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Exceptions Annual Plan 2011/12



The Ruapehu District ... where adventure begins

Contents

Preface	3
Statement of Compliance	4
Message from Mayor and Chief Executive	5
Mayor and Elected Council Members.....	6
Changes Made to the EAP as a Result of Consultation	8
Overview	9
What is the Annual Plan?	10
Structure of the Annual Plan	10
Staging of Long Term and Annual Plans	10
Key Council Documents and Policies.....	11
Glossary of Terms	13
Council Activities	15
Council Activity Categories	16
Community Outcomes.....	17
Stormwater	22
Sewerage	24
Resource Management	26
Land Transport (Roading).....	28
Water Supply	30
Recreation and Community Facilities	32
Community Property.....	34
Leadership	36
Community Development	38
Regulation	40
Financial Information	43
Core Business Costs	44
Funding Impact Statement	46
Prospective Financial Statements.....	56
Statement of Accounting Policies	57
Prospective Statement of Comprehensive Income.....	65
Reconciliation of Comprehensive Income to Cost of Service Statement.....	66
Prospective Statement of Changes in Equity	67
Prospective Statement of Financial Position.....	68
Prospective Cash Flow Statement.....	69
Forecast Statement of Public Debt	69
Other Disclosures	70
Balanced Budget.....	70

Preface



Contents of this Section

Statement of Compliance.....	4
Message from Mayor and Chief Executive	5
Mayor and Elected Council Members.....	6
Changes Made to the EAP as a Result of Consultation	8

Statement of Compliance

This Plan is Ruapehu District Council's Exceptions Annual Plan 2011/12 and has been produced in compliance with Section 94 of the Local Government Act 2002. This Plan was adopted by Council on 28 June 2011.



David Hammond
CHIEF EXECUTIVE
28 June 2011

Message from Mayor and Chief Executive

Council is pleased to present its 2011/12 Exceptions Annual Plan for the Ruapehu community's consideration. Council is weathering a persistent recession very well, thanks to the measures taken to address organisational cost efficiencies starting in 2007.

Following the funding increase made into Land Transport (particularly rural roads) of an additional \$600,000, Council has continued this level and is proposing to add more to address the backlog of footpath repairs. That work was suspended last year to help fund the increase in rural road investment.

This year we asked you to give us your views on how much Council should invest in Ruapehu tourism. Following a long signalled reduction of \$50,000 this coming year, Council's tourism marketing arm, Visit Ruapehu, put a case forward for maintaining or increasing the funding level Council provided in the past. The community engaged strongly in the issue over the Draft Exceptions Annual Plan consultation. Council decided to increase the tourism funding to last year's level of \$250,000 for the 2011/12 year.

It is with particular pleasure that Ruapehu can deliver a budget this year which is lower in rates required and lower in the loan level than we planned through our last Long Term Plan in 2009. To give you a sense of this, our best estimates are that, by 30 June 2011, we will have reduced our loan level for the first time in many years. This level of loan is expected to be in the region of \$4 million less than our 2009 estimate told us. It is this sort of financial management which is returning the District to a strong footing and delivering very modest increases in rate funding requirements.

We have a big year ahead. Our tourism Cycleways partnership with the Department of Conservation, Iwi and local communities is expected to be completed in 2011/12. We are also beginning to tackle some of the hardest social problems that we have encountered over the decade, including youth transitions into work and future health care. We are putting in place, one by one, the building blocks of a sustainable District that provides what its people need now and in future.



Sue Morris JP
MAYOR



David Hammond
CHIEF EXECUTIVE



Mayor and Elected Council Members



Sue Morris JP
Mayor

1339 Hikumutu Road
RD2, Taumarunui 3992
Phone: 07 895 5945
Fax: 07 895 694



The Ruapehu District ... where adventure begins



Don Cameron
*Deputy Mayor/
Waimarino-Waiouru Ward*

135 Matapuna Road
RD6, Raetihi 4696
Phone (06) 385 3033



Marion Gillard JP
Ohura Ward

Tokirima, RD1
Taumarunui 3991
Ph: (07) 893 8575
Fax (07) 893 8575



Bruce Broderson QSM
Taumarunui Ward

55 Ward Street
Taumarunui 3920
Ph: (07) 896 7124
Fax (07) 896 8014



Graeme Cosford JP
Taumarunui Ward

42 Reu Street
Taumarunui 3920
Ph: (07) 895 7572
Fax (07) 895 7572



Ron Cooke
Taumarunui Ward

33 Miriama Street
Taumarunui 3920
Ph: (07) 895 6807



Mayor and Elected Council Members (continued)



Jeni Kydd
Taumarunui Ward

112 Opatu Road, Tokirima,
RD1, Taumarunui 3991
Ph: (07) 893 8881
Fax (07) 895 7977



Karen Ngatai
Taumarunui Ward

46 Echolands Road
RD4
Taumarunui 3994
Ph: (07) 896 6658



Elaine Wheeler
National Park Ward

608 Upper Retaruke Rd RD2
Owhango 3900
Ph: (07) 896 6048
Fax: (07) 896 6048



Cynthia Dowsett
Waimarino-Waiouru Ward

30 Shannon Street
Ohakune 4625
Ph: (06) 385 8086
Fax (06) 385 8980



Nikki Riley
Waimarino-Waiouru Ward

PO Box 4
Ohakune 4660
Ph: (06) 385 8821
Fax: (06) 385 8943



Ben Goddard (from 2 June 2011)
Waimarino-Waiouru Ward

PO Box 8
Ohakune 4660
Ph: (06) 385 8324
Fax: (06) 385 9137



Changes Made to the EAP as a Result of Consultation

Council considers each and every submission during its deliberations and this has resulted in some changes being made to the draft Exceptions Annual Plan.

These changes are listed below:

Financial Decisions

- Council decided that it would increase the budget for the Regional Tourism Organisation (RTO) to \$250,000, from the draft of \$200,000.
- Council decided, as part of its obligations under the Local Government Act 2002, to fund the Ruapehu District Maori Council (\$15,000)
- Council agreed to extra capital funding of \$60,000 for the new Domestic Animal Shelter.
- Council agreed to extra capital funding in the property budget of \$25,000 for the installation of heat pumps in the Miriama Street Flats, Taumarunui, and for changing the Ohakune Service Centre doors to automatic doors, as the current ones are difficult to open.
- Council decided to increase the footpath (new) budget by capital funding of \$200,000 for Ohakune footpaths. This will be funded by the Waimarino-Waiouru Ward.



- Council decided not to increase the signage budget (it remains at \$20,000) but to seek other funding for new cycleway signs and tourism signs.

Non Financial Decisions

- Council decided to develop a policy around the regulation and funding of Visitor Accommodation for the 2012-22 Long Term Plan.
- Council decided that it would remove fluoridation from Taumarunui.
- Council decided it would develop a policy on Freedom Camping.
- Council made some minor wording changes to the Rate Remission (subdivisions) Policy to clarify the intent.



Overview



Contents of this Section

What is the Annual Plan?	10
Structure of the Annual Plan	10
Staging of Long Term and Annual Plans	10
Key Council Documents and Policies.....	11
Glossary of Terms	13

What is the Annual Plan?

The purpose of the Annual Plan is to provide the annual budget for the coming year and to discuss any changes to Council's budgets and programmes from what was reported in Council's Long Term Council Community Plan, which is called Future Ruapehu Long Term Plan 2009-19 (LTP). If, for some reason, Council changes a programme and this is considered to have a significant impact on ratepayers,

then the reason for the change is explained. This is called a financial variance.

Council will continue to prepare an Annual Report at the end of each financial year. The Annual Report outlines what was achieved, what was not achieved and the reasons why.

OVERVIEW

Structure of the Annual Plan

Preface - includes a statement from the Mayor and Chief Executive, changes made to the Annual Plan as a result of submissions and a list of Elected Members.

Overview - introduces the Plan and the role it plays in the overall planning process of Council.

