



# 2019/2020 Annual Plan



We are.  
Ruapehu.



# CONTENTS

<b>Introduction</b> .....	<b>3</b>
<b>Message from the Mayor</b> .....	<b>3</b>
Revenue and Operational Expenditure Allocation .....	5
<b>Section 1:</b> .....	<b>6</b>
<b>Activities</b> .....	<b>6</b>
1 Land Transport (page 21 LTP).....	7
2 Water Supply (page 25 LTP).....	9
3 Wastewater (Sewerage) (page 30 LTP).....	11
4 Stormwater and Flood Protection (page 34 LTP) .....	13
5 Solid Waste (page 38 LTP) .....	15
6 Recreation and Community Facilities and Community Property (Page 42 LTP).....	17
7 Community Support (page 51 LTP).....	19
8 Leadership (page 56 LTP).....	21
9 Regulation (page 62 LTP) .....	23
<b>Section 2:</b> .....	<b>25</b>
<b>Funding Impact Statement</b> .....	<b>25</b>
Rating Examples .....	34
<b>Section 3:</b> .....	<b>37</b>
<b>Financial Statements</b> .....	<b>37</b>

# INTRODUCTION

## MESSAGE FROM THE MAYOR

I am pleased to present the 2019/20 Annual Plan on behalf of Ruapehu District Council.

Council has adopted an average 3.52% rate increase for the coming financial year, which is below the 3.86% forecast in the Long Term Plan (LTP) but in line with the yearly ten year projection of 3.5%.

The 3.52% increase will allow Council to maintain services while working to deliver on a significant capital works programme worth \$17.3m.

There are no significant changes to the Annual Plan work programme from what was outlined in last year's LTP, however we made some changes to the work plan order.

The amendments to the work plan are minor in the scheme of things and are within the normal 'swings and roundabouts' that we manage every year.

As allowed by amendments to the Local Government Act (2002) in these circumstances Council did not undertake a formal public consultation on the Annual Plan.

Council did however implement a communications campaign that included holding community hui throughout the district to discuss the year ahead, our work programme, and answer any questions people may have on the Annual Plan.

The community hui received a good response with feedback to Council overwhelmingly supportive of the work we have been undertaking.

One of the areas that Council has worked hard on is in Land Transport where a combination of factors including adverse weather events, logging activity and skill shortages had created a 'perfect storm' which had made maintaining levels of service challenging this past year.

Land Transport has \$12m of capital works scheduled where it is benefitting from Council's successful appeal to the New Zealand Transport Agency (NZTA) to have our Funding Assistance Rate (FAR) which determines the co-investment rate we receive on road works, increase to the maximum 72% from this financial year.

Delivering on this large works programme is a major focus of Council and we have been working closely with our contractors to help ensure that it is delivered as planned.

The 3 waters comprise the next biggest area of capital expenditure with renewal works, Level of Service improvements and wastewater pond desludging worth \$3.2m planned.

The government review of the water sector is on-going and whatever the final outcome it is likely to mean higher costs (as highlighted in the LTP) in future years.

At this stage we have no firm indication of how the water review will impact us and feel it is likely that any significant changes will be a subject for the next LTP (2021-2031)

The adoption of the Waste Management and Minimisation Plan (WMMP) last year will require a relatively modest capital expenditure of around \$130,000 in the coming year however this is likely to increase in later years after the Landfill closes and implementation of the WMMP gets underway.



Overall we have the usual cost challenges, however achieving the 3.52% has been helped by savings from lower debt servicing costs and increased revenue from building activity.

Our projected debt level at \$30.1m will be \$3.6m under the \$33.7m forecast in the LTP and our debt serving is benefiting from our joining the Local Government Funding Agency (LGFA).

Increased building activity which indicates a growing district and with it a growing ratepayer base and revenue, is also helping.

While the new LTP and Asset Management Plans take climate change impacts into account and we are planning further research into mitigation strategies, we anticipate that government legislation will increase costs in this area.

Despite these 'unknowns' Council feels it is well positioned to adapt as and when required and manage within our long term rate and debt projections as per the LTP.

An example of this is our goal of aligning township revitalisation and water renewal works with Chorus' UFB roll-out so that we only need to dig once and minimize cost and disruption.

If we need to start work this financial year, we will reprioritise funding and balance things out in later years so as not to lose the opportunity to align the work programmes.

Over the course of the year Council will be communicating on a regular basis on all its activities.

Please keep an eye on local papers and Council's website for media releases and notices of any public meetings that may interest you. If you are a Facebook user please like our page and share posts amongst your own networks.



