

2020/2021 Annual Report



We are.
Ruapehu.



www.ruapehudc.govt.nz

TABLE OF CONTENTS – SECTION ONE

COUNCIL DIRECTORY	2
STATEMENT OF COMPLIANCE	3
WHAT IS AN ANNUAL REPORT	4
COUNCIL ORGANISATIONAL STRUCTURE	5
RUAPEHU DISTRICT MAP	6
MAYOR AND COUNCILLORS	7
COMMUNITY BOARDS	8
MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE	9
AUDITOR'S REPORT	14
RUAPEHU'S VISION AND MISSION	23
COMMUNITY WELL-BEING OUTCOMES	24
STRATEGIC ACTIVITIES	25
LAND TRANSPORT	26
WATER SUPPLY	35
WASTEWATER (SEWERAGE)	48
STORMWATER AND FLOOD PROTECTION	59
SOLID WASTE	66
RECREATION AND COMMUNITY FACILITIES AND COMMUNITY PROPERTY	73
COMMUNITY SUPPORT	92
LEADERSHIP	102
REGULATION	112

COUNCIL DIRECTORY

Postal Address: Private Bag 1001, Taumarunui 3946
Website: www.ruapehudc.govt.nz
Email: info@ruapehudc.govt.nz

Locations: 59-63 Huia Street, Taumarunui Phone 07 895 8188 Fax 07 895 3256
37 Ayr Street, Ohakune Phone 06 385 8364 Fax 06 385 8628
Cr Duncan/Seddon Streets, Raetihi Phone 06 385 4447 Fax 06 385 4014

Bankers: Bank of New Zealand
101 Hakiaha Street, Taumarunui

Auditors: Audit New Zealand on behalf of the Auditor General
280 Queen Street, Auckland

Solicitors: Le Pine & Co
PO Box 140, Taupo

Major Contractors: Alf Downs Streetlighting Ltd
Datacom Group Ltd
Downer EDI Works Ltd
Emmetts Civil Construction Ltd
Envirowaste
GHD
J&J Walters Ltd
Jilesen Contractors Ltd
Delta Technology Solutions Ltd
Mulch & Mow Ltd
Roadmarking Services Ltd
Veolia Water Services (ANZ) Pty Ltd
Visit Ruapehu

STATEMENT OF COMPLIANCE

The financial statements of the Council and Group have been prepared in accordance with the requirements of the Local Government Act (LGA) and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FGP)R), which includes the requirement to comply with NZ GAAP.

Dated this 20 day of December 2021.



Don Cameron JP
MAYOR



Clive Manley
CHIEF EXECUTIVE

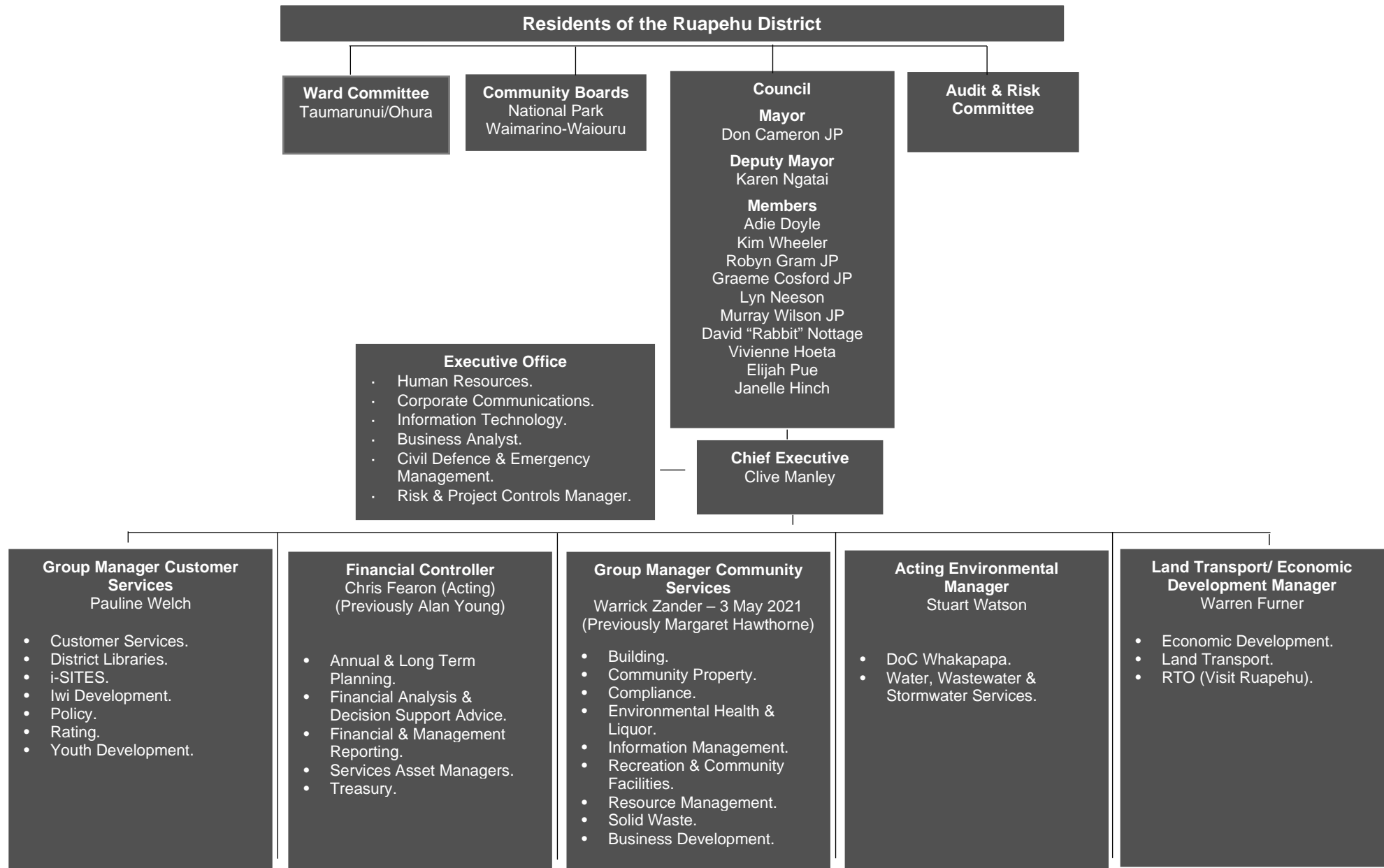
WHAT IS AN ANNUAL REPORT

The local authority is required to produce a plan showing how it will achieve the purpose of Local Government that is to meet the current and future needs of the community. The local authority demonstrates its contribution towards this purpose in the setting of Strategic Goals (SGs) and in the development of a Long Term Plan (LTP).

The LTP describes what a local authority aims to achieve over a minimum period of ten years. The LTP must be produced once every three years, with an Annual Plan for the years in between. The Annual Plan provides the budget for the coming year and explains any changes from the LTP. The first year of the LTP is the Annual Plan for that year.

The Annual Report is used to monitor the local authority's progress against the SGs and work programmes identified in the 2021-2031 LTP and against budgets contained within the 2021-2031 LTP and 2020-21 Annual Plan.

COUNCIL ORGANISATIONAL STRUCTURE



RUAPEHU DISTRICT MAP



MAYOR AND COUNCILLORS



Don Cameron JP
Mayor

135 Matapuna Road,
RD 6, RAETIHI 4696

Phone 06 385 3033
Mobile 021 202 7629



Karen Ngatai
Deputy Mayor
Taumarunui Ward

446 Echolands
Road, RD 4,
TAUMARUNUI 3994

Phone 07 896 6658
Mobile 021 0222 2122



Adie Doyle
Taumarunui Ward

168 Golf Road,
TAUMARUNUI 3920

Phone 07 895 6766
Mobile 027 495 3308



Kim Wheeler
Taumarunui Ward

4 Taringamotu Road,
TAUMARUNUI 3920

Phone 07 896 7736
Mobile 027 229 1527



Graeme Cosford JP
Taumarunui Ward

42 Reu Street,
TAUMARUNUI 3920

Phone 07 895 7572



Robyn Gram JP
Taumarunui Ward

158 Golf Road,
TAUMARUNUI 3920

Phone 07 895 5320
Mobile 027 389 1912



Lyn Neeson
Ohura Ward

649 Paparua Road,
KIRIKAU 3993

Phone 07 895 7803



Murray Wilson JP
National Park Ward

13 MacKenzie Street,
NATIONAL PARK 3948

Phone 07 892 2774
Mobile 027 542 9079



Janelle Hinch
Waimarino-Waiouru
Ward

C/- Ruapehu District
Council, Ayr Street
OHAKUNE 4625

Mobile 022 385 8683



Elijah Pue
Waimarino-Waiouru
Ward

51 Queen Street,
RAETIHI 4632

Mobile 027 740 6253



David "Rabbit"
Nottage
Waimarino-Waiouru
Ward

32 Southridge Drive,
OHAKUNE 4625

Mobile 021 111 6514



Vivienne Hoeta
Waimarino-Waiouru
Ward

34 George Street,
RAETIHI 4632

Phone 06 385 4551
Mobile 022 658 8320

COMMUNITY BOARDS

National Park Community Board

National Park Ward Councillor Murray Wilson is Council's appointed representative on the Board. Mayor Don Cameron is an ex-officio member.



**Peter Zimmer
(Chair)**

Whakapapa Road,
OWHANGO 3948

Phone 027 479 1926

Waimarino-Waiouru Community Board

Waimarino-Waiouru Ward Councillors Vivenne Hoeta and David "Rabbit" Nottage are Council's appointed representatives on the Board. Mayor Don Cameron has speaking rights.



**John (Luigi) Hotter
(Chair)**

99 Ruapehu Road,
OHAKUNE 4625

Phone 06 385 8193



**Simon O'Neill
(Deputy Chair)**

3803 State Highway 4,
RD 1, RAURIMU 3989

Phone 021 661 159



**Alan Whale
(Deputy Chair)**

125 Ruapehu Road,
OHAKUNE 4625

Phone 06 385 9139



Mark Bolten

115 Golf Road
TAUMARUNUI 3920

Phone 021 191 5385



Kay Henare

18 Ranfurly Terrace
RAETIHI 4632

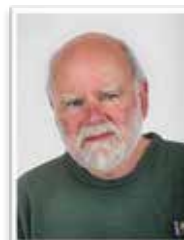
Phone 027 924 7252



Clark McCarthy

3 Waimarino Tokaanu
Road
NATIONAL PARK 3989

Phone 027 475 0561



John Chapman

132 Raetihi Ohakune Road
RAETIHI 4573

Phone 021 137 5952

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

E te tī
E te tā
E ngā kārangatanga maha o te motu
E mihi ana

On behalf of Ruapehu District Council we are pleased to present the Annual Report for the 2020/21 financial year.

Council's focus is to drive and support the development of safe, prosperous rural communities that are able to thrive and capitalise on our agriculture, business and tourism sectors while sustaining our beautiful environment.

The Annual Report highlights our progress against these strategic goals and our work programs for 2020/21 which is the third and final financial year of the ten-year 2018-28 Long Term Plan before the Long Term Plan is renewed for the 2021-31 ten-year period.

One of the over-riding challenges of the year was the impact of COVID-19 which included a call for territorial authorities to have a zero percent rate rise to help disadvantaged communities.

Council discussed this issue at length taking into account community feedback, economic and social impact analysis, government's commitment to spending billions on cushioning the impact of COVID-19 and their expectation that we support regional and local recovery.

On balance Council felt one of the most important things we could do was to continue our program of work and investment which flows through to support our local economy.

It was felt that a zero percent rate rise in 2020/2021 would be more detrimental to Ruapehu ratepayers as it would only delay critical infrastructure work and mean a double digit rate rise in future years.

Ultimately, the average rate increase for the year was set at 3.5% which was below the 4.03% forecast in the Long Term Plan but on target with the Council's rate rise projections.

In recognition of the financial consequences COVID-19 was (is) having for a portion of our ratepayers Council extended our Rates Remission Policy to allow for the remission of the rates of a homeowner under circumstances of extreme financial hardship.

This reflected Council's desire to have greater flexibility and options to assist homeowners in this position while maintaining financial prudence, essential services and community development.

Achieving the 3.5% however required Council activity managers to focus tightly on critical infrastructure requirements or what was needed to meet legislated requirements.

Land Transport still dominating capital expenditure despite 3 Waters demands

As per usual Council's largest area of capital expenditure was on land transport where \$10m of works were completed with the second largest being 3 waters (drinking, storm, waste) where the impacts of higher compliance standards on infrastructure requirements is beginning to gather pace.

Over the financial year land transport completed 21.4km of reseal, 6.3km of pavement rehabilitation and 220m of seal extension. We were not able to achieve the 30km target for reseals due to budgeting issues however we did complete all the pre-reseal repairs as well as some advanced repairs for the coming reseal season in January and February.

\$5.6m for support of first stage of 3 waters reform

The financial year coincided with Government launching its comprehensive reform of the 3 waters sector and creation of a new Water Services Regulator (Taumata Arowai) to oversee and enforce a new drinking water regulatory framework.

For some years Council had been flagging with ratepayers the increasing affordability challenges we were facing as a district in paying to meet water infrastructure needs.

By committing to the first stage of the 3 waters reform program Council has been successful in receiving \$5.6m from the Government's \$710m 3-Waters Stimulus Package to help us meet the new water quality standards.

Council had also been successful in gaining \$4m from the Tourism Infrastructure Fund toward the cost of upgrading the Ohakune water systems including the Water Treatment Plant, new reservoir capacity and raw water supply line and toward undertaking a feasibility study looking at developing a Waste Water Treatment Plant to serve both Ohakune and Raetihi.

With the funding arrangements requiring Council to successfully deliver project segments in return for unlocking the Government funding we have needed to borrow to fund the projects before recouping the cost which has an impact on our debt levels.

Our 2020/2021 debt level at \$33.4m was \$2.8m under the \$36.2m forecast in the Long Term Plan with debt servicing costs benefiting from lower interest rates from joining the Local Government Funding Agency (LGFA).

Success in gaining Government financial support for water upgrades also had a positive impact on reducing debt servicing costs.

Changes to the rating of Maori land impacts on revenue but off-set by district growth

On the income side of things, the introduction of the Local Government (Rating of Whenua Māori) Amendment Bill, which changed the way Māori Land is rated with the aim of supporting whanau and regional development, was the major contributor toward rate income being \$333,000 lower than budgeted.

Fees and Charges were \$1.1m lower than the budget, mainly due to reclassification of items to other revenue. This however, was also off-set by other revenue being \$1.3m higher mainly due to reclassification of items from Fees & Charges. This also included additional revenue received from the Ministry of Business, Innovation and Employment (MBIE) for regional economic and tourism development work.

Council was also successful in unlocking \$1.3m from the Provincial Growth Fund toward immediate projects to help provide training and employment for local workers displaced by COVID-19 and submitted over \$150m in 'shovel ready' projects to the Crown Infrastructure Projects Fund.

Changes and challenges ahead

Looking forward Council and our communities are facing a period of significant change and uncertainty with COVID-19, resource management and sector reform, iwi co-governance and climate change to name but a few of the issues we are needing to respond to.

The financial year also saw Council lose a number of long-serving senior staff from retirement and moving for new opportunities. Council has been successful in attracting high calibre replacements to these roles and also undertook an internal restructure to better align the organisation for the challenges ahead.

While the combination of these issues is putting pressure on staff and our contractor partners we feel we are well-placed to respond as needed, and the organisation will perform well over the 2021/2022 financial year.

Me mahi tahi tātou mō te ōranga o te katoa – We should work together for the wellbeing of everyone.



Don Cameron
MAYOR JP



Clive Manley
CHIEF EXECUTIVE

HOW WE PERFORMED FINANCIALLY

Operational Result

Our operational result for the 2020/21 Financial Year shows a net surplus of \$6.1m against a budget of \$7.5m.

Capital Works Programme

We have completed a capital works programme in the last 12 months totalling \$16.4m.

Activity	Description	\$million
Land Transport	Renewals of various sorts	10.4
Water Supply	Renewals of various sorts	2.8
Wastewater	Various minor works	1.1
Stormwater	Various minor works	-
Solid Waste	Various minor works under \$100k	0.6
Recreation & Community Facilities	Various minor works	0.6
Community Support	Various minor works under \$100k	0.1
Overheads	Computer Equipment, Software and Furniture	0.8
Total		16.4

Debt

Council debt has increased by \$4.4m during the 2020/21 Financial Year (\$1.2m for 2019/20).

Key Financial Indicators – Comparative Table

(\$million)

	Budget	2021	2020	2019	2018	2017
Income	44.8	46.2	43.5	39.4	39.9	35.7
Less Expenditure	37.3	40.1	38.7	35.6	35.5	33.5
Surplus/(Deficit)	7.5	6.1	4.8	3.8	4.4	2.2

Weighted Average Interest Rates

	2021	2020	2019	2018	2017
Short Term < 1 yr.	0.59%	0.62%	3.79%	4.11%	4.50%
Long Term > 1 yr.	2.20%	2.01 %	3.10%	4.48%	4.80%

Key Treasury Management Indicators

The table indicates the performance of Council's Treasury Management against the Treasury Management Policy limits on borrowing and interest rate exposures. Council adopted a new Treasury Policy in February 2018, which is why we have no comparative percentages for the previous years. Policy limits under the 2015-2025 LTP were revised in the 2018-2028 LTP in accordance with the new Treasury Management Policy. Council joined Local Government Funding Agency (LGFA) in July 2018 and has obtained much lower interest rates on its external debt, which has resulted in interest savings. Interest rates exposure under new Treasury Policy for 2-4 years was under the acceptable range. However, the Council has no concern over this from the long-term view.

	Acceptable Range	2021	2020 Actual	2019 Actual	2018 Actual	2017 Actual
Interest Expense/Operating Revenue	3 to 12%	1.2%	1.9%	2.9%	2.9%	3.6%
Total Liabilities /Total Assets	<12%	9.6%	8.2%	8.2%	8.2%	8.0%
Net Debt /Operating Revenue	1 to 1.5	0.71	0.67	0.71	0.65	0.79
Interest Rate Exposure under old Liability Management Policy						
<12 months	10% to 40%	-	-	-	55.43%	39.92%
12 months - 2 years	10% to 40%	-	-	-	29.07%	15.51%
2 - 4 years	20% to 50%	-	-	-	-%	29.07%
Over 4 years	10% to 20%	-	-	-	15.50%	15.5%

	Acceptable Range	2021	2020 Actual	2019 Actual	2018 Actual	2017 Actual
Interest Rate Exposure under new Treasury Policy						
Less than 2 years	40% to 100%	56.00%	32.00%	38.18%	-	-
2 - 4 years	25% to 80%	24.00%	44.00%	32.73%	-	-
4 - 8 years	0% to 60%	19.00%	24.00%	29.09%	-	-

Key Performance Indicators

Council records a variety of key performance indicators (KPIs) to report nonfinancial performance. Individual KPIs are reported in each activity area and can be found on the following pages.

	2021		
	Achieved	Not Achieved	Not Assessed
Land Transport	3	4	-
Water	7	1	1
Wastewater	8	-	-
Stormwater	7	-	-
Solid Waste	7	1	-
Recreation and Community Facilities	25	7	-
Community Support	7	4	-
Leadership	4	5	-
Regulation	12	1	-
Total	80	23	1

Independent Auditor's Report

To the readers of Ruapehu District Council's annual report for the year ended 30 June 2021

The Auditor-General is the auditor of Ruapehu District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 20 December 2021. This is the date on which we give our report.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the Council Activities statement

In our opinion:

- the financial statements on pages 5 to 65 of section two:
 - i present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2021;
 - the results of the operations and cash flows for the year ended on that date; and
 - j comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

- the funding impact statement on page 66 of section two, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement about capital expenditure for each group of activities on pages 30 to 99 of section one, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan; and
- the funding impact statement for each group of activities on pages 34 to 121 of section one, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

Qualified opinion on the Council Activities statement

In our opinion, except for the possible effects of the matter described in the "Basis for our opinion" section of our report, the Council Activities statement on pages 26 to 120 of section one:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2021, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 70 to 75 of section two, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Basis for our opinion on the audited information

Our work was limited in the prior year with respect to the verification of the number of complaints for some services

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These mandatory performance measures include the total number of complaints (per 1,000 connections) received about the following:

- drinking water clarity, taste, odour, pressure and flow, continuity of supply, and the District Council's response times to any of these issues;
- wastewater odour, wastewater system faults and blockages, and the District Council's response to issues with the wastewater system; and
- the performance of the stormwater system.

These measures are important because the number of complaints is indicative of the quality of services received by ratepayers.

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including on how to count complaints. Our audit testing in the prior year found that the District Council had not been counting complaints in accordance with this guidance and that the District Council's method of counting was likely to have understated the actual number of complaints received in the comparative year to 30 June 2020.

Complete records for all complaints made to the District Council were not available in the prior year and we were unable to determine whether the District Council's reported results for these performance measures were materially correct in the comparative year only. As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the number of complaints reported against these performance measures in the prior year. Our audit opinion on the Council Activities statement for the year ended 30 June 2020 was modified accordingly.

This issue has been resolved for the 30 June 2021 year. As the limitation on our work cannot be resolved for the 30 June 2020 year, the District Council's performance information reported for these performance measures for the 30 June 2021 year may not be directly comparable to the 30 June 2020 performance information.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Emphasis of matter – The Government’s three waters reform programme announcement

Without further modifying our opinion, we draw attention to note 32 on pages 56 and 57 of section two, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council’s responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General’s Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council’s annual plan and long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General’s Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Council Services statement, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 13 and 21 to 25 of section one and 1 to 4 and 67 to 69 of section two but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have performed an audit of the District Council's 2021-2031 long-term plan and performed a limited assurance engagement related to the District Council's debenture trust deed. These engagements are compatible with those independence requirements.

Other than these engagements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



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



SECTION ONE

COUNCIL ACTIVITIES

*Section One Council Activities Image: Upper reaches of the Whanganui River, Ruapehu District.
Credit Visit Ruapehu.*

RUAPEHU'S VISION AND MISSION

Vision

Drive and support the development of safe, prosperous rural communities that are able to thrive and capitalise on our agriculture, business and tourism sectors while sustaining our beautiful environment.

Mission

Our mission is to promote an environment which is sustainable, enhances the quality of life and meets the needs of our present and future citizens and visitors to the Ruapehu District.

- § Creating and retaining jobs.
- § Growing incomes and opportunities.
- § Increasing the ratepayer base.
- § Providing sustainable infrastructure.
- § Providing value for money in all we do.
- § Ensuring the people who benefit from Council spending contribute their fair share of the costs.
- § Working with Government and others to gain funding for key projects so as to reduce the financial burden on Ruapehu ratepayers.



*Image: Timber Trail, Ruapehu District.
Credit: Visit Ruapehu.*

COMMUNITY WELL-BEING OUTCOMES

Council has stated its core priorities in the form of five Community Well-Being Outcomes. These Outcomes are Council's "true north" for planning and decision-making. Every project that Council undertakes and every dollar it spends links back to at least one – but often several – of these Outcomes. They are a key way we measure success.

This Annual Report provides information to the community on what Council has done to promote the achievement of the Outcomes.



Social - Safe, Healthy Communities

- § Quality regulation, regulatory services and infrastructure.
- § Reduce the volume of waste to the landfill.
- § Core infrastructure endeavours to keep pace with changing demand.
- § Excellent standards of safety and welfare are promoted and respected.
- § Preparation, planning and timely responses protect people and property from natural hazards.



Cultural - Vibrant and Diverse Living

- § Traditions, values and history of all ethnic groups are respected.
- § Activities, facilities and opportunities for youth are provided and supported.
- § Excellence and achievement in sport, arts/cultural pursuits, community service and business is supported.
- § Events and festivals are encouraged and supported.
- § Working together with tangata whenua to achieve common goals.



Environmental – Sustaining Beautiful Environments

- § Our environment is accessible, clean and safe and our water, soil and air meets required standards.
- § The promotion of our District includes focus on our natural rivers, bush and mountains, as well as the built heritage, agriculture and railways.



Economic - Thriving Economy

- § Regulatory services and reliable infrastructure help the economy prosper.
- § Our transportation network is reliable, safe and endeavours to meet the needs of users.
- § Economic diversity and core economic strengths are encouraged in partnership with others.
- § Planning and regulatory functions balance economic growth and environmental protection.



Strong Leadership and Advocacy

- § Council advocates strongly for the provision of, and access to, affordable and effective health, welfare, law enforcement and education services.
- § Council is proactive, transparent and accountable.

STRATEGIC ACTIVITIES

Council targets its activities to achieve Outcomes. There are nine groups of activity that Council reports against. These are grouped under two key areas – Facilities and Assets and Community Services.

Facilities and Assets	Community Services
<ul style="list-style-type: none">§ Land Transport§ Water Supply§ Wastewater§ Stormwater / Flood Protection§ Solid Waste	<ul style="list-style-type: none">§ Community Support<ul style="list-style-type: none">Emergency Management.Library Services.Regional Tourism Organisation.i-SITES.
<ul style="list-style-type: none">§ Community Facilities<ul style="list-style-type: none">Cemeteries.Community Halls.Parks and Reserves.Public Toilets.Administration and Library Buildings.Social Housing.	<ul style="list-style-type: none">§ Leadership<ul style="list-style-type: none">- Governance<ul style="list-style-type: none">Council.Council Community Boards.- Strategic Development<ul style="list-style-type: none">Economic Development.Business Development.Iwi Development.Policy Development.Youth Development.§ Regulation<ul style="list-style-type: none">Building Services.Compliance.Environmental Health.Alcohol Licencing.Resource Management.

The section provides information on what Council did, and how much it cost, for each group of activities. The information is provided in the following format for each Activity:

- 1 What services and activities are included in the Group.
- 2 Why Council does these things and the contribution to Outcomes.
- 3 What Council achieved (KPI's).
- 4 What Council spent on major capital projects against planned expenditure.
- 5 Highlights of the year.
- 6 Funding summary including the operational result and rates allocated to fund the activity. This is compared to the forecast budgets for the 2020/21 and the 2019/20 Financial Years as set out in the Long Term Plan 2018-28 and Annual Plan 2020-21.



LAND TRANSPORT

Introduction

The Land Transport Activity provides for the maintenance, renewal and development of local public roads, kerbs and channels, bridges, street lighting and footpaths for the whole District. State Highways are managed by the Waka Kotahi - New Zealand Transport Agency (NZTA).

The district land transport network consists of:

- § 488km of sealed roads.
- § 847km of unsealed road.
- § 340 bridges and large culverts.
- § 70km of footpaths.
- § 1,334 streetlights.

Community Well-being Outcomes



Social



Cultural



Environmental



Economic

Rationale

The Land Transport activity provides road and pedestrian infrastructure that allows for the safe, reliable, efficient and effective movement of vehicles and people. Roads are essential infrastructure for both community and economic development.

Activity impacts on community well-being

There are significant negative effects associated with the provision of a roads service including loss of landscape amenity values, increased erosion, stormwater and flooding, runoff, noise, dust, vehicle emissions and traffic dangers.

Council mitigates many of these effects through provisions in its maintenance and improvement contracts. Council also supports this approach by inspections of road conditions, regular reporting by its contractors, audit of contractor performance and responding to public notification of road condition problems.

Council aims to achieve dust suppression by the use of appropriate maintenance aggregates and maintenance techniques such as the use of water suppression at work sites and seal extension on selected sites in urban areas. Erosion and sedimentation during routine road works are minimised using industry controls such as sediment filters and traps with disposal and fill sites located no closer than 20 meters from riparian margins.

Council's Land Transport Bylaw and Policy support the protection of its road network by regulating the behaviour of people who impact on road conditions.

Highlights for the Year

This is year three of the Long Term Plan 2018 – 2028. Land Transport is focused on these overarching issues:

- § **Forestry and Land Use** - Changing land uses (i.e. forestry and mining) is resulting in (and will increase) the deterioration of the network, causing increased reactive (unplanned works to maintain the roading environment) maintenance and repair cost.
- § **Needs and Expectations** - The needs and expectations of road users (local, freight, events, tourists) is resulting in increased investment to maintain and /or improve the form and function of the road network.
- § **Climate, Geology and Topography** - The network is impacted by climate, geology and topography, resulting in reactive/unplanned maintenance costs as well as increased safety risk and operation of the network.
- § **Safety** - Vulnerable road users are at greater risk due to increasing and changing activity and environmental conditions, which is expected to result in increased deaths and serious injuries.

Pavements

Council completed 21.4km of reseal, 6.3km of pavement rehabilitation and 220m of seal extension.

Pavement Rehabilitation Sites 2020/21			
Road Name	RP Location (km)	Length (km)	Status
Ongarue Waimiha Road	RP 14.100 – 16.350	2.250	Complete
Ohakune Mountain Road	RP 13.500 – 13.940	0.440	Complete
Ohura Road	RP 15.000 – 16.730	1.730	Complete
Ongarue Village Road	RP 0.074 – 0.370	0.295	Complete
Taupo Road, Ongarue	RP 0.000 – 0.112	0.112	Complete
Tuhua Road, Ongarue	RP 0.000 – 0.135	0.135	Complete
Mangaparo Road	RP 3.780 – 5.160	1.380	Complete
Total Completed		6.343	
Poro-O-Tarao Road	RP 8.150 – 9.330	1.180	Deferred to 2021/22

Reseals

We were not able to achieve our 30km target for reseals due to budget issues and sealing roads that were wider than the standard 6m width. We were able to complete all the pre-reseal repairs in time for reseal season in January and February, as well as some advanced repairs for next year. By advancing pre-reseal repairs, it helps reseals to be completed during summer, when they have the best chance of achieving the 15-year seal life we hope for. Some of the extra investment was used to address sealed pavement defects outside of the reseal sites.



Asphalt being laid on Ohakune Mountain Road Hairpin at RP 13.50km.



Rimu Street, Ohakune - seal extension under construction.

Rehabilitation

One site on Poro-O-Tarao Road was deferred until next summer. The Ohakune Mountain Road Hairpin vertical realignment, (which was deferred due to COVID-19 level 4 lockdown in 2020), was completed. Another section of Ongarue Waimiha Road, which is on a forestry haul route, was completed. The other sites were in Ongarue, Ohura Road and Mangaparo Road.

Seal Extensions

Seal extensions were completed on Rimu Street and Tawhero Road in Ohakune, completing the long term urban sealing programme that has been underway. Council allocates a small amount of money each year to extend short lengths of seal in urban areas.

Bridges

Mangaparo Rail Over Bridge was replaced near Ohura and bridge handrail work was carried out on Tarariki Stream Bridge on Pipiriki Raetihi Road.

Minor Improvements

Works at 22 sites were completed throughout the District to carry out minor improvements such as widening, retreats, sealing bridge approaches and intersections. The LED lighting was upgraded on part of an urban street in Ohakune and pedestrian crossing improvements work completed on Hakiha Street, Taumarunui.

Flood Damage

There were no large scale events that meet the criteria for flood damage funding this year, which is unusual for Ruapehu District. However, numerous minor events (defined as response to minor, short duration events that reduce service levels on parts of the network did occur, putting pressure on budgets.

Drainage

The water channel programme continues, which comprises of travelling around the sealed network (and unsealed roads where the water channel is unable to be graded) on an eight year cycle with wheeled diggers. The culvert flushing programme was ramped up and attention was put onto maintaining inlets and outlets. This may be part of the reason why no large scale damage occurred on the network.

COVID-19 Worker Redeployment Fund

Council was successful in obtaining funding from Ministry of Business, Innovation and Employment to fund a number of worker redeployment projects, running for a year from May 2020. The projects included providing four additional roadmen, a cadet position, tree removal, providing firewood for warmer homes and forming a section of cycle trail on the Mountains to Sea Cycleway.

Major Capital Projects

Project Description	Carried Forward Budget \$000	Budget 2020/21 \$000	Actual 2020/21 \$000	Notes
Bus Shelter Renewals	-	11	5	Renewals.
Drainage Renewals	-	496	352	15% LOS, 85% Renewals.
Facility Road & Car Park Renewals	23	84	86	15% LOS, 85% Renewals.
Footpath Renewals	20	200	40	Renewals.
Kerb and Channel Development	42	47	62	LOS.
Low Cost Low Risk (SPR)	-	728	910	85% LOS, 15% Renewals.
Minor & Assoc Improvements SPR	-	252	-	80% LOS, 20% Renewals.
Minor & Assoc Improvements	60	1,042	1,064	80% LOS, 20% Renewals.
Motorist Service & Information Signs	-	32	11	50% LOS, 50% Renewals.
National Park Transport Park & Ride Project	-	-	7	
OMR Capacity Improvement	-	121	-	60% LOS, 40% Renewals.
Pavement Rehabilitation	-	2,970	2,529	85% Renewals, 15% LOS.
Pavement Rehabilitation SPR	-	132	82	85% Renewals, 15% LOS.
Pedestrian Safety Improvements	242	31	196	LOS
Seal Extensions	-	50	193	Growth.
Sealed Road Surfacing	-	1,532	1,733	Renewals.
Streetflags District	-	18	30	100% LOS.
Structures Components Replacements	-	427	998	60% LOS, 40% Renewals.
Traffic Services Renewals	-	373	591	Renewals.
Under Verandah Lighting Renewals	-	5	-	Renewals.
Unsealed Road Metalling	-	1,135	1,414	Renewals.
Total	387	9,688	10,303	

Note that the figures of some projects are not specifically detailed in the LTP or EAP in a certain year but are planned to be performed over the ten-year period of the LTP.

Capital Projects Carried Forward

Sometimes a capital project that was budgeted for is not undertaken or it is started but not completed, in the financial year for which it was budgeted. If the project is one that Council believes should be completed, it may decide to carry forward the unspent budget to the following financial year.

Carried forward capital projects in this Activity are:

Work in Progress

Project Description	Opening WIP \$000	Closing WIP \$000	Notes
B292 Mangateitei Rail Overbridge Renewal (Mangateitei Road)	91	91	To be completed in 2020/22
B353 Upokonui Stream Culvert Renewal	21	21	Construction completed in 2021/22.
Bus Shelter Renewal	2	2	Construction completed in 2021/22.
Footpath Renewals	142	142	Construction completed in 2021/22.
Local roads	972	-	Completed
Minor & Associated Improvements	-	972	Construction completed in 2021/22.
Motorist Service and Tourist Info Signs	32	32	Construction completed in 2021/22.
Pedestrian Safety Improvements	1	1	Construction completed in 2021/22.
Sealed Road Surfacing	-	24	Construction completed in 2021/22.
Traffic Services Renewals SPR	-	317	Construction completed in 2021/22.
Transport Park and Ride Project	1,023	-	Completed
Unsealed Road Metalling	256	256	Construction completed in 2021/22.
Total	2,540	1,858	

What We Achieved

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Land Transport					
The safety of the land transport network is acceptable to users.	The change from the previous financial year in the number of fatalities and serious injuries on the local road network, expressed as a number.	Increase of 2.	Target for reducing the number of serious injuries and fatalities ≥ 1 .	Increase of 6 crashes over 2019/20.	Not achieved. There were 5 serious and 1 fatal crashes in 2020/21, an increase of 3 from 2019/20.
Roads are managed to an acceptable level and the road network is available when required*.	The average quality of ride on a sealed local road network, measured by smooth travel exposure (Note 1).	92%	Target level of smooth travel exposure $\geq 87\%$.	92%	Achieved. The Percentage of Vehicle Kilometres Travelled on All Roads where owner type is Local Authority classified as Smooth. The roughness, a component of the STE measure, is undertaken biennially and due again in 2021/22.
	The percentage of the sealed local road network that is resurfaced.	5.3% 25.5km out of 486km.	$\geq 7.5\%$ $\geq 37\text{km}$ out of 486km.	6.0% 29.5km out of 488km	Not achieved. Target unable to be achieved due to oil cost fluctuations and sealing roads that were wider than the standard 6m width, up to 12.0m on urban streets.
	Maintain the sealed roads to a standard that allows <5.5 defects/km/quarter (Note 2).	Q1 – 3.6 Q2 – 5.0 Q3 – 4.7 Q4 – 4.9	<5.5 defects/km/quarter.	Q1 – 6.8 Q2 – 5.5 Q3 – 4.7 Q4 – 4.5	Not achieved. Exceeded mainly due to litter and signs, detritus and potholes contributing when compared to 2019/20.
	Maintain the unsealed roads to a standard that allows <5.5 defects/km/quarter (Note 2).	Q1 – 3.7 Q2 – 3.7 Q3 – 4.9 Q4 – 4.8	<5.5 defects/km/quarter.	Q1 – 6.3 Q2 – 6.9 Q3 – 3.9 Q4 – 4.0	Not achieved. Compared to the same quarters of 2019/20, the first quarter exceeded due to a significant number of potholes from wet weather with litter, vegetation and water channels. The second quarter exceeded mainly due to potholes and detritus.

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Land Transport					
	The percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in Council's Asset Management Plan.	99% of footpaths are in average or greater condition; 1% are in poor condition.	90% of network to be in average condition or greater and not more than 5% of network in poor condition.	93% of the 71.5km of footpath is in average or better condition. 5% of the network is in poor condition.	Achieved.
	The percentage of customer service requests relating to roads and footpaths to which Council responds within the time frame specified in the LTP (Note 3).	85%	≥90%	93%	Achieved.

* The road measures are managed to an acceptable level, and the network available when required.

Notes:

- 1: Smooth travel exposure is reported annually. The two inputs Road Roughness, which is measured two yearly, was last completed in November 2019 by Shaw's Consulting Services Ltd. Vehicle Kilometres Travelled (VKT) are continually updated during the year.
- 2: A defect constitutes potholes on sealed roads, unsealed shoulders on sealed roads, corrugations on unsealed roads, damage to bridges, blocked drain holes and culverts, overgrown vegetation, and damaged running boards and traffic signs.
 - (a) The accuracy of these have not been verified by Council. The information reported on is collected by Council's Professional Services for Land Transport consultant GHD.
 - (b) The coverage of the roads network inspected during the year is aimed at 100%. In 2020/21, 95% of the network roads were inspected. The final audit during June was interrupted by locals requesting site inspections of a number roading issues, as the auditor was in the area. Otherwise, completing the roads targeted in the June audit would have achieved the 100% coverage for the year.
 - (c) Defects are calculated by the number of defects / number of kilometres audited over the three months in the quarter.
 - (d) Each road should be inspected at least once a year.
- 3: The Request for Service targets can be found in the Asset Management Plan.
- 4: Traffic counts are undertaken at 500 count sites over a five-year period from which the EAMM traffic counting system generates estimates for all (approximately) 1,800 sections of road. These estimates are used to calculate the vehicle kilometres travelled by multiplying the traffic volume for each section of road by the length of each section of road. During the 2020/21 financial year, traffic counts were undertaken at 13,674 different count sites. Only 39 traffic counts (non-estimates) have occurred since 1 July 2018.

Funding Impact Statement

Ruapehu District Council for the year ending 30 June 2021

Land Transport Activity

	LTP 2020 \$000	LTP 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,722	1,814	1,688
Targeted rates	4,019	4,234	3,657
Subsidies and grants for operating purposes	6,299	6,458	6,365
Fees and charges	129	132	75
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	139	142	190
Total operating funding (A)	12,308	12,780	11,975
Applications of operating funding			
Payments to staff and suppliers	9,509	9,714	8,998
Finance costs	693	676	107
Internal charges and overheads applied	303	316	656
Other operating funding applications	-	-	-
Total application of operating funding (B)	10,505	10,706	9,761
Surplus/(deficit) of operating funding (A-B)	1,803	2,074	2,214
Sources of capital funding			
Subsidies and grants for capital expenditure	8,490	7,309	7,880
Development and financial contributions	17	17	88
Increase/(decrease) in debt	1,836	727	(184)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	10,343	8,053	7,784
Application of capital funding			
Capital expenditure:			
- To meet additional demand	392	-	200
- To improve the level of service	2,291	1,987	2,683
- To replace existing assets	9,463	8,140	7,423
Increase/(decrease) in reserves	-	-	(308)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding (D)	12,146	10,127	9,998
Surplus/(deficit) of capital funding (C-D)	(1,803)	(2,074)	(2,214)
Funding balance ((A-B)+(C-D))	-	-	-



WATER SUPPLY

Introduction

The purpose of the Water Supply Activity is to supply safe drinking water to the communities of the district. Water supply is essential to run households, maintain public health and sustain Economic Development. Council is committed to providing a water supply service that meets the needs of the community.

Council is responsible for the provision and management of six water supply schemes at National Park, Ohakune, Ohura, Owhango, Raetihi and Taumarunui.

A total of 211.5km of pipes make up the reticulation network plus 5 pump stations located across the district.

In Waiouru, Council owns and operates the water supply network outside the Army base and purchases the potable water from the New Zealand Defence Force. Council has also managed the water services for Whakapapa Village on behalf of Department of Conservation since 2015 (but does not own the assets).

The water supply network is made up of a mix of assets:

- § Head works, surface water sources, intake weirs and pipelines to treatment plants.
- § Treatment Plant including raw water pumps, clarifier, filters, main pumps and chemical dosing pumps.
- § Water storage including reservoirs and pipelines.
- § A piped network including pipelines, valves, hydrants, water meters, service connections and pump stations.

Community Well-Being Outcomes



Social



Cultural



Environmental



Economic

Rationale

Water supply is perceived by communities to be one of the essential services Council supplies. Council is required by law to assess the need and provision of water services and to retain its water supplies. It also has a duty to improve, promote and protect public health. Water supplies can be closed or transferred with the agreement of local communities.

There have also been significant legislation and policy changes that will impact the wastewater activity including the 3 water reform, more freshwater management direction, zero carbon bill and climate change considerations over the last three years. There is now a new crown entity Taumata Arowai to regulate drinking water and Water Services. Further legislation and regulation changes are expected with proposed changes to the Resource Management Act.

Council also has obligations under Horizons One Plan regarding the way it delivers and manages water.

Activity impacts on community well-being

The provision of water supply services can result in negative environmental and cultural impacts on waterways.

Council use of waterways has an opportunity cost to others through reducing the amount of water that may be used by others, e.g. commercial or industrial businesses and farms. This may have a detrimental economic impact on those businesses. Council mitigates these effects by drawing water to an agreed level that meets resource consent conditions. These conditions include limiting supply as set out in the One Plan. Promoting wise water use by all and reducing leakage in the reticulation network.

Failures in treatment or reticulation can have significant health effects such as what happened in Havelock North. The loss of water supply is disruptive to our communities and can effect whole communities and individual property owners.

Taumata Arowai (the new regulator) has requirements with a strong emphasis on increased monitoring of raw water through the treatment process to the customer. Council has bacterial compliance at all plants and is now focusing on delivering protozoal compliance and renewing failing pipeline. Investment in new infrastructure and compliance costs will be significant for developers and businesses along with individual households. There will be continued new government legislation, policy and regulations.

The government's announcement of the formation of centralised three waters entities to deliver services will impact how these services will operate. It is not yet clear but community affordability remains a high risk.

Climate change predictions are that extreme weather events will occur more frequently. Rainfall events carry sediment which makes rivers dirty which reduces the water quality in the river. Dirty water takes longer to treat and therefore reduces the capacity of the plant to produce clean safe clean water. Droughts can see the volume of water being able to be taken from the river reduced as set out in resource consents. This restricts capacity at a time when consumer demand is high.

Highlights for the Year

Matapuna Water Treatment Plant - Taumarunui

The Matapuna Water Treatment Plant (WTP) located in the Taumarunui Township has had a number of significant improvements and upgrades completed over the 2020/21 financial year:

1. Access to the filters from the outside of the WTP building has been installed. This was a major improvement to accessing the filters which previously could only be accessed from a narrow vertical ladder. A new stairway was locally fabricated with a platform and new doorway entrance to the upper level of the WTP building. The local operations team can now easily move tools/equipment to the filters to complete maintenance.
2. The powdered activated carbon room had an extractor fan installed to remove the fine particles of product which could exit the room into the rest of the building. Powdered activated carbon had been found within the High Lift Pumps at the WTP during routine maintenance and this highlighted the major electrical and H&S risks associated with the particles in the atmosphere. The new extractor fan removes particles from the storage/hopper room to outside of the plant building where it can be collected and disposed of.
3. The Matapuna WTP Intake has undergone some major upgrades over the 2020/21 period. Both intake pumps have now been replaced with larger pumps and the pump discharge pipework has been upgraded from flexible pipe to a static pipework system with guiderails. Two new winch systems have been installed as well as new lighting within the wells. This has significantly improved the ability of the team to remove the pumps for maintenance. In addition the larger pumps mean that the plant has the ability to run on just one pump in the event that a pump is removed from service for maintenance, keeping up with demand from the township.
4. An upgrade has been completed to improve the management of process waste water from the Matapuna WTP. There is a large pit located at the back of the WTP with a sloped base and the ability to discharge settled water to the Whanganui River or pump to the local sewer network. The pump was initially installed to reduce the discharge to the river and therefore reduce the negative environmental effects. However multiple issues occurred with this system with the pump being undersized and the pump being difficult to access for maintenance. This resulted in discharges to the river being more likely to occur. In addition regular overflows of clarified sludge onto the WTP property occurred from the gravity main to the sewer network due to a lack of fall. To rectify this a larger guide rail mounted pump has been installed. A new 100mm diameter PE rising main discharges from the new pump to a manhole on the wastewater network so removing any restrictions that historically caused blocks and overflows. Level transmitters have been installed within the backwash pit and the receiving manhole on the wastewater network to automate and control pumping volumes.
5. The Matapuna WTP received a full round of filter valve actuator replacements. In order to avoid breakdowns, specialist contractor advised that the aging actuators were replaced by better and more accurate equipment. This ensures optimum operation of all the filter valves when required, minimises operator call outs and plant downtime.

Manunui Booster Pump Station, Taumarunui

An upgrade of the Manunui Booster Pump Station within the Taumarunui Township has been completed this year. It had been identified via SCADA that the pump station was operating for at least 18 hours a day to maintain the Manunui Reservoir levels and had a high power consumption. In addition the pump station operated on a single pump making this a high risk site in the event of pump failure. The upgrade involved the installation of a duty/standby system of pumps and the installation of a new switchboard for the site. In addition a new roller door has been installed in the pump building to improve access.

DIA Stimulus Funding – Planned Upgrades: Ohura Water Treatment Plant

Funding has been secured through the DIA Stimulus funds to upgrade the Ohura Water Treatment Plant. This upgrade must be completed by March 2022 and will make the plant compliant to meet Drinking Water Standards New Zealand. As of June 2021, Veolia have completed a draft design and are now working on a detailed design for the new WTP which will be “containerised” and also includes the installation of a new storage reservoir.

Water Pressure Modelling – Raetihi and Ohakune

In May 2021 a pressure modelling program started within the Townships of Raetihi and Ohakune with the installation of flow data loggers and pressure sensors around the network. The loggers will be removed early in June to be analysed and a report of the results prepared in the 2021-2022 period.

Permanent Generator – Raetihi Water Treatment Plant

A permanent generator was purchased and installed for the Raetihi Water Treatment Plant. The recently upgraded plant was already configured to accept this generator and it will now automatically change over in the event of mains power failure. Full visibility of the status of the generator is available via SCADA.

MBIE Funding – Design Work: Upgrade to Ohakune Water Treatment Plant

Design work continues on the Ohakune Upgrade Projects funded by Ministry of Business, Innovation and Employment (MBIE) and includes the Water Treatment Plant Upgrade, New Reservoir and upgrade of the Raw Water supply line. Contracts between RDC and key contractors are now in place for this high value project.

Isolation Valves – Owhango Drinking Water Supply

Isolation valves were installed in the Owhango water network, together with one bulk water meter. These activities aim at replacing faulty strategic water meters as well as improving the ability to isolate the network during maintenance while minimising the disruption to the community.

Water Main Upgrade – Taumarunui Drinking Water Supply

A water main upgrade has been completed on Hospital Hill Taumarunui. The old AC water main had already failed on multiple occasions due to the degradation of the hill. Stage one of the upgrade to the water main was completed in the 2019 – 2020 period with both stages of the work being completed to coincide with the strengthening works that were occurring on the hill. Approximately 650 metres of a new 150mm diameter PE main was installed with associated hydrants, valves and lateral connections.

Summary of minimum night flow water loss for Taumarunui and wider area.

The minimum night flow monitored in each DMA is summarised below. The NRW was estimated based on the above calculation and is included in Table 6-2 below.

Table 6-2: NRW Estimation

	Minimum night flow monitored (l/s)	Estimated NRW (l/s)	Proportion of Total Demand
Sunshine Settlement	0.04	0.00	0%
SH4 - Piriaka	1.8	1.8	95%
Mahoe Settlement	0.2	0.2	41%
Taumarunui	4.2	3.0	12%

DMA : District metered area, NRW : Non revenue water

Status of Resource Consents for Water Plants as follows:

Town	Expiry Date of Consent	Consent Status	Notes
Ohura	14 November 2021	Current.	This consent is due to expire in November 2021.
Taumarunui	20 June 2017	Consent remains active under the Resource Management Act.	New application lodged with Horizons Regional Council 20 March 2017. Council is in the process of responding to an s92 request for further information from Horizons (Note 1). Abstraction continues under the old consent until the lodged consent is processed.
Owhango	20 March 2016	Consent remains active under the Resource Management Act.	New application lodged with Horizons Regional Council 18 December 2015. The application remains on hold to allow Council to consider catchment water allocation in conjunction with the Taumarunui consent (Note 1). Abstraction continues under the old consent until the lodged consent is processed.
National Park	12 December 2026	Current	This consent will not expire until 2026.
Raetihi	1 July 2039	Current	This consent will not expire until 2039.
Ohakune	11 September 2025	Current.	This consent will not expire until 2025.
Waiouru *	2021	Current.	Waiouru are in the process of gathering data for a new consent (Note 2).

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

Notes:

- 1 The Water Supply Scheme continues to operate under the existing consent until the new consent is granted or declined.
- 2 Water for Waiouru Township is procured by Council from the New Zealand Defence Force.

Capital Projects

Project Description	Carried Forward Budget \$000	Budget 2020/21 \$000	Actual 2020/21 \$000	Notes
District wide: Critical spares	-	21	53	LOS.
Veolia Additional Capital Works Resource	-	-	116	
Victoria bridge Pump Station	-	300	-	
National Park:				
- PLC Data Backup and Data Security	-	42	4	LOS
- Valve & hydrant replacements	-	48	4	Renewal.
- Water main renewals	-	5	14	Renewal.
- WTP upgrade	29	-	66	
Ohakune:				
- Asset renewals (replacement and refurbishment)	-	12	-	Renewal.
- Water Main Replacement - Miro Street	100	116	-	Renewal
- Water meters installation	-	-	96	
- WTP renewal	28	-	-	Renewal
- WTP: built	-	5,000	342	
- WTP: upgrade	-	-	186	External funding
Ohura:				
- Above ground asset renewal	-	114	60	Renewal.
- WTP : backwash pit desludging	50	121	45	
- WTP : chemical storage	15	-	14	
- WTP : PLC Fault early warning system	-	-	2	
- WTP : upgrades	30	-	16	
- WTP Water Treatment u[grade	-	-	110	Renewal. External funding
Owhango:				
- Water Networks - Valve & Hydrant Replacement	-	-	54	
- Water Networks - Fire Supply Upgrade	25	-	22	LOS.
- WTP Reservoir: Asset Renewal	-	22	-	
- WTP upgrades	80	21	47	
Raetihi:				
- Above ground asset renewals	-	105	39	Renewal.
- Intake - Resource Consent	-	-	1	
- Water main replacement	-	16	44	Renewal.
- WTP replace Mechanical Flowmeter	-	35	-	
- WTP Asset renewals	-	-	86	Renewal.
- Raetihi Reservoir	-	-	27	LOS. External funding
Taumarunui:				
- Golf Road (short st to roundabout)	-	-	-	LOS External funding
- Hakiha St Watermain	-	1,650	118	
- Hospital Hill Booster Pump	240	-	306	
- Manunui Booster WPS	-	-	172	
- Manunui Backwash Pit Refurbishment	-	-	116	
- Manunui Chlorine Gas Dosing	-	88	10	LOS
- Matapuna intake asset renewals	-	46	16	Renewal.
- Matapuna TWP - Critical spares	-	18	51	LOS.
- Tmn Above Ground Asset Renewal	-	278	-	
- Tmn Water Networks - Water Main Replacement	-	87	24	
- Tmn - WTP - Health & Safety	-	324	118	LOS
-Tmn - Matapuna WTP - Asset Renewal	-	-	192	Renewals
- Tmn - Matapuna WTP - Upgrade	-	35	-	
- Rangaroa Reservoir 2 Asset Renewal	-	88	72	Renewals
- Water meters	-	-	184	LOS.
Waiouru:				
- Water main replacement	-	10	-	Renewal.
- Valve & hydrant replacements	-	-	1	
Total	597	8,326	2,828	

Work in Progress

Project Description	Opening WIP \$000	Closing WIP \$000	Notes
National Park:			
- Valve and hydrant replacements	2	3	
- Water meters	4	4	
- WTP - Asset Renewal	-	14	
- WTP upgrade for Protozoa	-	66	
- PLC Data Backup and Data Security	-	3	
Ohakune:			
- Water meters	19	33	
- WTP built	-	606	
- WTP renewal	264	13	
- WTP upgrade	-	356	
Ohura:			
- Asset renewals	12	58	
- WTP - Chemical Storage	-	14	
- WTP PLC Fault early warning system	-	12	
- Water main replacements	9	25	
- Water Treatment Upgrade	-	110	
Owhango:			
- Intake resource consent	40	40	Required work for consent.
- Water Networks - Valve & Hydrant Replacement	-	25	
Raetihi:			
- Raetihi Intake - Resource Consent	-	1	
- Raetihi - Network - Water Main Replacement	-	33	
- Raetihi Reservoir	-	27	
- WTP Asset Renewals	-	71	
- WTP Upgrades	-	29	
Taumarunui:			
- Hakiaha Street water main	87	204	
- Hospital hill booster pump renewal	-	356	
- Hospital hill booster pump renewal	23	104	
- Intake asset renewal	13		
- Intake resource consent	115	115	Consent lodged with Horizons R.C.
- Manunui booster WPS	22		
- Manunui reservoir asset renewal	22	32	
- Matapuna WTP - Chlorine Gas Dosing	-	10	
- Matapuna WTP - Critical spares	-	16	
- Manunui Reservoir Asset Renewal	-	32	
- Rangaroa Reservoir 2 Asset Renewal	-	55	
- Tmn Water Networks - Water Main Replacement	-	10	
- Tmn - WTP - Health & Safety	-	38	
- Tmn - Matapuna WTP - Asset Renewal	-	33	
- Water main replacement	1	-	
- Water meters	-	84	
District wide: Critical spares	-	54	
Veolia Additional Capital Works Resource	-	3	
Total	646	2,689	

What We Achieved

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Water Supply					
Quality of Drinking Water - continuity of potable water supply to applicable community areas.	Extent to which Council's drinking water supplies comply with Part 4 (bacteria compliance criteria) of the Drinking Water Standards*. (* Future increases reflect changing statutory requirements).	Ohura = Y Taumarunui = Y Owhango = Y National Park = Y Raetihi = Y Ohakune = Y	Ohura = Y Taumarunui = Y Owhango = Y National Park = Y Raetihi = Y Ohakune = Y	Ohura = Y Taumarunui = Y Owhango = Y National Park = Y Raetihi = Y Ohakune = Y	Achieved.
	Extent to which Council's drinking water supplies comply with Part 5 (protozoal compliance criteria) of the Drinking Water Standards* .	Ohura = N Taumarunui = Y Owhango = N National Park = N Raetihi = Y Ohakune = N	Ohura = N Taumarunui = Y Owhango = N National Park = N Raetihi = Y Ohakune = Y	Ohura = N Taumarunui = Y Owhango = N National Park = N Raetihi = Y Ohakune = N	Not Achieved. Ohakune did not comply.
Responsiveness.	Percentage of real water loss from the networked reticulation system, using minimum night flow (MNF) analysis** (Note 8).	12% (Note 9).	≤40% all supplies.	-	Not Assessed. Statistics from 2019/20 used.

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Water Supply					
	<p>Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:</p> <p>Attendance for urgent callouts: from the time that the Council receives notification to the time that service personnel reach the site (i.e., loss of water supply) ** (Notes 2, 5 and 6).</p>	27 Minutes.	Median response times ≤2 hours.	60 Minutes	Achieved.
	<p>Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:</p> <p>Resolution of urgent call outs from the time the Council receives notification to the time that service personnel confirm resolution of the fault or interruption site (i.e., loss of water supply)** (Notes 2 and 6).</p>	5 hours and 36 minutes.	Medium response times ≤6 hours.	106 minutes	Achieved. (1.76 hours).

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Water Supply					
	<p>Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:</p> <p>Attendance to non-urgent callouts from the time that the Council receives notification to the time that service personnel reach the site (i.e., no loss of water supply) ** (Notes 2, 5 and 7).</p>	1 hour and 12 minutes.	Medium response times ≤36 hours.	91.5 minutes	Achieved. (1.5 hours).
	<p>Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:</p> <p>Resolution of non-urgent callouts from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption (i.e., no loss of water supply) ** (Notes 2 and 7).</p>	3 hours and 44 minutes.	Median response times ≤72 hours.	298.5 minutes	Achieved. (4.9 hours).

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Water Supply					
Public safety pressures and flow.	Total number of complaints (Note 4) received by Council about any of the following (expressed per 1,000 connections (Note 3) to the network reticulation systems.				
	(a) Drinking water clarity.	(a) 2.0	(a) ≤15	(a) 3.3	Achieved
	(b) Taste.	(b) 0.2	(b) ≤10	(b) 0.4	Achieved
	(c) Odour.	(c) –	(c) ≤5	(c) 0.2	Achieved
	(d) Pressure and flow.	(d) 11.6	(d) ≤25	(d) 8.9	Achieved
	(e) Continuity of supply and	(e) 7.7	(e) ≤5	(e) 3.8	Achieved
	(f) Council response times.	(f) –	(f) ≤25	-	Achieved
	The average consumption of drinking water per day, per resident within the territorial authority district (litres per person per day).	448	500	445	Achieved
	Peak demand using peak population (litres per person per day).	252	≤300	251	Achieved

Notes:

- 1: Mandatory Non-Financial Performance Measures, against which all water infrastructure in New Zealand are measured, were introduced by the Department of Internal Affairs in 2014.
- 2: The times shown for “attendance” and “resolution” are reported by the service provider, Veolia as part of their contracted responsibilities. This includes travel time. The accuracy of these have not been verified by Council, however, audits and GPS checks are conducted upon job completion.
- 3: The number of connections is calculated from the number of customers charged in their rates for use of Council water services (calculated at 5,506 at 30 June 2020).

- 4: There are occasions where there is more than one complaint per event. In such a situation, each complaint is counted separately, not each event or occurrence. However, for after-hours complaints received from the Palmerton North Call Centre, only the first complaint about an incident was recorded.
- 5: The median time presented is based on calls that have been raised directly with Council and not Council's contractor Veolia.
- 6: An urgent call-out is one that leads to a complete loss of supply of drinking water due to a fault or unplanned interruption.
- 7: A non-urgent call-out is one where there is still a supply of drinking water.
- 8: Real water loss refers to volumes lost through leaks, bursts or overflows on mains, service reservoirs and services connections, up to the point of the customer meter. We aim to provide an efficient and effective water supply. We achieve this by undertaking activities such as water leakage detection and maintaining our network of water pipes. This measure estimates how much water is lost from the system between the water treatment plant and the household or customer. High levels of water loss can indicate that the network is in poor condition or operating inefficiently. 31% of the network have water meters installed on their properties.
- 9: This figure is for Taumarunui urban area only. There is a huge variance across the wider area of Taumarunui. 95% night flow water loss for SH4 Piriaka indicating high leakage or high unmetered consumption during the night (e.g.: for irrigation purposes) and 41% night flow water loss for Mahoe Settlement.

Funding Impact Statement

Ruapehu District Council for the year ending 30 June 2021

Water Supply Activity

	LTP 2020 \$000	LTP 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	3,277	3,378	3,816
Subsidies and grants for operating purposes	-	-	202
Fees and charges	295	302	158
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	3,572	3,680	4,176
Applications of operating funding			
Payments to staff and suppliers	1,903	2,052	2,812
Finance costs	304	310	54
Internal charges and overheads applied	175	118	240
Other operating funding applications	-	-	-
Total application of operating funding (B)	2,382	2,480	3,106
Surplus/(deficit) of operating funding (A-B)	1,190	1,200	1,070
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	646
Development and financial contributions	17	17	40
Increase/(decrease) in debt	1,161	603	1,072
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	1,178	620	1,758
Application of capital funding			
Capital expenditure:			
- To meet additional demand	9	-	45
- To improve the level of service	1,120	565	1,067
- To replace existing assets	1,080	1,125	1,716
Increase/(decrease) in reserves	159	130	-
Increase/(decrease) of investments	,	,	-
Total applications of capital funding (D)	2,368	1,180	2,828
Surplus/(deficit) of capital funding (C-D)	(1,190)	(1,200)	(1,070)
Funding balance ((A-B)+(C-D))	-	-	-

Operating funding figures have been changed to reflect targeted rates for water correctly. The net amount has not changed.



WASTEWATER (SEWERAGE)

Introduction

The purpose of the Wastewater Activity is to collect and dispose of wastewater in an effective and environmentally friendly manner. This activity is essential in order to protect the environment and to maintain public health.

Council owns treatment plants at Taumarunui, National Park Village, Ohakune, Pipiriki, Raetihi and Rangataua. In addition, Council co-operates with the New Zealand Army in Waiouru to provide wastewater services for the town.

Council's wastewater assets consist of:

- § 6 wastewater treatment plants.
- § 126.1km of pipes.
- § 17 pump stations.
- § 1,627 manholes.
- § 4,784 rateable service connections.

Community Well-Being Outcomes



Social

Environmental

Economic

Rationale

Council is required to assess water and other sanitary services available to the community, including stormwater drainage, and has a duty under Section 23 of the Health Act 1956 to improve, promote and protect public health.

As well as the legal mandate, this service contributes to several of Council's Community Outcomes.

Activity impacts on community well-being

The collection, treatment and discharge of wastewater has a negative effect on the environment through the final disposal of treated wastewater.

The effects of climate change predictions are more extreme events of weather with increased frequency. The wastewater network can be effected by infiltration (water entering the system from high ground water tables) and inflow from stormwater flowing across the ground or illegal connections into the network. These forces can impact on individuals or whole communities' properties and the environment.

Failures in the collection or treatment system, can result in untreated or partially treated wastewater discharges. This wastewater may contain pathogens and nutrients that can be harmful to humans and the environment. Wastewater may accumulate on the ground, percolate into the groundwater or flow into nearby waterways. This poses public health risks and can damage aquatic environments and/or cause property damage.

New more intensive treatment technologies will be required to deliver to higher environmental standards for the land, air and water. These methods include high treatment costs including higher carbon outputs to deliver lower nutrient outputs. The investment in new infrastructure and compliance costs could be significant for developers and businesses along with individual households.

Council mitigates discharge effects by treating wastewater to an agreed level that meets resource consent conditions. Resource consent processes are lengthy and difficult to navigate with changing legislation, policy and regulations.

Wastewater discharges may also contribute to pollution issues experienced downstream of treatment facilities. Horizons One Plan's new targets for wastewater treatment will require significant investment by Council. Council mitigates discharge effects by treating wastewater to an agreed level that meets resource consent conditions.

Council's contractor has prepared a Health and Safety Assessment of Council's systems to assist Council in the prioritisation, planning and implementation or mitigation measures. This report is available to view at all Council offices.

Highlights for the Year

Installing Mains Power – Raetihi Wastewater Treatment Plant

Work on installing mains power to the Raetihi Wastewater Treatment Plant was completed in early June 2021. Previously the site relied on solar to power the telemetry systems and feedback from the flow meters, which was very unreliable with the batteries struggling to charge during the winter months. The remote site also struggled with theft and the batteries being stolen. Mains power will future proof the site and ensure reliability of telemetry which is especially critical for the outflow meter which records discharge data that is provided to Horizons Regional Council.

Ohakune Wastewater Treatment Plant

The modification to the inlet pipework at the Ohakune Wastewater Treatment Plant has now been completed. The original pipework extended a significant way into the primary oxidation pond and as a result streaming of the influent through the pond occurred. This reduced the retention time of the pond and impacted on the effluent quality and the ability of the plant to comply with the resource consent. The inlet pipework has been cut back to the edge of the pond and directed to the North to encourage better pond mixing. The next stage of the upgrade will be to install “curtains” within the pond as part of the ammonia compliance upgrade.



Ohakune WWTP – New discharge point at oxidation pond.



Ohakune WWTP – New discharge point at oxidation pond.



Ohakune WWTP – New baffle curtains installed.



Ohakune WWTP – New baffle curtains installed.

Desludging Oxidation Ponds One and Two – Hikumutu Wastewater Treatment Plant

Desludging was completed on both of oxidation ponds at the Hikumutu Wastewater Treatment Plant (WWTP). Sludge has been removed and stored within Geobags within a bund on site to be aged before disposal as per recommended guidelines. The desludging is the first step in a number of approved improvements to the WWTP that have been recommended to improve the WWTP capacity and treatment performance in anticipation of additional loading on the WWTP and the expected tightening of future resource consent conditions.

Funding from the DIA Stimulus Fund has been utilised to progress further upgrades to the Hikumutu WWTP. An upgrade of the inlet to the plant includes:

- § New Inlet screening for township influent and septic influent.
- § New septic receival unit and method of monitoring discharge to allow RDC to capture data for on-charging to contractors.
- § Upgrade of Inlet flow meter.

As of June 2021 the design and costing proposal has been approved by Council and the long lead time items ordered by Veolia.

Upgrading Aeration Pumps – Hikumutu Wastewater Treatment Plant

In addition, the DIA Stimulus Fund will include an upgrade to the aeration system within the Hikumutu Plant. The design and project scope has been completed by Veolia as of June 2021 for works to continue in the 2021/22 financial year. The project will include a full upgrade of the aerators to a more efficient system that will provide the ability to enhance nutrient removal at this plant. Together with the installation of new aerators, it is proposed the construction of a new building with new electrical switchboard, VSDs, telemetry, a design pump station (future) and operator control room.

CCTV Investigations – Wastewater (and Stormwater) Reticulation - Hakiaha Street, Taumarunui

CCTV of the wastewater and stormwater network on Hakiaha Street Taumarunui was completed in July 2020. This was completed to identify poor condition mains and prepare to complete rehabilitation on these mains prior to the scheduled road resurfacing of Hakiaha Street (SH4).

Safety Rails – Wastewater Pump Stations, Taumarunui

Safety rails have been installed at the Bullians Ave, Sunshine and Huia Street wastewater pump stations within the Taumarunui Township. This continues the installation of safety rails throughout the district to reduce the health and safety risks of working at height around the pump stations.

Improving Access to Sewer Main – Falkner Park, Taumarunui

Significant works have been completed in creating an access track to the problematic sewer main located on Falkner Park Taumarunui. Contractors have constructed a large track to allow a flushing unit and vacuum truck to access manholes on this main for proactive maintenance. This work was completed in response to a major wastewater overflow that occurred in July 2020.

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

Town	Expiry Date of Consent	Notes
Taumarunui	1 July 2023	Horizons Regional Council (HRC) and Council to sort a lawyer's opinion on the status of the consent. This consent is operative.
National Park	17 November 2015	Application lodged with HRC 17 August 2015. This consent has been on hold with HRC as final attempts to obtain iwi formal sign off. In this time there has been a variation to seek load conditions rather than maximum volumes (Note 1).
Raetihi	17 November 2015	Application lodged with HRC 17 August 2015. (Note 2).
Ohakune	17 November 2015	Application lodged with HRC 17 August 2015. (Note 2).
Pipiriki	1 July 2035	Current.
Waiouru*	1 July 2029	Current (New Zealand Defence Force). (Note 3).
Rangataua	December 2005	Application lodged with HRC 30 June 2014. Council has responded to an s92 request for further information from HRC. In addition iwi consultation has been taken further in assessing this system against their goals of "land passage" treatment as expressed in Ohakune and Raetihi resource consents (Note 1).

Notes:

- 1 The Wastewater Plant continues to operate under the existing consent until the new consent is granted.
- 2 Pending outcome of MBIE funded feasibility study to combine Ohakune and Raetihi Wastewater Treatment Plant.
- 3 Wastewater disposal for Waiouru Township is procured by RDC from the New Zealand Defence Force.

Capital Projects

Project Description	Carried Forward Budget \$000	Budget 2020/21 \$000	Actual 2020/21 \$000	Notes
National Park:				
Ohakune:				
- Growth program	-	20	-	
- Snowmass Drive (Turoa Village)	-	-	1	
WWPS				
- Waste water mains redirection	160	-	-	
- WWTP upgrade	-	-	34	
Raetihi:				
- Hydraulic Modelling	70	-	-	
- Raetihi Bridge WWPS relocate	-	62	-	
NRV's				
- Seddon St WWPS	-	-	5	
- WWTP - Upgrade	-	-	37	
Rangataua:				
- WWTP - Asset Renewal	-	30	6	
Taumarunui:				
- Above ground asset renewal	-	6	32	
- Hikumutu WWTP Switchboard PLC and Electrical Upgrade	-	14	-	
- Hikumutu Aeration, Inlet & Pond Works	-	-	632	External funding
- Health & Safety	-	50	-	
- Huia St WWPS asset renewal	520	34	217	
- Huia St WWPS asset renewal	-	-	5	
- LOS program	-	289	-	
- Sunshine Road WWPS: Asset Renewal	-	-	8	
- Main refurbishment				
- Tmn - Network - Golf Rd Pump Station - Renewals	-	5	7	
- TMN - Networks - Tuku St WWPS				
- Tmn - Network - Victory Bridge WWPS - Asset Renewal	-	-	1	Renewal
- TMN - Networks - Tuku St WWPS	-	43	16	
Waioura				
- Above Ground Asset Renewals	-	-	1	
- Andrews Drive WWPS: Asset Renewal	-	62	-	
- Waiouru - Asset Information	-	4	-	
Total	750	788	1,002	

Work in Progress

Project Description	Opening WIP \$000	Closing WIP \$000	Notes
District Wide:			
- SCADA upgrade	3		
- Strategic design works	15		
National Park:			
- Asset renewals	1		
- Resource consents	154	129	
- WWTP upgrade Resource consents	-	25	
Ohakune:			
- Asset renewals	24	24	
- Headworks & treatment resource consent	17	17	
- I&I reduction	10	10	
- Resource consents	144	144	
- Snowmass Drive (Turoa Village) WWPS	-	1	
- WWTP - upgrade	-	34	
Pipiriki:			
- Asset renewals	19	19	
Raetihi:			
- Asset renewals	2		
- Resource consent	98	98	Lodged with Horizons RC. LOS.
- Seddon St WWPS	-	7	
- WWTP - Upgrade	-	37	
Rangataua:			
- Resource Consent	44	44	Lodged with Horizons RC. LOS.
- WWTP - Asset Renewal	-	6	
Taumarunui:			
- Asset Renewals/Replacements	-	32	
- CCTV inspections	47	47	
- Hikumutu Above Ground Asset Renewals	-	221	
- Hikumutu WWTP asset renewal	16	11	
- Hikumutu sewerage resource consent	75	75	Lodged with Horizons RC. LOS.
- Huia St WWPS asset renewal	5	10	
- Sunshine Road WWPS: Asset Renewal	-	6	
- TMN - Networks - Tuku St WWPS	-	16	
- Tmn - Network - Golf Rd Pump Station - Renewals	-	5	
- Waste water main renewals	31	31	
- Victory Bridge WWPS asset renewal	6	7	
Waiouru			
- Above Ground Asset Renewals	-	1	
Total	711	1,057	

What We Achieved

Level of Service	Key Performance Indicators	2020/19 Actual	2020/21 Target	2020/21 Actual	Commentary
Wastewater					
Environmental sustainability.	Number of dry weather wastewater overflows from Council's system, (expressed per 1,000 connections (Note 3) to that system).	1.90	≤7	1.5	Achieved.
	Compliance with Council's resource consents for discharges from the wastewater system as measured by number of Abatement Notices.	-	≤2	-	Achieved.
	Compliance with Council's resource consents for discharges from the wastewater system as measured by number of Infringement Notices received.	-	≤2	1	Achieved.
	Compliance with Council's resource consents for discharges from the wastewater system as measured by number of Enforcement Orders received.	-	≤1	-	Achieved.
	Compliance with Council's resource consents for discharges from the wastewater system as measured by number of Convictions received by Council in relation to those resource consents.	-	-	-	Achieved.

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Wastewater					
Responsiveness to infrastructure issues.	Where Council attends to wastewater (sewerage) overflows resulting from a blockage or other fault in the Council wastewater system, the following median response times measured: Attendance time: From the time that Council receives notification to the time that service personnel reach the site; and ** (Note 2 and 5).	0.58	Median response times ≤2 hours for a blockage or fault.	0.25	Achieved.
	Where Council attends to wastewater (sewerage) overflows resulting from a blockage or other fault in the Council wastewater system, the following median response times measured: Resolution time: From the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault** (Note 2 and 5).	3.07	Median response times ≤6 hours for a blockage or fault.	1.75	Achieved.

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Wastewater					
Public safety continuity of wastewater collection system.	Where Council attends to wastewater (sewerage) overflows resulting from a blockage or other fault in the Council wastewater system, the following median response times measured: Total number of complaints (Note 4) received by Council about any of the following (expressed as per 1,000 connections (Note 3) to the territorial authority's wastewater system.				
	(a) Wastewater odour.	(a) 0.63	(a) ≤15	(a) 0.83	Achieved.
	(b) Wastewater system faults.	(b) 0.84	(b) ≤5	(b) 0.00	Achieved.
	(c) Wastewater system blockages.	(c) 2.74	(c) ≤25	(c) 5.02	Achieved.
	(d) The Council's response to issues with its wastewater system.	(d) 0.00	(d) ≤25	(d) 0.00	Achieved.

Notes:

- 1: There are now mandatory Non-Financial Performance Measures against which all wastewater infrastructure in New Zealand are measured. This is the fourth year these KPIs have been measured.
- 2: The times shown for "attendance" and "resolution" are reported by the service provider, Veolia as part of their contracted responsibilities. This includes travel time. The accuracy of these has not been verified by Council.
- 3: The number of connections is calculated from the number of customers charged in their rates for use of Council wastewater services (calculated at 4,779 as at 30 June 2020).
- 4: There are occasions where there is more than one complaint per event. In such a situation, each complaint is counted separately, not each event or occurrence. However, for after hour's complaints received from the Palmerton North Call Centre, only the first complaint about an incident was recorded.
- 5: The median time presented is based on calls that have been raised directly with Council and not Council's contractor Veolia.

Funding Impact Statement

Ruapehu District Council for the year ending 30 June 2021

Wastewater Activity

	LTP 2020 \$000	LTP 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	23	23	19
Targeted rates	2,406	2,270	2,420
Subsidies and grants for operating purposes	-	-	-
Fees and charges	94	96	70
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	2,323	2,389	2,509
Applications of operating funding			
Payments to staff and suppliers	1,268	1,296	1,585
Finance costs	122	122	16
Internal charges and overheads applied	276	118	240
Other operating funding applications	-	-	-
Total application of operating funding (B)	1,666	1,536	1,841
Surplus/(deficit) of operating funding (A-B)	857	853	668
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	632
Development and financial contributions	33	34	78
Increase/(decrease) in debt	137	429	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	170	463	710
Application of capital funding			
Capital expenditure:			
- To meet additional demand	56	21	-
- To improve the level of service	179	512	727
- To replace existing assets	259	262	274
Increase/(decrease) in reserves	533	521	377
Increase/(decrease) of investments	-	-	-
Total applications of capital funding (D)	1,027	1,316	1,378
Surplus/(deficit) of capital funding (C-D)	(857)	(853)	(668)
Funding balance ((A-B)+(C-D))	-	-	-

The wastewater users of National Park are currently repaying the general ratepayer for an historical subsidy by the District. This shows as increased Targeted Rates and negative General Rates in this Funding Impact Statement.



STORMWATER AND FLOOD PROTECTION

Introduction

Efficient and effective stormwater and flood protection infrastructure is a key element in the sustainable and healthy development of a community. A developed network of pipes, culverts to drains and watercourses provides a safe and efficient means of collecting and conducting stormwater through townships.

The stormwater network reticulation comprises of 66.5km of stormwater mains plus approximately 645 manholes across the district plus open drains, associated culverts and sumps.

Stormwater is rainwater that runs over the ground on its way to a natural watercourse. When rain falls on buildings, carparks, roads, driveways and gardens, but does not soak into the ground, it will pond or follow a natural path downhill until it reaches a watercourse or is collected by a pipe system.

Where there is development, runoff from properties and roads flows into stormwater systems. The greater the level of development in a catchment, the greater level of impermeable surfaces, e.g. roofs, driveways and paths, which results in a greater conversion of rainfall into runoff. If this runoff is not managed, it will cause flooding. Generally, stormwater is directed into channels on roadways or into drains, then into streams and rivers.

Community Well-Being Outcomes



Social



Environmental



Economic

Rational

Under the Local Government Act, Council is required to assess water and other sanitary services available to the community, including stormwater drainage.

There have also been significant legislation and policy changes that will impact the stormwater activity including the 3 water reforms, more freshwater management direction, zero carbon bill and climate change considerations over the last three years. There is now a new crown entity Taumata Arowai to regulate drinking water and Water Services. Further legislation and regulation changes are expected with proposed changes to the Resource Management Act.

As well as the legal mandate to provide this service, Council aims to:

- § Provide efficient and safe stormwater collection and disposal and flood protection in an effective and environmentally acceptable manner.
- § Plan for resilience to flooding and safeguard the lives and property of communities during flood events.
- § Develop a stormwater treatment system which reduces degradation and contamination to the receiving environment.

Activity impacts on community well-being

The stormwater and flood protection runoff naturally contains debris and chemicals that are present in the catchment area. Due to the presence of these chemicals and other debris, the disposal of stormwater and flooding into natural watercourses may have negative effects on the quality of the aquatic environment. This can also reduce the communities opportunity to engage with the water for swimming, sports or gathering kai.

The effects of climate change predictions are more extreme weather events increasing in frequency. The volume of water (rain events) impacts on the capacity of the watercourse, culvert and river system. When there is too much water to hold, flooding occurs which may impact on individuals or whole communities' properties and transportation networks.

Taumata Arowai (the new regulator) will need to be supported. The legislation allows for funding through its compliance checks of Council service delivery. This will be a new charge which will ultimately be funded by the customers and ratepayers. In addition the government has announced the formation of centralised three waters entities to deliver services. Stormwater treatment standards are still to be developed. The impact of how these services will operate is not yet clear but community affordability remains a high risk.

Stormwater and flooding runoff is monitored by Horizons Regional Council for water quality and other effects. Council maintains its stormwater and flood protection systems to reduce the level of flooding within the district.

Highlights for the Year

Ohura Township

Repeated stormwater issues in the Ohura Township triggered a programme where Veolia and RDC Waters Team used a collaborative approach to assess the performance of the system. Spot checks were carried out and a clean-up programme was established. Veolia executed the machine work and improvements are expected for the winter season. Additional flushing was done with Veolia's jetter unit.

New Road, Taumarunui

The stormwater drain on New Road Taumarunui was upgraded during the 2020 – 2021 period. This drain had become very overgrown and had scoured out a large hole. This was identified as a major health and safety hazard with local children playing in the area. To rectify the drain was scraped back and a sink hole was formed. This was filled with rock and the area shaped with rocks to eliminate the hazard.

Queen Street, Raetihi

In November 2020 a collapsed stormwater chamber on the corner of Queen Street and Parapara Road was identified as a significant health and safety issue with the risk of overflow. A new manhole ring riser was installed with a new manhole lid, cover and frame.

Irrigation Fields, Pipiriki

A major upgrade was completed on the stormwater drain that passes through the wastewater irrigation fields at the Pipiriki Wastewater Treatment Plant. This surface drain is located between the two irrigation fields and had been highlighted as a major issue by Horizons due to the scouring of the fields and exposure of the irrigation dripper lines. This increased the potential for filtered wastewater to bypass the irrigation treatment process and enter the Whanganui River directly through the stormwater drain.

The upgrade included the construction of a concrete lined swale drain along the length of the irrigation field and construction of a catchment area at the head of the drain, as well as improved site access for future maintenance. A new technology "Concrete Canvas" was utilised to complete the upgrade which is long lasting and durable. This upgrade now ensures that wastewater cannot bypass the irrigation treatment process and has negated the possibility of enforcement action from regional council.



Pipiriki Stormwater – scoured stormwater drain.



Pipiriki Stormwater – scoured stormwater drain.



Pipiriki Stormwater - reformed swale drain.



Pipiriki Stormwater – with concrete canvas.

Capital Projects

Project Description	Carried Forward Budget \$000	Budget 2020/21 \$000	Actual 2020/21 \$000	Notes
District wide projects	-	655	35	62% Renewal, 38% LOS.
Ohakune:				
- condition assessments	-	-	7	
- mains rehabilitation / replacement	65	-	2	Renewal.
Taumarunui:				
- New Road safety improvements	-	-	18	
- Short Street Stormwater Catchment	-	-	1	Renewal.
Total	65	655	63	

Work in Progress

Project Description	Opening WIP \$000	Closing WIP \$000	Notes
Ohakune condition assessment	22	28	
Ohakune main replacement	11	13	
Ohura flood warning system	18	18	
Turaki and Maata Streets flood control	19	19	
Taumarunui drain reformation	6	6	
Taumarunui Fanthorpe Gate renewal	14	14	
Taumarunui New Road Safety Improvements	-	18	
Taumarunui Short St catchment	18	19	
Taumarunui survey networks – CCTV	40		
Taumarunui stopbank infrastructure resource consent	17	17	
Total	171	152	

What We Achieved

Level of Service	Key Performance Indicators	2019/2020 Actual	2020/21 Target	2020/21 Actual	Commentary
Stormwater					
Capacity/degree of protection.	The number of flooding events that occur in a territorial authority district (Note 3). For each event, number of habitable floors affected (Note 4) (per 1,000 properties connected (Note 2) to system).	-	≤3	0.37	Achieved.
Environmental impacts are managed and resource consents complied with.	Compliance with Council's resource consents for discharges from the stormwater system as measured by the number of Abatement Notices.	-	≤2	-	Achieved.
	Compliance with resource consents for discharges from the stormwater system as measured by the number of Infringement Notices received.	Compliance with resource consents for discharges from the stormwater system as measured by the number of Infringement Notices received.	-	≤1	-
	Compliance with resource consents for discharges from the stormwater system as measured by the number of Enforcement Orders.	-	≤1	-	Achieved.
	Compliance with resource consents for discharges from the stormwater system as measured by the number of successful prosecutions received by Council in relation to those resource consents.	-	-	-	Achieved.

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Stormwater					
Responsiveness of service.	The median response time to attend a flooding event (note 4), measured from the time that Council receives notification to the time that service personnel reach the site**.	-	≤2 hours	1.03 hours	Achieved.
	The number of complaints (Note 5) received by Council about the performance of its stormwater system, (expressed as per 1,000 properties connected to Council's stormwater system).	3.8	≤15	5	Achieved.

Notes:

- 1 Mandatory Non-Financial Performance Measures, against which all stormwater and flood protection in New Zealand are measured, were introduced by the Department of Internal Affairs in 2014.
- 2 The number of connections is calculated from the number of customers charged in their rates for use of Council stormwater services (calculated at 5,402 as at 30 June 2020).
- 3 A flooding event means an overflow of stormwater from a Council stormwater system that enters a habitable floor.
- 4 A habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.
- 5 There are occasions where there is more than one complaint per event. In such a situation, each complaint is counted separately, not each event or occurrence. However, for after hour's complaints received from the Palmerton North Call Centre, only the first complaint about an incident was recorded.

Funding Impact Statement

Ruapehu District Council for the year ending 30 June 2021

Stormwater Activity

	LTP 2020 \$000	LTP 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	432	443	454
Targeted rates	473	443	448
Subsidies and grants for operating purposes	-	-	-
Fees and charges	4	4	4
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	909	890	906
Applications of operating funding			
Payments to staff and suppliers	402	412	416
Finance costs	31	42	7
Internal charges and overheads applied	117	79	120
Other operating funding applications	-	-	-
Total application of operating funding (B)	550	533	543
Surplus/(deficit) of operating funding (A-B)	359	357	363
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	31
Increase/(decrease) in debt	139	524	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	139	524	31
Application of capital funding			
Capital expenditure:			
- To meet additional demand	15	32	35
- To improve the level of service	148	521	25
- To replace existing assets	105	107	2
Increase/(decrease) in reserves	230	221	332
Increase/(decrease) of investments	-	-	-
Total applications of capital funding (D)	498	881	394
Surplus/(deficit) of capital funding (C-D)	(359)	(357)	(363)
Funding balance ((A-B)+(C-D))	-	-	-



SOLID WASTE

Introduction

The Waste Management and Minimisation Activity manages the collection and disposal of rubbish and recycling in the District. The assets for this activity include the district landfill in Taumarunui, seven transfer stations and seven decommissioned (closed) landfills.

Community Well-Being Outcomes



Social



Environmental



Economic

Rational

There are two pieces of legislation that require councils to provide this service to their communities:

- § The Health Act 1956 requires Council to provide this activity to ensure that the public suffers no adverse effects due to the accumulation of refuse (both legal and illegal).
- § The Waste Minimisation Act 2008 requires councils to promote effective and efficient waste management.

Since 2015 the proportion of waste recycled in the district has remained steady along with the volume of refuse landfilled within the Ruapehu District. Over the last three financial years we have sent an average of 3,344 tonnes of waste to the landfill.

This presents a significant challenge to the community as the resource consent for the Taumarunui Landfill expired in October 2020 and all waste disposal is now shipped out of the district to Hampton Downs Landfill. As this is now a more expensive option, the community must show a greater commitment to generating and disposing of waste as efficiently as possible. This will include increased recycling and dealing with food waste by a means other than sending it to the landfill (e.g. composting, resource recovery centres).

Activity impacts on community well-being

The Waste Management and Minimisation activity collects rubbish from around the District and deposits it at Hampton Downs Landfill. The accumulation of waste in one area concentrates the effects that this refuse may have on its immediate environment. This includes negative effects such as water contamination, odour and vermin nuisances.

In addition, landfill waste can result in significant environmental effects on the immediate area. For example, leachate can contaminate surrounding soil and water, while landfill gases (methane and carbon dioxide) pollute the air.

On the other hand, a single landfill limits the area of possible contamination to one location. It allows resources to be concentrated on reducing and managing the environmental impact of contamination.

Ruapehu District Council must abide by resource consent conditions to ensure responsible management of the negative environmental effects of the landfill. Horizons Regional Council monitors closed landfills for ongoing environmental impact.

The disposal of waste to landfill has a significant cost associated with it. This cost has increased with the closure of the district landfill in 2020. To address these issues, Council is actively working to minimise the volume of waste produced, e.g. through the kerbside recycling programme and removing organics from the waste stream. Significant community education and buy in will be required to further lower the volumes of refuse landfilled.

Highlights for the Year

Within the 2018 Waste Minimisation Management plan Ruapehu District Council commits to the vision of “Zero Waste by 2040” and also sets goals of implementing a food waste collection in the coming years, greater engagement and involvement of the community with Waste Minimisation activities and a decision on the future of the Taumarunui Landfill.

In 2020/21 the new contract negotiated with EnviroWaste for provision of our transfer station operation and kerbside services including a new food waste collection service commenced effective 5 October 2020. To accommodate the new contract the food waste service has been introduced, this included the district roll out of new compost bins for kerbside collection of food waste. A purpose built compost collection truck was commissioned for the pick-up of the food waste and at the Taumarunui Closed Landfill site a purpose built Hot Composting Unit (HCU) was constructed. The HCU is the deposit point for all kerbside collected food waste.

With the closure of the District Landfill in Taumarunui, a purpose built refuse facility was constructed. A new materials handler was delivered early 2021 and this works in conjunction with the new refuse facility to load refuse into the trucks taking it to Hampton Downs.

Plans for the establishment of a Resource Recovery Centre in Taumarunui are on track to commence just prior to the new financial year.

Ethical Waste Ltd continue the operation of Waimarino Transfer Station as a resource recovery centre. This continues to grow in strength seeing an increase in diversion rate of up to 20% per month.



Hot Composting Unit.



Refuse Facility.

Capital Projects

Project Description	Carried Forward Budget \$000	Budget 2020/21 \$000	Actual 2020/21 \$000	Notes
District wide community initiatives	1	1	-	LOS
District signage	3	3	-	80% renewal, 20% growth
Sorting Facility for Shipping Waste out	221	26	476	
National Park road improvement	5	10	-	90% LOS, 10% growth
Recycling facilities at transfer stations	-	5	-	50% LOS, 50% growth
Repaint Various Shipping Containers - District	-	5		
Site Enhancement - Ohura	-	5		
Taumarunui Office/Shop/Recycling	-	5	14	LOS
Taumarunui road improvement	-	10	3	
Taumarunui landfill closure	-	-	120	90% LOS, 10% growth
Waimarino bins	10	5	13	50% growth, 25% LOS, 25%, growth
Waimarino site development	21	-	9	50% growth, 50% LOS
Total	261	103	635	

Work in Progress

Project Description	Opening WIP \$000	Closing WIP \$000	Notes
Taumarunui landfill closure	13	132	
Sorting Facility for Shipping Waste out - District (Growth)	-	1	
Community initiatives - District	-	14	
Total	13	147	

What We Achieved

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Waste Management and Minimisation					
The community is provided with opportunities to recycle.	The portion of waste recycled increases by 0.5% each year (Note 1).	-4.1%	+0.5% Overall.	-6.47%	Not Achieved.
Waste minimisation is encouraged.	A comprehensive waste audit is conducted every LTP cycle to inform any change to the Waste Minimisation Management Plan (2018, 2021 and 2024).	-	-	1	Achieved.
Waste hierarchy (reduce, reuse, redirect and refuse) promoted throughout the community.	Waste Minimisation initiatives promoted district wide through multimedia communications (Note 2).	13	4	10	Achieved.
	Two industry stewardship schemes promoted annually.	2	2	2	Achieved.
Legislative compliance is achieved.	Annual resource consent breaches.	-	<2	-	Achieved.
Waste education in schools.	Percentage of schools visited annually that participate in Waste Minimisation education programme.	75%	75%	86%	Achieved. 19 out of 22 schools in Zero Waste education. Enviro-Schools, Paper for Trees and Para Kore all available within Ruapehu District also.
Community is satisfied with the overall level of service for Waste Management and Minimisation.	Percentage of community satisfied with the overall LoS.	80.45%	75% (Note 3).	84.96%	Achieved. Averaged from LOS Survey. Undecided and N/A removed from accountability.
	Number of requests for service that indicate poor service provision is	27	<52	25	Achieved. Non pick-ups discounted as cannot be verified to

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Waste Management and Minimisation					
	less than 52 per year (approx. 1 per week) (Note 4).				have been put out on time.

Notes:

- 1: Future targets increased to reflect desired response to waste minimisation promotions to multimedia communications.
- 2: Future targets increased to reflect ability to use Facebook and website video links in addition to tradition methods of communication.
- 3: Future targets changed to reflect actual performance.
- 4: Future targets decreased to match desire to provide excellent level of service by principal and contractor.

Funding Impact Statement

Ruapehu District Council for the year ending 30 June 2021

Waste Management and Minimisation Activity

	LTP 2020 \$000	LTP 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	326	320	364
Targeted rates	675	685	867
Subsidies and grants for operating purposes	-	-	-
Fees and charges	713	746	814
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,714	1,751	2,045
Applications of operating funding			
Payments to staff and suppliers	1,587	1,636	2,157
Finance costs	29	29	8
Internal charges and overheads applied	58	39	72
Other operating funding applications	-	-	-
Total application of operating funding (B)	1,674	1,704	2,237
Surplus/(deficit) of operating funding (A-B)	40	47	(192)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	87	68	637
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	87	68	637
Application of capital funding			
Capital expenditure:			
- To meet additional demand	56	42	-
- To improve the level of service	50	52	637
- To replace existing assets	21	10	-
Increase/(decrease) in reserves	-	11	(192)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding (D)	127	115	445
Surplus/(deficit) of capital funding (C-D)	(40)	(47)	192
Funding balance ((A-B)+(C-D))	-	-	-



RECREATION AND COMMUNITY FACILITIES AND COMMUNITY PROPERTY

Introduction

This activity provides a range of recreation facilities and property within each community that is readily accessible and enjoyed by the community. Council regards this activity as an essential service for the public good.

Parks and Reserves

The Reserves Act 1977 provides the mandate and guidelines for the management of Council Reserves, most of which have been vested in Council by the Crown.

The purpose of Parks and Reserves assets is to:

- § Provide space for people to pursue active and passive recreational activities for their social, spiritual, mental and physical wellbeing.
- § Provide the landscape setting for towns.
- § Ensure the protection and maintenance of history (ecological and human) and character of the area.
- § Ensure that environments essential to the existence of plant and animal species (including humans) are maintained.
- § Protect public access to significant landscape features and recreation areas.

Areas covered by the Parks and Reserves Activity include parks, reserves, playgrounds, camping grounds (Taumarunui, Raetihi and Ohakune Holiday Parks), walkways, miscellaneous structures (for example, the Taumarunui Grandstand).

Swimming Pools

Council maintains and operates three public swimming pools located in the three main townships; Taumarunui, Ohakune and Raetihi.

Public swimming pools provide highly valued swimming facilities for the people of the District. The three swimming pool complexes owned by Council are considered to be significant assets.

Community Halls

There are 14 halls that are managed by Council or that have been vested to Council ownership. These range from large facilities such as the Taumarunui Memorial Hall to smaller, local, community-managed halls such as the Rangataua Hall.

Council's Community Halls provide and maintain suitable and appropriate public venues throughout the District for local social, recreational, cultural, or educational purposes.

The Taumarunui War Memorial Hall is earthquake prone and booking numbers are very low. The future of the hall was therefore an issue that Council took to the community during consultation for the LTP 2018-28. As a result, Council decided that the Memorial Hall would be replaced with a multi-function facility, the Miriama Community Centre (formerly Lower Lounge of the Taumarunui Cosmopolitan Club) was purchased to provide a safe community hall space. Significant community engagement is still required before any action is taken over the Memorial Hall. Council has a small budget for the upkeep of the community-managed halls. This is set up as an annually contestable grant fund.

Public Toilets

The provision of public toilet facilities for residents and visitors is an important activity for Council, particularly in relation to public health and safety.

The increasing tourist numbers to the District in recent years has created the need for more public toilet facilities. In 2021 the long awaited refurbishment of the Taumarunui Hakiha Street toilets commenced. Council funds the ongoing cost of cleaning, maintenance and depreciation.

Cemeteries

This service provides enquiry and burial services and burial administration and records for Council cemeteries. Council owns and maintains ten cemeteries in Manunui, Matiere, Ohakune, Ohura, Owhango, Raetihi, Rangataua, Raurimu and Taumarunui. Council also owns the closed cemetery at Tatu (not maintained). In the near future Council intends to investigate the provision of space for natural burials within the larger cemeteries. Council has set aside funding for the development of a new cemetery in Raetihi, as the current cemetery is running out of space for burials.

Social Housing

Council owns a total of 81 individual social housing units constructed on six separate sites across the District; Raetihi – 16 units, Ohakune – 8 units, Taumarunui – 57 units (on four different sites).

Administration Buildings and Libraries

Each of the three administration buildings (Taumarunui, Raetihi and Ohakune) house a library, a Council Chamber and staff offices. Council's provision of libraries sits under both Property activity (the buildings) and the Community Support activity (the service, incl. books, computers, children's holiday programmes etc.).

Other Properties

Council also owns the Taumarunui Aerodrome, Ohakune Railway Station, the former Taumarunui Saleyards and a number of other properties, such as forestry plantations and the former library building in Ohakune. For detailed information on these properties, please see the Community Property Asset Management Plan.

Community Well-Being Outcomes



Rationale

Under the Local Government Act, Council is required to promote the social, economic, environmental and cultural well-being of communities in the present and for the future.

The total value of Recreation and Community Facilities portfolio is currently estimated to be \$17.2 million. It includes parks, reserves, playgrounds, walkways, swimming pools, community halls, public toilets and cemeteries.

The total value of the Community Property portfolio is currently estimated to be \$24.6 million. It includes the Council administration and library buildings, social housing and others.

As well as the legal mandate to provide these services, The Recreation and Community Facilities and Community Property activities play an important role in achieving Council's community well-being outcomes.

Activity impacts on community well-being

There are no significant effects on the community associated with the provision of the Recreation and Community Facilities or Community Property activities.

Highlights for the Year

Cemeteries

- § The Owhango Cemetery entrance fence was repainted.
- § Nuisance bamboo at the Old Cemetery in Taumarunui was cut and sprayed.
- § The Old Section of the Ohakune Cemetery was added to a more regular schedule of vegetation maintenance.
- § The first stage extension of Ohakune Cemetery was completed with fencing installed.
- § New roses were planted at the baby berm in the Taumarunui New Cemetery.



Owhango Cemetery fence after painting.



Bamboo - Taumarunui Old Cemetery.



Ohakune Cemetery Extension completed.



Baby berm Taumarunui Cemetery replanted.

Community Buildings and Property

- § The Civil Defence compound was reorganised and tidied up.
- § The Raetihi Agency Building – ex-NZ Post area was refurbished for staff office space after NZ Post moved to the ex-Chambers room.
- § An all-weather emergency helipad on Council owned land in Railway Road, Raetihi was installed using funds donated by the Raetihi Bowling Club.
- § The Taumarunui Museum Archives and Taonga Space renovation progressed.
- § The Erua Meeting Room in Taumarunui Administration Building was redecorated following remediation work that was required after a leak in the hot water cylinder in the Councillor's Kitchen.
- § The Raetihi ex-BMX track has been levelled and leased for grazing.
- § The fence at the Taumarunui Huia Street Depot was replaced due to collapsing during a high wind event.
- § Baize was applied to walls to a meeting room in Taumarunui Administration Building to address issues with noise following increased use of online meeting platforms such as Zoom.



Taumarunui Civil Defence Training Centre following tidy up.



New office space at Raetihi Agency Building.



New all-weather helipad in Railway Road, Raetihi.



Taumarunui Museum Archives Project progressed.



New fence, Huia Street Depot, Taumarunui.



Raetihi ex-BMX track cleared.

Social Housing

- § In Taumarunui, Heat pumps were installed in Rangimarie Flats 2, 4, 5, 6 and 8 and Rochfort Flats 3 and 10.
- § Cherry Court and Rochfort Flats in Taumarunui were redecorated as required.
- § An inspection was undertaken of Waimarino Rest Home in Raetihi and staff worked with the Trust to rectify maintenance issues and tenancy procedures.
- § Security doors were installed at five flats in the Rangimarie Housing complex in Taumarunui.



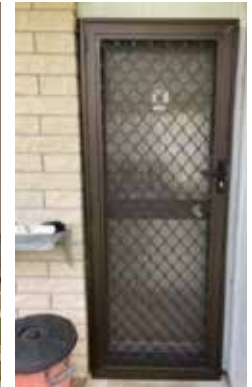
New heatpump at Rochfort Flats, Taumarunui.



Painted kitchen, Cherry Court, Taumarunui.



Painted kitchen, Rochfort Flats, Taumarunui.



Security doors installed at Rangimarie Flats, Taumarunui.

Parks and Reserves

- § Improvements were made to the labelling for Big-Belly rubbish and LoveNZ recycling bins using NZ-wide standardised colouring and symbols. The two remaining Big-Belly bins were installed at National Park Village Park and Ride and Mangawhero Terrace in Ohakune.
- § Kururau Reserve improvements included tidying the concrete pad that was left from a previous lease and filling in the old septic tank and removal of an old house (controlled burn by Taumarunui Volunteer Fire Brigade).
- § An accessible walkway was formed from the end of Turaki Street to Taupo Road along river accretion land adjacent to the Whanganui River.
- § Walkway vegetation control was completed as required throughout the year.
- § New signage was installed at the road entrance to the Channels swim spot in Taumarunui regarding behaviour requested at the site (dogs on leash, no fires, remove litter).
- § A grant was secured from Horizons Regional Council to assist with fencing 1,148m of the Whanganui River Accretion land in Taumarunui.
- § The Ohakune Mangawhero Walkway entrance onto Old Station Road was realigned and the fence alongside shifted to improve sightlines and pedestrian safety.

- § The accessible walkway at the Ohakune Carrot Park was extended.
- § Green clearlite panels on the lower level of the interior of the KCE Jubilee Grandstand in Taumatunui were replaced. The large hot water cylinder was replaced with a smaller cylinder and the wiring reconfigured so that the cylinders for each end of the building could be run independently. The floors were painted by a volunteer and soap and toilet paper dispensers were installed.
- § The annual tree programmes were completed throughout the District.
- § Vegetation at the end of Huia Street on the banks of Ongarue River were cleared to highlight the historic interpretation panel.
- § Six new fire surrounds were replaced in Ruatiti Domain in partnership with Rotary Club of Raetihi and Ohakune, and the Ruatiti Domain Committee.
- § Improvements were made to internal roads at Ruatiti Domain to enable campervans to move more freely throughout the camping area.
- § Taumarunui Northern Entrance gardens were renovated to replace plants that had died and to transplant existing plants to future proof the design.
- § Makotuku Walkway accessible track was extended in Raetihi.
- § Replacement Cherry Trees were planted in the street berms in Goldfinch Street, Ohakune.



Labelling improvements to rubbish and recycling bins.



Accessible Walkway - end of Turaki Street to Taupo Road, Taumarunui.



Signage at the Channels Swim Spot, Taumarunui.



Walkway vegetation control completed as required throughout the year (Jubilee Park, Ohakune).



Sections of fencing completed along Whanganui River Accretion Land, Taumarunui.



Ohakune Carrot Park Accessible Walkway Extension.



New clearlite panels, KCE Jubilee Grandstand, Taumarunui.



Macrocarpa removed along Mangawhero Terrace, Ohakune.



Vegetation cleared at end of Huia Street, Taumarunui



New Fire Surrounds, Ruatiti Domain.



Gravel work on intersection of roads, Ruatiti Domain.



New planting at Taumarunui Northern Entrance.



Makotuku Walkway, Raetihi accessible track extended.



Berm trees planted on Goldfinch Street, Ohakune.



Berm trees planted on Goldfinch Street, Ohakune.

Playgrounds

- § The Pipiriki Playground opening was celebrated by the Community, Elected Members and Council staff. The project included installation of swings, multi-play equipment, flying fox, fencing, picnic tables and planting assisted by the community and the Pride of Place fund.
- § Planting around the ramp from Fanthorpe Gate entrance into the Taumarunui Playground was completed by volunteers and Council staff. Over 450 native plants and rhododendrons were planted.
- § The carpark at the Taumarunui Domain Playground was extended and included a new footpath.
- § The two seat swings and nest swing were reinstated at Cherry Grove, Taumarunui with CCTV surveillance installed permanently at the site.
- § Boulders replaced fencing at the Taumarunui Domain playground.



Fencing, bark mulch and picnic tables completed at Pipiriki Playground/ Pipiriki Playground opening.



Taumarunui Domain Playground new carpark and footpath.



Fanthorpe Gate Ramp to Playground planting by RDC staff and volunteers.



Boulders to replace fencing at Taumarunui Domain Playground.

Community Halls

- § An Asbestos Management Survey was completed for the Taumarunui Memorial Hall prior to a soft wash and painting commencing.
- § The exterior of the Miriama Community Centre was repainted.
- § The concrete wall beside the Manunui Hall was repainted and the exterior of hall washed.
- § Additional crockery was purchased for the Taumarunui War Memorial Hall following the depletion of stock.



Miriama Community Centre repainted.



Manunui Hall fence painted.



New crockery for Taumarunui War Memorial Hall.

Public Toilets

- § Refurbishment of the Hakiaha Street Toilets, Taumarunui progressed.
- § The Manunui Reserve toilets renewal work and painting and privacy doors were improved.
- § A portaloos was supplied for Te Rena road end, Kakahi, in response to a request from the community as a trial over summer 2020/21.



Manunui Reserve toilet doors improved.



Manunui Reserve toilets painted.



Portaloos supplied to Te Rena Road end, Kakahi.

Swimming Pools

- § The exterior of changing rooms and gear cubbies and tiered seating were painted and new signage installed at the Taumarunui Pool. The Lifeguard chair was painted and had a new shade attached.
- § The Taumarunui Pool changing room floors were resurfaced using Terratuff non-slip flooring.
- § The small entrance fence outside the Taumarunui Pool was repaired.
- § The fence outside the Raetihi Pool was renewed.
- § The diving board at the Raetihi Pool was recovered with marine carpet to remove the tripping hazard.
- § The Raetihi Pool carpark was repaired to fill in a number of potholes.
- § A new sign was installed at the Raetihi Pool.



Rejuvenated lifeguard chair Taumarunui Pool.



Taumarunui pool changing rooms after painting.



Restored fence alongside Taumarunui Pool.



Taumarunui Pool changing room floors.



Raetihi Pool fence renewed and vegetation cleared.



Raetihi Pool parking repairs.



Raetihi Pool new sign.



Raetihi Pool fence diving board recovered.

Capital Projects

Project Description	Carry Forward Budget \$000	Budget 2020/21 \$000	Actual 2020/21 \$000	Notes
Cherry Grove development	6	-	-	LOS.
Community Facilities	-	-	30	
Dog exercise area in NP - Councilor requested	-	5	-	
Earthquake Prone Remediations	-	21	-	
Fencing problem reserves north	-	11	30	Renewal.
Fencing problem reserves south	-	11	11	Renewal.
11-13 Moore St, Ohakune - Building	-	-	153	
Ohakune cemetery extension	2	-	-	
Ohakune Drinking Fountains	2	-	-	
Seal Ohakune Flat Drive way	-	21	-	
Ohakune - 250m walkway per annum	-	22	26	
Ohakune swimming pool ablution block	30	-	-	LOS.
Ohakune Service Centre	-	-	6	
Repile Ohakune Railway Station	24	-	8	
Teitei Drive, Ohakune	-	-	18	
Heat Pump installation	-	16	18	
Owhango cemetery carpark extension	-	-	5	
Parapara Rd Development	10	-	-	LOS.
Raetihi cemetery extension	25	-	6	
Raetihi Emergency Helicopter Landing Pad	-	-	17	
Raetihi Holiday Park Ablutions Block Kitchen Drainage	6	-	5	
Ruatiti domain toilet upgrade	-	-	17	
Seed funding for district wide toilets	150	-	-	
Social Housing minor capital works	2	19	17	Renewal.
Social Housing security doors	-	6	-	LOS.
Tangiwai Reserve Development	-	16	-	
Taumarunui - 250m Walkway per annum	21	22	16	
Taumarunui Grandstand Seed Funding	-	-	8	LOS.
Taumarunui Domain drain realignment/boardwalk	21	-	-	
Taumarunui domain facilities upgrade	32	-	-	
Taumarunui Hakiaha Street Toilets Upgrade	385	-	2	
Taumarunui Hakiaha St Verandahs	-	244	22	
Taumarunui grandstand refurbishment	-	-	7	Renewal.
Taumarunui Museum Archive	-	-	226	
Taumarunui railway station	92	-	14	
Taumarunui stainless steel rubbish bins	-	-	8	Renewal.
Taumarunui Swimming Pool replace shade clothes	-	5	-	
Taumarunui town revitalisation	-	634	26	Growth.
Town Revitalisation Raeithi service hub	-	520	-	
Waionuru playground	31	-	2	

Project Description	Carry Forward Budget \$000	Budget 2020/21 \$000	Actual 2020/21 \$000	Notes
Total	839	1,588	674	

Work in Progress

Project Description	Opening WIP \$000	Closing WIP \$000	Notes
Fencing Problem Reserves North	-	10	
District Wide - Strategic Design Works inc. TIF Works	-	15	
Heat Pump installation	-	2	
Hakiaha Street landscaping	983	-	
Hakiaha Street toilets upgrade	14	16	
Manunui cemetery extension	3	-	
Ohakune Drinking Fountains	-	9	
Ohakune iSite roof renewal	5	-	
Ohakune Railway Station repiling	13	-	
Owhango Renewals program	-	3	
Raeithi cemetery extension	6	-	
Social Housing Minor Maintenance	-	3	
Tangiwai reserve development	27	27	
Taumarunui domain facilities upgrade	3	-	
Taumarunui Hakiaha St toilets upgrade	-	16	
Taumarunui museum archive	3	229	
Taumarunui railway station	38	-	
Town revitalisation – community facilities	391	26	
11-13 Moore St, Ohakune - Building	-	153	
Total	1,486	509	

What We Achieved

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Recreation and Community Facilities and Community Property					
Council will maintain and provide access to playgrounds, public green space, amenities, libraries and community halls.	Council-Owned Swimming Pools Achieve NZ Water Pool standards for all Pools.	58%	100%	100%	Achieved. Independent water quality reports as provided by contractor.
	Cemeteries Number of customer complaints on the maintenance of the District cemeteries.	6	<10/ Per annum	6	Achieved.
	% of cemetery assets in satisfactory condition (grades 1, 2 or 3) **.	97%	>95%	95%	Achieved. 123 of 130 components in satisfactory condition.
	% of cemetery internment requests responded to within 24 hours.	100%	100%	100%	Achieved.
	Community Halls Council managed community halls have the required building compliance and emergency evacuations procedures in place.	100%	100%	100%	Achieved. Taumarunui War Memorial Hall, Miriama Community Centre, Ohura War Memorial Hall and Manunui War Memorial Hall all comply. Evacuation plans in place. Trial evacuations completed for Manunui and Taumarunui War Memorial Halls.
	% of Council managed community halls and public toilets in satisfactory condition (grades 1, 2 or 3) **.	90%	>95%	93%	Not achieved. 1,330 out of 1,433 components are in satisfactory condition (grades 1, 2 or 3).

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Recreation and Community Facilities and Community Property					
	Community Halls, Swimming Pools & Public Toilets Full compliance with legislative requirements when undertaking repairs, refurbishing or demolition of buildings including asbestos material.	100%	100%	100%	Achieved No demolition during year. Asbestos survey report prepared and received for refurbishment work on the Taumarunui Railway Station and Hakiaha Street Toilets. Asbestos Management Plan and reports where asbestos testing completed have been made available for contractors.
	Community Halls, Swimming Pools & Public Toilets Safety defect requests attended and made safe at building within 4 hours.	100%	>90%	92%	Achieved.
	Community Halls, Swimming Pools & Public Toilets Safety defects are rectified (issue fully resolved) within 3 days.	100%	>85%	92%	Achieved.
Amenities and facilities are provided that meet the needs and safety of the community.	Playgrounds % of playground assets complying with NZ standards (annual audit). (Note 2).	100%	100%	100%	Achieved.
	Parks and Reserves Users feel safe when using actively used domains and reserves.	92%	85%	96%	Achieved. 93 out of 97 users were very satisfied or satisfied with feeling of safety when using parks and reserves (survey monkey).
	Parks and Reserves Number of customer complaints on the maintenance of the actively used domains and reserves.	9	<10 per annum.	6	Achieved.

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Recreation and Community Facilities and Community Property					
	Parks and Reserves % of parks assets in satisfactory condition (grades 1, 2 or 3) **.	88%	>95%	89%	Not achieved. 791 of 893 components in satisfactory condition.
	Public Toilets % of public toilet related emergency requests for Service responded to within 24 hours (Note 1).	100%	90%	100%	Achieved. 77 out of 77 responded to within 24 hours, 14 out of 77 (82%) rectified within 24 hours.
	Public Toilets % of public toilet related urgent requests for Service responded to within 48 hours (Note 1).	100%	85%	100%	Achieved. 43 out of 43 were responded to within 48 hours, 29 out of 43 (67%) were rectified within 48 hours.
	Public Toilets Number of customer complaints received.	22	<20 per annum.	19	Achieved.
	Public Toilets Any new public toilets provide safe environment for users.	100%	>95%	100%	Achieved. During the refurbishment of the Hakiaha Street Toilets, principles of Crime Prevention through Environmental Design (CPTED) were used to ensure that the portaloos were safe to use at all hours. This was despite feedback that they needed to be made more private.
	Public Toilets % of public toilets inspected and cleaned daily in all areas.	68%	>85%	69%	Not achieved.

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Recreation and Community Facilities and Community Property					
Libraries, public meeting venues and Administration Buildings will be retained and well maintained.	Buildings Council public buildings (including administration, library and Information Centres) have the required building compliance in place.	100%	100%	100%	Achieved.
	Buildings Full compliance with legislative requirements when undertaking repairs, refurbishing, demolition of buildings including asbestos material.	100%	100%	100%	Achieved. No major refurbishment occurred. Asbestos Management Plan and reports where asbestos testing completed have been made available for contractors.
	Buildings Safety defect requests attended and made safe at building within 4 hours.	-%	>90%	67%	Not achieved. 6 out of 9 requested attended to within 24 hours.
	Buildings Safety defects rectified (issue fully resolved) within 3 days.	-%	>85%	78%	Not achieved. 7 out of 9 rectified within 3 days.
	Buildings % of Council buildings in satisfactory condition (grades 1, 2 or 3**).	99%	>95%	99%	Achieved. 656 of 660 components are in satisfactory condition.
	Library Facility % of Library users who are satisfied or highly satisfied with public library facility.	90%	75%	96%	Achieved. 54 out of 56 users were very satisfied or satisfied with facilities (annual LOS survey).
	i-SITes and Service Centres Visitor Information and Service Centre users are satisfied or highly satisfied with buildings (Annual Survey Monkey).	83%	75%	95%	Achieved. 62 out of 65 users were very satisfied or satisfied with facilities (annual LOS survey).

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Recreation and Community Facilities and Community Property					
Housing units are maintained to a satisfactory standard and provide a safe environment for tenants.	Social Housing % of residents who feel safe in their homes.	93%	95%	97%	Achieved. 31 out of 32 respondents felt safe in their homes.
	Social Housing % of residents are satisfied or very satisfied with the LoS (Note 3).	91%	90%	80%	Not achieved. 33 out of 31 respondents we satisfied or very satisfied, 8 were adequate or ok. There were no respondents that answered 'not good' or 'very poor'.
	Social Housing All social housing units are proactively inspected annually.	100%	100%	100%	Achieved. All units inspected in April 2021.
	Social Housing % of social housing units in satisfactory condition (grades 1, 2 or 3) **.	97%	95%	97%	Achieved. 1567 out of 1622 asset components are in satisfactory condition.
	Social Housing % utilisation rates of social housing units available to use.	95%	90%	96%	Achieved.
	Buildings and Social Housing % of requests responded to within 3 days (excluding safety defects).	44%	80%	48%	Not achieved. 52 out of 109 non-safety defect requests completed within 3 days.
Airfield that is safe for authorised aircraft.	Aerodrome % compliance of the Taumarunui Aerodrome with civil aviation authority (CAA) safety requirements.	100%	100%	100%	Achieved.

Notes:

** International infrastructure Management Manual conditions grades:

- 1 - Very Good,
- 2 - Good,
- 3 - Moderate,
- 4 - Poor,
- 5 - Very Poor.

- 1: Future targets decreased to reflect ability of contractors to respond and requirements of contract obligations.
- 2: Future targets increased to reflect responsibility of Principal under new Health and Safety Act.
- 3: Future targets increased to closer reflect actual performance.

Funding Impact Statement

Ruapehu District Council for the year ending 30 June 2021

Community Facilities Activity

	LTP 2020 \$000	LTP 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,023	3,210	3,298
Targeted rates	-	-	-
Subsidies and grants for operating purposes	3	3	28
Fees and charges	461	471	656
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	3,487	3,684	3,982
Applications of operating funding			
Payments to staff and suppliers	2,684	2,786	2,949
Finance costs	127	177	14
Internal charges and overheads applied	341	355	432
Other operating funding applications	-	-	-
Total application of operating funding (B)	3,152	3,318	3,395
Surplus/(deficit) of operating funding (A-B)	335	366	587
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	60
Development and financial contributions	-	-	-
Increase/(decrease) in debt	1,475	1,455	27
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	1,475	1,455	87
Application of capital funding			
Capital expenditure:			
- To meet additional demand	1,451	1,159	68
- To improve the level of service	64	348	517
- To replace existing assets	223	140	89
Increase/(decrease) in reserves	72	174	-
Increase/(decrease) of investments	-	-	-
Total applications of capital funding (D)	1,810	1,821	674
Surplus/(deficit) of capital funding (C-D)	(335)	(366)	(587)
Funding balance ((A-B)+(C-D))	-	-	-



COMMUNITY SUPPORT

Introduction

The purpose of Local Government is to provide good quality local infrastructure, public services and regulatory functions at the least possible cost to households and business. In relation to Community Support functions, the key words are 'local' (to differentiate from services better provided by Central Government) and 'public' which means that Council's should not try to replace services provided by the private sector.

For Ruapehu District Council, those services that fall within the Community Support activity are:

- § Emergency Management (Civil Defence).
- § Libraries.
- § i-SITES.
- § Regional Tourism Organisation.

Emergency Management

Council is an active member of the Manawatu-Wanganui Civil Defence Emergency Management (CDEM) Group, as required by the CDEM Act 2002. This group maintains a Plan that considers all phases of emergency – the 4 Rs: Reduction, Readiness, Response and Recovery. A business plan is also managed by the group, with each of the member councils contributing to achieving the goals of the group. The group's approach is "centralised coordination and local delivery" and works closely with emergency services, welfare agencies.

Council staff and volunteers are trained at various levels of competency in readiness for any civil defence emergency within the district. The aim is to improve consistency in approach and to provide additional resources to enhance the level of readiness and response capability throughout the district and the region.

The increasing impact of climate change has a direct impact on the emergency management activity of Council. There have been numerous events which have required emergency management support. Some recent examples include:

- § COVID-19 response.
- § Water outages in Taumarunui.

Council will continue to resource this function to cope with future events and achieve compliance with the Civil Defence Act 2002.

Library Services

Ruapehu Community Libraries are situated in Taumarunui, Ohakune and Raetihi. The library buildings are managed by the Community Property activity, but the library services (books, computers, children's holiday programmes etc.) fall within the Community Support Activity.

Council also supports the community libraries in Ohura and Waiouru with grants each year.

i-SITES

There are three i-SITES in the District; Taumarunui, Whakapapa and Ohakune. i-SITES provide local information and booking services to visitors.

The Visitor Information Centre in Raetihi receives grant funding from Council.

Visit Ruapehu Limited - Regional Tourism Organisation

Visit Ruapehu Limited is the registered legal name of this limited liability company, which from December 2019 began operating as a Council-Controlled Organisation (CCO) wholly owned by Ruapehu District Council.

The company is a New Zealand Regional Tourism Organisation and has been formed with the specific objectives of:

- (a) The promotion of social, cultural, environmental and economic welfare of the citizens of the Ruapehu District.
- (b) The promotion of the Ruapehu District for the benefit of the public and visitors.
- (c) The provision of advocacy and support for the visitor sector to develop and deliver quality, sustainable visitor experiences.
- (d) The development and maintenance of resources holding public information about tourism in the Ruapehu District.

Council contracts out the Regional Tourism Organisation function because it believes that people who have worked in the industry can deliver the services better and more efficiently than Council could. Visit Ruapehu Limited supports the tourism infrastructure of the district and works with local, regional and national partners. Council considers Visit Ruapehu Limited to be an essential part of its economic and community development strategy, particularly the promotion of Ruapehu as a visitor destination, both for the domestic and international markets, in partnership with operators/providers.

Community Well-Being Outcomes



Social



Cultural



Environmental



Economic



Leadership

Rationale

The purpose of this activity is to provide services such as Emergency Management (Civil Defence), Libraries, i-SITES and Visit Ruapehu Limited (for tourism and economic development).

Activity impacts on community well-being

§ Emergency Management and Library Services:

There are no significant negative effects on the community from the provision of these services.

§ I-SITES and Regional Tourism Organisation (RTO)/ Visit Ruapehu

The i-SITES and Visit Ruapehu work together to encourage visitors to the District and to ensure that they have a fantastic time while they are here.

The results of their efforts have been paying off with increases in both visitor numbers and length of stay.

While this increase is good for the local economy it also places extra pressure on the local infrastructure (roads, waste management, water and wastewater). Our growth-driven infrastructure demands could be a rate burden on our communities as we work to fund renewal and improvements to meet increasing standards such as those in the waters.

By way of mitigation, Council actively pursues funding support from central government so that the cost of infrastructure upgrades is not borne entirely by the ratepayer.

Highlights for the Year

Grants

Direct grants totalling \$83,500 were allocated to the Waiouru Library, Neighbourhood Watch, Raetihi Information Centre and various Community Halls (for maintenance activities). Grants also supported the Christmas Parades, which are held in Taumarunui and Raetihi. The Pride of Place grant that was established to help community groups beautify public spaces has been well received within the district. 13 applications totalling \$96,744.00 were received with \$50,000 allocated.

The final allocation was \$150,437 including grants council administers on behalf of Creative New Zealand and Sport New Zealand.

Visit Ruapehu Limited – Regional Tourism Organisation

With the ongoing support of Ruapehu District Council the RTO was able to secure additional government funding of \$700,000. This has allowed Visit Ruapehu to put in place multiple programmes including Stakeholder engagement focus with Iwi, operators and the community. Some of the key highlights are listed below:

- § Put in place an operator mentor programme where one on one support is provided for business growth.
- § Capability building for operators with multiple workshops delivered including Google My Business, Te Reo for Tourism, Tourism NZ listing support workshop, business diversification and social media.
- § Attendance at multiple consumer shows in the North Island to create an awareness of Ruapehu as a holiday destination to the domestic travel market. These shows were; Hamilton Motorhome show, Auckland Home Show, Manawatu Home Show and Fieldays in the Waikato.
- § Additional PR support via the government funding has allowed Visit Ruapehu to be represented in many publications and news channels over the past year which has resulted in increased domestic traffic to the Visit Ruapehu website and subsequent visitor numbers to the region.
- § Appointment of the permanent Marketing Manager for Visit Ruapehu has allowed for a more focused approach to the marketing plan with the ability to be reactive to urgent needs from operators to support where bookings have been low at periods.
- § Increased visits organised for travel writers and travel influencers to allow more media coverage including the New Zealand Chinese market with Insight Magazine and TV show along with mainstream media visits from Stuff and NZ Herald contributors.
- § Operator business support has had great success with collateral development support, facilitation of reaching new markets, PR support, product development, business diversification and more.
- § Facilitation of Government business funding for operators including the Tourism Transition fund, Regional Business Partner funding, digital enablement funding administered by Qualmark and Tāpoi through New Zealand Māori Tourism allowed businesses to review their digital channels and get the support needed to update and advance in this area.

The ongoing support from the Ruapehu District Council coupled with additional funding for FY21 have allowed Visit Ruapehu the opportunity to update the image library for the region and fast track longer term projects alongside the visitor sector.

i-SITES

During 2020/21 the world was affected by COVID-19 and in the midst of a pandemic. The tourism industry was the worst affected industry due to the closure of the borders and lack of travel worldwide. The uncertainty in the world and industry in general meant that it was impossible to predict what could be expected in terms of tourism and visitation throughout the year. There was no benchmark or models we could rely on to help us navigate through the year.

The outstanding highlight was the resilience and positive personal performance of the whole team working together through unchartered and unknown times while still supporting visitors, local community, business and one-another in general each day.

The i-SITE team dealt with day to day changes for local and national businesses and coordinated with various agencies, visitors and community by providing relevant and timely information when impacted by different alert levels for COVID-19.

A mobile i-SITE was introduced at National Park Village Park and Ride facility to support the change in visitor transport and mountain access limitations which have been put in place.

We took the initiative and responsibility of paying operators with a finance method of Buyer Created Tax Invoices approach for a more streamlined and efficient way to support them.

We supported new opportunities and rose the challenge of changing the way in which we work in order to realise those opportunities. Glenbrook Vintage Railway (GVR) project is an example of that. GVR offered to visit the region once a month with up to 300 visitors. We assisted by being the call to action of that initiative, working with local operators to build unique packages for the trip and managing all the booking enquiries collectively through the i-SITE. Spiral Tours, (a train journey from National Park Village to Taumarunui via the Raurimu Spiral) which was a community initiative was also supported and was up and running in June this year.



Mobile i-SITE

Civil Defence and Emergency Management



Teaming up with Ruapehu Rural FENZ Brigade at the Kotahitanga Festival.

Work continues on the new Civil Defence volunteer's headquarters in Taumarunui along with the partner training Fire Rescue First Response Limited with now focusing on the lecture rooms to get them up to speed with office furniture and IT equipment so that this facility can be used to its fullest. Many other agencies have shown interest in using the facility.

Our volunteer numbers remain strong with ongoing recruitment when attending community events such as the Raetihi A & P show and the Kotahitanga Festival, where plenty of people have shown interest in becoming a volunteer, as well as showing to have good knowledge of the hazardscape for the region.

Libraries

As a result of the COVID-19 epidemic, consequent travel restrictions and border closures, the district libraries have not had the usual numbers of overseas tourists using the facilities. There has been a noticeable reduction in APNK computer and WiFi usage.

Taumarunui Library now has a new staff member to assist with general library duties. This is an 18 month fixed term position that is being funded by the Department of Internal Affairs, as part of government's COVID-19 response and assistance to public libraries. The newly created position enables staff to focus on more community based programs.

Visits to isolated, rural schools have continued, with books being issued to the pupils, and this service has also now been extended to Orautoha School, near Ruatiti. Library staff have also extended the Read and Rhyme story time at Ohakune library, by taking the programme to the Nancy Winter Early Childhood Centre in Raetihi, and then next door to the new entrants class at Raetihi Primary School each Friday.

The author Caroline Barron came to visit Ohakune library. Interviewed by her publisher from Bateman Books NZ, Caroline talked about, discussed and read excerpts from her book 'Ripiro beach – a memoir of life after near death' to an audience of 12 who were then able to purchase personally signed copies.

A large focus for library staff over the last 12 months was preparing for the transition to a new library management system, Kotui. This involves a consortium of the majority of New Zealand public libraries, offering a modern shared library management system, with the goal to make the work of running a library system easier and more cost-effective. For the several months before and after 'Go Live' in mid-February, staff were very busy in training for the new system, and working closely with the Kotui team to evaluate and set up processes, terms and conditions.



Book discussion with visiting author Caroline Barron, in Ohakune Library.



District Co-ordinating Librarian Fiona Thomas and Senior Librarian Libby Ogle with Summer Reading Programme participants at the finale party.

Capital Projects

Project Description	Carry Forward Budget \$000	Budget 2020/21 \$000	Actual 2020/21 \$000	Notes
E-Books for all Libraries	-	5	2	Renewal
Generator	-	16	35	LOS
iSite Mobile Trailer Fit-out	-	20	12	
Library Books - Taumarunui	-	23	33	Renewal
Library Books - Ohakune	-	13	16	Renewal
Library Books - Raetihi	-	12	4	Renewal
Radio Network	-	16	-	
Total	-	126	102	

Work In Progress

Project Description	Opening WIP \$000	Closing WIP \$000	Notes
Civil Defence Catering Trailer (South)	14	-	
Civil Defence Radio Network	16	-	
Community Facilities	-	421	
Library Books - Taumarunui	7	4	
Library Books - Ohakune	5	3	
Library Books - Raetihi	2	1	
Railway Station – Taumarunui	-	53	
Town Revitalisation – Community Support	15	15	
Total	59	497	

What We Achieved

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Emergency Management					
Council will provide Civil Defence and Emergency Management for the District.	Percentage of staff who are adequately trained in an approved emergency response-training programme.	85%	70%	70%	Achieved.
	Undertake five or more presentations or events within the community to raise awareness of Civil Defence.	3	>5	3	Not achieved.
	Have trained volunteer community Civil Defence teams in the district.	3	4	4	Achieved.
	Respond to hazardous substance emergencies with two hours from notification.	100%	100%	100%	Achieved.
Library Service					
Provide a library service that meets the needs of the community.	Percentage of users who are satisfied with the service provided.	77.2%	75%	97.62%	Achieved.
	Increase the number of active library members.	Less 2.1% (1,494)	+1% Per Year.	1,589 +6.4%	Achieved. The accuracy of the data for this KPI has been estimated as Council cannot accurately quantify the number of new users due to the upgrade of the library management system in February 2021.

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Visitor Information Centres (i-SITES)					
i-SITES are open 40 hours minimum per week.	Booking transactions (sales) increase.	-16.2%	+2%	-24%	Not achieved. +3% for Taumarunui i-SITE and + 4% for Ohakune i-SITE and – 68% for Whakapapa i-SITE.
	Customer satisfaction with i-SITE service from Trip Advisor, Google+ and Customer Radar.	90%	>/=85%	90%	Achieved.
Regional Tourism Organisation/Visit Ruapehu Limited					
Visit Ruapehu Limited Regional Tourism Organisation (RTO) will proactively promote the destination to Domestic and International markets.	Growth in Regional Tourism Estimates 2018-28 grow from \$195m to \$238m (MBIE Regional Tourism Estimates) (Note 1).	\$188m	\$215m	N/A	Not achieved. Monthly Regional Tourism Estimates (MRTE) measures have been superseded and interim measures are in place from 2021 from Tourism Electronic Card Transaction data.
	Domestic tourism awareness of Ruapehu grows against the 2016 benchmark of 14%.	24%	+2%	+11%	Achieved. Kantar TNS measured domestic awareness in 2020.
	International tourism awareness of Ruapehu grows against the 2016 benchmark of 3%.	Not measured	+1%	-	Not achieved. Measure abandoned as border controls stop inbound tourism.

Notes:

1: The base data used in this measure is sourced from Statistics New Zealand Business demography datasets.

Funding Impact Statement

Ruapehu District Council for the year ending 30 June 2021

Community Support Activity

	LTP 2020 \$000	LTP 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,603	2,968	2,701
Targeted rates	577	590	57
Subsidies and grants for operating purposes	-	-	-
Fees and charges	571	584	823
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	637
Total operating funding (A)	3,751	4,142	4,218
Applications of operating funding			
Payments to staff and suppliers	2,527	2,575	2,866
Finance costs	6	6	-
Internal charges and overheads applied	1,081	1,420	1,486
Other operating funding applications	-	-	-
Total application of operating funding (B)	3,614	4,001	4,352
Surplus/(deficit) of operating funding (A-B)	137	141	(134)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	13	32	102
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	13	32	102
Application of capital funding			
Capital expenditure:			
- To meet additional demand	15	-	-
- To improve the level of service	15	16	-
- To replace existing assets	53	91	102
Increase/(decrease) in reserves	67	66	(134)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding (D)	150	173	(32)
Surplus/(deficit) of capital funding (C-D)	(137)	(141)	134
Funding balance ((A-B)+(C-D))	-	-	-



LEADERSHIP

Introduction

The Local Government Act 2002 (LGA) sets out the role and principles of local government as well as governance and management principles.

The following principles from the Local Government Act 2002 guide both the governance and the strategic development functions of Council. Council must:

- § Exercise activities for the benefit of the District.
- § Conduct its business in an open and transparent manner, giving effect to desired Outcomes.
- § Seek and consider the views of its communities and their wellbeing in decision making.
- § Collaborate with other organisations to meet desired Outcomes.
- § Ensure prudent financial and asset stewardship in accordance with sound business practice, including periodically assessing the expected returns from any commercial activity and assessing risk.

Provide for the present and future needs of the District by considering social, economic, cultural interests of the community and the need to maintain the environment for present and future generations.

The Leadership Activity is divided into two key areas:

- § **Governance** – Council and Community Boards.
- § **Strategic Development** – Economic Development, Business Development, Policy Development, Youth Development and Iwi Development.

Governance

Council

Council is made up of eleven elected members from across the District and the Mayor. Councillors are elected to represent both their Ward and the whole District. While equitable representation is critical (i.e. they are elected as representatives of their Ward) when they are sitting as Council to make governance decisions they do so with consideration of the outcomes for the whole District.

Council's focus is strategic direction policy and an overview of the financial position of Council.

Community Boards

Community Boards are Ward-based and serve an important function in the District. Their role is to be the advocate for their local community (Ward) to Council, to stay involved and engaged with issues “on the ground” and communicate those concerns to Council.

Community Board members are elected every three years by their Ward constituents as part of local body elections. One or two District Councillors also sit on the Community Boards.

In the Ruapehu District we have two community boards, National Park (NPCB) and Waimarino-Waiouru WWCB). In the North there is a different arrangement for Ward representation called the Taumarunui/Ohura Ward Committee (TOWC). The TOWC is made up of all of the Northern Ward Councillors, i.e., the Elected Members from both the Taumarunui and Ohura Wards. There are no other elected or appointed “committee members”.

Strategic Development

Economic Development

This group of activities promotes the Community Outcomes that mainly target environmental, social and economic objectives.

Business Development

Council employed a permanent Business Development and Relationship Manager to advocate for and support diverse business confidence, innovation and growth in the District.

Policy Development

Council develops bylaws, strategies and policies to provide practical solutions, guidance and consistency in direction setting and decision making with the purpose of achieving balanced wellbeing outcomes for the District.

Youth Development

Council values youth input in decision making and acquires this through the Ruapehu Youth Council. The Facilitator of the Ruapehu Youth Council also engages with external youth development agencies, projects and schools.

Developing relationships and engaging with Māori

The Local Government Act 2002 (LGA) provides for Māori to participate in Council’s decision making processes and requires Council to foster the development of Māori capacity to ensure that this is effective, this also includes its obligations to the principles of the Treaty of Waitangi. Other statutory obligations to Māori are further acknowledged in the Resource Management Act 1991, and a number of Treaty settlements statues.

Council acknowledges its statutory obligations to Māori and is committed to building capacity to encourage greater participation, and ensure engagement is meaningful and effective. In 2009, Council formally appointed the Ruapehu District Māori Council as a platform to allow for this. Representation on the Ruapehu District Māori Council is made up of various Iwi and Hapū, and regular hui are held over a six to eight weekly cycle. In total, the number of hui held on average per year is about seven. During this time, Members have established a Strategic Development Plan and signed a Memorandum of Understanding with Council.

With the progression of Treaty settlements over recent years, Iwi and Hapū have sought to review their representation on the Ruapehu District Māori Council, which has resulted in some indicating a preference to have direct relationships with Council, rather than engaging in a collective forum. Council recognises that this is an evolving space and acknowledges that it may be timely to look at establishing other relationship arrangements, for example co-governance and co-management structures that are a better fit for Māori.

To do this however, Council recognises the need to resource the capacity of this work and is committed to doing so. At an operations level, regular hui are being held with various Iwi representatives, and Council staff anticipate that these hui will extend to all Iwi and/or Hapū authorities across the district in the near future. The hui have been mutually beneficial, as this has enabled Council to inform Iwi on matters that are of specific interest, and as a result, this has enabled Council to receive feedback in a timelier manner. Council is also working alongside various Iwi and Hapū on a number of community projects happening across the district.

Council will continue to support Iwi pre and post Treaty settlements and is committed to strengthening relationships going forward. Council acknowledges the importance of strengthening relationships with Māori, as this is a means to enhance communications, provide better opportunities to enable active participation in its decision making processes, and ensure their interests are considered across the day to day business of Council.

Community Well-Being Outcomes



Social Cultural Environmental Economic Leadership

Activity impacts on community well-being

There are no significant negative effects on the community of the Leadership Activity of Council.

Highlights for the Year

Governance (Mayor and Council)

During 2020/21, the following number of meetings were held:

Name of Meeting	Number of Meetings
Council ordinary meetings	14
Waimarino-Waiouru Community Board	9
Ruapehu District Maori Council	1
National Park Community Board	8
Taumarunui/Ohura Ward Committee	5
Audit and Risk Committee	4
Total	41

Strategic Development

Council's main strategic focus was The Long Term Plan 2021-31 (LTP). Pre-engagement was undertaken with community hui across the District and two Marae visits to help inform the planning stages of the LTP. Numerous workshops were held with Councillors to discuss the activities of Council. Consultation ran from 26 March 2021 – 26 April 2021 with hearings being held on 11 and 12 May 2021. Deliberations took place on 26 May 2021. The LTP was adopted on 23 June 2021

Some areas of Council progress during the 2020/21 period are:

§ **Climate Change**

Council has been working regionally to create a risk assessment. Consultation with the public was undertaken to identify areas of significance to communities and workshops were also held with Tokin & Taylor. Work has also begun work identifying Council's Carbon Footprint, signing an agreement with Toitū Envirocare.

§ **Representation Review**

On 28 October 2020 Council resolved to establish māori wards, this has formed the basis of Council's representation review. Pre-Engagement with the community took place alongside the LTP consultation to garner wider views of what representation could look like moving forward.

§ **Local Government (Rating of Whenua Māori) Amendment Bill**

Changes to the Local Government (Rating of Whenua Māori) Amendment Bill were enacted in April 2021. Council's Senior Rates Officers identified 19 properties now considered non-rateable under the Act. The rating impact was \$28k and write off of arrears was \$475k (\$313k penalties, \$144k rates).

§ **Ruapehu Liveability Study**

Phase one of the Ruapehu Liveability Study which looks into liveability issues based on location has been completed. This is due for public release later in 2021.

The following Policies / Strategies were reviewed (or developed) and adopted during 2020/21:

§ Infrastructure Strategy	§ Financial Strategy
§ Asset Management Policy	§ Investment Policy
§ Land Transport Asset Management Plan	§ Treasury Policy
§ Community Property, Recreation and Facilities Asset Management Plan	§ Revenue and Financing Policy
§ Water Supply Asset Management Plan	§ Wastewater Asset Management Plan
§ Stormwater and Flood Protection Asset Management Plan	§ Rates Remission Policy

Significant projects that have been completed:

§ Long Term Plan 2021-31.

Youth Development

Ruapehu Youth Council is made up of two groups of youth aged 12-24 who represent the Youth of the Ruapehu District. These two groups each meet once per month facilitated by Council's Youth Liaison Officer. Representatives actively promote opportunities for youth, build capability and leadership skills and organise and steer local initiatives. Youth Ambassadors submit on local and national issues and represent the Ruapehu District at national events such as the Festival for the Future and New Zealand Youth Council Conferences.

In March, the 2021 Ruapehu Youth Council were selected and sworn in, with nine youth becoming the Taumarunui-Ohura Youth Ambassadors (TOYA) and five as the Waimarino-Waiouru Youth Ambassadors (WWYA).

TOYA held their first meeting which included a workshop with a Consultant based on Taumarunui Future Housing and Community Plan. They then put together a draft submission to Councils Long Term Plan which was refined and finalised with the help of a Policy Team member and the Chair of TOYA. The Chair also spoke in support of their submission which was well received by Council.

WWYA have also held their first meeting which included a workshop with a Consultant based on the Raetihi Hub and what could be included in this space for youth.

The rest of the year looks productive for both Youth Council groups, with meetings booked every month for each group and Festival for the Future booked for July 2021, where they have been invited for lunch with the Mayor of Wellington and to spend an evening in Parliament with the Deputy Prime Minister of New Zealand, Hon Grant Robertson.



TOYA Swearing In Ceremony



WWYA Swearing In Ceremony

Economic Development

A key highlight for this year has been the successful completion of a two year contract for service with the Ministry of Business Innovation and Employment for delivery of the Immediate Priorities identified in the Manawātū Whanganui Economic Action Plan for tourism. The plan identified Ruapehu District as the natural lead for this work under the brand Accelerate25 which is the name for the Economic Action Plan implementation programme. Visit Ruapehu Limited RTO and Council have collaborated with Ministry of Business Innovation and Employment (MBIE), Horizons Regional Council, Taupō and Whanganui District Council to complete year two of a ten year implementation program delivering the Ruapehu Regional Visitor Development Plan (RRVDP), a Destination Management Plan that meets the new Destination Management guidelines produced by MBIE and reinforced by Minister Nash at TRENZ in May 2021.

The plan was endorsed by the Accelerate25 lead team in August 2018 and resulted in Council and the Ministry of Business Innovation and Employment investing in a dedicated role to implement the immediate priorities in the RRVDP over two years. Works completed in year two to 30 June 2021 include advancing the top six priorities identified in the RRVDP and the year-end report submitted to MBIE. In addition to planned works, government's economic recovery initiatives dominated by Covid 19 investments enabled our focus to change towards supporting business to access the Strategic Tourism Assets Protection programme funds and economic recovery investments.

Ruapehu District Council has worked successfully to drive the Business Friendly Policy across the district and within the Council. There is consistent focus on working to the Regional Growth Strategy, Accelerate 25 enablers, specifically the Skills and Talent, Transport and Growing Business enablers. The Business Development and Relationship Manager role continues to work to build relationships across the district with a focus on developing our workforce by linking opportunities with the Central Economic Development Agency (CEDA) and to facilitate outcomes associated with Regional Business Partner Programme and COVID-19 recovery skill and talent initiatives.

Council continues to work alongside Chorus and Crown Fibre Holdings to deliver Broadband enhancement and Mobile Black Spot investments over 2020. This is essentially a significant civil work programme delivering door-to-door fibre across the community early in 2020 with Taumarunui, Ōwhango and National Park Villages completed in 2020 and works beginning in Ohakune.



Ruapehu District Māori Council Forum

Council continued to meet with the RDMC members, however as a preference from the Members their formal meeting structure was changed to workshops to encourage greater participation from a wider collective of the Māori community. As a result, this triggered the need to review the scope of the current forum and redefine its purpose. This also highlighted a need to establish an Engagement Strategy, as a means to improve the current model.

The RDMC was influential in its movement to encourage Council's Elected Members to establish Māori Wards across the Ruapehu District. The success of this movement needs to acknowledge the collaborative work of both the RDMC and those who sit outside the RDMC forum. There is still work to be done collectively in relation to the number of Māori Ward members, and where representation across the district may come from.

The RDMC supported Council in its pre-consultation process of the Long Term Plan with the initiation of two hui on Marae at Raetihi Pa on 26 November 2020 and Kauriki Marae on 30 November 2020.

Te Awa Tupua

Council continued to work with Te Awa Tupua (Whanganui River Claims Settlement) through its commitment to the Technical Advisors Group and Te Kōpuka Nā Te Awa Tupua Strategy Group. Council acknowledges other local authorities and government organisations that also form part of this work.

Pipiriki Community

Council continued to work with the Pipiriki community, Marae representatives and Pipiriki Incorporation, and an exciting achievement was seeing the completion of the new playground. An opening was celebrated with the community in acknowledgement of the work that was achieved together.



Opening of the Pipiriki Playground, 20 May 2021.

What We Achieved

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Leadership					
Council provides public access to the community through Community Boards and Council meetings.	Number of Public Forums per year.	41	>40	37	Not achieved. Ruapehu District Maori Council conducted workshops throughout the Financial Year.
Residents are satisfied with the Leadership of Council.	Percentage of respondents who are satisfied with Council's overall leadership and performance.	75.53%	60%	77.98%	Achieved.
Economic and Business Development					
Progress the Accelerate 25 Ruapehu Regional Visitor Development Plan and the Economic Development Strategy.	Continue to progress the Accelerate 25 Ruapehu Regional Visitor Development Plan by increasing the number of priority actions achieved each year.	3 additional actions achieved.	3 additional actions.	4 additional actions achieved.	Achieved. 1. Te Ara Mangawhero Cycle Trail, funding granted. 2. Whanganui River Region experience development Whakahoro Destination plan, in progress. 3. Pokaka Eco Sanctuary business case completed. 4. Events gap analysis completed.
	Continue to progress the Economic Development Strategy by increasing the number of priority actions achieved each year.	3 additional actions achieved.	3 additional actions.	3 additional actions achieved.	Achieved. 1. Progress visitor industry strategy. 2. Advanced broadband initiatives and Town Centre Refresh planning in National Park, Ohakune and Raetihi. 3. Accelerated business enterprise support from COVID-19 funding.

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Iwi Development					
Council meets regularly with Iwi/Hapū.	Number of meetings with Iwi/ Hapū per year.	6	>6	8	Achieved.
	Number of meetings with Ruapehu District Māori Council per year.	2	>6	3	Not achieved. Iwi/hapū went through a restructure phase as a result of their settlements, which changed their preference to engaging directly with Council, as opposed to sitting at the table as a rep on the RDMC. COVIDE also impacted Council's ability to reconnect with the RDMC during the lockdown period. Hence the slight increase to the figure above (re: meetings with Iwi/Hapū).ability to reconnect with the RDMC during the lockdown period.
Policy Development					
Consultation material will be made publicly available from all Council offices and on its website.	Percentage of respondents who are satisfied or very satisfied with consultations.	67.6%	80%	72.9%	Not achieved. This result is not reflective of the improvements Council has made in this area since COVID-19. For example, all council meetings are now live streamed to Councils Facebook page as well as community meetings for consultation.

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Youth Development					
Activities, facilities and opportunities for youth are provided and supported.	Support the Ruapehu Youth Council to hold 18 meetings a year.	20	18	16	Not achieved. Due to COVID-19 Youth Council was unable to meet their targeted amount of meetings. The meeting schedule was changed to three weekly to make up the meeting schedule.
	Support the Ruapehu Youth Council to hold two community events per year (at least).	2	2	-	Not achieved. Unable to hold youth events due to COVID-19.

Funding Impact Statement

Ruapehu District Council for the year ending 30 June 2021

Leadership Activity

	LTP 2020 \$000	LTP 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,931	2,004	1,900
Targeted rates	351	358	8
Subsidies and grants for operating purposes	-	-	341
Fees and charges	(2)	(2)	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	19
Total operating funding (A)	2,280	2,360	2,268
Applications of operating funding			
Payments to staff and suppliers	1,823	1,885	1,870
Finance costs	-	-	-
Internal charges and overheads applied	455	473	575
Other operating funding applications	-	-	-
Total application of operating funding (B)	2,278	2,358	2,445
Surplus/(deficit) of operating funding (A-B)	2	2	(177)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure:			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	-	-	-
Increase/(decrease) in reserves	2	2	(177)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding (D)	2	2	(177)
Surplus/(deficit) of capital funding (C-D)	(2)	(2)	177
Funding balance ((A-B)+(C-D))	-	-	-



REGULATION

Introduction

The Regulation Activity seeks to facilitate a safe and sustainable community through the administration and enforcement of laws made by Central Government. This includes the sustainable management and use of natural resources under the Resource Management Act 1991 and District Bylaws.

Council is required by a number of laws to provide Regulatory Services. These laws include, but not limited to:

- § The Local Government Act 2002,
- § The Resource Management Act 1991,
- § The Dog Control Act 1996,
- § The Building Act 2004,
- § The Health Act 1956,
- § The Sale and Supply of Alcohol Act 2012, and
- § The Food Act 2014.

As well as enforcing many Central Government laws, Council has to enforce its own Bylaws. A bylaw is a local law, specific to a region, district or city.

The Regulation group is made of the following teams:

Building Services

The Building Services team inspects all building works and relocated buildings to ensure they meet the Building Act 2004 and Building Code requirements.

Resource Management

The Resource Management team coordinates both the issuing of resource consents and monitoring the conditions of these consents, in line with relevant legislation (primarily the Resource Management Act) and the District Plan.

The District Plan is one of Council's key planning documents that sets out the rules and policies that guide development in the district. The Resource Management Act requires that the District Plan to be reviewed every ten years. Because of the size and complexity of a DP review, Council will do a 'rolling review' of discrete sections as required to satisfy the prescribed review process. Plan Change No. 1 regarding the Commercial Zone Rule CM3.3.2 Verandahs became operative 1 July 2020. There is increasing interest to subdivide residential zoned land in Ohakune. These applications can be quite complex as they require careful consideration of issues around managing residential amenity and access to community infrastructure.

Environmental Health and Alcohol Licencing

This activity has a number of functions, including food safety, alcohol licensing, making sure premises and events comply with regulatory standards, as well as monitoring environmental issues and investigating complaints. The team ensures that health and safety of the public are protected by ensuring that food and alcohol premises comply with legal requirements under the Sale and Supply of Alcohol Act 2012, the Health Act 1956 and the Food Act 2014.

Compliance

The Compliance Team ensures compliance with Council's Bylaws the District Plan and legislation such as the Dog Control Act 1996. The role is varied and includes:

- § Animal control.
- § Parking.
- § Noise control.
- § Bylaws.
- § Swimming pool inspections
- § Stock on road calls.

The Compliance Officer's role is to promote a safe and happy community by educating the public about local bylaws and other community-focused legislation. They also have the responsibility to monitor and enforce these laws and bylaws when necessary.

Community Well-Being Outcomes



Social

Environmental

Economic

Leadership

Activity impacts on community well-being

There are no significant negative effects on the community as a result of the Regulatory Activity of Council.

Highlights for the Year

Compliance

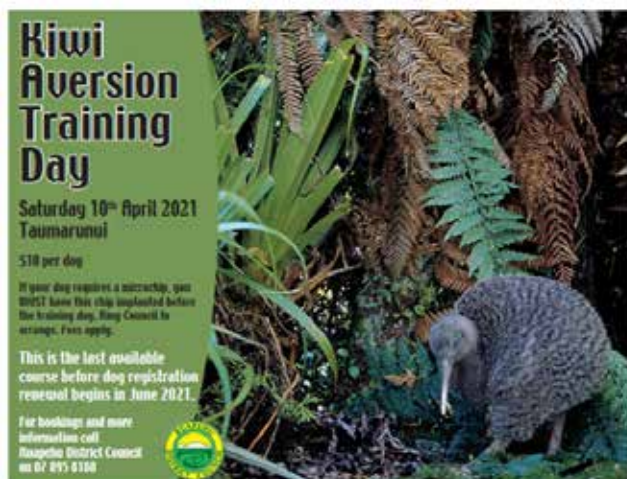
During some freak storm weather the fence dividing the vehicle compound and the animal shelter was wiped out. The fence was in need of replacing and was to be included in the coming month's budget, so this 'divine intervention' pushed this plan ahead due to the security and safety of vehicles and stock that are temporarily housed.



The fence after the storm.



The replaced fence.



Compliance held their third Kiwi Aversion training day in April 2021. The last scheduled training before the new registration year and was another well received turn out of dog owners.

In order for a dog owner to receive a Hunting Dog status for their dog, part of the criteria is that they must have their dog pass the Kiwi Aversion course.

A qualified trainer uses fresh kiwi scent on fake kiwis along the course. The dog must not attack or respond to the kiwi or the dog is given a low voltage shock which is effective to ensure the dog avoids contact with a Kiwi.

Compliance have had another successful year with rehoming unclaimed and suitable dogs to our rehoming organisations which are run by volunteers across New Zealand. Over the year Council impounded 187 dogs, of those dogs 84 were rehomed and 84 were claimed by their owner.

Building Control Unit

Building Consent applications and site inspections are higher each year, there has been no 'slump' from COVID-19. The Building Consent process went 'Online' in November 2020, which is a major change for both staff and customers. In the first three months of going 'Live' we had 194 new consents lodged through the portal. We are scheduled for an audit from IANZ in August 2021.

The Building team issued 343 Building Consents, completed 1,109 Site Inspections, issued 297 Code Compliance Certificates, completed 285 Requests for Service and processed 451 Building Warrant of Fitness Compliance Schedules.



New build ski accommodation.



New residential build.

Resource Consents

46 consents were processed in 2020/21. The statutory timeframe under the RMA to process applications is 20 working days, our average processing was 15 days.

1,248 Requests for Service have been received and completed, which is an increase of 433 from last year.

23 Deemed Permitted Boundary Activity Applications were processed under the new Section 87BA of the Resource Management Act 1991. These applications are exempt from the full Land Use Resource Consent process. They have a 10-day maximum timeframe to process under the RMA. All were processed with an average of 6 days.

Environmental Health and Liquor Licensing

Liquor Licensing continues to work closely with businesses to ensure that the information provided is accurate and acceptable to the District Licensing Committee for all types of liquor licence applications. Some existing licensees continue to not meet the requirements around the records even though the premises have already renewed their licenses under the Sale and Supply of Alcohol Act 2012 and they were implemented at the time of the last renewal and potentially this could be the at least the second time they have renewed under the new Act. Transient staff continues to challenge some premises with the requirements around certified managers proving to be one of the biggest obstacles throughout the District.

The District Licensing Committee has conducted 8 hearings (9 held in the previous year). Two of the premises were referred to a hearing more than once and returned to ensure highlighted concerns had been addressed. Renewal Applications for businesses holding an existing On or Off Licence were the most common type of applications to be referred to the Committee, these were for varied reasons such as suitability, lack of knowledge of the Act or ailing to maintain required records.

COVID-19 restrictions presented a barrier to complete onsite annual verifications with food businesses creating a backlog with a lot of season businesses not able to honour booked appointments due to lock down levels, early closure or interrupted operations, more so with the ski clubs who are required to hold registrations and those in the ski industry businesses.

Food grading for all food businesses registered with Council has increased the cooperation of food businesses to undertake any corrective actions required to deliver safe and suitable food promptly, with diners now able to make an informed decision about where they eat.

Inspections for health nuisance complaints regarding insanitary conditions have continued to be steady this year and have often been undertaken jointly with other teams within the Regulatory field where appropriate with most reaching resolution with the cooperation of the person of concern. But there have also been several that have been referred to other enforcement agencies or legal prosecution has been started.

What We Achieved

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Building Services					
Council will effectively process all proposed applications.	Building consents processed within 20 working days from request.	100%	100%	100%	Achieved.
	Code Compliance Certificates issued within 20 working days from request.	100%	100%	100%	Achieved.
	Urgent LIMs processed in five working days from valid application.	100%	100%	100%	Achieved
	Non-urgent LIMs processed in ten working days from valid application (Note 1).	96.49%	95%	99.28%	Achieved.
Animal Control					
	Respond to dog attacks within two hours of receiving the complaint.	100%	100%	100%	Achieved.
	% of all registered dogs by 30 June.	58%	50%	72%	Achieved.
Environmental Health					
Council will undertake ongoing monitoring of conditions to ensure compliance.	Health-related food hygiene complaints are responded to within 24 hours working week days and 72 hours weekends and actioned within five days.	100%	95%	100%	Achieved. Data only available till 1 April 2021 when information was no longer maintained when Administrator position vacant.
	Percentage of food premises complying with improvements requested by Environmental Health Officer as second inspection.	96%	90%	98.6%	Achieved. Data only available till 1 April 2021 when information was no longer maintained when Administrator position vacant.

Notes:

Note 1: While Council strives to meet the statutory 10 working day processing timeframe, until LIMs are available electronically, there is always a potential delay through unforeseen lack of human resourcing somewhere in the process.

Level of Service	Key Performance Indicators	2019/20 Actual	2020/21 Target	2020/21 Actual	Commentary
Alcohol Licensing					
Ensure alcohol licensing complies with statutory and licensing provisions.	Percentage of alcohol licences that comply with statutory and licence conditions on first inspection.	89%	95%	88.9%	Not achieved. Data only available till 1 April 2021 when information was no longer maintained when Administrator position vacant.
Health Related Noise					
Ensure noise complaints are responded to effectively, promptly and efficiently.	Less than 2 health related noise complaints received a second time.	<2	<2	<2	Achieved.
Resource Management					
Resource consents are processed within the legal timeframes.	Land Use consents processed within the legal timeframes.	100%	100%	100%	Achieved. All 41 Land Use consents were processed within the legal timeframes. This includes 23 processed as Deemed Permitted Boundary Activity consents.
	Subdivision consents processed within the legal timeframes.	100%	100%	100%	Achieved. All 28 Subdivision consents were processed within the legal timeframe.
The public is informed about Resource Management processes and other issues related to maintaining a sustainable environment.	% of pre-application meetings to number of applications received.	56%	>10%	52%	Achieved. There is a steady number of Pre-application meetings which generally result in future applications.

Funding Impact Statement

Ruapehu District Council for the year ending 30 June 2021

Regulation Activity

	LTP 2020 \$000	LTP 2021 \$000	Actual 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,799	1,830	1,924
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	886	905	975
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	16
Total operating funding (A)	2,685	2,735	2,915
Applications of operating funding			
Payments to staff and suppliers	1,503	1,510	1,606
Finance costs	-	-	-
Internal charges and overheads applied	1,182	1,225	1,351
Other operating funding applications	-	-	-
Total application of operating funding (B)	2,685	2,735	2,957
Surplus/(deficit) of operating funding (A-B)	-	-	(42)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure:			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	-	-	-
Increase/(decrease) in reserves	-	-	(42)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	(42)
Surplus/(deficit) of capital funding (C-D)	-	-	42
Funding balance ((A-B)+(C-D))	-	-	-



SECTION TWO

FINANCIAL INFORMATION

*Section Two cover image: Tongariro Alpine Crossing, Ruapehu District.
Credit: Tourism New Zealand.*

TABLE OF CONTENTS – SECTION TWO

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2021	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021	6
STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2021	7
CONSOLIDATED STATEMENT OF CASH FLOWS	8
1. STATEMENT OF ACCOUNTING POLICIES	10
2. SUMMARY REVENUE AND EXPENDITURE FOR GROUP OF ACTIVITIES	23
3. RATES REVENUE	24
4. FEES AND CHARGES	25
5. SUBSIDIES AND GRANTS	25
6. FINANCE INCOME AND FINANCE COSTS	26
7. OTHER REVENUE	26
8. GAINS	27
9. PERSONNEL COSTS	27
10. OTHER EXPENSES	27
11. LOSSES	28
12. CASH AND CASH EQUIVALENTS	28
13. DEBTORS AND OTHER RECEIVABLES	29
14. INVENTORY	31
15. INVESTMENT IN ASSOCIATES	31
16. OTHER FINANCIAL ASSETS	32
17. PROPERTY, PLANT AND EQUIPMENT	34
18. INTANGIBLE ASSETS	42
19. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY	43
20. INVESTMENT PROPERTY	43
21. CREDITORS AND OTHER PAYABLES	45
22. BORROWINGS	45
23. EMPLOYEE ENTITLEMENTS	46
24. PROVISIONS	47
25. EQUITY	48
26. RECONCILIATION OF NET SURPLUS (DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES	50
27. CAPITAL COMMITMENTS AND OPERATING LEASES	51
28. CONTINGENCIES	52
29. RELATED PARTY TRANSACTIONS	53
30. REMUNERATION	54
31. SEVERANCE PAYMENTS	56
32. EVENTS AFTER BALANCE DATE	56
33. FINANCIAL INSTRUMENT RISKS	57
34. CAPITAL MANAGEMENT	61

35. COUNCIL CONTROLLED ORGANISATIONS	62
36. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET	63
37. COVID-19 IMPACT	64
38. PREPAYMENTS, ACCRUED INCOME & INCOME IN ADVANCE.....	65
Part C – Other Legislative Disclosures	66
1. FUNDING IMPACT STATEMENT FOR RUAPEHU DISTRICT COUNCIL FOR YEAR ENDING 30 JUNE 2021 – WHOLE OF COUNCIL	66
2. SUPPORT FUNDING IMPACT STATEMENT – WHOLE OF COUNCIL.....	67
3. OVERALL FUNDING IMPACT STATEMENT RECONCILIATION - WHOLE OF COUNCIL	68
4. RATING BASE INFORMATION	69
5. INSURANCE.....	69
6. BENCHMARKS.....	70

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2021

Group and Parent
For the year ended 30 June 2021

	Notes	Council			Group	
		Actual 2021 \$000	Annual Plan 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Revenue						
Rates	3	23,996	24,329	23,701	23,996	23,701
Fees and Charges	4	2,608	3,691	2,822	2,608	2,822
Development and Financial Contributions		238	65	105	238	105
Subsidies and Grants	5	16,155	16,573	14,422	16,155	14,422
Finance Revenue	6	18	31	83	19	83
Other Revenue	7	1,448	141	1,467	2,084	1,531
Gains	8	1,703	-	771	1,703	902
Total Revenue		46,166	44,830	43,371	46,803	43,566
Expenses						
Personnel Costs	9	5,933	5,745	5,842	5,942	5,923
Depreciation and Amortisation Expense	19	9,503	9,052	9,251	9,526	9,280
Finance Costs	6	581	920	811	581	811
Other Expenses	10	23,397	21,656	22,469	23,977	22,378
Losses	11	657	-	352	657	352
Total Expenses		40,071	37,373	38,725	40,683	38,744
Share of Associate's Surplus / (Deficit)		4	-	8	4	8
Net Surplus / (Deficit) before tax		6,099	7,457	4,654	6,124	4,830
Income tax expenses		-	-	-	2	-
Net Surplus / (Deficit) after tax		6,099	7,457	4,654	6,121	4,830
Other Comprehensive Revenue and Expense						
Gain/(Loss) on Property, Plant and Equipment Revaluations	25	5,433	7,780	6,630	5,433	6,630
Financial Assets at Fair Value Through Comprehensive Revenue and Expense		2	-	(32)	2	(32)
Total Other Comprehensive Revenue and Expense		5,435	7,780	6,598	5,435	6,598
Total Comprehensive Revenue and Expense		11,534	15,237	11,252	11,556	11,428

*Explanation of Major Variances against budget are provided in note 36.
The accompanying notes form part of these financial statements.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

Group and Parent
As at June 2021

	Notes	Council			Group	
		Actual 2021 \$000	Annual Plan 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Assets						
Current Assets						
Cash and Cash Equivalents	12	6,256	500	1,938	6,771	2,197
Receivables	13	5,792	4,691	3,947	5,902	3,967
Prepayments and Accrued Income	38	641	985	1,015	641	1,015
Inventory	14	345	338	382	345	382
Other Financial Assets Current		-	-	-	-	-
Total Current Assets		13,034	6,514	7,282	13,658	7,561
Non-Current Assets						
Investment in Associates						
- Investment in CCOs and other similar Entities	15	52	39	48	52	48
Other Financial Assets	16	864	712	741	864	741
Property, Plant and Equipment	17	438,167	436,720	426,073	438,170	426,074
Intangible Assets	18	805	222	856	805	877
Investment Property	20	5,022	3,162	3,636	5,022	3,636
Total Non-Current Assets		444,910	440,855	431,354	444,914	431,376
Total Assets		457,944	447,369	438,636	458,573	438,937
Liabilities						
Current Liabilities						
Creditors and Other Payables	21	4,020	5,467	3,449	4,219	3,540
Borrowings	22	8,000	10,800	8,000	8,000	8,000
Employee Entitlements	23	360	565	403	371	403
Income in Advance	38	5,567	954	2,800	5,858	2,835
Total Current Liabilities		17,947	17,786	14,652	18,449	14,778
Non-Current Liabilities						
Borrowings	22	25,400	22,621	21,000	25,400	21,000
Provisions	24	206	194	199	206	199
Creditors and other Payables	21	-	-	-	-	-
Total Non-Current Liabilities		25,606	22,815	21,199	25,607	21,199
Total Liabilities		43,553	40,601	35,851	44,056	35,977
Net Assets		414,391	406,769	402,784	414,517	402,960
Equity						
Accumulated Funds	25	285,962	282,368	279,700	286,087	279,876
Other Reserves	25	128,429	124,401	123,084	128,429	123,084
Total Equity Attributable to the Council		414,391	406,769	402,784	414,517	402,960

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2021

Group and Parent
For the year ended 30 June 2021

	Notes	Council			Group	
		Actual 2021 \$000	Annual Plan 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Balance at 1 July		402,857	391,532	391,532	402,960	391,532
Total Comprehensive Revenue and Expense for the Year		11,534	15,237	11,252	11,556	11,428
Balance at 30 June	25	414,391	406,769	402,784	414,517	402,960

*Explanation of Major Variances against budget are provided in note 36.
The accompanying notes form part of these financial statements.*

CONSOLIDATED STATEMENT OF CASH FLOWS

Group and Parent
For the year ended 30 June 2021

	Notes	Council			Group	
		Actual 2021 \$000	Annual Plan 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Cash Flows from Operating Activities						
Cash was received from:						
Receipts from Rates Revenue		24,262	24,329	23,218	24,262	23,198
Receipts from Subsidies and Grants		19,811	16,573	16,824	19,834	16,823
Interest Received		18	31	36	19	36
Dividends Received		-	-	47	-	47
Other Revenue		2,218	3,896	5,149	2,385	5,250
Goods and Services Tax (Net)						
		46,309	44,829	45,274	46,500	45,354
Cash was distributed to:						
Payments to Suppliers		(23,122)	(21,370)	(22,685)	(23,064)	(22,614)
Payments to Employees and Elected Members		(5,975)	(5,434)	(6,440)	(5,973)	(6,521)
Interest Paid		(581)	(920)	(808)	(581)	(808)
Goods and Services Tax (Net)		(391)	-	131	(391)	131
		(30,068)	(28,320)	(29,802)	(30,008)	(29,812)
Net Cash Flow from Operating Activities	26	16,241	16,509	15,472	16,492	15,542
Cash Flows from Investing Activities						
Cash was received from:						
Investment in Subsidiary (CCO): Visit Ruapehu Ltd		-	-	269	-	269
Receipts from Sale of Property, Plant and Equipment		-	-	134	-	134
Receipts from Sale of Investments		-	-	75	-	75
		-	-	478	-	478
Cash was distributed to:						
Purchase of Property, Plant and Equipment		(15,971)	(22,238)	(14,724)	(15,988)	(14,513)
Purchase of Intangible Assets		(239)	-	(819)	(218)	(841)
Purchase of Investments		(112)	-	(169)	(112)	(169)
		(16,322)	(22,238)	(15,712)	(16,318)	(15,523)
Net Cash Flow from Investing Activities		(16,322)	(22,238)	(15,234)	(16,318)	(15,045)
Cash Flows from Financing Activities						
Cash was received from:						
Proceeds from Borrowings		4,400	5,729	14,800	4,400	14,800
		4,400	5,729	14,800	4,400	14,800
Cash was distributed to:						
Repayment of Borrowings		-	-	(13,600)	-	(13,600)
		-	-	(13,600)	-	(13,600)

Part A – Consolidated Statements

Net Cash Flow from Financing Activities		4,400	5,729	1,200	4,400	1,200
Net Increase/(Decrease) in Cash, Cash Equivalents and Bank Overdrafts		4,318	-	1,438	4,574	1,697
Cash, Cash Equivalents and Bank Overdrafts at the beginning of the year		1,938	500	500	2,197	500
Cash, Cash Equivalents and Bank Overdrafts at the end of the year	12	6,256	500	1,938	6,771	2,197

Explanation of Major Variances against budget are provided in note 36. The accompanying notes form part of these financial statements.

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Ruapehu District Council (the Council or RDC) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The group consists of:

- § The ultimate parent, Ruapehu District Council.
- § RDC Holdings Ltd (100% owned subsidiary) which is non-trading.
- § Manawatu Whanganui LASS Ltd (14.29%) which is equity accounted (an associate).
- § Visit Ruapehu Ltd (100% owned Council Controlled Organisation) CCO.

All subsidiaries and associated entities are established and domiciled in New Zealand.

Financial statements have been prepared for Council, along with consolidated results for the Group consisting of Council, RDC Holdings Ltd, and Visit Ruapehu Ltd.

RDC Holdings Limited is non-active and has no revenue, expenditure, assets or liabilities and there have been no transactions recorded in 2019/20 (Nil 2018/19) as Group and Parent accounts are materially the same. RDC Holdings Limited has a balance date of 30 June 2021.

Visit Ruapehu Limited was incorporated on 23 August 2019, as a Council Controlled Organisation (CCO) with Ruapehu District Council being the 100% owner. This new organisation replaced the Ruapehu Regional Tourism Organisation (RTO) Trust, which was operating from 2009 until it was wound up by a Trustees resolution on 17 October 2019 under a Deed of Confirmation. The assets were transferred to Visit Ruapehu Limited, free of all charges and encumbrances and all the Trusts debts and liabilities were paid.

The Council and Group provide local infrastructure, local public services, and perform regulatory functions. The Council does not operate to make a financial return. The Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

The financial statements of the Council and Group are for the year ended 30 June 2021. RDC Holdings Ltd and Visit Ruapehu Limited have the same balance date as Council. The financial statements will be authorised for issue by Council on 20 December 2021.

Basis of Preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of Compliance

The financial statements of the Council and Group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which includes the requirement to comply with NZ GAAP.

These financial statements have been prepared in accordance with and comply with PBE accounting standards.

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Standards issued and not yet effective that have been early adopted

Standards and amendments issued but not yet effective that have been early adopted are:

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IFRS 41 *Financial Instruments*, which supersedes both PBE 9 *Financial Instruments* and PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. The Council has early adopted PBE IPSAS 41 and the main changes between PBE IPSAS 29 and PBE IPSAS 41 are :

- § New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- § A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- § Revised hedge accounting requirements to better reflect the management of risks.

Other changes in accounting policies

There have been no other changes in accounting policies.

Standard issued and not yet effective, and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are “

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for the year ending 30 June 2022, with early application permitted. This amendment will result in additional disclosures. The Council will not early adopt this amendment.

PBE IPSAS 40 PBE Combinations

PBE IPSAS 40 replaces PBE IFRS 3 Business Combinations. PBE IFR 3 exclude from its scope combinations under common control and combinations arising from local authority reorganisations. These are now included within the scope of PBE IPSAS 40, through the inclusion of both acquisition and amalgamation accounting. This new standard is effective for the year ending 30 June 2022 and is applied prospectively. The Council will not early adopt this amendment.

PBE FRS 48 Service Performance

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted. The Council has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Ruapehu District Council and its CCOs and subsidiaries as at 30 June 2021.

CCOs and subsidiaries are entities controlled by the group. Control is achieved when the group has the power to govern their financial and operating policies. In order to establish control, the controlling entity presently have exercisable power to govern decision making to be able to benefit from the activities of the other entity. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements from the date the group gains control until the date the group ceases to control the subsidiary. The accounting policies of controlled entities are consistent with the policies adopted by the controlling entity, or if not, adjustments are made to the consolidated financial statements to bring alignment of subsidiaries with the group's accounting policies. All intra-group balances, transactions, income, expenses, and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

The substantive subsidiary within the group is Visit Ruapehu Limited. Visit Ruapehu Limited was incorporated on 23 August 2019, as a Council Controlled Organisation (CCO) with Ruapehu District Council being the 100% owner. This new organisation replaced the Ruapehu Regional Tourism Organisation (RTO) Trust, which was operating from 2009 until it was wound up by a Trustees resolution on 17 October 2019 under a Deed of Confirmation. The assets were transferred to Visit Ruapehu Limited, free of all charges and encumbrances and all the Trusts debts and liabilities were paid. Its principal activities involve the development and marketing of tourism in the Ruapehu District.

The following parts of the group are exempt activities:

- § RDC Holdings Ltd (100% owned subsidiary) which is non-trading.
- § Manawatu Whanganui LASS Ltd (14.29%) which, is equity accounted (an associate)
- § Visit Ruapehu Limited (100% owned Council Controlled Organisation) CCO.

Goods and Services Tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

The budget figures are those approved by the Council for the year 2020/21 in its Long Term Plan 2018-28. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements. The budget figures are for Council only as subsidiaries do not have published budgets.

Cost Allocation

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below:

- § Direct costs are those costs directly attributable to a significant activity.
- § Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as staff numbers and size of budgets.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural Assets - Note 17 provides information about the estimates and assumptions applied in determining the fair value of infrastructural assets.

Landfill Aftercare Provision - Note 24 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

Critical Judgements in Applying Accounting Policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of Property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore classified as property, plant and equipment rather than as investment property.

Parcels of land held for an undetermined future use that are classified as Investment Property may be re-classified in the future if the land use changes.

Taumarunui Airport and Ohakune Railway station are held for strategic reasons rather than for generation of revenue and are therefore classified as property, plant and equipment rather than as investment property.

Revenue

Revenue is measured at fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

Exchange Transactions

Exchange transactions are transactions where Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date.

Revenue from asset management services is recognised when provided to the customer.

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Non-Exchange Transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange or where the value given or received is not able to be accurately measured. This includes transactions for activities which are subsidised through rates.

An inflow of resources from a non-exchange transaction, whether this be an asset or revenue, is only recognised if a liability is not also recognised for that particular asset or revenue.

A liability is only recognised to the extent that the present obligations have not been satisfied. A liability in respect of a transferred asset is recognised only when the transferred asset is subject to a condition, such as a condition for the asset to be consumed as specified and / or that future economic benefits or service potential must be returned to the owner.

The specific accounting policies relating to significant revenue items follow:

Rates Revenue

The following policies for rates have been applied:

- § General rates and targeted rates (excluding water-by-meter), are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- § Rates arising from late payment penalties are recognised as revenue when rates become overdue.

§ Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Development and Financial Contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Fees and Charges

Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

New Zealand Transport Agency Roading Subsidies

The Council receives funding assistance from the New Zealand Transport Agency (NZTA), which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other Grants Received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and Resource Consent Revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Landfill Fees

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

Infringement Fees and Fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines.

Vested or Donated Physical Assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if Council expects that it will need to return or pass the asset to another party.

Donated and Bequeathed Financial Assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Liabilities

Income in Advance

Income in Advance is predominantly made up of Central Government Grants for work that is yet to be completed and from rates and dog registrations paid in advance, these are non-exchange transactions.

Borrowing Costs

In accordance with PBE IPSAS 5 Borrowing Costs, all borrowing costs are recognised as an expense in the period in which they are incurred.

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

Leases

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

Receivables are recorded at their face value, less any provision for impairment.

Other Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council and group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council and group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- § fair value through surplus or deficit;
- § loans and receivables;
- § held-to-maturity investments; and
- § fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial Assets at Fair Value through Surplus or Deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading or is designated as such on initial recognition.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Held-To-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Fair Value through other Comprehensive Revenue and Expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless Council intends to dispose of, or realise, the investment within 12 months of balance date.

The Council and group includes in this category:

- § Investments that it intends to hold long-term but which may be realised before maturity; and
- § Shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of Financial Assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and Receivables and Held-To-Maturity Investments

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial Assets at Fair Value through other Comprehensive Revenue and Expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments, are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases, and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Inventory

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value. The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

Assets held for Sale

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, Plant and Equipment

Property, plant and equipment consist of:

Operational Assets – These include land, buildings, parks and reserves improvements, library books, plant vehicles, computer equipment and office equipment.

Restricted Assets – Restricted assets are mainly parks and reserves owned by Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure Assets – Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Land (operational and restricted) – Is measured at fair value, and buildings (operational and restricted) and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation.

All other operational and restricted asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation

Land and buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued annually.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Property, plant and equipment depreciation is provided on a straight line (SL) or diminishing value (DV) basis at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Infrastructure asset depreciation rates are based on the remaining useful life for each individual asset component. These rates are on a straight line basis.

The revaluation approach, useful lives and associated depreciation rates of major classes of assets have been estimated as per the next page.

For depreciated assets the residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Any work undertaken on infrastructure assets to reinstate (termed “renewal”) or add to the service potential of the asset is capitalised.

The useful lives and associated depreciation rates of major classes of assets have been estimated as per the following table:

Useful Lives and Depreciation Rates

Property, Plant and Equipment	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Buildings (Excluding Investment Property)	RAD	10 – 100 Years	1 - 20% SL
Other Improvements	CAD	10 – 100 Years	1 – 17.5% SL
Computer Equipment	CAD	2.5 Years	40% DV
Office Equipment, Furniture and Fittings	CAD	5 Years	20% DV
Library Books	CAD	10 Years	10% SL
Plant and Vehicles	CAD	3.33 – 10 Years	5 – 25% SL
Roads and Footpaths	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Top Surface (Seal)	RAD	15 Years	6.67% SL
Pavement (Base Course)	RAD	100 Years	1% SL
Culverts	RAD	70 – 100 Years	1 – 1.43% SL
Footpaths	RAD	20 – 80 Years	1.25 – 5% SL
Kerbs	RAD	80 – 100 Years	1 – 1.25% SL
Signs	RAD	10 Years	10 – 11.1% SL
Street Lights	RAD	20 – 25 Years	4 – 5% SL
Bridges	RAD	70 – 100 Years	1 – 2.77% SL
Water Supply	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Pipes	RAD	50 – 100 Years	1 – 2% SL
Valves and Hydrants	RAD	15 – 70 Years	0.82 – 6.67% SL
Pump Stations	RAD	10 – 60 Years	0.94 – 20% SL
Tanks	RAD	25 – 80 Years	1 – 6.67% SL
Treatment Plants	RAD	5 – 104 Years	0.96% – 20% SL
Wastewater	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Pipes	RAD	50 – 100 Years	0.82 – 6.67% SL
Manholes and Cesspits	RAD	50 – 75 Years	1.33 – 4% SL
Pump Stations	RAD	10 – 60 Years	0.88 – 33.3% SL
Treatment Plants	RAD	10 – 200 Years	0.5 – 33.3% SL
Stormwater	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Pipes	RAD	40 – 100 Years	0.5 – 8.33% SL
Manholes and Cesspits	RAD	75 Years	1.22 – 1.33% SL
Solid Waste	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Various	RAD	20 – 70 Years	1.18 - 25% SL
Other (Not Depreciated)	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Land	REV		
Formation Costs for Roding	COST		
Stop Banks	REV		
Work In Progress and Assets Under Construction	COST		

- *1 CAD = Cost Less Accumulated Depreciation And Impairment Losses.
 RAD = Revaluation Less Subsequent Depreciation.
 REV = Revaluation (Not Depreciated).
 COST = Cost.

Intangible Assets

Software Acquisition and Development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit. The useful lives and amortisation rates have been estimated as follows:

Amortisation Rates Intangibles	Estimated Life	Amortisation Rate
Computer Software	3 years	33.3% SL
Pipiriki Wastewater Treatment Plant Resource Consent	22 years	5% SL

Impairment of Property, Plant and Equipment and Intangible Assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in Use for Non-Cash-Generating Assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at each reporting date. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Payables

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Employment Entitlements

Short-Term Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation.

The Council expects all employee entitlements to be settled within 12 months of balance date.

Superannuation Schemes

Defined Contribution Schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

Equity

Equity is the community’s interest in the Council and is measured as the difference between total assets and total liabilities.

Equity is disaggregated and classified into the following components:

- § Accumulated funds;
- § Restricted reserves;
- § Asset revaluation reserve;
- § Fair value through other comprehensive revenue and expense reserve.

Restricted Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset Revaluation Reserve

This reserve relates to the revaluation of property, plant and equipment to fair value.

Fair Value through Other Comprehensive Revenue and Expense Reserve

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

2. SUMMARY REVENUE AND EXPENDITURE FOR GROUP OF ACTIVITIES

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage.

There have been no charges to the cost allocation methodology during the year.

Breakdown of summary revenue and expenditure for group of activities	Council		
	Actual 2021 \$000	Annual Plan 2021 \$000	Actual 2020 \$000
Revenue			
Land Transport	20,175	18,135	20,221
Water Supply	4,950	8,121	3,870
Wastewater	3,188	2,558	2,653
Stormwater	920	903	924
Solid Waste	2,048	2,051	1,839
Recreation and Community Facilities and Community Property	5,428	3,759	4,636
Community Support	3,581	3,933	4,128
Leadership	9,920	6,582	9,280
Regulation	2,915	2,879	2,787
Total activity revenue	53,899	48,921	50,338
Less internal revenue	(6,959)	(4,091)	(6,967)
Total revenue	46,166	44,830	43,371
Expenses			
Land Transport	14,123	14,214	14,586
Water Supply	4,884	4,147	4,382
Wastewater	2,739	2,543	2,448
Stormwater	933	903	967
Solid Waste	2,154	2,051	1,951
Recreation and Community Facilities and Community Property	4,308	4,276	4,219
Community Support	4,293	3,933	4,111
Leadership	10,486	6,518	10,113
Regulation	3,110	2,879	2,915
Total activity expenses	47,030	41,464	45,692
Less internal expenses	(6,959)	(4,091)	(6,967)
Total expenses	40,071	37,373	38,725

3. RATES REVENUE

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
General Rates	11,832	11,530
Targeted Rates Attributable to Activities:		
Community Support	543	605
Leadership	371	358
Land Transport	3,657	3,823
Stormwater	449	444
Wastewater	2,419	2,412
Water	3,818	3,421
Solid Waste	848	705
Rates Penalties	58	403
Total Rates Revenue	23,996	23,701

Of the total rates revenue, \$285,290 (2020: \$270,865) is for rates paid to Council by Council on properties it owns or leases.

Rates Remissions

Rates revenue is shown net of rates remissions. The Council rates remission policy allows rates to be remitted on land used for sport, land protected for historical or cultural purposes and contiguous and land-locked properties.

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Total Gross Rates Revenue	24,610	24,290
Rates Remissions:		
- Land used for Sport, Clubs and Societies	10	10
- Land protected for Historical or Cultural Purposes	51	47
- Contiguous and Land-Locked Properties	395	387
- Community Organisations	159	145
Total Remissions	614	589
Rates Revenue Net of Remissions	23,996	23,701

Non-Rateable Land

Under the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect of wastewater, water, refuse and sanitation. Non-rateable land does not constitute a remission under Council's Rates Remission Policy.

4. FEES AND CHARGES

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
User Charges	1,043	1,301
Regulatory Revenue	305	313
Rental Charges	449	448
Refuse Charges	811	760
Total Fees and Charges (Non-Exchange)	2,608	2,822

5. SUBSIDIES AND GRANTS

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
New Zealand Transport Agency (NZTA) Rooding Subsidies		
Operational Subsidies	4,894	5,919
Capital Subsidies	7,879	6,979
Streetlight Cost Recovery	139	121
Total NZTA Subsidies	12,912	13,019
Other Subsidies		
Operational Central Govt Subsidies	1,682	506
Capital Central Govt Subsidies	383	881
Other Miscellaneous Subsidies	19	16
Three Water Stimulus Funding	1,158	-
Total Other Subsidies	3,242	1,403
Total Subsidies and Grants (Non-Exchange)	16,155	14,422

6. FINANCE INCOME AND FINANCE COSTS

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Finance Income				
Interest Income	18	36	19	36
Dividend Income	-	47	-	47
Total Finance Income (Exchange)	18	83	19	83
Finance Costs				
Interest Expense				
- Interest on Borrowings	574	806	574	806
- Discount unwind on Provisions	7	5	7	5
- Amortization of RAL loan - Gondola	-	-	-	-
Total Finance Costs	581	811	581	811
Net Finance Costs	563	728	563	728

7. OTHER REVENUE

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Non-Exchange				
Infringements and Fines	16	24	16	24
Petrol Tax	190	143	190	143
Vested Assets	-	-	-	-
Other	1,222	1,270	1,552	821
Total Non-Exchange Revenue	1,428	1,437	1,759	988
Exchange				
Rental Revenue (from Investment Properties)	19	30	19	30
Other	-	-	306	513
Total Exchange Revenue	19	30	325	543
Total Other Revenue	1,448	1,467	2,084	1,531

8. GAINS

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Non-Financial Instruments				
Investment in Subsidiary (CCO): Visit Ruapehu Ltd	-	-	-	131
Gain on Disposal of Assets	318	196	318	196
Fair Value Gain on Investment Property Valuation	1,386	575	1,386	575
Revaluation of PP&E through P&L	-	-	-	-
Total Non-Financial Instrument Gains	1,703	771	1,703	902

9. PERSONNEL COSTS

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Salaries and Wages	5,806	5,853	5,816	5,930
Defined Contribution Plan Employer Contributions	158	151	158	155
Increase / (Decrease) in Employee Entitlements	(32)	(162)	(32)	(162)
Other Employee Benefits	-	-	-	-
Total Personnel Costs	5,933	5,842	5,942	5,923

Employer contributions to defined contribution plans include contributions to KiwiSaver. Salaries and Wages are paid in arrears, and timing of the actual payments to staff, will change from year to year, depending on how close to the year end a pay period falls on. The effect of this will see changes from year to year in the Increase/Decrease in Employee Entitlements.

10. OTHER EXPENSES

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Fees to Principal Auditor				
- Fees to Audit NZ for the Audit Of RDC's Financial Statements	164	151	164	151
- Fees to Audit NZ for the Audit Of RDC's Long Term Plan	118	-	118	-
- Fees to Audit NZ for the Audit of the LGFA Debenture Trust Deed	6	6	6	6
Total Fees to Principal Auditor	288	157	288	157
Roading Maintenance	4,805	6,716	4,805	6,716

All Other Maintenance	6,350	6,075	6,350	6,075
Consultants and Legal Fees	2,944	2,311	2,944	2,311
Rental Expenses	179	367	179	367
Operating Lease Expenditure	157	136	157	136
Impairment of Receivables (Note 13)	-	317	-	317
Other Operating Expenses	8,674	6,390	9,254	6,299
Total Other Expenses	23,397	22,469	23,977	22,378

The 2021 Audit fee includes \$8k for the Audit of the LGFA Trust Deed for the 2019/20 financial year.

11. LOSSES

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Non-Financial Instruments		
Losses on Disposal of Assets	657	352
Total Losses	657	352

12. CASH AND CASH EQUIVALENTS

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Cash at Bank and On Hand	6,256	1,938	6,771	2,197
Total Cash and Cash Equivalents	6,256	1,938	6,771	2,197

The carrying value of cash at bank and term deposits with original maturities less than three months approximates their fair value.

The Council holds unspent funds, included in cash at bank of \$62k (2020:\$62k) that are subject to restrictions. These unspent funds include proceeds from the sale of the Forestry Sale in 2019 held for benefit of the Ohakune and Raetihi Communities (Note 24).

13. DEBTORS AND OTHER RECEIVABLES

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Non-Exchange				
Rates Receivables	2,143	2,519	2,143	2,519
Other Receivables	3,863	1,885	3,973	1,905
Infringement Receivables	-	-	-	-
	6,006	4,404	6,116	4,424
Less Provision for Impairment	(215)	(457)	(215)	(457)
	5,792	3,947	5,902	3,967
Exchange				
Other Receivables	-	-	-	-
Total Debtors and Other Receivables	5,792	3,947	5,902	3,967

Fair Value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms. Therefore, the carrying value of debtors and other receivables approximates their fair value.

Impairment

Council provides for impairment on rates receivables although it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

Rates Receivables	Gross 2021 \$000	Impairment \$000	Net 2021 \$000	Net 2020 \$000
Council & Group				
Not Past Due – Current Year	1,236	71	1,165	1,200
Past Due by 1 Year	346	45	301	371
Past Due by 2+ Years	559	70	489	551
Total	2,142	186	1,956	2,122

Other Receivables Ageing Profile At Year End	2021			2020		
	Gross	Impairment	Net	Gross	Impairment	Net
Council						
Not Past Due 1-30	866	-	866	1,550	-	1,550
Past Due 1-60 Days	125	-	125	39	-	39
Past Due 60-120 Days	1,252	28	1,224	145	45	100
Past Due > 120 Days	1,620	1	1,620	151	15	136
Total	3,863	28	3,835	1,885	60	1,825

Part B – Notes to the Financial Statements for Council and Group

Other Receivables Ageing Profile At Year End	2021			2020		
	Gross	Impairment	Net	Gross	Impairment	Net
Group						
Not Past Due 1-30	976	-	976	1,570	-	1,570
Past Due 1-60 Days	125	-	125	39	-	39
Past Due 60-120 Days	1,252	28	1,224	145	45	100
Past Due > 120 Days	1,620	1	1,620	151	15	136
Total	3,973	28	3,945	1,905	60	1,845

The impairment provision has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write-offs.

Impairment Profile	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Individual Impairment	28	60
Collective Impairment	186	397
Total Provision For Impairment	215	457

Individually impaired receivables have been determined to be impaired because there is a dispute over a significant receivable.

Individually Impaired Receivable	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Past Due 61 - 120 Days	-	-
Past Due > 120 Days	28	60
Total Provision For Impairment	28	60

Collectively Impaired Receivable	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Past Due 61 - 120 Days	-	-
Past Due > 120 Days	186	397
Total Provision For Impairment	186	397

Impairment Source	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Rates Debtors	186	397
Sundry Invoice Debtors	28	45
Infringement Debtors	1	15
Total Provision For Impairment	215	457

Movement In Impairment Provision	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
At 1 July	457	202
Provision Reclassification	-	-
Total	457	202
Additional Provisions made during the year	303	318
Provisions Reversed during the year	(1)	(63)
Receivables Written Off during the year	(545)	-
At 30 June	215	457

14. INVENTORY

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Merchandise Visitor and Service Centres	79	82
Blue Recycling Bins	15	8
Critical Spares for Operations	235	292
Compost Bags and Bins	17	-
Total Inventory at 30 June	345	382

No inventory is pledged as security for borrowings or payables.

15. INVESTMENT IN ASSOCIATES

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Investment In Associates		
- Investment In Manawatu-Whanganui LASS Ltd	52	48
	52	48
Manawatu Whanganui Lass Ltd		
Summarised financial information of associates presented on a gross basis		
Assets	660	484
Liabilities	403	222
Revenues	1,417	1,157
Surplus/(Deficit)	30	59
RDC's Share of Surplus/(Deficit)	4	8
RDC's Interest	14.29%	14.29%

All entities have a reporting date of 30 June. The actuals for 2020 and 2021 are based on unaudited financial statements.

The share of surplus/deficit in the Statement of Comprehensive Revenue and Expenditure includes any movement in prior years results post publication of Council's Annual Report, when the Associates final numbers became available. None of the Council's associates have contingent liabilities.

An investor is deemed to have significant influence if it has 20% or more of the voting or potential voting power of the investee. In Ruapehu District Council's case it holds less than 20% of the associates but is deemed to have significant influence by its representation on the Board.

Manawatu-Whanganui Local Authority Shared Services Limited (MW LASS Ltd)

MW LASS Ltd was formed in October 2008 to provide an 'umbrella vehicle' for the councils of the Manawatu-Whanganui region to investigate, procure, develop and deliver shared services.

Such services will be initiated under the umbrella of MW LASS Ltd where a business case shows that they provide benefits to the council users by either improved levels of service, reduced costs, improved efficiency and/or increased value through innovation. Current feasibility studies being undertaken include GIS, Aerial photography and joint procurement.

MW LASS Ltd has been exempted according to section 7 of the Local Government Act 2002. It is therefore not a Council Controlled Organisation for the purposes of the Act.

16. OTHER FINANCIAL ASSETS

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Non-Current Portion		
Other Investments:		
- Unlisted Shares in Civic Assurance	54	53
- Loan to Kakahi Water Board Supply Limited	16	15
- LGFA Borrower Note – Long Term	382	272
- RAL Term Loan – Gondola	412	401
Total Non-Current Portion	864	741
Total Other Financial Assets	864	741

Council owns an 8.33% share in the Manawatu Whanganui Regional Disaster Relief Fund Trust. The Trust is not in operation and the value of the Trust is therefore nil. Should the Trust come into operation, Council will not be in receipt of any funds from the Trust, unless the District is struck by a disaster.

In the event of the Trust being wound up, the surplus assets and funds, after payment of the Trust's liabilities, including expenses of winding up, shall not be paid or distributed among the Trustees or the Local Authorities, but shall be paid and transferred to such person or body corporate, for the furtherance of charitable purposes within New Zealand, as the Trustees shall determine at the meeting, when the resolution for winding up is duly confirmed.

During the 2018/19 Financial Year Council entered into a loan to RAL for the gondola project for \$500k. At 30 June 2021, the discounted present value was \$412k (2020: \$401k) as per PBE IPSAS accounting standards. It will be repaid in 8 years' time at the full loan value of \$500k.

Fair Value

The carrying amount of other financial assets approximates their fair value. More details are shown in note 33.

Other Investments

The investments in Civic Assurance are valued according to Council's share of the net assets in their financial statements. The investment in Civic Assurance is held for strategic purposes, and Council does not intend to dispose of the asset. There was no dividend payout during the 2021 Financial Year.

The loan to Kakahi Water Board Supply Limited is a loan for unpaid rates, that is a fixed term, with an option of early termination, should the timber on the land be felled before expiry of the loan. Council will either receive the outstanding loan amount, or an agreed portion of the timber revenue, whichever is higher.

Impairment

None of the other financial assets are past due or impaired.

17. PROPERTY, PLANT AND EQUIPMENT

Council As at 30 June 2021	Opening Cost/ Valuation	Opening Accum Depn & Impairment Charges	Opening Carrying Amount	Current Year Additions	Current Year Disposals	Current Year Depreciation	Revaluation Surplus/ (Deficit)	Cost / Valuation	Accum Depn & Impairment Charges	Carrying Amount
Operational Assets										
Land	13,500	-	13,500	5	-	-	2,166	15,671	-	15,671
Buildings	19,675	(1,935)	17,740	24	-	(1,048)	1,723	19,487	(1,048)	18,439
Other Improvements (not revalued)	2,221	(390)	1,831	1,168	-	(59)	-	3,389	(449)	2,941
Library Books	1,304	(1,304)	-	61	-	(1)	-	1,365	(1,305)	60
Plant & Vehicles	1,437	(1,002)	435	202	-	(189)	-	1,392	(944)	448
Computer Equipment	1,029	(847)	182	231	-	(109)	-	1,057	(755)	304
Office Equipment	2,213	(1,688)	525	103	-	(113)	-	2,318	(1,803)	516
Total Operational Assets	41,379	(7,166)	34,214	1,794	-	(1,518)	3,889	44,680	(6,303)	38,377
Restricted Assets										
Land	300	-	300	-	-	-	40	340	-	340
Improvements	668	(46)	568	10	-	(45)	20	598	(45)	553
Total Restricted Assets	968	(46)	868	10	-	(45)	60	938	(45)	893
Infrastructural Assets										
Roading & Footpaths	260,896	(3,950)	253,044	9,989	-	(4,000)	(1,897)	261,136	(4,000)	257,136
Bridges	47,891	(1,070)	45,779	998	-	(1,088)	1,207	47,984	(1,088)	46,896
Land Under Roads	9,115	-	9,115	-	-	-	-	9,115	-	9,115
Water Supply - Treatment Plants	7,195	(501)	6,186	521	(118)	(533)	85	6,674	(533)	6,141
Water Supply - Reticulation	29,544	(775)	28,015	798	(240)	(795)	983	29,552	(791)	28,761
Wastewater - Treatment Plants	9,215	(245)	8,724	296	(13)	(251)	215	9,222	(251)	8,971
Wastewater - Network	18,956	(566)	17,842	7	-	(580)	455	18,302	(580)	17,722
Stormwater	15,701	(351)	15,013	38	-	(357)	323	15,374	(357)	15,016
Stopbanks (no revalued)	156	-	156	-	-	-	-	156	-	156
Solid Waste	1,494	(15)	1,464	420	-	(18)	191	2,075	(18)	2,057
Total Infrastructural Assets	400,163	(14,826)	385,336	13,068	(371)	(7,622)	1,561	414,420	(7,618)	391,972
Items Under Construction	5,654	-	5,654	1,268	-	-	-	6,922	-	6,922
Total Property, Plant and Equipment	438,164	(22,038)	426,073	16,140	(371)	(9,185)	5,510	467,060	(14,066)	438,167

Part B – Notes to the Financial Statements for Council and Group

Group As at 30 June 2021	Opening Cost/ Valuation	Opening Accum Depn & Impairment Charges	Opening Carrying Amount	Current Year Additions	Current Year Disposals	Current Year Depreciation	Revaluation Surplus/ (Deficit)	Cost / Valuation	Accum Depn & Impairment Charges	Carrying Amount
Operational Assets										
Land	13,500	-	13,500	5	-	-	2,166	15,671	-	15,671
Buildings	19,675	(1,935)	17,740	24	-	(1,048)	1,723	19,487	(1,048)	18,439
Other Improvements (not revalued)	2,221	(390)	1,831	1,168	-	(59)	-	3,389	(449)	2,941
Library Books	1,304	(1,304)	-	61	-	(1)	-	1,365	(1,305)	60
Plant & Vehicles	1,437	(1,002)	435	202	-	(189)	-	1,639	(1,191)	448
Computer Equipment	1,029	(847)	182	231	-	(109)	-	1,260	(955)	303
Office Equipment	2,221	(1,694)	528	105	-	(114)	-	2,324	(1,805)	518
Total Operational Assets	41,387	(7,172)	34,216	1,796	-	(1,519)	3,889	45,137	(6,755)	38,381
Restricted Assets										
Land	300	-	300	-	-	-	40	340	-	340
Improvements	668	(46)	568	10	-	(45)	20	598	(45)	553
Total Restricted Assets	968	(46)	868	10	-	(45)	60	938	(45)	893
Infrastructural Assets										
Roading & Footpaths	260,896	(3,950)	253,044	9,989	-	(4,000)	(1,897)	261,136	(4,000)	257,136
Bridges	47,891	(1,070)	45,779	998	-	(1,088)	1,207	47,984	(1,088)	46,896
Land Under Roads	9,115	-	9,115	-	-	-	-	9,115	-	9,115
Water Supply - Treatment Plants	7,195	(501)	6,186	521	(118)	(533)	85	6,674	(533)	6,141
Water Supply - Reticulation	29,544	(775)	28,015	798	(240)	(795)	983	29,556	(795)	28,761
Wastewater - Treatment Plants	9,215	(245)	8,724	296	(13)	(251)	215	9,222	(251)	8,971
Wastewater - Network	18,956	(566)	17,842	7	-	(580)	455	18,302	(580)	17,722
Stormwater	15,701	(351)	15,013	38	-	(357)	323	15,374	(357)	15,016
Stopbanks (no revalued)	156	-	156	-	-	-	-	156	-	156
Solid Waste	1,494	(15)	1,464	420	-	(18)	191	2,075	(18)	2,057
Total Infrastructural Assets	400,163	(14,826)	385,336	13,068	(371)	(7,622)	1,561	399,594	(7,622)	391,974
Items Under Construction	5,654	-	5,654	1,268	-	-	-	6,922	-	6,922
Total Property, Plant and Equipment	448,172	(22,098)	426,074	16,142	(371)	(9,186)	5,510	452,139	(31,283)	438,170

Part B – Notes to the Financial Statements for Council and Group

Council As at 30 June 2020	Opening Cost/ Valuation	Opening Accum Depn & Impairment Charges	Opening Carrying Amount	Current Year Additions	Current Year Disposals	Current Year Depreciation	Revaluation Surplus/ (Deficit)	Cost / Valuation	Accum Depn & Impairment Charges	Carrying Amount
Operational Assets										
Land	11,126	-	11,126	-	-	-	2,374	13,500	-	13,500
Buildings	17,267	(918)	16,349	244	-	(1,017)	2,164	18,757	(1,017)	17,740
Other Improvements (not revalued)	1,911	(345)	1,566	310	-	(45)	-	2,221	(390)	1,831
Library Books	1,265	(1,221)	44	39	-	(83)	-	1,304	(1,304)	-
Plant & Vehicles	1,279	(800)	479	176	(18)	(202)	-	1,437	(1,002)	435
Computer Equipment	967	(755)	212	77	(15)	(92)	-	1,027	(847)	180
Office Equipment	2,056	(1,586)	470	169	(7)	(107)	-	2,221	(1,693)	527
Total Operational Assets	35,871	(5,625)	30,246	1,015	(40)	(1,545)	4,538	40,467	(6,253)	34,214
Restricted Assets										
Land	240	-	240	-	-	-	60	300	-	300
Improvements	725	(54)	671	6	-	(46)	(63)	631	(63)	568
Total Restricted Assets	965	(54)	911	6	-	(46)	(3)	931	(63)	868
Infrastructural Assets										
Roading & Footpaths	252,913	(3,902)	249,011	8,913	-	(3,950)	(930)	256,994	(3,950)	253,044
Bridges	46,493	(1,042)	45,451	639	-	(1,070)	759	46,849	(1,070)	45,779
Land Under Roads	9,115	-	9,115	-	-	-	-	9,115	-	9,115
Water Supply - Treatment Plants	7,060	(503)	6,557	505	(61)	(505)	(310)	6,691	(505)	6,186
Water Supply - Reticulation	28,166	(751)	27,415	511	(155)	(779)	1,022	28,793	(779)	28,015
Wastewater - Treatment Plants	8,894	(246)	8,648	68	(10)	(245)	263	8,969	(245)	8,724
Wastewater - Network	18,404	(548)	17,856	41	-	(567)	511	18,408	(567)	17,842
Stormwater	15,081	(337)	14,744	1	-	(351)	619	15,364	(351)	15,013
Stopbanks (no revalued)	156	-	156	-	-	-	-	156	-	156
Solid Waste	1,309	(15)	1,294	23	-	(15)	162	1,479	(15)	1,464
Total Infrastructural Assets	387,591	(7,344)	380,247	10,701	(226)	(7,482)	2,096	392,818	(7,482)	385,337
Items Under Construction	4,459	-	4,459	1,195	-	-	-	5,654	-	5,654
Total Property, Plant and Equipment	428,886	(13,023)	415,863	12,917	(266)	(9,073)	6,631	439,870	(13,798)	426,073

Part B – Notes to the Financial Statements for Council and Group

Group As at 30 June 2020	Opening Cost/ Valuation	Opening Accum Depn & Impairment Charges	Opening Carrying Amount	Current Year Additions	Current Year Disposals	Current Year Depreciation	Revaluation Surplus/ (Deficit)	Cost / Valuation	Accum Depn & Impairment Charges	Carrying Amount
Operational Assets										
Land	11,126	-	11,126	-	-	-	2,374	13,500	-	13,500
Buildings	17,267	(918)	16,349	244	-	(1,017)	2,164	18,757	(1,017)	17,740
Other Improvements (not revalued)	1,911	(345)	1,566	310	-	(45)	-	2,221	(390)	1,831
Library Books	1,265	(1,221)	44	39	-	(83)	-	1,304	(1,304)	-
Plant & Vehicles	1,279	(800)	479	176	(18)	(202)	-	1,437	(1,002)	435
Computer Equipment	967	(755)	212	77	(15)	(92)	-	1,029	(847)	182
Office Equipment	2,056	(1,586)	470	172	(7)	(108)	-	2,221	(1,694)	527
Total Operational Assets	35,871	(5,625)	30,246	1,018	(40)	(1,547)	4,538	40,469	(6,254)	34,215
Restricted Assets										
Land	240	-	240	-	-	-	60	300	-	300
Improvements	725	(54)	671	6	-	(46)	(63)	631	(63)	568
Total Restricted Assets	965	(54)	911	6	-	(46)	(3)	931	(63)	868
Infrastructural Assets										
Roading & Footpaths	252,913	(3,902)	249,011	8,913	-	(3,950)	(930)	256,994	(3,950)	253,044
Bridges	46,493	(1,042)	45,451	639	-	(1,070)	759	46,849	(1,070)	45,779
Land Under Roads	9,115	-	9,115	-	-	-	-	9,115	-	9,115
Water Supply - Treatment Plants	7,060	(503)	6,557	505	(61)	(505)	(310)	6,691	(505)	6,186
Water Supply - Reticulation	28,166	(751)	27,415	511	(155)	(779)	1,022	28,793	(779)	28,015
Wastewater - Treatment Plants	8,894	(246)	8,648	68	(10)	(245)	263	8,969	(245)	8,724
Wastewater - Network	18,404	(548)	17,856	41	-	(567)	511	18,408	(567)	17,842
Stormwater	15,081	(337)	14,744	1	-	(351)	619	15,364	(351)	15,013
Stopbanks (no revalued)	156	-	156	-	-	-	-	156	-	156
Solid Waste	1,309	(15)	1,294	23	-	(15)	162	1,479	(15)	1,464
Total Infrastructural Assets	387,591	(7,344)	380,247	10,701	(226)	(7,482)	2,096	392,818	(7,482)	385,337
Items Under Construction	4,459	-	4,459	1,195	-	-	-	5,654	-	5,654
Total Property, Plant and Equipment	428,886	(13,023)	415,863	12,920	(266)	(9,075)	6,631	439,872	(13,798)	426,074

Core Infrastructure Asset Disclosures

Council & Group 2020/21	Closing Book Value	Additions Constructed by Council	Additions Transferred to Council	Most Recent Replacement Cost Estimate For Revalued Assets
	\$000	\$000	\$000	\$000
Roading (excluding land under roads)	304,032	10,988	-	452,241
Water Supply				
Treatment Plants & Facilities	6,141	521	-	11,796
Reticulation	28,761	798	-	60,310
Wastewater				
Treatment Plants & Facilities	8,971	296	-	13,238
Reticulation	17,722	7	-	39,836
Stormwater	15,016	38	-	29,459
Council & Group 2019/20	Closing Book Value	Additions Constructed by Council	Additions Transferred to Council	Most Recent Replacement Cost Estimate For Revalued Assets
	\$000	\$000	\$000	\$000
Roading (excluding land under roads)	298,823	9,552	-	441,021
Water Supply				
Treatment Plants & Facilities	6,186	505	-	11,381
Reticulation	28,015	511	-	59,021
Wastewater				
Treatment Plants & Facilities	8,724	68	-	12,989
Reticulation	17,842	41	-	38,949
Stormwater	15,013	1	-	28,951

Valuation

A revaluation was performed on 1 July 2020 on the following classes of property, plant and equipment and the effects of this revaluation have been reflected in the 2020/21 financial statements:

- § Roads and bridges.
- § Infrastructural assets for Water, Wastewater and Stormwater.
- § Solid waste infrastructural assets.
- § Land and buildings.

An annual revaluation was performed as at 1 July 2020 that will be reflected in the 2020/21 financial statements. This was reviewed for materiality and impairment. No material difference was noted between the current carrying value and their revalued amounts.

Land (Operational, Restricted and Infrastructural)

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely. Land has been valued as if vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage. Improvements by any lessee have been excluded, but land development and fertility improvements have been included. In determining fair value, an open market "willing buyer, willing seller" scenario is assumed. This is effectively the price an informed purchaser would have to pay to acquire a similar property.

Buildings (Operational and Restricted)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable sales data are available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions:

- § The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to overdesign or surplus capacity.
- § The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- § The remaining useful life of assets is defined by taking the economic life of the improvement and reducing this by the effective age of the components within each property.
- § Straight line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (e.g., residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

Infrastructural Asset Classes: Wastewater, Water, Drainage, Roads and Solid Waste

Wastewater, water and drainage are valued using depreciated replacement cost methodology. Roothing infrastructural assets are valued using the optimised depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the optimised depreciated replacement cost method. These include:

- § Estimating any obsolescence or surplus capacity of the asset.
- § Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets. In addition, indexed replacement costs are also used in the transport valuation (based on NZTA's March 2020 cost adjustment factors) and in three waters (indexed based on the cost fluctuation adjustment as per BSD3-15:2005)
- § Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions (e.g., weather patterns and traffic growth). If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue. To minimise this risk, infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

The most recent valuation for wastewater, water and stormwater drainage was performed by Minesh Patel of Veolia Water Australia and New Zealand who holds the qualification of Bachelor of Engineering (Chemical & Materials) (Hons). Minesh has been extensively involved in the provision of 3 Waters asset services for Veolia since September 2011 and has been involved in previous Ruapehu District Council asset valuations. The valuation had an effective date of 1 July 2020.

The most recent valuation for roading was performed by Stuart Trounson and approved by Simon Gough (BE (Civil, CAMA) of GHD Limited and the valuation had an effective date of 1 July 2020.

The most recent valuation for buildings, land and solid waste assets (valued by assessing the buildings on transfer station locations) was performed by Sarah Busuttin (BBS (VPM) MPINZ, ANZIV), Angela Scott (BBS (VPM) MPINZ) and Scott Lewis (BBS(VPM)) of Quotable Value Ltd and the valuation had an effective date of 1 July 2020.

Land under Roads

Land under roads are carried at deemed cost.

Library Collections

Library collections are valued at depreciated cost.

Total Fair Value of Property, Plant and Equipment Valued by each Valuer (\$000)

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
QV Asset and Advisory	36,117	34,246
Veolia Water	78,010	77,536
GHD	298,132	294,291

A comparison of the carrying value of buildings valued using depreciated replacement cost and buildings valued using market-based evidence is as follows:

	2021 \$000	2020 \$000
<i>Operational buildings</i>		
Depreciated replacement cost	16,716	14,799
Market-based evidence	1,723	4,303
Total carrying value of operational buildings	18,439	19,102
<i>Restricted buildings</i>		
Depreciated replacement cost	613	641
Market-based evidence	-	-
Total carrying value of restricted buildings	613	641

Impairment and Security for Liabilities

There were no impairment or reversals recognised in 2021 (2020: Nil).

None of Council's assets are pledged as security for liabilities in 2021 (2020: Nil).

Proceeds from Insurance

Council received \$10k from its insurers for damages (2020: \$3k).

Work in Progress

Capital Works in Progress by class of asset is detailed below:

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Operational Assets		
Land	-	-
Buildings	488	72
Other Improvements	564	1,436
Library Books	8	14
Plant and Vehicles	29	30
Computer Equipment	12	-
Office Equipment	-	-
Infrastructural Assets		
Roading	1,767	2,449
Bridges	91	91
Land Under Roads	-	-
Water Supply	2,488	646
Wastewater	1,055	711
Stormwater	199	171
Stopbanks	-	-
Solid Waste	148	13
Property Plant and Equipment Capital Works in Progress Total	6,849	5,633
Intangibles	73	21
Total Capital Works in Progress by Asset Class	6,922	5,654

18. INTANGIBLE ASSETS

The intangible assets owned by Council include computer software and a resource consent.

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Carrying Amount at 1 July	856	222	877	222
Intangibles				
<i>Cost</i>				
Balance at 1 July	2,992	2,181	3,041	2,181
Additions	267	811	267	860
Disposals	-	-	-	-
Balance At 30 June	3,259	2,992	3,308	3,041
<i>Accumulated Amortisation</i>				
Balance at 1 July	(2,135)	(1,966)	(2,163)	(1,959)
Amortisation Charge	(318)	(169)	(340)	(205)
Disposals	-	-	-	-
Balance at 30 June	(2,453)	(2,135)	(2,503)	(2,163)
Carrying Amount at 30 June	805	856	805	877
Carrying Amount per Asset Class				
Software	694	734	694	755
Resource Consents	111	122	111	122
Carrying Amount at 30 June	805	856	805	877

There are no restrictions over the title or security held on the intangible assets. There were no internally generated intangible assets (2020 Nil).

19. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY

Directly Attributable Depreciation and Amortisation Expense by Group of Activity	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Community Support	4	5	4	5
Community Facilities	994	1,034	994	1,034
Land Transport	5,087	5,020	5,087	5,020
Leadership	2	6	2	6
Stormwater and Flood Protection	357	351	357	351
Wastewater	840	820	840	820
Water Supply	1,333	1,285	1,333	1,285
Waste Management and Minimisation	24	21	24	21
Total Directly Attributable Depreciation and Amortisation by Group Of Activity	8,642	8,542	8,642	8,542
Depreciation and Amortisation not directly related to Group of Activities	861	709	884	738
Total Depreciation and Amortisation Expense	9,503	9,251	9,526	9,280

20. INVESTMENT PROPERTY

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Land	4,429	3,195
Buildings	593	441
Balance at 30 June	5,022	3,636

Movement in investment property during the year was:

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Balance at 1 July	3,636	3,162
Reclassification to PPE	-	-
Additions	-	-
Disposals	-	(101)
Fair Value Gains/(Losses) on Valuation	1,386	575
Balance at 30 June	5,022	3,636

Investment properties are revalued annually effective at 30 June to fair value. The valuation was performed by Sarah Busuttin (BBS (VPM), ANZIV, MPINZ), Maria McHugh (BBS (VPM)), and Ashley Pont (BLPM) of Quotable Value Ltd and the valuation had an effective date of 30 June 2021.

There are no restrictions on the realisability of investment property or the remittance of revenue or proceeds from disposal.

Valuation

Investment Property Land

Investment land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the “unencumbered” land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely. Land has been valued as if vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage. Improvements by any lessee have been excluded, but land development and fertility improvements have been included. In determining fair value an open market “willing buyer, willing seller” scenario has been assumed. This is effectively the price an informed purchaser would have to pay to acquire a similar property.

Investment Property Buildings

Valuations give consideration to:

Sales comparison approach, comparing structures based on market-based net rates per square metre:

- § Income approach, capitalising net income and discounted cash flow (based on assumptions including future rental revenue, anticipated maintenance costs, and appropriate discount rates);
- § Depreciated replacement cost is used if the fair value method cannot be established using market data. Depreciated replacement cost looks at replacement costs of material less economic physical obsolescence and any over design.

Revenue and Expenditure on Investment Property	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Rental Revenue	19	30
Expenditure on Property Generating Revenue	(8)	(8)
Expenditure on Property Not Generating Revenue	(21)	(20)

Registered Valuations were completed as at 1 July 2021 for RDC’s Investment Properties. The valuer adopted the Optimised Depreciated Replacement Cost (ODRC) approach whereby one of the key drivers of value under this approach is replacement costs of buildings. Under this approach, the most recent sales available were used and the valuation is current as at the effective date of valuation only. The COVID-19 situation has had limited impact on the Fair Value of the improvement assets assessed using the ODRC approach as at 30 June 2021/1 July 2021. There remained a small degree of uncertainty but the market for residential properties has shown great resilience, in part due to the historic low mortgage rates and the ongoing lack of supply in relation to moderate to high demand. Values have experience upward pressure as demand remains high.

21. CREDITORS AND OTHER PAYABLES

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Current				
Exchange				
Trade Payables	1,209	1,714	1,407	1,805
Accrued Expenses	2,588	1,506	2,589	1,506
Amounts Due to Customers for Contract Work	-	-	-	-
	3,797	3,220	3,996	3,311
Non-Exchange				
Trade Payables	9	9	9	9
Accrued Expenses	8	-	8	-
Other Financial Liabilities	206	220	206	220
Transitional GST Payable	-	-	-	-
	223	229	223	229
Total Current Portion	4,020	3,449	4,219	3,540
Total Creditors and Other Payables	4,020	3,449	4,219	3,540

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore, the carrying value of the creditors and other payables approximates their fair value.

22. BORROWINGS

	Council & Group		Council & Group	
	Carrying Amount		Fair Value	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Current Portion				
Secured Loans	8,000	8,000	7,980	7,992
CARL Facility	-	-	-	-
Total Current Portion	8,000	8,000	7,980	7,992
Non-Current Portion				
Secured Loans (Fixed Interest)	25,400	21,000	23,646	19,392
Total Non-Current Portion	25,400	21,000	23,646	19,392
Total Borrowings	33,400	29,000	31,626	27,384

Weighted Average Interest Rate	Council & Group	
	Actual 2021	Actual 2020
Current	0.59%	0.62%
Non-Current	2.75%	2.01%
Overall	1.81%	1.75%

Secured Loans

Council's secured loans of \$33.4m (2020: \$29m) have been borrowed at fixed and floating rates of interest from the Bank of New Zealand (\$4m) and the Local Government Funding Authority (LGFA) (\$29.4m). Fixed rate debt rates are set at the time of rollover and include a margin for credit risk. Rates are fixed on terms in line with Council's Treasury Management Policy, with staggered rollovers to mitigate interest rate risk. During the year Council entered did not enter into any new interest rate swap contracts (2020:\$nil).

Security

Council operates a Customised Average Rate Loan Facility (CARL) with the Bank of New Zealand. The limit of this facility is \$3,000,000, as at 30 June 2021 this had no amounts drawn down on it (2020: \$0). This facility is secured by a charge over rates. There are no restrictions on the use of this facility and it expires on 20 September 2023. Through the LGFA and CARL Facility Council can draw down funds to cover any short term debt requirements to the limits outlined above.

Secured loans are secured over either separate or general rates of Council.

Fair Values

The fair values are based on cash flows discounted using weighted average interest rates based on borrowing costs ranging from 0.59% to 4.55% (2020: 0.61% to 4.55%).

Internal Borrowings

Council has no internal borrowings, defined as per clause 27 of schedule 10 in the Local Government Act 2002. Council is keeping track of internal movement of funds but these do not qualify as internal borrowings under this provision.

23. EMPLOYEE ENTITLEMENTS

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Annual Leave and Special Leave	286	346	297	346
Accrued Salaries	74	57	74	57
Total Employee Entitlements	360	403	371	403

24. PROVISIONS

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Non-Current Portion		
Landfill Aftercare Provision	206	199
Movement In Landfill Aftercare Provision		
Balance at 1 July	199	194
Additional Provisions Made	7	5
Amounts Used	-	-
Unused Amount Reversed	-	-
Discount Unwind (Note 6)	-	-
Balance at 30 June	206	199

Landfill Aftercare Costs

Upon formation of Council from amalgamation of smaller councils, and the introduction of the Resource Management Act (1991), 13 landfills throughout the District were phased out. Closed landfills are capped and monitored according to resource consent requirements. The risks associated with this operation are not believed to be significant and the expense is budgeted for annually as part of the relevant activity.

Council obtained resource consent in July 2001 to operate a landfill until October 2020. There is a responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed.

The landfill aftercare costs and provision referred to in this note relate to the one operational landfill in Taumarunui (which will be capped during 2021 and monitored in the future), and the provision utilised to fund this.

The cash outflows for landfill post-closure costs are expected to occur through to 2055. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and known changes to legal requirements. The gross provision is \$206k (2020: \$199k), and was set after obtaining an engineer's valuation of what the provision needed to be at 30 June 2016. An inflation factor of 3.3% has been applied for 2021 (2020:3%).

25. EQUITY

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Ratepayers Equity				
Balance at 1 July	279,773	274,911	279,876	274,911
Transfers (to)/from Asset Revaluation Reserves on Disposal	90	132	90	132
Transfers from Restricted Reserves	-	3	-	3
Transfers to Restricted Reserves	-	-	-	-
Transfers to Financial Assets at Fair Value through other Comprehensive Revenue Reserve	-	-	-	-
Surplus / (Losses) for the year	6,099	4,654	6,121	4,830
Balance at 30 June	285,962	279,700	286,087	279,876
Other Reserves				
Restricted Reserves				
Balance at 1 July	62	65	62	65
Transfers to Accumulated Funds	-	(3)	-	(3)
Transfers from Accumulated Funds	-	-	-	-
Balance at 30 June	62	62	62	62
Asset Revaluation Reserve				
Balance at 1 July	122,929	116,431	122,929	116,431
Net Revaluation Gains/(Losses)	5,433	6,630	5,433	6,630
Transfer to Ratepayers Equity on Disposal of Property	(90)	(132)	(90)	(132)
Balance at 30 June	128,272	122,929	128,272	122,929
Asset Revaluation Reserves For Each Asset Class Consist Of:				
Operational Assets				
- Land	11,311	9,104	11,311	9,104
- Buildings	12,107	10,364	12,107	10,364
Infrastructural Assets				
- Wastewater System	18,430	17,768	18,430	17,768
- Stormwater System	11,803	11,480	11,803	11,480
- Water Supply System	19,971	19,062	19,971	19,062
- Land Transport (Roading Network)	54,263	54,954	54,263	54,954
- Solid Waste	388	197	388	197
Balance at 30 June	128,272	122,929	128,272	122,929
Fair Value Through Comprehensive Revenue and Expense Reserve				
Balance at 1 July	93	125	93	125
Net revaluation gains/(losses)	2	(32)	2	(32)
Balance at 30 June	95	93	95	93

Total Other Reserves	128,429	123,084	128,429	123,084
Total Equity	414,391	402,784	414,517	402,960

The fair value through comprehensive income reserve reflects the cumulative revaluations on other financial assets for which gains and losses are reflected through other comprehensive revenue and expense.

Information about reserve funds held for a specific purpose is provided below:

Council & Group Reserve	Activities for which the Reserve Relates	Balance 1 Jul \$000	Transfers into Fund \$000	Transfers out of Fund \$000	Balance 30 Jun \$000
2021					
Raetihi Lighting	Community Facilities	4	-	-	4
Ohakune Lighting	Community Facilities	-	-	-	-
Ohakune Forestry Sale Allocation	Community Facilities	32	-	-	32
Raetihi Forestry Sale Allocation	Community Facilities	26	-	-	26
Total Restricted Reserves 2021		62	-	-	62
2020					
Raetihi Lighting	Community Facilities	4	-	-	4
Ohakune Lighting	Community Facilities	3	-	3	-
Ohakune Forestry Sale Allocation	Community Facilities	32	-	-	32
Raetihi Forestry Sale Allocation	Community Facilities	26	-	-	26
Total Restricted Reserves 2020		65	-	3	62

Restricted reserves are those reserves subject to specific conditions accepted as binding by Council and which Council may not revise without reference to the Courts or a third party. Transfer from these reserves may only be made for certain specific purposes or when specified conditions are met. Most of the restricted reserves were “inherited” during the amalgamation that created Ruapehu District Council. The last two Restricted Reserves that were created in the 2018/19 financial year related to the Ohakune and Raetihi share of the sale of the Whanganui Forestry Investment that occurred in December 2018. The Forestry investment was made between 1979 and 1990 and the two areas contributed some funding for the project and this is their percentage share of the proceeds.

Purpose of Each Reserve Fund

ECNZ Stratford-Huntly Amenities

The fund was created prior to 1989 and was established to provide “public” amenities being amenities owned or administered by the Crown or Council for recreational, cultural or social purposes.

Raetihi Water Supply

This fund resulted from a contribution by Ruapehu Alpine Lifts Ltd which is designated for Raetihi community projects. \$85k was allocated to the Raetihi community for the instalment of water filters in their homes.

Raetihi Lighting

In 2013 funds were allocated to the Raetihi community for community lighting.

Ohakune Lighting

In 2013, funds were allocated to the Ohakune community. In addition, funds were vested on the Council for use on this project.

26. RECONCILIATION OF NET SURPLUS (DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Net Surplus (Loss)	6,099	4,654	6,121	4,830
Add / (Less) Non-Cash Items				
Share of Associate's (Surplus) / Deficit	(4)	(8)	(4)	(8)
Depreciation and Amortisation Expense	9,503	9,251	9,526	9,280
(Gains) / Losses on Impairment of Receivables	(214)	456	(215)	254
(Gains) / Losses in Fair Value of Investment Property	(1,386)	(575)	(1,386)	(575)
(Gains) / Losses in RAL Loan Net Present Value Discount Adjustment	(11)	(11)	(11)	(11)
	13,986	13,767	14,031	13,770
Add / (Less) Items Classified As Investing Or Financing Activities				
(Gains) / Losses (Net) on Disposal of Property, Plant and Equipment	339	131	339	131
(Gains) / Losses on Financial Assets Taken Through Gains / Losses	(127)	21	(127)	21
(Gains) / losses on property, plant and equipment revaluations taken through gains / losses	-	-	-	-
(Gains) / Losses on Disposal of Investments Classified as Fair Value through Other Comprehensive Income	2	(32)	2	(32)
	214	120	214	120
Add / (Less) Movements In Working Capital Items				
(Inc) / Dec in Debtors and Other Receivables	(1,602)	490	(1,693)	470
(Inc) / Dec in Prepayments and Accrued Income	373	(30)	374	(30)
(Inc) / Dec in Inventory	37	(44)	37	(44)
Inc / (Dec) in Creditors and Other Payables	3,268	1,326	3,553	1,413
Inc / (Dec) in Provisions	7	5	7	5
Inc / (Dec) in Other Employee Entitlements	(42)	(162)	(31)	(162)
	2,041	1,585	2,247	1,652
Net Cash Inflow / Outflow from Operating Activities	16,241	15,472	16,492	15,542

27. CAPITAL COMMITMENTS AND OPERATING LEASES

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Capital Commitments		
Roading	4,357	6,202
Bridges	464	928
Water	1,213	4,712
Wastewater	486	-
Community Facilities	2,230	-
Total Capital Commitments	8,750	11,842
Operating Leases As Lessee		
Not Later Than One Year	640	225
Later Than One Year and Not Later Than Five Years	671	135
Later Than Five Years	128	150
Total Non-Cancellable Operating Leases	1,438	510
Operating Leases As Lessor		
Not Later Than One Year	84	74
Later Than One Year and Not Later Than Five Years	125	148
Later Than Five Years	74	76
Total Non-Cancellable Operating Leases	282	298

Capital Commitments

Council has entered into a number of contracts for land transport, mainly for the unsealed pavement maintenance. This work was required to be completed by 30 June 2022.

Operating Leases

Council leases property, plant and equipment in the normal course of its business. The future aggregate minimum lease payments payable under non-cancellable operating leases are as shown above.

Council leases an office building as the lessee, for which the lease expires in September 2031, with a right of renewal for a further 25 years. There is no option to purchase the asset at the end of the lease term. There are no other significant leases. The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2020: \$nil).

There are no restrictions placed on the council by any of the leasing arrangements. No contingent rents have been recognised during the period.

28. CONTINGENCIES

Contingent Liabilities

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Legal Proceedings	150	150

Council is subject to one legal proceedings against it, alleging inadequate compensation for acquired land.

The potential liability to Council, if the claim is successful, is estimated to be \$150,000. The outcome of the claim will not be known until legal proceedings progress further (as for 2020).

New Zealand Local Government Funding Agency (LGFA):

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poors of AAA for local currency and a foreign rating of AA+ as at 22 February 2021.

As at 30 June 2021, the Council is one of 30 local authority shareholders and 54 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. It has uncalled capital of \$1 million. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with other shareholders and guarantors, the Council is a guarantor of all the LGFA's borrowings. At 30 June 2021, the LGFA had borrowings totalling \$14.220 billion (2020:\$12.220 billion).

PBE Accounting Standard require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The Council considered the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that :

- § It is not aware of any local authority debt default events in New Zealand ; and
- § Local government legislation would enable local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required.

Contingent Assets

There are no Contingent Assets.

29. RELATED PARTY TRANSACTIONS

Transactions with Key Management Personnel

	2021		2020	
	FTE's	\$000	FTE's	\$000
Councillors				
Remuneration		404	-	387
Full Time Equivalent Members	12		12	
Senior Management Team Including Chief Executive				
Salaries and other Short-Term Employee Benefits		760	-	746
Post-Employment Benefits			-	-
Other Long-Term Benefits			-	-
Termination Benefits			-	-
Full Time Equivalent Members	4		4	-
Total Key Management Personnel Compensation	16	1,164	16	1,133

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

Key management personnel include the Mayor, Councillors, Chief Executive and the other three members of the senior management team.

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Councillors are also involved in various non-profit organisations throughout the community, which receive funding from Council. There has been no disclosure where the transactions are consistent with a client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

RDC Holdings Ltd (100% Council owned subsidiary) which is non-active and has no revenue, expenditure, assets or liabilities, and there have been no transactions recorded in the 2021 financial year. (2020: Nil).

Visit Ruapehu Ltd (100% Council Controlled Organisation). This new organization replaced the Ruapehu Regional Tourism Organisation (RTO) Trust, which was operated from 2009 until wound up by a Trustees Resolution on 17 October 2019 under a Deed of Confirmation. The transactions and assets and liabilities for the period 1 July 2020 to 30 June 2021 are consolidated into the Parent Group within the Financial Statements

Provisions/Impairments

No impairments have been required for any receivables to related parties (2020: Nil).

30. REMUNERATION

Chief Executive

The total Chief Executive remuneration was:

Chief Executive	2021	2020
Salary – C. Manley	318,082	287,007
Superannuation Contribution – C. Manley	9,147	8,128
Total Chief Executive Remuneration	327,229	295,135

Elected Representatives

Remuneration paid to elected representatives:

Council	2021	2020
Cameron, Don (Mayor)	107,175	105,773
Cosford, Graeme	26,012	24,429
Doyle, Adie	26,293	24,911
Goddard, Ben (passed away 23/09/20)	5,906	24,532
Gram, Robyn	25,712	18,334
Hinch, Janelle (appointed 05/11/20)*	16,905	-
Hoeta, Vivienne	25,862	24,382
Neeson, Lyn	26,441	24,566
Ngatai, Karen (Deputy Mayor)	39,626	35,804
Nottage, Rabbit	25,825	24,457
Pue, Elijah	27,268	18,522
Wheeler, Kim	25,731	24,270
Wilson, Murray	25,712	24,270
Total	404,469	386,699

Notes:

* Janelle Hinch was a current community board member when appointed to Council. Only remuneration from her Council tenure is shown here, remuneration for her Community Board tenure is shown in the Community Boards remuneration disclosure.

Community Boards

Remuneration paid to Community Board Members:

Community Boards	2021	2020
Biddle, Missy (passed away 12/06/2020)	-	4,119
Bolten, Mark	2,928	2,064
Chapman, John (appointed 24/12/2020)*	2,190	868
Dowsett, Cynthia	1,589	3,058
Henare, Kay (appointed 24/12/2020)	2,169	-
Hinch, Janelle (appointed 25/09/2020, appointed to Council 05/11/2020)**	409	-
Hotter, John (Luigi)	8,676	8,442
McCarthy, Clark	2,928	2,182
Oliver, Winston*	-	1,287
O'Neill, Simon	2,939	2,928
Pehi, Peta*	-	868
Pendleton, Jenni*	-	1,744
Whale, Allan	4,338	4,338
Zimmer, Peter	5,876	4,253
Total	34,041	36,151
Total Elected Representatives' Remuneration	438,510	422,850

Notes:

*These Community Board Members were not re-elected at the October 2019 Council election.

** Janelle Hinch was a current community board member when appointed to Council so resigned from the Community Board as at that date. Only remuneration from her Community Board tenure is shown here, remuneration for her Council tenure is shown in the Elected Member remuneration disclosure.

Councillors (excluding the Mayor) attended the following meetings as part of their roles:

Councillor Meeting Attendance	RDC		Total
	Council	Rep External	
Cosford, Graeme	13	0	13
Doyle, Adie	33	12	45
Goddard, Ben (passed away 23/09/2020)	2	1	3
Gram, Robyn	32	5	37
Hinch, Janelle (appointed 18/11/2020)	11	0	11
Hoeta, Vivienne	19	7	26
Neeson, Lyn	19	1	20
Ngatai, Karen	43	18	61
Nottage, Rabbit	12	3	15
Pue, Elijah	23	0	23
Wheeler, Kim	14	2	16
Wilson, Murray	21	2	23
Total	242	51	293

Notes:

RDC Rep External represents meetings where the Councillor is attending as the Council appointed representative.

Council Employees

Total Annual Remuneration By Band	
2021 Bands	2021
< \$60,000	54
\$60,000 - \$79,999	17
\$80,000 - \$99,999	6
\$100,000 - \$139,999	7
\$140,000 - \$159,999	6
\$280,000 - \$299,999	1
Total Employees	91

Total Annual Remuneration By Band	
2020 Bands	2020
< \$60,000	58
\$60,000 - \$79,999	14
\$80,000 - \$99,999	10
\$100,000 - \$139,999	6
\$140,000 - \$159,999	6
\$280,000 - \$299,999	1
Total Employees	95

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 57 (2020: 62) full-time employees, with the balance of staff representing 22.93 (2020: 20.46) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

31. SEVERANCE PAYMENTS

For the year ended 30 June 2021, Council made two severance payments totalling \$6,000 (2020: 0).

32. EVENTS AFTER BALANCE DATE

On 17 August 2021, the Ministry of Health announced one new community case of Covid-19 in New Zealand and the country moved into Alert Level 4. All of New Zealand, south of Auckland moved into Alert Level 3 on 31 August 2021, with Northland moving to Alert Level 3 on 2 September. New Zealand (except Auckland) moved to Alert Level 2 on 7 September 2021 and specific regions or areas moved between Alert Level 2 & 3 after this time, until the end of the Alert Level System. The Ruapehu District stayed at Alert Level 2 until the introduction of the new Covid 19 Protection Framework (Traffic Light System), on 2 December 2021. The Ruapehu District is currently at the Red setting in the new Traffic Light System but the Government have announced a move to the Orange setting at 11.59pm on 30 December 2021. Any impacts from Covid-19 have been discussed in note 37.

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements. Currently 67 different councils own and operate and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The proposed reform programme is being progressed through a partnership-basis approach with the local government sector, alongside iwi/Maori as the Crown's Treaty Partner.

Following the Government announcement on the 27 October 2021 on 3 waters reform, there is increased certainty with the proposal to transfer the three-water delivery and infrastructure from the 67 councils to four Water Service Entities (WSEs). In June 2021, the Government proposed regional boundaries for each entity A, B, C and D, which would manage water assets for the country. Council would belong to WES 'B', along with 22 other Councils. Based upon the current proposals, the WSE would be independent with a separate Board of Directors and Councils would have no shareholding and no financial interest. At the date of this annual report being approved for issue there is due to this announcement, increased certainty that should the legalisation be enacted, Council will not be responsible for the delivery and infrastructure of three water services from 1 July 2024.

33. FINANCIAL INSTRUMENT RISKS

Financial Instrument Categories

The accounting policies for financial instruments have been applied to the line items below:

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Financial Assets				
Cash and Cash Equivalents	6,256	1,938	6,771	2,197
Loans and Receivables	412	401	412	401
Debtors and Other Receivables	5,591	4,197	5,672	4,197
Accrued Income	637	1,015	637	1,015
Total Loans and Receivables	12,896	7,551	13,492	7,810
Fair Value through other Comprehensive Revenue				
Other Financial Assets:				
- Listed Shares	-	-	-	-
- Unlisted Shares	54	53	54	53
- Other Investments	398	287	398	287
Total Fair Value through other Comprehensive Revenue	453	340	453	340
Financial Liabilities				
Financial Liabilities at Amortised Cost				
Creditors and Other Payables	3,995	3,449	4,192	3,540
Borrowings:				
- CARL Facility	-	-	-	-
- Secured Loans	33,400	29,000	33,400	29,000
Total Financial Liabilities at Amortised Cost	37,395	32,449	37,592	32,540

Fair Value Hierarchy Disclosures

The majority of Council's financial assets are valued using non-observable inputs. Council has assessed the value of Council's financial assets as not material and has therefore chosen not to present Fair Value Hierarchy Disclosures.

Valuation Techniques with Significant Non-Observable Inputs (Level 3)

The table below provides reconciliation from the opening balance to the closing balance for the Level 3 Fair Value Measurements:

	Council & Group	
	Actual 2021 \$000	Actual 2020 \$000
Balance at 1 July	741	712
Gains and Losses Recognised in the Surplus or Deficit	13	13
Gains and Losses Recognised in other Comprehensive Revenue	2	(48)
Purchases	110	64
Sales	-	-
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Balance at 30 June	866	741

These investments include unlisted shares in Civic Assurance. Also included is a loan to the Kakahi Water Supply Board Limited.

The increase in the value of the loan includes capitalisation of interest income and rates revenue.

Financial Instruments Risk

Council has a series of policies to manage the risks associated with financial instruments, is risk averse and seeks to minimise exposure from its treasury activities. The Treasury Management Policies do not allow for any speculative transactions.

Market Risk

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council does not have any material exposure to price risk.

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments at fixed rates of interest expose Council to fair value interest rate risk. Council's Treasury Management Policy sets the minimum and maximum levels of fixed interest rate exposure to borrowings across various time intervals.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Council's policy is to raise long-term borrowings on fixed interest rates. There is no significant exposure to cash flow interest rate risk.

Credit Risk

Credit risk is the risk that a third party will default on its obligation to Council, causing it to incur a loss. Financial instruments which potentially subject Council to credit risk principally consist of bank balances, accounts receivable, investments and other guarantees.

Part B – Notes to the Financial Statements for Council and Group

Debtors and other receivables arise mainly from Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers. Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Council's Treasury Policy limits the amount of credit exposure on investment instruments to any one institution or organisation. There are also minimum credit rating limits in place. Council holds no collateral or credit enhancements for financial instruments that give rise to credit risk. Council's maximum credit risk exposure for each class of financial instrument is as follows:

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Cash at Bank and Term Deposits	6,256	1,938	6,771	2,197
Debtors and Other Receivables	5,591	4,197	5,672	4,197
Accrued Income	641	1,015	641	1,015
Other Financial Assets (Investments)	864	741	864	741
Total Credit Risk	13,352	7,891	13,948	8,150

Credit Quality of Financial Assets

The credit quality of financial assets, that are neither past due nor impaired, can be assessed by reference to Standard and Poor's credit ratings, where such ratings are available.

	AA- \$000	Unrated \$000	Total \$000
Council & Group 2021			
Cash at Bank and Term Deposits	6,771	-	6,771
Debtors and Other Receivables	-	5,672	5,672
Accrued Income	-	637	637
Other Financial Assets (Investments)	-	864	864
Total Credit Risk	6,771	7,173	13,944
Council & Group 2020			
Cash at Bank and Term Deposits	2,197	-	2,197
Debtors and Other Receivables	-	4,197	4,197
Accrued Income	-	1,015	1,015
Other Financial Assets (Investments)	-	741	741
Total Credit Risk	2,197	5,953	8,150

Other financial assets are mainly assets not able to be credit rated. The remaining assets are of insignificant value and are therefore not rated.

Liquidity Risk

Management of Liquidity Risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Council manages its borrowings in accordance with its funding and financial policies which include a Treasury Management Policy.

Council has a new CARL Facility with the Bank of New Zealand which has a maximum amount that can be drawn down of \$3m (2020: \$3m).

Contractual Maturity Analysis of Financial Liabilities

The following table analyses Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the relevant interest rate at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying Amount \$000	Contractual Cash Flows				
		Total \$000	< 1 year \$000	1-2 years \$000	2-5 years \$000	5+ years \$000
Council & Group 30 June 2021						
Creditors and Other Payables	4,192	4,192	4,192			
CARL Facility	-	-	-	-	-	-
Secured Loans	33,400	35,274	8,583	463	19,672	6,556
Bonds (Fixed Interest)	-	-	-	-	-	-
Total	37,592	39,466	12,775	463	19,672	6,556
Council & Group 30 June 2020						
Creditors and Other Payables	3,540	3,540	3,540	-	-	-
CARL Facility	-	-	-	-	-	-
Secured Loans	29,000	30,768	8,516	458	19,709	2,085
Bonds (Fixed Interest)	-	-	-	-	-	-
Total	32,540	34,308	12,056	458	19,709	2,085

Sensitivity Analysis

The following table illustrates the potential profit and loss impact due to reasonable possible market movements, with all other variables held constant, based on Council's financial instrument exposures at balance date. There are no financial instruments held for which foreign exchange risk applies. As there is no interest rate to Council, as all interest rates are at a fixed interest rate as balance date (including prior year) no table is included.

Interest Rate Risk (Through Surplus)	Council & Group		Council & Group	
	2021		2020	
	-50bp \$000	+100bp \$000	-50bp \$000	+100bp \$000
Financial Assets				
Cash and Cash Equivalents	(3)	7	(1)	2
Financial Liabilities				
Cash and Cash Equivalents	-	-	-	-
Term Loans	(3)	6	(6)	11
Total Sensitivity	(6)	13	(7)	13

Explanation of Interest Rate Risk Sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis point (bp) movement. For example, a decrease in 50bp is equivalent to a decrease in interest rates of 0.5%.

As Council only secures borrowing through loans, there is no interest rate risk sensitivity on the financial liabilities.

34. CAPITAL MANAGEMENT

Council's capital is its equity (or ratepayers' funds) which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

Council complied with all externally imposed capital requirements to which it is subject.

The objective of managing these items is to achieve intergenerational equity. This is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and does not expect them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, Council has in place Asset Management Plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance. Council is also focussing efforts on ensuring that it is being "smart" with how it maintains and upgrades assets to minimise the impact on ratepayers now and in the future.

The Act requires Council to make adequate and effective provision in the Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in these plans. The Act also sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's LTP.

Council has the following Council created reserves:

- § Reserves for different areas of benefit.
- § Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Trust and bequest reserves are set up where funds that are restricted for a particular purpose have been donated to Council. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose for which they were donated.

35. COUNCIL CONTROLLED ORGANISATIONS

RDC Holdings Limited is a company created as a Local Authority Trading Enterprise (LATE) to comply with changes in tendering rules for contracting. The trading activities ceased with the sale of the LATE contracts Plant and Equipment to Works Construction in 1997. The company has been retained as an inactive company because, periodically, opportunities arise which may make it a useful entity. None of these prospective opportunities has materialised to date. RDC Holdings Ltd is intended to be an exempt CCO and has no performance targets.

Visit Ruapehu Limited was incorporated on 23 August 2019, as a Council Controlled Organisation (CCO) with Ruapehu District Council being the 100% owner. This new organisation replaced the Ruapehu Regional Tourism Organisation (RTO) Trust, which was operating from 2009 until it was wound up by a Trustees resolution on 17 October 2019 under a Deed of Confirmation. The assets were transferred to Visit Ruapehu Limited, free of all charges and encumbrances and all the Trusts debts and liabilities were paid. Visit Ruapehu Limited is an exempt entity and is not required to have performance targets.

	Actual 2021 \$000	Actual 2020 \$000
Investment In Subsidiaries (CCO)		
- Investment in Visit Ruapehu Ltd	124	103
	124	103
Visit Ruapehu Ltd		
Summarised financial information of associates presented on a gross basis		
Assets	649	303
Liabilities	525	200
Revenues	1,337	443
Surplus/(Deficit)	20	(28)
RDC's Interest	100%	100%

Shares in subsidiaries (cost)

Breakdown of shares in subsidiaries and further information is as follows:

	Principal Activity	Actual 2021 \$	Actual 2020 \$
Visit Ruapehu Ltd	The promote the Ruapehu District and tourism and improve the economic welfare of the citizens of the Ruapehu District	131,447	131,447
Total		131,447	131,447

36. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from Council's LTP budget figures for 2020/21 are as follows:

Statement of Comprehensive Revenue and Expense

Revenue

Subsidies and grants are \$418,000 lower than budget, mainly due to \$4M being budgeted in the 2020/21 Annual Plan for funding for the Ohakune Water Treatment Plant project, with only \$323,000 received. This has been offset by additional funding received for Worker Redeployment of Local Roding Projects, Mayors Taskforce for Jobs, Cycle Trail maintenance, and Three Waters Stimulus Funding. The increase of funding in these areas has been accompanied by a subsequent increase in expenditure which accounts for the majority of the \$1.7M increase in other expenditure.

Rates are \$333,000 lower than the budget, which was mainly due to the write off of \$397,000 (GST exclusive) of rates, under the Local Government (Rating of Whenua Māori) Amendment Bill, which took effect from April 2021. This has been offset by an increase in rates revenue, due to growth within the district.

Fees and Charges are \$1.1m lower than the budget, mainly due to reclassification of items to other revenue.

Other Revenue is \$1.3m higher than the budget, which was mainly due to reclassification of items from Fees & Charges but also includes additional revenue received from MBIE for the economic and tourism development work.

Council does not budget for non-financial instrument Gains, therefore any gain amount is a variance against the budget. This year these were \$1.39m gain from revaluations of Investment Property and \$318,000 gain on disposal of assets.

Expenses

Personnel Costs are \$188,000 higher than the budget, which is driven by new positions funded from DIA with the Three Waters Stimulus Funding, and MBIE for economic and tourism development.

Finance costs are \$339,000 lower than the budget due to market interest rates being lower than what was budgeted. The majority of the savings resulted from Council's membership of the LGFA.

Other Expenses are \$1.7m higher than the budget. The majority of this was expenditure for which we had received additional funding to undertake e.g. Three Waters Stimulus Funding, Worker Redeployment of Local Roding Projects, Mayors Taskforce for Jobs.

Council does not budget for losses, therefore any gain amount is a variance against the budget. This year there were \$657,000 attributed to loss on disposal of assets.

Statement of Financial Position

Cash and Cash equivalents are \$5.8m higher than the budget, which is due to timing of income and expenditure and also the need to have higher cash balances due to a larger capital works programme and the three waters stimulus spending profile.

Receivables are \$1.1m higher than the budget mainly due to a large receivable from MBIE for Te Ara Mangawhero and missing links trails project and Ohakune Water Treatment Plant. This has been partially offset by Rates receivables, which have decreased by \$377,000, mainly due to write off of rates under the Local Government (Rating of Whenua Māori) Amendment Bill.

Property Plant and Equipment is \$1.4m higher than the budgeted amount, mainly due to unbudgeted capital works projects including three waters stimulus projects and worker redeployment of local roading projects. The increase in intangible assets of \$583,000 is due to the capitalisation of stage one of the EDRMS/Digital Workspace project.

Investment Property is \$1.8m higher than the budgeted amount, due to strong revaluations over the last two years.

Creditors and other payables is \$1.4m lower than the budget, due to timing of expenditure.

Employee Entitlements are \$205,000 less than budget due to timing of the pay period with the end of the financial year.

Income in Advance is \$4.6m more than the budget due to unspent funding from Central Government for the Youth Worker Redeployment, Ohakune Water Treatment Plant upgrade and three waters stimulus funding.

Statement of Cash Flows

Subsidies and grants receipts are \$3.2m higher than budget mainly due to the additional funding received from Central Government which was not budgeted.

Cashflow from Other Revenue is \$2.3m lower than budget as a result of increase in other receivables due to the large amounts outstanding.

Supplier payments are \$653,000 higher than budget, which is mainly due to the additional expenditure in relation to the additional funding received.

Payments to Employees and Elected Members are \$541,000 higher than budget due to the decrease in employee entitlements meaning cash payments were higher and also due to the new funded positions and market adjustments.

Interest Paid is \$339,000 lower than the budget due to market interest rates being lower than what was budgeted.

Purchase of Property Plant and Equipment is under budget by \$5.8m this is mainly due to 3 Waters Capital Projects not being delivered as originally anticipated, along with NZTA Capital works being below budget for the year.

37. COVID-19 IMPACT

A review of the impact of Covid-19 on Council's Operating Revenue, Expenditure, Assets and Liabilities has been performed and no material issues arose, either within the 2020/21 financial year or in the subsequent events after balance date. Council receives the majority of its revenue from rates and grants so the effect of Covid-19 on its revenue and cash flow streams has been minimal.

Any concessions that Council have made to minimise the effect of Covid-19 on Ratepayers is set within the Rates Remissions Policy.

Council's capital works have not been delayed due to Covid-19.

38. PREPAYMENTS, ACCRUED INCOME & INCOME IN ADVANCE

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Prepayments				
Insurance Premiums	179	104	179	104
Annual Software Subscriptions	29	56	29	56
Total Prepayments	208	160	208	160
Accrued Income				
Interest	11	-	11	-
Petrol Tax	42	6	42	6
Water Meter Charges	17	23	17	23
NZTA Subsidy	268	826	268	826
Other Recharges	95	-	95	-
Total Accrued Income	433	855	433	855
Total Prepayments and Accrued Income	641	1,015	641	1,015
Income in Advance				
DIA Funding – Three Waters Stimulus	1,642	-	1,642	-
MBIE Funding – Ohakune Water Treatment Plant Upgrade	1,400	323	1,400	323
MBIE Funding – Worker Redeployment of Local Roothing Projects	-	1,330	-	1,330
MBIE Funding – Great Rides	1,188	90	1,188	90
MSD Funding - Ruapehu Livability	34	-	34	-
MSD Funding - Mayor's Taskforce	140	-	140	-
Dog Registrations	86	81	86	81
Rates	962	922	962	922
Sundry Creditors	104	39	104	39
Health Regulation Fees	11	14	11	14
CCO Visit Ruapehu Ltd – Marketing Funding	-	-	291	36
Total Income in Advance	5,567	2,800	5,858	2,835

Part C – Other Legislative Disclosures

1. FUNDING IMPACT STATEMENT FOR RUAPEHU DISTRICT COUNCIL FOR YEAR ENDING 30 JUNE 2021 – WHOLE OF COUNCIL

	Annual Plan 2020 \$000	Annual Report 2020 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources Of Operating Funding				
General Rates, Uniform Annual General Charges, Rates Penalties	11,740	11,933	12,148	12,250
Targeted Rates	11,766	11,768	12,181	11,744
Subsidies And Grants For Operating Purposes	6,375	6,562	5,516	6,936
Fees And Charges	3,314	4,122	3,690	3,829
Interest And Dividends From Investments	31	83	31	18
Local Authorities Fuel Tax, Fines, Infringement Fees, And Other Receipts	139	167	141	861
Total Operating Funding (A)	33,365	34,635	33,707	35,638
Applications Of Operating Funding				
Payments To Staff And Suppliers	26,804	28,136	27,401	29,919
Finance Costs	1,243	811	920	580
Other Operating Funding Applications	-	-	-	-
Total Application Of Operating Funding (B)	28,047	28,947	28,321	30,499
Surplus/(Deficit) Of Operating Funding (A-B)	5,318	5,688	5,386	5,139
Sources Of Capital Funding				
Subsidies And Grants For Capital Expenditure	8,657	7,860	11,057	9,218
Development And Financial Contributions	65	105	65	237
Increase/(Decrease) In Debt	3,779	1,200	5,729	1,654
Gross Proceeds From Sale Of Assets	-	210	-	-
Lump Sum Contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources Of Capital Funding (C)	12,501	9,375	16,851	11,109
Application Of Capital Funding				
Capital Expenditure:				
- To Meet Additional Demand	1,388	1,912	8,155	373
- To Improve The Level Of Service	4,447	2,004	4,179	5,969
- To Replace Existing Assets	11,984	9,813	9,903	10,066
Increase/(Decrease) In Reserves	-	1,165	-	(160)
Increase/(Decrease) Of Investments	-	169	-	-
Total Applications Of Capital Funding (D)	17,819	15,063	22,237	16,248
Surplus/(Deficit) Of Capital Funding (C-D)	(5,318)	(5,688)	(5,386)	(5,139)
Funding Balance ((A-B)+(C-D))	-	-	-	-

2. SUPPORT FUNDING IMPACT STATEMENT – WHOLE OF COUNCIL

	LTP 2020 \$000	LTP 2021 \$000	Actual 2021 \$000
Sources Of Operating Funding			
General Rates, Uniform Annual General Charges, Rates Penalties	(77)	(116)	(98)
Targeted Rates	-	-	471
Subsidies And Grants For Operating Purposes	-	-	-
Fees And Charges	14	15	254
Internal Charges And Overheads Recovered	4,118	4,277	5,171
Interest And Dividends From Investments	31	31	18
Total Operating Funding (A)	4,086	4,207	5,816
Applications Of Operating Funding			
Payments To Staff And Suppliers	2,993	3,017	4,660
Finance Costs	205	141	374
Internal Charges And Overheads Applied	131	133	-
Other Operating Funding Applications	-	-	-
Total Application Of Operating Funding (B)	3,329	3,291	5,034
Surplus/(Deficit) Of Operating Funding (A-B)	757	916	782
Sources Of Capital Funding			
Subsidies And Grants For Capital Expenditure	-	-	-
Development And Financial Contributions	-	-	-
Increase/(Decrease) In Debt	(759)	(1,233)	-
Gross Proceeds From Sale Of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources Of Capital Funding (C)	(759)	(1,233)	-
Application Of Capital Funding			
Capital Expenditure:			
- To Meet Additional Demand	281	209	25
- To Improve The Level Of Service	307	52	313
- To Replace Existing Assets	473	547	460
Increase/(Decrease) In Reserves	(1,063)	(1,125)	(16)
Increase/(Decrease) Of Investments	-	-	-
Total Applications Of Capital Funding (D)	(2)	317	782
Surplus/(Deficit) Of Capital Funding (C-D)	(757)	(916)	(782)
Funding Balance ((A-B)+(C-D))	-	-	-

3. OVERALL FUNDING IMPACT STATEMENT RECONCILIATION - WHOLE OF COUNCIL

Reconciliation between the Group of Activities' Funding Impact Statements, the Overall Council Funding Impact Statement and the Statement of Comprehensive Revenue and Expense against EAP budget.

	Actual 2021 \$000	Annual Plan 2021 \$000	Actual 2020 \$000
Total operating and capital funding sources as shown in the group of activities' funding impact statements	50,587	54,834	48,294
Less Corporate Services revenue unallocated	-	-	-
Less internal charges and overheads recovered	(5,171)	(4,277)	(4,284)
Total operating and capital funding sources as shown in the overall council funding impact statement	45,416	50,557	44,010
(Increase)/decrease in debt	(1,654)	(5,729)	(1,200)
Gross proceeds from sale of assets	-	-	(210)
Vested assets	-	-	-
Other gains	1,703	-	771
Total funding sources	45,465	44,828	43,371
Consolidation of Subsidiary (CCO): Visit Ruapehu Ltd	1,337	-	196
Total revenue as shown in the statement of comprehensive revenue	46,803	44,830	43,566
Application of total operating and capital funding as shown in the group of activities' funding impact statements	50,631	54,834	48,294
Add corporate services costs	-	-	-
Less internal charges and overheads applied	(5,172)	(4,277)	(4,285)
Application of total operating and capital funding as shown in the overall council funding impact statement	45,459	50,557	44,009
Capital expenditure	(16,408)	(22,237)	(13,729)
(Increase)/decrease in reserves	160	-	(1,165)
(Increase)/decrease in investments	-	-	(169)
Less corporate services net gain in allocations	-	-	-
Depreciation and amortisation	9,526	9,052	9,251
Other losses	657	-	528
Total funding application	39,394	37,373	38,725
Consolidation of Subsidiary (CCO): Visit Ruapehu Ltd	1,288	-	20
Total expenditure as shown in the statement of comprehensive revenue	40,682	37,373	38,745

4. RATING BASE INFORMATION

The 2020/21 rates were set based on the following information, as at 1 July 2020 and prior year comparatives.

	Actual 2021	Actual 2020
Number of Rating Units	9,883	9,875
Non-Rateable Units	928	935
Total Capital Value of Rating Units in the District	4,842,829,750	4,816,947,650
Total Land Value of Rating Units in the District	2,547,043,200	2,542,939,600

5. INSURANCE

As at 30 June, Ruapehu District Council had the following insurance contracts in place:

		2021		2020	
		Max Insured \$000	Value \$000	Max Insured \$000	Value \$000
Material Damage	Replacement	100,331	100,331	87,964	87,964
Motor Vehicles	Market	1,570	1,570	1,379	1,379
Infrastructural Assets	Replacement	40,000	128,874	40,000	129,063

Council has no self-insurance fund set aside. Risk mitigation include the NZTA subsidies and Councils ability to borrow to replace lost / damaged assets.

6. BENCHMARKS

Annual Report Disclosure Statement for the Year Ending 30 June 2021

What is the purpose of this Statement

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

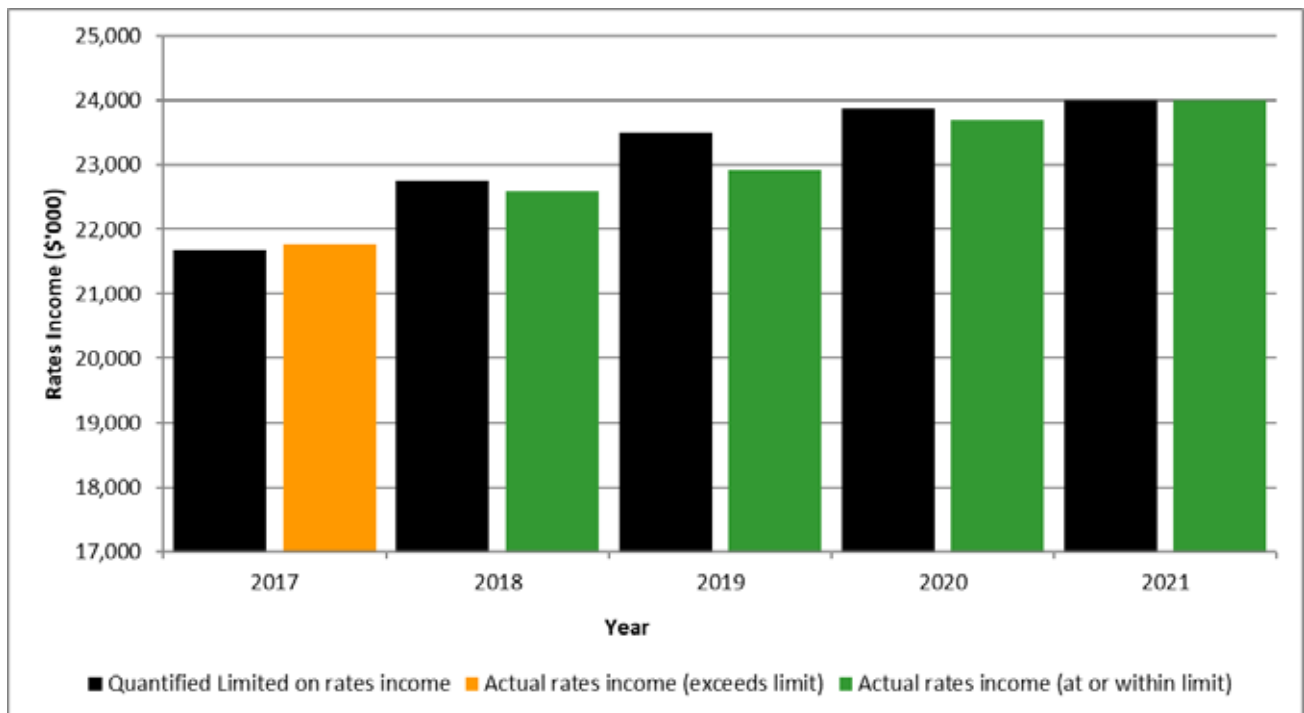
Rates Affordability Benchmark

Council meets the rates affordability benchmark if:

- § Its actual rates income equals or is less than each quantified limit on rates; and
- § Its actual rates increase equals or is less than each quantified limit on rates increases.

Rates (Income) Affordability

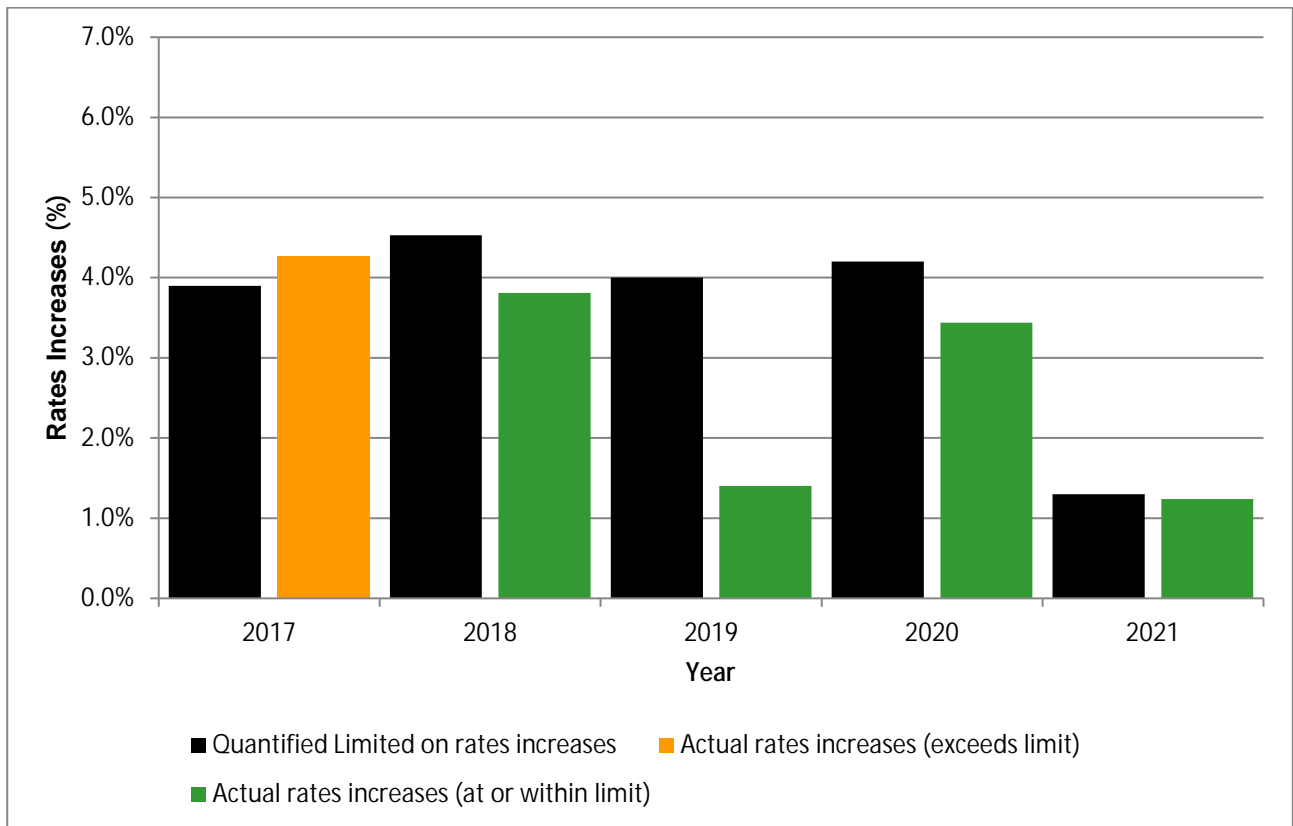
The following graph compares Council's actual rates revenue with the quantified limit on rates. Council set a quantified limit on the rates income for which it plans to rate (whole of Council), included in the Financial Strategy within its Long Term Plan. This quantified limit is that the whole of Council rate income will not increase by more than the Local Government Cost Index (LGCI) plus 2%, year on year.



The quantified limit for 2020/21 financial year was \$24m. Council was within this benchmark with a gross rates take of \$24m.

Rates (Increases) Affordability

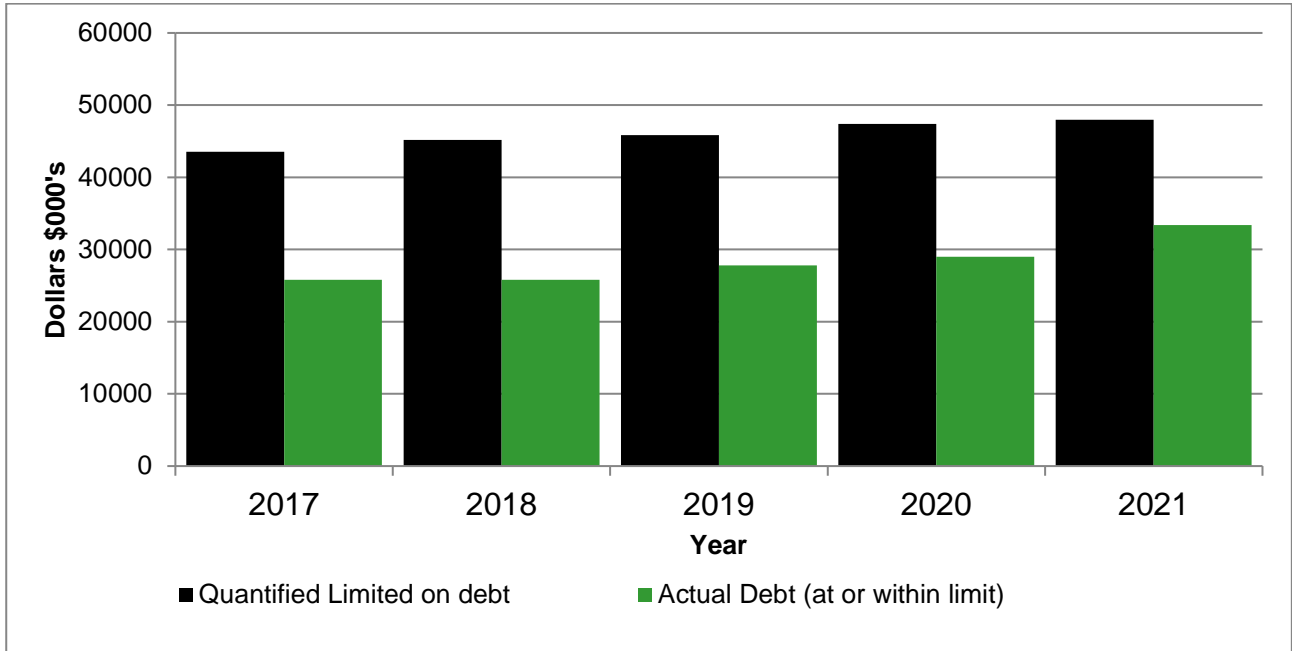
The following graph compares Council's actual rates increase with the quantified limit on rates increases included in the financial strategy included in the Council's Long Term Plan. The quantified limit is the Local Government Cost index (LGCI) plus 2% for each of the next 10 years of the plan.



Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its actual borrowings are within each quantified limit on borrowing.

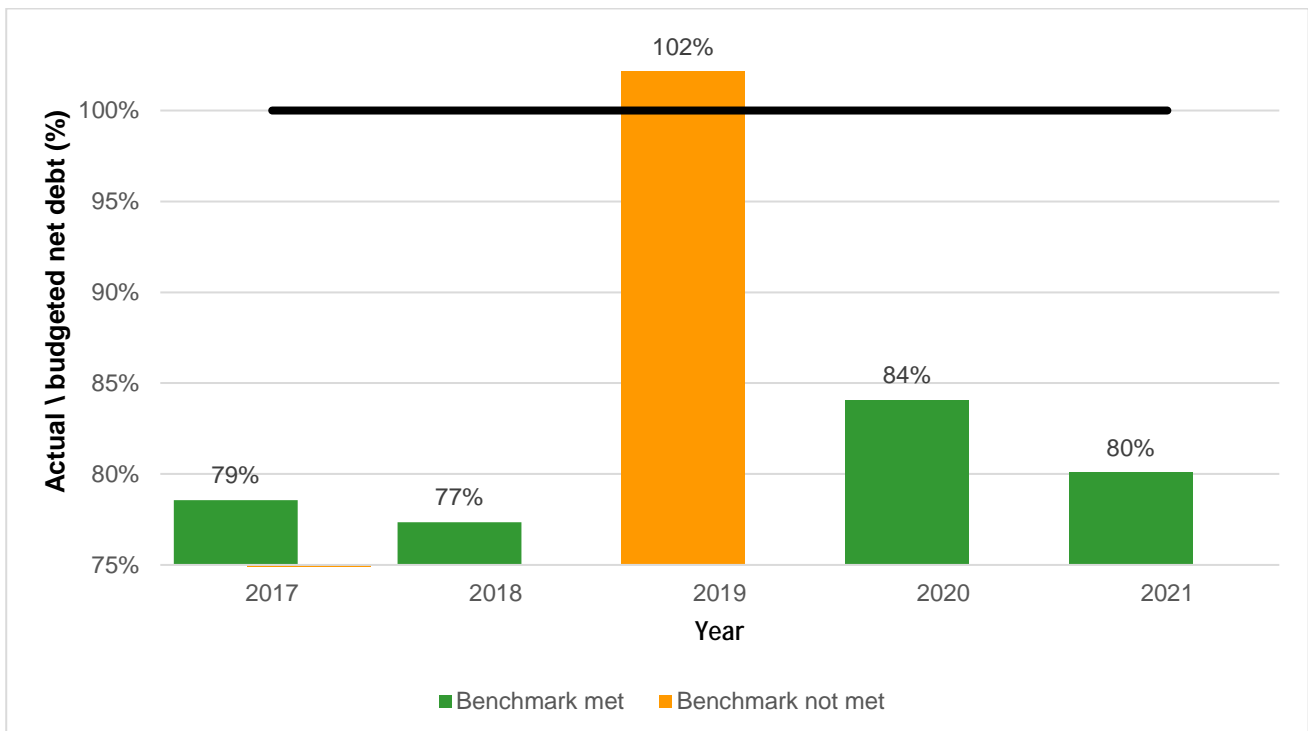
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan. The quantified limit is that debt should be less than twice the annual rates bill.



Council met this benchmark with an actual debt position of \$33.4M against the quantified limit of \$47.8M.

Debt Control Benchmark

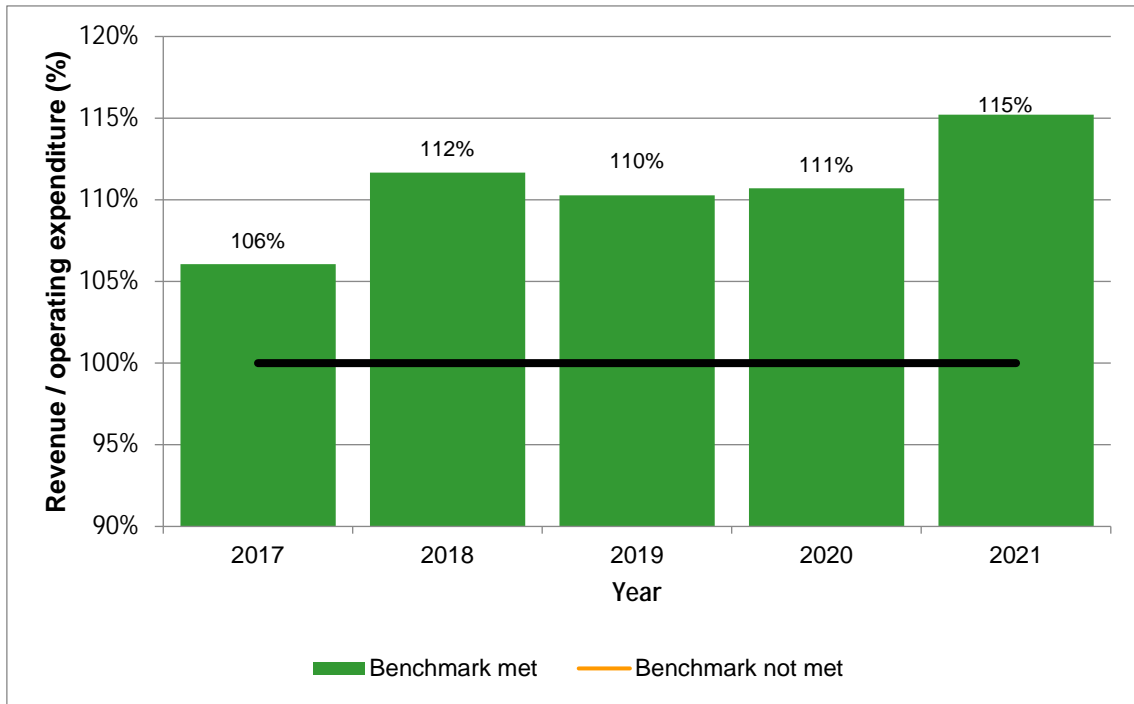
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, Net Debt means financial liabilities less financial assets (excluding trade and other receivables.) The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Council met this benchmark with an actual result of 80% versus a plan of 100% with there being two key drivers. Firstly, trade payables were down on budget due to timing. Secondly, the 2020/21 Annual Plan forecast Council's total borrowing down from the 2018-28 LTP forecasted level for the 2020/21 financial year.

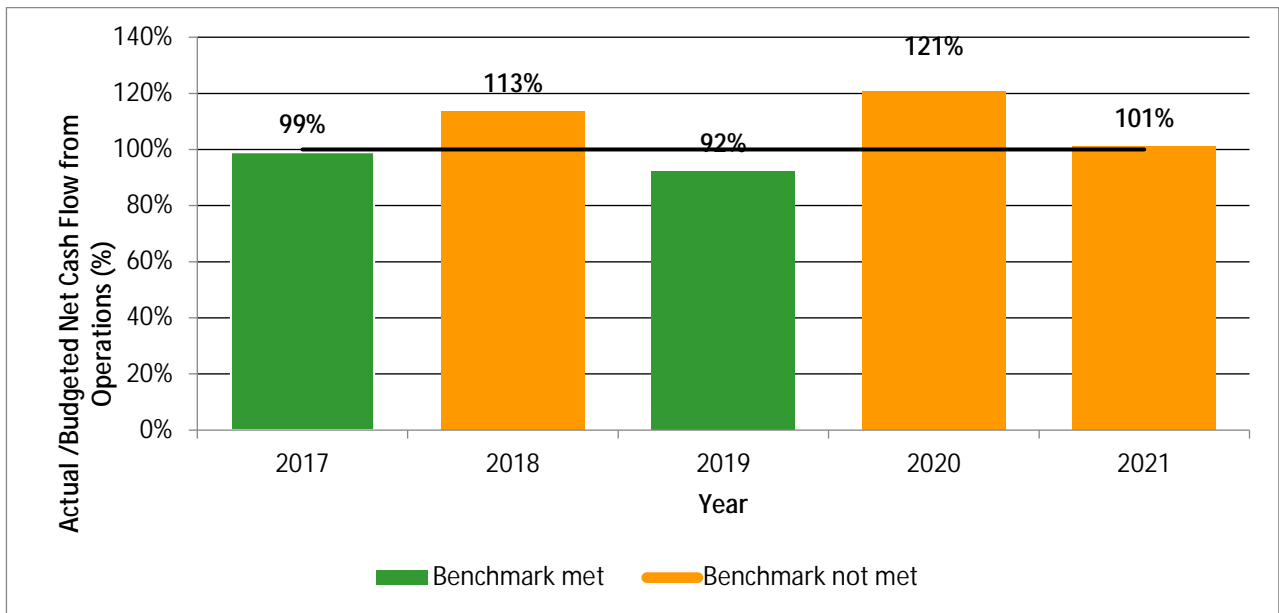
Balanced Budget Benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Operations Control Benchmark

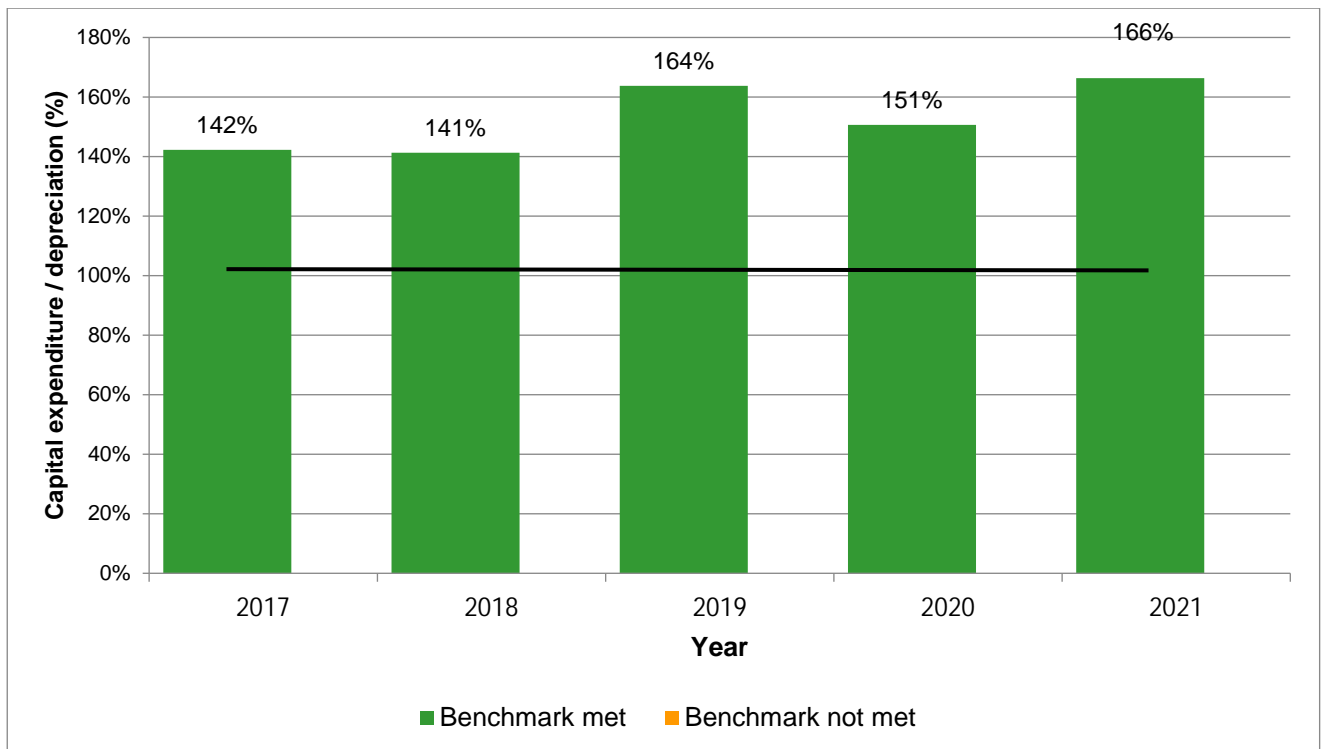
This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Council achieved this benchmark for the 2020/21 financial year with an operational cash flow that was \$190k above budget.

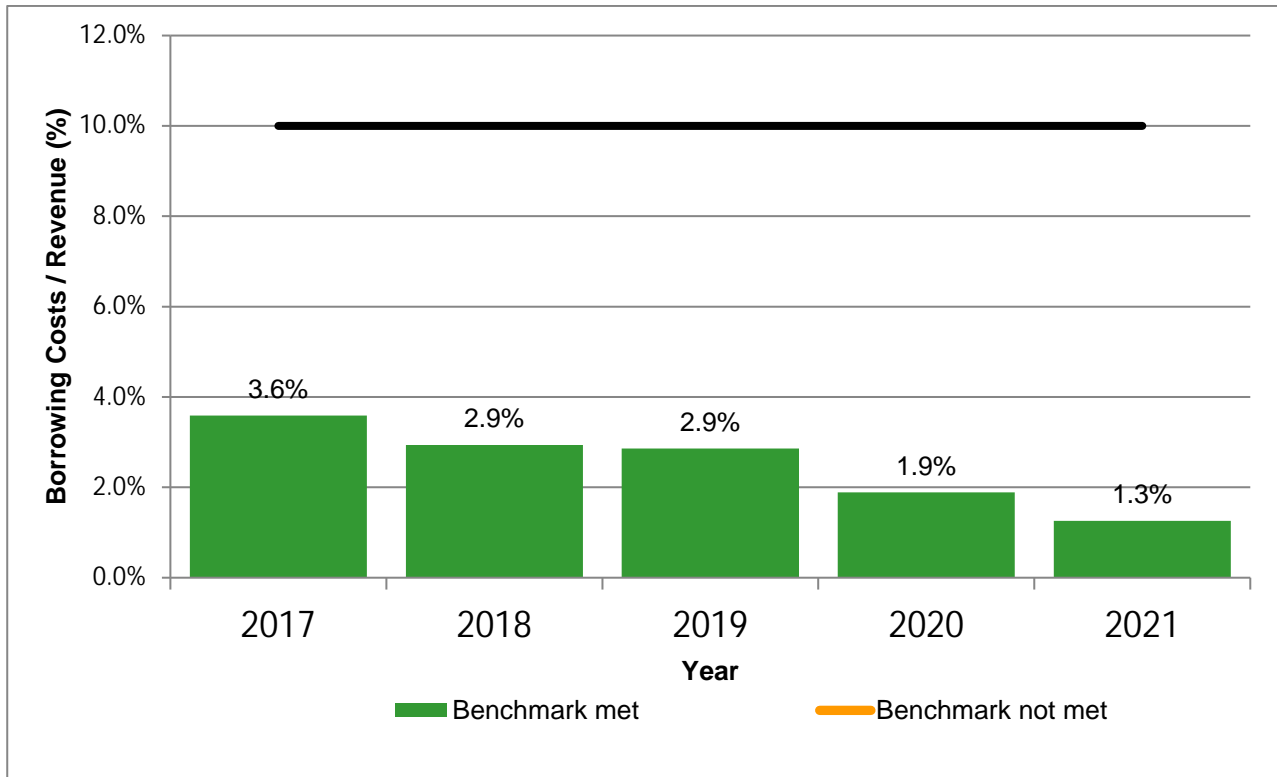
Essential Services Benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment). Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



The interest to operating revenue benchmark that is measured against is that finance costs not exceed 10% of operating revenue. Council's finance costs over the last five years have been significantly below this benchmark. The last five years have had very low borrowing costs with interest rates having dropped significantly.