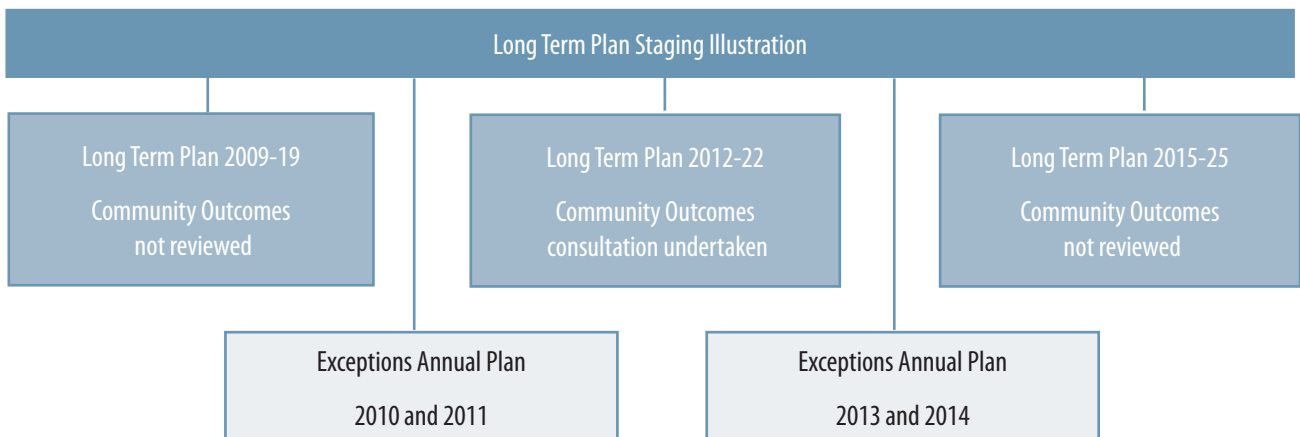
Council's Activities - provides an overview of Council's group of activities, including:

- The Strategic Goals and Levels of Service targeted by each Council activity.
- An explanation of any significant variation from the LTP.
- Revised Cost of Service Statements for 2011/12.
- The Capital Works Programme for 2011/12.

Financial Information - presents the estimated overall financial performance and position of Council. It also details the rates impact for ratepayers in the 2011/12 financial year.

Staging of Long Term and Annual Plans

The diagram shows the staging of Council's LTPs and Annual Plans for the next 16 years. Community Outcomes will be reviewed again in 2011/12 for the 2012-22 LTP.



Key Council Documents and Policies

The following documents are available from Council Offices or downloaded from www.ruapehudc.govt.nz.

Documents

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

Long Term Plan (LTP)/Exceptions Annual Plan (EAP)

The LTP/EAPs are the main strategic planning documents for Council. They set the budget for the year (in the case of the EAP), and for ten years (in the case of the LTP). The EAP also sets out the exceptions (what is different from what we said) from the LTP. For more detail on LTPs and EAP see the Introduction section of the LTP 2009/19.

Annual Report

The Annual Report is produced at the end of each financial year. It outlines what was achieved, what was not achieved and the reasons why.

Community Outcomes Report 2005

The Future Ruapehu Community Outcomes Report 2005 describes the Community Outcomes developed through the community consultation undertaken in 2004/05. The LTP 2009-19 has used the Community Outcomes from that document. Council will consult and prepare a Community Outcomes document every six years.

Ruapehu 2008 State of the District Report

The Ruapehu 2008 State of the District Report describes the state of the District in relation to each of the four wellbeings, as well as showing the overall trends for selected indicators (see Part 2).

Asset Management Plans (AMPs)

Council's AMPs outline the strategic direction that its asset-based services will take and detail associated

work programmes for these assets. Strategic Goals align the AMPs to Community Outcomes. Council's work programmes are subsequently based on the achievement of the Strategic Goals for that activity. AMPs are reviewed and updated on a three yearly basis, with the next review scheduled for 2011-12.

Waste Minimisation Plan 2009-12 (WMP)

The WMP is a tactical document required under Section 539 of the Local Government Act (LGA) 1974 and guides the future of Council's Solid Waste activity until 2012, when it will be reviewed.

The WMP was preceded by the Solid Waste Management Plan (SWaMP), first adopted following extensive consultation in 2002/03, and again in 2005. The WMP outlines the Community Outcomes expected from this activity, including zero waste, waste separation, environmental protection, appropriate levels of service, cost minimisation and reduction of cross subsidisation. These principles are built into the configuration of transfer stations and collection services and in providing incentives for recycling to reduce quantities of waste entering the landfill site. The next WMP consultation will take place in 2011 for the LTP 2012-22 and a summary of the WMP is located in Part 5 of the LTP 2009-19.

Water and Sanitary Services Assessment

Under Section 125 of the LGA, Council was required to undertake a Water and Sanitary Services Assessment by 30 June 2005. The purpose of this Assessment was to link the planning processes around these activities closer to Community Outcomes in a similar way as WMP does for the Solid Waste activity. A summary can be found in Part 5 of the LTP 2009-19.

Levels of Service Consultation

Council undertook a Level of Service review in 2008. This review was co-ordinated with the development of AMPs to provide background information for the LTP 2009-19. Council will undertake the next Level of Service Review in 2011 for the LTP 2012-22.



Key Council Documents and Policies (continued)

Policies

The following Policies can be found in Part 5 of the LTP 2009-19 :

Revenue and Financing Policy

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

Rates Remissions Policies

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

Maori Freehold Land Remissions Policy

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

Significance Policy

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

Public Private Partnerships Policy

This Policy outlines the circumstances in which Council will consider entering into partnership with a private sector partner. It

formalises conditions around these arrangements and the associated consultation processes.

Appointment of Directors to Council Controlled Organisations Policy

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

Development Contributions Policy

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

Liability Management Policy

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

Investment Policy

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

Glossary of Terms

Activity

The goods and services that Council provides to the community. Council has 11 activities that have been grouped together according to the activity's main contribution to Community Outcomes.

Assets

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

Capital Expenditure

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

Corporate Support

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

Collaboration

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

Community Outcomes (COs)

The community's view of what is important for its current and future social, economic, environmental and cultural wellbeing.

Community Wellbeings

One of the main purposes of councils, as stated in the LGA, is to promote the social, economic, environmental, and cultural wellbeing of communities, in the present and for the future. These four aspects are known as the "four wellbeings".

Current Assets

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

Current Liabilities

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

Development Expenditure

A form of capital expenditure that refers to investment in an asset to improve its capacity or level of service. The investment in the asset

results in the asset's condition being better than when it was first purchased or built by Council. This does not include renewing old assets to their original state. These are classed as renewal works.

Designated Investments

Investments representing Special Funds and Reserve Accounts.

Infrastructural Assets

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

Key Performance Indicators (KPIs)

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

Levels of Service

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

Level of Service Expenditure

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

Local Government Act 2002 (LGA)

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

Long Term Council Community Plan (LTCCP)

A plan covering a period of ten years, developed by Council and describing what Council will do to contribute to the achievement of Community Outcomes. It shows what Council will do, why it does these things, how much they will cost and how success will be

Glossary of Terms (continued)

judged. Council's current LTCCP is labelled "Future Ruapehu Long Term Plan 2009-19" (LTP).

Operational Expenditure

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

Operational Assets

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

Operating Revenue

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

Operating Surplus

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

Outputs

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

Planning Assumptions

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

Renewal Expenditure

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

Stakeholders

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

Strategic Goals

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

Sustainable Development

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

Targeted Uniform Annual Charge (TUAC)

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

Uniform Annual Charge (UAC)

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

Uniform Annual General Charge (UAGC)

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

Work Programmes

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

Council Activities



Contents of this Section

Council Activity Categories	16
Community Outcomes.....	17
Stormwater	22
Sewerage	24
Resource Management	26
Land Transport (Roding).....	28
Water Supply	30
Recreation and Community Facilities	32
Community Property.....	34
Leadership	36
Community Development	38
Regulation	40

Council Activity Categories

Ruapehu District Council categorises its activities into 11 groups under three key areas of community wellbeings.

Environmental Sustainability

Promotes Community Outcomes that target environmental and social wellbeings.

Solid Waste
Stormwater
Sewerage
Resource Management

Economic Sustainability

Shares the commonality of adding to the economic health and wellbeing of the District. These activities provide infrastructural assets that are necessary for the continued growth of the District's economy.

Water Supply
Land Transport

Community Sustainability

Reflects Council's statutory obligations to provide physical infrastructure and regulation services, together with the involvement of community-based initiatives towards the promotion of self-reliant communities.

Leadership
Regulation Services
Recreation and Community Facilities
Community Development
Community Property

Community Outcomes

			Council Activities										
			Environmental				Economic			Community			
Outcome	Community Outcome	Council's Role	Solid Waste	Stormwater	Sewerage	Resource Management	Land Transport	Water Supply	Recreation/Community Facilities	Community Property	Leadership	Community Development	Regulation
Cultural Wellbeing													
1	A community that understands, embraces and celebrates the traditions and history of all ethnic groups.	Advocate Facilitator										√	
2	The history of the community and District is preserved and appreciated through museums, libraries, places of interest and historical attractions.	Advocate Facilitator Provider										√	
3	Events and festivals that are unique to the District are fostered and celebrated.	Advocate Facilitator				√			√			√	
Social Wellbeing													
4	A District that takes ownership over issues of health provision, education provision and infrastructure maintenance.	Advocate Provider Facilitator					√				√	√	√
5	A District where a range of medical services are provided and accessible.	Advocate									√		
6	Leadership is respected, trusted, transparent, accountable and visionary, with integrity and a positive attitude.	Advocate Provider Facilitator									√		
7	Leadership facilitates a co-ordinated approach in providing effective solutions.	Advocate Provider Facilitator									√		
8	A community that provides excellent role models, good parenting, career and life skills guidance for youth.	Advocate										√	
9	A community that provides excellent activities and facilities for youth.	Advocate Provider Facilitator							√				
10	Core facilities, services and infrastructure planning and provision (water, sewerage, solid waste, power, roading and medical) keep pace with development.	Provider Advocate Facilitator	√	√	√	√	√	√	√	√			
11	Average household incomes increase as the economy prospers.	Advocate										√	
12	Key service providers consult with the community and common goals are identified and worked towards.	Provider Advocate Facilitator					√		√		√		√
13	A community that recognises and rewards excellence and achievement in sport, arts/cultural pursuits, community service and business.	Advocate										√	
14	Personal development and increased self esteem are enhanced through upskilling and educational opportunities.	Advocate										√	

COUNCIL ACTIVITIES

Community Outcomes (continued)

			Council Activities										
			Environmental				Economic		Community				
Outcome	Community Outcome	Council's Role	Solid Waste	Stormwater	Sewerage	Resource Management	Land Transport	Water Supply	Recreation/Community Facilities	Community Property	Leadership	Community Development	Regulation
Environmental Wellbeing													
15	A sense of community pride and togetherness is fostered where people work towards common goals and speak positively about the community	Advocate Provider Facilitator				√					√	√	
16	A community that encourages participation in planning around community or District issues and promotes community responsibility.	Advocate Provider Facilitator	√			√					√		
17	Excellent standards of health practice in the community are promoted and individuals take personal responsibility for their health.	Advocate Regulator											√
18	Excellent standards of safety in the community are promoted and individuals take personal responsibility for their safety.	Advocate Provider Facilitator				√	√						
19	The incidence of crime and violence are reduced and Police are open and accessible.	Advocate									√		
20	A community that respects the welfare and safety of others.	Advocate Provider				√	√			√		√	√
21	Quantity of native flora and fauna is retained and the quality is enhanced	Regulator Advocate				√			√			√	√
22	An environment that has an excellent quality of water, soil and air.	Advocate Facilitator Provider	√	√	√	√		√		√			√
23	River catchment areas and waterways are protected from erosion and pollution.	Advocate Facilitator Provider	√	√	√	√	√	√		√			√
24	A community that promotes a zero waste outlook and encourages minimisation of the impact of waste on the environment.	Advocate Facilitator Provider	√			√						√	
25	Retains the natural beauty, aesthetic values and vistas of the District.	Advocate Facilitator Provider				√			√			√	√
26	Retains the quality and number of parks and reserves.	Partner Facilitator Provider							√				
27	Tourism growth is managed to retain the natural beauty of the District's ecosystems, bush, mountains, waterways and open spaces.	Advocate Facilitator Provider										√	√
28	Renewal energy resources and alternative means of energy generation are promoted and available.	Advocate Partner				√							
29	Public access to bush, waterways, open spaces and mountains is retained and enhanced	Advocate Facilitator Provider							√			√	
30	Farming, commercial and industrial practices ensure that the environment remains clean and retains its natural character and value.	Advocate Provider										√	
31	An urban environment that is tidy, clean, safe, easy to get around and beautified.	Advocate Partner Provider					√		√			√	
32	A community that respects and promotes understanding of the environmental values of Tangata Whenua.	Advocate Facilitator		√	√	√		√				√	

Community Outcomes (continued)

			Council Activities										
			Environmental				Economic		Community				
Outcome	Community Outcome	Council's Role	Solid Waste	Stormwater	Sewerage	Resource Management	Land Transport	Water Supply	Recreation/Community Facilities	Community Property	Leadership	Community Development	Regulation
Economic Wellbeing													
33	Modern telecommunications networks encourage tourism and business development.	Advocate					√		√			√	
34	A community that has a range of quality retail, entertainment, hospitality business services and facilities.	Advocate										√	
35	Key organisations facilitate business growth through a co-ordinated approach and support beneficial business and economic conditions.	Advocate							√			√	
36	The promotion of tourism includes emphasis on rivers, railway, bush, farming and mountains upon the history of life in the District, is co-ordinated across the District and is unified under a common brand/slogan.	Advocate Provider Partner										√	
37	A rail and roading network that is reliable, well maintained and meets the needs of uses.	Advocate Provider Facilitator					√					√	
38	Employment opportunities for school leavers are encouraged and supported through apprenticeships and affirmative employment action by the local business community.	Advocate										√	
39	The District's core tourism function is complemented with additional activities throughout the year.	Advocate Facilitator										√	
40	A District that promotes economic diversity and retains its core economic strengths of farming, forestry, tourism and horticulture.	Advocate										√	
41	A District that has a wide range of business activity that facilitates and encourages business and economic growth and provides upskilling and a range of employment opportunities.	Advocate										√	
42	The provision of excellent medical, educational, leisure and retail services attract families and skilled workers to the District.	Advocate Provider							√			√	

COUNCIL ACTIVITIES

Solid Waste

The Solid Waste activity manages the collection and disposal of refuse and recycling in the District. The Solid Waste network involves a number of transfer stations, including recycling facilities, throughout the District and the District landfill in Taumarunui, where residual waste is deposited.

People generate waste each day and the current trend of increasing consumption creates an ongoing challenge in the management of waste. If waste is not managed in a suitable manner it may pose serious public health and environmental concerns. Council has adopted a Waste Minimisation Plan 2009-12 (WMP), which is a long-term plan for managing waste. Education is one of the important tools in this plan.

The assets for Solid Waste include the District landfill in Taumarunui, transfer stations and recycling stations.

Levels of Service

Level of Service	Key Performance Indicators	2011/12
Strategic Goal 1 - To provide and maintain an appropriate level of infrastructure and people are informed about, and participate in, waste minimisation. Community Outcomes - 10, 16, 24		
Waste Collection and Recycling Services, Transfer Stations and Landfill are provided.	Complaints per quarter relating to weekly collections.	<15
	Complaints per quarter relating to Transfer Stations.	<15
Community is satisfied with the overall level of service for Solid Waste.	Percentage of respondents who are satisfied or very satisfied with the Level of Service.	75%
Waste hierarchy (reduce, reuse, recover, redirect and refuse) promoted throughout the community.	Number of times the Waste Hierarchy is promoted each year.	>2
Strategic Goal 2 - The negative effects on the environment are avoided, remedied or mitigated. Community Outcomes - 22, 23		
Waste Collection and Recycling Services, Transfer Stations and Landfill are provided.	Weekly collection service provided.	100%
	Transfer Stations are available for residents at least eight hours per week.	95%
Strategic Goal 3 - Towards zero waste and a sustainable environment. Community Outcomes - 22, 23, 24		
The community is provided with opportunity to recycle.	The portion of Waste Recycled increases each year by 1% annually. Kerbside Transfer Stations: Glass Cardboard Paper Plastics	+ 1%
The amount of waste received at the Landfill is reduced.	Waste received at the Landfill per annum.	2500m ³

COUNCIL ACTIVITIES

Major Projects 2011/12

There are no major projects planned for 2011/12.

Exceptions 2011/12

There are no exceptions to the LTP Work Programme for 2011/12.



Kerbside Recycling using "blue bins"

Solid Waste (continued)



New Weighbridge, Taumarunui Landfill

Cost of Service Statement

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Kerbside Collection			
Taumarunui	353	383	30
Waimarino	254	304	50
Kerbside Recycling			
Taumarunui	111	80	(31)
Waimarino	98	66	(32)
Solid Waste Management	1,626	1,544	(82)
Total Operating Costs	2,442	2,377	(65)
Operating Revenue	(687)	(719)	(32)
Development Contributions	(29)	(22)	7
Separate Rates	(1,366)	(1,208)	158
Net Cost of Service	360	428	68
Other Funding Requirements			
Renewal Expenditure	25	31	6
Development Expenditure	105	275	170
Loan Repayments	43	41	(2)
Transfer to Development Contributions	29	22	(7)
Total Other Funding Requirements	202	369	167
Less Depreciation Not Funded	(27)	(25)	2
Total Funding Requirement	535	772	237
Funded By			
General Rates	367	364	(3)
Loans Raised	78	212	134
Transfers (to)/from Reserves	90	196	106
Total Funding	535	772	237

COUNCIL ACTIVITIES

Variations from the LTP Cost of Service Statement

- Transfer Station funding is lower than the LTP budget due to a reduction in the hours transfer stations are open in 2011/12 from the LTP.
- Kerbside collection (recycling) rates have been slightly reduced through a renegotiated contract in 2010/11.

Stormwater

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 doesn't soak into the ground, it will follow a natural flow path downhill until it reaches a watercourse or is collected by a pipe system.

Where there is development, runoff from properties and roads flows into stormwater systems. The greater the level of development in a catchment, the greater the level of impermeable surfaces, for example 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.

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

Council's stormwater network includes 48.5 km of piped drains and approximately 62 km of open drains and natural watercourses.

Levels of Service

Level of Service	Key Performance Indicators	2011/12
Strategic Goal 1 - To provide and maintain an appropriate level of infrastructure. Community Outcomes - 10, 22, 23		
Stormwater networks are maintained to an acceptable standard	Results of a customer survey to be that the percentage of respondents who are satisfied or very satisfied with the Levels of Service (measured annually).	70%
	Percentage of stormwater blocked drain incidents attended on site within two hours.	75%
	Percentage of stormwater service for blocked drains restored within six hours.	50%



Ohakune Stormwater Installation

Stormwater (continued)

Major Projects for 2011/12

- Ohakune Extension - \$132,000.

Exceptions 2011/12

There are no exceptions to the LTP Work Programme for 2011/12.



Ohakune Stormwater

Cost of Service Statement

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Operating Cost			
Stormwater Disposal	951	889	(62)
Total Operating Costs	951	889	(62)
Development Contributions	(51)	(96)	(45)
Operating Revenue	(5)	(2)	3
Separate Rates	(424)	(345)	79
Net Cost of Service	471	446	(25)
Other Funding Requirements			
Development Expenditure	50	205	155
Renewal Expenditure	463	287	(176)
Loan Repayments	95	51	(44)
Transfers to Development Contributions Reserve	51	96	45
Total Other Funding Required	659	639	(20)
Less Depreciation Not Funded	(100)	(100)	0
Total Funding Requirement	1,030	985	(45)
Funded By			
General Rates	428	346	(82)
Loans Raised	312	0	(312)
Transfers (to)/from Reserves	290	639	349
Total Funding	1,030	985	(45)

COUNCIL ACTIVITIES

Variations from the LTP Cost of Service Statement

- There is a small decrease in the operating costs as Council continues to make improvements.
- There is a small decrease in capital costs as Council reduces slightly its improvement programme to manage the expected rate increase for 2011/12.
- Development Contributions are still expected to be less than expected as the recession continues.

Sewerage

The purpose of the Sewerage activity is to collect and dispose of sewage in an effective and environmentally-friendly manner. Effective and efficient sewage collection and disposal is essential to protect the environment and to maintain public health.

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

Council is committed to treating sewage in such a way as to improve, promote, and protect public health and the environment. Council aims to ensure that this activity is provided in the most cost-effective and efficient manner in accordance with the agreed AMP. Council's sewerage assets consist of six sewerage treatment plants, 102 km of pipes, 17 pump stations and 3,171 rateable service connections.

Levels of Service

Level of Service	Key Performance Indicators	2011/12
Strategic Goal 1 - To provide and maintain an appropriate level of infrastructure. Community Outcomes - 10, 22, 23		
Sewerage networks are maintained to an acceptable standard	Results of a customer survey to be that the percentage of respondents who are satisfied or very satisfied with the Levels of Service (measured annually).	90%
	Percentage of sewerage pipe break, choke or overflow incidents attended on site within two hours.	75%
	Percentage of sewerage service for pipe break, choke or overflow restored within six hours.	50%
All Resource Consent conditions are complied with	Number of Resource Consent conditions transgressed formally notified by Regional Council	<5

COUNCIL ACTIVITIES

Major Projects 2011/12

- Taumarunui Pipelines - \$130,000.
- Ohakune Pipelines Renewals - \$100,000, Pipelines Upgrades - \$70,000.
- Raetihi Pipelines - \$120,000.



Sewerage Treatment Plant Valve Maintenance and Replacement

Sewerage (continued)

Exceptions 2011/12

There are no exceptions to the LTP Work Programme for 2011/12.

Cost of Service Statement

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Operating Cost			
Taumarunui	1,057	923	(134)
National Park	130	161	31
Ohakune	663	645	(18)
Raetihi	325	286	(39)
Pipiriki	31	54	23
Rangataua	112	111	(1)
Waiouru	56	76	20
Total Operating Costs	2,374	2,256	(118)
Development Contributions	(202)	(197)	5
Operating Revenue	(34)	(33)	1
Separate Rates	(2,268)	(2,009)	259
Net Cost of Service	(130)	17	147
Other Funding Requirements			
Development Expenditure	354	963	609
Renewal Expenditure	859	398	(461)
Loan Repayments	356	278	(78)
Transfer to Development Contributions	202	197	(5)
Total Other Funding	1,771	1,836	65
Less Depreciation Not Funded	(5)	(5)	0
Total Funding Requirement	1,636	1,848	212
Funded By			
General Rates	(45)	(46)	(1)
Loans Raised	528	661	133
Transfers (to)/from Reserves	951	1,036	85
Transfer from Dev Contrib Reserves	202	197	(5)
Total Funding	1,636	1,848	212

COUNCIL ACTIVITIES

Variations from the LTP Cost of Service Statement

- Council has managed to keep the operating costs to a lower level than the LTP budget.
- Development Contributions are still expected to be less than expected as the recession continues.

Resource Management

The Resource Management activity enables Council to give effect to its responsibilities for the sustainable management and use of natural resources under the Resource Management Act 1991 (RMA).

In practice, the Resource Management activity operates on two fronts. Firstly the activity issues Resource Consents to individual or groups of resource users wishing to undertake any activities that falls under restricted, controlled, discretionary or non-complying categories in the Ruapehu District Plan. The second function is to ensure that Resource Consents issued under the RMA are adhered to.

The Ruapehu District Plan is currently being reviewed and is due to be completed by 2010/11. The District Plan Review in itself will have very little impact on the Resource Management activity. However, once adopted, changes to the District Plan brought about by the Review will impact on the scope and operation of the activity.

Levels of Service

Level of Service	Key Performance Indicators	2011/12
Strategic Goal 1 - To provide a sustainable environment for residents and visitors Community Outcomes - 10,15,16,18,20,21,22,23,24,25,28,32		
Resource consents processed within the legal timeframes.	Land Use consents processed within the legal timeframes.	Above National Average
	Subdivision consents processed within the legal timeframes	Above National Average
The public is informed about Resource Management processes and other issues related to maintaining a sustainable environment.	Percentage of customers who are satisfied with the service received with Resource Management processes.	60%

COUNCIL ACTIVITIES



Railway Row Cottage, Ohakune



Old Horopito School

Heritage buildings in the Ruapehu District



Old Taumarunui Post Office



Royal Picture Theatre, Raetihi

Resource Management (continued)

Major Projects 2011/12

There are no major projects planned for 2011/12.

Exceptions 2011/12

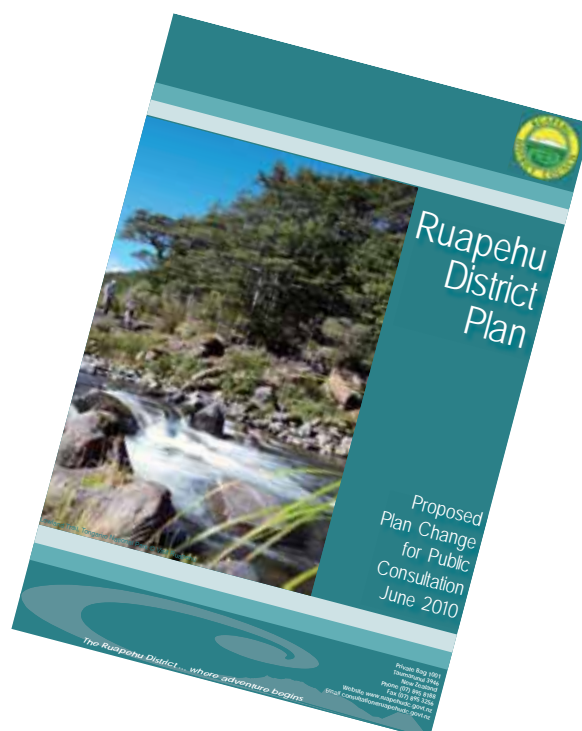
There are no exceptions to the LTP Work Programme for 2011/12.

Cost of Service Statement

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Operating Cost			
Resource Management Administration	504	672	168
Total Operating Costs	504	672	168
Resource Management Revenue	(232)	(120)	112
Net Cost of Service	272	552	280
Funded By			
General Rates - UAGC	252	562	310
Transfer (to)/from Equity	20	(10)	(30)
Total Funding	272	552	280

Variations from the LTP Cost of Service Statement

- Revenue is expected to be less than anticipated in the LTP, due to the current recession keeping development lower than expected.
- The review of the District Plan Change is continuing and the increase in operating costs reflect this.



Land Transport (Roading)

The Land Transport activity involves the maintenance and development of roads, kerbs and channels, bridges, street lighting, footpaths and street furniture for all of the District, with the exception of the State Highways, which are now managed by a new amalgamated government organisation called the New Zealand Transport Agency (NZTA) (previously Land Transport New Zealand, Transit NZ and Transfund NZ). Council maintains its roads under contract to a standard that provides safe and comfortable driving within the limitations of available funding.

The District Land Transport network consists of:

- Over 460 km of sealed roads
- 874 km of unsealed road
- 344 bridges spanning 5 km
- Over 67 km of footpaths (mostly concrete)
- 1,700 street lights, most of which are modern mercury vapour and high-pressure sodium lights.

Levels of Service

Level of Service	Key Performance Indicators	2011/12
Strategic Goal 1 - Core Value: Quality - Availability. All District roads provide continuous all weather travel. Community Outcomes - 4, 10, 31, 37		
Roads are maintained to an acceptable level.	The number of service calls related to all road activities.	<260 per quarter and 860 per year
	Defects per km of sealed road.	<3
	Defects per km of unsealed road.	<6
The programmed improvement works are completed.	Programmed improvement works are completed on time per quarter.	90%
Roads are managed to an acceptable level for customers.	Respondents in the Customer Satisfaction Survey who are satisfied or very satisfied with the overall condition of sealed roads.	>90%
Roads are managed to an acceptable level for customers.	Respondents in the Customer Satisfaction Survey who are satisfied or very satisfied with the overall condition of unsealed roads.	>55%
Strategic Goal 2 – Core Value: Safety. The Land Transport activity provides for the safety of its users. Community Outcomes - 18, 20, 31		
Emergency events are made safe promptly.	Percentage of instances each quarter when service calls reporting these sites are made safe within two hours plus travel time.	90%
The safety standard of District roads is improving.	Number of reported fatal accidents per quarter.	<1
	Number of reported serious accidents per quarter.	<2



Sealing of Okahukura Saddle Road

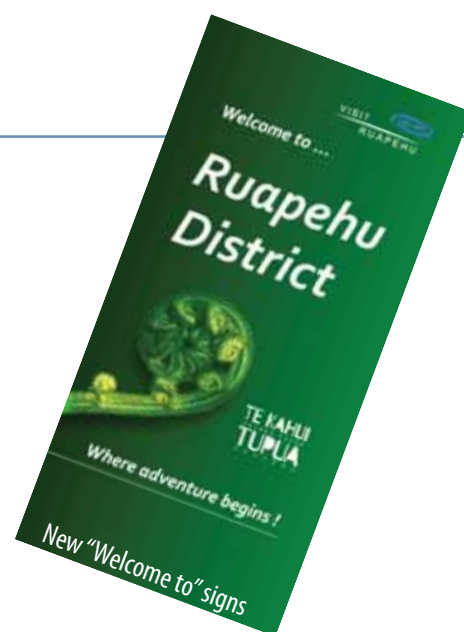
Land Transport (Roading) (continued)

Major Projects 2011/12

There are no major projects planned for 2011/12.

Exceptions 2011/12

There are no exceptions to the LTP Work Programme for 2011/12.



Cost of Service Statement

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Operating Cost			
Road Maintenance	8,325	8,146	(179)
Emergency Works	1,223	2,250	1,027
Special Purpose Roads	254	240	(14)
Kerb and Channel Maintenance	312	208	(104)
Footpath Maintenance	552	374	(178)
Total Operating Costs	10,666	11,218	552
Development Contributions	(164)	(116)	48
Operating Revenue	(8,476)	(9,878)	(1,402)
Separate Rates	(5,525)	(5,232)	293
Net Cost of Service	(3,499)	(4,008)	(509)
Other Funding Requirements			
Development Expenditure	1,530	2,702	1,172
Renewal Expenditure	5,916	5,441	(475)
Renewal Expenditure Bridges	248	237	(11)
Loan Repayments	512	565	53
Transfers to Development Contributions Reserve	164	116	(48)
Total Funding Requirement	4,871	5,053	182
Funded By			
Loans Raised	682	1,068	386
Transfers (to)/from Reserves	4,025	3,883	(142)
Transfer from Dev Contrib Reserve	164	102	(62)
Total Funding	4,871	5,053	182

COUNCIL ACTIVITIES

Variations from the LTP Cost of Service Statement

- There are no significant variations from the LTP Cost of Service Statement.
- \$200,000 has been added to the capital budget for new footpaths, targeted to, and paid for, by the Waimarino-Waiouru Ward.

Water Supply

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's water supply service consists of six treatment plants, eight reservoirs, 189 km of pipelines and approximately 5,500 rateable service connections.

Levels of Service

Level of Service	Key Performance Indicators	2011/12
Strategic Goal 1 - To provide and maintain an appropriate level of infrastructure. Community Outcomes - 10, 22, 23		
Water supply networks are maintained to an acceptable standard	Results of a customer survey to be that the percentage of respondents who are satisfied or very satisfied with the Levels of Service (quality and quantity) (measured annually).	70%
	Percentage of major leaks and burst incidents attended on site within two hours.	75%
	Percentage of water supply service for major leaks and bursts restored within six hours.	75%
	Percentage of no water and poor pressure incidents attended on site within two hours.	90%
Improve public health risk management for water quality	Compliance with Drinking Water Standards for New Zealand 2005 for FAC and e-Coli.	95%

Major Projects 2011/12

- Taumarunui Water Mains Renewal - \$205,000.
- National Park Water Treatment Plant - \$50,000.
- Ohakune Water Mains - \$182,000.
- Raetihi Water Mains Renewal - \$120,000.

Exceptions 2011/12

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



Ward Street, Raetihi, water main



UV Disinfection Unit, Ohakune

Water Supply (continued)

Project Description	LTP 2011/12 \$000	Annual Plan 2011/12 \$000	Reason for Exception
National Park Water Treatment Plant Upgrade	153	50	Council needs to undertake more research for consents and to allow for data monitoring, resulting in a reduced budget for 2011/12.

Cost of Service Statement

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Operating Cost			
Ohura	145	174	29
Taumarunui	1,380	1,323	(57)
National Park	165	190	25
Piriaka	28	0	(28)
Owhango	168	151	(17)
Ohakune	707	711	4
Raetihi	284	315	31
Waiouru	49	70	21
Total Operating Costs	2,926	2,934	8
Development Contributions	(131)	(38)	93
Operating Revenue	(366)	(369)	(3)
Separate Rates	(2,619)	(2,532)	87
Net Cost of Service	(190)	(5)	185
Other Funding Requirements			
Development Expenditure	319	281	(38)
Renewal Expenditure	963	707	(256)
Loan Repayments	607	533	(74)
Transfer to Development Contributions Reserve	131	38	(93)
Total Other Funding Requirements	2,020	1,559	(461)
Less Depreciation Not Funded	(47)	(22)	25
Total Funding Requirement	1,783	1,532	(251)
Funded By			
General Rates	(29)	(29)	0
Loans Raised	914	537	(377)
Transfers from Development Contribution Reserve	131	39	(92)
Transfers (to)/from Reserves	767	985	218
Total Funding	1,783	1,532	(251)

Variations from the LTP Cost of Service Statement

- There are no significant variations in operating costs.
- There is a decrease in capital expenditure due to the National Park Water Treatment Plant Upgrade being delayed and other minor projects deferred to allow for costs to be managed in this recession.

Recreation and Community Facilities

Recreation is an important aspect of everyday life that adds to overall quality of life for people. Council provides the Recreation and Community Facilities activity with the aim of ensuring that a basic range of recreational activities is available to meet the present and future needs of the community.

This activity also ensures that the community has essential facilities available such as public toilets and cemeteries. These facilities are necessary to ensure that public health and safety is maintained.

This activity is made up of six functions:

- Parks and Reserves
- Swimming Pools
- Community Halls
- Public Toilets
- Library buildings
- Cemeteries



New walkway between Kururau Road and Kenheath Place, Taumarunui

Levels of Service

Level of Service	Key Performance Indicators	2011/12
Strategic Goal 1 - Parks, reserves and community facilities are accessible, attractive and meet the needs and expectations of residents, visitors and youth wherever and whenever possible Community Outcomes - 9, 10, 12, 21, 25, 26, 31, 42		
Council will maintain and provide access to playgrounds, public green space, amenities, libraries and community halls.	Percentage of respondents who are satisfied or very satisfied with the LoS.	80%
	Response times for unplanned minor maintenance to parks, reserves, playgrounds, walkways and cemeteries are met.	100%
Strategic Goal 2 – Urban streetscapes, parks, playgrounds and public toilets are clean and residents and visitors feel that they are safe places to be in Community Outcomes - 9, 12, 18, 20, 31		
Amenities and facilities are provided that meet the needs and safety of the community.	Number of complaints regarding accessibility or appearance of Main Street developments Taumarunui, Ohakune and Raetihi.	<6
	The number of respondents who are satisfied with the Level of Service and feel safe in the facility or amenity area.	80%

COUNCIL ACTIVITIES

Major Projects 2011/12

There are no major projects planned for 2011/12.



Replacement of Taumarunui Memorial Hall Supper Room Roof

Recreation and Community Facilities (continued)

Exceptions 2011/12

There are no exceptions to the LTP Work Programme for 2011/12.

Cost of Service Statement

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Operating Cost			
Parks and Reserves			
Ohura Ward	73	67	(6)
Taumarunui Ward	470	431	(39)
National Park Ward	114	110	(4)
Waimarino Ward	434	414	(20)
Waiouru Ward	77	66	(11)
Total Parks and Reserves	1,168	1,088	(80)
Public Toilets	210	202	(8)
District Swimming Pools	283	297	14
District Libraries	373	395	22
District Cemeteries	154	157	3
Community Halls	82	89	7
Total Operating Costs	2,270	2,228	(42)
Development Contributions	(5)	(4)	1
Operating Revenue	(166)	(145)	21
Separate Rates	(712)	(675)	37
Net Cost of Service	1,387	1,404	17
Other Funding Requirements			
Capital Expenditure	119	124	5
Development Contributions	5	4	(1)
Loan Repayments	12	11	(1)
Total Other Funding Requirements	136	139	3
Less Depreciation Not Funded	(19)	(17)	2
Total Funding Requirement	1,504	1,526	22
Funded By			
General Rates UAGC	1,384	1,353	(31)
Loans Raised	33	0	(33)
Transfer to Development Contributions	5	4	(1)
Transfers (to)/from Reserves	82	169	87
Total Funding	1,504	1,526	22

COUNCIL ACTIVITIES

Variations from the LTP Cost of Service Statement

There are no significant variations from the LTP Cost of Service Statement.

Community Property

Through the Community Property activity, Council aims to ensure that its stewardship for the social, cultural or environmental wellbeing of the community is managed in a sustainable and responsible manner.

Community Property assets include Council administration buildings, Libraries, Social Housing, Taumarunui Aerodrome, Ohakune Railway Station, Taumarunui Saleyards and a number of other miscellaneous properties.

Levels of Service

Level of Service	Key Performance Indicators	2011/12
Strategic Goal 1 - To act as a steward for property that is of social, cultural or environmental benefit to the community. Community Outcomes - 12, 24		
Council will maintain property that is of social, cultural or environmental benefit to the community to a high standard.	Percentage of respondents who are satisfied or very satisfied with the Level of Service.	75%
Strategic Goal 2 – Council-owned buildings are structurally sound and safe, and Council occupants and tenants in administration buildings, older persons housing and community housing feel safe. Community Outcomes - 18,20		
Housing units are maintained to be safe to live in and provide a safe environment for tenants.	Percentage of respondents who are satisfied or very satisfied with the Level of Service.	80%

Major Projects 2011/12

There are no major projects planned for 2011/12.

Exceptions 2011/12

There are no exceptions to the LTP Work Programme for 2011/12.



Ex-Library building, Ohakune

Community Property (continued)



Social Housing, Miriama Street, Taumarunui

Cost of Service Statement

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Operating Cost			
Community Housing	98	99	1
Pensioner Housing	293	288	(5)
Rental Housing	13	13	0
Investment & Commercial Properties	101	91	(10)
Airport	38	29	(9)
Forestry	11	10	(1)
Total Operating Costs	554	530	(24)
Operating Revenue	(324)	(311)	13
Separate Rates	0	0	0
Net Cost of Service	230	219	(11)
Other Funding Requirements			
Capital Expenditure	11	20	9
Loan Repayments	36	29	(7)
Total Other Funding Requirements	47	49	2
Less Depreciation Not Funded	(30)	(30)	0
Total Funding Requirement	247	238	(9)
Funded By			
General Rates - UAGC	257	238	(19)
Loans Raised	0	10	10
Transfers (to)/from Reserves	(10)	(10)	0
Total Funding	247	238	(9)

COUNCIL ACTIVITIES

Variations from the LTP Cost of Service Statement

There are no significant variations from the LTP Cost of Service Statement.

Leadership

The Leadership activity provides for:

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

This activity provides plans and policies guiding strategic direction and strategic financial decisions and also prepares and consults on these, including the Future Ruapehu Long Term Plan (LTP), Exceptions Annual Plan (EAP), Community Outcomes monitoring and other documents as necessary.

Levels of Service

Level of Service	Key Performance Indicators	2011/12
Strategic Goal 1 - To facilitate effective consultation processes to seek community input into decision-making and advocacy on key issues Community Outcomes - 4,6,7,12,15,16		
Consultation material will be made publicly available from all Council offices.	Percentage of respondents who are satisfied or very satisfied with consultations.	50%
Strategic Goal 2 – Council decision-making is effectively and efficiently achieving the mandated scope of Council activities. Community Outcomes - 4,6,7,12,15,16		
Council provides democratic and open decision-making.	Agendas for Council meetings are available to the public within Statutory timeframes.	100%
Leadership activity provides an acceptable service to the community.	Percentage of respondents who are satisfied or very satisfied with the Councils decision-making and consultation.	80%
Strategic Goal 3 - To provide effective support to sustain Council's strategic direction. Community Outcomes - 4,6,7,12,15,16		
Statutory planning processes and documents, including the LTP, Annual Plan and Annual Reports, will be completed on time and receive unqualified audit opinions.	LTP, Annual Plans and Annual Reports completed to statutory timelines.	100%
	LTP, Annual Plans and Annual Reports receive unqualified audit opinions.	100%
Strategic Goals 4 - Provide a safe environment for residents and visitors. Community Outcomes - 4,7,12,16,18,20,25		
Council will provide Civil Defence and Emergency Management for the District.	Council's Civil Defence Emergency (CDEM) and Rural Fire Plans meet legal requirements and are audited.	100%
	The number of public education presentations given each year.	>25
	Respond to all rural vegetation fires within one hour at all times.	

COUNCIL ACTIVITIES

Major Projects 2011/12

There are no major projects planned for 2011/12.

Exceptions 2011/12

There are no exceptions to the LTP Work Programme for 2011/12.



Cost of Service Statement

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Operating Cost			
Mayor and Councillors	765	895	130
Community Boards	165	98	(67)
Community Communication	218	206	(12)
Strategic Planning	436	402	(34)
Total Operating Costs	1,584	1,601	17
Separate Rates	(158)	(91)	67
Total Funding Requirement	1,426	1,510	84
Funded By			
General Rates	1,440	1,516	76
Transfer (to)/from Equity	(14)	(6)	8
Total Funding	1,426	1,510	84

COUNCIL ACTIVITIES

Variations from the LTP Cost of Service Statement

There are no significant variations from the LTP Cost of Service Statement.

Community Development

The Community Development activity aims to promote the economic, social and cultural wellbeing of the Ruapehu community in the present and for the future, and within a framework of sustainability. Community Development includes Agency Services, Libraries, Community Support, Economic Development, and Regional Tourism Organisation (RTO).

Council is aware that Community Support and Economic Development are significant activities that can generate an equally large demand for resources. Due to the size of Council and its ratepaying base, a low level of resourcing is put toward these activities and a heavy reliance on smart achievement of Community Outcomes by partnerships.

Levels of Service

Level of Service	Key Performance Indicators	2011/12
Strategic Goal 1 – Community organisations will be supported to develop the capabilities needed for strong, sustainable futures. Strategic Goal 2 - Council will support achievement of critical social and economic outcomes in the Ruapehu District through partnerships Community Outcomes - 4, 13, 15, 20, 34, 35, 42		
Council will maintain a strategic approach to community development through partnerships.	Council will achieve, with partners, targets in the following strategies: Community Engagement, Community Development, Physical Activity, Youth, Graffiti, Library (Proposed).	85%
Council will maintain a framework of support to community organisations.	Community grants and applicable rate remissions can be applied for annually.	100%
	Community groups agree that the Ruapehu Links website satisfies their needs for relevant information.	75% satisfaction
Council will support new businesses and residents to the District.	Achievement of the initiatives and targets in the Customer Service Strategy for business, new resident, and general customer support.	75%
Strategic Goal 3 - Council will support achievement of the Wanganui – Rangitikei – Ruapehu Regional Economic Development Plan and its performance targets, and maintain strong alliances for achievement with partners including iwi. Community Outcomes - 1,31,40,41,42		
Council will remain committed to the Regional Partnership Programme, or its successor.	Refresh of the Economic Development Strategy and partnership agreement completed with partners.	New targets through RED Trust
	Tracking of regional economic indicators reported annually to Council by the RED Trust.	100%
Strategic Goal 4 - The District will be marketed and support its tourism sector to become recognised as the North Island's premier all-season outdoor recreation centre for both international and domestic visitors. Strategic Goal 5 - The District will effectively market the area's natural and cultural assets to improve visitor experience Community Outcomes - 1,31,40,41,42		
Council and its partners will achieve desired tourism industry growth and support through their performance agreements.	Achievement of the RTO annual business plan targets.	85%
	Achievement of the Visitor Information Centres contract agreement levels of service.	85%

COUNCIL ACTIVITIES

Major Projects 2011/12

There are no major projects planned for 2011/12.

Exceptions 2011/12

There are no exceptions to the LTP Work Programme for 2011/12.

Community Development (continued)

Cost of Service Statement

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Operating Cost			
Agencies Waimarino	39	46	7
Community Support	106	60	(46)
Economic Development	185	195	10
Regional Tourism Organisation	211	250	39
Visitor Information Centres	273	257	(16)
Total Operating Costs	814	808	(6)
Operating Revenue	(39)	(47)	(8)
Separate Rates	(680)	(723)	(43)
Total Funding Requirement	95	38	(57)
Funded By			
General Rates	80	25	(55)
Transfers (to)/from Reserves	15	13	(2)
Total Funding	95	38	(57)

Variations from the LTP Cost of Service Statement

RTO has increased by \$50,000, to bring it back to 2010/11 funding levels.



Regulation

The Regulation activity works toward the goal of effectively and efficiently providing a safe and sustainable environment through the administration and enforcement of Central Government legislation and District Bylaws.

The activity is made up of four functions:

- Inspection Services
- Animal Control
- Building Services
- Environmental Health

Levels of Service

Level of Service	Key Performance Indicators	2011/12
Strategic Goals 1 - Provide a safe environment for residents and visitors		
Community Outcomes - 4,12,17,20, 22, 23, 25,27		
Council will efficiently process all proposed applications.	Building consents notified within 20 working days.	90%
	Urgent LIMs processed in five days.	100%
	Non-urgent LIMs processed in ten days.	95%
	Building accreditation auditing will be maintained.	100%
	Urgent complaints responded to within two hours. Other complaints within eight working hours.	100%
Council will undertake ongoing monitoring of conditions to ensure compliance.	Dangerous dogs inspected annually.	100%
	Respond to dog attacks within two hours.	100%
	Premises registered under the Public Health Act are inspected as per relevant category.	85%
Strategic Goal 2 - Provide a healthy environment for residents and visitors.		
Community Outcomes - 4,12,17,20, 22, 23, 25,27		
Council will undertake ongoing monitoring of conditions to ensure compliance.	Health-related food hygiene complaints are responded to within 24 hours and actioned within five days.	100%
	Noise complaints responded to within two hours.	100%

COUNCIL ACTIVITIES

Major Projects 2011/12

- Establishment of new Domestic Animal Shelter.

Exceptions 2011/12

There are no exceptions to the LTP Work Programme for 2011/12.



Buildings Under Construction



Dog Control - A Compliance Function

Cost of Service Statement

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Operating Cost			
Inspection Services	303	313	10
Animal Control	343	333	(10)
Building Services	851	708	(143)
Environmental Health	378	311	(67)
Civil Defence and Emergency Management	241	221	(20)
Total Operating Costs	2,116	1,886	(230)
Operating Revenue	(1,225)	(828)	397
Separate Rates	(237)	(170)	67
Net Cost of Service	654	888	234
Other Funding Requirements			
Capital Expenditure	7	67	60
Loan Repayments	9	14	5
Total Funding Requirement	670	969	299
Funded By			
General Rates - UAGC	653	844	191
Loans raised		60	60
Transfers (to)/from Reserves	17	65	48
Total Funding	670	969	239

COUNCIL ACTIVITIES

Variations from the LTP Cost of Service Statement

- Revenue is expected to be less than anticipated in the LTP due to the current recession keeping development lower than expected.
- Council continues to keep its operating costs lower than anticipated.

Financial Information



Contents of this Section

Core Business Costs	44
Funding Impact Statement	46
Prospective Financial Statements.....	56
Statement of Accounting Policies	57
Prospective Statement of Comprehensive Income.....	65
Reconciliation of Comprehensive Income to Cost of Service Statement	66
Prospective Statement of Changes in Equity	67
Prospective Statement of Financial Position.....	68
Prospective Cash Flow Statement.....	69
Forecast Statement of Public Debt	69
Other Disclosures	70
Balanced Budget.....	70

Core Business Costs

Introduction

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

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

What Council Wants to Achieve

The community wants Council to efficiently and effectively achieve the range of Community Outcomes outlined in Part 5 of this document. The following outlines this strategic goal further:

SG1 - To efficiently and effectively resource the achievement of Council's Strategic Goals to target Community Outcomes.

Council seeks to resource its activities in a way that is efficient, which means getting the most value from the least amount of funding. Council recognises that it has limited resources and takes a considerable pride in seeking solutions that minimise the cost of service delivery.

Council also seeks to resource its activities in an effective way that will enable the entire organisation to achieve its Strategic Goals. Decisions on efficiency and effectiveness are taken as part of a participative process initially involving management and Council analysis of cost drivers, and then involving the community through consultation on the LTP and Exceptions Annual Plans. There are some issues that impact on resourcing levels that Council has a limited ability to influence. These include:

Economic

The impact of inflation on costs nationally that impact on purchasing, including contract prices received for services such as solid waste and reserves maintenance.

Political

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

Demographic

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

Community Demand

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

Technological

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

Market Driven

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

Financial Strategy

Capital Funding

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

Operational Funding

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

- Operating expenses are funded annually with costs distributed to the beneficiaries of the particular activity.
- Council will make use of a mix of revenue sources to meet operating expenses. These mechanisms are outlined in the following section.

Cost of Support Statement

The Cost of Support Statement details the corporate support costs that are built into each of the 11 significant activities of Council. The corporate support cost budget does not represent additional costs to those in previous sections.

Support Costs are indirect overhead expenditure including telephone charges, vehicle costs and vacation workers.

Core Business Costs (continued)

Support Services are indirect overhead expenditure including information systems maintenance and licence charges, insurances, advertising, stationery, document management, postage and subscriptions.

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

- The global economic climate which impacts the national economy, influencing:

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

Cost of Support Statement

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Operating Cost			
Staffing	4,400	4,191	(209)
Recruitment and Training	192	191	(1)
Support Cost	165	157	(8)
Direct Cost	732	763	31
Support Services	661	868	207
Depreciation	440	480	40
Interest Cost	398	415	17
Total Operating Cost	6,988	7,064	76
Operating Revenue	(28)	(28)	0
Internal Recoveries	(6,960)	(7,036)	(76)
Net Cost of Service	0	0	0
Other Funding Requirements			
Capital Expenditure	221	326	105
Loan Repayments	289	309	20
Total Funding Required	510	635	125
Funded by:			
Loans Raised	115	155	40
Depreciation Funds/Other Transfers	395	480	85
Total Funding	510	635	125

Capital Expenditure Programme

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Buildings	0	15	15
Computer Software	76	170	94
Computer Hardware	60	61	1
Office Equipment	32	30	(2)
Vehicles	53	50	(3)
Loan Repayments	289	309	20
Total	510	635	125

Funding Impact Statement

Introduction

Council is required under Schedule 10 (10) 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 2011/12 financial year. The Statement represents the fiscal outcome from the Revenue and Financing Policy. The Revenue and Financing Policy is located in Part 5 of the LTP.

Rates are levied under the LG(R)A on all rateable rating units on the basis of values supplied by Quotable Value New Zealand Limited. A revaluation was carried out in September 2008, effective from 1 July 2009. The following outlines Council's goals in the setting of rates.

Objectives	Targets and Measures
Provide the income by rates received to meet Council's LTP objectives, after user charges and other income is first applied.	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.
Ensure that all ratepayers pay their fair share towards the cost of Council services.	Development of a Revenue and Financing Policy adopted, with consultation, with each LTP.
Ensure that the incidence of rates is spread as fairly as possible over the different ratepayer groups.	Setting of rates is in accordance with Council's Revenue and Financing Policy and Funding Impact Statement.
Ensure consistency in the charging of rates.	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 Remissions Policy developed under Section 102(5)(a) of the LGA and Section 85 of the LG(R)A. This can be viewed in Part 5 of the LTP including the objectives of the remissions targeting each of social, cultural, environmental and economic wellbeings. Remissions categories include non-contiguous properties, sport and community organisations, new subdivisions, Maori land and Council administration properties. The value of these remissions is as follows (GST inclusive).

Category of Rate Remissions	Value of Remission (incl GST) - \$000
General Rate/UAGC	337
Targeted Rate	127
Service Charge - Water	122
Service Charge - Sewerage	49
Service Charge - Solid Waste	67
Total	702

Postponements

Council does not offer rates postponements.

Statement of Funding Sources

The table below provides a summary of the funding sources. Council's Revenue and Financing Policy and work programmes form the basis for the funding forecast. The table is produced on a GST exclusive basis.

Rates and Charges

Note: Amounts shown below exclude GST

Funding Impact Statement (continued)

Statement of Funding Sources

The table below provides a summary of the funding sources for 2011/12. Council's Revenue and Financing Policy and work programmes form the basis for the funding forecast. The table is produced on a GST exclusive basis.

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Net General Rate	866	849	(17)
Net UAGC	3,419	3,757	338
Rate Penalties	170	370	200
Targeted Rates			
Ward Rates	476	435	(41)
District Rates	6,136	5,729	(407)
Water Supply	2,619	2,532	(87)
Solid Waste Management	1,366	1,192	(174)
Sewerage	2,268	1,985	(283)
Other Targeted Rates	1,124	1,080	(44)
Total Rates Revenue	18,444	17,929	(515)
Capital Contributions			
Development Contributions	582	473	(109)
Subsidies	8,476	9,878	1,402
Other Income			
Fees and Charges	3,077	2,574	(503)
Dividends	10	10	0
Petrol Tax	173	173	0
Treasury	8	1	(7)
Interest	150	45	(105)
Revaluation Investment Properties	0	0	0
Total Operating Revenue	30,920	31,083	163
Net loan increase/(decrease)	448	2,068	1,620
Transfer from Reserves	7,059	6,312	(747)
Total Funding	38,427	39,463	1,036
Operating Expenses			
Personnel Costs	4,323	4,191	(132)
Depreciation	6,894	6,592	(302)
Finance Costs	2,168	2,072	(96)
Other Expenses	13,818	14,544	726
Total Operating Expenditure	27,203	27,399	196
Capital Expenditure			
Renewals	8,192	7,312	(880)
Development Expenditure	2,781	4,426	1,645
Other Fixed Assets	268	326	58
Total Capital Expenditure	11,241	12,064	823
Total Funding Requirement	38,444	39,463	1,019

Funding Impact Statement (continued)

Rates and Charges

Note: Amounts shown below are exclusive of GST.

1. General Rates

1.1 General Rate District Land Value (LV)

The General Rate District Land Value (LV) is assessed as a rate in the dollar based on land values across the District. The General Rate is not set differentially. The rationale for use is contained in the Revenue and Financing Policy (Part 5 of the LTP). This rate part-funds the Leadership and Animal Control activities.

Rate Type	Rate in \$	Total Revenue Requirement 2011/12 \$000
General Rate District (LV)	0.000354	848

1.2 Uniform Annual General Charge (UAGC)

Council sets a UAGC on all separately used or inhabited portions of rating units across the District under Section 15(1)(b) of the LG(R)A. The rationale for use of the UAGC is contained in the Revenue and Financing Policy (Part 5 of the LTP).

Basis of UAGC Set

Liability for the UAGC is attracted to each separately used or inhabited portion of a rating unit. Uniform charges 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 rating unit, with each additional dwelling counting as an additional used part of the rating unit. