental Health team has been challenged by the loss of the Senior Environment Health Officer during the last quarter of the year. Premises inspections have been fewer than normal but all high risk premises inspections have been carried out.

A highlight of the year was the Dinner in the Domain event at Taumarunui which went smoothly with no reported food related issues.



Recreation and Community Facilities

- Raetihi Swimming Pools ablutions block and solar heating project completed in partnership with Chills Off.
- Ohakune Swimming Pools painted, new ticket office erected, fencing and parking upgraded.
- Lions Club installed swing set at Taumarunui Domain Playground.
- Swing set installed at Tuku Street Domain by Downer sponsorship.
- Installed new seat in the Taumarunui Domain.
- Christie Park, Raetihi Rec and Taumarunui Domain playground equipment were all repainted.
- Planting of specimen trees and fencing at Cherry Grove, Taumarunui in partnership with Horizons.
- Taumarunui Subway paint out by BNZ bank staff saw a reduction in vandalism at this site.
- Roslyn Street walkway through to the Tuhua Domain and leading to Golf Road was reshaped and the bridge across the stream, renovated with new sides as recommended by the inspecting Engineer.
- Lairdvale reserve open drain was covered in to improve user safety and provide easier mowing maintenance.
- Taumarunui Main Street Decorative Lighting installed.
- Taumarunui Netball Courts resealed with acrylic surface.
- Waiouru Public Toilet renewal design plans concept complete.
- Commencement of the Taumarunui Library Relocation project.
- Heat pumps installed at Cherry Grove Flats, Taumarunui.
- Ceiling insulation installed at Rangimarie Flats, Taumarunui.
- World War 1 memorials audited and maintenance work carried out prior to 2014 commemorations.
- Raetihi Cemetery Fence renewal continued to the Memorial Gates. Installation of row and plot markers at Raetihi and Ohakune Cemetery.
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Roslyn Street Walk Bridge Upgrade

Land Transport

Unsubsidised construction

A continuation of footpath development has occurred in Waiouru and Raetihi to a programme of capital works that began in 2011/12. New footpath sections were completed along State Highway 4 verge to Seddon Street Raetihi and State Highway 49 at Waiouru, a small section of footpath was also completed along Miro Street Manunui.

Subsidised Construction

The last 11 km of sealing extension for Whanganui River Road was completed in March 2014. This completes a long term seal extension project that derived its benefits from social and economic benefits not recognised in today's criteria that include Strategic Alignment, effectiveness and efficiency.

This project is the last capital development project for Ruapehu in the foreseeable future. From 2015 onward Ruapehu's land transport asset management focus will have its entire focus on maintenance and renewal of existing assets only.

Ruapehu thanks NZTA, Wanganui District Council and the Regional Land Transport Committee for its support to complete this important project for the Whanganui River Community.



Renewals

Council is committed to maintaining its level of investment in major road renewal works which has begun to reduce the whole of life maintenance cost of sealed roads. This work will continue to be consolidated in 2014-2015 and the ratio between renewal and maintenance is expected to demonstrate prudent investment in the network.

Pavement Rehabilitation

Ruapehu completed 7.43 km of pavement renewal and 620m of Mangapapa Road Ohura was reverted from seal to gravel. The 2013/14 pavement rehabilitation sites are shown in the below table.

A focus on more cost effective options has resulted in several rip and remake treatment options in the Ohura area with some section reduced to a minimum width of 5.5m. The more cost effective option has allowed for 7.34km of pavement rehabilitation sites.

Ruapehu District Council will continue to invest in renewal activity offset by reduced expenditure in maintenance. This approach and funding level is expected to continue however within the renewal budgets reduction in pavement renewal lengths will be offset by increased bridge replacements over the next ten years.

Pavement Renewal Sites 2013/14

Road	Start	Length (m)	Treatment	Status
Ohura Mokau Rd	4,940	600	rip and remake	Completed
Ohura Mokau Rd	5,700	230	rip and remake	Completed
Ohura Mokau Rd	6,030	30	rip and remake	Completed
Ohura Mokau Rd	6,135	90	rip and remake	Completed
Waitea Branch Rd	3,390	200	overlay - design	Completed
Ohura Road	26,820	1,180	overlay - design	Completed
Ohura Road	12,585	500	rip and remake	Completed
Mangaparo Rd	20	480	rip and remake	Completed
Mangaparo Rd	3,480	330	rip and remake	Completed
Ruatiti Road	11,917	1,430	overlay - design	Completed
Oio Rd (Cnt 1593)	16,040	2,270	overlay - design	Completed
Total		7,340		



Bridges

Ruapehu District Council has been progressively renewing its bridge assets utilising structural component replacements. The 2013/2014 year saw the replacement of two bridge decks joints and several other routine maintenance items including pier works and scour protection. Priority for bridge renewal works will change as we focus on the 50 Max High Productivity Motor Vehicle routes restricted by unsupported bridge spans above 25m.

