

EXCEPTIONS ANNUAL PLAN 2013/14



CONTENTS

SECTION 1: PREFACE.....5

STATEMENT OF COMPLIANCE.....	6
MESSAGE FROM MAYOR AND CHIEF EXECUTIVE.....	7
HOW THE GENERAL RATE IS MADE UP.....	8
RATING EXAMPLES.....	9
CHANGES MADE TO THE EAP FOLLOWING CONSULTATION.....	10
<i>Community Support</i>	10
<i>Leadership</i>	10
<i>Community Facilities and Assets</i>	10
<i>Stormwater and Flood Protection</i>	10
<i>Financial</i>	10

SECTION 2: ACTIVITIES.....11

HOW THIS SECTION WORKS.....	12
PURPOSE OF THE LOCAL GOVERNMENT ACT.....	13
OUTCOMES.....	14
COMMUNITY SUPPORT.....	16
<i>Community Development</i>	16
<i>Emergency Management</i>	17
<i>Library Service</i>	17
<i>Regional Tourism Organisation (RTO) and Visitor Information Centres (VICs)</i>	17
LEADERSHIP.....	22
REGULATION.....	25
COMMUNITY FACILITIES AND ASSETS.....	29
LAND TRANSPORT (ROADING).....	34
STORMWATER AND FLOOD PROTECTION.....	37
WASTEWATER.....	40
WATER SUPPLY.....	43
WASTE MANAGEMENT AND MINIMISATION.....	47

SECTION 3: FINANCIAL.....51

CORE BUSINESS COSTS.....	52
PROSPECTIVE COST OF SUPPORT STATEMENT.....	54
RATES AND CHARGES 2013/14.....	55
STATEMENT OF ACCOUNTING POLICIES.....	63
PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME.....	73
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY.....	73
PROSPECTIVE STATEMENT OF FINANCIAL POSITION.....	74
PROSPECTIVE FUNDING IMPACT STATEMENT.....	75
PROSPECTIVE CASH FLOW STATEMENT.....	76
RECONCILIATION OF FUNDING IMPACT STATEMENT TO COMPREHENSIVE INCOME.....	77
RESERVE FUNDS.....	78

SECTION 4: APPENDICES.....79

YOUR ELECTED REPRESENTATIVES.....	80
<i>Mayor and Councillors</i>	80
<i>Community Boards</i>	83
KEY DOCUMENTS AND STRATEGIES.....	84
GLOSSARY.....	86
THE RUAPEHU DISTRICT.....	88
<i>Map of Ruapehu District</i>	89



SECTION 1:

PREFACE

STATEMENT OF COMPLIANCE

Ruapehu District Council's Exceptions Annual Plan 2013/14 (EAP) has been produced in compliance with Section 95 of the Local Government Act 2002. This Plan was adopted on 25 June 2013.



Peter Till
CHIEF EXECUTIVE

25 June 2013

MESSAGE FROM MAYOR AND CHIEF EXECUTIVE

Council has developed the EAP 2013/14 keeping to the central goals of the Long Term Plan 2012-22 adopted last year, which was to balance the need for infrastructure renewal and growth against affordability and long term sustainability.

The average rate increase of 3.4% allows Council to maintain existing levels of service and is in keeping with our objectives of keeping rates increases as low as realistically possible while, at the same time, maintaining a strong balance sheet and affordable levels of debt.

This EAP is the first major Council planning document written under the amended Local Government Act (LGA) of the 'Better Local Government Reform' programme. The new LGA directs councils to meet the current and future needs of communities in a way that is most cost effective for households and businesses. As a small rural council, Ruapehu has always been focused on core Council business and we believe the LGA amendments will have little impact on our direction or process.

Last year, Council completed the change to a Capital Value based rating system in response to dissatisfaction with the historic land value based rating system. Government's independent rate inquiry found Capital Value rating systems were better than Land Value systems on almost every criteria and principle of fairness and equity.

In order to further improve the equity of our rating system, Council is proposing an amendment to how we fund District transfer stations and the landfill. The amendment moves half



Sue Morris JP
Mayor



Peter Till BE
Chief Executive

of the funding for these services to a targeted District-wide rate, with the other half remaining part of the general rate. Council believes this change will more fairly reflect the fact that urban households generate the bulk of the District's rubbish and recycling.

One of the major drivers of rate increases is the need to fund for depreciation on our infrastructure assets. Funding for depreciation means that we are able to replace infrastructure as required. Increasing valuations on our water and wastewater pipes means we need to depreciate at a higher value to replace them in due course. Over the next three years, Council is proposing to increase depreciation up to 100% in some of our water and wastewater schemes, to cover these increasing replacement costs.

We feel that this EAP 2013/14 achieves both sustainability and affordability for ratepayers.



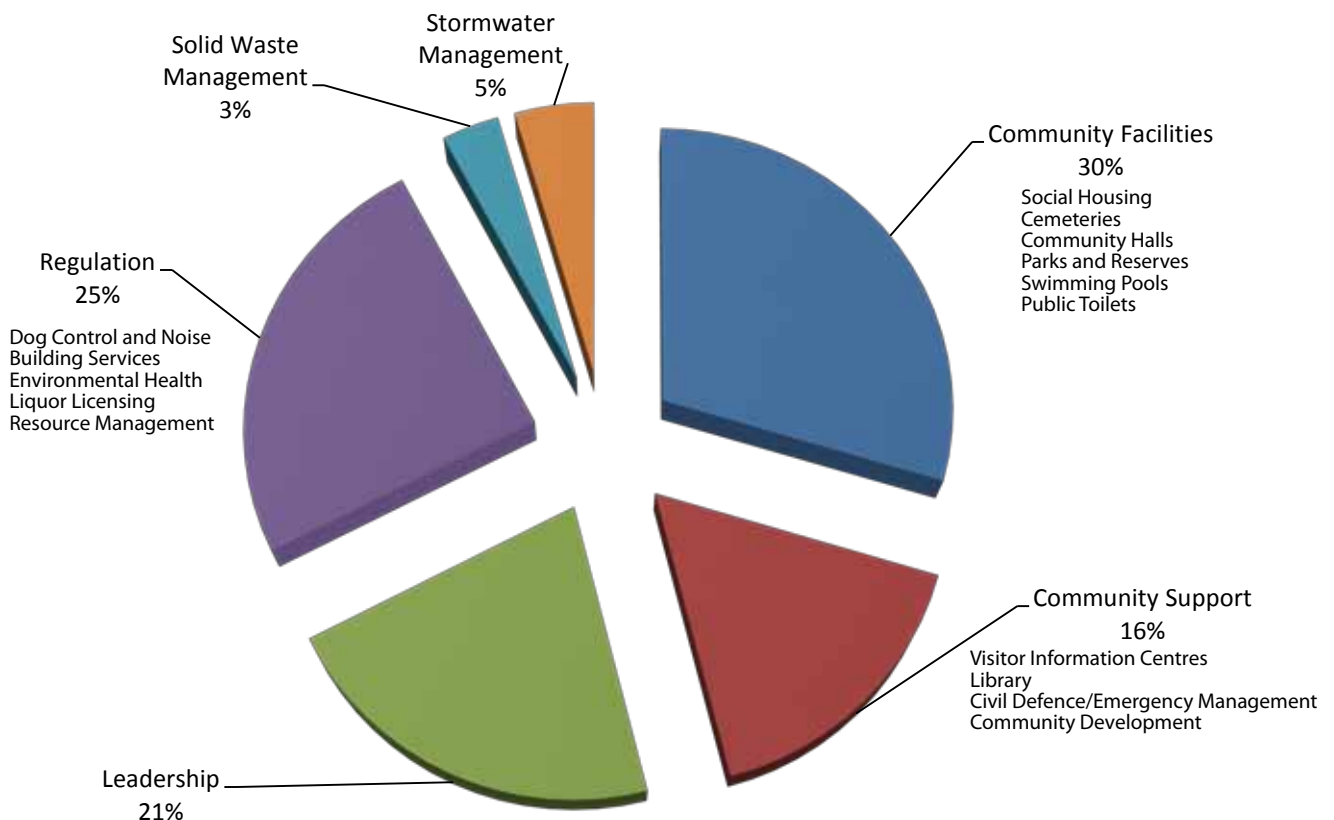
HOW THE GENERAL RATE IS MADE UP

The average urban rates bill has a General Rates portion averaging \$600. The balance of the rates bill is made up of the UAGC and Targeted Rates for Water, Wastewater (Sewerage), Kerbside Refuse Collection, Stormwater, Transfer Stations and Regional Tourism (RTO) and Land Transport. These appear separately on the Rates Invoice.

For each \$100 of General Rate revenue, the following activities are funded:

Activity	\$
Community Facilities	30
Regulation	25
Leadership	21
Community Support	16
Waste Management and Minimisation	3
Stormwater and Flood Protection	5
Total	\$100

How the General Rate is Made Up



RATING EXAMPLES

The average General Rate increase is 3.4% for the 2013/14 year. Rural properties will see an increase close to this amount (variations will depend on a number of factors, but the main influence this year is the proposed change of how we fund Waste Minimisation).

This change for waste funding has increased the rate more for low value properties than for high value properties, as the rate was part removed from the Capital Value method and is now part rated as a targeted rate. Urban properties have had a higher increase from this change than rural properties. Urban properties are also affected due to water and wastewater schemes. These are all rated separately and differences can be seen in the rate increase depending on depreciation and proposed work planned.

Urban	Value	% Change	\$ Change
Ohura Urban	\$59,000	4.8%	\$79
Kakahi Urban	\$85,000	4.7%	\$38
Pipiriki Urban	\$99,000	3.2%	\$47
Rangataua Urban	\$99,000	3.2%	\$45
Taumarunui Urban	\$101,000	4.7%	\$84
Taumarunui Urban	\$147,000	4.7%	\$86
Waiouru Urban	\$155,000	2.8%	\$53
Ohakune Urban - LV/CV	\$160,000	4.3%	\$75
National Park Urban	\$180,000	3.0%	\$69
Rangataua Urban	\$185,000	2.8%	\$45
Owhango Urban	\$195,000	4.4%	\$61
Raetihi Urban	\$230,000	4.0%	\$89
Ohakune Urban - LV/CV	\$1,030,000	2.6%	\$102

Rural	Value	% Change	\$ Change
Pipiriki Rural	\$135,000	3.2%	\$25
Ohura Rural	\$180,000	4.6%	\$41
Owhango Rural	\$285,000	3.9%	\$63
Raetihi Rural	\$615,000	2.6%	\$53
Taumarunui Rural	\$905,000	2.2%	\$62
Raetihi Rural - LV/CV	\$1,225,000	1.8%	\$64
Ohakune Rural	\$1,261,000	1.8%	\$65
Owhango Rural	\$1,300,000	1.9%	\$72
Taumarunui Rural	\$1,400,000	2.0%	\$80
National Park Rural	\$1,925,000	1.7%	\$94
Ohakune Rural - LV/CV	\$1,975,000	1.5%	\$82
Raetihi Rural	\$2,705,000	1.5%	\$113
Taumarunui Rural	\$3,110,000	1.8%	\$159
Ohakune Rural - LV/CV	\$4,725,000	1.5%	\$186
Waiouru Rural	\$3,105,000	1.6%	\$134

COMMERCIAL	Value	% Change	\$ Change
Raetihi Commercial	\$141,000	4.2%	\$85
Taumarunui Commercial	\$415,000	2.7%	\$98
Ohakune Commercial - LV/CV	\$435,000	2.0%	\$59
Ohura Exotic Forestry	\$810,000	2.4%	\$61
Ohakune Commercial	\$880,000	2.6%	\$212
Taumarunui Commercial	\$910,000	3.7%	\$198
National Park Commercial	\$930,000	2.0%	\$129
Taumarunui School	\$1,350,000	0.0%	\$1
Waimarino Waiouru Exotic Forestry	\$3,200,000	0.5%	\$40

CHANGES MADE TO THE EAP FOLLOWING CONSULTATION

Community Support

Rural Fire

- Rural Fire shed and truck - \$120,000 removed from capital.

Community Development

- Funding for Te Pepe Bike Park Project - \$2,725.

Economic Development

- Cycle Trails governance and development - \$25,000 for administration costs.

Leadership

- Community Board training funding - \$6,000 per annum.

Community Facilities and Assets

- National Park Playground - \$75,000 for 2013/14.
- Waiouru Public Toilets - \$25,000 for detailed plans.

Stormwater and Flood Protection

- Ohakune Rugby Club Drain - \$70,000 capital.

Financial

- Insurance for RiskPool - \$72,794 removed.
- Additional Funding for Archiving - \$52,000.

SECTION 2: ACTIVITIES

HOW THIS SECTION WORKS



PURPOSE OF THE LOCAL GOVERNMENT ACT

On 5 December 2012 a number of amendments to the Local Government Act 2002 took effect. One of these was to the purpose of local government (Section 10).

Previously the Act said:

- “(a) To enable democratic local decision-making and action by, and on behalf of, communities.*
- (b) To promote the social, economic, environmental and cultural wellbeing of communities, in the present and for the future” (Section 10).*

The amendment changed this to read:

“to meet the current and future needs of communities for good quality local infrastructure, public services and performance of regulatory functions in a way that is most cost effective for households and businesses”.

What Does it Mean for the Community?

- It places emphasis on good quality local infrastructure: water, wastewater, stormwater and roading functions of Council.
- Assesses what public services should be performed by Council to support the communities.
- Asks Council to look at how it performs its regulatory functions.

The aim is to be most cost effective for households and businesses.

The purpose is taking away the emphasis of community wellbeings and setting the level of delivery at households and businesses. However, households and business make up communities and, generally, wellbeings are the primary corners of social delivery. Ruapehu is a small Council with limited capital spend and has not engaged in the building of community sports facilities, race tracks or other large economic development programmes. The delivery of activities and functions of small local Councils will not alter significantly with this change to the Local Government Purpose.

Ruapehu Councillors see the Long Term Plan 2012-22 still providing the blueprint of work for the next three years. At each Exceptions Annual Plan, Council will scrutinise activities against the purpose of the Act, particularly in assessing expenditure for the year. The wellbeings still provide guidance in decision making of how to ensure a robust and sustainable community is developed and remains in Council policy and planning documents. The transition of delivering a Local Government Purpose across documents is an expensive exercise in itself and will be undertaken over the next three years.

The EAP is an exception to the Long Term Plan. While it is still using the Outcomes from the LTP, this will be reviewed in light of the changes to the LGA 2002 over the next few months and the 2014/15 EAP will reflect those changes.

As this will be an amendment to the LGA, as well as having effects on many other Council documents, including the Asset Management Plans which feed into the LTP, this body of work needs to be undertaken carefully.



OUTCOMES

Introduction

The purpose of local government is to enable democratic local decision-making and action by, and on behalf of, communities. It is also to promote the social, economic, environmental, and cultural wellbeing of communities, in the present and for the future (Section 10, LGA).

Considering community wellbeing in the present and for the future focuses Council's actions towards sustainable development. By identifying Outcomes, the community has an opportunity to voice a direction and to indicate priorities for the District. In particular, Outcomes provide the framework for Council to target specific activities, projects or issues through the provision of its services.

The LGA recognises that different organisations, individuals and Council must work together to achieve Outcomes. This Exceptions Annual Plan (EAP) provides information to the community on what Council is doing to promote the achievement of Outcomes that it can influence. This is a different focus than previous where Councils identify all of the Community Outcomes.

Council is only one of a large number of organisations that can assist communities in achieving Outcomes.

“Considering community wellbeings in the present and for the future focuses Council's actions towards sustainable development”

Social Wellbeing

Healthy Communities and People

Caring for our People

- That there is access to affordable and effective health and education services.
- That the impact of waste on our environment is minimised.
- That leadership is trusted, transparent, accountable and visionary, and takes an active approach to finding solutions.



Safe and Secure Living

Providing Safe Living

- Core infrastructure (water, wastewater, waste management and minimisation, power, and roading) keeps pace with growth demand.
- Excellent standards of safety and welfare are promoted and respected.
- Zero tolerance to crime and violence.

Economic Wellbeing

Thriving and Prosperous Lifestyles

Providing Opportunities

- That our economy prospers.
- That our community provides effective role models, good parenting, career and life skills



OUTCOMES (continued)

guidance for youth.

- That employment opportunities for school leavers are encouraged and supported.
- Our transportation and communication is reliable and meets the needs of users.
- That alternative means of energy generation are promoted and available.
- That there is a range of quality retail, entertainment, educational, health care, business and services to retain families and skilled workers to our District.
- That there are a wide range of employment opportunities to encourage growth and provide career progression.
- That economic diversity and core economic strengths are encouraged

Cultural Wellbeing

Vibrant and Diverse Living

Providing for Diversity

- That the traditions, values and history of all ethnic groups are understood, embraced, respected and celebrated.
- That effective activities and facilities for youth are provided.
- That excellence and achievement in sport, arts/cultural pursuits, community service and businesses are supported, recognised and rewarded.
- That people work towards common goals and issues and speak positively about our community.
- That events and festivals that are within our District are fostered and celebrated.



Environmental Wellbeing

Our Places – Natural and Beautiful

Caring for our Environment

- That the community works together to ensure that our environment is accessible, clean and safe, and that our water, soil and air meet acceptable, affordable standards.
- That the promotion of our District includes our natural rivers, bush and mountains as well as the built heritage, agriculture and railway.

COMMUNITY SUPPORT

Introduction

The Community Support activity aims to promote the economic, social and cultural wellbeing of the Ruapehu community in the present and for the future, and within a framework of sustainability.

Community Support, in the structure of the LTP, includes Community Development (Grants and Agency Services), Economic Development (including Forestry and Investment), Emergency Management, Library Services, Regional Tourism Organisation (RTO) and i-Sites [Visitor Information Centres (VICs)]. Each are outlined in more detail below. Council is aware that Community and Economic Development are significant activities that can generate an equally large demand for resources. Due to the size of Council and its ratepaying base, a low level of resourcing is put toward these activities and there is a heavy reliance on smart achievement of Outcomes by partnerships.

Community Development

Part 2 of the LTP outlines the Outcomes that Council and the community want to achieve. Adding to Council's knowledge are its Ruapehu 2008 State of the District Report on key indicators, other Government research and Council's own discussions with community and Governmental organisations. All these sources help shape an approach to Community Development. Council is able to respond to the extent that resources permit and will advocate for issues such as access to health or employment creation, which are outside of core Council service delivery. Council's main strategies are partnerships seeking external funding and advocacy for Ruapehu priorities.

Agency Services

The Community Development activity also provides agency services such as New Zealand Post, New Zealand Transport Agency (NZTA) and Registrar General of Births, Deaths and Marriages, to the Waimarino area. This provides ongoing support to the area that was significantly impacted by the successive withdrawal of Government support services in the 1980s. It is a self-funded activity delivered by Council staff as part of their wider duties.

Community Service

The overall aim of this function is to facilitate development of Community Service within the District and to promote social wellbeing by improving employment prospects. Council does not have a dedicated staff member for this position and is not budgeting for one. However, Council retains a budget to enable it to facilitate service initiatives as they arise and has significant partnerships. In addition, Council works closely with business associations and community groups throughout the District, with the aim of facilitating service initiatives.

“ Council's main strategies are partnerships seeking external funding and advocacy for Ruapehu priorities ”

“ Council works closely with business associations and community groups throughout the District, with the aim of facilitating service initiatives ”

Emergency Management

Civil Defence

Council is an active member of the Manawatu-Wanganui Civil Defence Emergency Management (CDEM) Group, as required by the CDEM Act 2002. The Group is a consortium of the local authorities in the region with the vision 'to build a resilient and safer region with communities understanding and managing their hazards and risks.' The Group maintains a Plan that considers all phases of emergency: 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 has adopted a philosophy of centralised co-ordination and local delivery and works closely with emergency services, welfare agencies and other strategic partners for effective and comprehensive emergency management.

Council staff are trained at various levels of competency in readiness for any Civil Defence Emergency within the District. With the aim to providing consistency and added resources to enhance the level of readiness and response capability throughout the District and the Region, Council is drawing on the expertise and experience of Horizons Regional Council under a contract to deliver the role of Emergency Management Officer.

Storm events, the potential for increases in the occurrence and intensity of rural fires during hotter, drier summers and other climate-related natural disasters, will impact on the Emergency Management function. Council will continue to resource this function to cope with future events and achieve legislative compliance.

Rural Fire

Council is a Rural Fire Authority under the Forest and Rural Fire Act 1977. This means that Council is responsible for permits and fire suppression in any rural area within the District not covered by the urban fire fighting units or the Department of Conservation. Volunteer rural firemen/women provide the trained manpower required for rural fire suppression activity. As has occurred with the establishment of a Manawatu-Wanganui CDEM Group, the NZ Fire Service is currently working with the same consortium of Councils to try and establish a single larger Rural Fire Authority in the Manawatu-Wanganui catchment. The proposal will provide consistency of centralised administration, training and advice across the Region, with the actual suppression activity remaining with each individual Council. Council will continue to resource this function to cope with future events and achieve legislative compliance.

Library Service

The Community Support activity also delivers Library services to the community. Libraries are situated in Taumarunui, Ohakune and Raetihi. Council also supports the community libraries in Ohura and Waiouru with grants each year.

Regional Tourism Organisation (RTO) and Visitor Information Centres (VICs)

The RTO and VICs are tasked with stimulating growth in the tourism sector, as well as having local community support functions. The District is positioned as the North Island's premier outdoor recreation centre with National and World Heritage Parks, rivers, ski fields and a growing network of walking and cycling trails.



The RTO supports the delivery of the joint regional brand of *Te Kahui Tupua*, linking the tourism infrastructure of Ruapehu, Rangitikei and Wanganui and highlighting to international guests the significant features of all three districts. In 2008, Council reviewed its involvement in both the RTO and VICs and confirmed that they were an essential part of its economic and community development strategy. However, Council was not convinced that it could deliver the services as a department of Council better than people who worked in the industry. Therefore, Council retained the functions but decided to contract them out under service performance agreements and bulk funding arrangements. As a result of this decision, Council has achieved a better price, but also expects equal or enhanced levels of performance from these decisions.



Outcomes

Community Development

- That there is access to affordable and effective health and education services.
- Excellent standards of safety and welfare are promoted and respected.
- Zero tolerance to crime and violence.
- That our economy prospers.
- That our community provides effective role models, good parenting, career and life skills guidance for youth.
- That employment opportunities for school leavers are encouraged and supported.
- That there is a range of quality retail, entertainment, educational, health care, business and services to retain families and skilled workers to our District.
- That there is a wide range of employment opportunities to encourage growth and provide career progression.
- That economic diversity and core economic strengths are encouraged.
- That the traditions, values and history of all ethnic groups are understood, embraced, respected, and celebrated.
- That effective activities and facilities for youth are provided.
- That excellence and achievement in sport, arts/cultural pursuits, community service and businesses are supported, recognised and rewarded.
- That people work towards common goals and issues and speak positively about our community.
- Acceptable, affordable standards.

Emergency Management

- Excellent standards of safety and welfare are promoted and respected.

Library Service

- That the traditions, values and history of all ethnic groups are understood, embraced, respected and celebrated.

RTO and VICs

That the promotion of our District includes our natural rivers, bush and mountains, as well as the built heritage, agriculture and railway.

COMMUNITY SUPPORT continued

Levels of Service

Level of Service	Key Performance Indicator	Target 2013/14
Community Development		
<i>Goal: To provide funding for community initiatives.</i>		
Council will provide resources and funding for community development	<ul style="list-style-type: none"> % of grants funding successfully allocated 	100%
Emergency Management		
<i>Goal: Provide a safe environment for residents and visitors.</i>		
Council will provide Civil Defence and Emergency Management for the District.	<ul style="list-style-type: none"> 70% of staff will be adequately trained in Co-ordinated Incident Management Systems. 	100%
	<ul style="list-style-type: none"> The number of public education presentations given each year to schools, staff and community groups throughout the District. 	>20
	<ul style="list-style-type: none"> As the Rural Fire Authority for the District, respond to all rural vegetation fires within one hour at all times. 	100%
Library Service		
<i>Goal: Provide a modern and consistent environment for learning and enjoyment.</i>		
Provide a library service that meets the needs of the community.	<ul style="list-style-type: none"> Percentage of users who are satisfied with the service provided. 	75%
RTO and VICs		
<i>Goal: Provide an efficient visitor information service.</i>		
VICs are open 40 hour minimum per week.	<ul style="list-style-type: none"> Tourist numbers increase. 	+1%
	<ul style="list-style-type: none"> Door numbers (visitors) at VICs 	+1%

Major Capital Projects as per the LTP

There were no major projects for Community Support in the LTP 2012/22

Exceptions for 2013/14

The table explains the exceptions from the LTP work programme. The costs in the table are projected costs only and exclude corporate support charges.

Project Description	LTP 2013/14 \$000	EAP 2013/14 \$000	Reason for Exception
Rural Fire - Equipment and Operating Fund	0	73	To meet Council's obligations under Forest and Rural Fires Act 1977.
TePepe Bike Park Project	0	3	Under Council's Community Support programme.
Cycle Trails - Governance and Development	0	25	To cover administration costs
Community Grants	63	27	Ring-fenced Grants to remain.

Activity Expenditure

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Civil Defence and Emergency Management	320	369	416	(47)
Community Development	119	127	90	37
Economic Development	163	138	135	3
Library	412	437	457	(20)
Regional Tourism Organisation	257	266	266	-
Visitor Information Centre	232	240	240	-
Total Expenditure	1,503	1,577	1,604	(27)

Variations from the LTP Funding Impact Statement (see details, next page)

Community Development

- Removal of discretionary grants by Council directive impacted on both Community Development budget and the Grants budget (\$36,000).

Civil Defence and Emergency Management

- Council has a number of responsibilities under legislation for rural fire. The increase in funding will finance protective fire equipment, training and education programmes.



COMMUNITY SUPPORT (continued)

Forecast Funding Impact Statement

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,151	1,214	1,244	30
Targeted rates (other than a targeted rate for water supply)	257	266	266	-
Subsidies and grants for operating purposes	9	9	9	-
Fees, charges, and targeted rates for water supply	86	89	85	(4)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	1,503	1,578	1,604	26
Applications of Operating Funding				
Payments to staff and suppliers	862	893	898	(5)
Finance Costs	2	6	2	4
Internal charges and overheads applied	584	619	648	(29)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,448	1,518	1,548	(30)
Surplus (deficit) of operating funding (A-B)	55	60	56	(4)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	48	94	47	(47)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	48	94	47	(47)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2	85	-	85
- to improve the level of service	55	22	53	(31)
- to replace existing assets	-	-	13	(13)
Increase (decrease) in reserves	46	47	37	10
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	103	154	103	51
Surplus (deficit) of capital funding (C-D)	(55)	(60)	(56)	4
Funding Balance ((A-B)+(C-D))	-	-	-	-

LEADERSHIP

Introduction

The Leadership Group of Activities provides for:

- Council's governance at a District and local level.
- Administration of elections.
- Council's advocacy on issues that impact on the Outcomes as they comply with the purpose of the LGA.
- Strategic Development function that provides a framework and planning for the community's strategic direction.

This activity provides plans and policies guiding strategic direction and strategic financial decisions and also prepares and consults on these, including the Future Ruapehu Long Term Plan (LTP), Exceptions Annual Plan and other Policies, Bylaws and significant proposals, as necessary.

Outcome

- That leadership is trusted, transparent, accountable and visionary and takes an active approach to finding solutions.

Levels of Service

Level of Service	Key Performance Indicator	Target 2013/14
<i>Goal: To facilitate effective consultation processes to seek community input into decision-making and advocacy on key issues.</i>		
Consultation material will be made publicly available from all Council offices and on its website.	<ul style="list-style-type: none"> • Percentage of respondents who are satisfied or very satisfied with consultations. 	80%
Council meets regularly with iwi.	<ul style="list-style-type: none"> • Number of meetings with Ruapehu District Maori Council per year. 	>6
Council provides public access to the community through Community Boards and Council meetings.	<ul style="list-style-type: none"> • Number of Public Forums per year. 	>10
Residents are satisfied with the leadership of Council.	<ul style="list-style-type: none"> • Percentage of respondents who are satisfied with Council's leadership. 	60%

Exceptions for 2013/14

The table explains the exceptions from the LTP work programme. The costs in the table are projected costs only and exclude corporate support charges.

Project Description	LTP 2013/14 \$000	EAP 2013/14 \$000	Reason for Exception
Community Board Training Funding	0	6	To upskill Community Board Members in Governance.

LEADERSHIP (continued)

Activity Expenditure

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Council	988	1,087	1,117	(30)
Strategic Planning	450	476	498	(22)
Total Expenditure	1,438	1,563	1,615	(52)

Leadership includes the cost of Elections for 2013/14.

Forecast Funding Impact Statement

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,438	1,562	1,625	63
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	(10)	(10)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	1,438	1,562	1,615	53
Applications of Operating Funding				
Payments to staff and suppliers	396	457	455	2
Finance Costs	-	-	-	-
Internal charges and overheads applied	1,042	1,105	1,160	(55)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,438	1,562	1,615	(53)
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))	-	-	-	-

REGULATION

Introduction

The Regulation Group of Activities work towards the goal of effectively and efficiently providing a safe and sustainable environment through the administration and enforcement of Central Government legislation, including its responsibilities for the sustainable management and use of natural resources under the Building Act 2002, Resource Management Act 1991 (RMA) and District Bylaws.

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.

Compliance

The Compliance team's role is to ensure compliance with Central Government legislation, Council's Bylaws and the District Plan. The work covered is incredibly varied and includes Animal Control, Parking, Noise Control and Bylaws. Compliance Officers ensure that the amenities of the District are maintained to be enjoyed by all.

During times of economic downturn, Regulation activities may see an increase in compliance issues such as a rise in unregistered and abandoned dogs and fly tipping. The Compliance activity will be monitoring these areas carefully.

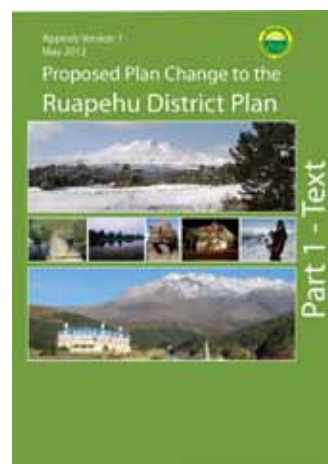
Environmental Health and Liquor Licensing

The objectives of this activity are to ensure that health and safety of the public is protected by ensuring that food and liquor premises meet required standards of compliance with statutory requirements and that an excellent standard of health is promoted in the District, by providing a healthy environment for residents and visitors. This activity has a number of functions, including food safety, sale of liquor, making sure premises and events comply with standards, as well as monitoring environmental issues and investigating complaints.

Resource Management

Resource Management involves both the issuing of resource consents and monitoring of conditions of these consents.

The Ruapehu District Plan 2001 has now been reviewed. 17 appeals were received on the document. These have been resolved, except for one, which should be resolved in 2013. However, the amendments to the District Plan now have legal effect, meaning that they are considered alongside the existing rules when assessing resource consent applications. It is expected to adopt the new District Plan with the exception of the one outstanding appeal sections by 30 June 2013.



REGULATION (continued)

Outcomes

Building Services, Compliance and Inspections

- Excellent standards of safety and welfare are promoted and respected.
- That people work towards common goals and issues and speak positively about the community.

Environmental Health and Liquor Licensing

- Excellent standards of safety and welfare are promoted and respected.
- That people work towards common goals and issues and speak positively about the community

Resource Management

- That the community works together to ensure that our environment is accessible, clean and safe and that our water, soil and air meets acceptable, affordable standards.
- Core infrastructure (water, wastewater, waste management and minimisation, power and roading) keep pace with growth demand.
- Excellent standards of safety and welfare are promoted and respected.
- That alternative means of energy generation are promoted and available.
- That there is a range of quality retail, entertainment, educational, health care, business and services to retain families and skilled workers to our District.

Levels of Service

Level of Service	Key Performance Indicator	Target 2013/14
Building Services, Compliance and Inspections		
<i>Goal: Provide a safe environment for residents and visitors.</i>		
Council will efficiently process all proposed applications.	• Building consents processed within 20 working days.	90%
	• Urgent LIMs processed in five working days. **	100%
	• Non-urgent LIMs processed in ten working days.	95%
Council will undertake ongoing monitoring of conditions to ensure compliance.	• Urgent complaints responded to within two hours. Other complaints within eight working hours. *	100%
	• Percentage of dogs seized that are not registered.	<10
	• Respond to dog attacks within two hours.	100%
* Urgent is defined by a request under urgency in the Fees and Charges Manual.		
** LIM = Land Information Memorandum		
Environmental Health and Liquor Licensing		
<i>Goal: Provide a healthy environment for residents and visitors.</i>		
Council will undertake ongoing monitoring of conditions to ensure compliance.	• Health-related food hygiene complaints are responded to within 24 hours and actioned within five days.	95%

REGULATION (continued)

Level of Service	Key Performance Indicator	Target 2013/14
The health and safety of public is protected by ensuring food premises meet required standards.	<ul style="list-style-type: none"> Percentage of food premises complying with requirements at second inspection. 	90%
Ensure liquor licenses comply with statutory and license provisions.	<ul style="list-style-type: none"> Percentage of liquor licences that comply with statutory and licence conditions on second inspection. 	90%
Ensure noise complaints are responded to effectively, promptly and efficiently	<ul style="list-style-type: none"> Percentage of noise complaint resolved at first contact 	50%
Resource Management		
<i>Goal: To provide a sustainable environment for residents and visitors.</i>		
Resource consents are processed within the legal timeframes	<ul style="list-style-type: none"> Land Use consents processed within the legal timeframes. 	100%
	<ul style="list-style-type: none"> Subdivision consents processed within the legal timeframes. 	100%
The public is informed about Resource Management processes and other issues related to maintaining a sustainable environment.	<ul style="list-style-type: none"> Percentage of applications that go to appeal. 	<10%
	<ul style="list-style-type: none"> Percentage of pre-application meetings to number of applications received. 	>10%

Activity Expenditure

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Building Services	786	848	891	(43)
Compliance	685	721	766	(45)
Environmental Health and Liquor Licensing	402	426	445	(19)
Resource Management	670	704	729	(25)
Total Expenditure	2,543	2,699	2,831	(132)

Variations from the LTP Funding Impact Statement (see details, next page)

- Changes to the Building Unit (creation of a dedicated Building Unit) has seen some movements in overhead allocations. These were internal movements, not an increase in staff numbers.
- The Building Team is also moving to utilising Computer Tablets in the field, which will improve services.
- Environmental Health and Resource Management have increased activity and this has resulted in higher costs. Fees and Charges revenue cover most of the increase.

Forecast Funding Impact Statement

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,816	1,949	1,874	(75)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	726	749	957	208
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	2,542	2,698	2,831	133
Applications of Operating Funding				
Payments to staff and suppliers	284	304	312	(8)
Finance Costs	-	-	-	-
Internal charges and overheads applied	2,258	2,394	2,517	(123)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,542	2,698	2,829	(131)
Surplus (deficit) of operating funding (A-B)	-	-	2	2
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	(2)	(2)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	-	-	(2)	(2)
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)	-	-	(2)	(2)
Funding Balance ((A-B)+(C-D))	-	-	-	-

COMMUNITY FACILITIES AND ASSETS

Community Facilities

Community Facilities is made up of seven activities:

Cemeteries

The objective of this service is to provide administration, record, enquiry and burial services for the burial of deceased persons at cemeteries within the District. Council owns and maintains cemeteries in Manunui, Matiere, Ohakune, Ohura, Owhango, Raetihi, Rangataua, Raurimu and Taumarunui. Council also owns the closed cemetery at Tatu (not maintained). Natural burial sections within several larger cemeteries will be investigated over the next few years.



Manunui Cemetery

Community Halls

The purpose of the Community Halls activity is to provide and maintain suitable and appropriate public halls throughout the District for social, recreational, cultural, or educational purposes, or for the physical or intellectual wellbeing and enjoyment of the residents of the District. There are 15 halls throughout the District that are managed or that have been vested to Council. These range from large facilities such as the Taumarunui Memorial Hall, to smaller local community managed halls, such as the Rangataua Hall.



Taumarunui Memorial Hall

Community Buildings and Property

Community Buildings include the Council Administration Buildings, Libraries, Taumarunui Aerodrome, Ohakune Railway Station, Taumarunui Saleyards and a number of other miscellaneous properties such as forestry plantations and the ex-library building in Ohakune. The most significant of all Council Community Property assets are the near-new Council administration and service centre buildings in Taumarunui and Ohakune.



Ohakune Railway Station

Parks and Reserves

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 the environments essential to the existence of plant and animal species (including humans) are maintained.
- Protect public access to significant landscape features and recreation areas.

Assets covered by the Parks and Reserves Activity include:

- Parks and Reserves.
- Playgrounds.
- Camping Grounds – Taumarunui, Raetihi and Ohakune Holiday Parks.
- Walkways.
- Miscellaneous structures, for example, the Taumarunui Grandstand.



Mansons Gardens, Taumarunui



Ruatiti Domain

COMMUNITY FACILITIES AND ASSETS (continued)

Public Toilets

The provision of Public Toilet facilities to residents and visitors is considered an important activity for Council, particularly in relation to public health and safety. The public toilets in Ohakune were upgraded in 2011 and a new facility was installed at the Taumarunui Domain playground in 2010.



Taumarunui Domain Toilets

Social Housing

Council owns a total of 81 individual social housing units constructed on six separate sites.

- The Raetihi complex consists of six units constructed in 1977, with a further six units added in 1980 and, finally, four units completed in 1985.
- The Ohakune complex contains eight units constructed circa 1976.
- The 20 units in Taupo Road (Rangimarie Flats), Taumarunui, comprise ten initial units constructed in 1975. Six units were added in 1981 and a further four in 1988.
- The 25 Taumarunui Street Units (Rochfort Flats), Taumarunui, were erected in two stages in 1967 and 1970.
- The eight Taumarunui Street Units (Cherry Grove Flats), Taumarunui, were erected in two stages, in 1982 and 1983.
- The four Miriama Street Units (Miriama Flats), Taumarunui, were erected in 1982.



*Cherry Grove, Taumarunui,
Social Housing*

Swimming Pools

Council maintains and operates three public swimming pools situated in the main centres of population at Taumarunui, Ohakune, and Raetihi.

The purpose of swimming pools is to efficiently and effectively provide and encourage the use of swimming pools within the District as a safe and affordable leisure activity. The three swimming pool complexes owned by Council are considered to be significant assets.

The Raetihi community has undertaken a major project to upgrade and provide solar powered heating to the Raetihi Swimming Pool complex.



Ohakune Swimming Pool

Outcomes

Community Property

- Excellent standards of safety and welfare are promoted and respected.

Recreation and Community Facilities

- Excellent standards of safety and welfare are promoted and respected.
- That leadership is trusted, transparent, accountable and visionary and takes a co-ordinated approach in finding solutions.
- That effective activities and facilities for youth are provided.

COMMUNITY FACILITIES AND ASSETS (continued)

- That people work towards common goals and issues and speak positively about our community.

Levels of Service

Level of Service	Key Performance Indicator	Target 2013/14
Community Property		
<i>Goal: To act as a steward for property that is of social, cultural or environmental benefit to the community.</i>		
Libraries, public meeting venues, administration buildings and the Ohakune Railway Station will be retained and well maintained.	<ul style="list-style-type: none"> • Buildings Community satisfaction with the public meeting venues in administration buildings and presentation of the Ohakune Railway Station (annual Survey Monkey). 	85%
	<ul style="list-style-type: none"> • Library Library users are satisfied or highly satisfied with public library buildings and services (annual Survey Monkey). 	75%
Community Property		
<i>Goal: Council-owned buildings are structurally sound and safe and Council occupants and tenants in administration buildings and social housing feel safe.</i>		
Housing units are maintained to a satisfactory standard and provide a safe environment for tenants.	<ul style="list-style-type: none"> • Social Housing Percentage of residents who feel safe in their homes (annual resident survey) 	95%
	<ul style="list-style-type: none"> • Social Housing Percentage of residents who are satisfied or very satisfied with the level of service (annual survey). 	75%
Recreation and Community Facilities		
<i>Goal: Parks, reserves and community facilities are accessible, attractive and meet the needs and expectations of residents, visitors and youth wherever and whenever possible.</i>		
Council will maintain and provide access to playgrounds, public green space, amenities, cemeteries and community halls.	<ul style="list-style-type: none"> • Council-Owned Swimming Pools Achieve NZ Water Pool standards for all Pools. 	100%
	<ul style="list-style-type: none"> • Cemeteries The community is satisfied or very satisfied with the presentation of cemeteries in the District (annual Survey Monkey). 	>95%
	<ul style="list-style-type: none"> • Community Halls The community is satisfied with the availability and standard of facility provided by their community hall (if there is one) (annual Survey Monkey). 	85%
Recreation and Community Facilities		
<i>Goal: Urban streetscapes, parks, playgrounds and public toilets are clean and residents and visitors feel that they are safe places to be in.</i>		
Amenities and facilities are provided that meet the needs and safety of the community.	<ul style="list-style-type: none"> • Playgrounds Monthly safety audits carried out by contractor shows 95% compliance with NZ standards. 	95%
	<ul style="list-style-type: none"> • Parks and Reserves Users feel safe and are satisfied with the quantity of green space and facilities available (annual Survey Monkey). 	85%
	<ul style="list-style-type: none"> • Public Toilets Urgent requests for service responded to within 48 hours. Emergency requests for service responded to within 24 hours. 	95%

COMMUNITY FACILITIES AND ASSETS (continued)

Major Capital Projects as per the LTP

The projected cost of major capital works are capital costs only and do not contain support costs.

Year	Total Cost (\$000)	Description	Growth/LOS/Renewal
Community Facilities			
2013/14	25	Development of "accessible" walkways (north).	LOS
2013/14	25	Development of "accessible" walkways (south).	LOS
Community Property			
2013/14	4	Social Housing heat pump installations.	LOS

Exceptions for 2013/14

The table explains the exceptions from the LTP work programme. The costs in the table are projected costs only and exclude corporate support charges.

Project Description	LTP 2013/14 \$000	EAP 2013/14 \$000	Reason for Exception
National Park Playground (\$75,000 per year over four years)	75	0	One-off payment for seed funding purposes from 2012/13. No funding for 2013/14.
Waiouru Public Toilets	0	25	For preparation of detailed plans.

Activity Expenditure

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Cemeteries	172	193	176	17
Community Halls	118	130	131	(1)
Economic Development	124	113	109	4
Parks and Reserves	1,151	1,186	1,134	52
Public Toilets	245	245	225	20
Social Housing	483	500	501	(1)
Swimming Pools	405	421	415	6
Total Expenditure	2,698	2,788	2,691	97

Variations from the LTP Funding Impact Statement (see details, next page)

- The relocation of the Library to the Council Administration Building in Huia Street, Taumarunui, will result in an ongoing saving of \$50,000 a year. The relocation has a number of benefits for the public, including longer opening hours, increased parking, modern, light and airy premises, lower operating costs and better configured spaces.
- Inclusion of Ohura Hall rewiring and switchboard at a cost of \$12,000.
- Islington Street, Raetihi house - inclusion of funding for deck renewal at a capital expenditure of \$15,000.
- Taumarunui - Cherry Grove flats shower renewals capital included at a cost of \$10,000.
- Raetihi - cemetery fence renewal at a cost of \$8,000 is included.

COMMUNITY FACILITIES AND ASSETS (continued)

Forecast Funding Impact Statement

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	2,203	2,277	2,224	(53)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	445	459	435	(24)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	2,648	2,736	2,659	(77)
Applications of Operating Funding				
Payments to staff and suppliers	1,905	1,924	1,857	67
Finance Costs	21	37	26	11
Internal charges and overheads applied	659	698	735	(37)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,585	2,659	2,618	41
Surplus (deficit) of operating funding (A-B)	63	77	41	(14)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	32	34	14	(20)
Increase (decrease) in debt	248	241	306	65
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	280	275	320	2145
Applications of capital funding				
Capital expenditure				
- to meet additional demand	80	113	108	5
- to improve the level of service	119	62	90	(28)
- to replace existing assets	85	113	143	(30)
Increase (decrease) in reserves	59	64	20	44
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	343	352	361	(9)
Surplus (deficit) of capital funding (C-D)	(63)	(77)	(41)	36
Funding Balance ((A-B)+(C-D))	-	-	-	-

LAND TRANSPORT (ROADING)

Introduction

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

The District Land Transport network consists of:

- 482km of sealed roads.
- 857km of unsealed road.
- 344 bridges spanning 4.4km.
- Over 60km of footpaths (mostly concrete).
- 1,800 street lights, most of which are modern high-pressure sodium lights and mercury vapour lights.



*Footpath: Mansons Gardens,
Taumarunui*



*Pedestrian Bridge, Thames Street,
Ohakune*

Outcomes

- Core infrastructure (water, wastewater, waste management and minimisation, power and roading) keep pace with growth demand.
- Excellent standards of safety and welfare are promoted and respected.

Levels of Service

Level of Service	Key Performance Indicator	Target 2013/14
<i>Goal: All District roads provide continuous all weather travel that is safe and accessible.</i>		
Roads are managed to an acceptable level and the road network is available when required.	• Number of respondents to customer survey who are satisfied or very satisfied with the District roads.	55%
	• Maintaining the sealed roads (defects/km).	<5 per quarter
	• Maintaining the unsealed roads (defects/km).	<4 per quarter
	• Amount of Development Contributions collected for Land Transport being used for growth related projects per year.	100%
The programmed improvement works are completed.	• Programmed improvement works are completed on time.	80%
The programmed improvement works are completed.	• Percentage of instances each quarter when service calls reporting these sites are made safe within two hours plus travel time.	85%

LAND TRANSPORT (ROADING) (continued)

Level of Service	Key Performance Indicator	Target 2013/14
<i>Goal: Managing the network with a strong focus on safety to avoid or mitigate significant hazards.</i>		
The safety of the land transport network is acceptable to users.	• Number of reported fatal accidents per annum, where the condition of the road was a factor.	1
	• Number of reported serious accidents* per annum, where the condition of the road was a factor.	<6
Supporting road safety activities promoted by Horizons Regional Council.	• Completion of the value of the Minor Safety Improvement budget in accordance with agreed annual actions of the relevant Road Safety Committee Action Plan recommendations.	90%
* Serious accidents - as per Police definition.		

Major Capital Projects as per the LTP

The projected cost of major capital works are capital costs only and do not contain support costs.

Year	Total Cost (\$000)	Description	Growth/LOS/Renewal
2013/14	895	Minor Improvements	LOS
2013/14	1,925	Sealed road rehabilitation	Renewal
2013/14	896	Unsealed road metalling	Renewal
2013/14	736	Sealed road surfacing	Renewal

Exceptions for 2013/14

There are no exceptions to major projects for Land Transport.

Activity Expenditure

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Accelerated and Enhanced	77	77	64	13
Footpath	366	385	265	120
Mainstreet South	112	107	124	(17)
Mainstreet North	54	52	64	(12)
Subsidised Roothing	12,019	12,317	12,191	126
Non Subsidised Roothing	161	172	255	(83)
Total Expenditure	12,789	13,110	12,963	147

Variations from the LTP Funding Impact Statement (see details, next page)

- Variations are a reflection of the decrease in the Financial Assistance Rate (FAR) and the corresponding work programme.

LAND TRANSPORT (ROADING) (continued)

Forecast Funding Impact Statement

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	4,648	4,757	4,852	95
Targeted rates (other than a targeted rate for water supply)	184	184	133	(51)
Subsidies and grants for operating purposes	4,920	5,028	5,028	-
Fees, charges, and targeted rates for water supply	96	99	294	195
Local authorities fuel tax, fines, infringement fees, and other receipts	241	247	35	(212)
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	10,089	10,315	10,342	27
Applications of Operating Funding				
Payments to staff and suppliers	6,816	7,035	7,037	(2)
Finance Costs	580	616	669	(53)
Internal charges and overheads applied	719	762	806	(44)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	8,115	8,413	8,512	(99)
Surplus (deficit) of operating funding (A-B)	1,974	1,902	1,830	(72)
Sources of capital funding				
Subsidies and grants for capital expenditure	4,599	4,860	4,559	(301)
Development and financial contributions	409	425	172	(253)
Increase (decrease) in debt	395	559	916	357
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	5,403	5,844	5,647	(197)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	930	958	939	19
- to improve the level of service	716	685	676	9
- to replace existing assets	5,711	6,089	5,782	307
Increase (decrease) in reserves	20	14	80	(66)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	7,377	7,746	7,477	269
Surplus (deficit) of capital funding (C-D)	(1,974)	(1,902)	(1,830)	72
Funding Balance ((A-B)+(C-D))	-	-	-	-

STORMWATER AND FLOOD PROTECTION

Introduction

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, eg, roofs, driveways and paths, which results in a greater conversion of rainfall into stormwater 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.



The Stormwater activity involves maintaining and extending Council's stormwater disposal system, upgrading the capacity of the existing system and advocating for the appropriate management of rivers and streams within the District to a standard set by Council and the community.

Council's stormwater network includes 50km of piped drains and approximately 30km of open drains and natural watercourses within the urban boundary.

Outcomes

- Providing safe living through delivery of appropriate stormwater infrastructure and keep pace with growth demand.
- Caring for our environment: That the urban environment is beautiful, tidy, clean, safe, and accessible.
- That there is a range of quality retail, entertainment, educational, health care, business and services to retain families and skilled workers to our District.

Levels of Service

Level of Service	Key Performance Indicator	Target 2013/14
<i>Goal: To provide and maintain an appropriate level of infrastructure.</i>		
Continuity of service.	• Percentage of respondents to customer survey who are satisfied or very satisfied with the LoS (measured annually).	70%
	• Percentage of stormwater blocked drain incidents attended on site within two hours.	75%
	• Percentage of stormwater service for blocked drains restored within six hours.	75%
Capacity/degree of protection.	• Stormwater reticulation in new developments is fully compliant with subdivision standards for design storm events.	100%

STORMWATER AND FLOOD PROTECTION (continued)

Major Capital Projects as per the LTP

The projected cost of major capital works are capital costs only and do not contain support costs.

Year	Total Cost (\$000)	Description	Growth/LOS/Renewal
2013/14	78	National Park - Piping open channels	LOS
2013/14	354	Ohakune - Diversion Drain B to Mangateitei	LOS

Exceptions for 2013/14

Project Description	LTP 2013/14 \$000	EAP 2013/14 \$000	Reason for Exception
National Park - Piping Open Drain	78	0	See Note below
Ohakune Rugby Club Drain	0	70	Relocate drain
Ohakune - Diversion Drain B to Mangateitei	354	0	Moved to 2014/15 year
Taumarunui Drainage	178	0	Moved to 2014/15 year

Note:

- The piping of stormwater open channels has been excluded from the project list. There is a conflict between the desire to see all drains and watercourses piped for safety within an urban community versus the function and delivery of service. Natural watercourses gather water and attract people and, as such, come with risk to the community. Watercourses should not be piped as they are natural systems and all efforts should be taken to enhance the ability to utilise and enjoy these spaces, returning them more to their natural state where possible.
- Open channels have larger capacity to carry high volumes of water than culvert systems, which have a finite capacity. Changing open channels into piped systems increase the infrastructure asset costs and benefits of undertaking this change need to be appropriately assessed before funds are allocated. Future changes to the current level of service need to be triggered by submissions.
- Council has undertaken a programme of works to pipe the worst pipes with high risk within the urban environment of National Park. These works have largely been delivered so funding for new projects in 2013/14 has been removed.
- Resource consents and land ownership discussions will see the financial spend of the Ohakune - Diversion Drain B to Mangateitei Project move out into 2014/15 year.

Activity Expenditure

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Stormwater Management	795	761	745	16
Total Expenditure	795	761	745	16

Variations from the LTP Funding Impact Statement

- There have been some changes to where the costs of overheads fall, due to staff movements and allocation of costs reflecting the overall operation of the water services.
- Variations reflect small movements in Overheads and Contract budgets

STORMWATER AND FLOOD PROTECTION (continued)

Forecast Funding Impact Statement

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	349	330	344	14
Targeted rates (other than a targeted rate for water supply)	349	330	344	14
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	2	2	2	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	700	662	690	28
Applications of Operating Funding				
Payments to staff and suppliers	282	221	365	(144)
Finance Costs	49	67	52	15
Internal charges and overheads applied	114	121	127	(6)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	445	409	544	(135)
Surplus (deficit) of operating funding (A-B)	255	253	146	(107)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	5	6	2	(4)
Increase (decrease) in debt	119	435	151	(284)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	124	441	153	(288)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	13	38	92	(54)
- to improve the level of service	139	435	91	344
- to replace existing assets	143	78	72	6
Increase (decrease) in reserves	84	143	44	99
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	379	694	299	395
Surplus (deficit) of capital funding (C-D)	(255)	(253)	(146)	107
Funding Balance ((A-B)+(C-D))	-	-	-	-

WASTEWATER

Introduction

The purpose of the Wastewater Activity is to collect and dispose of wastewater in an effective and environmentally friendly manner. Effective and efficient wastewater collection and disposal is essential to protect the environment and to maintain public health, as an essential service for public good.

In order to ensure the successful disposal of wastewater in an environmentally sustainable manner and to promote and protect public health, Council provides treatment plants at Taumarunui, National Park Village, Ohakune, Pipiriki, Raetihi and Rangataua. In addition, Council co-operates with the NZ Army in Waiouru to provide wastewater services for the Waiouru township.

Council is committed to treating wastewater in such a way as to improve, promote and protect public health and the environment. Council aims to ensure that this activity is provided in the most cost-effective and efficient manner in accordance with the agreed AMP. Council's wastewater assets consist of six wastewater treatment plants, 102km of pipes, 18 pump stations and 6,293 rateable service connections.



Ohakune Wastewater Treatment Ponds

Outcomes

- That the impact of waste on our environment is minimised.
- Core infrastructure (water, wastewater, waste management and minimisation, power and roading) keeps pace with growth demand.
- That the community works together to ensure that our environment is accessible, clean and safe and that our water, soil and air meets acceptable, affordable standards.

Levels of Service

Level of Service	Key Performance Indicator	Target 2013/14
<i>Goal: To provide and maintain an appropriate level of infrastructure.</i>		
Public Safety - Continuity of Wastewater collection system.	• The number of blockages per km of pipeline per annum (excludes private blockages and third party damages).	<70
	• Properties within developed urban areas are able to connect to a reticulated Wastewater disposal system where they are provided.	100%
Responsiveness to infrastructure issues.	• Percentage of Wastewater pipe break, choke or overflow incidents attended on site within two hours.	75%
	• Percentage of Wastewater service for pipe break, choke or overflow restored within six hours.	75%
Environmental Sustainability.	• Quality of treated Wastewater discharged complies with relevant resource consents. The number of non-compliances from Horizons.	<'5"

WASTEWATER (continued)

Major Capital Projects as per the LTP

The projected cost of major capital works are capital costs only and do not contain support costs.

Year	Total Cost (\$000)	Description	Growth/LOS/Renewal
2013/14	130	Raetihi - Renewal of mains and treatment	Renewal

The Ohakune, Raetihi, and National Park Wastewater Treatment plants require new resource consents in 2015. The process of upgrading wastewater treatment plants is difficult to predict with certainty. The actual capital works should be delivered by 2022. Factors which influence delivery are:

- Data gathering for design options.
- Changing technologies.
- Climatic conditions and its effects on the data collection and contract delivery.
- Feasibility study, costs and benefit analysis for the decision making process.
- The capital costs, affordability and assistance funding available.
- Procurement of items.
- Contractor availability and delivery timeframes.

Activity Expenditure

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Wastewater National Park	173	176	144	32
Wastewater Ohakune	616	623	528	95
Wastewater Pipiriki	52	50	61	(11)
Wastewater Raetihi	281	291	444	(153)
Wastewater Rangataua	99	101	161	(60)
Wastewater Taumarunui	950	915	1,400	(485)
Wastewater Waiouru	64	66	59	7
Total Expenditure	2,235	2,222	2,797	(575)

Variations from the LTP Funding Impact Statement (see details, next page)

- Depreciation has increased significantly in the past year and this is reflected in increases to the cost of Wastewater in some schemes.
- There have been some changes to where the costs of overheads fall and allocation of costs reflecting the operation of the various Wastewater schemes.

Unfunded Depreciation

The increase in the Capital Value of Assets has resulted in a large increase in depreciation for Water and Wastewater. Currently, the EAP has taken a stepped approach to reaching the level of funding necessary to manage the potential rate requirement and is not fully funding the depreciation on all the assets.

WASTEWATER (continued)

	Amount Unfunded %	Total Depreciation \$	Amount Still to Fund \$
Pipiriki	100	21,553	21,553
Raetihi	71	208,019	147,693
Rangataua	72	82,199	59,183
Taumarunui	60	703,067	421,840

Forecast Funding Impact Statement

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	(29)	(32)	(31)	1
Targeted rates (other than a targeted rate for water supply)	2,194	2,182	2,257	75
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	61	63	63	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	2,226	2,213	2,289	76
Applications of Operating Funding				
Payments to staff and suppliers	973	936	1,063	(127)
Finance Costs	283	287	259	28
Internal charges and overheads applied	268	284	298	(14)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,524	1,507	1,620	(113)
Surplus (deficit) of operating funding (A-B)	702	706	669	(37)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	18	18	9	(9)
Increase (decrease) in debt	29	(2)	216	218
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	47	16	225	209
Applications of capital funding				
Capital expenditure				
- to meet additional demand	8	10	81	(71)
- to improve the level of service	119	89	311	(222)
- to replace existing assets	475	461	353	108
Increase (decrease) in reserves	147	162	149	13
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	749	722	894	(172)
Surplus (deficit) of capital funding (C-D)	(702)	(706)	(669)	37
Funding Balance ((A-B)+(C-D))	-	-	-	-

WATER SUPPLY

Introduction

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

Council's water supply service consists of six treatment plants, 16 reservoirs, 186km of pipelines and approximately 6,220 rateable service connections.



Ohakune Water Treatment Plant

Outcomes

- Providing safe living through delivery of appropriate water infrastructure and keep pace with growth demand.
- Excellent standards of safety and welfare are promoted and respected.

Levels of Service

Level of Service	Key Performance Indicator	Target 2013/14
<i>Goal: To provide and maintain an appropriate level of infrastructure to the communities defined to be supplied potable water by Council.</i>		
Quality of Drinking Water - continuity of potable water supply to applicable community areas.	• Number of incidents where loss of water supply exceeds 24 hours in any one community.	<3
	• Comply with New Zealand Drinking Water Standards for Free Available Chlorine (FAC) and E.coli.	95%
Public Safety - pressure and flow	• Percentage of no water and poor pressure incidents attended on site within two hours.	90%
	• Percentage of minor* leaks and burst pipes restored within 72 hours.	100%
Responsiveness.	• Percentage of major* leaks and burst pipes attended on site within two hours.	75%
	• Percentage of major* leaks and burst pipes restored within six hours	75%

* Major and Minor leaks are determined by Request for Service information.

Major Capital Projects as per the LTP

The projected cost of major capital works are capital costs only and do not contain support costs.

Year	Total Cost (\$000)	Description	Growth/LOS/Renewal
2013/14	130	Owhango - Reticulation replacement programme	Renewal
2013/14	246	Raetihi - Reticulation replacement programme	Renewal
2013/14	119	Taumarunui - Reticulation replacement programme	Renewal

Exceptions for 2013/14

The following table explains the exceptions from the LTP work programme. The costs in the table are projected costs only and exclude corporate support charges.

Project Description	LTP 2013/14 \$000	EAP 2013/14 \$000	Reason for Exception
Owhango - Reticulation Replacement Programme	130	45	Asset investigation
Ohura	29	0	A review of the Ohura Water Scheme is under way.
Taumarunui Water Supply Upgrade	0	196	Upgrades identified in the Public Health Risk Management Plan to move towards NZDW2005 compliance subject to CAP funding.
National Park Water Treatment Plant Upgrade	0	217	Upgrades identified in the Public Health Risk Management Plan to move towards NZDW2005 compliance subject to CAP funding.
Ohakune Water Treatment Plant - Stage 1	0	664	LOS clarification and additional rapid sand filtration.

Each year Council has a limited budget available to spend on capital renewal projects, for treatment and/or reticulation. As more information becomes available the planning around this spending is refined. Plant changes are a higher priority than some improvements in levels of service and renewal. Council has altered its priorities which are reflected in the Exceptions for 2013/14 table.

Owhango Water Supply capital renewal cost has been placed on hold while investigations into pipe renewal needs are reassessed, in the light of more recent data.

Ohura Water Supply capital replacement programme has been placed on hold for 2013/14 while Council explores the affordability and sustainability of the service.

New Zealand Drinking Water Standards (NZDWS 2005, updated in 2008) is a key issue for the District to reach compliance. New Public Risk Management Plans have been written for Taumarunui and National Park Water Supplies. These Supplies are eligible to apply for Capital Assistance (CAP) Funding from the Ministry of Health. Council has sought funding to upgrade these works. This is subject to Council's ability to secure funding in order to have capital upgrades subsidised at between 60% and 85% respectively.

Ohakune Water Supply does not qualify for CAP funding. The plant requires a series of upgrades. It urgently requires an air scour and work under the drains of both filters. To increase the robustness of the treatment process, a raw water clarification system and an additional rapid gravity sand filter are required at \$664,000.

The Raetihi, Water Supply resource consents will expire in 2015. The process of upgrading the water treatment plant and the overall Waimarino Water Supply will need to be strategically discussed. This is compounded by additional upgrades/renewal required at our other Water Supply plants and reticulation works. Factors which influence delivery of capital upgrades and strategies are :

- Data gathering for design options.
- Changing technologies.
- Climatic conditions and their effects on the "typical".
- Feasibility study, costs and benefit analysis for the decision making process.

WATER SUPPLY (continued)

- The capital costs, affordability and assistance funding available.
- Procurement of items.
- Contractor availability and delivery timeframes.

Activity Expenditure

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Water National Park	227	237	216	21
Water Ohakune	712	727	657	70
Water Ohura	204	210	278	(68)
Water Owhango	149	181	292	(111)
Water Raetihi	311	329	396	(67)
Water Taumarunui	1,339	1,360	1,843	(483)
Water Waiouru	76	79	72	7
Total Expenditure	3,018	3,123	3,754	(631)

Variations from the LTP Funding Impact Statement (see details, next page)

- Depreciation has increased significantly in the past year and this is reflected in increases to the cost of Water Supply.
- There have been some changes to where the costs of overheads fall, due to allocation of costs reflecting the operation of the various Water Supply schemes.
- Variations reflect small movements in Overheads and Contract budgets.

The increase in the Capital Value of Assets has resulted in a large increase in depreciation for Water and Wastewater. Currently, the EAP has taken a stepped approach to reaching the level of funding necessary to manage the potential rate requirement and is not fully funding the depreciation on all the assets.

	Amount Unfunded %	Total Depreciation \$	Amount Still to Fund \$
Ohura	100	106,613	106,613
Owhango	77	181,664	139,881
Raetihi	41	170,879	70,060
Taumarunui	45	909,105	409,097

WATER SUPPLY (continued)

Forecast Funding Impact Statement

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	(1)	(29)	(28)
Targeted rates (other than a targeted rate for water supply)	2,624	2,712	2,793	81
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	374	389	348	(41)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	2,998	3,100	3,112	12
Applications of Operating Funding				
Payments to staff and suppliers	1,293	1,349	1,430	(81)
Finance Costs	445	468	479	(11)
Internal charges and overheads applied	284	302	323	(21)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,022	2,119	2,232	(113)
Surplus (deficit) of operating funding (A-B)	976	981	880	(101)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	288	288
Development and financial contributions	8	9	4	(5)
Increase (decrease) in debt	189	383	247	(136)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	197	392	539	147
Applications of capital funding				
Capital expenditure				
- to meet additional demand	19	44	116	(72)
- to improve the level of service	303	507	617	(110)
- to replace existing assets	639	572	382	190
Increase (decrease) in reserves	212	250	304	(54)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1,173	1,373	1,419	(46)
Surplus (deficit) of capital funding (C-D)	(976)	(981)	(880)	101
Funding Balance ((A-B)+(C-D))	-	-	-	-

WASTE MANAGEMENT AND MINIMISATION

Introduction

The Waste Management and Minimisation activity manages the collection and disposal of refuse and recycling in the District. People generate waste each day and the current trend of increasing consumption creates an ongoing challenge in waste management and minimisation.

If waste is not managed in a suitable manner, it may pose serious public health and environmental concerns. In addition, waste deposited to landfill can result in significant environmental effects, eg, leachate can contaminate surrounding soil and water, while landfill gases (methane and carbon dioxide) contribute towards climate change. The disposal of waste to landfill has a significant cost associated with it. This cost will increase as solid waste enters the Emissions Trading Scheme (ETS) in 2013 and when the District landfill closes. This could potentially cost up to \$25 per tonne or \$112,500 per annum, based on current annual tonnage to the landfill in 2012.

To address these issues, Council is actively working to minimise the volume of waste produced, eg, through the kerbside recycling programme and removing organics from the waste stream. However, there is a cost of removing recycling waste from the District to market. This cost was \$156,000 in 2012.

The assets for Waste Management and Minimisation include the District landfill in Taumarunui, seven transfer stations and seven decommissioned landfills.



Outcomes

- That the community works together to ensure that our environment is accessible, clean and safe and that our water, soil and air meets acceptable, affordable standards.
- Excellent standards of safety and welfare are promoted and respected.

Levels of Service

Level of Service	Key Performance Indicator	Target 2013/14
<i>Goal: Towards waste minimisation and a sustainable environment.</i>		
The community is provided with opportunities to recycle.	<ul style="list-style-type: none"> • The portion of waste recycled increases by 1% annually for recyclable materials: glass, paper, cardboard and plastics. 	+1%
The amount of waste received at transfer stations is no greater than the growth projections per year.	<ul style="list-style-type: none"> • Council continues to increase its recycling volumes over its compacted waste volumes each year. 	1:<1
Legislative compliance is achieved	<ul style="list-style-type: none"> • Resource consent breaches per quarter. 	<3
Waste Collection and Recycling Services and Transfer Stations are provided.	<ul style="list-style-type: none"> • Transfer Stations are available for residents at least eight hours per week, as agreed with community. 	100%
Waste hierarchy (reduce, reuse, recover, redirect and refuse) promoted throughout the community.	<ul style="list-style-type: none"> • Number of times the community is informed about Waste Hierarchy. 	>3
	<ul style="list-style-type: none"> • Percentage of schools visited that express a desire to participate in the Education programme for Waste Minimisation in schools each year. 	90%

WASTE MANAGEMENT AND MINIMISATION (continued)

Level of Service	Key Performance Indicator	Target 2013/14
Community is satisfied with the overall level of service for waste management and minimisation.	<ul style="list-style-type: none"> Percentage of community satisfied with the overall LoS. 	75%

Major Capital Projects as per the LTP

The projected cost of major capital works are capital costs only and do not contain support costs.

Year	Total Cost (\$000)	Description	Growth/LOS/Renewal
2013/14	100	Waimarino weighbridge	Growth

Exceptions for 2013/14

Project Description	LTP 2013/14 \$000	EAP 2013/14 \$000	Reason for Exception
Waimarino weighbridge	100	0	Moved to 2014/15

Activity Expenditure

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Solid Waste Collection	890	929	928	1
Solid Waste Management	1,148	1,301	989	312
Total Expenditure	2,038	2,230	1,917	313

Variations from the LTP Funding Impact Statement (see details, next page)

- The estimated cost of the Emissions Trading Scheme (ETS) has reduced significantly, reducing the cost of the activity.

WASTE MANAGEMENT AND MINIMISATION (continued)

Forecast Funding Impact Statement

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	658	802	240	(562)
Targeted rates (other than a targeted rate for water supply)	692	723	962	239
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	671	687	696	9
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	2,021	2,212	1,898	(314)
Applications of Operating Funding				
Payments to staff and suppliers	1,576	1,741	1,412	329
Finance Costs	42	50	44	6
Internal charges and overheads applied	297	314	331	(17)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,915	2,105	1,787	318
Surplus (deficit) of operating funding (A-B)	106	107	111	4
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	49	52	21	(31)
Increase (decrease) in debt	53	177	45	(132)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	102	229	66	(163)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	34	130	39	91
- to improve the level of service	49	79	35	44
- to replace existing assets	55	96	93	3
Increase (decrease) in reserves	70	31	10	21
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	208	336	177	159
Surplus (deficit) of capital funding (C-D)	(106)	(107)	(111)	(4)
Funding Balance ((A-B)+(C-D))	-	-	-	-



SECTION 3: FINANCIAL

CORE BUSINESS COSTS

Introduction

This activity includes the operation of Council's facilities, executive services, corporate support services, asset management services and other support required to achieve the outcomes agreed by Council and the community, through the LTP. The LGA instructs Council to:

- Ensure prudent stewardship and efficient and effective use of its resources in the District [Section 14(1)(g)].
- Consider the capacity of Council to meet statutory responsibilities now and in future decisions [Section 77(1)(b)(iii)], including those around resourcing.

What Council Wants to Achieve

The community wants Council to efficiently and effectively achieve the range of Outcomes outlined in Part 2 of the LTP. The following outlines this goal further:

"To efficiently and effectively resource the achievement of Council's Strategic Goals to target Outcomes."

Council seeks to resource its activities in a way that is efficient, which means getting the most value from the least amount of funding. Council recognises that it has limited resources and takes a considerable amount of effort in seeking solutions to minimise the cost of service delivery. Council also seeks to resource its activities in an effective way that will enable the entire organisation to achieve its Strategic Goals. Decisions on efficiency and effectiveness are taken as part of a participative process initially involving management and Council analysis of cost drivers, and then involving the community through consultation on the LTP and Exceptions Annual Plans. There are some issues that impact on resourcing levels that Council has a limited ability to influence. These include:

Economic

The impact of inflation on costs nationally that impact on purchasing, including contract prices received for services such as water supplies and road maintenance.

Political

The continued rolling out of the Government's legislative programme continues at a rate that stretches the entire local government sector, forcing compliance costs and procedures on councils for activities as diverse as dog control, gambling, land transport, water quality, raising

more revenue for depreciation and resource management planning.

Demographic

The population makeup of the District, including employment and population growth, affects the communities' ability to fund services.

Community Demand

Council responds to levels of service demands within available resourcing levels. Over time, levels of service will trend upward through rising community expectations. These demands need to be resourced.

Technological

Council is committed to the prudent use of technology to achieve the efficiencies and effectiveness of service delivery. This also comes at a cost to retain currency and to remain a highly efficient customer-focussed organisation.

Market Driven

The employment marketplace affects every organisation, including Council. Council sets remuneration at rates that reflect marketplace competitiveness. This is essential to retain staff and attract candidates at the appropriate level of experience sought.

Financial Strategy

Capital Funding

Council's use of funding mechanisms to fund capital development is as follows. Council will first apply subsidies (Land Transport), Development Contributions, followed by loans and lastly rate funding. Borrowing is managed by the provisions of Council's Liability Management Policy (Refer Liability Management Policy, Part 5 of the LTP). The Prospective Financial Statements provide a forecast of public debt levels.

Operating Funding

Council is required under Section 103(1) of the LGA to disclose policies in respect to the funding of operating expenses from the sources listed in Section 103(2) of the LGA.

- Operating expenses are funded annually with costs distributed to the beneficiaries of the particular activity.

CORE BUSINESS COSTS_(continued)

- Depreciation in some activities is either partially or fully funded.
- Council will make use of a mix of revenue sources to meet operating expenses. These mechanisms are outlined in the following section.

Cost of Support Statement

The Cost of Support Statement details the corporate support costs that are built into each of the nine significant activities of Council. The corporate support cost budget does not represent additional costs to those in previous sections.

Support Costs are indirect overhead expenditure including telephone charges, vehicle costs and vacation workers. Support Services are indirect overhead expenditure including information systems maintenance and licence charges, insurances, advertising, stationery, document management, postage and subscriptions.

The main drivers for the year-on-year increase in corporate support cost in at least the years 2009-12, are as follows:

- The global economic climate which impacts the

national economy, influencing:

- Commodity prices and export markets.
- Inflation.
- Employment.
- Interest Rates.
- Council's strategic direction.
- Other external conditions, eg, climate extremes (drought, floods, etc).

Inflation

As discussed earlier in this EAP, there is a legislative requirement for Council to include inflation in its forecast budgets. Council has applied the following inflation factors to the budgets prepared for the purposes of this EAP.

Year ending	Road	Property	Water	Energy	Staff	Other	Earthmoving	Pipelines	Private sector wages
	% pa change								
Jun 09	4.2	4.5	2.3	-2.6	3.2	4.5	5.9	10.2	3.2
Jun 10	3.6	1.8	1.1	0.6	2.2	1.2	2.6	1.8	1.6
Jun 11	2.6	1.7	3.7	0.3	1.6	2.7	2.0	4.9	1.9
Jun 12	4.3	3.9	4.5	5.5	2.6	3.6	5.5	5.7	2.6
Jun 13	3.8	3.0	4.2	4.8	2.5	2.4	4.1	5.2	2.4
Jun 14	3.1	2.9	3.9	4.7	2.4	3.2	3.4	4.4	2.3
Jun 15	3.5	2.9	3.5	4.7	2.4	3.2	2.9	3.7	2.3
Jun 16	3.1	3.0	3.7	5.0	2.6	3.4	3.0	3.8	2.4
Jun 17	3.0	3.1	3.8	5.1	2.6	3.5	3.3	4.2	2.5
Jun 18	3.2	2.8	3.5	4.6	2.4	3.4	3.5	4.5	2.2
Jun 19	3.5	2.8	3.5	4.5	2.3	3.3	3.8	4.8	2.2
Jun 20	3.7	3.0	3.8	5.0	2.6	3.3	4.1	5.2	2.4
Jun 21	3.4	3.3	4.1	5.4	2.7	3.6	4.3	5.5	2.6
Jun 22	3.5	3.3	4.1	5.4	2.7	3.5	4.4	5.7	2.6

Exceptions for 2013/14

Project Description	LTP 2013/14 \$000	EAP 2013/14 \$000	Reason for Exception
Archiving Project	0	52	Offset by insurance saving of \$72,794

PROSPECTIVE COST OF SUPPORT STATEMENT

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	30	31	31	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	7,162	7,592	7,989	397
Total Operating Funding (A)	7,192	7,623	8,020	397
Applications of Operating Funding				
Payments to staff and suppliers	5,953	6,283	6,666	(383)
Finance Costs	443	458	471	(13)
Internal charges and overheads applied	469	497	523	(26)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	6,865	7,238	7,660	(422)
Surplus (deficit) of operating funding (A-B)	327	385	360	(25)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(352)	(629)	(629)	(0)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	(352)	(629)	(629)	(0)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	150	94	86	8
- to improve the level of service	209	125	114	11
- to replace existing assets	254	248	174	74
Increase (decrease) in reserves	(638)	(711)	(643)	(0)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	(25)	(244)	(269)	25
Surplus (deficit) of capital funding (C-D)	(327)	(385)	(360)	25
Funding Balance ((A-B)+(C-D))	-	-	-	-

Activity Expenditure

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Support Services	30	39	31	8
Total Expenditure	30	39	31	8

RATES AND CHARGES 2013/14

Introduction

Council is required under Schedule 10 (5) of the LGA to adopt a Rates and Charges Statement. This Statement provides a summary of Council's funding sources over the ten year period, as well as the detailed rates requirement for the 2012/13 financial year. The Statement represents the fiscal outcome from the Revenue and Financing Policy. The Revenue and Financing Policy is located in Part 5 of the LTP.

Rates are levied under the LG(R)A on all rateable rating units on the basis of values supplied by Quotable Value New Zealand Limited. A revaluation was carried out in September 2011. The revaluations will affect rates going forward. The following outlines Council's goals in the setting of rates.

Objectives and Measures

Objectives	Measures
<ul style="list-style-type: none"> Provide the income by rates received to meet Council's LTP 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 programme. 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.

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

Category of Rate Remission	Value of Remission (including GST)
	\$000
Service Charge - Water	127
Service Charge - Wastewater	52
Service Charge - Solid Waste	2
Total	181

Postponements

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 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.

Rates and Charges

1. General Rates

1.1 General Rate District Capital Value (CV)

The General Rate District Capital Value is assessed as a rate in the dollar based on capital values across the District. The General Rate is not set

differentially. The rationale for use is contained in the Revenue and Financing Policy (Part 5 of the LTP). This rate is set at 70% of the total rates, (not including targeted rates).

The Revenue and Financing Policy (Part 5 of the LTP) also provides details on how each activity is funded, for example, libraries are funded through General Rates, Uniform Annual General Charges and through Fees and Charges.

1.2 Uniform Annual General Charge (UAGC)

Council sets a UAGC on all separately used or inhabited portions of rating units (SUIP) across the District under Section 15(1)(b) of the LG(R)A. The rationale for use of the UAGC is contained in the Revenue and Financing Policy (Part 5 of the LTP). The UAGC contribute 30% of the total rates (not including targeted rates).

1.2.1 Basis of UAGC Set

Uniform charges will be applied according to the following principles:

- (a) Where a rating unit contains both a commercial operation and residential accommodation, two separately used parts of a rating unit are identified and will attract two sets of uniform charges.
- (b) A farming unit with one dwelling will be treated as one rating unit, with each additional dwelling counting as an additional used part of the rating unit. Each additional dwelling will attract uniform charges.
- (c) Where a single rating unit contains a number of shops or offices, each separately used or inhabited office or shop will be counted as one unit. Each office or shop will attract uniform charges.
- (d) 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 rating unit. Each unit or flat will attract uniform charges.

(e) 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 attract one set of uniform charges. However, should a residential occupancy be contained within the complex, that would constitute an additional use. Each residential occupancy in the motel/hotel complex will attract uniform charges.

(f) Dwellings that are not fully self-contained will not attract uniform charges. For a dwelling to be self-contained, it must be connected to water and wastewater services, have a means of cooking and have sleeping arrangements. 'Means of Cooking' is defined to mean an area with an oven, bench top and sink.

1.3 Land Transport

The Land Transport rate is assessed as a rate in the dollar on the CV across the District.

1.4 Differential Rate (CV)

The rates for hydro-electric properties worth in excess of \$50million are set differentially for the General Rate and Land Transport Rate.

1.5 Defence Land (LV)

Defence Land is based on Land Value (LV) Section 22 (LG(R)A).

2. Targeted Rates

Council will receive lump sum contributions to the Targeted Rate.

Targeted rates fall into three categories:

- (a) Targeted Rates on Land Use and Area.
- (b) Targeted Rates on Location.
- (c) Targeted Rates on Service Provision.

The targeted rates that fall into each of these categories are detailed below.

RATES AND CHARGES 2013/14 (continued)

2.1 Differentiations Used (Schedule 2 LG(R)A)

The Targeted Rate is a rate set on rateable assessments differentiated by some factor, such as geographic location or land use. The titles of "Targeted Rate" and "TUAC" (Targeted Uniform Annual Charge) are used by this Council, where TUAC is a Targeted Rate based strictly on a uniform amount set per separately used or inhabited portion of a rating unit.

(a) On Land Use and Area

Council proposes to use land use (Schedule 2(1) LG(R)A) and land area (Schedule 2(4) LG(R)A) to differentiate the following rates (these are described below):

- Owhango Water Supply.
- Main Street Targeted Rates- Northern Main Street and Southern Main Street.
- Sanitary Services Rate Categories.
- RTO (Commerical and Industrial) Rate.

Land Use Area	Type	Description
Owhango Water Supply	Farms	Farms located within Owahango: Large - over 85 ha Small - under 85 ha
	Lifestyle Blocks	Farm units (not dairy) less than 25 ha

How rates will be set for each of these activities is set out below.

(b) On Location

Council proposes to use location (Schedule 2(6) LG(R)A) to assess every rating unit for:

- Accelerated and Enhanced Development.
- RTO (General).
- Stormwater and Flood Protection (Urban).

How rates will be set for each of these activities is set out below.

(c) On Service Provision

The provision or availability to the land of a service is used by Council to assess service charges for:

- Water Supply.
- Wastewater.
- Solid Waste Kerbside Collection.

How rates will be set for each of these activities is set out below.

2.2 Targeted Rate Values

(a) Accelerated and Enhanced Development (CV)

The Accelerated and Enhanced Development Rate is used where the community indicates that it is willing to pay for capital works above the current level of service, for example, higher standards for footpaths.

Council proposes to set Targeted Rates on every rating unit, by Rating Area, to fund the activity of Accelerated and Enhanced Development. The rate will be set based on capital value (Schedule 3(2) LG(R)A).

Rating areas are categorised as follows:

Rating Areas: Areas based on pre-October 2004 electoral areas:

Rating Area	Description
Ohura	All rating units situated within the pre-October 2004 Ohura Ward representation boundary, as indicated on RDC Plan 040504.
Taumarunui	All rating units situated within the pre-October 2004 Taumarunui Ward boundary, as indicated on RDC Plan 040504.
National Park	All rating units situated within the pre-October 2004 National Park Ward representation boundary, as indicated on RDC Plan 040504.
Waimarino	All rating units situated within the pre-October 2004 Waimarino Ward boundaries as indicated on RDC Plan 040504.

RATES AND CHARGES 2013/14 (continued)

Rating Area	Description
Waiouru	All rating units situated within the pre-October 2004 Waiouru Ward boundaries as indicated on RDC Plan 040504.

(b) *Main Street Northern/Southern (CV)*

Council uses a Targeted Rate on all commercial or industrially zoned or used rating units (according to Council's Rating Information Database) to part-fund urban upgrades in the District's centres. The rate is set on capital value (Schedule 3(2) LG(R)A).

Note: Main Street is no longer used as a funding method for new projects. However, Council has retained the Main Street funding method to continue funding of existing projects only.

The Main Street rate is differentiated between North and South as follows:

Northern Main Street	All commercial or industrially zoned or used rating units (according to Council's Rating Information Database) situated within the Taumarunui (including Manunui) and National Park townships.
Southern Main Street	All commercial or industrially zoned or used rating units (according to Council's Rating Information Database) situated within the Ohakune and Raetihi townships

(c) *Sanitary Services (TUAC)*

The Sanitary Services (TUAC) consists of the Ruapehu District Council water supplies, wastewater schemes and stormwater systems provided for the purpose of community health and sustainability.

Council proposes to set a Targeted Uniform Annual Charge (TUAC) equivalent to a UAGC on all Council community water and wastewater schemes and stormwater systems (Schedule 3(7) LG(R)A). Council has taken this approach because:

- In the past, Council has raised rates funding from ratepayers to pay rates to itself under the Revenue and Financing Policy method.

- The rates on Council sanitary services fund functions such as roading and economic development (under Council's Revenue and Financing Policy), meaning that Council rates its own water supplies and uses the money to fund other Council services.
- Continuing to pay a UAGC charge equivalent targeted rate is in recognition of administrative costs attracted to the management of these activities.

(d) *Solid Waste Management (TUAC)*

Council will use a Targeted Uniform Annual Charge on all properties, as a set rate, to part-fund Solid Waste Management (Schedule 3(7) LG(R)A).

(e) *Regional Tourism Organisation (RTO) General (TUAC)*

Council will use a Targeted Uniform Annual Charge on all properties, as a set rate, to part-fund the RTO function (Schedule 3(7) LG(R)A).

(f) *Commercial Targeted Rate for RTO Function (CV)*

Council will use a Targeted Rate differentiated by QV Property Use Codes C and I to part-fund the RTO function. The rate will be set on capital value (Schedule 3(2) LG(R)A).

(g) *Stormwater and Flood Protection (Urban) (TUAC)*

Communities that will be rated the Stormwater and Flood Protection – Urban Rate are as follows:

Taumarunui, Ohakune, Raetihi, Owhango, National Park, Rangataua, Waiouru, Kakahi.	Any property within these communities that can be connected to a water supply (including those on water by meter) or wastewater network or kerbside collection.
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All Urban Ratepayers (see table above) will contribute a set value towards stormwater and flood protection works. The rate will be set on the number of separately used or inhabited parts of the rating unit (Schedule 3(7) LG(R)A).

RATES AND CHARGES 2013/14 (continued)

3.0 Service Charges

Council charges Uniform Services Charges that apply to Water Supply, Solid Waste Kerbside Collection and Wastewater. Council describes the funding of these services as being “service charges” as they have a more direct link between usage and availability of the service and charging, compared to all other types of rate.

Council proposes to use provision or availability to the land of a service (Schedule 2(5) LG(R) (A) to assess service charges for Water Supply, Wastewater and Solid Waste Kerbside Collection.

Water	Capable of connection - The rating unit is within 100m of water main and practicably serviceable in the opinion of Council.
Wastewater	Capable of connection - The rating unit is within 30m of sewer main and practicably serviceable in the opinion of Council.
Solid Waste Collection	Capable of collection - The rating unit is in townships, from which Council is prepared to collect as identified in the Waste Management and Minimisation Asset Plan, and is one that Council is able and prepared to collect from. Council operates kerbside collection in Taumarunui (extending to Piriaka and Kakahi), Ohakune, Raetihi and Rangataua townships.

(a) Water Supply (TUAC)

Council proposes to set Targeted Rates for Water Supply according to the differential factors outlined in 3.0 above and on the basis of the following limits and conditions around the supply of water (Schedule 3(8) of the LG(R)A).

The annual charge is levied on every separately used or inhabited portion of a rating unit that is connected or capable of being connected to a Council water supply network.

The table below describes the type of use for rating purposes:

User Category	Description
Ordinary <i>(Users connected or able to be connected to the relevant water reticulation systems).</i>	<ul style="list-style-type: none"> • Ohura Supply • Taumarunui Supply • Ohwango Supply • National Park Supply • Raetihi Supply • Ohakune Supply • Waiouru Supply
Extraordinary <i>(Users who are connected or able to be connected to the related water reticulation schemes and are not metered. Users are deemed extraordinary by land use, by Council's Water Bylaw or by agreement with Council, and charged accordingly).</i>	<ul style="list-style-type: none"> • Ohwango Supply Lifestyle Blocks <25ha • National Park Supply • Raetihi Supply
Metered <i>(Sub-set of extraordinary users. Extraordinary users who are metered will be charged the relevant minimum annual charge in conjunction with their usage charges for water consumed. Only one minimum charge will be applied per rateable unit).</i>	<ul style="list-style-type: none"> • Taumarunui • Ohwango Supply <ul style="list-style-type: none"> ▪ 0 – 832m³ ▪ > 832m³ • Ohakune Supply <ul style="list-style-type: none"> ▪ 0 - 500m³ ▪ 500 –1,500m³ ▪ > 1,500m³ ▪ Carrot Washers • Waiouru Supply

(b) Solid Waste Kerbside Collection (TUAC)

The Solid Waste Kerbside Collection Targeted Uniform Annual Charge (TUAC) is levied on every separately used or inhabited portion of a rating unit to which Council provides the service, to fund the cost of kerbside (refuse and recycling) collection services. Refuse is collected for all separately used and inhabitable properties, while recycling is collected only for residential units.

Different rates are payable depending on whether

a property is classed as 'Residential' or 'Commercial'. For the purposes of these rates, all properties identified as 'DWG' will be charged the 'Residential' rate, while all other properties in urban areas will be charged the 'Commercial' rate. Please note, where there is a vacant section this charge will not be levied.

(c) **Wastewater (TUAC)**

Council has set a Targeted Uniform Annual Charge (TUAC) to provide for the collection and disposal of wastewater, in the form of annual charges based on:

- **Use** – these are divided into three categories:
 - Category 1: One to two pans (water closets or urinals). Each separately rateable property used exclusively or principally as the residence of not more than one household (defined in terms of their residential valuation land use code), is deemed to have not more than one pan for charging purposes.
 - Category 2: Three plus pans (water closets or urinals). Commercial land uses (as defined by land use category) with more than one pan.
 - Category 3: Primary and Secondary Schools.
- **Location.**
- **Number of pans** (Categories 2 and 3 only).

The annual charge is levied on every separately used or inhabited portion of a rating unit that is connected or capable of being connected to a Council wastewater reticulation network.

4.0 **Due Dates for Payment**

Instalment No 1	Tuesday 20 August 2013
Instalment No 2	Wednesday 20 November 2013
Instalment No 3	Thursday 20 February 2014
Instalment No 4	Tuesday 20 May 2014

4.1 **Discount for Prompt Payment**

A discount of 5% on all current year's rates will be granted for prompt payment if the rates for the year ending 30 June 2014 are paid in full by 20 August 2013, on condition that no rates remain unpaid from previous years.

4.2 **Penalties**

- (a) An additional charge of 10% will be added to all rates levied in the 2013/14 financial year and which remain unpaid after the above due dates.
- (b) A further additional charge of 10% will be added to all rates and penalties charged in previous years and still outstanding as at 9 July 2013 and 7 January 2014.
- (c) Council delegates authority to the Group Manager Corporate Services to apply penalties on unpaid rates. Remission of penalties will be considered according to Council's Remission of Penalties Policy, which can be found at www.ruapehuc.govt.nz.

4.3 **Metered Water Supply**

- (a) Water supply metered charges are subject to a separate payment and discount regime. The discounts outlined above do not apply to Water Supply metered charges.
- (b) Discount for Prompt Payment of Water Bill - A discount of 10% shall be allowed for water charges paid by the discount date as stated on the Water By Meter Account (under Section 55 LG(R)A).

RATES AND CHARGES 2013/14 (continued)

Summary

Description	\$ or Rate in \$ (excluding GST)	Total Revenue Requirement 2013/14 \$000 (excluding GST)
General Rates		
General Rate (CV)	0.0014914364	4,638
Hydro Electrical (CV)	0.0007645755	213
Defence Land (CV)		
Section 22 LG(R)A	0.0005175033	99
Uniform Annual General Charge (UAGC)		
UAGC	\$422	\$3,664
Targeted Rate		
Land Transport		
Land Transport (CV)	0.0010922511	3,396
Hydro Electric (CV)	0.0007308039	203
Accelerated and Enhanced Development (CV)		
Taumarunui	0.0000456578	33
National Park	0.0000161763	8
Waimarino	0.0000185899	22
Main Street Northern/Southern (CV)		
Northern	0.0003318639	24
Southern	0.0006119975	45
Sanitary Services (TUAC)		
Council Water Supplies	\$388	2
Council Wastewater Schemes	\$388	2
Council Stormwater Systems	\$388	2
Solid Waste Management		
Solid Waste Charge	\$30	249
Regional Tourism Organisation (RTO) (General)		
General Targeted Uniform Annual Charge	\$18	150
Commercial Targeted Rate for RTO Function (CV)		
RTO Commercial Property Targeted Rate (QV Property Use Codes C and I)	0.0004257126	100
Stormwater and Flood Protection - Urban		
Urban	\$59	343

RATES AND CHARGES 2013/14 (continued)

Description		\$ or Rate in \$ (excluding GST)	Total Revenue Requirement 2013/14 \$000 (excluding GST)
Service Charges			
Water Supply			
Ordinary - Ohura		\$1,085	171
Ordinary - Taumarunui		\$529	1,301
Ordinary - Owhango		\$466	60
Ordinary - National Park		\$797	237
Ordinary - Raetihi		\$558	320
Ordinary - Ohakune		\$418	631
Ordinary - Waiouru		\$554	40
Extraordinary - Owhango Supply Lifestyle Blocks (<25 ha)		\$554	7
Extraordinary - National Park		\$1,048	22
Extraordinary - Raetihi		\$571	4
Metered - Taumarunui	0.84m ³	\$145/quarter	133
Metered - Owhango 0 - 832m ³	1.15/m ³	\$128/quarter	42
Metered - Owhango > 832m ³	0.67/m ³		42
Ohakune (0 - 500m ³)	1.59/m ³	\$115/quarter	34
Ohakune (500 - 1500m ³)	1.17/m ³	\$115/quarter	20
Ohakune (>1500m ³)	0.84m ³	\$115/quarter	13
Ohakune - Carrot Washers	0.69/m ³	\$115/quarter	13
Waiouru	2.22/m ³	\$152/quarter	38
Solid Waste Kerbside Collection (TUAC)			
Commercial		\$81	49
Residential		\$162	673
Wastewater (TUAC)			
Category 1 - Taumarunui		\$386	807
Category 1 - National Park		\$607	175
Category 1 - Ohakune		\$350	473
Category 1 - Raetihi		\$516	255
Category 1 - Pipiriki		\$777	17
Category 1 - Rangataua		\$554	101
Category 1 - Waiouru		\$527	41
Category 2 - Taumarunui		\$231	150
Category 2 - National Park		\$195	47
Category 2 - Ohakune		\$206	98
Category 2 - Raetihi		\$331	30
Category 2 - Pipiriki		\$441	1.8
Category 2 - Waiouru		\$348	24
Category 3 - Taumarunui		\$106	17
Category 3 - National Park		\$98	0.6
Category 3 - Ohakune		\$104	5
Category 3 - Raetihi		\$152	6
Category 3 - Pipiriki		nil	nil

STATEMENT OF ACCOUNTING POLICIES

Notes to the Financial Statements

Reporting Entity

Ruapehu District Council (Council) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled in New Zealand.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity as defined under New Zealand International Financial Reporting Standards (NZ IFRS).

The prospective financial statements are for Ruapehu District Council only.

Basis of Preparation

Council authorised the prospective financial statements on 12 March 2013. Council, which is authorised to do so and believes that the assumptions underlying these prospective financial statements are appropriate, approved the Exceptions Annual Plan for consultation. Council and management of Ruapehu District Council accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual results have been incorporated within the prospective financial statements.

Changes have been made to the prospective financial statements as a result of the consultation process, as follows:

Activity/ Description	Operational	Capital
Rural Fire - Shed and Truck		-120,000
TePepe Bike Park Project	+2,725	
Cycle Trails Governance and Development	+25,000	
Community Board Training funding	+6,000	
National Park Playground - one off funding		+75,000
Waiouru Public Toilets - detailed plans		+25,000
Ohakune Rugby Club Drain		+70,000
Insurance for RiskPool	-72,794	
Archiving Additional Funding	+52,000	

Statement of Compliance

The prospective financial statements of Council have been

prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These prospective financial statements have been prepared with NZ GAAP. They comply with FRS:42 Prospective Financial Statements and other applicable FRS as appropriate for public benefit entities.

Measurement Base

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructure assets, investment property and financial instruments.

Functional and Presentation Currency

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Council is New Zealand dollars.

Standards, Amendments and Interpretation Adoption

Statements, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to Council, are:

NZ IFRS 9 Financial Instruments (replacing NZ IAS 39 Financial Instruments: Recognition and Measurement)

NZ IAS 39 is being replaced through three phases:

- Phase 1: Classification and Measurement.
- Phase 2: Impairment Methodology.
- Phase 3: Hedge Accounting.

Phase 1 has been completed and published within NZ IFRS 9. The new standard is required to be adopted for the year ended 30 June 2014. Council has not yet assessed the effect of the new standard and expects it will not be early adopted.

Accounting Policies

RDC has adopted the following revisions to accounting standards which have had only a presentational or disclosure effect:

- Amendments to NZ IAS 1 Presentation of Financial Statements. The amendments introduce a requirement to present, either in the statement of changes in equity



STATEMENT OF ACCOUNTING POLICIES (continued)

or the notes, for each component of equity, an analysis of other comprehensive income by item.

- FRS 44 New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise with IFRS and Australian Accounting Standards (Harmonisation Amendments). The purpose of the new standard and amendments is to harmonise Australian and New Zealand accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each jurisdiction. The main effect of the amendments on RDC is that certain information about property valuations is no longer required to be disclosed.
- Paragraph 48 of FRS 42 requires Council to “disclose the purpose for which prospective financial statements have been prepared, together with a caution that the information in those statements may not be appropriate for purposes other than those described”. The purpose for which this Exceptions Annual Plan has been prepared is to enable the public to participate in decision making processes as to the services to be provided by Council over the 2013/14 financial year and to provide a broad accountability mechanism of Council to the community. The financial information in the Exceptions Annual Plan may not be appropriate for purposes other than those described.

Standards, Amendments And Interpretations Issued That Are Not Yet Effective And Have Not Been Early Adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to RDC are:

- NZ IFRS 9 *Financial Instruments* which will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following three main phases:
 - Phase 1: Classification and measurement.
 - Phase 2: Impairment Methodology.
 - Phase 3: Hedge Accounting.

Phase 1 on the classification and measurement of financial assets has been completed and has been published within NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method be used, replacing the many different impairment methods in NZ IAS 39. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016 (deferred from 2014). However, as a new Accounting Standard Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Ministry of Commerce has approved a new Accounting Standard Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework RDC is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means RDC expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, RDC is unable to assess the implications of the new Accounting Standard Framework at this time. Due to the change in the Accounting Standard Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Significant Accounting Policies

STATEMENT OF ACCOUNTING POLICIES (continued)

Basis of Consolidation

These prospective financial statements are for Ruapehu District Council only.

Subsidiaries

Subsidiaries are those entities in which RDC has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. RDC Holdings Ltd is RDC's only subsidiary (100% owned). This company has not traded since 1997 and has exempt status (Local Government Act S7(3)).

RDC measures the cost of a business combination as the aggregate of the fair values (at the date of exchange) of assets given and liabilities incurred or assumed in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Associates

These are entities which RDC has significant influence (but not control) over operating and financial policies. The financial statements show the investment in associates using the equity method. Associates include the Ruapehu-Wanganui-Rangitikei Economic Development Trust (33.3% interest, equally with Wanganui and Rangitikei District Councils) and Manawatu Wanganui LASS Ltd (14.29%, owned with six other local authorities). Both of these entities are exempt Council Controlled Organisations. The investment in an associate is initially recognised at cost and the carrying amount in the financial statements is increased or decreased to recognise the share of the surplus or deficit of the associate after the date of acquisition. Any distributions received from an associate reduce the carrying amount of the investment. After RDC's interest is reduced to zero, additional deficits are provided for and a liability is recognised, only to the extent that RDC has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, RDC will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised. Where RDC transacts with an associate, any surplus or deficit is eliminated to the extent of RDC's interest in the relevant associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

Borrowing Costs

RDC has elected to defer the adoption of NZ IAS 23 Borrowing Costs (revised 2007) in accordance with the transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowings

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

Borrowings are classified as current liabilities unless RDC has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturity of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Cost Allocation

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

- Direct costs are those operational costs directly attributable to and controllable by a significant activity. These are charged directly to significant activities (maintenance, vehicles).
- Where this is not possible the costs are allocated by way of corporate overhead. Overheads directly related to a significant activity are charged directly to that significant activity. These include part of wage costs, part of ACC costs, part of vehicle costs and part of legal costs.
- Other Indirect costs (overheads) are those costs that cannot be identified on an economically feasible manner with a specific significant activity. Indirect costs are charged to significant activities based on the number of full time staff equivalents employed in that activity.

STATEMENT OF ACCOUNTING POLICIES

(continued)

Creditors and Other Payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Debtors and Other Receivables

Debtors and other receivables are measured at fair value, less any provision for impairment.

Employee Entitlements

Short Term Benefits

Employee benefits that RDC expects to be settled within 12 months of balance date are measured at nominal values 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, retiring and long service leave entitlements expected to be settled within 12 months.

A liability is recognised for sick leave when absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover those future absences.

Long Term Benefits

Entitlements that are payable beyond 12 month relates to a "grandfathered" employment agreement and is an agreed time (number of weeks) liability. This is valued based on the number of weeks multiplied by the current pay rate applicable for the relevant employee.

Equity

Equity is the community's interest in RDC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. Reserves are a component of equity generally representing a particular use for which various parts of equity have been assigned.

The components of equity are:

- Ratepayers' Equity.
- Asset Revaluation Reserves.
- Other Reserves (restricted reserves).
- Fair Value through Other Comprehensive Income Reserves.

Asset Revaluation Reserve

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

Restricted Reserves

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

Fair Value through Other Comprehensive Income Reserves

This reserve comprises the cumulative net change in the fair value of financial instruments through other comprehensive income.

Financial Assets

Financial assets are initially recognised at fair value. Acquisitions and disposals of financial assets are recognised at the date at which RDC 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, along with 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.
- Fair value through other comprehensive income.

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. A financial asset

STATEMENT OF ACCOUNTING POLICIES

(continued)

is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evident of short-term profit-taking.

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 other receivables

Loans and receivables are non-derivate 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.

They are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. (A provision for impairment is established when there is evidence that RDC will not be able to collect all amounts due according to the original terms of receivables.) Gains and losses when the asset is impaired or derecognised are reflected in the surplus or deficit.

Held-to-Maturity Investments

Held to maturity investments are non-derivate 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 is asset is impaired or derecognised are recognised in the surplus or deficit.

Fair Value through Other Comprehensive Income

Financial assets at fair value through other comprehensive income 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 management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. RDC includes in this category:

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

These investments are measured at their fair value, with gains and losses recognised in other comprehensive income, 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 income is reclassified from equity to the surplus or deficit.

Goods and Services Tax (GST)

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

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

Grants 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 RDC has no obligation to reward on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of RDC's decision.

Impairment of Financial Assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the Statement of Comprehensive Income.

Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Where these assets have a finite useful life they are reviewed for impairment whenever events

STATEMENT OF ACCOUNTING POLICIES

(continued)

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.

Value in use is depreciated replacement cost of an asset where the future economic benefits or service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where RDC would, if deprived of the asset, replace its remaining service potential.

The carrying amount of RDC's assets, other than investment property and inventories, are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, RDC estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where RDC accounts for revaluations of property, plant and equipment on a class of asset basis, an impairment loss on a revalued asset is recognised directly against any revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

Where RDC accounts for revaluations of property, plant and equipment on a class of asset basis, a reversal of an impairment loss on a revalued asset is credited directly to the revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in the surplus or deficit, a reversal of that impairment loss is also recognised in the surplus or deficit.

Income Tax

RDC is exempt from income tax on its operations and consequently there is no income tax expense or income tax liability recognised in the accounts. The Subsidiary is subject to income tax but has not traded for more than ten years. Any tax losses carried forward have not been recognised as an asset due to uncertainty over future use.

Intangible Assets

Intangible assets comprise:

Software Acquisition and Development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring it to use. Costs associated with developing or maintaining computer software are recognised as an expense as incurred.

Costs that are directly associated with the production of identifiable and unique software products controlled by RDC, and that will generate economic benefits exceeding costs beyond one year are recognised as intangible assets.

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 the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income.

The useful lives and amortisation rates have been estimated as follows:

Amortisation Rates for Software	Estimated Life	Amortisation Rate
Proprietary Software	3 years	33.3% SL
Corporate Software	8 years	12.5% SL

Easements

Easements are recognised at the cost to bring the asset to the intended use. They are tested annually for impairment, rather than amortised.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost less any loss of service potential (where applicable). Where inventory is acquired for at cost or for nominal consideration, the cost is the replacement cost at the date of acquisition valued on a FIFO (first-in, first-out) basis.

Investment Properties

Investment properties (properties held to earn rental income and/or for capital appreciation) 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, RDC

STATEMENT OF ACCOUNTING POLICIES

(continued)

measures all investment property at fair value as assessed annually by a registered valuer.

Gains or losses arising from changes in the fair value of investment property are included in the surplus/deficit for the period in which they arise.

Leases

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not the title is eventually transferred.

At the commencement of the lease term RDC recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the Statement of Financial Performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether RDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

These do not substantially transfer 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.

Property, Plant and Equipment and Infrastructural Assets

Property, plant and equipment consists of:

Operational Assets

Land, buildings (including cultural assets, community and leisure facilities), improvements, non-restricted parks and gardens, plant and equipment, vehicles, sports areas and library books.

Restricted Assets

Parks and reserves owned by RDC that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Infrastructural Assets

There are the fixed utility systems owned by RDC. Each asset type includes all items that are required for the network to function.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land and buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued by independent qualified valuers with sufficient regularity to ensure that the carrying value does not differ materially from that which would be determined using fair value at balance date (at least every three years).

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis. (Revaluation increases and decreases relating to individual assets within a class of assets are offset. Revaluation increases and decreases in respect of assets in different classes are not offset.)

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where the result is a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but 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 income.

All other asset classes are carried at depreciated historical cost.

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 RDC 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 recognised at its cost. Where an asset is acquired at no (or nominal) cost, it is recognised at fair value as at the date of acquisition.

STATEMENT OF ACCOUNTING POLICIES

(continued)

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 RDC and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the net 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.

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.

Infrastructural 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 shown on 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.

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 expenditures 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 rate that reflects current market assessments at the time value of money and the risks specific to the obligation. The increase in the provisions due to the passage of time is recognised as an interest expense and is included in "finance costs".

Landfill Aftercare Provision

RDC, as the owner of one operating landfill and other closed landfills, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill sites. A provision for post-closure costs has been recognised as a liability.

The provision is based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. The discount rate reflects current market assessments of the time value of money and the risks specific to RDC.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates Revenue

Rates are set annually by a resolution of Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Other Revenue

- Water billing revenue is recognised on an accruals basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Traffic and parking infringements are recognised when tickets are issued.
- New Zealand Transport Agency roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.
- Subsidy revenue is recognised when expenditure has been incurred and the claim for the subsidy processed. This includes grants from petrol tax that are received from the Government, subsidising part of its costs in maintaining the local roading infrastructure.
- Fees and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence.
- Rental revenue from property owned by Council is accounted for on a straight line basis over the lease

STATEMENT OF ACCOUNTING POLICIES

(continued)

Depreciation (see previous page)

Property, Plant and Equipment	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Buildings (excluding investment property)	RAD	50 – 100 years	1 - 2% SL
Other Improvements	CAD	50 – 100 years	1 - 2% SL
Computer Equipment	CAD		40% DV
Office Equipment, Furniture and Fittings	CAD		20% DV
Library Books	CAD	12.5 years	8% SL
Other Plant and Vehicles	CAD	3.33– 10 years	10 – 30% SL
Roads	RAD		
Top Surface (seal)		20 years	5% SL
Pavement (basecourse)		100 years	1% SL
Culverts		60 – 100 years	1 – 1.67% SL
Footpaths		80 – 100 years	1 – 1.25% SL
Kerbs		80 – 100 years	1 – 1.25% SL
Signs		10 – 15 years	6.67 – 10% SL
Street Lights		10 – 15 years	6.67 – 10% SL
Bridges		50 – 100 years	1 – 2% SL
Water Reticulation	RAD		
Pipes		40 – 80 years	1.25 – 2.5% SL
Valves & Hydrants		25 – 50 years	2 – 4% SL
Pump Stations		10 – 60 years	1.67 – 10% SL
Tanks		25 – 100 years	1 – 4% SL

Fixed Asset	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Wastewater Reticulation	RAD		
Pipes		50 – 80 years	1.25 – 2% SL
Manholes & Cesspits		50 years	2% SL
Treatment Plants		10 – 100 years	1 – 10% SL
Stormwater Systems	RAD		
Pipes		50 – 60 years	1.67 – 2% SL
Manholes & Cesspits		50 years	2% SL
Solid Waste	RAD		
Various		20 years	5% SL
Other (Not Depreciated)			
Land	REV		
Formation Costs for roading	COST		
Stopbanks	REV		
Investment Property	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

STATEMENT OF ACCOUNTING POLICIES continued

term. Contingent rental income is recognised as income in the period in which it is earned.

- Revenue from providing services is recognised based on the actual service provided as a percentage of the total services provided.
- Other grants and bequests and assets vested in Council (with or without conditions) are recognised as revenue when control over the assets is obtained.
- Interest income is recognised as it accrues, using the effective interest method. (The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. This rate is applied to the principal outstanding to determine interest income each period.)
- Dividend revenue is recognised when the right to receive payment has been established.
- Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution is charged. Otherwise, development and financial contributions are recognised as liabilities until such time Council provides or is able to provide, the service.

Superannuation Schemes

Defined Contribution Schemes

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

Critical Accounting Estimates and Assumptions

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying RDC's accounting policies.

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

Critical Judgments In Applying Accounting Policies

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

Classification of Property

RDC owns a number of properties held to provide social housing. The receipt of market-based rental from these properties is incidental to holding them.

RDC also holds certain properties for community purposes, and not for investment income, including the airport in Taumarunui and the Ohakune Railway Station.

These properties are held for service delivery objectives and are accounted for as property, plant and equipment.

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2014

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Revenue				
Rates Revenue	18,536	19,256	19,100	(156)
Grants & Subsidies	9,527	9,897	9,884	(13)
Dividend & interest Revenue	46	46	35	(11)
Fees & Charges	2,492	2,569	2,902	333
Other Revenue	717	744	221	(523)
Investment Gains	79	108	79	(29)
Total Revenue	31,397	32,620	32,221	(399)
Expenditure				
Personnel Costs	4,224	4,464	4,607	(143)
Finance Costs	1,864	1,988	2,002	(14)
Depreciation and Amortisation	7,352	7,466	7,967	(501)
Other Expenses	15,648	16,193	16,370	(177)
Total Expenditure	29,088	30,111	30,946	(835)
Net Surplus	2,309	2,509	1,275	(1,243)
Other Comprehensive Income				
Revaluation of Assets	1,637	-	713	713
Total Other Comprehensive Income	1,637	-	713	713
Total Comprehensive Income	3,946	2,509	1,988	521

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

As At 30 June 2014

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Equity balance at 1 July	344,683	348,628	362,914	14,286
Comprehensive income for year	3,946	2,509	1,988	921
Equity Balance 30 June	348,629	351,137	364,902	13,765
Components of Equity				
Retained Earnings at 1 July	248,397	250,705	262,305	11,600
Net Surplus/(Deficit)	2,309	2,509	1,275	(1,234)
Retained earnings 30 June	250,706	253,214	263,580	10,366
Revaluation Reserves 30 June	97,851	97,851	100,905	3,054
Council Created Reserves at 1 July	72	72	417	345
Equity at 30 June	348,629	351,137	364,902	13,765



PROSPECTIVE STATEMENT OF FINANCIAL POSITION

As At 30 June 2014

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
ASSETS				
Current Assets				
Cash & Cash Equivalents	70	115	294	179
Debtors & Other Receivables	4,954	5,043	4,954	(89)
Inventories	8	8	8	-
Total Current Assets	5,032	5,166	5,256	90
Non-Current Assets				
Investment Property	3,389	3,498	3,389	(109)
Other Financial Assets	418	418	418	-
Property Plant & Equipment	28,381	28,670	27,967	(703)
Infrastructural Assets	347,706	351,084	365,764	14,680
Total Non-Current Assets	379,894	383,670	397,538	13,868
TOTAL ASSETS	384,926	388,836	402,794	13,958
LIABILITIES				
Current Liabilities				
Trade & Other Payables	5,151	5,299	4,800	499
Income in Advance	916	903	900	3
Borrowings	4,100	4,200	4,100	100
Employee Benefit Liabilities	262	270	250	20
Total Current Liabilities	10,429	10,672	10,050	622
Non-Current Liabilities				
Borrowings	25,371	26,530	27,344	(814)
Employee Benefit Liabilities	4	4	4	-
Provisions	493	493	493	-
Total Non-Current Liabilities	25,868	27,027	27,841	(814)
TOTAL LIABILITIES	36,297	37,699	37,891	(192)
EQUITY				
RatePayers Equity	250,706	253,214	263,580	(10,366)
Revaluation Reserves	97,851	97,851	100,905	(3,054)
Council Created Reserves	72	72	417	(345)
Trust Funds	-	-	-	-
TOTAL EQUITY	348,629	351,137	364,902	(13,765)

PROSPECTIVE FUNDING IMPACT STATEMENT

As At 30 June 2014

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
General rates, uniform annual general charges, rates penalties	12,234	12,859	12,344	(515)
Targeted rates (other than a targeted rate for water supply)	6,302	6,398	6,756	358
Subsidies and grants for operating purposes	4,928	5,037	5,037	-
Fees, charges, and targeted rates for water supply	2,492	2,569	2,903	334
Interest and dividends from investments	46	46	35	(11)
Local authorities fuel tax, fines, infringement fees, and other receipts	195	201	-	(201)
Total Operating Funding (A)	26,197	27,110	27,075	(35)
Applications of Operating Funding				
Payments to staff and suppliers	19,873	20,651	20,977	(326)
Finance Costs	1,864	1,988	2,002	(14)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	21,737	22,639	22,979	(340)
Surplus (deficit) of operating funding (A-B)	4,460	4,471	4,096	(375)
Sources of capital funding				
Subsidies and grants for capital expenditure	4,599	4,860	4,847	(13)
Development and financial contributions	522	543	221	(322)
Increase (decrease) in debt	728	1,259	1,296	37
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	5,849	6,662	6,364	(298)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,237	1,471	1,462	9
- to improve the level of service	1,710	2,005	1,986	19
- to replace existing assets	7,362	7,657	7,012	645
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	10,309	11,133	10,460	673
Surplus (deficit) of capital funding (C-D)	(4,460)	(4,471)	(4,096)	375
Funding Balance ((A-B)+(C-D))	-	-	-	-

PROSPECTIVE CASH FLOW STATEMENT

For the Year Ended 30 June 2014

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Cashflow from Operating Activities				
Cash was provided from:				
Rates Revenue	18,536	19,167	19,100	(67)
Dividend & interest Revenue	46	46	35	(11)
Fees & Charges	12,736	13,210	13,007	(203)
	31,318	32,423	32,142	(281)
Cash was disbursed to:				
Payments Staff & Suppliers	19,871	20,516	20,977	(461)
Finance Costs	1,864	1,988	2,002	(14)
	21,735	22,504	22,979	(475)
Net Cashflow from Operating Activity	9,583	9,919	9,163	(756)
Cashflow from Investing Activities				
Cash was provided from:				
	-	-	-	-
Cash was disbursed to:				
Purchase of Assets	10,309	11,133	10,460	673
	10,309	11,133	10,460	673
Net Cashflow from Investing Activity	(10,309)	(11,133)	(10,460)	(673)
Cashflow from Financing Activities				
Cash was provided from:				
Loans Raised	4,728	5,359	1,296	(4,063)
	4,728	5,359	1,296	(4,063)
Cash was disbursed to:				
Loan Repayments	4,000	4,100	-	4,100
	4,000	4,100	-	4,100
Net Cashflow from Financing Activity	728	1,259	1,296	37
Net Increase (Decrease) in Cash Held	2	45	(1)	(46)
Add Opening Cash brought forward	68	70	69	(1)
Closing Cash Balance	70	115	68	(47)
Closing Balance made up of Cash and Cash Equivalents	70	115	294	179

RECONCILIATION OF FUNDING IMPACT STATEMENT TO COMPREHENSIVE INCOME

For the Year Ended 30 June 2014

	Annual Plan 2012/13 \$000	LTP 2013/14 \$000	Forecast 2013/14 \$000	Variation \$000
Income				
Prospective Statement of Comprehensive Income	31,397	32,620	32,221	(399)
Summary Funding Impact Statement				
Total Operating Funding	26,197	27,110	27,074	(36)
Add Sources of Capital Funding				
Sources of capital funding	4,599	4,859	4,847	(12)
Development and financial contributions	522	543	221	(322)
Investment (Gains)/Losses	79	108	79	(29)
Total Revenue	31,397	32,620	32,221	(399)
Expenditure				
Prospective Statement of Comprehensive Income				
Operating Expenditure	29,088	30,111	30,946	(835)
Summary Funding Impact Statement				
Total applications of operating funding	21,736	22,645	22,979	(334)
Add Depreciation and Amortisation Expense	7,352	7,466	7,967	(501)
Total Expenditure	29,088	30,111	30,946	(835)

RESERVE FUNDS

TBC – Reserve Contributions

The Reserve Contribution Fund can be used in terms of Section 411.2 of the Resource Management Act:

411. *Restriction on imposition of conditions as to financial contributions*
- (2) *Where financial contributions under Part XX and XXI of the Local Government Act 1974 (including reserves contributions and development levies) have been fixed and have been paid, or are being paid, or are paid and payable in respect of an activity, the consent authority shall deal with the money in accordance with the requirement of section 223F of the Local Government Act 1974 and in reasonable accordance with the purposes for which the money was received.*

Although the references are to the Local Government Act 1974 the general intent should still be the same. The above fund was used within the former Taumarunui Borough Council area, generally for the purpose of improving or developing any land held as public reserves. This reserve has been now closed.

OBC – Reserve Contributions

The Reserve Contribution Fund can be used in terms of Section 411.2 of the Resource Management Act:

412. *Restriction on imposition of conditions as to financial contributions.*
- (2) *Where financial contributions under Part XX and XXI of the Local Government Act 1974 (including reserves contributions and development levies) have been fixed and have been paid, or are being paid, or are paid and payable in respect of an activity, the consent authority shall deal with the money in accordance with the requirement of section 223F of the Local Government Act 1974 and in reasonable accordance with the purposes for which the money was received.*

Although the references are to the Local Government Act 1974 the general intent should still be the same. The above fund should be used within the former Ohakune Borough Council area, generally for the purpose of improving or developing any land held as public reserves.

Waimarino Reserves Fund

The Reserve Contribution Fund can be used in terms of Section 411.2 of the Resource Management Act:

413. *Restriction on imposition of conditions as to financial contributions*
- (3) *Where financial contributions under Part XX and XXI of the Local Government Act 1974 (including reserves contributions and development levies) have been fixed and have been paid, or are being paid, or are paid and*

payable in respect of an activity, the consent authority shall deal with the money in accordance with the requirement of section 223F of the Local Government Act 1974 and in reasonable accordance with the purposes for which the money was received.

Although the references are to the Local Government Act 1974 the general intent should still be the same. The above fund should be used within the former Waimarino District Council area, generally for the purpose of improving or developing any land held as public reserves.

TCC – Land Subdivision Reserve

The above fund should be used within the former Taumarunui County Council area, generally for the purpose of improving or developing any land held as public reserves.

OBC – Roading Contributions (former Ohakune Borough Council)

This fund was established as a contingency to help fund emergency works that may occur in the former Ohakune Borough Council area.

TBC – ECNZ Wanganui River Amenities Fund

The ECNZ Wanganui River Amenities Fund was established for the purpose of maintaining or developing amenities in the Taumarunui Urban Area. This fund was established and funded as a result of (compensation) headwaters of the Wanganui River being diverted for hydro power purposes.

TCC ECNZ Stratford/Huntly Amenities Fund

The ECNZ Stratford Huntly Amenities Fund was established to provide “public” amenities being amenities owned or administered by the Crown or Council for recreational, cultural or social purposes.

Property Disposition Reserve

The property disposition reserve was created following the sale of the Owhango Pensioner Flats in early 2000. This was a book entry only which showed what proceeds were available following that sale.

	Expected Opening Balance 2013/14	Expected Closing Balance 2013/14
TBC – Reserve Contributions	\$0	\$0
OBC – Reserve Contributions	\$11,216	\$11,216
Waimarino Reserves Fund	\$6,373	\$6,373
TCC – Land Subdivision Reserve	\$72,456	\$72,456
OBC – Roading Contributions	\$4,106	\$4,106
TBC – ECNZ Wanganui River Amenities Fund	\$11,359	\$11,359
TCC ECNZ Stratford/Huntly Amenities Fund	\$84,823	\$84,823
Property Disposition Reserve	\$149,741	\$149,741

SECTION 4: APPENDICES

YOUR ELECTED REPRESENTATIVES

Mayor and Councillors



Sue Morris JP
Mayor

1339 Hikumutu Road
RD2
Taumarunui 3992

Phone 07 895 5945
Fax 07 895 6945



Don Cameron
Deputy Mayor
Waimarino-Waiouru Ward

135 Matapuna Road
RD6
Raetihi 4696

Phone 06 385 3033



Marion Gillard JP
Ohura Ward

Tokirima
RD1
Taumarunui 3991

Phone 07 893 8575
Fax 07 893 8575



Bruce Broderson QSM
Taumarunui Ward

55 Ward Street
Taumarunui 3920

Phone 07 896 7124
Fax 07 896 8014



YOUR ELECTED REPRESENTATIVES (continued)

Mayor and Councillors (continued)



Graeme Cosford JP
Taumarunui Ward

42 Reu Street
Taumarunui 3920

Phone 07 895 7572
Fax 07 895 7572



Ron Cooke
Taumarunui Ward

33 Miriama Street
Taumarunui 3920

Phone 07 895 6807



Karen Ngatai
Taumarunui Ward

46 Echolands Road
RD4
Taumarunui 3994

Phone 07 896 6658



Taumarunui Ward

1 Vacancy
(Jeni Kydd resigned
27 February 2013)



YOUR ELECTED REPRESENTATIVES (continued)

Mayor and Councillors (continued)



Elaine Wheeler
National Park Ward

608 Upper Retaruke Road
RD2
Owhango 3990

Phone 07 896 6048
Fax 07 896 6048



Cynthia Dowsett
Waimarino-Waiouru Ward

30 Shannon Street
Ohakune 4625

Phone 06 385 8086
Fax 06 385 8980



Ben Goddard QSM
Waimarino-Waiouru Ward

PO Box 8
Ohakune 3660

Phone 06 385 8324
Fax 06 385 9137



Nikki Riley
Waimarino-Waiouru Ward

PO Box 4
Ohakune 4660

Phone 06 385 8821
Fax 06 385 8943



YOUR ELECTED REPRESENTATIVES (continued)

Community Boards

National Park Community Board

National Park Ward Councillor Elaine Wheeler is Council's appointed representative on the Board. Mayor Sue Morris is an ex-officio member.



William (Bill) Taylor
(Deputy Chair)

288 Kaitieke Road
RD2
Owhango 3990

Phone 07 892 2895



Jim Paul

CMB2
Owhango 3990

Phone 027 556 6660



Jenni Pendleton

13 MacKenzie Street
National Park 3948

Phone 07 892 2774

1 Vacancy
(Ken Malcolm passed away 7 April 2013)

Waimarino-Waiouru Community Board

Two Waimarino-Waiouru Ward Councillors (Deputy Mayor Don Cameron (Deputy Chair) and Councillor Cynthia Dowsett) are Council's appointed representatives on the Board. Mayor Sue Morris has speaking rights.



John Compton JP
(Chair)

PO Box 3
Raetihi 4626

Phone 06 385 4204



John (Luigi) Hotter

99 Ruapehu Road
Ohakune 4625

Phone 06 385 8193



Allan Whale

125 Ruapehu Road
Ohakune 4625

Phone 06 385 9139

1 vacancy
(Uwe Kroll resigned 7 February 2013)

KEY DOCUMENTS AND STRATEGIES

Documents

A lot of detailed information is needed to produce the LTP. Council maintains a variety of documents and plans that provide input into the overall planning process. These documents are all available from Council offices or online at www.ruapehudc.govt.nz.

Community Outcomes Report 2005

The Future Ruapehu Community Outcomes Report 2005 describes the Community Outcomes developed through the community consultation undertaken in 2004/05. The Community Outcomes were reviewed by Council and updated in 2011. The LTP 2012-22 has used the updated Outcomes.

Ruapehu 2008 State of the District Report

The Ruapehu 2008 State of the District Report describes the state of the District in relation to each of the four wellbeings (Economic, Environmental, Social and Cultural), as well as showing the overall trends for selected indicators. This will be updated after the next census

Asset Management Plans (AMPs) (2012)

Council's AMPs outline the strategic direction that its asset-based services will take and detail associated work programmes for these assets. Strategic Goals align the AMPs to Community Outcomes. Council's work programmes are subsequently based upon the achievement of the Strategic Goals for that activity. AMPs are reviewed and updated on a three yearly basis.

Water and Sanitary Services Assessment

Council was required to undertake a Water and Sanitary Services Assessment under Section 125 of the LGA by 30 June 2005. The purpose of this assessment was to link the planning processes around these activities closer to Outcomes. A copy can be found on Council's website www.ruapehudc.govt.nz or is available from Council offices.

Levels of Service Consultation

Council undertook a Level of Service review in 2008. Council uses a number of other consultations to inform its levels of service, including Service Requests, Customer Satisfaction Surveys and other surveys.

Policies

The following Policies can be found in Part 6 (Financial Strategy) of the LTP:

Revenue and Financing Policy

This Policy shows where the money comes from to pay for the provision of each Council activity. It also says why and how the funding will be recovered.

Liability Management Policy

This Policy discloses the methods by which Council will manage its borrowing, issuing of securities, debt management and interest rate exposure.

Investment Policy

This Policy discloses Council's financial management principles and risk mitigation strategies associated with its investments. The primary purpose for Council's investment holdings is for strategic and cash flow/contingency reasons. Any acquisition of new assets must be for strategic reasons and meet Strategic Goals outlined in the LTP.

Significance Policy

This Policy guides Council when making significant decisions and identifies thresholds that trigger the consultation process.



KEY DOCUMENTS AND STRATEGIES (continued)

Policies - Other

The following Policies can be found on Council's Website www.ruapehudc.govt.nz.

Rates Remissions Policies

These Policies describe variations from the funding methods outlined in the Revenue and Financing Policy and the reasons for each variation. These Remission Policies include the strategic outcome targeted, objectives and criteria applicable for different types of rates remissions.

Maori Freehold Land Remissions Policy

This Policy provides for the fair and equitable collection of rates from Maori freehold land, recognising that certain Maori-owned freehold land has particular conditions, features, ownership structures or other circumstances determining the land as having limited rateability under legislation.

Public Private Partnerships Policy

This Policy outlines the circumstances in which Council will consider entering into partnership with a private sector partner. It formalises conditions around these arrangements and the associated consultation processes.

Appointment of Directors to Council Controlled Organisations Policy

This Policy addresses the criteria and procedures for appointment and remuneration of Directors of Council Controlled Organisations.

Development Contributions Policy

A Development Contributions Policy ensures that developers contribute to the cost of creating additional infrastructural capacity. The rationale is that developers, rather than subsequent service users, gain the most from growth-related capital works and should contribute towards its funding.

The Ruapehu District ...



... where adventure begins

GLOSSARY

Activity

The goods or services that Council provides to the community. Council has nine activities.

Assets

Assets are things that Council owns, such as roads, parks, buildings, water treatment plants, pipe networks and cash holdings.

Capital Expenditure

The term used to describe expenditure on assets (land, infrastructure, plant and equipment) that will provide benefit to the community for a period greater than 12 months.

Corporate Support

Used to describe overheads and administrative services that are used by all of Council's activities.

Collaboration

When two or more people, groups or organisations work together to create or achieve the same outcome.

Current Assets

Assets that can be readily converted to cash, or will be used up during the year. These include cash, stock, debtors, and operational investments.

Current Liabilities

Creditors and other liabilities due for payment within the financial year.

Development Expenditure

A form of capital expenditure that refers to investment in an asset to improve its capacity or level of service. The investment in the asset results in the asset's condition being better than when it was first purchased or built by Council. This does not include renewing old assets to their original state; these are classed as renewal works.

Designated Investments

Investments representing Special Funds and Reserve Accounts.

Infrastructural Assets

Fixed utility systems that provide a continuing service to the community and are not generally regarded as tradable. Council's infrastructural assets consist of roads, waste disposal systems, wastewater, stormwater systems and landfill assets.

Key Performance Indicators (KPIs)

Targets set by Council to enable the community to monitor Council's progress towards agreed outcomes each year. A table of the performance framework including KPIs is provided in each activity section.

Levels of Service

Council agrees Levels of Service with the community to provide activities that contribute to Outcomes. Examples include the number of times reserves are mowed per year or response times to customer concerns. Operational levels of service are stated in the activity sections of the LTP.

Level of Service Expenditure

A form of capital expenditure that refers to an investment in an asset to improve its value as a result of improving the service that the asset provides to the community. The level of service investment in the asset results in the asset's condition being better than when it was first purchased, or built by Council. This does not include improvements to assets as a result of increased need or demand for that asset due to growth. This is classed as development expenditure or renewing old assets to their original state (renewal expenditure).

Local Government Act 2002 (LGA)

The key legislation that defines the regulations and responsibilities for local authorities.

Long Term Plan (LTP)

A plan covering a period of ten years, developed by Council and describing what Council will do to contribute to the achievement of Outcomes. It shows what Council will do, why it does these things, how much they will cost and how success will be judged. Council's current LTP is labelled "Future Ruapehu Long Term Plan 2012-22".

GLOSSARY (continued)

Operations Expenditure

The expenditure required to meet the costs of normal day-to-day services provided by Council. This includes expenditure resulting from inputs on such items as contract costs, materials, electricity and plant hire.

Operational Assets

Assets used to deliver Council's activities such as land, buildings and infrastructural assets including wastewater, water and road systems.

Operating Revenue

Money earned through Council activities in return for services provided, or by way of a grant or subsidy to ensure particular services or goods are provided. Examples include New Zealand Transport Agency Financial Assistance Rates (NZTA FAR) subsidies, rental income and fees and charges.

Operating Surplus

An accounting term meaning the excess of income over expenditure. Income and expenditure in this context excludes "capital" items such as the receipt or repayment of intergenerational loans, the cost of capital works and transfers to and from reserves. An operating surplus is inclusive of non-cash items such as income and expenditure owing but not paid (debtors and creditors) and depreciation.

Outcomes

The community's view of what is important for its current and future social, economic, environmental and cultural wellbeing which can be influenced by Council.

Outputs

Goods and services Council will produce or provide to achieve agreed Outcomes.

Planning Assumptions

Council is required to include its significant forecasting assumptions in its LTP for the life of the document. The Planning Assumptions consider potential future growth, demand, other issues and risks to Council's operations that are taken into account in the planning process for the LTP.

Renewal Expenditure

A form of capital expenditure that describes Council's ongoing programme of works, which is aimed at maintaining the District's assets in a good condition by 'renewing' them back to their original state.

Stakeholders

People, groups, and/or organisations that have an interest in what happens in the District.

Strategic Goals

Council has set Strategic Goals for each of its activities. These goals are targeted at ensuring Council's work programmes are promoting the achievement of Outcomes. The goals are long-term and ongoing and, in most cases, will take many years to achieve.

Sustainable Development

Development that meets the needs of the present without compromising the ability of future generations to meet its own needs.

Targeted Uniform Annual Charge (TUAC)

A targeted rate based strictly on a uniform amount set for each rating unit, within a defined (targeted) area, eg, stormwater, solid waste kerbside collection, etc.

Uniform Annual Charge (UAC)

A service charge that is levied on separately used rating units, eg, solid waste disposal, wastewater, water supply, etc.

Uniform Annual General Charge (UAGC)

A uniform annual general charge that is levied on all rating units in the District.

Work Programmes

The plan for each activity that sets out the 'what, how and when' of projects or services that will be undertaken in the activity over the life of the LTP. Creditors and other liabilities due for payment within the financial year.

THE RUAPEHU DISTRICT

Statistics (based on 2006 Census)

The Ruapehu District covers 6,700km² (673,019 ha) and, in 2011 had 9,367 properties, of which 8,719 are rateable. The land can be divided by type as follows:

- 28% Recreational land (mainly Department of Conservation estate).
- 51% Primary use land (agriculture, forestry, etc).
- 8% Defence estate.
- 13% Other (ie, urban).

Ruapehu is one of New Zealand's largest Districts by land area but has a relatively small and dispersed population base. It is also a growing tourist destination and has a significant number of visitors each year. The District is primarily bordered by the Whanganui River in the west, the Hauhungaroa Range in the north-east and stretches towards the peaks of Tongariro, Ngauruhoe and Ruapehu, which rises to 2,797m from the surrounding countryside. The District then continues east across State Highway 1 to include the southern-most town of Waiouru and the NZ Defence Force lands.

National Parks

Within the District there are two National Parks, Whanganui and Tongariro. Tongariro has World Heritage status. Pureora Forest Park, Kara Forest, Tongariro Forest and Waitaanga Forest are also significant areas of indigenous vegetation.

Towns

Townships are spread throughout the District.

Taumarunui is the main service centre for the surrounding sheep, cattle and deer farms and forestry plantations, as well as the gateway for tourism and is becoming a centre for the cycleways in the area.

National Park Village caters for the ski industry and cycleways.

Ohakune caters for the ski industry and cycleways, as well as the surrounding horticultural and farming activity.

Raetihi is a rural township servicing farming, market gardening and forestry. It forms a gateway to the historical Whanganui River settlement of Pipiriki, which is an important end point for Whanganui River tours.

At the southern end of the District, Waiouru features the Army Base on State Highway 1.

Rivers

Early history shows that the Whanganui River and its tributaries were used by Maori to facilitate trade and communication between the Waikato, Taranaki, Taupo and Bay of Plenty regions. Clusters of archaeological sites are found at the confluences of major rivers such as the Retaruke and the Ohura with the Whanganui, where smoked and dried seafood were consumed in winter after being gathered at the coast during summer months. There are also many early European historic sites in the District such as the flour mills along the Whanganui River and sites relating to riverboat and railway activities.

Tourism

The Ruapehu environment is largely high quality, with a relatively low number of heavy industries or high intensity residential development. The high quality of the environment makes the District attractive to tourists who seek to visit natural and unspoilt landscapes. The numbers of tourists continues to grow and, with the advent of the Cycleway projects coming on line, this is expected to grow substantially.

The stunning natural beauty means that the traditional agricultural economy is added to by growing tourism. The District is positioning itself as the North Island's premier outdoor recreation centre, with the slogan "Where adventure begins!"

As a consequence of the small and dispersed population, large tourist industry and large land area, the District faces many challenges in meeting the current and future service expectations of residents and tourists, in terms of Council's ability to fund the desired service levels at an affordable (sustainable) cost level.

More Information

More information about the Ruapehu District can be found in Council's Ruapehu 2008 State of the District Report and on Council's website www.ruapehudc.govt.nz

THE RUAPEHU DISTRICT (continued)

Map of Ruapehu District

