



Annual Plan 2023-2024



We are.
Ruapehu.



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Message from the Mayor

I am pleased to present the Ruapehu District Council's 2023/24 Annual Plan. The Council has adopted an average 7% rate increase to existing ratepayers, with fees and charges increasing by around 10% and a debt level of \$60.6 million.

The rate increase of 7% is a 1% decrease from the initially proposed 8% in the draft plan. This represents a drop in revenue of around \$250,000 which has been covered by reviewing the amount of depreciation that has been funded. The funding increases and debt level will provide \$50.5 million for maintaining services and executing a \$21.9 million capital works program.

The \$21.9 million in capital spending will enable Council to undertake a range of projects to maintain and develop our core infrastructure. Significant areas of investment include upgrading of community facilities and township revitalisation projects \$1.9m, cycle trail development \$3m, three waters projects \$5.7m, and land transport \$9.8m. These and other smaller project areas will help underpin district well-being and community resilience.

The Annual Plan acknowledges the challenges posed by high inflation, rising interest rates, debt servicing costs, labor market pressures, and increasing supplier, construction, and depreciation costs. The Council has aimed to balance maintaining service levels with the cost-of-living challenges faced by the community.

The impact of inflation and uncertainty surrounding government funding necessitated a rate increase and higher debt level than initially forecasted along with adjustments to the timing of our planned work program.

Financial constraints led to a starting point of a 25% rate rise, which Council staff worked hard to reduce to the proposed 8% which was consulted on. However, in response to community feedback and cost-of-living pressures, the Council voted for an additional 1% reduction.

We needed a 6% rate rise to cover higher interest payments before we even start to cover supplier contract commitments and other factors. Having only 1% to cover other cost increases means we have little room for new initiatives or requirements during the year.

Given these financial constraints, the Council will focus on diligently managing costs and debt servicing, scheduling capital projects carefully, and seeking government funding opportunities when available.

While a 7% rate increase adds to the cost-of-living pressures on the community, it is important to recognize the positive impact of Council spending on the local economy. We have a policy of spending local rates locally whenever possible supporting businesses and economic activity.

The revenue increases outlined in the Annual Plan will ensure the provision of essential services and infrastructure crucial for community well-being and security. The Council aims for a "user pays" approach, where service users cover associated costs directly.

Fees and charges were assessed to align with service provision costs and the local government sector. The proposed increases of around 10% exceed the headline CPI inflation rate of 7.2% but include catch-up adjustments from previous years and are based on full cost recovery of our services.

The projected debt level for 2023/24 is \$60.5 million, exceeding the self-imposed debt limit of two times rates revenue but remaining within the Local Government Funding Agency (LGFA) debt limit of \$68.9 million. The three waters capital works program has significantly contributed to the Council's debt position.

The Government's review of the three waters reform model and the loss of the second phase of better-off funding will have implications. The longer implementation timeline means that water debt will likely be higher and remain on Council's books for a longer period.

Discussions with the Government are ongoing to determine the amount of three waters debt that will be taken off our books. Currently, a starting position of \$16 million to cover three waters debt up until June 2022 has been suggested. The remaining debt will be paid by Council until it matures and then transferred to the new entity.

Despite Council's financial constraints, uncertainty around three waters reform and possible Government policy changes following the October general election, Council feels it is well positioned to adapt as, and when required, and manage with what we have available.

Although limited in capacity for new initiatives due to the financial position, we remain committed to understanding the community's aspirations for the future as we develop the 2024-34 Long Term Plan.

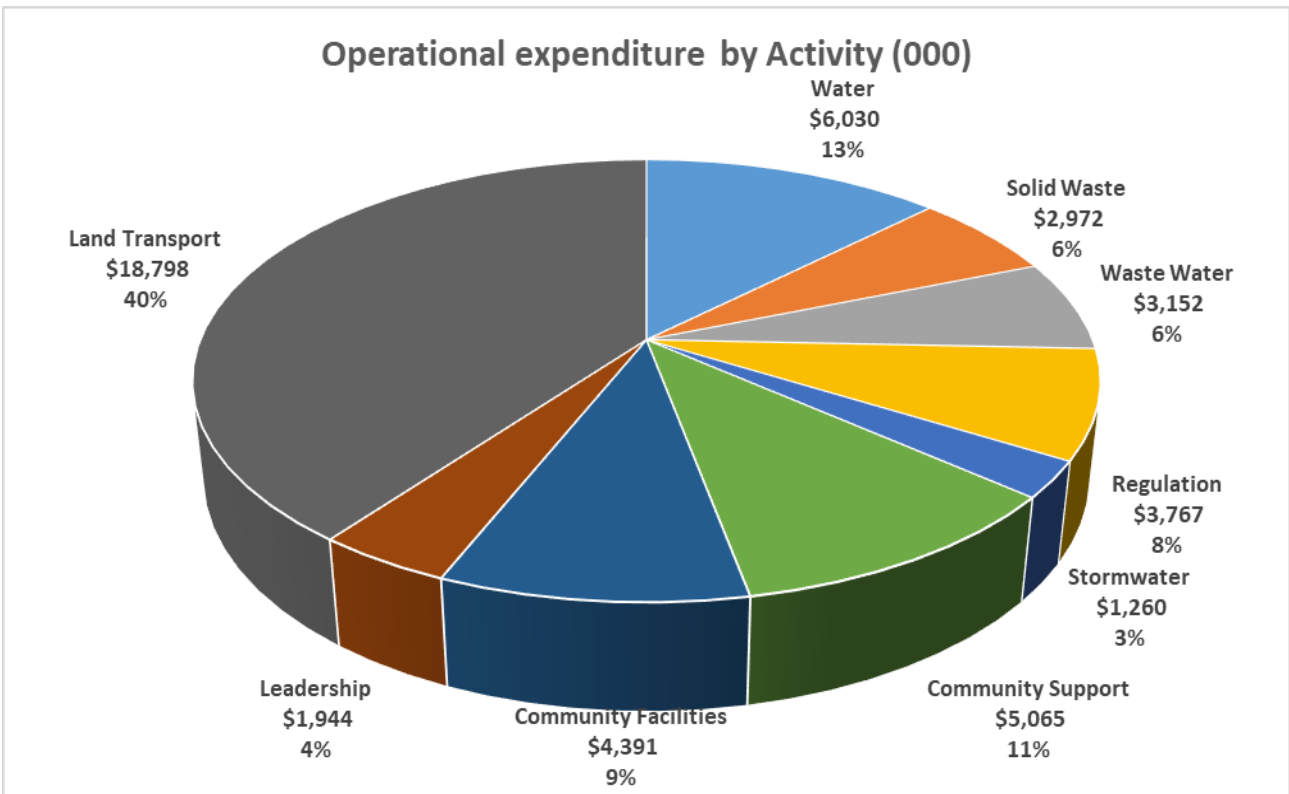
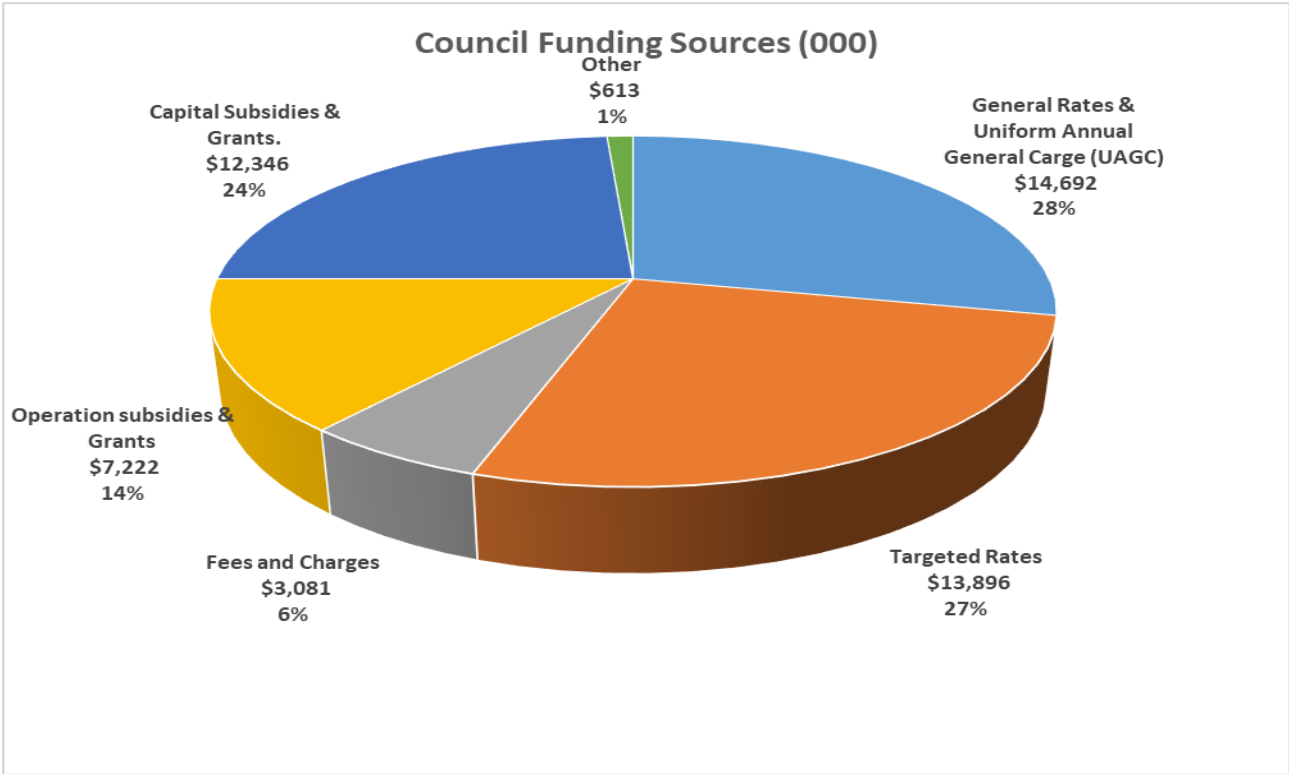
Please keep an eye on local papers and Council's website and Facebook page for media releases and notices of engagement that may interest you and ensure you have your say.



A handwritten signature in black ink, appearing to read "M. K. Wilson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Revenue and Operational Expenditure Allocation

The following graphs show the sources of revenue and operational expenditure of that revenue. Our revenue sources are rates, including both targeted rates (including the three waters, kerbside collection, and Regional Tourism Organisation [Visit Ruapehu]), and general rates, fees and charges, subsidies, and grants.



SECTION 1: ACTIVITIES

1. LAND TRANSPORT

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 WAKA KOTAHĪ NZ TRANSPORT AGENCY (NZTA).

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.

COMMUNITY WELL-BEING OUTCOMES



Social

Cultural

Environmental

Economic

The district land transport network consists of:

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

SIGNIFICANT NEGATIVE EFFECTS

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, renewals, 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 using 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 behavior of people who impact on road conditions.

1.1 Funding Impact Statement – Land Transport

Land Transport	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	1,671	1,726	1,841
Targeted rates	3,898	4,028	4,255
Subsidies and grants for operating purposes	7,140	6,911	6,893
Fees and charges	173	179	29
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	151	156	165
Total Operating Funding (A)	13,033	13,000	13,183
Applications of Operating Funding			
Payments to staff and suppliers	10,332	10,197	9,811
Finance costs	310	325	753
Internal charges and overheads applied	351	376	718
Other operating funding applications	-	-	-
Total applications of operating funding (B)	10,993	10,898	11,282
Surplus (deficit) of operating funding (A-B)	2,040	2,102	1,901
Sources of capital funding			
Subsidies and grants for capital expenditure	8,524	8,012	7,420
Development and financial contributions	25	25	86
Increase (decrease) in debt	898	531	442
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	9,447	8,568	7,948
Applications of capital funding			
Capital expenditure			
- to meet additional demand	55	57	55
- to improve the level of service	3,173	3,004	2,964
- to replace existing assets	8,096	7,446	6,830
Increase (decrease) in reserves	163	163	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	11,487	10,670	9,849
Surplus (deficit) of capital funding (C-D)	(2,040)	(2,102)	(1,901)
Funding Balance ((A-B)+(C-D))	-	-	-

1.2 Major Capital Projects – Land Transport

Project Description	Annual Plan 2023/24 000'	LTP 2023/24 000'	Variance 2023/24 000'	Notes
Kerb and Channel Development	50	50	-	LOS
Bus Shelter Renewals	44	44	-	Renewal
Under Verandah Lighting Renewals	5	5	-	Renewal
Motorist Service & Information Signs	17	17	-	Renewal
Motorist Service & Information Signs	17	17	-	LOS
Streetflags District	19	19	-	Renewal
Facility Road & Car Park Renewals	4	4	-	LOS
Seal Extensions	55	55	-	Growth
Pedestrian Safety Improvements - District wide	52	52	-	LOS
Minor & Associated Improvements	682	867	181	LOS
Minor & Assoc Improvements SPR	1,580	1,292	288	LOS
Sealed Road Surfacing SPR	163	162	1	Renewal
Drainage Renewals SPR	30	30	-	LOS/Renewal
Traffic Services Renewals SPR	26	26	-	Renewal
Unsealed Road Metalling	1,100	945	155	Renewal
Sealed Road Surfacing	1,722	1,722	-	Renewal
Drainage Renewals	471	471	-	LOS/Renewal
Pavement Rehabilitation	2,811	2,811	-	LOS/Renewal
Structures Components Replacements	532	532	-	LOS/Renewal
Traffic Services Renewals	275	275	-	Renewal
Footpath Renewals	174	174	-	Renewal
Facility Road & Car Park Renewals	20	20	-	Renewal
Total	9,849	9,590	624	

2. WATER SUPPLY

THE PURPOSE OF THE WATER SUPPLY ACTIVITY IS TO SUPPLY SAFE DRINKING WATER TO THE COMMUNITIES OF THE DISTRICT. A SAFE WATER SUPPLY IS ESSENTIAL TO RUN HOUSEHOLDS AND BUSINESSES AND MAINTAIN PUBLIC HEALTH. 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, Ōhura, Ōwhango, Raetihi and Taumarunui. A total of 211.5km of pipes make up the reticulation network plus five 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.

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 water activity including the Affordable Water Reform (previously called the Three Waters reform), the National Policy Statement for Freshwater, the Climate Change Response (Zero Carbon) Amendment Act, and other climate change considerations. There is now the crown water regulator Taumata Arowai, to regulate drinking water and Water Services. Council also has obligations under the Horizons One Plan regarding the way it delivers and manages water.

Further legislation and regulation changes are imminent during this time of uncertainty in the Waters space.

COMMUNITY WELL-BEING OUTCOMES



Social

Cultural

Environmental

Economic

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.

SIGNIFICANT NEGATIVE EFFECTS

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 affect whole communities, as well as 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 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.

-2.1 Funding Impact Statement – Water Supply

Water Supply	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	4,540	4,719	4,474
Subsidies and grants for operating purposes	-	-	290
Fees and charges	106	110	106
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	4,646	4,829	4,870
Applications of Operating Funding			
Payments to staff and suppliers	2,705	2,784	2,889
Finance costs	290	355	1,016
Internal charges and overheads applied	219	235	326
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,214	3,374	4,231
Surplus (deficit) of operating funding (A-B)	1,432	1,455	639
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	31	32	40
Increase (decrease) in debt	1,665	4,843	2,970
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	1,696	4,875	3,010
Applications of capital funding			
Capital expenditure			
- to meet additional demand	75	419	92
- to improve the level of service	769	3,084	953
- to replace existing assets	2,072	2,691	2,604
Increase (decrease) in reserves	212	136	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	3,128	6,330	3,649
Surplus (deficit) of capital funding (C-D)	(1,432)	(1,455)	(639)
Funding Balance ((A-B)+(C-D))	-	-	-

2.2 Major Capital Projects – Water Supply

Project Description	Annual Plan	LTP	Variance	Notes
	2023/24	2023/24	2023/24	
	000'	000'	000'	
District Wide Water	166	1,485	(1,319)	LOS/Renewal/Growth
NP Renewals program	39	39	-	Renewal
NP LOS program	187	-	187	LOS
Ohakune Renewals Program	1,126	1,126	-	Renewal
Ohakune LOS program	299	1,327	(1,029)	LOS
Ohakune Growth program	53	234	(181)	Growth
Ōhura Renewals program	62	62	-	Renewal
Ōwhango Program	483	483	-	LOS/Renewal
Raetihi Renewals Program	28	28	-	Renewal
Raetihi LOS program	43	43	-	LOS
Raetihi Growth program	3	3	-	Growth
Taumarunui Renewals program	1,160	1,160	-	Renewal
Total	3,649	5,990	(2,529)	

3. WASTEWATER (SEWERAGE)

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 Defence Force in Waiouru to provide wastewater services for the town.

RATIONALE

Council is required to assess water and other sanitary services available to the community, including stormwater drainage, and has a duty under the Water Services Act 2021 to assess sanitary services across communities. As well as the legal mandate, this service contributes to several of Council's Community Outcomes.

There have been significant legislation and policy changes that will impact the wastewater activity including the Affordable Water Reform (previously called the Three Waters reform), the National Policy Statement for Freshwater, the Climate Change Response (Zero Carbon) Amendment Act, and other climate change considerations. There is now the crown water regulator Taumata Arowai, to regulate drinking water and Water Services. Council also has obligations under the Horizons One Plan regarding the way it delivers and manages water.

Further legislation and regulation changes are imminent during this time of uncertainty in the Waters space.

Council's wastewater assets consist of:

- 6 wastewater treatment plants
- 126.1 km of pipes
- 17 pump stations
- 1627 manholes
- 4,784 rateable service connections

COMMUNITY WELL-BEING OUTCOMES



Social

Environmental

Economic

SIGNIFICANT NEGATIVE EFFECTS

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 affected by infiltration (water entering the system from high ground water tables), 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 human health 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 such as 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.

Wastewater discharges may also contribute to pollution issues experienced downstream of treatment facilities. Horizons One Plan targets in relation to wastewater treatment require significant investment by Council. Council mitigates discharge effects by treating wastewater to an agreed level that meets resource consent conditions. Resource consent processes can be lengthy and difficult to navigate with changing legislation, policy, and regulations.

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

3.1 Funding Impact Statement – Wastewater (Sewerage)

Wastewater (Sewerage)	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	25	25	12
Targeted rates	3,004	2,913	2,339
Subsidies and grants for operating purposes	-	-	-
Fees and charges	107	112	122
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	3,136	3,050	2,473
Applications of Operating Funding			
Payments to staff and suppliers	1,876	1,755	1,533
Finance costs	82	99	362
Internal charges and overheads applied	219	235	207
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,177	2,089	2,102
Surplus (deficit) of operating funding (A-B)	959	961	371
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	64	66	72
Increase (decrease) in debt	592	1,177	1,510
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	656	1,243	1,582
Applications of capital funding			
Capital expenditure			
- to meet additional demand	20	62	60
- to improve the level of service	176	703	680
- to replace existing assets	1,233	1,254	1,213
Increase (decrease) in reserves	186	185	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,615	2,204	1,953
Surplus (deficit) of capital funding (C-D)	(959)	(961)	(371)
Funding Balance ((A-B)+(C-D))	-	-	-

3.2 Major Capital Projects – Wastewater (Sewerage)

Project Description	Annual Plan	LTP	Variance	Notes
	2023/24	2023/24	2023/24	
	000'	000'	000'	
National Park Renewals program	31	31	-	Renewal
National Park Growth program	12	12	-	Growth
Ohakune program	487	488	-	LOS/Renewal/Growth
Pipiriki Renewals program	10	10	-	Renewal
Raetihi Program	66	66	-	LOS/Renewal/Growth
Rangatuai program	616	616	-	LOS/Renewal/Growth
Taumarunui Renewals Program	724	724	-	LOS
Waiouru Renewals program	7	7	-	Renewal
Total	1,953	1,954	-	

4. STORMWATER & FLOOD PROTECTION

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.

RATIONALE

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

There have been significant legislation and policy changes that will impact the stormwater and flood protection activity including the Affordable Water Reform (previously called the Three Waters reform), the National Policy Statement for Freshwater, the Climate Change Response (Zero Carbon) Amendment Act, and other climate change considerations. There is now the crown water regulator Taumata Arowai, to regulate drinking water and Water Services. Council also has obligations under the Horizons One Plan regarding the way it delivers and manages water.

Further legislation and regulation changes are imminent during this time of uncertainty in the Waters space.

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.

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.

COMMUNITY WELL-BEING OUTCOMES



Social

Environmental

Economic

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 flow 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 the 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.

SIGNIFICANT NEGATIVE EFFECTS

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 community's 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 (rainfall 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.

4.1 Funding Impact Statement – Stormwater & Flood Protection

Stormwater and Flood Protection	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	572	584	606
Targeted rates	572	584	606
Subsidies and grants for operating purposes	-	-	-
Fees and charges	22	29	28
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	1,166	1,197	1,240
Applications of Operating Funding			
Payments to staff and suppliers	634	621	652
Finance costs	24	38	51
Internal charges and overheads applied	110	118	136
Other operating funding applications	-	-	-
Total applications of operating funding (B)	768	777	839
Surplus (deficit) of operating funding (A-B)	398	420	401
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	33
Increase (decrease) in debt	1,100	383	(288)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	1,100	383	(255)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	13	13	-
- to improve the level of service	1,112	439	146
- to replace existing assets	146	151	-
Increase (decrease) in reserves	227	200	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,498	803	146
Surplus (deficit) of capital funding (C-D)	(398)	(420)	(401)
Funding Balance ((A-B)+(C-D))	-	-	-

4.2 Major Capital Projects – Stormwater & Flood Protection

Project Description	Annual Plan	LTP	Variance	Notes
	2023/24	2023/24	2023/24	
	000'	000'	000'	
District Wide Stormwater (LOS)	146	439	(293)	LOS
District Wide Stormwater (Renewal)	-	151	(151)	Renewal
District Wide Stormwater (Growth)	-	13	(13)	Growth
Total	146	603	(457)	

5. SOLID WASTE

THE WASTE MANAGEMENT AND MINIMISATION ACTIVITY MANAGES THE COLLECTION AND DISPOSAL OF RUBBISH AND RECYCLING IN THE DISTRICT. THE ASSETS FOR THIS ACTIVITY INCLUDE SIX TRANSFER STATIONS AND SEVEN DECOMMISSIONED (CLOSED) LANDFILLS.

RATIONALE

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.

The community has a significant challenge ahead in relation to solid waste as the resource consent for the Taumarunui Landfill expired in October 2020. 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).

COMMUNITY WELL-BEING OUTCOMES



Social

Environmental

Economic

SIGNIFICANT NEGATIVE EFFECTS

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 impacts 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 Taumarunui 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.



5.1 Funding Impact Statement – Solid Waste

Solid Waste	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	621	633	777
Targeted rates	889	916	1,140
Subsidies and grants for operating purposes	-	-	-
Fees and charges	889	946	1,021
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	2,399	2,495	2,938
Applications of Operating Funding			
Payments to staff and suppliers	2,245	2,328	2,619
Finance costs	27	27	86
Internal charges and overheads applied	66	71	172
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,338	2,426	2,877
Surplus (deficit) of operating funding (A-B)	61	69	61
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	27	10	(45)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	27	10	(45)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	18	53	6
- to improve the level of service	62	11	10
- to replace existing assets	-	-	-
Increase (decrease) in reserves	8	15	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	88	79	16
Surplus (deficit) of capital funding (C-D)	(61)	(69)	(61)
Funding Balance ((A-B)+(C-D))	-	-	-

5.2 Major Capital Projects – Solid Waste

Project Description	Annual Plan	LTP	Variance	Notes
	2023/24	2023/24	2023/24	
	000'	000'	000'	
Site shop development national park	6	6	-	Growth
Road improvements all sites	10	10	-	LOS
Total	16	16	-	

6. RECREATIONAL AND COMMUNITY FACILITIES & PROPERTY

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.

RATIONALE

Under the Local Government Act 2002, 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 the 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 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.

COMMUNITY WELL-BEING OUTCOMES



Social

Cultural

Leadership

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, and 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 significant assets.

COMMUNITY HALLS

There are 15 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 and Miriama Community Centre 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, and educational purposes.

The Taumarunui War Memorial Hall is earthquake prone and booking numbers are very low. The future of the hall was 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. Accordingly, the Lower Lounge of the Taumarunui Cosmopolitan Club (now named the Miriama Community Centre) was purchased in 2019, to provide for a safer community facility in Taumarunui. The community has however formed a group to ensure the long-term retention of the Taumarunui Memorial Hall, meaning that there are now two similar Council owned facilities in Taumarunui. More community engagement will need to take place before any action is taken to dispose of the Taumarunui War 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. Council funds the ongoing cost of cleaning, maintenance, and depreciation.

CEMETERIES

This service provides enquiry and burial services, burial administration and records for Council cemeteries. Council owns and maintains nine cemeteries in: Manunui, Matiere, Ohakune, Ōhura, Ōwhango, Raetihi, Rangataua, Raurimu and Taumarunui. Council also owns the closed cemetery at Tatu (not maintained). In the future Council intends to investigate the provision of space for natural burials within the larger cemeteries.

Council has set aside \$150,000 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 92 individual social housing units constructed on six separate sites across the District: Raetihi – 20 units and 1 house, Ohakune – 14 units, Taumarunui – 57 units (on four different sites).

In 2022 the 6 new units were opened in Moore Street, Ohakune. As these came in under budget, the existing units were also able to have some much needed upgrades as well.



Council is also taking back the Waimarino Rest home (which will be known as Waimarino Flats) from 1st July 2023. These contain 20 Units. Council has \$550,000 from the “Better off Funding” to do some much needed repairs to the units.

Council adopted the Public and Affordable Housing Asset and Tenancy Management Strategy (ATMS) on 18 November 2020. One of the purposes of the strategy was to regenerate Council’s public (social) housing and where possible, through partnering, encourage an increase in fit for purpose public housing within the district, with an initial 10-year horizon. The strategy does not rely on Council being the ‘owner’ of the social housing asset, however Council acknowledges that there is desire to hold onto the existing portfolio.

Small housing initiatives in Raetihi and National Park Village will be scoped within the first five years of this Plan, with the possibility for Council land to be used in partnership with housing providers. No Council funding has been considered at this point in time.

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, including books, computers, children’s holiday programs, etc.).

OTHER PROPERTIES

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

SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY

Community Property buildings have significant environmental footprints with high power and water usages, and during development or renewal construction.

The cost to the ratepayer of maintaining facilities such as the Taumarunui Aerodrome and Community Facilities such as Swimming Pools is substantial. Assets that are used by a small number of residents and ratepayers but are of high importance to those that use the facilities are common and costly to maintain. Potentially, some development or demolition/removal/disposal may be of concern to Iwi. A number of properties owned by Council, derived from Iwi or the Crown, may be of high cultural importance.



6.1 Funding Impact Statement – Recreation, Community Facilities & Property

Recreation & Community Facilities & Community Property	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	3,517	3,683	4,224
Targeted rates	-	-	-
Subsidies and grants for operating purposes	5	5	5
Fees and charges	595	587	684
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	4,117	4,275	4,913
Applications of Operating Funding			
Payments to staff and suppliers	3,249	3,339	3,710
Finance costs	106	128	186
Internal charges and overheads applied	395	423	440
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,750	3,890	4,336
Surplus (deficit) of operating funding (A-B)	367	385	577
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	1,778
Development and financial contributions	-	-	-
Increase (decrease) in debt	803	1,303	(507)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding ©	803	1,303	1,271
Applications of capital funding			
Capital expenditure			
- to meet additional demand	165	582	257
- to improve the level of service	741	823	1,520
- to replace existing assets	109	73	71
Increase (decrease) in reserves	155	210	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,170	1,688	1,848
Surplus (deficit) of capital funding (C-D)	(367)	(385)	(577)
Funding Balance ((A-B)+(C-D))	-	-	-

6.2 Major Capital Projects – Recreation, Community Facilities & Property

Project Description	Annual Plan	LTP	Variance	Notes
	2023/24	2023/24	2023/24	
	000'	000'	000'	
Memorial Walls TMN, OHK, RAE	15	15	-	LOS
District Wide Cemetery Furniture	5	5	-	Renewal
Fencing Problem Reserves North	12	12	-	Renewal
Taumarunui -250m Walkway per annum	51	51	-	LOS
National Park Revitalization plan	103	103	-	LOS
Town Revitalization Raetihi service hub	257	257	-	Growth
Earthquake Prone Remediations	21	21	-	LOS
Ohakune _250m walkway per annum	51	51	-	LOS
Fencing Problem Reserves south	12	12	-	Renewal
Seddon Street Toilets Mens Upgrade	15	15	-	Renewal
Taumarunui Grandstand Stage 2 upgrade	51	51	-	LOS
Tangiwai Reserve Development*	103	103	-	LOS
Ohakune Town Revitalization – planning	309	309	-	LOS
Raetihi Town Revitalization Planning	50	-	50	LOS
Taumarunui Hakiha St verandahs	96	-	-	LOS
Social Housing Minor Maintenance	27	-	-	Renewal
Taumarunui Town Revitalization Wayfinder	200	-	200	LOS
Ohakune Town Revitalisation - Christie Park Build	200	-	200	LOS
Taumarunui Town Revitalization finishing touches (pool and wall planting)	20	-	20	LOS
Ohakune Town Revitalization - Ohakune Swimming Pool - upgrade the ablution block	200	-	200	LOS
Taumarunui Town Revitalization Morero Domain Business case	50	-	50	LOS
Total	1,848	1,005	720	

7. COMMUNITY SERVICES

COUNCIL'S LONG-TERM FOCUS IS TO ASSIST COMMUNITIES IN THE DEVELOPMENT AND MANAGEMENT OF THEIR OWN FUTURES, WHILE ENSURING THAT THE HEALTH AND SAFETY AND AMENITY NEEDS OF THE COMMUNITY ARE MET.

COMMUNITY WELL-BEING OUTCOMES



THERE ARE THREE ACTIVITIES IN THE COMMUNITY SERVICES GROUP:

- **Community Support:** library services, visitor services, Civil Defence Emergency Management services.
- **Leadership:** governance and advocacy (Mayor, Council and Community Boards), and strategic development (economic, policy, Iwi partnership, business and youth).
- **Regulation:** Council has a statutory obligation to provide regulatory services.

ASSETS RELATING TO COMMUNITY SERVICES

The assets related to this group of activities are mostly buildings and therefore primarily fall under the Community Property and Recreation Facilities activity. For example, while the provision of *library services* falls under community services, the *library buildings* (and Council admin buildings within which the libraries are located), are managed by the Community Property and Recreation Facilities team, as are the i-Sites.

Civil Defence Emergency Management, Leadership and Regulations activities do not hold any significant assets.



7.1 COMMUNITY SUPPORT

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 COUNCILS 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 Civil Defence Emergency Management 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 co-ordination and local delivery" and works closely with emergency services and 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 region.

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

- COVID-19 responses
- Water outages in Taumarunui
- The 2022 Totara Crescent flood event 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 programs etc.) fall within the Community Support activity. Council also supports the community libraries in Ōhura 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.

REGIONAL TOURISM ORGANISATION

A Regional Tourism Organisation (RTO) is responsible for promoting the region at both a domestic and international level. There are RTOs across New Zealand. Council contracts out the RTO function because it believes that people who have worked in the industry can deliver the services better and more efficiently than Council.

The RTO for Ruapehu is Visit Ruapehu. Visit Ruapehu supports the tourism infrastructure of the district and works with local, regional, and national partners. Council considers Visit Ruapehu 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.

SIGNIFICANT NEGATIVE EFFECTS ON THE LOCAL COMMUNITY

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.



7.1.1 Funding Impact Statement – Community Support

Community Support	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	3,445	3,583	3,215
Targeted rates	615	632	615
Subsidies and grants for operating purposes	-	-	-
Fees and charges	130	149	125
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	4,190	4,364	3,955
Applications of Operating Funding			
Payments to staff and suppliers	2,666	2,733	2,750
Finance costs	2	2	18
Internal charges and overheads applied	1,359	1,459	1,174
Other operating funding applications	-	-	-
Total applications of operating funding (B)	4,027	4,194	3,942
Surplus (deficit) of operating funding (A-B)	163	170	14
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	11	(9)	255
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	11	(9)	255
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	39	14	192
- to replace existing assets	67	80	77
Increase (decrease) in reserves	68	67	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	174	161	269
Surplus (deficit) of capital funding (C-D)	(163)	(170)	(14)
Funding Balance ((A-B)+(C-D))	-	-	-

7.1.2 Major Capital Projects – Community Support

Project Description	Annual Plan	LTP	Variance	Notes
	2023/24	2023/24	2023/24	
	000'	000'	000'	
Internal Refit of Ohakune I site	57	-	57	LOS
Library - Ohakune	17	17	-	Renewal
Internal Refit of Taumarunui I site	46	-	46	LOS
New digital kiosk for Waiouru	18	-	18	LOS
E Books	5	5	-	Renewal
Library - Raetihi	8	8	-	Renewal
CRM system for I sites	4	-	4	LOS
Whakapapa/ National Park Solution	10	-	10	LOS
Digital marketing display	58	-	58	LOS
Library - Taumarunui	36	36	-	Renewal
Generator	10	10	-	Renewal
Social Housing Minor Maintenance	-	26	-	Renewal
Total	269	102	191	

7.2 LEADERSHIP

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.
- Provide opportunities for Māori to contribute to 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 the social, economic, and 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.

COMMUNITY WELL-BEING OUTCOMES



GOVERNANCE

COUNCIL

Council is made up of nine elected members from across the District and the Mayor. There are six General Ward Councillors and three Māori Ward Councillors.

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 three community boards: the Ōwhango-National Park (ONPCB), the Waimarino-Waiouru (WWCB), and the Taumarunui-Ōhura (TOCB).

STRATEGIC DEVELOPMENT

ECONOMIC DEVELOPMENT

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

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 engages with external youth development agencies, projects, and schools. Council values youth input in decision making and is exploring ways to work with youth to enable them to contribute to decision making.

DEVELOPING RELATIONSHIPS AND ENGAGING WITH MĀORI

Under the Local Government Act 2002 (LGA), Council is required to enable Māori to participate in its decision-making processes and foster the development of Māori capacity to ensure that this is effective, as Treaty partners of the Crown. Other statutory obligations to Māori, although not limited to, are further acknowledged in the Resource Management Act 1991, and Iwi Treaty Settlements Acts.

Over the years, Council has sought to establish opportunities to encourage greater participation by Māori within its decision making, but an effective process that is fit for purpose has proved to be challenging as the Ruapehu District has a large number of different affiliated Iwi and Hapū. As a result, Council has sought to reset the way in which it engages with Māori going forward and is currently working to establish more direct relationships. Council acknowledges that in doing so, a lot of work is still required but sees this as a step in a positive direction. Council remains committed to supporting Iwi pre and post Treaty settlements and strengthening relationships is a significant part of this commitment. Council also sees this as an opportunity to enhance Māori capacity and provide better outcomes for both Māori and its wider communities.

SIGNIFICANT NEGATIVE EFFECTS

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

7.2.1 Funding Impact Statement - Leadership

Leadership	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	1,867	1,937	1,531
Targeted rates	330	366	340
Subsidies and grants for operating purposes	34	35	34
Fees and charges	35	1	1
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	2,266	2,339	1,906
Applications of Operating Funding			
Payments to staff and suppliers	1,740	1,774	1,774
Finance costs	-	-	5
Internal charges and overheads applied	526	565	125
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,266	2,339	1,904
Surplus (deficit) of operating funding (A-B)	-	-	2
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	2,916
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	51
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	2,967
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	2,916
- to improve the level of service	-	-	53
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	2,969
Surplus (deficit) of capital funding (C-D)	-	-	(2)
Funding Balance ((A-B)+(C-D))	-	-	-

7.2.2 Major Capital Projects – Leadership

Project Description	Annual Plan	LTP	Variance	Notes
	2023/24	2023/24	2023/24	
	000'	000'	000'	
Te Ara Mangawhero & missing links trails project	2,916	-	2,916	LOS
Ohakune to Raetihi cycle trail	53	53	-	LOS
Total	2,970	53	2,916	

7.3 REGULATION

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 are 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 must enforce its own Bylaws. A bylaw is a local law, specific to a region, district, or city.

COMMUNITY WELL-BEING OUTCOMES



The Regulation group is made up 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 1991 (the RMA) 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 RMA requires that the District Plan to be reviewed every ten years. Because of the size and complexity of a District Plan review, Council will do a 'rolling review' of discrete sections as required to satisfy the prescribed review process.

The Government is repealing the RMA and enacting new laws to transform the way we manage the environment. The Natural and Built Environment Bill and Spatial Planning Bill are currently being considered by the Environment Select Committee, with the Climate Adaptation Bill due to be introduced later this year. It is important to note that it will take a number of years to fully transition to the new system under the Natural and Built Environment Act and the Spatial Planning Act, so the current system under the RMA will still be operational for some time yet.

ENVIRONMENTAL HEALTH AND ALCOHOL LICENSING

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

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.

SIGNIFICANT NEGATIVE EFFECTS

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



7.3.1 Funding Impact Statement - Regulation

Regulation	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	2,173	2,280	2,220
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,070	1,101	1,078
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	24
Total Operating Funding (A)	3,243	3,381	3,322
Applications of Operating Funding			
Payments to staff and suppliers	1,892	1,943	2,031
Finance costs	-	-	-
Internal charges and overheads applied	1,351	1,438	1,291
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,243	3,381	3,322
Surplus (deficit) of operating funding (A-B)	-	-	-
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	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	-
Surplus (deficit) of capital funding (C-D)	-	-	-
Funding Balance ((A-B)+(C-D))	-	-	-

SECTION 2: RATING INFORMATION

FUNDING IMPACT STATEMENT

INTRODUCTION

Council is required under Schedule 10(20) of the LGA to adopt a Funding Impact Statement. This Statement provides a summary of Council's funding sources, as well as the detailed rates requirement for the 2023/24 financial year. The Statement represents the fiscal outcome from the Revenue and Financing Policy, which was reviewed by Council in accordance with the provisions of the Local Government Act 2002.

Rates are assessed in accordance with the Local Government (Rating) Act 2002 (LGRA) on all rating units in the district on the basis of values as at 30 June 2023.

OBJECTIVES AND MEASURES

OBJECTIVES	MEASURES
<ul style="list-style-type: none">• Provide the income by rates received to meet Council's Annual Plan objectives, after user charges and other income is first applied.• Ensure that all ratepayers pay their fair share towards the cost of Council services.• Ensure that the incidence of rates is spread as fairly as possible over the different ratepayer groups.• Ensure consistency in the charging of rates.	<ul style="list-style-type: none">• Rating income is raised with user charges to meet, and not exceed, that required by Council's forecast work program.• Council complies with the Balanced Budget requirement of Section 100 of the LGA.• Development of a Revenue and Financing Policy adopted, with consultation, with each LTP.• Setting of rates is in accordance with Council's Revenue and Financing Policy and Funding Impact Statement.• The setting of rates is in accordance with the provisions of the LG(R)A and the LGA.

RATES REMISSION AND POSTPONEMENT

REMISSIONS

Council has a Rates Remissions Policy developed under Section 102(3)(a) of the LGA and Section 85 of the LG(R)A. This can be viewed on Council's website www.ruapehudc.govt.nz. Remissions categories include:

- Charges on Contiguous Properties
- Charges on Non-Contiguous Properties
- Uninhabitable dwellings or properties affected by natural disasters
- Remissions for Clubs and Societies
- Remissions for Community Organisations
- Remissions for New Subdivisions
- Remissions of Rates on Land-locked Land
- Remission of Penalties
- Remission for Council Properties
- Remission for Māori Freehold Land
- Remissions for Extreme Financial Hardship
- Remissions of UAGC to Certain Separately Used or Inhabited Parts of Rating Units (SUIPS)

The value of these remissions is as follows (GST inclusive)

Category of Rates Remission	Value of Remission (Including GST) \$
Service Charge – Water	127,833
Service Charge – Wastewater	34,564
Service Charge – Solid Waste	35,858
General Rates	33,044
UAGC	259,585
Other	17,655
Total	508,539

POSTPONEMENT

Council has a Rates Postponement Policy developed under Section 110 of the LGA and Section 87 of the LG(R)A. This can be viewed on Council's website at www.ruapehudc.govt.nz. The policy enables Council to postpone rates where Council is satisfied that financial hardship exists or would be caused by non-postponement of rates.

LEGISLATIVE REQUIREMENTS

The Local Government Act 2002 requires that Council include a Funding Impact Statement in each Annual Plan. This statement must include the following information for each year covered by the plan:

- The sources of funding to be used by the local authority,
- The amount of funds expected to be produced from each source,
- How the funds are to be applied.

PROPOSED RATES FOR 2023/24

This portion of the Funding Impact Statement has been prepared in two parts. The first part outlines the rating methodologies and differentials which Council proposes to use to set the rates for the 2023/24 rating year. The second part outlines the proposed rates for the 2023/24 rating year.

Where a new rate is not proposed to be set in 2023/24 the schedule of rates will show this rate as NA.

DEFINITION OF SEPARATELY USED OR INHABITED PART OF A RATING UNIT

A separately used or inhabited part of a rating unit is any part of a rating unit that is or is able to be separately used or inhabited by the ratepayer or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

The following points provide guidance to how the Council will apply its definition of SUIP:

- Where a rating unit contains both a commercial operation and residential accommodation, two separately used parts of a rating unit are identified, and each will be a SUIP.
- A farming unit with one dwelling will be treated as one SUIP, with each additional dwelling counting as an additional SUIP of the rating unit. Each additional dwelling will be a SUIP.
- Where a single rating unit contains a number of shops or offices, each office or shop will be a SUIP.
- Where a single rating unit contains a number of separately used or inhabited residential parts (block of flats), each separate unit will be counted as one SUIP.
- A motel/hotel complex will not be treated on the basis of the number of rooms, but on the basis of a motel/hotel being a commercial operation. The motel/hotel complex will be one SUIP. However, should a residential occupancy be contained within the complex,

that would constitute an additional SUIP. Each residential occupancy in the motel/hotel complex will be an additional SUIP.

- Dwellings that are not fully self-contained will not be a SUIP. For a dwelling to be self-contained, it must be connected to water and wastewater services, and have facilities so that the person living or staying there does not have to share rooms such as a kitchen or bathroom. A kitchen is further defined as a room or area equipped with the intent for cooking. Any dwelling rented out separately to the main dwelling will be a SUIP.

GENERAL RATES

GENERAL RATE

A General Rate set on the basis of Capital Value (CV) to fund general activities. This rate is set on a differential basis as described below and assessed on all rateable land.

The General Rate differentials are based on the CV and land use as defined by Council's Valuation Service Provider and included in the Funding Impact Statement Database. The differentials are as set out in the following table.

(Refer Local Government (Rating) Act 2002, S13(2)(b) & S14, and Schedules 2(1&8) & 3(2))

General Rate Differentials	
Basis	Differential
All rating units other than hydro-electric properties with a CV in excess of \$50 million	100%
Hydro-electric properties with a CV in excess of \$50 million	61%

GENERAL RATE – DEFENCE LAND

Defence Land is rated on Capital Value but, in accordance with Section 22 LGRA, the assessed rate will not exceed the amount that would have been charged if the District's rate was calculated on the Land Value only.

(Refer Local Government (Rating) Act 2002, S22)

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

A UAGC is set on the basis of one charge assessed on every separately used or inhabited part (SUIP) of a rating unit. This rate has been set at a level designed to ensure that the total of the UAGC and uniform targeted rates, exclusive of those set for water supply or sewerage disposal, do not exceed the allowable maximum of 30%.

(Refer Local Government (Rating) Act 2002, S15 & 21 and Schedule 3(7))

TARGETED RATES

LAND TRANSPORT- LAND TRANSPORT DIFFERENTIAL RATE

A targeted rate set on the basis of Capital Value (CV) on all rating units in the District to fund land transport activity. This rate is set on a differential basis as described below.

The Land Transport Rate differentials are based on the CV and use as defined by Council's Valuation Service Provider and included in the Rating Information Database. The differentials are set out in the following table.

(Refer Local Government (Rating) Act 2002, S16(3)(a) and (4)(b) and Schedules 2(1&8) and Schedule 3(2))

Land Transport Rate Differentials		
Differential	Basis	Basis
General	All rating units other than the following:	100%
Hydro-electric	Rating Units used for Hydro-electric purposes with a Capital Value in excess of \$50 million	61%
Forestry	Rating Units used for exotic forestry with a Quotable Value Category Code of FE	300%

URBAN PERIPHERY ROAD - KAHA AND TAU STREET RESEALING

A targeted rate set on the basis of a fixed amount assessed on every rating unit within the defined rating area to fund the resealing of Kaha and Tau Streets.

The defined Rating Area is as follows - All rating units with frontage on Kaha or Tau Streets, Rangataua (excluding the three rating units with frontage on a short section of Tau Street already sealed: valuation numbers 12765 198 00; 12765 222 00; 12765 223 00.

(Refer Local Government (Rating) Act 2002, S16(3)(b) and (4)(a))

ECONOMIC DEVELOPMENT RATES

ECONOMIC DEVELOPMENT TARGETED RATE

A targeted rate set on the basis of a fixed amount assessed on every SUIP in the District to fund Economic Development.

(Refer Local Government (Rating) Act 2002, S16(3)(a) and (4)(a) and Schedule 3 (7))

ECONOMIC DEVELOPMENT COMMERCIAL TARGETED RATE

A targeted rate set on the basis of Capital Value (CV) assessed on every rating unit with Council's Valuation Service Provider's Category Code C (Commercial) and I (Industrial) to fund Economic Development.

(Refer Local Government (Rating) Act 2002, S16(3)(b) and (4)(a), and Schedules 3(2))

NON-COMMERCIAL VISITOR ACCOMMODATION TARGETED RATE

A Non-Commercial Visitor Accommodation Rate set on the basis of a fixed amount per rating unit to fund services provided to the tourism sector. This rate will be assessed on any property that is advertised in any form as providing short term, private, holiday rental accommodation in the district. For clarity, this rate will be payable by any property (rating unit) that is advertised and used for short-term accommodation purposes, for example Bed & Breakfast (B&B), Book-a-Bach, Air B&Bs etc. This rate will not, however, be payable by any rating unit that is currently assessed as Economic Development – Commercial Targeted Rate.

(Refer Local Government (Rating) Act 2002, Sections 16(3)(b) and (4)(a) and schedule 3(7))

SOLID WASTE RATES

SOLID WASTE – WASTE MINIMISATION MANAGEMENT AND FACILITIES

A targeted rate set on the basis of a fixed amount assessed on every SUIP in the District to fund the cost of landfills, transfer stations and general recycling costs, plus all other refuse costs not included in the service charge for kerbside collection charged to individual households.

(Refer Local Government (Rating) Act 2002, Sections 16(3)(a) and (4)(a) & Schedule 3 (7))

SOLID WASTE - KERBSIDE COLLECTION

A targeted rate set on the basis of a fixed amount assessed differentially on every SUIP to which Council provides the service, to fund the cost of kerbside (refuse and recycling) collection services. Note: Vacant land and land with minor improvements are deemed not to receive the service therefore are not subject to this rate.

Note: Refuse is collected for all SUIPS, whereas recycling is only collected from residential units.

Solid Waste - Kerbside Collection Rate Differentials		
Basis		Differential
General Differential	All rating units within the rateable areas defined AND used for "Residential" ^[1] purposes. Note: vacant land and land with minor improvements will not be liable for this rate	100%
Commercial Differential	All rating units within the rateable areas defined AND used for any purpose other than residential. Note: vacant land and land with minor improvements will not be liable for this rate	50%

(Refer Local Government (Rating) Act 2002, Sections 16(3)(b) and (4)(b), Schedules 2 (1&5) & 3(7))

STORMWATER & FLOOD PROTECTION RATES

A targeted rate set on the basis of a fixed amount assessed on every SUIP within the following urban communities to which stormwater and flood protection services are provided to fund these services. In this context, "are provided" means that the rating unit is within a water or sewerage supply area and is liable for any of those rates.

(Refer Local Government (Rating) Act 2002, Sections 16(3)(b) and (4)(a) & Schedule 3 Cl 7)

Stormwater Rating Areas
Taumarunui, Piriaka, Ohakune, Raetihi, Ōwhango, National Park, Rangataua, Waiouru, Kakahi

SEWERAGE

SEWERAGE SERVICE RATE

Council has set a targeted rate assessed on a differential basis for any land which is connected or capable of connection¹, either directly or indirectly, to any of the District's public sewerage systems as follows:

Sewerage Differential Rate		
Differential	Description	Basis
General Use	Land other than land used for Primary and Secondary Schools	100%
School Use	Land used for Primary and Secondary Schools	30%

(Refer Local Government (Rating) Act 2002, Section 16(3)(b) and (4)(b) and Schedules 2(1), 2(5), 3(7) & 3(12))

The rate is assessed per SUIP of a rating unit for general use land and per pan for schools.

^[1] As defined as residential by Council's Valuation Service Provider and included in the Rating Information Database

¹ Capable of connection - The rating unit is within 30m of sewer main and practicably serviceable in the opinion of Council.

PAN RATE (WATER CLOSET OR URINAL)

Council has set a targeted rate based on the number of toilet pans connected, either directly or indirectly, to any of the District's public sewerage systems². This targeted rate will apply per pan, after the second pan, of any rating unit in the General Use category

(Refer Local Government (Rating) Act 2002, Section 16(3)(b) and 16(4)(a) and Schedule 2(1), 2(5) & Schedule 3(12))

WATER

WATER RATE

A targeted rate on the basis of an amount assessed on every SUIP that is connected or capable of connection³, either directly or indirectly, to any of the District's Public Water Supply Systems, set on a differential basis.

(Local Government (Rating) Act 2002, Section 16(3)(b) and (4)(b) and Schedule 3(7))

Water Rates		
Differential	Description	Basis
General Use	All Rating Units other than those defined as Extraordinary Use	100%
Extraordinary Use	Rating Units are deemed extraordinary by land use, Councils Water Bylaw, or agreement with Council.	120%

(Local Government (Rating) Act 2002, Section 16(3)(b) and (4)(b) and Schedules 2(1) & 3(7))

WATER BY METER CHARGES (N.B. WATER BY METER CHARGES ARE NOT RATES PURSUANT TO THE LGRA)

Users connected to any Council water supply where the supply is recorded through a water meter will be assessed the Water Differential Rate, as outlined above.

² In terms of the Local Government (Rating) Act 2002 Schedule 3(4) a rating unit used primarily as a residence for one household will be treated as having only one water closet or urinal.

³ Capable of connection - The rating unit is within 100m of water main and practicably serviceable in the opinion of Council.

LUMP SUM CONTRIBUTIONS

Council is not seeking any lump sum contributions in respect of any targeted rates.

(Local Government Act 2002, Schedule 10 Clause 15(4)(e)).

DUE DATES FOR PAYMENT OF RATES

Council resolved that the rates for 2023/24 are payable in four equal instalments, on the dates set out below.

DISCOUNT

A discount of 3% on all current year's rates will be granted for prompt payment if the rates for the year ending 30 June 2024 are paid in full by 21 August 2023, on condition that no rates remain unpaid from previous years.

PENALTIES

A penalty of 10% will be added to any amount of an instalment of rates remaining unpaid after the relevant due date and will be added on the dates set out in the table below:

Instalment	Due Date	Penalty Date
1	21 August 2023	24 August 2023
2	20 November 2023	23 November 2023
3	20 February 2024	23 February 2024
4	20 May 2024	23 May 2024

A further penalty of 10% will be added to any rates from previous years that remain unpaid on 1 July 2023. The penalty will be applied on 12 July 2023.

A further penalty of 10% will be added to any amount of rates to which a penalty has been added under the above paragraph that remain unpaid on 12 January 2024. The penalty will be added on 15 January 2024.

Council delegates authority to the Executive Manager Finance, Strategy and Governance, to apply penalties on unpaid rates. Remission of penalties will be considered according to Council's Remission of Penalties Policy, which can be found on Council's website: www.ruapehudc.govt.nz.

SCHEDULE OF RATES FOR 2023/24

Please note all rates Inclusive GST.

Rate	Basis of Assessment	Differential (as per LG(R)A schedule 2	Rates 2023/24	
			Rate GST incl.	Total Rate GST incl.
GENERAL RATES				
Uniform Annual General Charge	Per SUIP ⁴	-	\$723.08	\$6,834,914
General Rate – General Differential	Capital Value	1 & 8	\$0.00192569	\$9,840,816
General Rate – Hydro Electrical Differential	Capital Value	1 & 8	\$0.00117158	\$374,894
General Rate – Defence Land	Land Value	1	\$0.00084517	\$173,311
TARGETED RATES				
Land Transport				
General	Capital Value	1	\$0.00087692	\$4,358,072
Hydro Electrical	Capital Value	1 & 8	\$0.00053919	\$172,535
Forestry	Capital Value	1	\$0.00263074	\$371,235
Kaha and Tau Street Resealing	Per rating unit		\$124.00	\$3,968
Solid Waste				
Solid Waste - Kerbside Collection				
Residential	Per SUIP	1	\$90.22	\$395,704
Commercial	Per SUIP	1	\$45.02	\$24,266
Solid Waste Charge	Per SUIP	-	\$99.56	\$940,892
Stormwater/Flood Protection Urban	Per SUIP		\$122.52	\$717,048
Wastewater				
District Wide Sewerage Rate				
General use (Inclusive of 2 pans)	Per SUIP	1 & 5	\$476.75	\$2,432,855
School use	Per Pan	1 & 5	\$143.03	\$34,899
District Wide Additional Pan Rate				
General Use Per pan in excess of 2 pans per SUIP	Per Pan	-	\$238.38	\$306,557
Water				
District Wide Water Rate				
Connected or capable of connection	Per SUIP	1 & 5	\$863.74	\$5,278,315
Extra-Ordinary	Per SUIP	1 & 5	\$1,036.49	\$38,350
Economic Development Rates				
Economic Development Rate	Per SUIP	-	\$53.57	\$504,373
Economic Development Commercial Rate	Capital Value	-	\$0.0013098	\$439,276
Non-Commercial Visitor Accommodation Targeted Rate	Per rating unit	-	\$300.00	\$168,600

⁴ Separately Used or Inhabited Part of a rating unit

RATING EXAMPLES

Set out below are examples of the rates drawn from a range of land uses and property land values. Additionally, examples are shown for a range of residential properties drawn from a number of communities across the District.

Commercial		Capital Value	\$ Change in Rates	% Change
Kakahi	Low	75,000	127	6.8%
Kakahi	Medium	100,000	133	6.8%
Kakahi	High	125,000	139	6.8%
National Park	Low	300,000	83	2.1%
National Park	Medium	900,000	233	3.7%
National Park	High	1,500,000	383	4.5%
Ohakune	Low	500,000	123	2.6%
Ohakune	Medium	1,250,000	310	4.1%
Ohakune	High	2,000,000	497	4.7%
Ōhura	Low	100,000	33	1.1%
Ōhura	Medium	200,000	58	1.7%
Ōhura	High	300,000	83	2.1%
Ōwhango	Low	150,000	46	1.4%
Ōwhango	Medium	250,000	71	1.9%
Ōwhango	High	350,000	96	2.3%
Raetihi	Low	100,000	68	2.2%
Raetihi	Medium	250,000	105	2.8%
Raetihi	High	400,000	143	3.3%
Taumarunui	Low	500,000	123	2.6%
Taumarunui	Medium	1,000,000	248	3.7%
Taumarunui	High	1,500,000	373	4.3%
Waiouru	Low	150,000	80	2.4%
Waiouru	Medium	450,000	155	3.5%
Waiouru	High	750,000	230	4.1%

Residential		Capital Value	\$ Change in Rates	% Change
Kakahi	Low	130,000	111	9.1%
Kakahi	Medium	255,000	135	8.7%
Kakahi	High	380,000	159	8.5%
National Park	Low	200,000	129	4.5%
National Park	Medium	400,000	167	4.9%
National Park	High	600,000	205	5.2%
Ohakune	Low	200,000	129	4.5%
Ohakune	Medium	400,000	167	4.9%
Ohakune	High	600,000	205	5.2%
Ōhura	Low	50,000	161	8.3%
Ōhura	Medium	150,000	180	8.2%
Ōhura	High	250,000	199	8.1%
Ōwhango	Low	150,000	158	7.4%
Ōwhango	Medium	275,000	182	7.4%
Ōwhango	High	400,000	205	7.4%
Pipiriki	Low	100,000	66	3.7%
Pipiriki	Medium	150,000	75	3.9%

Pipiriki	High	200,000	85	4.1%
Raetihi	Low	100,000	110	4.2%
Raetihi	Medium	225,000	134	4.6%
Raetihi	High	350,000	158	4.8%
Rangataua	Low	200,000	85	4.1%
Rangataua	Medium	350,000	113	4.6%
Rangataua	High	500,000	142	5.0%
Taumarunui	Low	100,000	110	4.2%
Taumarunui	Medium	300,000	148	4.7%
Taumarunui	High	500,000	186	5.1%
Waiouru	Low	200,000	129	4.5%
Waiouru	Medium	300,000	148	4.7%
Waiouru	High	400,000	167	4.9%

Rural		Capital Value	\$ Change in Rates	% Change
Kakahi	Low	500,000	159	7.5%
Kakahi	Medium	2,250,000	491	7.3%
Kakahi	High	4,000,000	823	7.3%
National Park	Low	500,000	159	7.5%
National Park	Medium	1,000,000	254	7.4%
National Park	High	1,500,000	349	7.4%
Ohakune	Low	1,000,000	254	7.4%
Ohakune	Medium	3,500,000	728	7.3%
Ohakune	High	6,000,000	1,202	7.3%
Ōhura	Low	500,000	159	7.5%
Ōhura	Medium	2,250,000	491	7.3%
Ōhura	High	4,000,000	823	7.3%
Ōwhango	Low	1,000,000	254	7.4%
Ōwhango	Medium	3,500,000	728	7.3%
Ōwhango	High	6,000,000	1,202	7.3%
Pipiriki	Low	500,000	159	7.5%
Pipiriki	Medium	2,250,000	491	7.3%
Pipiriki	High	4,000,000	823	7.3%
Raetihi	Low	1,000,000	254	7.4%
Raetihi	Medium	3,500,000	728	7.3%
Raetihi	High	6,000,000	1,202	7.3%
Taumarunui	Low	1,000,000	254	7.4%
Taumarunui	Medium	3,500,000	728	7.3%
Taumarunui	High	6,000,000	1,202	7.3%
Waiouru	Low	1,000,000	254	7.4%
Waiouru	Medium	3,500,000	728	7.3%
Waiouru	High	6,000,000	1,202	7.3%

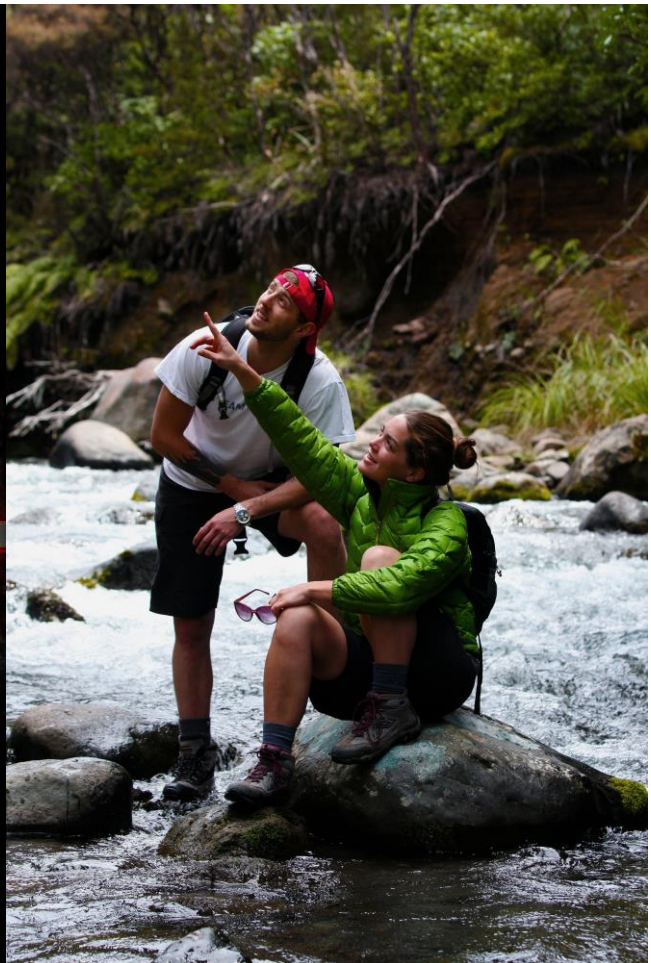
RATING BASE INFORMATION

District numbers at 30 June 2023, based off up to date projections completed 12 June 2023.

Number of rating units (gross)	Total capital value of rating units (gross)	Total land value of rating units (gross)
10,143	6,294,614,000	3,483,856,000

BENCHMARKS

Benchmark	Quantified Limit	Planned	Met
Rates affordability - Income	28,252	28,588	Yes
Rates affordability - Increase	6.30%	7.0%	No
Debt affordability	57,176	60,612	No
Balanced budget	100%	107%	No
Essential services	100%	149%	Yes
Debt servicing	10%	5.4%	Yes



SECTION 3: PROSPECTIVE FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Ruapehu District Council (Council) 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 Council's operations includes the LGA and the Local Government (Rating) Act 2002.

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

Group consists of:

- The ultimate parent, Ruapehu District Council.
- RDC Holdings Ltd (100% owned subsidiary) which is non-trading.
- Visit Ruapehu Limited (100% owned Council Controlled Organisation) CCO.
- Manawatū-Wanganui LASS Ltd (14.29% interest, equally with Horizons Regional Council, Manawatū District Council, Horowhenua District Council, Rangitikei District Council, Tararua District Council, and Whanganui District Council) which is equity accounted (an associate).
- Whanganui River Enhancement Charitable Trust, a CCO established on 10 July 2003 and incorporated as a Trust under the provisions of the Charitable Trusts Act 1957 (33.3% interest, equally with Wanganui District Council and Genesis Energy Limited).
- Manawatu-Wanganui Regional Disaster Relief Fund Trust, a CCO established on 16 March 2004 and incorporated as a Trust under the provisions of the Charitable Trusts Act 1957 (12.5% interest, equally with Horizons Regional Council, Manawatū District Council, Palmerston North City Council, Rangitikei District Council, Tararua District Council, and Whanganui District Council).

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

The prospective financial statements reflect the consolidated results for Council and Group consisting of Council, RDC Holdings Ltd, and Visit Ruapehu Ltd. The only subsidiary of Council (RDC Holdings Limited) is non-active and has no revenue, expenditure, assets, or liabilities.

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.

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

The financial information contained within these documents is prospective financial information in terms of Financial Reporting Standard 42 Prospective Financial Statements (PBE). The purpose for which this has been prepared is to enable the public to participate in decision-making processes as to the services provided by Council over the next ten years and to provide broad accountability mechanism of Council to the community. The financial information in the Long term Plan may not be appropriate for purposes other than those described.

BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The reporting period for these prospective financial statements of Council is for the years ending on 30 June 2024. These prospective financial statements have been prepared on the going concern basis, and in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). Notwithstanding the above, prospective financial statements are a forecast based on best available information and assumptions at the time of preparation, and so it must be cautioned

that actual results could differ materially from those presented here due to inherent future uncertainties.

PROSPECTIVE FINANCIAL STATEMENTS

Prospective financial statements have been prepared in accordance with Tier 1 PBE FRS 42 – Prospective Financial Statements and using accounting policies that are consistent with those adopted by Council in preparing financial statements. Council's principal activities are outlined within this Annual Plan and the 2021/31 Long Term Plan. Council authorised the prospective financial statements on 21 June 2023.

It is a requirement of the Local Government Act 2002 to present prospective financial statements of the local authority for the financial year of which the Annual Plan relates. This provides an opportunity for ratepayers and residents to review the projected financial results and position of Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

The prospective financial statements have been prepared on the basis of best estimate assumptions of future events which Council expects to take place. Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined in this Annual Plan.

CAUTIONARY NOTE

The financial information is prospective. Actual results are likely to vary from the information presented and the variations may be material.

OTHER CHANGES IN ACCOUNTING POLICIES

Software-as-a-Service (SaaS) arrangements

In April 2021, the International Financial Reporting Interpretations Committee (IFRIC), a committee supporting profit-oriented reporting, published an agenda decision clarifying how configuration and customisation costs incurred in implementing SaaS should be accounted for.

The IFRIC concluded that SaaS arrangements are service contracts providing the customer with the right to access the SaaS provider's application software over the contract period. Costs incurred to configure or customise software in a cloud computing arrangement, can be recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Costs that do not result in intangible assets are expensed as incurred unless they represent payment for future services to be received. In which case a prepayment is initially recognised and then expensed as those subsequent services are received.

The New Zealand Accounting Standards Board has not issued similar guidance, however, in the absence of a PBE standard specifically dealing with such costs, management considers the IFRIC decision relevant to the accounting for similar types of arrangements of the group in accordance with PBE IPSAS 31 Intangible assets.

The group revised its accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements from 1 July 2021 to be consistent with the IFRIC agenda decision.

The impact of the change in accounting policy is that some of previously capitalised intangible assets no longer meet the criteria for capitalisation and have therefore been expensed.

MEASUREMENT BASE

The reporting period for these prospective financial statements is the year ended 30 June 2024. The functional currency of Council is New Zealand dollars, and the statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

The prospective financial statements have been prepared based on the historical cost basis, modified by the revaluation of certain assets and liabilities as identified in these statements of significant accounting policies.

The prospective financial statements do not disclose audit fees or imputation credits, and no comment is included regarding the effect on the community of Council's existence or operations. This information is fully disclosed in the Annual Report.

PLANNING ASSUMPTIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of prospective financial statements requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The significant planning and forecasting assumptions with risks underlying the financial estimates are identified in Council's Long Term Plan 2021-31 page 95-148.

Additionally, Council also applies a number of accounting policies and treatments to this forecast, and a summary of the significant accounting policies can be found in Council's Long Term Plan 2021-31 page 236-277.

BASIS OF CONSOLIDATION

The consolidated prospective financial statements have been prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities of the Group on a line-by-line basis. All intragroup balances, transactions, revenue and expenses are eliminated on consolidation.

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.
- Manawatū-Whanganui LASS Ltd (14.29%) which, is equity accounted (an associate)
- Visit Ruapehu Limited (100% owned Council Controlled Organisation) CCO.

BASIS OF REPORTING

The New Zealand Accounting Standards Board issued these standards to incorporate the equivalent standards issued by the International Public Sector Accounting Standards Board into PBE Standards. These standards replace PBE IPSAS 6 Consolidated and Separate Financial Statements, PBE IPSAS 7 Investments in Associates and PBE IPSAS 8 Interests in Joint Ventures.

The group adopted these standards with effect from 1 July 2019. The key changes introduced by the new standards and the expected impact on the group are as follows:

- (a) Control: The new standards introduce an amended definition of control including extensive guidance on this definition, which if applicable, result in consolidation of entities that are not owned by virtue of shareholding. The adoption of new standards has not resulted in the consolidation of additional entities.
- (b) Investment entities: The standards introduce the concept of an “investment entity”. They exempt investment entities from consolidating controlled entities and instead require investment entities to recognise controlled entities at fair value through surplus or deficit. These requirements do not apply to the group, as neither Council nor any of its controlled entities meet the definition of an investment entity.
- (c) Joint arrangements: PBE IPSAS 37 introduces a new classification of joint arrangements, sets out the accounting requirements for each type of arrangement (joint operations and joint ventures), and removes the option of using the proportionate consolidation method. These requirements do not apply to the group, none of Councils controlled entities meet the definition of a joint arrangement.
- (d) Disclosures of interests in other entities: The standards require PBEs to disclose information of their interests in other entities, including some additional disclosures that are not currently required under PBE IPSAS 6, 7 and 8. This will result in additional disclosures for the group regarding the group’s controlled entities, associates and joint arrangements.

INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries includes the investment in CCOs. These investments are carried at cost less any accumulated impairment.

INVESTMENTS IN ASSOCIATES

Investments in associates are accounted for using the equity method in the group and Council financial statements. The investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the share of the surplus or deficit of the associate or joint venture after the date of acquisition. Distributions received reduce the carrying amount of the investment. Where necessary, adjustments are made to the financial statements of associates and joint ventures to bring their accounting policies in line with the group.

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

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

Development and financial contributions are recognised as revenue when 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 Council provides, or is able to provide, the service.

WAKA KOTAHI NEW ZEALAND TRANSPORT AGENCY ROADING SUBSIDIES

Council receives funding assistance from Waka Kotahi, 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 the 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 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 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), 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 Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by Council and the approval has been communicated to the applicant. 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 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 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.

Council and groups included 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 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 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 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 – 75 Years	0.00 - 25% SL
Other (Not Depreciated)		Measurement Basis (*1)	Estimated Life	Depreciation Rate
Land		REV		
Formation Costs for Roading		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 based on 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 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 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 Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation.

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 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 Council.

Restricted reserves include those subject to specific conditions accepted as binding by Council and which may not be revised by 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. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of 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.

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.

COST ALLOCATION

The cost of service for each significant activity of 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 prospective 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 over the Long Term Plan period, are discussed in the following policies and strategies which form part of this document:

- Financial Strategy
- Infrastructure Strategy
- Revenue and Financing Policy

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Management has exercised the following critical judgements in applying accounting policies for these prospective financial results.

CLASSIFICATION OF PROPERTY

Council owns a number of properties held to provide social housing. 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 Council's social housing policy. The properties are therefore classified as property, plant, and equipment rather than as investment properties.

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.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Revenue			
Rates	27,721	28,573	28,189
Subsidies and grants	15,704	14,964	18,616
Other Revenue	3,551	3,552	3,890
Finance revenue	26	26	26
Total operating revenue	47,002	47,115	50,721
Expenditure			
Depreciation and amortisation expense	10,171	10,517	12,518
Personnel costs	6,519	6,675	7,183
Finance costs	931	1,052	2,708
Other expenses	24,739	24,841	24,560
Total operating expenditure	42,360	43,085	46,969
Operating surplus (deficit) before tax	4,642	4,030	3,752
Income Tax Expense	-	-	-
Operating surplus (deficit) after tax	4,642	4,030	3,752
Other comprehensive revenue and expense			
<i>Items that could be reclassified to surplus (deficit)</i>			
Gain on revaluation of property, plant and equipment	14,748	15,492	4,772
Total other comprehensive revenue and expense	14,748	15,492	8,523
Total comprehensive revenue and expense	19,390	19,522	8,523

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Equity balance at 1 July	425,235	444,625	534,851
Comprehensive income for year	19,390	19,522	8,523
Equity Balance 30 June	444,625	464,147	543,374
Components of Equity			
Retained Earnings at 1 July	294,107	298,749	301,875
Net Surplus / (deficit)	4,642	4,030	8,523
Retained earnings 30 June	298,749	302,779	310,398
Asset Revaluation Reserves at 1 July	131,128	145,876	228,204
Revaluation Gains	14,748	15,492	4,772
Revaluation Reserves 30 June	145,876	161,368	232,976
Equity at 30 June	444,625	464,147	543,374

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	2,197	2,197	2,197
Debtors and other receivables	3,967	3,967	1,278
Prepayments & Accrued Income	1,015	1,015	1,704
Inventory	382	382	348
Investment Funds	-	-	-
Total Current Assets	7,561	7,561	5,527
Non-Current Assets			
Plant, property and equipment	487,690	514,559	597,193
Intangible assets	877	877	-
Investment Property	3,741	3,853	6,915
Investment in CCOs and other similar entities	48	48	67
Other Financial Assets Term	741	741	967
Total Non-Current Assets	493,097	520,078	605,142
TOTAL ASSETS	500,658	527,639	610,669
LIABILITIES			
Current Liabilities			
Creditors and other Payables	3,540	3,539	4,356
Employee entitlements	403	403	498
Income in advance	2,835	2,835	1,612
Borrowings	8,000	8,000	19,000
Total Current Liabilities	14,778	14,777	25,466
Non-Current Liabilities			
Provisions	199	199	217
Borrowings	40,951	48,298	41,612
Total Non-Current Liabilities	41,150	48,497	41,829
TOTAL LIABILITIES	55,928	63,274	67,295
EQUITY			
Retained Earnings	298,749	302,779	310,398
Asset Revaluation Reserves	145,876	161,368	232,976
TOTAL EQUITY	444,625	464,147	543,374

PROSPECTIVE CASH FLOW STATEMENT

	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Cash flows from operating activities			
Receipts from rates revenue	27,721	28,573	28,189
Receipts from other revenue	19,135	18,392	22,274
Interest received	26	26	26
Development Contributions	120	124	232
Payments to suppliers and employees	(31,257)	(31,515)	(30,823)
Interest paid	(931)	(1,052)	(2,708)
Net Cashflow from Operating Activity	14,814	14,548	17,190
Receipts from sale of property, plant and equipment	-	-	-
Receipts from sale of investments	-	-	-
Acquisition of investments	-	-	-
Purchases of property, plant and equipment	(19,575)	(21,893)	(21,891)
	-	-	-
Net Cashflow from Investing Activity	(19,575)	(21,893)	(21,891)
Cash flow from financing activities			
Proceeds from borrowings	4,761	7,345	3,368
Repayment of borrowings	-	-	-
Net Cashflow from Financing Activity	4,761	7,345	3,368
Net Increase (decrease) in Cash Held	-	-	(1,333)
Add Opening Cash bought forward	2,197	2,197	3,530
Closing Cash Balance	2,197	2,197	2,197

PROSPECTIVE FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

	Annual Plan 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	14,014	14,414	14,422
Targeted rates	12,563	14,159	13,769
Subsidies and grants for operating purposes	7,580	6,952	7,222
Fees and charges	3,845	3,272	3,469
Interest and dividends from investments	26	26	26
Local authorities fuel tax, fines, infringement fees, and other receipts	176	156	189
Total Operating Funding (A)	38,204	38,979	39,097
Applications of Operating Funding			
Payments to staff and suppliers	33,273	31,516	31,744
Finance costs	1,290	1,052	2,708
Other operating funding applications	-	-	-
Total applications of operating funding (B)	34,563	32,568	34,452
Surplus (deficit) of operating funding (A-B)	3,641	6,411	4,645
Sources of capital funding			
Subsidies and grants for capital expenditure	20,246	8,012	12,112
Development and financial contributions	120	124	231
Increase (decrease) in debt	4,534	7,347	3,369
Gross proceeds from sale of assets	-	-	-
Total sources of capital funding (C)	24,900	15,483	15,712
Applications of capital funding			
Capital expenditure			
- to meet additional demand	3,965	1,188	3,386
- to improve the level of service	15,350	8,503	7,216
- to replace existing assets	14,416	12,203	11,288
Increase (decrease) in reserves	(5,190)	-	(1,533)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	28,541	21,894	20,357
Surplus (deficit) of capital funding (C-D)	(3,641)	(6,411)	(4,645)
Funding Balance ((A-B)+(C-D))	-	-	-

PROSPECTIVE COST OF SUPPORT FUNDING IMPACT STATEMENT

	LTP 2022/23 \$000	LTP 2023/24 \$000	Annual Plan 2023/24 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	(18)	(37)	(4)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	152	58	275
Internal charges and overheads recovered	4,736	5,063	4,585
Local authorities fuel tax, fines, infringement fees, and other receipts	26	26	26
Total Operating Funding (A)	4,896	5,110	4,882
Applications of Operating Funding			
Payments to staff and suppliers	3,915	4,041	3,975
Finance costs	90	78	230
Internal charges and overheads applied	141	143	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	4,146	4,262	4,205
Surplus (deficit) of operating funding (A-B)	750	848	677
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
increase (decrease) in debt	(336)	(890)	(1,019)
Total sources of capital funding (C)	(336)	(890)	(1,019)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	912	426	698
- to replace existing assets	522	507	493
Increase (decrease) in reserves	(1,020)	(975)	(1,533)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	414	(42)	(342)
Surplus (deficit) of capital funding (C-D)	(750)	(848)	(677)
Funding Balance ((A-B)+(C-D))	-	-	-