Don Cameron  
Mayor JP



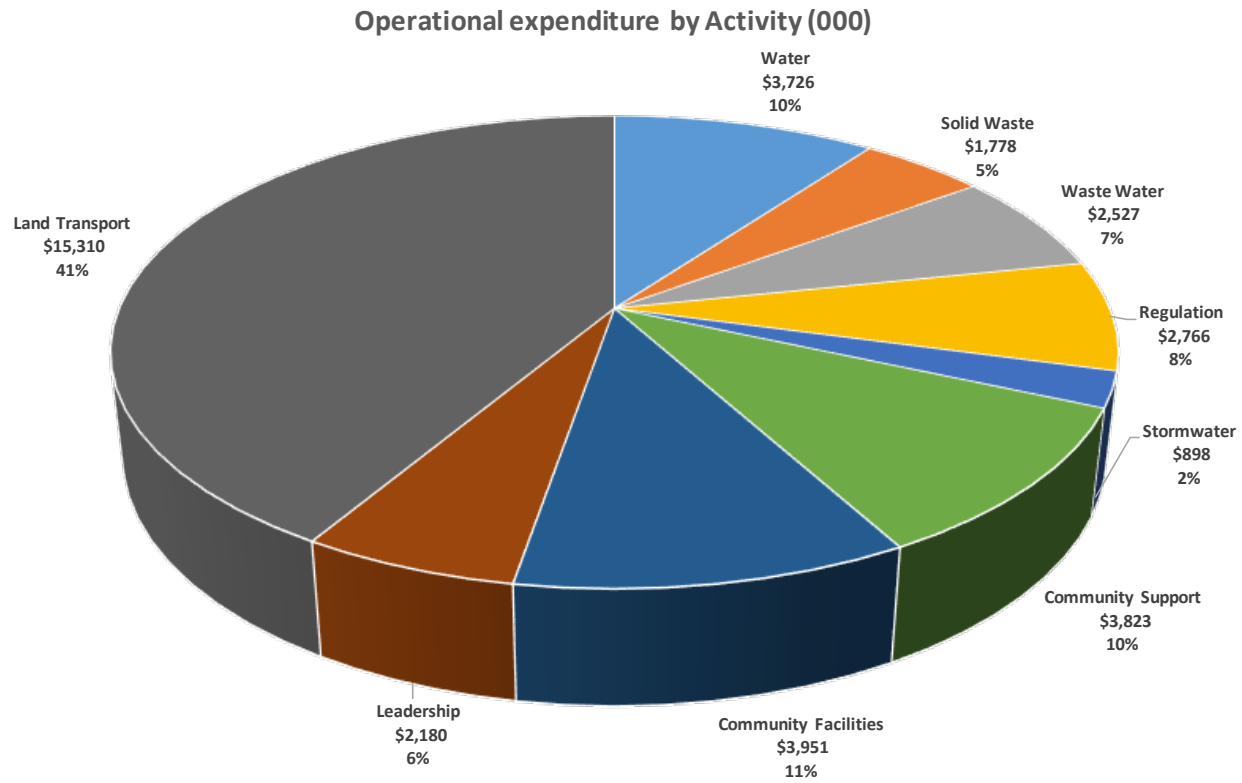
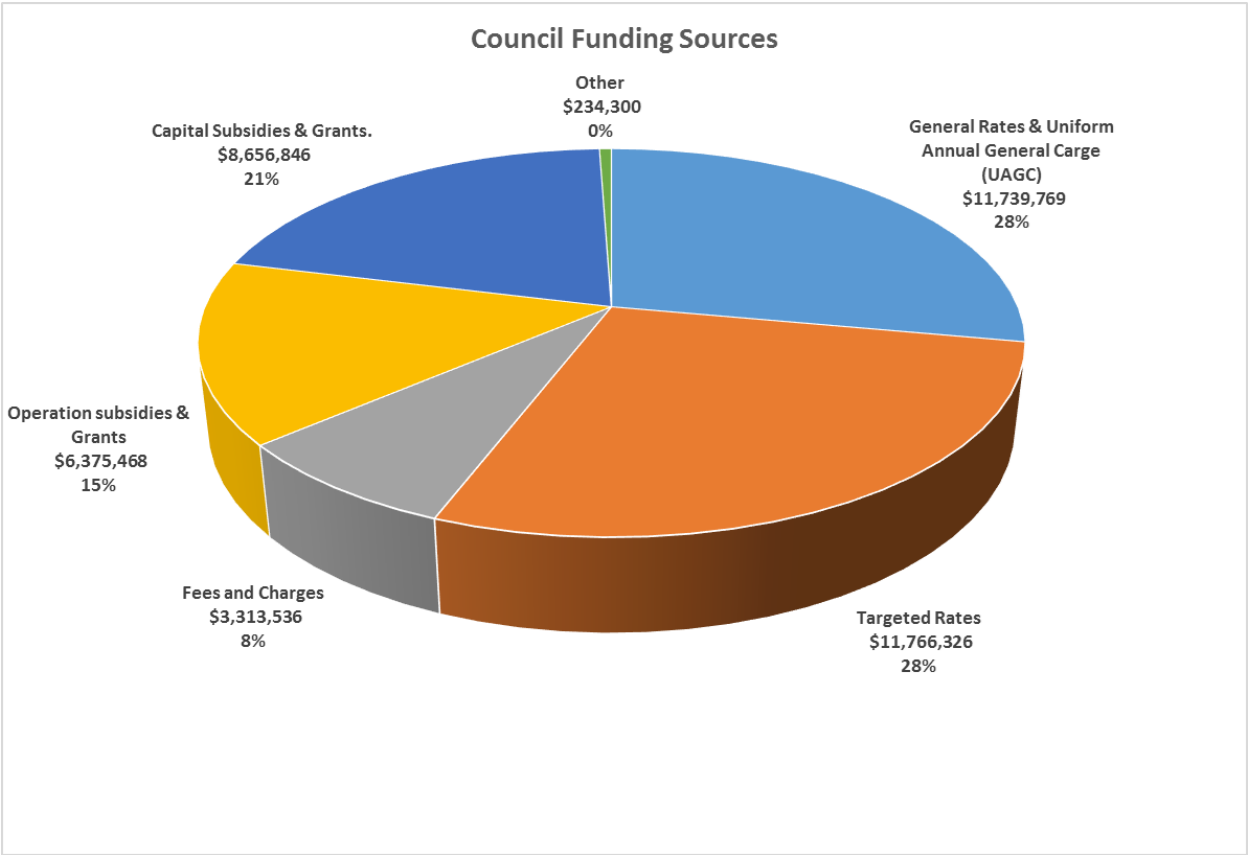
Clive Manley  
Chief Executive





# 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 (page 21 LTP)

The Land Transport Activity provides for the maintenance, renewal and development of local public roads, kerbs and channels, bridges, street lighting and footpaths for the whole District. State Highways are managed by the 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.

## Outcomes



*Safe, healthy communities*



*Vibrant and diverse living*



*Thriving environment*



*Thriving economy*

The district land transport network consists of:

- 488km of sealed roads
- 851km of unsealed road
- 342 bridges and large culverts
- 69km of footpaths
- 1,445 street lights



## 1.1 Funding Impact Statement

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	1,668	1,722	1,668
Targeted rates	3,892	4,019	3,893
Subsidies and grants for operating purposes	6,172	6,299	6,372
Fees and charges	126	129	129
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	136	139	139
<b>Total Operating Funding (A)</b>	<b>11,994</b>	<b>12,308</b>	<b>12,201</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	9,305	9,509	9,493
Finance costs	646	693	580
Internal charges and overheads applied	290	303	313
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>10,241</b>	<b>10,505</b>	<b>10,386</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,753</b>	<b>1,803</b>	<b>1,815</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	7,344	8,490	8,657
Development and financial contributions	16	17	16
Increase (decrease) in debt	1,168	1,836	1,673
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>8,528</b>	<b>10,343</b>	<b>10,346</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	219	392	-
- to improve the level of service	2,058	2,291	2,545
- to replace existing assets	8,004	9,463	9,474
Increase (decrease) in reserves	-	-	142
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>10,281</b>	<b>12,146</b>	<b>12,161</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,753)</b>	<b>(1,803)</b>	<b>(1,815)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



## 2 Water Supply (page 25 LTP)

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

Council is responsible for the provision and management of six water supply schemes at National Park, Ohakune, Ohura, Owhango, Raetihi and Taumarunui. 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. Since 2015 Council has managed the water services for Whakapapa Village on behalf of Department of Conservation (but does not own the assets).

### 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.

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

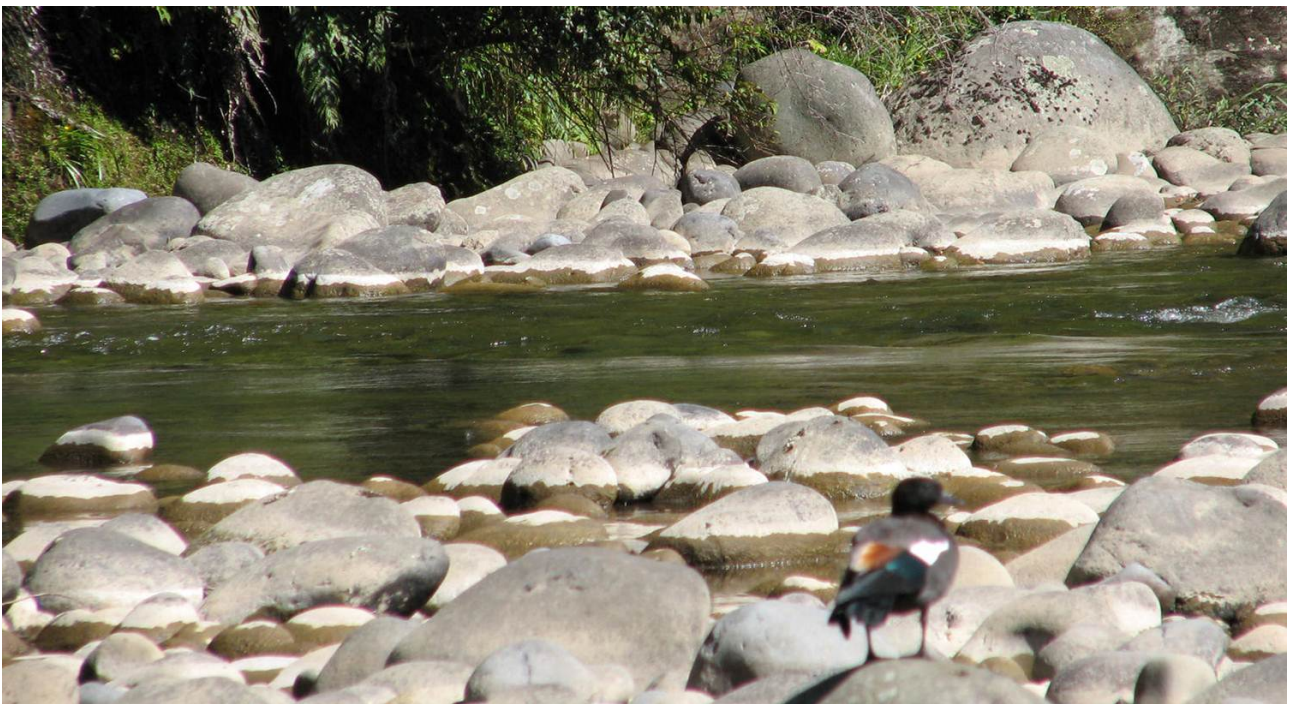
### Outcomes



*Safe, healthy communities*   *Thriving environment*   *Thriving economy*

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

- Headworks, 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.



## 2.1 Funding Impact Statement

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	3,183	3,277	3,423
Subsidies and grants for operating purposes	-	-	-
Fees and charges	288	295	293
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>3,471</b>	<b>3,572</b>	<b>3,716</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,858	1,903	2,048
Finance costs	266	304	240
Internal charges and overheads applied	217	114	196
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,341</b>	<b>2,382</b>	<b>2,484</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,130</b>	<b>1,190</b>	<b>1,232</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	16	17	16
Increase (decrease) in debt	883	1,161	1,146
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>899</b>	<b>1,178</b>	<b>1,162</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	5	9	9
- to improve the level of service	824	1,120	1,115
- to replace existing assets	1,043	1,080	1,075
Increase (decrease) in reserves	157	159	195
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,029</b>	<b>2,368</b>	<b>2,394</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,130)</b>	<b>(1,190)</b>	<b>(1,232)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



### 3 Wastewater (Sewerage) (page 30 LTP)

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 Section 23 of the Health Act 1956 to improve, promote and protect public health.

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

#### Outcomes



*Safe, healthy communities*



*Thriving environment*



*Thriving economy*

Council's wastewater assets consist of:

- 6 wastewater treatment plants
- 107 km of pipes
- 19 pump stations
- 1416 manholes
- 2844 rateable service connections



### 3.1 Funding Impact Statement

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	22	23	22
Targeted rates	2,219	2,406	2,395
Subsidies and grants for operating purposes	-	-	-
Fees and charges	91	94	93
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>2,332</b>	<b>2,523</b>	<b>2,510</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,238	1,268	1,369
Finance costs	105	122	82
Internal charges and overheads applied	181	276	235
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,524</b>	<b>1,666</b>	<b>1,686</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>808</b>	<b>857</b>	<b>824</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	32	33	32
Increase (decrease) in debt	768	137	309
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>800</b>	<b>170</b>	<b>341</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	92	56	56
- to improve the level of service	743	179	178
- to replace existing assets	249	259	557
Increase (decrease) in reserves	524	533	374
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,608</b>	<b>1,027</b>	<b>1,165</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(808)</b>	<b>(857)</b>	<b>(824)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 4 Stormwater and Flood Protection (page 34 LTP)

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.

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.

### Outcomes



*Safe, healthy communities*



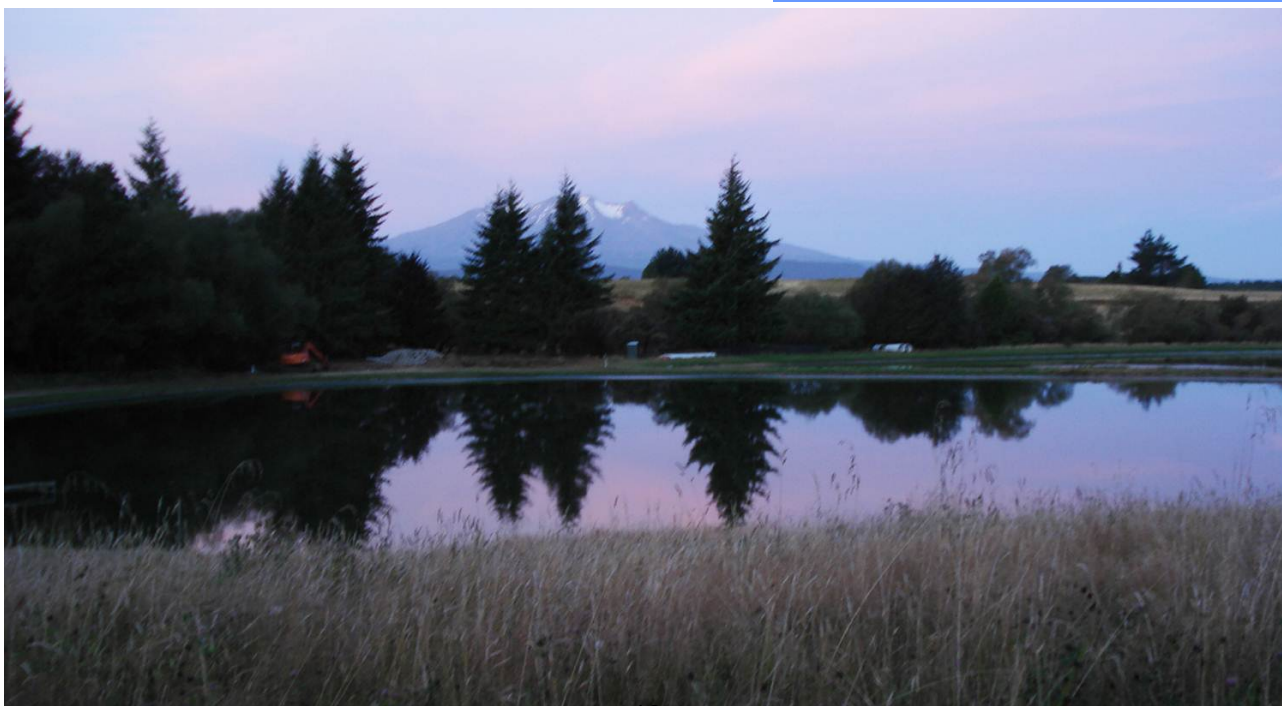
*Thriving environment*



*Thriving economy*

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 flow into stormwater systems. The greater the level of development in a catchment, the greater the level of impermeable surfaces, eg, roofs, driveways and paths, which results in a greater conversion of rainfall into 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.





## 4.1 Funding Impact Statement

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	435	432	447
Targeted rates	435	473	447
Subsidies and grants for operating purposes	-	-	-
Fees and charges	4	4	4
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>874</b>	<b>909</b>	<b>898</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	393	402	408
Finance costs	28	31	27
Internal charges and overheads applied	109	117	118
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>530</b>	<b>550</b>	<b>553</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>344</b>	<b>359</b>	<b>345</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	40	139	140
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>40</b>	<b>139</b>	<b>140</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	15	15
- to improve the level of service	62	148	147
- to replace existing assets	102	105	104
Increase (decrease) in reserves	220	230	219
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>384</b>	<b>498</b>	<b>485</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(344)</b>	<b>(359)</b>	<b>(345)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5 Solid Waste (page 38 LTP)

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

### 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 declined and consequently the volume of refuse landfilled within the Ruapehu District has increased. Over the last three financial years, we have sent an average of 3344 tonnes of waste to the landfill. This presents a significant challenge to the community as the resource consent for the Taumarunui Landfill expires in October 2020 and alternatives for waste disposal must be identified. Any alternative will be expensive; therefore, 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 (eg. composting).

### Outcomes

In 2018 Council reconfirmed its commitment to reducing waste to landfill through its Waste Management and Minimisation Plan. This commitment is also expressed in Council's Community Outcomes.



*Safe, healthy communities*



*Thriving environment*



*Thriving economy*



## 5.1 Funding Impact Statement

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	449	326	365
Targeted rates	770	675	682
Subsidies and grants for operating purposes	-	-	-
Fees and charges	696	713	731
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>1,915</b>	<b>1,714</b>	<b>1,778</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,548	1,587	1,669
Finance costs	19	29	11
Internal charges and overheads applied	326	58	78
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,893</b>	<b>1,674</b>	<b>1,758</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>22</b>	<b>40</b>	<b>20</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	375	87	106
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>375</b>	<b>87</b>	<b>106</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	185	56	56
- to improve the level of service	185	50	49
- to replace existing assets	27	21	21
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>397</b>	<b>127</b>	<b>126</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(22)</b>	<b>(40)</b>	<b>(20)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



## 6 Recreation and Community Facilities and Community Property (Page 42 LTP)

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

### Rationale

Under the Local Government Act, Council is required to “meet the current and future needs of communities for good quality local infrastructure and local public services in a way that is most cost-effective for households and businesses”. In performing its role, Council must “have particular regard to the contribution that core services make to its communities [including] libraries, reserves, and other recreational facilities and community amenities”.

The total value of the Recreation and Community Facilities portfolio is currently estimated to be \$11.6 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 \$17.3 million. It includes the Council administration and library buildings, social housing and others.

### Outcomes

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 outcomes.



*Safe, healthy communities   Vibrant and diverse living   Strong leadership and advocacy*



## 6.1 Funding Impact Statement

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	2,910	3,023	3,004
Targeted rates	-	-	-
Subsidies and grants for operating purposes	3	3	3
Fees and charges	452	461	461
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>3,365</b>	<b>3,487</b>	<b>3,468</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	2,664	2,684	2,744
Finance costs	71	127	64
Internal charges and overheads applied	326	341	353
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,061</b>	<b>3,152</b>	<b>3,161</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>304</b>	<b>335</b>	<b>307</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	965	1,475	1,037
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>965</b>	<b>1,475</b>	<b>1,037</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	584	1,451	958
- to improve the level of service	368	64	79
- to replace existing assets	205	223	223
Increase (decrease) in reserves	112	72	84
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,269</b>	<b>1,810</b>	<b>1,344</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(304)</b>	<b>(335)</b>	<b>(307)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 7 Community Support (page 51 LTP)

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

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

### Emergency Management (Civil Defence)



*Safe, healthy communities*

### Libraries



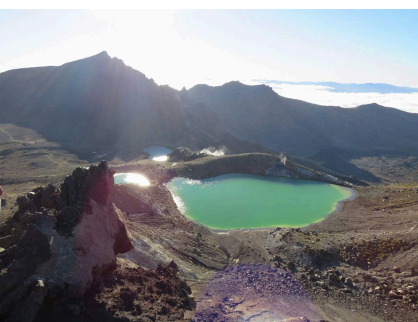
*Vibrant and diverse living*

### I – SITES



*Thriving environment*

### Regional Tourism Organisation



*Thriving economy*



*Thriving environment*



*Vibrant and diverse living*



## 7.1 Funding Impact Statement

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	2,280	2,603	2,643
Targeted rates	565	577	576
Subsidies and grants for operating purposes	-	-	-
Fees and charges	558	571	604
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>3,403</b>	<b>3,751</b>	<b>3,823</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	2,480	2,527	2,550
Finance costs	3	6	1
Internal charges and overheads applied	796	1,081	1,136
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,279</b>	<b>3,614</b>	<b>3,687</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>124</b>	<b>137</b>	<b>136</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	119	13	30
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>119</b>	<b>13</b>	<b>30</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	100	15	15
- to improve the level of service	25	15	27
- to replace existing assets	52	53	53
Increase (decrease) in reserves	66	67	71
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>243</b>	<b>150</b>	<b>166</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(124)</b>	<b>(137)</b>	<b>(136)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 8 Leadership (page 56 LTP)

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 in decision-making.
- Collaborate with other organisations to meet desired outcomes.
- Ensure prudent financial and asset stewardship in accordance with sound business practice, including periodically assessing the expected returns from any commercial activity and assessing risk.
- Provide for the present and future needs of the District by considering social, economic and cultural interests of the community and the need to maintain the environment for present and future generations.

The Leadership activity is divided into two key areas:

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

### Outcomes



*Strong leadership and advocacy*



*Vibrant and diverse living*



## 8.1 Funding Impact Statement

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	1,852	1,931	1,830
Targeted rates	343	351	350
Subsidies and grants for operating purposes	-	-	-
Fees and charges	(2)	(2)	1
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>2,193</b>	<b>2,280</b>	<b>2,181</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,757	1,823	1,711
Finance costs	-	-	-
Internal charges and overheads applied	434	455	470
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,191</b>	<b>2,278</b>	<b>2,181</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2</b>	<b>2</b>	<b>-</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	2	2	-
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2</b>	<b>2</b>	<b>-</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2)</b>	<b>(2)</b>	<b>-</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 9 Regulation (page 62 LTP)

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.

The Regulation group is made up of the following teams:

### Building services



*Safe, healthy communities*

### Environmental health and alcohol licencing



*Safe, healthy communities*

### Compliance

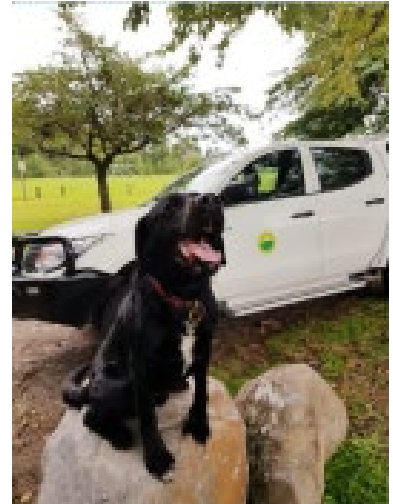


*Safe, healthy communities*

### Resource Management



*Safe, healthy communities* — *Thriving environment* — *Strong leadership and advocacy* — *Thriving economy*





## 9.1 Funding Impact Statement

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	1,708	1,799	1,782
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	880	886	984
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
<b>Total Operating Funding (A)</b>	<b>2,588</b>	<b>2,685</b>	<b>2,766</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,454	1,503	1,547
Finance costs	-	-	-
Internal charges and overheads applied	1,134	1,182	1,219
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,588</b>	<b>2,685</b>	<b>2,766</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	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- 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>-</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: FUNDING IMPACT STATEMENT

## Introduction

Council is required under Schedule 10(20) of the LGA to adopt a Funding Impact Statement. This Statement provides a summary of Council's funding sources over the ten year period, as well as the detailed rates requirement for the 2019/20 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.

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 2019.

## 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

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

<b>Category of Rates Remission</b>	<b>Value of Remission (including GST) \$</b>
Service Charge – Water	118,278
Service Charge – Wastewater	43,958
Service Charge – Solid Waste	30,891
General Rates	60,640
UAGC	394,528
Other	41,996
<b>Total</b>	<b>690,290</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 2019/20

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 2019/20 rating year. The second part outlines the proposed rates for the 2019/20 rating year.

Where a new rate is not proposed to be set in 2019/20 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.

Uniform or Fixed Rates will be applied according to the following principles:

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



- A motel/hotel complex will not be treated on the basis of the number of rooms, but on the basis of a motel/hotel being a commercial operation. The motel/hotel complex will attract one set of uniform charges. However, should a residential occupancy be contained within the complex, that would constitute an additional use. Each residential occupancy in the motel/hotel complex will attract uniform and fixed rates.
- Dwellings that are not fully self-contained will not attract additional uniform charges. 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 with other people. A kitchen is further defined to a room or area equipped with the intent for cooking.

## 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 Rating Information 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. 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))

<b>Land Transport Rate Differentials</b>		
<b>Differential</b>	<b>Basis</b>	<b>Basis</b>
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	200%

#### 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 Use 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 targeted rate to part fund Economic Development and the Regional Tourism Organisation, on the basis of a fixed amount assessed per SUIP of every rating unit that is advertised in any form as providing short term accommodation, except those rating units assessed in the 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 Cl 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. In this context, "are provided" means that the rating unit is within a water or sewerage supply area or an area serviced by kerbside collection and is liable for any of those rates.

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

### Stormwater Rating Areas

Taumarunui, Piriaka, Ohakune, Raetihi, 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)(a) and (4)(a) 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.

#### Pan Rate (Water Closet or Urinal)

Council has set a targeted rate assessed on any rating unit in the general use category as defined above that has more than two pans per SUIP and which is connected, either directly or indirectly, to any of the District's public sewerage systems.<sup>2</sup> The rate is assessed per pan.

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

<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 practicably serviceable in the opinion of Council.

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

## Water

### Water Rate

A targeted rate on the basis of an amount assessed on every SUIP that is connected or capable of connection<sup>3</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)(a) and Schedule 3(7))*

Water Differential Rates		
Differential	Description	Basis
General Use	All Rating Units/SUIPS other than those defined as Extraordinary Use	100%
Extraordinary Use	Rating Units/SUIPS 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.

## Due Dates for Payment of Rates

Council resolved that the rates for 2019/20 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 2020 are paid in full by 20 August 2019, 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	20 August 2019	23 August 2019
2	20 November 2019	25 November 2019
3	20 February 2020	25 February 2020
4	20 May 2020	25 May 2020

A further penalty of 10% will be added to any rates from previous years that remain unpaid on 1 July 2019. The penalty will be applied on 12 July 2019.

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



A further penalty of 10% will be added to any amount of rates to which a penalty has been added under paragraph (b) above that remain unpaid on 13 January 2020. The penalty will be added on 13 January 2020.

Council delegates authority to the Financial Controller, 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 2019/20

Please note all rates Inclusive GST.

Rate	Basis of Assessment	Differential (as per LG(R)A schedule 2	Rates 2019/20	
			Rate GST incl.	Total Rate GST incl.
<b>GENERAL RATES</b>				
<b>Uniform Annual General Charge</b>	Per SUIP <sup>4</sup>	-	\$620.82	\$5,407,032
General Rate – General Differential	Capital Value	1 & 8	\$0.00203748	\$7,607,184
General Rate – Hydro Electrical Differential	Capital Value	1 & 8	\$0.00123811	\$377,141
General Rate – Defence Land	Land Value	1	\$0.00073449	\$151,599
<b>TARGETED RATES</b>				
<b>Land Transport</b>				
General	Capital Value	1	\$0.00109925	\$4,005,486
Hydro Electrical	Capital Value	1 & 8	\$0.00066791	\$203,452
Forestry	Capital Value	1	\$0.00218988	\$196,635
<b>Kaha and Tau Street Resealing</b>	Per rating unit		\$124	\$3,968
<b>Solid Waste</b>				
<b>Solid Waste - Kerbside Collection</b>				
Residential	Per SUIP	1	\$81.61	\$342,109
Commercial	Per SUIP	1	\$41.42	\$22,035
<b>Solid Waste Charge</b>	Per SUIP	-	\$48.22	\$419,924
<b>Stormwater - Flood Protection</b>				
Stormwater/Flood Protection Urban	Per SUIP		\$90.60	\$513,974
<b>Wastewater</b>				
<b>District Wide Sewerage Rate</b>				
General use (Inclusive of 2 pans)	Per SUIP	1 & 5	\$514.39	\$2,367,223
School use	Per Pan	1 & 5	\$154.32	\$36,882
<b>District Wide Additional Pan Rate</b>				
<b>General Use</b> Per pan in excess of 2 pans per SUIP	Per Pan	-	\$257.20	\$375,512
<b>Water</b>				
<b>District Wide Water Rate</b>				
Connected or capable of connection	Per SUIP	1	\$701.95	\$3,905,299
Extra-Ordinary	Per SUIP	1	\$842.34	\$31,167
<b>Economic Development Rates</b>				
Economic Development Rate	Per SUIP	-	\$64.61	\$562,656
Economic Development Commercial Rate	Capital Value	-	\$0.00170567	\$426,041
Non-Commercial Visitor Accommodation Targeted Rate	Per SUIP	-	\$200	\$76,400

<sup>4</sup> Separately Used or Inhabited Part of a rating unit

## Rating Examples

<b>Commercial</b>	<b>Capital Value</b>	<b>\$ Change in Rates</b>	<b>% Change</b>
Kakahi	72,000	1	0.1%
National Park	255,000	99	3.1%
National Park	285,000	145	3.0%
National Park	120,000	88	3.5%
Ohakune	205,000	75	2.8%
Ohakune	350,000	105	2.9%
Ohakune	115,500	88	3.5%
Ohura	60,000	46	2.9%
Owhango	100,000	154	2.6%
Owhango	250,000	63	2.4%
Pipiriki	179,500	75	2.5%
Raetihi	149,000	89	3.3%
Raetihi	450,000	158	3.3%
Raetihi	102,000	85	3.4%
Rangataua	200,000	45	2.2%
Taumarunui	142,000	89	3.3%
Taumarunui	270,000	106	2.0%
Taumarunui	69,000	83	3.5%
Waiouru	250,000	265	6.1%
Waiouru	870,000	163	2.3%
Waiouru	160,000	92	3.4%

<b>Residential</b>	<b>Capital Value</b>	<b>\$ Change in Rates</b>	<b>% Change</b>
Kakahi	69,000	0	0.0%
Kakahi	150,000	6	0.4%
National Park	220,000	95	3.6%
National Park	280,000	299	10.6%
National Park	275,000	99	3.5%
National Park	185,000	92	3.6%
Ohakune	215,000	92	3.4%
Ohakune	285,000	97	3.3%
Ohakune	140,000	93	3.7%
Ohakune	190,000	290	11.0%
Ohura	75,000	47	2.9%
Ohura	110,000	50	2.9%
Ohura	40,000	45	2.9%
Owhango	144,000	56	2.8%
Owhango	250,000	62	2.7%
Owhango	60,000	54	2.8%
Pipiriki	96,000	38	2.5%
Pipiriki	143,000	42	2.5%
Pipiriki	89,000	38	2.5%
Raetihi	115,000	85	3.5%
Raetihi	141,000	87	3.5%
Raetihi	78,000	82	3.6%
Rangataua	165,000	42	2.2%
Rangataua	220,000	46	2.2%
Rangataua	95,000	40	2.5%

Taumarunui	115,000	85	3.5%
Taumarunui	160,000	88	3.5%
Taumarunui	81,000	82	3.6%
Waiouru	149,000	171	7.1%
Waiouru	190,000	174	6.8%
Waiouru	128,000	170	7.2%

<b>Rural</b>	<b>Capital Value</b>	<b>\$ Change in Rates</b>	<b>% Change</b>
Kakahi	940,000	65	1.8%
Kakahi	4,990,000	400	2.2%
Kakahi	870,000	60	1.8%
National Park	380,000	24	1.2%
National Park	770,000	57	2.4%
National Park	175,000	9	0.7%
Ohakune	1,427,000	147	2.5%
Ohakune	2,490,000	179	2.1%
Ohakune	721,000	49	1.7%
Ohura	920,000	63	1.8%
Ohura	2,840,000	73	0.8%
Ohura	268,000	61	2.8%
Owhango	1,250,000	134	2.6%
Owhango	2,282,000	205	2.2%
Owhango	710,000	44	1.2%
Pipiriki	550,000	36	1.5%
Pipiriki	2,360,000	169	2.1%
Pipiriki	265,000	15	1.0%
Raetihi	820,000	137	2.1%
Raetihi	1,920,000	385	2.3%
Rangataua	372,000	27	2.4%
Rangataua	710,000	48	1.6%
Rangataua	2,470,000	169	1.7%
Taumarunui	590,000	39	1.5%
Taumarunui	581,000	38	1.5%
Taumarunui	1,065,000	206	5.3%
Waiouru	250,000	13	0.7%
Waiouru	505,000	51	1.7%
Waiouru	1,171,000	82	1.9%



## Rating Base Information

District numbers at 21 May 2019. Based on previous increases it is not expected that this number will change before 30 June 2019.

Number of rating units (gross)	Total capital value of rating units (gross)	Total land value of rating units (gross)
9675	4,596,494,650	2,512,440,600

## Benchmarks

Benchmark	Quantified Limit	Planned	Met
Rates affordability - Income	23,660	23,506	Yes
Rates affordability - Increase	4.20%	3.52%	Yes
Debt affordability	47,009	30,133	Yes
Balanced budget	100%	114%	Yes
Essential services	100%	154%	Yes
Debt servicing	10.00%	2.95%	Yes



# SECTION 3: FINANCIAL STATEMENTS

## Statement of Comprehensive Revenue and Expense

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Revenue</b>			
Rates	22,706	23,562	23,506
Subsidies and grants	13,519	14,792	15,032
Other Revenue	3,307	3,371	3,517
Finance revenue	30	31	31
<b>Total operating revenue</b>	<b>39,562</b>	<b>41,756</b>	<b>42,086</b>
<b>Expenditure</b>			
Depreciation and amortisation expense	8,654	9,070	8,912
Personnel costs	5,195	5,294	5,434
Finance costs	1,384	1,517	1,243
Other expenses	20,439	20,906	21,369
<b>Total operating expenditure</b>	<b>35,672</b>	<b>36,787</b>	<b>36,958</b>
<b>Operating surplus (deficit) before tax</b>	<b>3,890</b>	<b>4,969</b>	<b>5,128</b>
<b>Income Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating surplus (deficit) after tax</b>	<b>3,890</b>	<b>4,969</b>	<b>5,128</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	7,057	8,836	7,378
<b>Total other comprehensive revenue and expense</b>	<b>7,057</b>	<b>8,836</b>	<b>7,378</b>
<b>Total comprehensive revenue and expense</b>	<b>10,947</b>	<b>13,805</b>	<b>12,506</b>



## Statement of Changes in Equity

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
Equity balance at 1 July	359,906	370,853	373,063
Comprehensive income for year	10,947	13,805	12,506
<b>Equity Balance 30 June</b>	<b>370,853</b>	<b>384,658</b>	<b>385,569</b>
<b>Components of Equity</b>			
Retained Earnings at 1 July	265,942	269,884	270,867
Net Surplus / (deficit)	3,890	4,969	5,128
Retained earnings 30 June	269,832	274,853	275,995
Asset Revaluation Reserves at 1 July	93,964	100,969	102,196
Revaluation Gains	7,057	8,836	7,378
Revaluation Reserves 30 June	101,021	109,805	109,574
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>370,853</b>	<b>384,658</b>	<b>385,569</b>





## Statement of Financial Position

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	1,795	1,795	2,252
Debtors and other receivables	2,977	2,977	3,156
Prepayments & Accrued Income	1,138	1,138	1,182
Inventory	197	197	269
Investment Funds	506	506	639
<b>Total Current Assets</b>	<b>6,613</b>	<b>6,613</b>	<b>7,498</b>
<b>Non-Current Assets</b>			
Plant, property and equipment	396,211	414,051	411,682
Intangible assets	362	362	335
Investment Property	2,434	2,488	2,830
Forestry assets	-	-	-
Other financial assets			
Investment in CCOs and other similar entities	26	26	32
Other Financial Assets Term	110	110	665
<b>Total Non-Current Assets</b>	<b>399,143</b>	<b>417,037</b>	<b>415,544</b>
<b>TOTAL ASSETS</b>	<b>405,756</b>	<b>423,650</b>	<b>423,042</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Creditors and other Payables	3,729	3,728	5,699
Employee entitlements	537	537	547
Income in advance	886	886	906
Borrowings	5,300	5,300	6,000
<b>Total Current Liabilities</b>	<b>10,452</b>	<b>10,451</b>	<b>13,152</b>
<b>Non-Current Liabilities</b>			
Provisions	184	184	188
Borrowings	24,267	28,357	24,133
<b>Total Non-Current Liabilities</b>	<b>24,451</b>	<b>28,541</b>	<b>24,321</b>
<b>TOTAL LIABILITIES</b>	<b>34,903</b>	<b>38,992</b>	<b>37,473</b>
<b>EQUITY</b>			
Retained Earnings	269,832	274,853	275,995
Asset Revaluation Reserves	101,021	109,805	109,574
Special Funded Reserves	-	-	-
Trust Funds	-	-	-
<b>TOTAL EQUITY</b>	<b>370,853</b>	<b>384,658</b>	<b>385,569</b>

## Cash Flow Statement

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Cash flows from operating activities</b>			
Receipts from rates revenue	22,706	23,562	23,506
Receipts from other revenue	16,761	18,096	18,485
Interest received	30	31	31
Development Contributions	65	67	65
Payments to suppliers and employees	(25,633)	(26,201)	(26,804)
Interest paid	(1,384)	(1,517)	(1,243)
<b>Net Cashflow from Operating Activity</b>	<b>12,545</b>	<b>14,038</b>	<b>14,040</b>
Receipts from sale of property, plant and equipment	-	-	-
Receipts from sale of investments	-	-	-
Acquisition of investments	-	-	-
Purchases of property, plant and equipment	(16,312)	(18,127)	(17,819)
	-	-	-
<b>Net Cashflow from Investing Activity</b>	<b>(16,312)</b>	<b>(18,127)</b>	<b>(17,819)</b>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings	3,767	4,089	3,779
Repayment of borrowings	-	-	-
<b>Net Cashflow from Financing Activity</b>	<b>3,767</b>	<b>4,089</b>	<b>3,779</b>
Net Increase (decrease) in Cash Held	-	-	-
Add Opening Cash brought forward	1,795	1,795	2,252
<b>Closing Cash Balance</b>	<b>1,795</b>	<b>1,795</b>	<b>2,252</b>
Closing Balance made up of Cash and Cash Equivalents	1,795	1,795	2,252

## Funding Impact Statement (Whole of Council)

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charge, rates penalties	11,298	11,782	11,740
Targeted rates	11,408	11,780	11,766
Subsidies and grants for operating purposes	6,175	6,302	6,375
Fees and charges	3,106	3,165	3,314
Interest and dividends from investments	30	31	31
Local authorities fuel tax, fines, infringement fees, and other receipts	136	139	139
<b>Total Operating Funding (A)</b>	<b>32,153</b>	<b>33,199</b>	<b>33,365</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	25,633	26,201	26,804
Finance costs	1,384	1,517	1,243
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>27,017</b>	<b>27,718</b>	<b>28,047</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>5,136</b>	<b>5,481</b>	<b>5,318</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	7,344	8,490	8,657
Development and financial contributions	65	67	65
Increase (decrease) in debt	3,767	4,089	3,779
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>11,176</b>	<b>12,646</b>	<b>12,501</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	1,795	2,275	1,388
- to improve the level of service	4,279	4,174	4,447
- to replace existing assets	10,238	11,678	11,984
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>16,312</b>	<b>18,127</b>	<b>17,819</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(5,136)</b>	<b>(5,481)</b>	<b>(5,318)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Cost of Support Funding Impact Statement

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	(27)	(77)	(22)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	14	14	14
Internal charges and overheads recovered	3,940	4,118	4,252
Local authorities fuel tax, fines, infringement fees, and other receipts	30	31	31
<b>Total Operating Funding (A)</b>	<b>3,957</b>	<b>4,086</b>	<b>4,275</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	2,931	2,993	3,266
Finance costs	246	205	238
Internal charges and overheads applied	129	131	133
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,306</b>	<b>3,329</b>	<b>3,637</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>651</b>	<b>757</b>	<b>638</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
increase (decrease) in debt	(550)	(759)	(660)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(550)</b>	<b>(759)</b>	<b>(660)</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	610	281	281
- to improve the level of service	15	307	306
- to replace existing assets	556	473	475
Increase (decrease) in reserves	(1,080)	(1,063)	(1,084)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>101</b>	<b>(2)</b>	<b>(22)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(651)</b>	<b>(757)</b>	<b>(638)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Reconciliation of Funding Impact Statement to Comprehensive Income

	LTP 2018/19 \$000	LTP 2019/20 \$000	Annual Plan 2019/20 \$000
<b>Income</b>			
<b>Prospective Statement of Comprehensive Income</b>	<b>39,562</b>	<b>41,756</b>	<b>42,086</b>
<b>Summary Funding Impact Statement</b>			
Total Operating Funding	32,153	33,199	33,365
<b>Add Sources of Capital Funding</b>			
Sources of capital funding	7,344	8,490	8,657
Development and financial contributions	65	67	65
<b>Total Revenue</b>	<b>39,562</b>	<b>41,756</b>	<b>42,087</b>
<b>Expenditure</b>			
<b>Prospective Statement of Comprehensive Income</b>			
<b>Operating Expenditure</b>	<b>35,672</b>	<b>36,787</b>	<b>36,958</b>
<b>Summary Funding Impact Statement</b>			
Total applications of operating funding	27,018	27,717	28,045
Add Depreciation and Amortisation Expense	8,654	9,070	8,912
<b>Total Expenditure</b>	<b>35,672</b>	<b>36,787</b>	<b>36,957</b>

