

2020/2021 Annual Plan



We are.
Ruapehu.



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INTRODUCTION

MESSAGE FROM THE MAYOR

I am pleased to present the 2020/2021 Annual Plan on behalf of Ruapehu District Council.

A significant consideration for Council with this Annual Plan was in how to respond to the impact of COVID-19 on our economy and communities.

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

Ultimately Council has adopted an average 3.5% rate increase for the coming financial year which is below the 4.03% forecast in the Long Term Plan (LTP) but on target with the yearly ten year projection of 3.5%.

In adopting the 3.5% average rate increase Council considered calls for territorial authorities to have a zero percent rate rise due to the social and economic impacts of COVID-19 on their ratepayers.

Council does not have reserves or alternative income streams to rates and if rate income was to stop so would Council's spending on essential services necessary to keep our communities healthy, safe and operating.

As Council has a policy of spending local rates locally this would have an immediate impact on our local economy and communities with the result that our COVID-19 recovery would be slower and more painful.

Strategically the short albeit severe impact of COVID-19 does not change the necessity to upgrade our core infrastructure due to the need for renewal or to meet government legislated requirements.

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

Just over half of 3.5% is toward the upgrading of the Ohakune Water Treatment Plant, renewal of the water main along Hakiaha St and water and wastewater pipes on Hospital Hill in Taumarunui.

The remainder is going toward 'business as usual' projects, maintaining services and inflation adjustments.

Council consulted on additional funding requirements and the ability to start these three water projects earlier as a matter of urgency at the end of last year (2019) meaning we did not need to consult on the Annual Plan.

The \$5m cost of the Ohakune Water Treatment Plant upgrade will benefit from a \$4m in government funding. As per our commitment in the Long Term Plan we are continuing to work toward obtaining government funding in support of other water and capital projects.

This year will see implementation of major stages of the Waste Management and Minimisation Plan (WMMP) that was adopted in December 2018.

This includes the closure of the district Landfill in Taumarunui and introduction of the kerbside collection of food scraps and other kitchen organics that will be composted at a new large scale composting facility to be built at the Taumarunui Transfer Station site.

With the closure of the Landfill all residual waste will be trucked out of the district to the Hampton Downs Landfill south of Auckland.

The introduction of food scrap/kitchen organics collection is a key tactic in diverting compostable material which currently makes up over 50% of kerbside refuse from landfill and the need to truck it to Hampton Downs.

Council will be undertaking a major communications program to inform and educate the community on these changes to solid waste services.

Overall, we have the usual cost challenges and achieving the 3.5% has required Council to closely review all our activities and budgets.

Our projected debt level at \$33.4m will be \$2.8m under the \$36.2m forecast in the LTP with our debt servicing costs benefiting from lower interest rates from joining the Local Government Funding Agency (LGFA).

Council staff have been working with local partners and government on post COVID-19 recovery.

This has seen Council submit over \$150m in 'shovel ready' projects to the Crown Infrastructure Projects Fund and successfully apply for \$1.3m from the Provincial Growth Fund toward immediate projects to help provide training and employment for local workers displaced by COVID-19.

While Council is committed to doing all we can to assist Ruapehu recover and prosper from the impact of COVID-19 the demands of responding to government funding and other opportunities is putting pressure on Council staff who are now also needing to refocus on 'business as usual' activities.

Council elected members are working well together backed by a high performing management team and staff with support from the wider community.

We have demonstrated that despite the uncertainty and unknowns related to COVID-19, government legislation and direction, and other impacts such as climate change, Council is well positioned to adapt as and when required and respond to opportunities and issues as they arise.

Over the course of the year Council will be communicating on a regular basis on all its activities and any major issues or concerns to ratepayers and other residents.

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



Don Cameron
Mayor JP

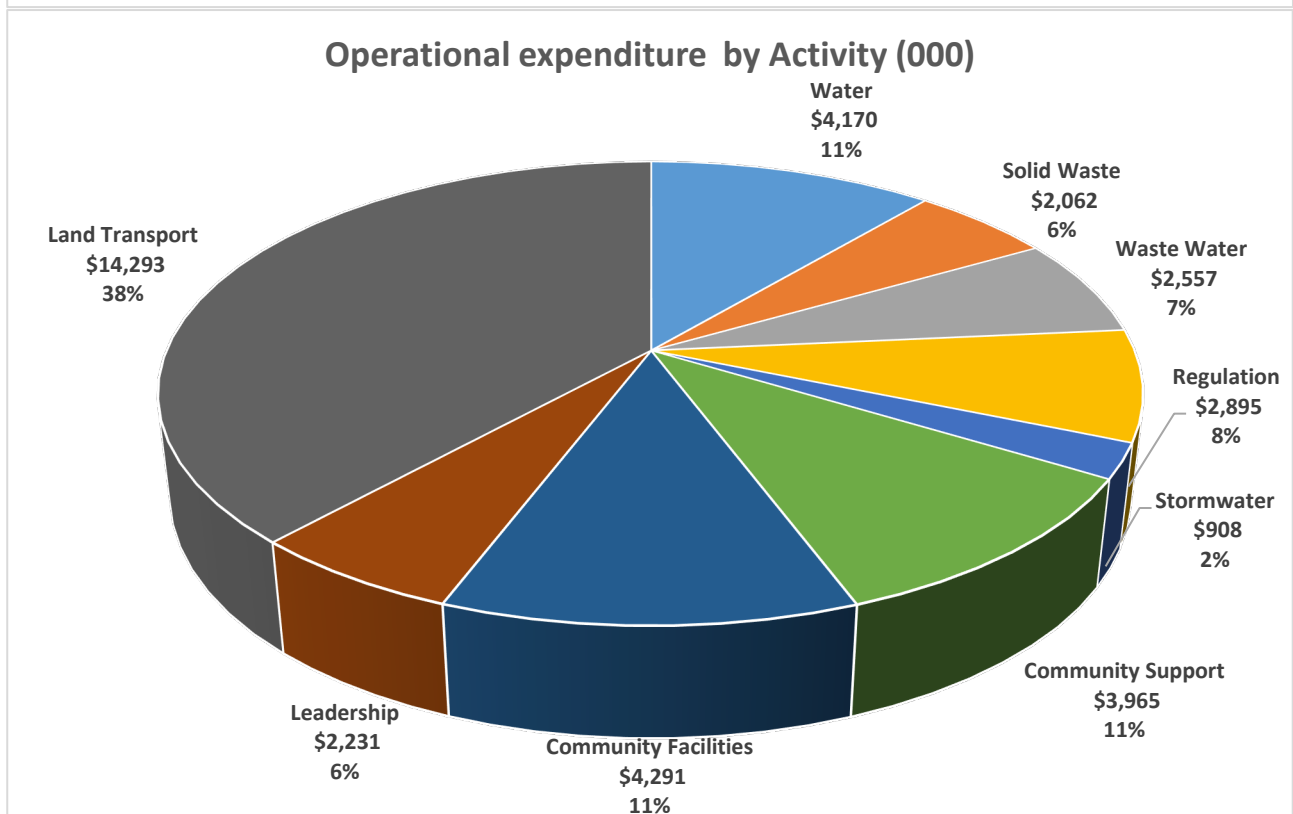
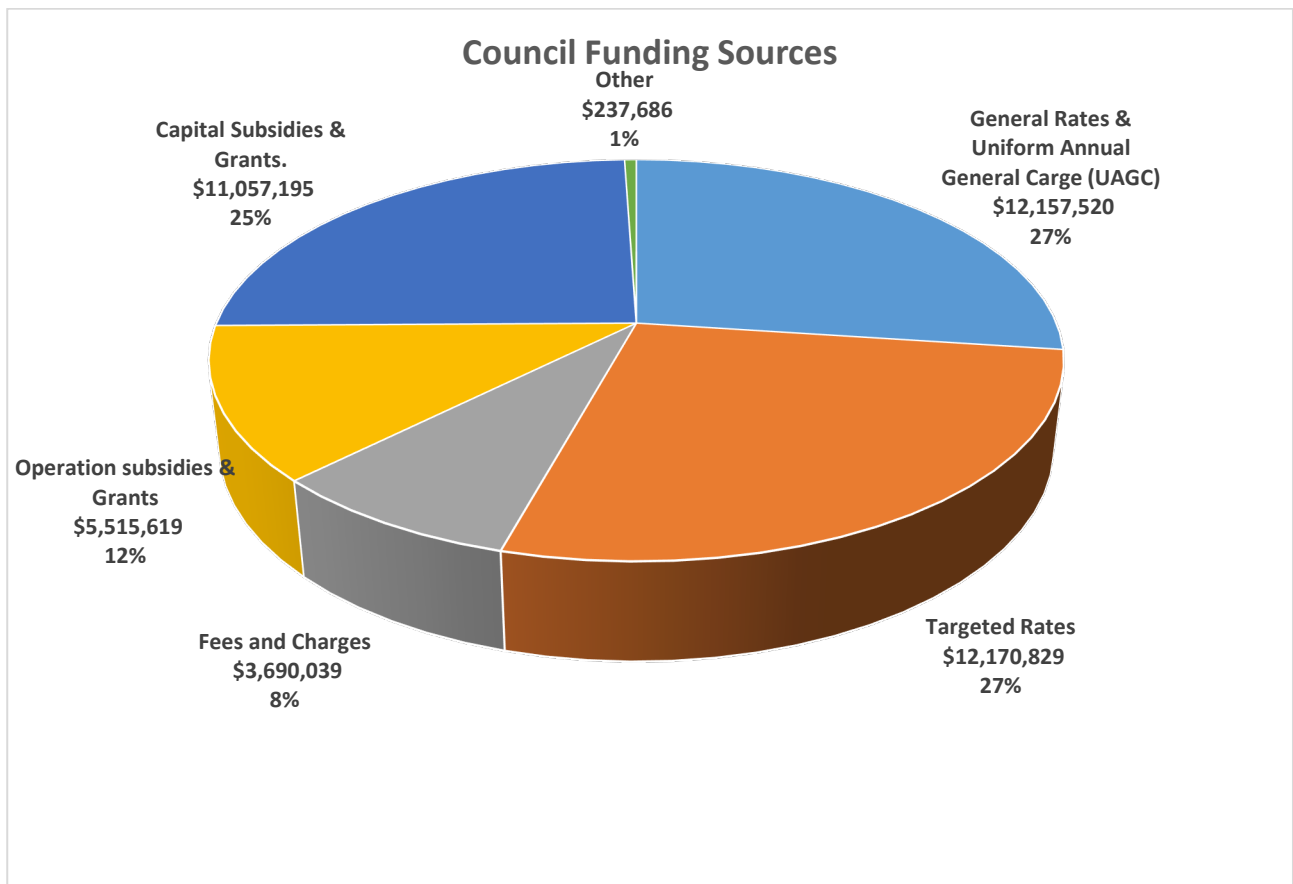


Clive Manley
Chief Executive



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 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	1,722	1,814	1,593
Targeted rates	4,019	4,234	3,716
Subsidies and grants for operating purposes	6,299	6,458	5,512
Fees and charges	129	132	131
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	139	142	141
Total Operating Funding (A)	12,308	12,780	11,093
Applications of Operating Funding			
Payments to staff and suppliers	9,509	9,714	8,542
Finance costs	693	676	383
Internal charges and overheads applied	303	316	301
Other operating funding applications	-	-	-
Total applications of operating funding (B)	10,505	10,706	9,226
Surplus (deficit) of operating funding (A-B)	1,803	2,074	1,867
Sources of capital funding			
Subsidies and grants for capital expenditure	8,490	7,309	7,057
Development and financial contributions	17	17	16
Increase (decrease) in debt	1,836	727	878
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	10,343	8,053	7,951
Applications of capital funding			
Capital expenditure			
- to meet additional demand	392	-	50
- to improve the level of service	2,291	1,987	1,928
- to replace existing assets	9,463	8,140	7,710
Increase (decrease) in reserves	-	-	130
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	12,146	10,127	9,818
Surplus (deficit) of capital funding (C-D)	(1,803)	(2,074)	(1,867)
Funding Balance ((A-B)+(C-D))	-	-	-

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.

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

Outcomes



Safe, healthy communities Thriving environment Thriving economy



2.1 Funding Impact Statement

Water Supply	LTP 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	3,277	3,378	3,838
Subsidies and grants for operating purposes	-	-	-
Fees and charges	295	302	299
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	3,572	3,680	4,137
Applications of Operating Funding			
Payments to staff and suppliers	1,903	2,052	2,442
Finance costs	304	310	195
Internal charges and overheads applied	175	118	188
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,382	2,480	2,825
Surplus (deficit) of operating funding (A-B)	1,190	1,200	1,312
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	4,000
Development and financial contributions	17	17	16
Increase (decrease) in debt	1,161	603	3,226
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	1,178	620	7,242
Applications of capital funding			
Capital expenditure			
- to meet additional demand	9	-	6,650
- to improve the level of service	1,120	565	561
- to replace existing assets	1,080	1,125	1,116
Increase (decrease) in reserves	159	130	227
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	2,368	1,820	8,554
Surplus (deficit) of capital funding (C-D)	(1,190)	(1,200)	(1,312)
Funding Balance ((A-B)+(C-D))	-	-	-

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 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	23	23	19
Targeted rates	2,406	2,270	2,407
Subsidies and grants for operating purposes	-	-	-
Fees and charges	94	96	100
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	2,523	2,389	2,526
Applications of Operating Funding			
Payments to staff and suppliers	1,268	1,296	1,483
Finance costs	122	122	58
Internal charges and overheads applied	276	118	188
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,666	1,536	1,729
Surplus (deficit) of operating funding (A-B)	857	853	797
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	33	34	32
Increase (decrease) in debt	137	429	468
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	170	463	500
Applications of capital funding			
Capital expenditure			
- to meet additional demand	56	21	20
- to improve the level of service	179	512	508
- to replace existing assets	259	262	259
Increase (decrease) in reserves	533	521	510
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,027	1,316	1,297
Surplus (deficit) of capital funding (C-D)	(857)	(853)	(797)
Funding Balance ((A-B)+(C-D))	-	-	-

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



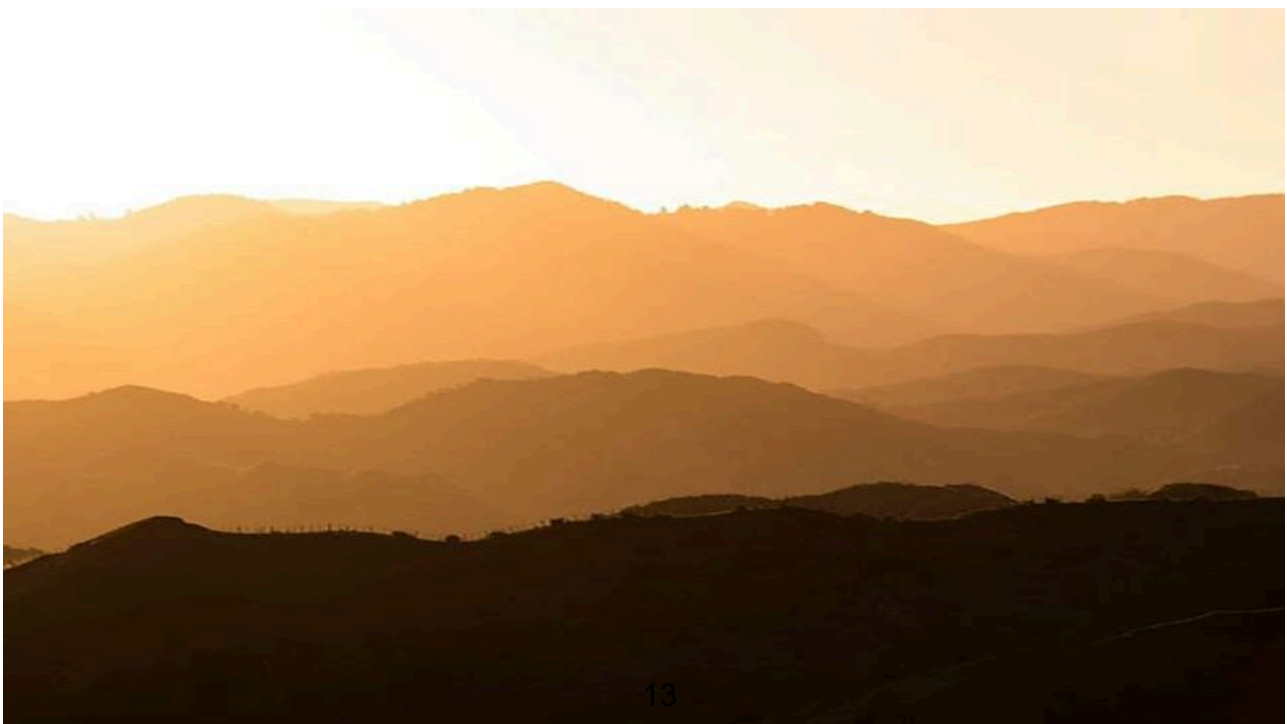
Thriving environment



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 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	432	443	449
Targeted rates	473	443	449
Subsidies and grants for operating purposes	-	-	-
Fees and charges	4	4	4
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	909	890	902
Applications of Operating Funding			
Payments to staff and suppliers	402	412	446
Finance costs	31	42	24
Internal charges and overheads applied	117	79	94
Other operating funding applications	-	-	-
Total applications of operating funding (B)	550	533	564
Surplus (deficit) of operating funding (A-B)	359	357	338
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	139	524	527
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	139	524	527
Applications of capital funding			
Capital expenditure			
- to meet additional demand	15	32	31
- to improve the level of service	148	521	517
- to replace existing assets	105	107	106
Increase (decrease) in reserves	230	221	211
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	498	881	865
Surplus (deficit) of capital funding (C-D)	(359)	(357)	(338)
Funding Balance ((A-B)+(C-D))	-	-	-

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 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	326	320	360
Targeted rates	675	685	851
Subsidies and grants for operating purposes	-	-	-
Fees and charges	713	746	840
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	1,714	1,751	2,051
Applications of Operating Funding			
Payments to staff and suppliers	1,587	1,636	1,966
Finance costs	29	29	7
Internal charges and overheads applied	58	39	56
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,674	1,704	2,029
Surplus (deficit) of operating funding (A-B)	40	47	22
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	87	68	86
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	87	68	86
Applications of capital funding			
Capital expenditure			
- to meet additional demand	56	42	42
- to improve the level of service	50	52	52
- to replace existing assets	21	10	10
Increase (decrease) in reserves	-	11	4
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	127	115	108
Surplus (deficit) of capital funding (C-D)	(40)	(47)	(22)
Funding Balance ((A-B)+(C-D))	-	-	-

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 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	3,023	3,210	3,256
Targeted rates	-	-	-
Subsidies and grants for operating purposes	3	3	3
Fees and charges	461	471	490
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	3,487	3,684	3,749
Applications of Operating Funding			
Payments to staff and suppliers	2,684	2,786	3,033
Finance costs	127	177	49
Internal charges and overheads applied	341	355	339
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,152	3,318	3,421
Surplus (deficit) of operating funding (A-B)	335	366	328
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,475	1,455	1,610
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	1,475	1,455	1,610
Applications of capital funding			
Capital expenditure			
- to meet additional demand	1,451	1,159	1,154
- to improve the level of service	64	348	453
- to replace existing assets	223	140	67
Increase (decrease) in reserves	72	174	264
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,810	1,821	1,938
Surplus (deficit) of capital funding (C-D)	(335)	(366)	(328)
Funding Balance ((A-B)+(C-D))	-	-	-

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)**
- **Libraries**
- **I – SITES**
- **Regional Tourism Organisation**



7.1 Funding Impact Statement

	LTP 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	2,603	2,968	2,671
Targeted rates	577	590	588
Subsidies and grants for operating purposes	-	-	-
Fees and charges	571	584	684
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	3,751	4,142	3,943
Applications of Operating Funding			
Payments to staff and suppliers	2,527	2,575	2,640
Finance costs	6	6	1
Internal charges and overheads applied	1,081	1,420	1,167
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,614	4,001	3,808
Surplus (deficit) of operating funding (A-B)	137	141	135
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	13	32	68
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	13	32	68
Applications of capital funding			
Capital expenditure			
- to meet additional demand	15	-	-
- to improve the level of service	15	16	44
- to replace existing assets	53	91	90
Increase (decrease) in reserves	67	66	69
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	150	173	203
Surplus (deficit) of capital funding (C-D)	(137)	(141)	(135)
Funding Balance ((A-B)+(C-D))	-	-	-

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



8.1 Funding Impact Statement

	LTP 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	1,931	2,004	1,888
Targeted rates	351	358	331
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	-	-	-
Total Operating Funding (A)	2,280	2,360	2,220
Applications of Operating Funding			
Payments to staff and suppliers	1,823	1,885	1,767
Finance costs	-	-	-
Internal charges and overheads applied	455	473	452
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,278	2,358	2,219
Surplus (deficit) of operating funding (A-B)	2	2	1
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	2	2	1
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	2	2	1
Surplus (deficit) of capital funding (C-D)	(2)	(2)	(1)
Funding Balance ((A-B)+(C-D))	-	-	-

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**
- **Environmental health and alcohol licencing**
- **Compliance**
- **Resource Management**



9.1 Funding Impact Statement

	LTP 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	1,799	1,830	1,902
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	886	905	976
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	2,685	2,735	2,878
Applications of Operating Funding			
Payments to staff and suppliers	1,503	1,510	1,705
Finance costs	-	-	-
Internal charges and overheads applied	1,182	1,225	1,174
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,685	2,735	2,879
Surplus (deficit) of operating funding (A-B)	-	-	(1)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	(1)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	(1)
Surplus (deficit) of capital funding (C-D)	-	-	1
Funding Balance ((A-B)+(C-D))	-	-	-

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 2020/21 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 2020.

Objectives and Measures

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

Rates Remission and Postponement

Remissions

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

- Charges on Contiguous Properties
- Charges on Non-Contiguous Properties
- Uninhabitable dwellings or properties affected by natural disasters
- Remissions for Clubs and Societies
- Remissions for Community Organisations
- Remissions for New Subdivisions
- Remissions of Rates on Land-locked Land
- Remission of Penalties
- Remission for Council Properties
- Remissions for Extreme Financial Hardship

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

Category of Rates Remission	Value of Remission (including GST) \$
Service Charge – Water	146,687
Service Charge – Wastewater	54,789
Service Charge – Solid Waste	572
General Rates	42,221
UAGC	370,418
Other	80,483
Total	695,170

Postponement

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

Legislative Requirements

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

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

Proposed Rates for 2020/21

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 2020/21 rating year. The second part outlines the proposed rates for the 2020/21 rating year.

Where a new rate is not proposed to be set in 2020/21 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))

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

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

Stormwater & Flood Protection Rates

A targeted rate set on the basis of a fixed amount assessed on every SUIP within the following urban communities to which stormwater and flood protection services are provided to fund these services. In this context, "are provided" means that the rating unit is within a water or sewerage supply area 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 connection¹, either directly or indirectly, to any of the District's public sewerage systems as follows.

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

(Refer Local Government (Rating) Act 2002, Section 16(3)(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.² 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))

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

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

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

Water

Water Rate

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

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

Water Rates		
Differential	Description	Basis
General Use	All Rating Units/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.

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 2020/21 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 2020, 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 2020	25 August 2020
2	20 November 2020	25 November 2020
3	22 February 2021	25 February 2021

³ 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 rates from previous years that remain unpaid on 1 July 2020. The penalty will be applied on 10 July 2020.

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 2021. The penalty will be added on 13 January 2021.

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.



Schedule of Rates for 2020/21

Please note all rates Inclusive GST.

Rate	Basis of Assessment	Differential (as per LG(R)A schedule 2	Rates 2020/21	
			Rate GST incl.	Total Rate GST incl.
GENERAL RATES				
Uniform Annual General Charge	Per SUIP ⁴	-	\$628.69	\$5,499,145
General Rate – General Differential	Capital Value	1 & 8	\$0.00210771	\$7,944,811
General Rate – Hydro Electrical Differential	Capital Value	1 & 8	\$0.00128120	\$390,266
General Rate – Defence Land	Land Value	1	\$0.00074493	\$153,753
TARGETED RATES				
Land Transport				
General	Capital Value	1	\$0.00104628	\$3,849,818
Hydro Electrical	Capital Value	1 & 8	\$0.00063594	\$193,714
Forestry	Capital Value	1	\$0.00208505	\$187,399
Kaha and Tau Street Resealing	Per rating unit		\$124	\$3,974
Solid Waste				
Solid Waste - Kerbside Collection				
Residential	Per SUIP	1	\$126.07	\$530,504
Commercial	Per SUIP	1	\$63.85	\$33,968
Solid Waste Charge	Per SUIP	-	\$47.36	\$414,215
Stormwater - Flood Protection				
Stormwater/Flood Protection Urban	Per SUIP		\$90.95	\$516,761
Wastewater				
District Wide Sewerage Rate				
General use (Inclusive of 2 pans)	Per SUIP	1 & 5	\$514.48	\$2,382,536
School use	Per Pan	1 & 5	\$154.34	\$36,888
District Wide Additional Pan Rate				
General Use Per pan in excess of 2 pans per SUIP	Per Pan	-	\$257.24	\$370,422
Water				
District Wide Water Rate				
Connected or capable of connection	Per SUIP	1	\$772.05	\$4,379,069
Extra-Ordinary	Per SUIP	1	\$926.46	\$34,279
Economic Development Rates				
Economic Development Rate	Per SUIP	-	\$64.32	\$562,553
Economic Development Commercial Rate	Capital Value	-	\$0.00168625	\$422,636
Non-Commercial Visitor Accommodation Targeted Rate	Per rating unit	-	\$200.00	\$71,400

⁴ Separately Used or Inhabited Part of a rating unit

Rating Examples

Commercial	Capital Value	\$ Change in Rates	% Change
Kakahi	72,000	6	0.57%
National Park	255,000	76	2.33%
National Park	285,000	153	3.09%
National Park	120,000	77	2.92%
Ohakune	205,000	99	3.22%
Ohakune	350,000	99	2.61%
Ohakune	115,500	77	2.97%
Ohura	60,000	77	4.77%
Owhango	100,000	230	3.81%
Owhango	250,000	76	2.79%
Pipiriki	179,500	16	0.52%
Raetihi	149,000	99	3.53%
Raetihi	450,000	112	2.29%
Raetihi	102,000	99	3.85%
Rangataua	200,000	55	2.67%
Taumarunui	142,000	99	3.57%
Taumarunui	3,220,000	93	0.47%
Taumarunui	69,000	99	4.10%
Waiouru	250,000	121	2.62%
Waiouru	870,000	152	1.89%
Waiouru	160,000	77	2.72%

Residential	Capital Value	\$ Change in Rates	% Change
Kakahi	69,000	52	4.66%
Kakahi	150,000	54	3.91%
National Park	220,000	81	2.95%
National Park	280,000	82	2.62%
National Park	275,000	82	2.81%
National Park	185,000	80	3.05%
Ohakune	215,000	125	4.47%
Ohakune	285,000	126	4.19%
Ohakune	140,000	124	4.80%
Ohakune	190,000	125	4.27%
Ohura	75,000	78	4.65%
Ohura	110,000	78	4.40%
Ohura	40,000	77	4.94%
Owhango	144,000	80	3.85%
Owhango	250,000	81	3.51%
Owhango	60,000	79	4.01%
Pipiriki	96,000	8	0.52%
Pipiriki	143,000	9	0.52%
Pipiriki	89,000	8	0.52%
Raetihi	115,000	123	4.97%
Raetihi	141,000	124	4.83%
Raetihi	78,000	123	5.18%
Rangataua	165,000	54	2.79%
Rangataua	220,000	55	2.61%
Rangataua	110,000	53	3.01%

Taumarunui	115,000	123	4.97%
Taumarunui	160,000	124	4.73%
Taumarunui	81,000	123	5.16%
Waiouru	149,000	124	4.78%
Waiouru	190,000	125	4.58%
Waiouru	128,000	124	4.89%

Rural	Capital Value	\$ Change in Rates	% Change
Kakahi	940,000	23	0.62%
Kakahi	4,990,000	1810	9.53%
Kakahi	870,000	22	0.62%
National Park	380,000	13	0.67%
National Park	770,000	13	0.56%
National Park	119,000	8	0.76%
Ohakune	1,427,000	101	1.71%
Ohakune	2,490,000	50	0.58%
Ohakune	721,000	19	0.63%
Ohura	920,000	22	0.62%
Ohura	2,880,000	63	0.60%
Ohura	268,000	81	3.56%
Owhango	1,250,000	98	1.83%
Owhango	3,430,000	136	1.12%
Owhango	710,000	25	0.68%
Pipiriki	550,000	16	0.65%
Pipiriki	2,360,000	47	0.58%
Pipiriki	265,000	11	0.70%
Raetihi	820,000	40	0.59%
Raetihi	1,920,000	99	0.57%
Raetihi	372,000	6	0.56%
Rangataua	710,000	19	0.63%
Rangataua	2,470,000	62	0.62%
Rangataua	590,000	17	0.64%
Taumarunui	581,000	16	0.64%
Taumarunui	1,680,000	36	0.59%
Taumarunui	250,000	-2	-0.13%
Waiouru	505,000	19	0.63%
Waiouru	1,171,000	27	0.61%
Waiouru	175,000	9	0.73%

Rating Base Information

District numbers at 15 May 2020. Based on previous increases it is not expected that this number will change before 30 June 2020.

Number of rating units (gross)	Total capital value of rating units (gross)	Total land value of rating units (gross)
9,891	4,831,098,250	2,545,373,700

Benchmarks

Benchmark	Quantified Limit	Planned	Met
Rates affordability - Income	24,454	24,329	Yes
Rates affordability - Increase	4.20%	3.50%	Yes
Debt affordability	48,908	33,421	Yes
Balanced budget	100%	120%	Yes
Essential services	100%	261%	Yes
Debt servicing	10.00%	2.05%	Yes

For more information on what each of these benchmarks measure, and how they are set, please refer to LTP 2018-28 – pg 188-192



SECTION 3: FINANCIAL STATEMENTS

Reporting Entity

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

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

Basis of Preparation

The reporting period for these financial statements of Council is the financial year ending June 30 2021. These prospective financial statement 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 are presented in New Zealand dollars with all values rounded to the nearest thousand dollars (\$000), and have been prepared in accordance with Tier 1 PBE FRS 42, and using accounting policies that are consistent with those adopted by the Council in preparing financial statements. The budget figures are those approved by the Council, and this information is intended to be used to inform the reader of Council's forecast financial activity and position over the 12 months 1 July 2020 to 30 June 2021, and may not be suitable for purposes outside this scope.

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 2018-28 page 67–78.

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 2018-28 page 166-180.

Statement of Comprehensive Revenue and Expense

	LTP 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21 \$000
Revenue			
Rates	23,562	24,454	24,329
Subsidies and grants	14,792	13,770	16,573
Other Revenue	3,371	3,463	3,897
Finance revenue	31	31	31
Total operating revenue	41,756	41,718	44,830
Expenditure			
Depreciation and amortisation expense	9,070	9,357	9,052
Personnel costs	5,294	5,389	5,745
Finance costs	1,517	1,503	920
Other expenses	20,906	21,495	21,656
Total operating expenditure	36,787	37,744	37,373
Operating surplus (deficit) before tax	4,969	3,974	7,457
Income Tax Expense	-	-	-
Operating surplus (deficit) after tax	4,969	3,974	7,457
Other comprehensive revenue and expense			
<i>Items that could be reclassified to surplus (deficit)</i>			
Gain on revaluation of property, plant and equipment	8,836	9,087	7,780
Total other comprehensive revenue and expense	8,836	9,087	7,780
Total comprehensive revenue and expense	13,805	13,061	15,237



Statement of Changes in Equity

	LTP 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21 \$000
Equity balance at 1 July	370,853	384,658	391,532
Comprehensive income for year	13,805	13,061	15,237
Equity Balance 30 June	384,658	397,719	406,769
Components of Equity			
Retained Earnings at 1 July	269,884	274,910	274,911
Net Surplus / (deficit)	4,969	3,974	7,457
Retained earnings 30 June	274,853	278,884	282,368
Asset Revaluation Reserves at 1 July	100,969	109,748	116,621
Revaluation Gains	8,836	9,087	7,780
Revaluation Reserves 30 June	109,805	118,835	124,401
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	-	-	-
Equity at 30 June	384,658	397,719	406,769



Statement of Financial Position

	LTP 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	1,795	1,795	500
Debtors and other receivables	2,977	2,977	4,691
Prepayments & Accrued Income	1,138	1,138	985
Inventory	197	197	338
Investment Funds	506	506	-
Total Current Assets	6,613	6,613	6,514
Non-Current Assets			
Plant, property and equipment	414,051	429,661	436,720
Intangible assets	362	362	222
Investment Property	2,488	2,544	3,162
Forestry assets			
Other financial assets			
Investment in CCOs and other similar entities	26	26	39
Other Financial Assets Term	110	110	712
Total Non-Current Assets	417,037	432,703	440,855
TOTAL ASSETS	423,650	439,316	447,369
LIABILITIES			
Current Liabilities			
Creditors and other Payables	3,728	3,728	5,467
Employee entitlements	537	537	565
Income in advance	886	886	954
Borrowings	5,300	5,300	10,800
Total Current Liabilities	10,451	10,451	17,786
Non-Current Liabilities			
Provisions	184	184	194
Borrowings	28,357	30,962	22,621
Total Non-Current Liabilities	28,541	31,146	22,815
TOTAL LIABILITIES	38,992	41,597	40,601
EQUITY			
Retained Earnings	274,853	278,884	282,368
Asset Revaluation Reserves	109,805	118,835	124,401
Special Funded Reserves	-	-	-
Trust Funds	-	-	-
TOTAL EQUITY	384,658	397,719	406,769

Cash Flow Statement

	LTP 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21 \$000
Cash flows from operating activities			
Receipts from rates revenue	23,562	24,454	24,329
Receipts from other revenue	18,096	17,165	20,404
Interest received	31	31	31
Development Contributions	67	68	65
Payments to suppliers and employees	(26,201)	(26,883)	(27,400)
Interest paid	(1,517)	(1,503)	(920)
Net Cashflow from Operating Activity	14,038	13,332	16,509
Receipts from sale of property, plant and equipment	-	-	-
Receipts from sale of investments	-	-	-
Acquisition of investments	-	-	-
Purchases of property, plant and equipment	(18,127)	(15,937)	(22,238)
	-	-	-
Net Cashflow from Investing Activity	(18,127)	(15,937)	(22,238)
Cash flow from financing activities			
Proceeds from borrowings	4,089	2,605	5,729
Repayment of borrowings	-	-	-
Net Cashflow from Financing Activity	4,089	2,605	5,729
Net Increase (decrease) in Cash Held	-	-	-
Add Opening Cash brought forward	1,795	1,795	500
Closing Cash Balance	1,795	1,795	500
Closing Balance made up of Cash and Cash Equivalents	1,795	1,795	500

Funding Impact Statement (Whole of Council)

	LTP 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	11,782	12,495	12,148
Targeted rates	11,780	11,959	12,181
Subsidies and grants for operating purposes	6,302	6,462	5,516
Fees and charges	3,165	3,253	3,690
Interest and dividends from investments	31	31	31
Local authorities fuel tax, fines, infringement fees, and other receipts	139	142	141
Total Operating Funding (A)	33,199	34,342	33,707
Applications of Operating Funding			
Payments to staff and suppliers	26,201	26,884	27,401
Finance costs	1,517	1,503	920
Other operating funding applications	-	-	-
Total applications of operating funding (B)	27,718	28,387	28,321
Surplus (deficit) of operating funding (A-B)	5,481	5,955	5,386
Sources of capital funding			
Subsidies and grants for capital expenditure	8,490	7,309	11,057
Development and financial contributions	67	68	65
Increase (decrease) in debt	4,089	2,605	5,729
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	12,646	9,982	16,851
Applications of capital funding			
Capital expenditure			
- to meet additional demand	2,275	1,463	8,155
- to improve the level of service	4,174	4,053	4,179
- to replace existing assets	11,678	10,421	9,903
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	18,127	15,937	22,237
Surplus (deficit) of capital funding (C-D)	(5,481)	(5,955)	(5,386)
Funding Balance ((A-B)+(C-D))	-	-	-

Cost of Support Funding Impact Statement

	LTP 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	(77)	(116)	11
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	14	15	165
Internal charges and overheads recovered	4,118	4,277	4,091
Local authorities fuel tax, fines, infringement fees, and other receipts	31	31	31
Total Operating Funding (A)	4,086	4,207	4,298
Applications of Operating Funding			
Payments to staff and suppliers	2,993	3,017	3,375
Finance costs	205	141	202
Internal charges and overheads applied	131	133	130
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,329	3,291	3,707
Surplus (deficit) of operating funding (A-B)	757	916	591
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
increase (decrease) in debt	(759)	(1,233)	(1,134)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	(759)	(1,233)	(1,134)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	281	209	208
- to improve the level of service	307	52	117
- to replace existing assets	473	547	544
Increase (decrease) in reserves	(1,063)	(1,125)	(1,413)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(2)	(317)	(544)
Surplus (deficit) of capital funding (C-D)	(757)	(916)	(591)
Funding Balance ((A-B)+(C-D))	-	-	-

Reconciliation of Funding Impact Statement to Comprehensive Income

	LTP 2019/20 \$000	LTP 2020/21 \$000	Annual Plan 2020/21 \$000
Income			
Prospective Statement of Comprehensive Income	41,756	41,718	44,830
Summary Funding Impact Statement			
Total Operating Funding	33,199	34,342	33,708
Add Sources of Capital Funding			
Sources of capital funding	8,490	7,308	11,057
Development and financial contributions	67	68	65
Total Revenue	41,756	41,718	44,830
Expenditure			
Prospective Statement of Comprehensive Income			
Operating Expenditure	36,787	37,744	37,373
Summary Funding Impact Statement			
Total applications of operating funding	27,717	28,387	28,321
Add Depreciation and Amortisation Expense	9,070	9,357	9,052
Total Expenditure	36,787	37,744	37,373