In the context of the 30 year infrastructure plan the total forecast replacement expenditure on bridges in Ruapehu District is \$18.2 million. 90 bridges are due for replacement by 2044 or before with estimated replacement cost (2013 dollars) of \$10.7 million. The estimated component replacement forecast (where only part of a bridge is replaced, such as decks, beams, rails) is \$7.5 million.

This work category will be a focus for Ruapehu for the foreseeable future.



Policy

Ruapehu District engineers have contributed to national initiatives such as the Road Maintenance Taskforce Review implementation work of the Road Efficiency Group and Funding Assistance Rate review processes. In addition staff have continued to support the Regional Transport Committee members by attendance at regional and national transport forums. This work focuses on ensuring Ruapehu has the opportunity to be recognised in regional transport initiatives.

Ruapehu has continued to progress its work alongside Wanganui, Wairoa and other similar District Councils on funding policy equity for consumption of road pavements.

Research into consumption of pavements by the Forestry and Primary sectors has highlighted an inequity in funding policy in favour of the forestry sector; however sector partners have suggested that a more nationally consistent approach to funding policy is expected from the local government sector.

Ruapehu has led an approach to Local Government New Zealand and the Road Controlling Authorities Forum for consideration of a new research and guidelines project to assist rural and provincial councils to develop more consistent funding policy for land transport.

What is interesting to note is that various growth agenda of Government such as taxation rebates for exotic forestry investment in 1991 and the current Business Growth Agenda projects drive freight task demand over local roads that is not matched by increased government investment in local roads. Today this demand has to be met by property taxes or alternative funding sources.

This research continues and for Ruapehu District Council it is expected to form the basis of funding policy for the 2015-25 Long Term Plan review and NZTA block allocation of funds

Stormwater

The extreme weather bomb on 15 October 2013 caused the stormwater systems in the Waimarino to overflow. The rainfall was probably equivalent to a one in 100 year event. In the main the stormwater system coped very well. Some localised flooding did occur but it quickly drained away. The event has underscored the importance of a well-designed and maintained Stormwater network.

Several houses in Ohakune were threatened with inundation. One property in Arawa Street Ohakune was flooded. The high water level in the Manuka Stream was exacerbated by debris washed downstream from the garden features upstream of the culvert. The culvert blocked and caused local flooding.

The culvert has since been cleaned out and the house raised to the same level as Arawa Street so the problem should not repeat itself. A culvert assessment and flow capacity will be revisited during the 2014/2015 year in light of the storm events.

Various initiatives have been undertaken to keep the owners of adjacent properties aware of their responsibilities not to block the streams that abut their properties.

In the same event, the stream next to the sewage treatment ponds in Ohakune and Raetihi both overtopped the stop banks that separate the ponds from the streams. This meant that a small quantity of sewage flowed into the streams. The mitigation of this type of event is under discussion with Horizons Regional Council. It is likely that stop banks between the rivers and the ponds will be developed.





Raetihi sewage pond inundated

During the year Weston's Water Course below Ruapehu Crescent on the edge of Taumarunui was taken into the maintained network. 100m of it was then piped. Extending the network has been something of a trend over recent years and means that Ratepayers' liability for works has increased.

The stream was fed by runoff from the road and then ran through an old sawdust pit in loose pumice. A dramatic hole had been created and remedial action was necessary.



Scour Damage Weston's Water Course

Wastewater

The flood event of 15 October 2013 led to the inundation of the Ohakune and Raetihi sewage treatment ponds, screens, filters, UV installations and associated works.

The fact that the plants were back in operation within a week is a tribute to the hard work and foresight of Council staff and Contractors.

As a future mitigation of these events it is likely that we will have to develop stop banks to separate the plants from the adjacent rivers.

The Pipiriki wastewater system is a small system serving less than 30 customers for most of the year. The output of the system percolates into the Whanganui River catchment. This is an area of great cultural significance and Tourist interest. Consequently the works designed to upgrade the quality of the effluent and deliver it to the earth have been the subject of a great deal of consultation and Hui. The fact that the consent has been granted and the works are under way is a significant achievement.



Water Supply

Raetihi

The outstanding event of the year was the contamination of the Raetihi Water supply by diesel fuel from Ruapehu Alpine Lifts Turoa ski field. The diesel was spilt on Friday 27 September 2013 during a heavy rain event on the mountain.

Because the ski field is approximately 20km upstream from the intake to the Raetihi Water supply, the fuel's arrival was spread over a considerable time. The lighter fractions arrived early in October 2013 and the heavy sludge parts of the fuel took a long time to arrive at our intake.

Information about the leak was not immediately forthcoming so there was no opportunity to close the main incoming valves and isolate the town from the contamination.

Consequently the town's water supply had to be moved from the Makotuku stream to the Makara stream and the reticulation washed out. This took two weeks. It was another week before testing was completed and the all clear received from the Medical Officer of Health in Wanganui.

During this time Council provided a variety of replacement services in conjunction with Ruapehu Alpine Lifts. These included

- Portaloo toilets
- Tanks of drinking water
- Bottled drinking water
- Portable showers

The Civil Defence Incident management system was activated as an efficient method of dealing with the extraordinary event.

All southern Councillors from the outgoing Council were involved along with Council staff, Fire Service, Police, Wanganui District Council, Palmerston North City Council, Horizons Regional Council, Department of Conservation, Ruapehu Alpine Lifts and National Civil Defence Headquarters.

The total cost has yet to be finalised but is likely to be about \$1 million. Some of this will not be able to be recovered. At the time of writing \$500,000 had been recovered under our Insurance Policies.

Supply has now been restored and water is coming from the Makotuku stream. Council has installed an automatic disconnecter for the supply which is activated by a diesel detector. This will protect the system from future contamination.

The Water Supply team's year was dominated by this event and the work involved in tidying up afterwards.

Taumarunui

The filters at the Taumarunui water treatment plant ceased to function effectively on 12 March 2014. The root cause of the problem was gradual blocking of the fine passages used to retain filter media. They have since been repaired. The cost is likely to have been over \$150,000.

Due to the final step in the water treatment process being unavailable the Waikato District Health Board required a Boiled Water Notice to be released and it remained in place for approximately one month while new under drains were procured and imported from the United States. Council are undertaking some testing of the old filters to establish methods of mitigating this risk going forwards.



Ohura

Council has resolved to work towards a referendum about the Ohura Water Supply system. The referendum will ask residents and ratepayers whether they wish to continue the supply or not. The supply is becoming increasingly expensive and it may well be that roof tanks would give a cheaper and more reliable water supply.

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 weighbridge at the Taumarunui transfer station began operation in May 2014 with customers being charged by weight rather than volume. Kiosks at Ohura, National Park and Taumarunui transfer stations were upgraded and the lay-out and access at the Taumarunui transfer station was modified to improve convenience and efficiency for customers using the weighbridge.

The District participated in the TV Takeback programme that coincided with the transition to digital television. The full quota of 593 TV sets was taken in. The cloth nappy promotion continued running throughout the year with 165 mothers taking advantage of the subsidised nappy packs. A further order of 100 packs was received in May. Re-usable bags were promoted for eight weeks at both New World supermarkets. More than 1,200 re-usable bags and 2,500 fridge magnets were received by customers and New World staff are keen for the promotion to be run again later in the year.



Finally, the kerbside collection became more colourful with a change from green to pink bags. This change was made in order to minimise the trade in stolen bags. This has been most successful.

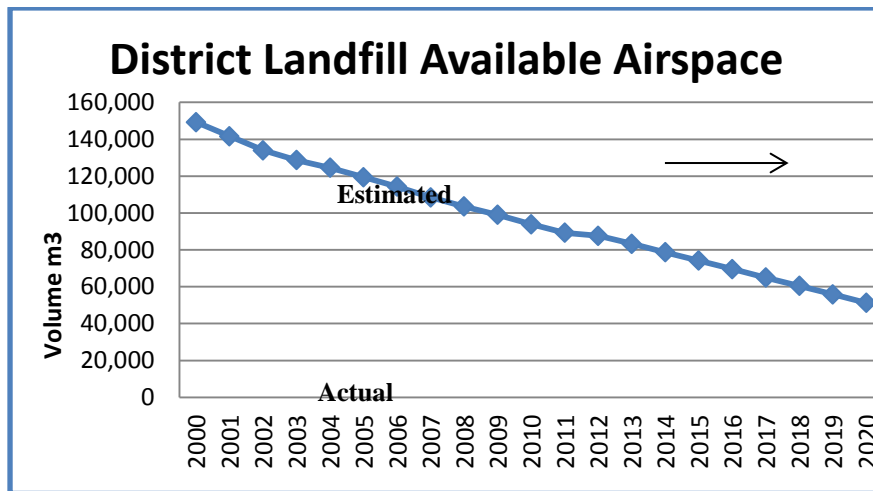
Landfill

Revision of the Landfill Management Plan (2006) has commenced and will be completed by September 2014. This will include a final profile and plans for filling cells between 2014 and closure of the landfill by 2020. Storage capacity has been identified as not being a limiting factor so management of waste to landfill will be critical in building towards the closure profile.

Removal of papa bluffs and depositing of the material at the landfill by local contractors has resulted in more than 1,500 tonnes being stored on-site for intermediate and final capping.

Both sets of storage ponds that control stormwater and leachate run-off appear to have been compromised by tonnes of various degrees of gravity. These will require remediation either through relining or the excavation of new structures. These works are required for resource consent compliance.





Estimated available airspace in landfill with a 1 in 5 slope.

The current capacity of the site is 80,861m³ of compacted refuse using historic refuse characteristics.

Surveys conducted since the estimated life of the landfill was set at three years in the 2012 Annual Plan indicate that the landfill capacity is not a constraint on continuous use until consent runs out in 2020. However, predicting airspace is an approximate of the area available and the surveyed use of the space from that theoretical area. It is influenced by compacted rates, type of refuse received, cover both in quantity and quality.

In addition, payments in accordance with the Waste Levy (\$10/tonne) and the Emissions Trading Scheme (\$10,000 per year) are considerably lower than assumed.

Consolidated Statement of Comprehensive Income

Group and Parent

For the year ended 30 June 2014

	Council and Group		
	Actual	Budget	Actual
	2014	2014	2013
	\$000	\$000	\$000
Income			
Rates, excluding targeted water supply rates	16,099	16,061	15,723
Fees, charges and targeted rates for water supply	4,975	5,289	4,790
Development and financial contributions	108	221	126
Subsidies and grants	9,472	9,884	8,295
Finance income	47	350	20
Other revenue	1,108	337	559
Gains	(594)	79	458
Total income	31,215	32,221	29,971
Expenditure			
Personnel costs	4,207	4,607	3,883
Depreciation and amortisation expense	8,337	7,967	8,328
Finance costs	1,707	2,002	1,857
Other expenses	16,479	16,370	14,678
Losses	772	-	589
Total operating expenditure	31,502	30,946	29,335
Share of associate's surplus / (deficit)	(11)	-	5
Net Surplus	(298)	1,275	641
Other comprehensive income			
Gains / (losses) on property revaluations	(297)	713	(5,607)
Financial assets at fair value through other comprehensive income	-	-	27
Total comprehensive income	(595)	1,988	(4,939)

The Council has changed the presentation of items to comply with the presentation requirements of the Local Government (Financial Reporting) Regulation 2011. Budgeted rates revenue as per the exceptions annual plan included an amount for targeted rates. This has been reclassified as part of fees, charges and targeted rates for water supply in the annual report.

Other revenue as per the exceptions annual plan related to revenue for development and financial contributions. This has been reclassified as development and financial contributions in the annual report.

Fees and charges as per the exceptions annual plan included an amount of other revenue. This has been reclassified as other revenue in the annual report.

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 8-19 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).



Consolidated Statement of Financial Position

Group and Parent
As at 30 June 2014

	Council and Group		
	Actual	Budget	Actual
	2014	2014	2013
	\$000	\$000	\$000
Assets			
Current assets			
Cash and cash equivalents	710	294	1,169
Debtors and other receivables	2,650	4,954	4,011
Prepayments and accrued income	1,339	0	346
Inventories	100	8	86
Total current assets	4,799	5,256	5,612
Non-current assets			
Investment in associates	76	-	84
Other financial assets:	0	-	-
- Investment in CCOs	0	-	-
- Investment in other entities	449	418	437
Total other financial assets	525	418	521
Property, plant, and equipment	378,463	393,731	378,795
Intangible assets	486		579
Investment property	3,017	3,389	3,635
Total non-current assets	382,491	397,538	383,530
Total assets	387,290	402,794	389,142
Liabilities			
Current Liabilities			
Creditors and other payables	4,184	4,800	3,482
Borrowings	6,000	4,100	3,000
Employee entitlements	239	250	205
Income in Advance	662	900	615
Total current liabilities	11,085	10,050	7,302
Non-current Liabilities			
Borrowings	22,300	27,344	27,300
Employee entitlements	-	4	-
Provisions	445	493	485
Total non-current liabilities	22,745	27,841	27,785
Total liabilities	33,830	37,891	35,087
Net assets	353,460	364,902	354,055
Equity			
Ratepayers equity	259,175	263,580	259,195
Other reserves	94,285	101,322	94,860
Total equity	353,460	364,902	354,055

The specific disclosures included in this Summary Annual Report have been extracted from the Full Annual Report adopted by Ruapehu District Council on 12 December 2014. 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 12 December 2014.



Consolidated Statement of Cash Flows

Group and Parent

For the year ended 30 June 2014

	Council and Group		
	Actual	Budget	Actual
	2014	2014	2013
	\$000	\$000	\$000
Cash flows from operating activities			
Receipts from rates revenue, excluding targeted water supply rates	16,622	9,427	15,723
Receipts from subsidies and grants	8,479	9,673	8,421
Interest received	47	35	19
Dividends received	0	-	1
Receipts from targeted rates for water and other revenue	6,858	13,007	6,169
Payments to suppliers	(16,261)	(16,370)	(15,668)
Payments to employees and elected members	(4,173)	(4,607)	(3,957)
Interest paid	(1,707)	(2,002)	(2,009)
Goods and services tax (net)	292	-	(347)
Net cash flow from operating activities	10,157	9,163	8,352
Cash flows from investing activities			
Receipts from sale of property, plant and equipment	37	-	13
Receipts from sale of investments	-	-	-
Purchase of property, plant and equipment	(8,533)	(10,460)	(9,113)
Purchase of intangible assets	(117)	-	(100)
Purchase of investments	(3)	-	(13)
Net cash flow from investment activities	(8,616)	(10,460)	(9,213)
Cash flows from financing activities			
Proceeds from borrowings	3,000	1,296	11,800
Repayment of borrowings	(5,000)	-	(10,920)
Net cash flow from financing activities	(2,000)	1,296	880
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(459)	(1)	19
Cash, cash equivalents and bank overdrafts at the beginning of the year	1,169	69	1,150
Cash, cash equivalents and bank overdrafts at the end of the year	710	68	1,169



Consolidated Statement of Changes in Equity

Group and Parent

For the year ended 30 June 2014

	Council and Group		
	Actual	Budget	Actual
	2014	2014	2013
	\$000	\$000	\$000
Balance at 1 July	354,055	362,914	358,994
Total comprehensive income	(595)	1,988	(4,939)
Balance at 30 June	353,460	364,902	354,055

A full copy of the Annual Report can be found on the council website, www.ruapehudc.govt.nz



Explanation of Major Variances Against Budget

Explanations for major variations from RDC's budget figures in the 2013/14 annual plan are as follows:

Statement of Comprehensive Income

Income

Overall our operating income for the year was \$1Million under budget. This represents a variance of 3.1% made up of many individual variances. The main ones are listed below:

- Emergency Management revenue was over budget and includes an insurance payment of \$500K from the Raetihi Water Event.
- I-Sites income of \$269K was recorded. There was no budget as this operation had previously been outsourced. Expenses were over budget by \$231K which offsets most of the income variance.
- Water Capital Subsidy of \$288K was not received this year. The project to which this relates will be completed in the next financial year and hence the subsidy will be collected then.
- All of the regulation activity received lower income as follows (totalling \$247K):

	Variance below budget \$000	Variance as a %	Explanation
Animal Control	81	30%	Revenue has been falling year on year from \$209K in 2011, \$192K in 2012, \$169K in 2013 and then recovered in 2014 to \$187K. This was still less than budget of \$268K which was too high.
Building Services	45	15%	Building Fees were up at \$270K in 2009 and 2010 and then fell to \$214K in 2011 to rise significantly to \$321K in 2012, \$316K in 2013 and then to \$254K in 2014. It is very hard to budget for this variable income. The budget of \$299K was not out of order given the historical values.
Resource Management	77	46%	While income in the resource management area does fluctuate year on year, with an exceptionally high income of \$218K in 2009, the average is approximately \$120K. The 2014 income of \$88K does stand out. Our budget of \$165K was also ambitious.
Inspection Services	44	35%	The budget of \$126K was ambitious with the actual income of \$83K being in line with historical income levels.

- Land Transport operating revenue was below budget by \$272K which represents only a 2.6% variance on the total budget of \$10.3M. The capital subsidy was also below budget, with a variance of \$399K which represents 8.2% of the budget of \$4.8M.
- Community Property income is below budget by 9%. This \$28K drop was driven by falling rents from Taupo Road, Waimarino and Ohakune.
- Sewerage income from Ruapehu Alpine Lifts has fallen. This is likely to be a timing difference and will have higher income next financial year.

Expenditure

Council-wide expenditure is over budget by \$556K. This is predominantly due to the losses on disposal of underground assets totalling \$772k,. Depreciation is also over budget by \$370K. The principal driver of this is Council-owned buildings where the valuers have assessed the appropriate depreciation at a higher level than Council had budgeted. Within the detail are a number of differences, the notable ones are listed below:

- Raetihi contamination event costs recorded are in the Emergency Management area at a total cost paid of \$643K.



- \$145K increase in the depreciation charge for Parks and Reserves Taumarunui, which is the impact of the aging of facilities such as the camping grounds, grandstands, sports facilities and our Council owned buildings.
- Wastewater activity underspent by \$713K, of which \$427K is due to the depreciation budget being higher. The Actuals are in line with 2013. The balance of the variance is due to lower than budgeted spend in operational areas. The focus of the team was on the Raetihi contamination event and Ohakune flooding event of October 2013.
- Stormwater activity costs are \$642K over the annual plan budget. \$159K of this is due to depreciation being higher than budgeted, the other main cost is \$600K worth of disposal of assets and operational costs being down by \$123K.
- Water Activity costs are under budget by \$429K due to depreciation being lower than budgeted.
- Overhead costs are below budget by \$563K of which the single biggest variance is the cost of finance of \$454K, with interest rates being lower than budgeted.

Statement of Financial Position

With continued focus on reducing the overdue rates, there has been a drop in debtors and other receivables from budget of \$2.3 M. This is also lower than last year by \$1.4 M.

Our fixed assets values remained quite stable. We had a budgeted growth of \$14 M.

Council borrowing went down this financial year by \$2 M where the budget was for an increase. This was due to the lack of capital spending, particularly in the water, wastewater and stormwater areas.

Statement of Cash Flows

The large variance in investing activities and hence lack of financing activities are very much due to the Raetihi and Ohakune events diverting the focus of Council project managers and their contractors away from the planned capital programme.

Late adoption of Annual Report

Under Sec98(3) of the Local Government Act 2002 Annual Reports must be completed and adopted by resolution, within 4 months after the end of the financial year to which it relates. RDC was unable to meet this deadline due to staff shortages that could not be resolved. Council formally adopted the Annual Report on the 12th of December, 42 days later than the date specified in the Act.



Independent Auditor's Report

To the readers of Ruapehu District Council's summary annual report for the year ended 30 June 2014

The summary annual report was derived from the annual report of the Ruapehu District Council (the District Council) for the year ended 30 June 2014. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 5 to 23:

- the summary statement of financial position as at 30 June 2014;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary non-financial performance of the District Council.

We expressed an unmodified audit opinion on the District Council's full audited statements in our report dated 12 December 2014.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with FRS-43 (PBE): Summary Financial Statements.

Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

DAA - H6179000001-1 - 30-06-2014

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

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS-43 (PBE): Summary Financial Statements. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS 43 (PBE): Summary Financial Statements.

In addition to reporting on the summary annual report, we have reported on the full annual report, and carried out an assurance engagement in the area of reviewing the debenture trust deed which is compatible with those independence requirements. Other than this reporting and these assignments, we have no relationship with or interests in the District Council.



David Walker,
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand