



# Annual Plan 2022/2023

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## Message from the Mayor

I am very pleased to present the 2022/2023 Annual Plan, the second financial year of the 2021-2031 Long Term Plan.

In developing the Annual Plan, we have been mindful of the role Council plays in the prosperity of our communities. Despite many complex challenges before us including COVID 19, three waters and sector reforms, material and contractor shortages, climate change, and iwi co-governance, to name a few, we remain committed to maintaining levels of service, while keeping on top of critical infrastructure needs.

The Long Term Plan projected an average rates revenue increase for this 2022/2023 year of 8.6%, driven significantly by debt servicing costs associated with the three waters activities. Following a detailed review of all our activities and budgets Council has adopted an average 4.1% rate increase for this 2022/2023 financial year which is well below the forecast 8.6% in the Long Term Plan and within the quantified limit on rates of 4.4% (Local Government Cost Index {LGCI} + 2%).

While we are unhappy that the rates increase is above the target of 3.5% that we set ourselves for rates increases, it is the minimum required to keep our work program going while supporting community development with the cost challenges we are experiencing. General inflation rises, rising interest rates, increasing construction costs and subsequently depreciation costs, new three waters standards, uncertain funding support, and labour market pressures, are creating significant headwinds for Council.

As in previous years, Council has managed to keep rates down by keeping costs under tight control, managing debt servicing and depreciation costs, and taking full advantage of any Government funding opportunities. To date Council's success in gaining Government funding for water projects has played a significant part in our ability to keep debt and rate levels down. In the previous 2021/2022 year for example Council's \$15.3m water infrastructure spend (our largest yearly investment to date) was supported by \$5.6m in COVID recovery funding.

For some time, we have been flagging that without further Government support, debt for three waters projects would reach uncomfortable levels. The end of this current funding will require Council to borrow to maintain our three waters work program, which will see our projected debt increase to \$52.9m, leaving little headroom in Council's self-imposed limit on debt affordability of \$53.1m.

Under the reform proposals new multi-regional water entities take-over delivery of all council water services from 1 July 2024 along with any water related debt. Should the reforms not proceed, or be delayed as outlined by Government, there is a risk Council would have this debt remain on our balance sheet or we will need to hold it longer, which would put significant pressure on our ratepayers.

Despite these uncertainties, the new Water Services Regulator (Taumata Arowai) was established to oversee and enforce a new drinking water regulatory framework. The new regulator has made it clear that councils must meet the new water standards.

Whatever the final model that is adopted Council's role in three waters services delivery is likely to change, raising the critical question of our future role and functions which are currently under review in the Future of Local Government Review being undertaken at present.

A key element of the Three Waters Reform Programme was the \$2.5 billion 'Better Off' funding package, intended to assist councils transition into the future post reform. Ruapehu was allocated \$16.46M and is now considering what projects to submit for funding under the first round, which is open until 30 September 2022. The final choice of the projects will be made by Council with input from our local Iwi and communities.

Despite the focus on three waters, Council's largest area of expenditure continues to be on land transport with \$16.8M budgeted for capital works in the coming year and another \$10.8M on operational spending. Council's land transport programme is heavily subsidised by Waka Kotahi (NZ Transport Agency - NZTA) through their Funding Assistance Rate (FAR) which is 74% for 2022/2023. Major land transport projects starting this year include the replacement of the Ruapehu Rd and Mangateitei Road rail over-bridges and Matahiwi Track Suspension bridge upgrade.

Waka Kotahi have reset their funding priorities for certain types of works in rural communities in response to lower road user charges income from COVID 19 and to drive strategic initiatives such as Road to Zero. The roading team is having to change investment priorities accordingly and unfortunately this will reduce funding

available for minor improvements in rural roads in favour of more urban issues such as road safety and public transport initiatives.

In addition to Three Waters and land transport, Council has an incredibly full work programme including on township revitalisation, Iwi co-governance arrangements, and climate change amongst other 'business as usual' activities.

Delivering the 2022/2023 work programme will be demanding but I have every confidence that management, staff and our partner organisations can meet whatever challenges are presented to them.

I encourage you to stay informed and take the opportunity to have your say on any consultations or other Council activities.

Just as importantly please ensure that you take part in the local body elections in October.

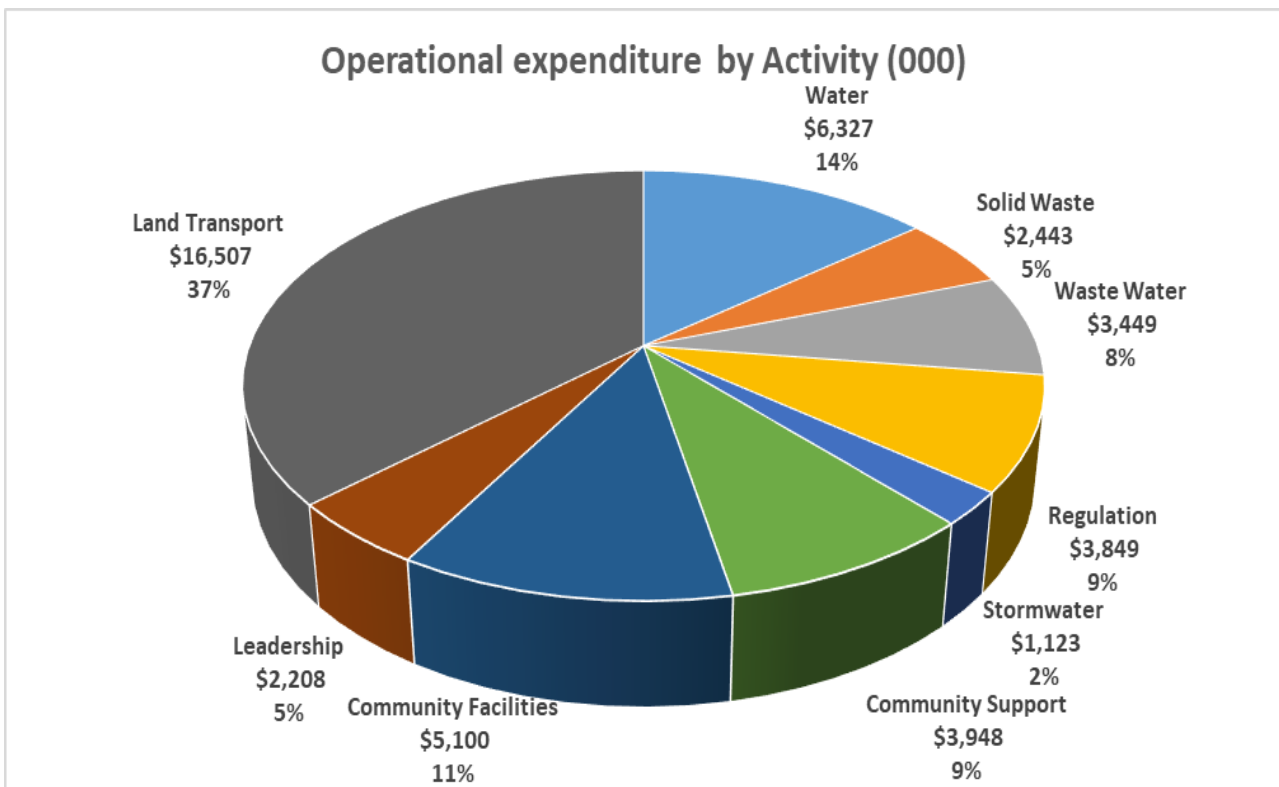
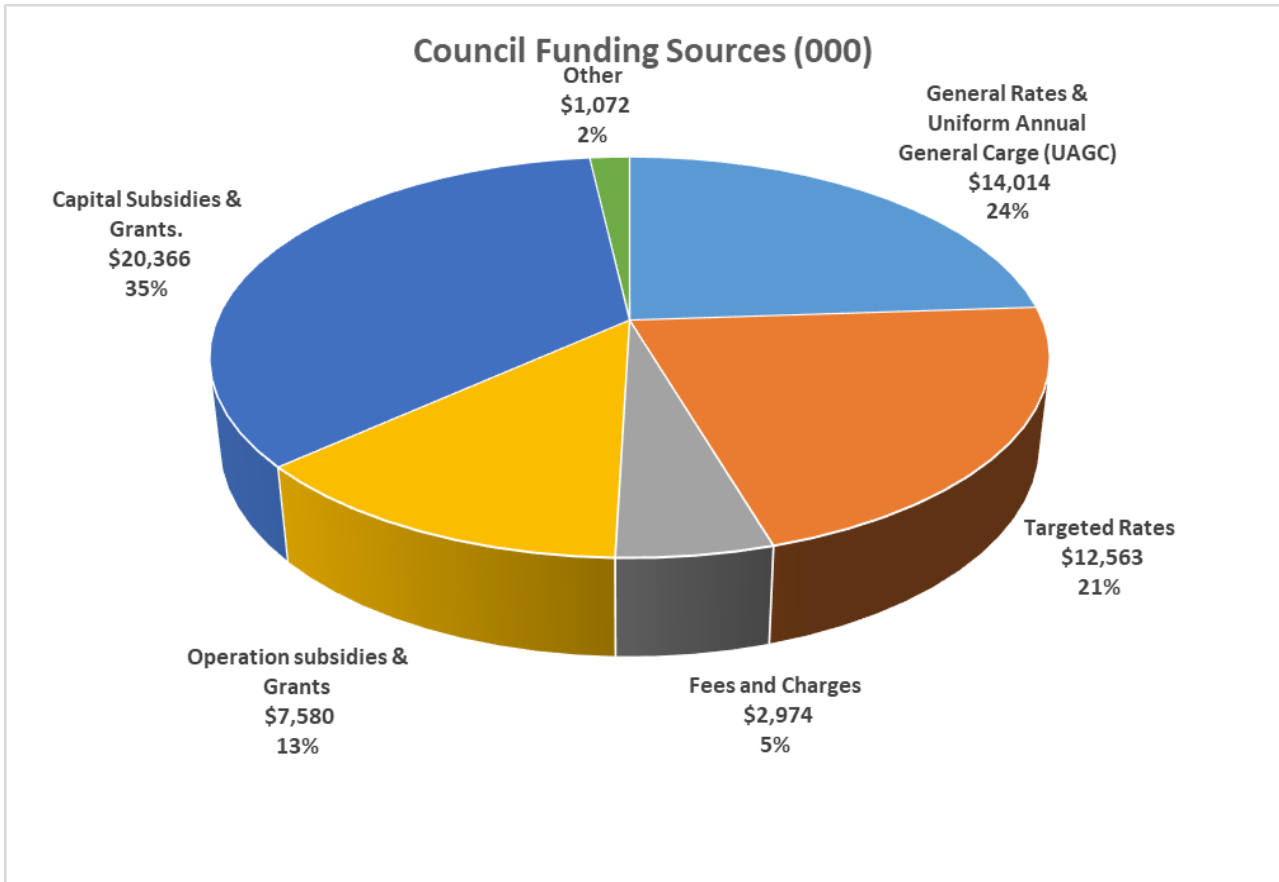
A handwritten signature in black ink, appearing to read 'Don Cameron', with a long, sweeping underline.

Don Cameron  
**MAYOR**  
**RUAPEHU DISTRICT**



# Revenue and Operational Expenditure Allocation

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



# SECTION 1: ACTIVITIES

# 1. LAND TRANSPORT

THE LAND TRANSPORT ACTIVITY PROVIDES FOR THE MAINTENANCE, RENEWAL AND DEVELOPMENT OF LOCAL PUBLIC ROADS, KERBS AND CHANNELS, BRIDGES, STREET LIGHTING AND FOOTPATHS FOR THE WHOLE DISTRICT. STATE HIGHWAYS ARE MANAGED BY WAKA KOTAHĪ NEW ZEALAND TRANSPORT AGENCY (NZTA).

## RATIONALE

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

## COMMUNITY WELL-BEING OUTCOMES



The district land transport network consists of:

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

Significant projects included in our budget that will enable Council to achieve these outcomes are:

## SIGNIFICANT NEGATIVE EFFECTS

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

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

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

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

## CHANGES SINCE CONSULTATION PERIOD

There haven't been any changes since the consultation period. Council continues its focus on maintenance, renewal and minor improvements on the existing network, including roads, bridges, streetlights, footpaths and drainage.



## 1.1 Funding Impact Statement – Land Transport

Land Transport	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	1,573	1,671	1,489
Targeted rates	3,671	3,898	3,474
Subsidies and grants for operating purposes	6,741	7,140	7,274
Fees and charges	168	173	39
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	146	151	151
<b>Total Operating Funding (A)</b>	<b>12,299</b>	<b>13,033</b>	<b>12,427</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	9,757	10,332	10,210
Finance costs	242	310	367
Internal charges and overheads applied	324	351	278
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>10,323</b>	<b>10,993</b>	<b>10,855</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,976</b>	<b>2,040</b>	<b>1,572</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	13,757	8,524	13,999
Development and financial contributions	24	25	25
Increase (decrease) in debt	2,430	898	1,222
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>16,211</b>	<b>9,447</b>	<b>15,246</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	53	55	55
- to improve the level of service	6,685	3,173	5,908
- to replace existing assets	11,283	8,096	10,855
Increase (decrease) in reserves	166	163	-
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>18,187</b>	<b>11,487</b>	<b>16,818</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,976)</b>	<b>(2,040)</b>	<b>(1,572)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 1.2 Major Capital Projects – Land Transport

Project Description	Annual Plan 2022/23 000'	LTP 2022/23 000'	Variance 2022/23 000'	Notes
Bridge Renewals (Renewal)	3,313	490	2,823	Renewal
B297 Matahiwi Track Suspension bridge upgrade (LOS)	3,129	-	3,129	LOS
Pavement Rehabilitation (Renewal)	2,389	2,389	-	Renewal
Sealed Road Surfacing	1,722	1,722	-	Renewal
Minor & Assoc Improvements SPR	1,292	1,292	-	LOS
Unsealed Road Metalling	945	945	-	Renewal
Minor & Associated Improvements	867	867	-	LOS
Structures Components Replacements	470	470	-	Renewal
Pavement Rehabilitation (LOS)	422	422	-	LOS
Drainage Renewals	391	391	-	Renewal
Low Cost Low Risk - Taupo Rd Streetlight Upgrade	376	376	-	Renewal
B297 Matahiwi Track Suspension bridge upgrade (LOS)	348	-	348	Renewal
Minor & Assoc Improvements SPR	323	323	-	Renewal
Traffic Services Renewals	275	275	-	Renewal
Minor & Associated Improvements	217	217	-	Renewal
SLTSTR034 Footpath Renewals	174	174	-	Renewal
Sealed Road Surfacing SPR	163	162	-	Renewal
Bridge Renewals (LOS)	87	87	-	LOS
Structures Components Replacements	83	83	-	LOS
Miscellaneous Minor Capital Projects LOS	75	75	-	LOS
Drainage Renewals	69	69	-	LOS
<b>Total</b>	<b>17,130</b>	<b>10,829</b>	<b>6,300</b>	

## 2. WATER SUPPLY

THE PURPOSE OF THE WATER SUPPLY ACTIVITY IS TO SUPPLY SAFE DRINKING WATER TO THE COMMUNITIES OF THE DISTRICT. A SAFE WATER SUPPLY IS ESSENTIAL TO RUN HOUSEHOLDS AND BUSINESSES AND MAINTAIN PUBLIC HEALTH. COUNCIL IS COMMITTED TO PROVIDING A WATER SUPPLY SERVICE THAT MEETS THE NEEDS OF THE COMMUNITY.

Council is responsible for the provision and management of six water supply schemes at National Park, Ohakune, Ohura, Owhango, Raetihi and Taumarunui. A total of 211.5km of pipes make up the reticulation network plus five pump stations located across the district. In Waiouru, Council owns and operates the water supply network outside the Army base and purchases the potable water from the New Zealand Defence Force.

### RATIONALE

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

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

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

### COMMUNITY WELL-BEING OUTCOMES



*Social*

*Cultural*

*Environmental*

*Economic*

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

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

## **SIGNIFICANT NEGATIVE EFFECTS**

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

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

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

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

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

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

## 2.1 Funding Impact Statement – Water Supply

Water Supply	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	3,975	4,540	4,196
Subsidies and grants for operating purposes	120	-	120
Fees and charges	103	106	237
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>4,198</b>	<b>4,646</b>	<b>4,553</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	2,568	2,705	4,185
Finance costs	180	290	414
Internal charges and overheads applied	202	219	172
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,950</b>	<b>3,214</b>	<b>4,771</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,248</b>	<b>1,432</b>	<b>(218)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	2,800	-	2,628
Development and financial contributions	30	31	31
Increase (decrease) in debt	6,833	1,665	6,135
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>9,663</b>	<b>1,696</b>	<b>8,794</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	560	75	75
- to improve the level of service	6,020	769	6,788
- to replace existing assets	4,213	2,072	1,713
Increase (decrease) in reserves	118	212	-
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>10,911</b>	<b>3,128</b>	<b>8,576</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,248)</b>	<b>(1,432)</b>	<b>218</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2.2 Major Capital Projects – Water Supply

Project Description	Annual Plan	LTP	Variance	Notes
	2022/23	2022/23	2022/23	
	000'	000'	000'	
WSOH049 Ohakune WTP Build	3,211	-	3,211	LOS
NP LOS program	1,758	158	1,600	LOS
Owhango LOS programme	1,600	-	1,600	LOS
Taumarunui Renewals programme	1,073	1,073	-	Renewal
Ohakune Renewals programme	777	777	-	Renewal
Ohura LOS programme	448	448	-	LOS
TWSGDP004 Ohura WTP Upgrade	172	-	172	LOS
TWSGDP003 Raetihi LOS programme	72	72	-	LOS
WSOR015 Ohura Renewals programme	62	62	-	Renewal
Ohakune LOS programme	58	58	-	LOS
WSDIST009 District Wide Water	57	57	-	Renewal
WSNP033 NP Renewals programme	39	39	-	Renewal
Raetihi Renewals programme	37	37	-	Renewal
District Wide Water (LOS)	33	33	-	LOS
District Wide Water (Growth)	31	31	-	Growth
NP Growth program	28	28	-	Growth
Owhango Renewals programme	25	25	-	Renewal
<b>Total</b>	<b>9,481</b>	<b>2,898</b>	<b>6,583</b>	



### 3. WASTEWATER (SEWERAGE)

THE PURPOSE OF THE WASTEWATER ACTIVITY IS TO COLLECT AND DISPOSE OF WASTEWATER IN AN EFFECTIVE AND ENVIRONMENTALLY FRIENDLY MANNER. THIS ACTIVITY IS ESSENTIAL IN ORDER TO PROTECT THE ENVIRONMENT AND TO MAINTAIN PUBLIC HEALTH.

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

#### RATIONALE

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

Council's wastewater assets consist of:

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

#### COMMUNITY WELL-BEING OUTCOMES



*Social*

*Environmental*

*Economic*

#### SIGNIFICANT NEGATIVE EFFECTS

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

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

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

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

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

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

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

### 3.1 Funding Impact Statement – Wastewater (Sewerage)

Wastewater (Sewerage)	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	23	25	21
Targeted rates	2,531	3,004	2,597
Subsidies and grants for operating purposes	120	-	120
Fees and charges	103	107	152
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>2,777</b>	<b>3,136</b>	<b>2,890</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,650	1,876	2,100
Finance costs	33	82	215
Internal charges and overheads applied	202	219	172
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,885</b>	<b>2,177</b>	<b>2,487</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>892</b>	<b>959</b>	<b>403</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	62	64	64
Increase (decrease) in debt	3,779	592	842
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>3,841</b>	<b>656</b>	<b>906</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	87	20	20
- to improve the level of service	1,527	176	253
- to replace existing assets	3,099	1,233	1,036
Increase (decrease) in reserves	20	186	-
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>4,733</b>	<b>1,615</b>	<b>1,309</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(892)</b>	<b>(959)</b>	<b>(403)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 3.2 Major Capital Projects – Wastewater

Project Description	Annual Plan	LTP	Variance	Notes
	2022/23	2022/23	2022/23	
	000'	000'	000'	
Taumarunui Renewals programme	765	765	-	Renewal
Taumarunui LOS programme	650	150	500	LOS
Ohakune Renewals programme	305	305	-	Renewal
Rangataua Renewals programme	106	106	-	Renewal
NP Renewals programme	31	31	-	Renewal
Rangataua LOS programme	26	26	-	LOS
Ohakune Growth programme	20	20	-	Growth
Raetihi Renewals programme	11	11	-	Renewal
Pipiriki Renewals programme	10	10	-	Renewal
Waiouru Renewals programme	6	6	-	Renewal
<b>Total</b>	<b>1,930</b>	<b>1,430</b>	<b>500</b>	

## 4. STORMWATER & FLOOD PROTECTION

EFFICIENT AND EFFECTIVE STORMWATER AND FLOOD PROTECTION INFRASTRUCTURE IS A KEY ELEMENT IN THE SUSTAINABLE AND HEALTHY DEVELOPMENT OF A COMMUNITY. A DEVELOPED NETWORK OF PIPES, CULVERTS TO DRAINS AND WATERCOURSES PROVIDES A SAFE AND EFFICIENT MEANS OF COLLECTING AND CONDUCTING STORMWATER THROUGH TOWNSHIPS.

### RATIONALE

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

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

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

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

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

### COMMUNITY WELL-BEING OUTCOMES



*Social*

*Environmental*

*Economic*

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

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

### SIGNIFICANT NEGATIVE EFFECTS

The stormwater and flood protection runoff naturally contains debris and chemicals that are present in the catchment area. Due to the presence of these chemicals and other debris, the disposal of stormwater and flooding into natural watercourses may have negative effects on the

quality of the aquatic environment. This can also reduce the community's opportunity to engage with the water for swimming, sports or gathering kai.

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

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

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



## 4.1 Funding Impact Statement – Stormwater & Flood Protection

Stormwater and Flood Protection	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	486	572	502
Targeted rates	486	572	502
Subsidies and grants for operating purposes	60	-	60
Fees and charges	17	22	45
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>1,049</b>	<b>1,166</b>	<b>1,109</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	559	634	605
Finance costs	8	24	29
Internal charges and overheads applied	101	110	86
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>668</b>	<b>768</b>	<b>720</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>381</b>	<b>398</b>	<b>389</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	309	1,100	795
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>309</b>	<b>1,100</b>	<b>795</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	13	13	13
- to improve the level of service	146	1,112	1,040
- to replace existing assets	531	146	131
Increase (decrease) in reserves	-	227	-
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>690</b>	<b>1,498</b>	<b>1,184</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(381)</b>	<b>(398)</b>	<b>(389)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 4.2 Major Capital Projects - Stormwater

Project Description	Annual Plan	LTP	Variance	Notes
	2022/23	2022/23	2022/23	
	000'	000'	000'	
District Wide Stormwater (LOS)	1,112	1,112	-	LOS
District Wide Stormwater (Renewal)	146	146	-	Renewal
District Wide Stormwater (Growth)	13	13	-	Growth
<b>Total</b>	<b>1,271</b>	<b>1,271</b>	<b>-</b>	

## 5. SOLID WASTE

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

### RATIONALE

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

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

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

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

### COMMUNITY WELL-BEING OUTCOMES



*Social*

*Environmental*

*Economic*

### SIGNIFICANT NEGATIVE EFFECTS

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

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

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

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

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



## 5.1 Funding Impact Statement – Solid Waste

Solid Waste	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	559	621	628
Targeted rates	813	889	896
Subsidies and grants for operating purposes	-	-	-
Fees and charges	862	889	889
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>2,234</b>	<b>2,399</b>	<b>2,413</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	2,134	2,245	2,271
Finance costs	16	27	53
Internal charges and overheads applied	61	66	51
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,211</b>	<b>2,338</b>	<b>2,375</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>23</b>	<b>61</b>	<b>38</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	795	27	98
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>795</b>	<b>27</b>	<b>98</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	85	18	18
- to improve the level of service	731	62	118
- to replace existing assets	-	-	-
Increase (decrease) in reserves	2	8	-
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>818</b>	<b>88</b>	<b>136</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(23)</b>	<b>(61)</b>	<b>(38)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5.2 Major Capital Projects – Solid Waste

Project Description	Annual Plan	LTP	Variance	Notes
	2022/23	2022/23	2022/23	
	000'	000'	000'	
Waimarino and National Park Weighbridges	120	-	120	LOS
National Park transfer station under cover resite	52	52	-	LOS
Additional recycling facilities e.g., bailers, wheelie bins/hook bins	18	18	-	Growth
Road improvements all sites	10	10	-	LOS
<b>Total</b>	<b>200</b>	<b>80</b>	<b>120</b>	



## 6. RECREATIONAL AND COMMUNITY FACILITIES AND COMMUNITY PROPERTY

THIS ACTIVITY PROVIDES A RANGE OF RECREATION FACILITIES AND PROPERTY WITHIN EACH COMMUNITY THAT IS READILY ACCESSIBLE AND ENJOYED BY THE COMMUNITY. COUNCIL REGARDS THIS ACTIVITY AS AN ESSENTIAL SERVICE FOR THE PUBLIC GOOD.

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### RATIONALE

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

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

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

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

### COMMUNITY WELL-BEING OUTCOMES



*Social*

*Cultural*

*Leadership*

### PARKS AND RESERVES

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

The purpose of Parks and Reserves assets is to:

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

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

### SWIMMING POOLS

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

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

During public consultation in 2017 to consider the future of the pool because of a major water loss at the Taumarunui Pool, the Taumarunui community was almost unanimous in its opinion that Council should retain and repair the pool. As a result, Council has budgeted \$400,000 for the installation of a fibreglass liner to resolve the leak and an upgrade to the pump and filtration system for the pool when the pool does fail.

## **COMMUNITY HALLS**

There are 15 halls that are managed by Council or that have been vested to Council ownership. These range from large facilities such as the Taumarunui Memorial Hall and Miriama Community Centre to smaller, local, community-managed halls such as the Rangataua Hall.

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

The Taumarunui War Memorial Hall is earthquake prone and booking numbers are very low. The future of the hall was therefore an issue that Council took to the community during consultation for the LTP 2018-28. As a result, Council decided that the Memorial Hall would be replaced with a multi-function facility and the Lower Lounge of the Taumarunui Cosmopolitan Club (now named the Miriama Community Centre) was purchased in 2019 to provide for a safer community facility in Taumarunui. The community has however formed a group to ensure the long-term retention of the Taumarunui Memorial Hall, meaning that there are now two similar Council owned facilities in Taumarunui. More community engagement will need to take place before any action is taken to dispose of the Taumarunui War Memorial Hall.

Council has a small budget for the upkeep of the community-managed halls. This is set up as an annually contestable grant fund. \

## **PUBLIC TOILETS**

The provision of public toilet facilities for residents and visitors is an important activity for Council, particularly in relation to public health and safety. Council funds the ongoing cost of cleaning, maintenance, and depreciation.

## **CEMETERIES**

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

Council has set aside \$150,000 for the development of a new cemetery in Raetihi, as the current cemetery is running out of space for burials.

## **SOCIAL HOUSING**

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

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

At the time of preparing this LTP, Council has been negotiating a possible \$7.8M Crown Infrastructure Partner (CIP) funding agreement. A portion of this grant would be for the six new units to be developed adjacent to the existing Council units in Moore Street, Ohakune which would be owned and managed by Council. Master planning has been undertaken to provide for the relocation of existing tenants to the new units, and for the regeneration of the rest of the Moore Street site. A Taumarunui 'Future Housing and Community Plan' will be developed with local Iwi, community, and stakeholders in 2021 which will provide direction for implementation projects to occur within year 2-5 of this LTP. A total of \$400,000 over 2022-23 has been included for planning and design for housing outcomes from this plan.

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

### **ADMINISTRATION BUILDINGS AND LIBRARIES**

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

### **OTHER PROPERTIES**

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

### **SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY**

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

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



## 6.1 Funding Impact Statement – Recreation, Community Facilities & Property

Recreation & Community Facilities & Community Property	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	3,378	3,517	3,625
Targeted rates	-	-	-
Subsidies and grants for operating purposes	5	5	5
Fees and charges	555	595	714
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>3,938</b>	<b>4,117</b>	<b>4,344</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	3,163	3,249	3,442
Finance costs	74	106	100
Internal charges and overheads applied	364	395	313
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,601</b>	<b>3,750</b>	<b>3,855</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>337</b>	<b>367</b>	<b>489</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	1,400	-	468
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,338	803	339
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding ©</b>	<b>2,738</b>	<b>803</b>	<b>807</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	165	633
- to improve the level of service	2,732	741	580
- to replace existing assets	244	109	160
Increase (decrease) in reserves	99	155	(77)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,075</b>	<b>1,170</b>	<b>1,296</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(337)</b>	<b>(367)</b>	<b>(489)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 6.2 Major Capital Projects – Recreation, Community Facilities & Property

Project Description	Annual Plan 2022/23 000'	LTP 2022/23 000'	Variance 2022/23 000'	Notes
CIPHOU 004 11-13 Moore Street, Ohakune	469	-	469	LOS
Taumarunui Planning & Design for housing outcomes (Operational, Debt funded)	206	206	-	LOS
Social Housing, Seddon Street Raetihi	191	-	191	LOS
Taumarunui Hakiaha Street verandas	159	159	-	LOS
Town Revitalisation Raetihi service hub	154	154	-	Growth
National Park Revitalisation plan	103	103	-	LOS
Ohakune Town Planning (operational, debt funded)	103	103	-	LOS
Taumarunui -250m Walkway per annum	51	51	-	LOS
Ohakune _250m walkway per annum	51	51	-	LOS
Taumarunui Pool - Office Block Roof	51	51	-	Renewal
Library - Taumarunui	36	36	-	Renewal
CPHOU031 Social Housing Minor Maintenance	26	26	-	Renewal
Earthquake Prone Remediations	21	21	-	LOS
Ohakune - refurbishment of Main Street chains	21	21	-	LOS
Library - Ohakune	17	17	-	Renewal
Memorial Walls TMN, OHK, RAE	15	15	-	LOS
Fencing Problem Reserves North	12	12	-	Renewal
Fencing Problem Reserves south	12	12	-	Renewal
Taumarunui Admin Extension Construction	10	10	-	Growth
Ohakune Drinking Fountains	10	10	-	LOS
<b>Total</b>	<b>1,718</b>	<b>1,058</b>	<b>660</b>	



## 7. COMMUNITY SERVICES

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

### COMMUNITY WELL-BEING OUTCOMES



### THERE ARE THREE ACTIVITIES IN THE COMMUNITY SERVICES GROUP:

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

### ASSETS RELATING TO COMMUNITY SERVICES

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

Civil Defence Emergency Management does not hold any significant assets.  
The Leadership and Regulation activities do not hold any significant assets.





## 7.1 COMMUNITY SUPPORT

THE PURPOSE OF LOCAL GOVERNMENT IS TO PROVIDE GOOD QUALITY LOCAL INFRASTRUCTURE, PUBLIC SERVICES AND REGULATORY FUNCTIONS AT THE LEAST POSSIBLE COST TO HOUSEHOLDS AND BUSINESS. IN RELATION TO COMMUNITY SUPPORT FUNCTIONS, THE KEY WORDS ARE 'LOCAL' (TO DIFFERENTIATE FROM SERVICES BETTER PROVIDED BY CENTRAL GOVERNMENT) AND 'PUBLIC' WHICH MEANS THAT COUNCILS SHOULD NOT TRY TO REPLACE SERVICES PROVIDED BY THE PRIVATE SECTOR.

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

- Emergency Management (Civil Defence)
- Libraries
- I-Sites
- Regional Tourism Organisation

### EMERGENCY MANAGEMENT

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

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

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

- COVID-19 responses
- Water outages in Taumarunui

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

### LIBRARY SERVICES

Ruapehu Community Libraries are situated in Taumarunui, Ohakune and Raetihi. The *library buildings* are managed by the Community Property activity, but the *library services* (books, computers, children's holiday programmes, etc.) fall within the Community Support activity. Council also supports the community libraries in Ohura and Waiouru with grants each year.

### I-SITES

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

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

### REGIONAL TOURISM ORGANISATION

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

The RTO for Ruapehu is Visit Ruapehu. Visit Ruapehu supports the tourism infrastructure of the district and works with local, regional and national partners. Council considers Visit Ruapehu to be an essential part of its economic and community development strategy, particularly the promotion of Ruapehu as a visitor destination, both for the domestic and international markets, in partnership with operators/providers.

## SIGNIFICANT NEGATIVE EFFECTS ON THE LOCAL COMMUNITY

### EMERGENCY MANAGEMENT AND LIBRARY SERVICES

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

### I-SITES AND REGIONAL TOURISM ORGANISATION (RTO)/VISIT RUAPEHU

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

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

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

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



## 7.2 Funding Impact Statement – Community Support

Community Support	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	3,284	3,445	3,168
Targeted rates	597	615	615
Subsidies and grants for operating purposes	-	-	-
Fees and charges	114	130	115
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>3,995</b>	<b>4,190</b>	<b>3,898</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	2,601	2,666	2,816
Finance costs	1	2	2
Internal charges and overheads applied	1,254	1,359	1,073
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,856</b>	<b>4,027</b>	<b>3,891</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>139</b>	<b>163</b>	<b>8</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	100	11	18
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>100</b>	<b>11</b>	<b>18</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	107	39	26
- to replace existing assets	65	67	-
Increase (decrease) in reserves	67	68	-
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>239</b>	<b>174</b>	<b>26</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(139)</b>	<b>(163)</b>	<b>(8)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 7.3 Major Capital Projects – Community Support

Project Description	Annual Plan	LTP	Variance	Notes
	2022/23	2022/23	2022/23	
	000'	000'	000'	
Radio Network	15	15	-	LOS
Civil Defence Base	10	10	-	LOS
<b>Total</b>	<b>26</b>	<b>26</b>	<b>-</b>	

## 8. LEADERSHIP

THE LOCAL GOVERNMENT ACT 2002 (LGA) SETS OUT THE ROLE AND PRINCIPLES OF LOCAL GOVERNMENT AS WELL AS GOVERNANCE AND MANAGEMENT PRINCIPLES.

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

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

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

The Leadership Activity is divided into two key areas:

**Governance** - Council and Community Boards

**Strategic Development**- Economic development, Business development, Policy development, Youth Development and Iwi development.

### COMMUNITY WELL-BEING OUTCOMES



### GOVERNANCE

#### COUNCIL

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

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

#### COMMUNITY BOARDS

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

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

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

## **STRATEGIC DEVELOPMENT**

### **ECONOMIC DEVELOPMENT**

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

### **POLICY DEVELOPMENT**

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

### **YOUTH DEVELOPMENT**

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

### **DEVELOPING RELATIONSHIPS AND ENGAGING WITH MĀORI**

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

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

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

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

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

## **SIGNIFICANT NEGATIVE EFFECTS**

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



## 8.1 Funding Impact Statement - Leadership

Leadership	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	1,787	1,867	1,858
Targeted rates	296	330	285
Subsidies and grants for operating purposes	33	34	-
Fees and charges	1	35	37
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>2,117</b>	<b>2,266</b>	<b>2,180</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,632	1,740	1,763
Finance costs	-	-	-
Internal charges and overheads applied	485	526	415
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,117</b>	<b>2,266</b>	<b>2,178</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	3,150
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	(2)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>3,148</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	3,150
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>-</b>	<b>-</b>	<b>3,150</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>-</b>	<b>-</b>	<b>(2)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 8.2 Major Capital Projects – Leadership

Project Description	Annual Plan 2022/23 000'	LTP 2022/23 000'	Variance 2022/23 000'	Notes
Te Ara Mangawhero & Missing Link trails project	3,150	-	3,150	Growth



## 9. REGULATION

THE REGULATION ACTIVITY SEEKS TO FACILITATE A SAFE AND SUSTAINABLE COMMUNITY THROUGH THE ADMINISTRATION AND ENFORCEMENT OF LAWS MADE BY CENTRAL GOVERNMENT. THIS INCLUDES THE SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES UNDER THE RESOURCE MANAGEMENT ACT 1991 AND DISTRICT BYLAWS.

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

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

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

### COMMUNITY WELL-BEING OUTCOMES



*Social*

*Environmental*

*Economic*

*Leadership*

The Regulation group is made up of the following teams:

### BUILDING SERVICES

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

### RESOURCE MANAGEMENT

The Resource Management team coordinates both the issuing of resource consents and monitoring the conditions of these consents, in line with relevant legislation (primarily the Resource Management Act 1991 and the District Plan).

The District Plan is one of Council's key planning documents that sets out the rules and policies that guide development in the district. The Resource Management Act 1991 requires that the District Plan to be reviewed every ten years. Because of the size and complexity of a District Plan review, Council will do a 'rolling review' of discrete sections as required to satisfy the prescribed review process.

### ENVIRONMENTAL HEALTH AND ALCOHOL LICENSING

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

## COMPLIANCE

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

- Animal Control,
- Parking,
- Noise Control
- Bylaws

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

## SIGNIFICANT NEGATIVE EFFECTS

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



## 9.1 Funding Impact Statement - Regulation

Regulation	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	2,069	2,173	2,740
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,040	1,070	1,035
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	25
<b>Total Operating Funding (A)</b>	<b>3,109</b>	<b>3,243</b>	<b>3,800</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,849	1,892	2,029
Finance costs	-	-	-
Internal charges and overheads applied	1,260	1,351	1,771
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,109</b>	<b>3,243</b>	<b>3,800</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	7	-	(7)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>7</b>	<b>-</b>	<b>(7)</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	7	-	-
Increase (decrease) in reserves	-	-	(7)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>7</b>	<b>-</b>	<b>(7)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# SECTION 2: RATING INFORMATION

# RATING INFORMATION

## INTRODUCTION

Council is required under Schedule 10(20) of the LGA to adopt a Funding Impact Statement. This Statement provides a summary of Council's funding sources, as well as the detailed rates requirement for the 2022/23 financial year. The Statement represents the fiscal outcome from the Revenue and Financing Policy, which was reviewed by Council in accordance with the provisions of the Local Government Act 2002.

Rates are assessed in accordance with the Local Government (Rating) Act 2002 (LGRA) on all rating units in the district on the basis of values as at 30 June 2022.

## OBJECTIVES AND MEASURES

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

## 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](http://www.ruapehudc.govt.nz). Remissions categories include:

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

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

Category of Rates Remission	Value of Remission (Including GST) \$
Service Charge – Water	128,633
Service Charge – Wastewater	41,076
Service Charge – Solid Waste	37,494
General Rates	34,169
UAGC	311,060
Other	50,190
<b>Total</b>	<b>602,621</b>

## POSTPONEMENT

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

## LEGISLATIVE REQUIREMENTS

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

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

## PROPOSED RATES FOR 2022/23

This portion of the Funding Impact Statement has been prepared in two parts. The first part outlines the rating methodologies and differentials which Council proposes to use to set the rates for the 2022/23 rating year. The second part outlines the proposed rates for the 2022/23 rating year.

Where a new rate is not proposed to be set in 2022/23 the schedule of rates will show this rate as NA.

## DEFINITION OF SEPARATELY USED OR INHABITED PART OF A RATING UNIT

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

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

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

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

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

## GENERAL RATES

### GENERAL RATE

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

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

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

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

### GENERAL RATE – DEFENCE LAND

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

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

### UNIFORM ANNUAL GENERAL CHARGE (UAGC)

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

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



## TARGETED RATES

### LAND TRANSPORT- LAND TRANSPORT DIFFERENTIAL RATE

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

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

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

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

## URBAN PERIPHERY ROAD

### KAHA AND TAU STREET RESEALING

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

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

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

## ECONOMIC DEVELOPMENT RATES

### ECONOMIC DEVELOPMENT TARGETED RATE

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

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

### ECONOMIC DEVELOPMENT COMMERCIAL TARGETED RATE

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

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

### NON-COMMERCIAL VISITOR ACCOMMODATION TARGETED RATE

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

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



## SOLID WASTE RATES

### SOLID WASTE – WASTE MINIMISATION MANAGEMENT AND FACILITIES

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

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

### SOLID WASTE - KERBSIDE COLLECTION

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

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

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

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

## STORMWATER & FLOOD PROTECTION RATES

A targeted rate set on the basis of a fixed amount assessed on every SUIP within the following urban communities to which stormwater and flood protection services are provided to fund these services.

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

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

## SEWERAGE

### SEWERAGE SERVICE RATE

Council has set a targeted rate assessed on a differential basis for any land which is connected or capable of connection<sup>1</sup>, either directly or indirectly, to any of the District's public sewerage systems as follows:

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

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

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

<sup>[1]</sup> As defined as residential by Council's Valuation Service Provider and included in the Valuation Information Database

<sup>1</sup> Capable of connection - The rating unit is within 30m of sewer main and practically serviceable in the opinion of Council.

### PAN RATE (WATER CLOSET OR URINAL)

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

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

## WATER

### WATER RATE

A targeted rate on the basis of an amount assessed on every SUIP that is connected or capable of connection<sup>2</sup>, either directly or indirectly, to any of the District's Public Water Supply Systems, set on a differential basis.

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

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

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

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

Users connected to any Council water supply where the supply is recorded through a water meter will be assessed the Water Differential Rate, as outlined above. In addition, they will be charged for any water consumed according to the prevailing Schedule of Fees and Charges.

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<sup>2</sup> Capable of connection - The rating unit is within 100m of water main and practicably serviceable in the opinion of Council.

## LUMP SUM CONTRIBUTIONS

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

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

## DUE DATES FOR PAYMENT OF RATES

Council resolved that the rates for 2022/23 are payable in four equal instalments, on the dates set out below.

## DISCOUNT

A discount of 3% on all current year's rates will be granted for prompt payment if the rates for the year ending 30 June 2023 are paid in full by 22 August 2022, on condition that no rates remain unpaid from previous years.

## PENALTIES

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

Instalment	Due Date	Penalty Date
1	22 August 2022	25 August 2022
2	21 November 2022	24 November 2022
3	20 February 2023	23 February 2023
4	22 May 2023	25 May 2023

A further penalty of 10% will be added to any rates from previous years that remain unpaid on 1 July 2022. The penalty will be applied on 12 July 2022.

A further penalty of 10% will be added to any amount of rates to which a penalty has been added under the above paragraph that remain unpaid on 13 January 2023. The penalty will be added on 16 January 2023.

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

## SCHEDULE OF RATES FOR 2022/23

Please note all rates Inclusive GST.

Rate	Basis of Assessment	Differential (as per LG(R)A schedule 2	Rates 2022/23	
			Rate GST incl.	Total Rate GST incl.
<b>GENERAL RATES</b>				
<b>Uniform Annual General Charge</b>	Per SUIP <sup>3</sup>	-	\$677.69	\$6,336,062
General Rate – General Differential	Capital Value	1 & 8	\$0.00189627	\$9,615,642
General Rate – Hydro Electrical Differential	Capital Value	1 & 8	\$0.00115261	\$368,824
General Rate – Defence Land	Land Value	1	\$0.00078759	\$161,503
<b>TARGETED RATES</b>				
<b>Land Transport</b>				
General	Capital Value	1	\$0.00071680	\$3,541,620
Hydro Electrical	Capital Value	1 & 8	\$0.00043566	\$139,405
Forestry	Capital Value	1	\$0.00214256	\$278,431
Kaha and Tau Street Resealing	Per rating unit		\$124	\$3,968
<b>Solid Waste</b>				
<b>Solid Waste - Kerbside Collection</b>				
Residential	Per SUIP	1	\$68.26	\$289,367
Commercial	Per SUIP	1	\$34.56	\$19,078
Solid Waste Charge	Per SUIP	-	\$81.19	\$758,891
Stormwater - Flood Protection				
Stormwater/Flood Protection Urban	Per SUIP		\$102.04	\$588,961
<b>Wastewater</b>				
<b>District Wide Sewerage Rate</b>				
General use (Inclusive of 2 pans)	Per SUIP	1 & 5	\$536.95	\$2,667,548
School use	Per Pan	1 & 5	\$161.08	\$39,304
<b>District Wide Additional Pan Rate</b>				
<b>General Use</b> Per pan in excess of 2 pans per SUIP	Per Pan	-	\$268.47	\$344,988
<b>Water</b>				
<b>District Wide Water Rate</b>				
Connected or capable of connection	Per SUIP	1 & 5	\$819.32	\$4,917,534
Extra-Ordinary	Per SUIP	1 & 5	\$983.18	\$36,378
<b>Economic Development Rates</b>				
Economic Development Rate	Per SUIP	-	\$52.64	\$492,082
Economic Development Commercial Rate	Capital Value	-	\$0.00124956	\$414,904
Non-Commercial Visitor Accommodation Targeted Rate	Per rating unit	-	\$312.40	\$159,012

<sup>3</sup> Separately Used or Inhabited Part of a rating unit

## RATING EXAMPLES

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

Commercial		Capital Value	\$ Change in Rates	% Change
Kakahi	Medium	92,000	37	3.25%
National Park	High	405,000	118	3.18%
National Park	Medium	375,000	189	3.59%
National Park	Low	155,000	94	3.39%
Ohakune	Medium	255,000	105	3.31%
Ohakune	High	460,000	125	3.16%
Ohakune	Low	190,000	98	3.36%
Ohura	Medium	65,000	74	4.31%
Owhango	Medium	135,000	87	4.01%
Owhango	High	330,000	87	3.01%
Pipiriki	Medium	249,000	91	2.78%
Raetihi	Medium	225,000	103	3.34%
Raetihi	High	530,000	118	2.41%
Raetihi	Low	160,000	96	3.40%
Rangataua	Medium	320,000	73	3.19%
Taumarunui	Medium	185,000	92	3.16%
Taumarunui	High	3,550,000	395	2.23%
Taumarunui	Low	85,000	71	2.78%
Waiouru	Medium	260,000	81	1.77%
Waiouru	High	930,000	200	2.62%
Waiouru	Low	155,000	76	2.73%

Residential		Capital Value	\$ Change in Rates	% Change
Kakahi	Low	130,000	43	3.42%
Kakahi	Medium	235,000	54	3.49%
National Park	Medium	330,000	111	3.67%
National Park	High	420,000	120	3.37%
National Park	High	415,000	119	3.68%
National Park	Low	280,000	106	3.32%
Ohakune	Medium	355,000	117	3.70%
Ohakune	High	435,000	124	3.71%
Ohakune	Low	235,000	105	3.69%
Ohakune	Medium	325,000	113	3.37%
Ohura	Medium	103,000	78	4.28%
Ohura	High	146,000	82	4.26%
Ohura	Low	60,000	69	4.01%
Owhango	Medium	265,000	99	4.27%
Owhango	High	375,000	110	4.22%
Owhango	Low	215,000	95	4.30%
Pipiriki	Medium	163,000	49	2.84%
Pipiriki	High	213,000	54	2.90%
Pipiriki	Low	154,000	48	2.82%
Raetihi	Medium	235,000	105	3.69%
Raetihi	High	250,000	106	3.69%
Raetihi	Low	150,000	97	3.68%

Rangataua	Medium	270,000	68	3.16%
Rangataua	High	345,000	75	3.21%
Rangataua	Low	205,000	62	3.10%
Taumarunui	Medium	190,000	101	3.68%
Taumarunui	High	245,000	106	3.69%
Taumarunui	Low	146,000	97	3.69%
Waiouru	Medium	230,000	105	3.69%
Waiouru	High	275,000	109	3.69%
Waiouru	Low	210,000	103	3.68%

Rural		Capital Value	\$ Change in Rates	% Change
Kakahi	Medium	1,155,000	139	3.76%
Kakahi	High	5,510,000	702	3.70%
Kakahi	Low	1,120,000	135	3.76%
National Park	Medium	485,000	74	3.71%
National Park	High	1,010,000	92	3.61%
National Park	Low	155,000	43	3.64%
Ohakune	Medium	1,844,000	245	3.95%
Ohakune	High	3,220,000	337	3.79%
Ohakune	Low	930,000	27	0.84%
Ohura	Medium	1,180,000	141	3.76%
Ohura	High	3,650,000	406	3.78%
Ohura	Low	395,000	106	4.15%
Owhango	Medium	627,000	88	3.73%
Owhango	High	4,810,000	628	3.68%
Owhango	Low	900,000	142	3.71%
Pipiriki	Medium	710,000	96	3.74%
Pipiriki	High	3,030,000	319	3.79%
Pipiriki	Low	256,000	52	3.67%
Raetihi	Medium	2,460,000	268	3.84%
Raetihi	High	6,870,000	687	3.80%
Raetihi	Low	471,000	40	3.37%
Rangataua	Medium	890,000	113	3.75%
Rangataua	High	1,910,000	251	3.95%
Rangataua	Low	47,000	60	3.89%
Taumarunui	Medium	745,000	99	3.74%
Taumarunui	High	2,130,000	232	3.78%
Taumarunui	Low	330,000	60	3.69%
Waiouru	Medium	915,000	116	3.75%
Waiouru	High	1,451,000	167	3.77%
Waiouru	Low	261,000	20	3.02%



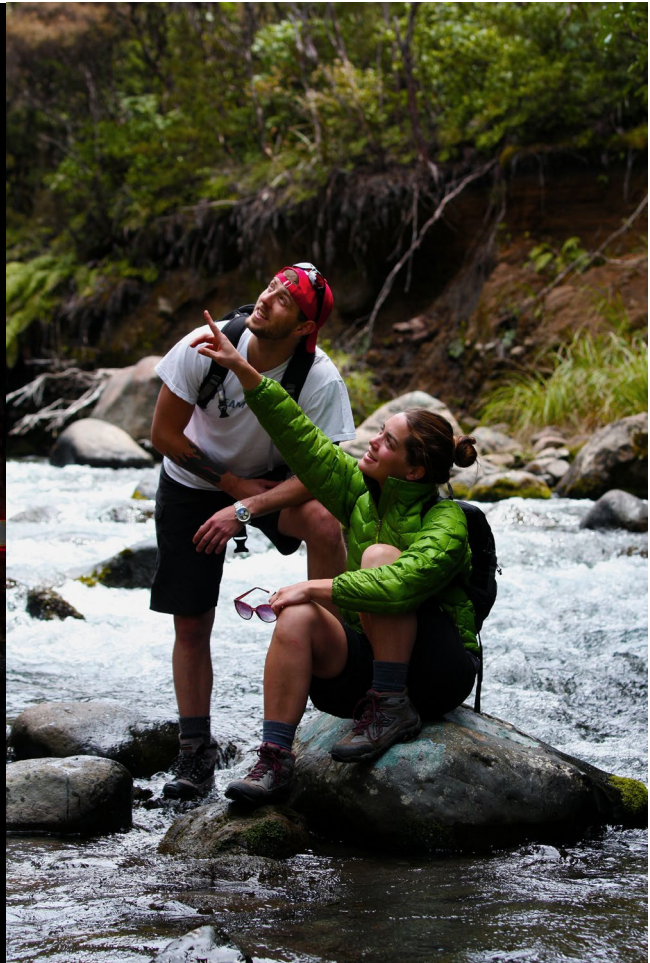
## RATING BASE INFORMATION

District numbers at 30 June 2022, based off up to date projections completed 22 March 2022.

Number of rating units (gross)	Total capital value of rating units (gross)	Total land value of rating units (gross)
10,039	6,243,078,250	3,471,708,250

## BENCHMARKS

Benchmark	Quantified Limit	Planned	Met
Rates affordability - Income	26,777	26,578	Yes
Rates affordability - Increase	4.40%	4.12%	Yes
Debt affordability	55,442	48,951	Yes
Balanced budget	100%	130%	Yes
Essential services	100%	352%	Yes
Debt servicing	10.00%	2.20%	Yes



# **SECTION 3: PROSPECTIVE FINANCIAL STATEMENTS**



# STATEMENT OF ACCOUNTING POLICIES

## REPORTING ENTITY

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

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

The group consists of:

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

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

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

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

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

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

## BASIS OF PREPARATION

### STATEMENT OF COMPLIANCE

The reporting period for these prospective financial statements of Council is for the years ending on 30 June 2023. These prospective financial statements have been prepared on the going concern basis, and in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). Notwithstanding the above, prospective financial statements are a forecast based on best available information and assumptions at the time of preparation, and so it must be cautioned that actual results could differ materially from those presented here due to inherent future uncertainties.

### PROSPECTIVE FINANCIAL STATEMENTS

Prospective financial statements have been prepared in accordance with Tier 1 PBE FRS 42 – Prospective Financial Statements and using accounting policies that are consistent with those adopted by Council in preparing financial statements. Council's principal activities are outlined within this Annual Plan and the 2021/31 Long Term Plan. Council authorised the prospective financial statements on 22 June 2023.

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

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

#### **CAUTIONARY NOTE**

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

#### **OTHER CHANGES IN ACCOUNTING POLICIES**

##### *PBE FRS 48 Service Performance*

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted.

#### **STANDARD ISSUED AND NOT YET EFFECTIVE, AND NOT EARLY ADOPTED**

There are no other standards issued and not yet effective.

#### **MEASUREMENT BASE**

The reporting period for these prospective financial statements is the year ended 30 June 2023. The functional currency of Council is New Zealand dollars, and the statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

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

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

#### **PLANNING ASSUMPTIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

#### **BASIS OF CONSOLIDATION**

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

CCOs and subsidiaries are entities controlled by the group. Control is achieved when the group has the power to govern their financial and operating policies. In order to establish control, the

controlling entity presently have exercisable power to govern decision making to be able to benefit from the activities of the other entity.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements from the date the group gains control until the date the group ceases to control the subsidiary. The accounting policies of controlled entities are consistent with the policies adopted by the controlling entity, or if not, adjustments are made to the consolidated financial statements to bring alignment of subsidiaries with the group's accounting policies. All intra-group balances, transactions, income, expenses, and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

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

The following parts of the group are exempt activities:

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

## **BASIS OF REPORTING**

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

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

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

## **INVESTMENT IN SUBSIDIARIES**

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

## **INVESTMENTS IN ASSOCIATES**

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

## **REVENUE**

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

## **EXCHANGE TRANSACTIONS**

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

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

Revenue from asset management services is recognised when provided to the customer. Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

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

## **NON-EXCHANGE TRANSACTIONS**

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

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

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

The specific accounting policies relating to significant revenue items follow.

## **RATES REVENUE**

The following policies for rates have been applied:

- General rates and targeted rates (excluding water-by-meter), are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.

## **DEVELOPMENT AND FINANCIAL CONTRIBUTIONS**

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

## **NEW ZEALAND TRANSPORT AGENCY ROADING SUBSIDIES**

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

## **OTHER GRANTS RECEIVED**

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

## **BUILDING AND RESOURCE CONSENT REVENUE**

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

## **LANDFILL FEES**

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

## **INFRINGEMENT FEES AND FINES**

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

## **VESTED OR DONATED PHYSICAL ASSETS**

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

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

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

## **DONATED AND BEQUEATHED FINANCIAL ASSETS**

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

## **LIABILITIES**

### **INCOME IN ADVANCE**

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

## **BORROWING COSTS**

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

## **GRANT EXPENDITURE**

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

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

## **LEASES**

### **OPERATING LEASES**

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

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

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

## **CASH AND CASH EQUIVALENTS**

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

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

## **RECEIVABLES**

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

## **OTHER FINANCIAL ASSETS**

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

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

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

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

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



## **FINANCIAL ASSETS AT FAIR VALUE THROUGH SURPLUS OR DEFICIT**

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

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

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

## **LOANS AND RECEIVABLES**

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

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

## **HELD-TO-MATURITY INVESTMENTS**

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

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

## **FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE**

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

Council and groups included in this category:

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

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

## **IMPAIRMENT OF FINANCIAL ASSETS**

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

## **LOANS AND RECEIVABLES AND HELD-TO-MATURITY INVESTMENTS**

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



## FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE

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

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

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

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

## INVENTORY

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

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

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

## ASSETS HELD FOR SALE

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

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

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

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

## PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

- **Operational Assets** – These include land, buildings, parks and reserves improvements, library books, plant vehicles, computer equipment and office equipment.
- **Restricted Assets** – Restricted assets are mainly parks and reserves owned by Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- **Infrastructure Assets** – Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.
- **Land (operational and restricted)** – Is measured at fair value, and buildings (operational and restricted) and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation.

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

### **REVALUATION**

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

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

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

### **ADDITIONS**

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

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

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

### **DISPOSALS**

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

### **SUBSEQUENT COSTS**

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

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

### **DEPRECIATION**

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

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

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

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

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

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

### USEFUL LIVES AND DEPRECIATION RATES

Property, Plant and Equipment	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Buildings (Excluding Investment Property)	RAD	10 – 100 Years	1 - 20% SL
Other Improvements	CAD	10 – 100 Years	1 – 17.5% SL
Computer Equipment	CAD	2.5 Years	40% DV
Office Equipment, Furniture and Fittings	CAD	5 Years	20% DV
Library Books	CAD	10 Years	10% SL
Plant and Vehicles	CAD	3.33 – 10 Years	5 – 25% SL
Roads and Footpaths	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Top Surface (Seal)	RAD	15 Years	6.67% SL
Pavement (Base Course)	RAD	100 Years	1% SL
Culverts	RAD	70 – 100 Years	1 – 1.43% SL
Footpaths	RAD	20 – 80 Years	1.25 – 5% SL
Kerbs	RAD	80 – 100 Years	1 – 1.25% SL
Signs	RAD	10 Years	10 – 11.1% SL
Street Lights	RAD	20 – 25 Years	4 – 5% SL
Bridges	RAD	70 – 100 Years	1 – 2.77% SL
Water Supply	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Pipes	RAD	50 – 100 Years	1 – 2% SL
Valves and Hydrants	RAD	15 – 70 Years	1 – 6.67% SL
Pump Stations	RAD	10 – 60 Years	1.25 – 10% SL
Tanks	RAD	25 – 80 Years	1 – 6.67% SL
Treatment Plants	RAD	5 – 104 Years	0.96% – 20% SL
Wastewater	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Pipes	RAD	50 – 100 Years	1 – 2% SL
Manholes and Cesspits	RAD	50 – 75 Years	1.33 – 4% SL
Pump Stations	RAD	10 – 60 Years	0.88 – 33.3% SL
Treatment Plants	RAD	10 – 200 Years	0.5 – 33.3% SL
Stormwater	Measurement Basis (*1)	Estimated Life	Depreciation Rate

Pipes		RAD	40 – 100 Years	1 – 50% SL
Manholes and Cesspits		RAD	75 Years	1.33 – 20% SL
<b>Solid Waste</b>		<b>Measurement Basis (*1)</b>	<b>Estimated Life</b>	<b>Depreciation Rate</b>
Various		RAD	20 – 75 Years	1.33 - 6% SL
<b>Other (Not Depreciated)</b>		<b>Measurement Basis (*1)</b>	<b>Estimated Life</b>	<b>Depreciation Rate</b>
Land		REV		
Formation Costs for Roading		COST		
Stop Banks		REV		
Work In Progress and Assets Under Construction		COST		
*1	CAD	=	Cost Less Accumulated Depreciation And Impairment Losses.	
	RAD	=	Revaluation Less Subsequent Depreciation.	
	REV	=	Revaluation (Not Depreciated).	
	COST	=	Cost.	

## INTANGIBLE ASSETS

### SOFTWARE ACQUISITION AND DEVELOPMENT

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

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

### AMORTISATION

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

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

## **IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

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

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

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

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

## **VALUE IN USE FOR NON-CASH-GENERATING ASSETS**

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

## **INVESTMENT PROPERTY**

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

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

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

## **PAYABLES**

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

## **BORROWINGS**

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

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

## **EMPLOYMENT ENTITLEMENTS**

### **SHORT-TERM EMPLOYEE ENTITLEMENTS**

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

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

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

## **SUPERANNUATION SCHEMES**

### **DEFINED CONTRIBUTION SCHEMES**

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

### **PROVISIONS**

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

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

## **EQUITY**

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

Equity is disaggregated and classified into the following components:

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

### **RESTRICTED RESERVES**

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

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

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

### **ASSET REVALUATION RESERVE**

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

### **FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE**

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

## **GOODS AND SERVICES TAX**

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

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

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

## **COST ALLOCATION**

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

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

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

## **CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

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

These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities over the Long Term Plan period, are discussed in the following policies and strategies which form part of this document:

- Financial Strategy
- Infrastructure Strategy
- Revenue and Financing Policy

## **CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

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

### **CLASSIFICATION OF PROPERTY**

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

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

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



# FINANCIAL ASSUMPTIONS

In preparing this Annual Plan it was necessary for Council to make a number of assumptions about the future. The following tables identify those forecasting assumptions which are significant in that if actual events differ from the assumptions, it will result in material variances to this Plan. The table also identifies the risks that underline those assumptions, the reason for that risk, and an estimate of the potential impact on the Plan if the assumption is not realised. Council authorised these assumptions on 22 June 2022.

Assumption Area	Details of potential risk and reasons	Level of certainty	Potential financial consequence
<b>Rates Receivables (Debtors)</b>	It has been assumed that rates receivable as a percentage of rates will remain at current levels. There is a risk that rates receivables are significantly higher than that forecast due to a number of reasons, such as the effect of Covid-19 and economic issues. This would impact on cash flow requirements, increasing borrowing for operational costs.	Neutral	Moderate
<b>External Funding For Roads</b>	The forecast financial statements are based on the assumption that Council will be able to claim 74% of all maintenance and renewal costs for district roads in line with currently known Waka Kotahi work categories and classifications. Any decrease in funding would require modification to planned projects and work programmes and may result in delays to both. Where it is not possible to decrease funding, there is the potential to impact on borrowing and rates.	Likely	Significant
<b>Vested Assets</b>	The assumption has been made that no Vested Assets have been budgeted in this Annual Plan.	Neutral	Low
<b>Government subsidies</b>	It is expected that Council will receive Government funding for Land Transport, Housing, Cycle Trails and Three Waters in 2022/23 and subsidies have been factored into the budgets. The Three Waters Reform 'better off funding' and subsequent projects have not been factored into the budgets, given Council has not made any decisions on the programme and its timing.	Likely	Moderate
<b>Inflation</b>	The preparation of the budget has included inflation assumptions based on BERL forecasting for the Local Government Sector. There is a high level of uncertainty associated with these inflation assumptions due to the current high inflation environment and market conditions e.g. low unemployment. If the impact of inflation on Council's budgets turns out to be higher than forecast, then either additional operational efficiencies or reduction in service levels or planned capital expenditure would need to be considered or an increase in Debt which is already close to self imposed Debt limits. Should the impact of inflation be lower than forecast, there will be a favourable impact on Council's operating and capital expenditure budgets.	Likely	Moderate
<b>CAPEX Feasibility - Three Waters</b>	There is a strong chance that additional funding support from Central Government may be available to support large three waters projects and Council have built this into the preparation of the budget. Council has also forecast considerable debt impacts to Council as full compliance to new waters standards are non-negotiable. The assumption has been made that practical delivery of the projects within the budget will face the challenges of supply chain constraints, and active monitoring will be required to minimise the risk of non-compliance by due dates.	Likely	Significant

<b>CAPEX Feasibility – Other Works</b>	<p>With regards to Land Transport, there is a well-established supply chain, and committed funding. Although COVID 19 has impacted delivery of this activity in 2021/22 financial year, it is not expected that this will have the same impact in the 2022/23 financial year.</p> <p>Cost escalations due to the new transportation maintenance contracts may impact on the work programme and associated Level of Service as the assumption has been made that these the capital works costs will not vary significantly from those budgeted and that increases will need to be covered through prioritisation of work.</p>	<p>Likely</p>	<p>Moderate</p>
<b>Interest rates</b>	<p>The interest rates used are based on an estimate of what will occur in the future combined with known rates that are currently fixed under current borrowings with the LGFA which Council joined in 2018.</p> <p>The assumption has been made that all borrowings will be renewed under similar terms and conditions except that interest rates applied to replacement and new borrowings this year will increase. The weighted average interest rate has been forecast at 2.38% for this Annual Plan.</p> <p>There is a high degree of uncertainty around borrowing costs due to the fluctuations of interest rates. Interest costs and debt repayment have been estimated in accordance with the Treasury Investment and Liability Management Policy.</p>	<p>Likely</p>	<p>Moderate - Significant</p>

## PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23 \$000
<b>Revenue</b>			
Rates	25,526	27,721	26,578
Subsidies and grants	25,036	15,704	27,826
Other Revenue	3,373	3,551	4,141
Finance revenue	25	26	26
<b>Total operating revenue</b>	<b>53,960</b>	<b>47,002</b>	<b>58,571</b>
<b>Expenditure</b>			
Depreciation and amortisation expense	9,558	10,171	10,390
Personnel costs	6,378	6,519	7,226
Finance costs	640	931	1,290
Other expenses	23,153	24,739	26,048
<b>Total operating expenditure</b>	<b>39,729</b>	<b>42,360</b>	<b>44,954</b>
<b>Operating surplus (deficit) before tax</b>	<b>14,231</b>	<b>4,642</b>	<b>13,617</b>
<b>Income Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating surplus (deficit) after tax</b>	<b>14,231</b>	<b>4,642</b>	<b>13,617</b>
<b>Other comprehensive revenue and expense</b>			
<i>Items that could be reclassified to surplus (deficit)</i>			
Gain on revaluation of property, plant and equipment	8,097	14,748	1,077
<b>Total other comprehensive revenue and expense</b>	<b>8,097</b>	<b>14,748</b>	<b>1,077</b>
<b>Total comprehensive revenue and expense</b>	<b>22,328</b>	<b>19,390</b>	<b>14,694</b>

## PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23 \$000
Equity balance at 1 July	402,907	425,235	462,725
Comprehensive income for year	22,328	19,390	14,694
<b>Equity Balance 30 June</b>	<b>425,235</b>	<b>444,625</b>	<b>477,419</b>
<b>Components of Equity</b>			
Retained Earnings at 1 July	279,876	294,107	279,971
Net Surplus / (deficit)	14,231	4,642	13,617
Retained earnings 30 June	294,107	298,749	293,588
Asset Revaluation Reserves at 1 July	123,031	131,128	182,754
Revaluation Gains	8,097	14,748	1,077
Revaluation Reserves 30 June	131,128	145,876	183,831
Special Funded Reserves at 1 July	-	-	-
Transfers to / (from) reserves	-	-	-
Council created Reserves 30 June	-	-	-
Trust Funds at 1 July	-	-	-
Transfers to / (from) reserves	-	-	-
Council created Reserves 30 June	-	-	-
<b>Equity at 30 June</b>	<b>425,235</b>	<b>444,625</b>	<b>477,419</b>

## PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2,197	2,197	2,197
Debtors and other receivables	3,967	3,967	2,482
Prepayments & Accrued Income	1,015	1,015	500
Inventory	382	382	382
Investment Funds	-	-	-
<b>Total Current Assets</b>	<b>7,561</b>	<b>7,561</b>	<b>5,561</b>
<b>Non-Current Assets</b>			
Plant, property and equipment	463,539	487,690	523,686
Intangible assets	877	877	805
Investment Property	3,636	3,741	5,022
Forestry assets			
Other financial assets			
Investment in CCOs and other similar entities	48	48	48
Other Financial Assets Term	741	741	869
<b>Total Non-Current Assets</b>	<b>468,841</b>	<b>493,097</b>	<b>530,430</b>
<b>TOTAL ASSETS</b>	<b>476,402</b>	<b>500,658</b>	<b>535,991</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Creditors and other Payables	3,541	3,540	3,746
Employee entitlements	403	403	403
Income in advance	2,835	2,835	1,300
Borrowings	8,000	8,000	8,000
<b>Total Current Liabilities</b>	<b>14,779</b>	<b>14,779</b>	<b>13,449</b>
<b>Non-Current Liabilities</b>			
Provisions	199	199	205
Borrowings	36,190	40,951	44,918
<b>Total Non-Current Liabilities</b>	<b>36,389</b>	<b>41,150</b>	<b>45,123</b>
<b>TOTAL LIABILITIES</b>	<b>51,168</b>	<b>55,928</b>	<b>58,572</b>
<b>EQUITY</b>			
Retained Earnings	294,107	298,749	293,588
Asset Revaluation Reserves	131,128	145,876	183,831
Special Funded Reserves	-	-	-
Trust Funds	-	-	-
<b>TOTAL EQUITY</b>	<b>425,235</b>	<b>444,625</b>	<b>477,419</b>

## PROSPECTIVE CASH FLOW STATEMENT

	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23 \$000
<b>Cash flows from operating activities</b>			
Receipts from rates revenue	25,526	27,721	25,378
Receipts from other revenue	28,292	19,135	33,673
Interest received	25	26	26
Development Contributions	116	120	120
Payments to suppliers and employees	(29,531)	(31,257)	(33,332)
Interest paid	(640)	(931)	(1,301)
<b>Net Cashflow from Operating Activity</b>	<b>23,788</b>	<b>14,814</b>	<b>24,564</b>
Receipts from sale of property, plant and equipment	-	-	-
Receipts from sale of investments	-	-	-
Acquisition of investments	-	-	-
Purchases of property, plant and equipment	(38,978)	(19,575)	(33,292)
	-	-	-
<b>Net Cashflow from Investing Activity</b>	<b>(38,978)</b>	<b>(19,575)</b>	<b>(33,292)</b>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings	15,190	4,761	8,728
Repayment of borrowings	-	-	-
<b>Net Cashflow from Financing Activity</b>	<b>15,190</b>	<b>4,761</b>	<b>8,728</b>
Net Increase (decrease) in Cash Held	-	-	-
Add Opening Cash bought forward	2,197	2,197	2,197
<b>Closing Cash Balance</b>	<b>2,197</b>	<b>2,197</b>	<b>2,197</b>
Closing Balance made up of Cash and Cash Equivalents	2,197	2,197	2,197

## PROSPECTIVE FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charge, rates penalties	13,157	13,874	14,014
Targeted rates	12,369	13,847	12,563
Subsidies and grants for operating purposes	7,079	7,179	7,580
Fees and charges	3,110	3,280	3,845
Interest and dividends from investments	25	26	26
Local authorities fuel tax, fines, infringement fees, and other receipts	146	151	176
<b>Total Operating Funding (A)</b>	<b>35,886</b>	<b>38,357</b>	<b>38,204</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	29,531	31,257	33,273
Finance costs	640	931	1,290
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>30,171</b>	<b>32,188</b>	<b>34,563</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>5,715</b>	<b>6,169</b>	<b>3,641</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	17,957	8,524	20,246
Development and financial contributions	116	120	120
Increase (decrease) in debt	15,190	4,761	4,534
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>33,263</b>	<b>13,405</b>	<b>24,900</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	799	346	3,965
- to improve the level of service	18,179	6,983	15,350
- to replace existing assets	20,000	12,245	14,416
Increase (decrease) in reserves	-	-	(5,190)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>38,978</b>	<b>19,574</b>	<b>28,541</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(5,715)</b>	<b>(6,169)</b>	<b>(3,641)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



## PROSPECTIVE COST OF SUPPORT FUNDING IMPACT STATEMENT

	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	(2)	(18)	(16)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	147	152	583
Internal charges and overheads recovered	4,391	4,736	4,832
Local authorities fuel tax, fines, infringement fees, and other receipts	25	26	26
<b>Total Operating Funding (A)</b>	<b>4,561</b>	<b>4,896</b>	<b>5,425</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	3,619	3,915	3,856
Finance costs	85	90	110
Internal charges and overheads applied	139	141	499
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,843</b>	<b>4,146</b>	<b>4,465</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>718</b>	<b>750</b>	<b>960</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
increase (decrease) in debt	(401)	(336)	(4,909)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(401)</b>	<b>(336)</b>	<b>(4,909)</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	231	912	636
- to replace existing assets	558	522	522
Increase (decrease) in reserves	(472)	(1,020)	(5,107)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>317</b>	<b>414</b>	<b>(3,949)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(718)</b>	<b>(750)</b>	<b>(960)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## RECONCILIATION OF PROSPECTIVE FUNDING IMPACT STATEMENT TO COMPREHENSIVE INCOME

	LTP 2021/22 \$000	LTP 2022/23 \$000	Annual Plan 2022/23 \$000
<b>Income</b>			
<b>Prospective Statement of Comprehensive Income</b>	<b>53,960</b>	<b>47,002</b>	<b>58,571</b>
<b>Summary Funding Impact Statement</b>			
Total Operating Funding	35,886	38,357	38,204
<b>Add Sources of Capital Funding</b>			
Sources of capital funding	17,958	8,525	20,246
Development and financial contributions	116	120	120
<b>Total Revenue</b>	<b>53,960</b>	<b>47,002</b>	<b>58,571</b>
<b>Expenditure</b>			
<b>Prospective Statement of Comprehensive Income</b>			
<b>Operating Expenditure</b>	<b>39,729</b>	<b>42,360</b>	<b>44,954</b>
<b>Summary Funding Impact Statement</b>			
Total applications of operating funding	30,171	32,189	34,563
Add Depreciation and Amortisation Expense	9,558	10,171	10,391
<b>Total Expenditure</b>	<b>39,729</b>	<b>42,360</b>	<b>44,954</b>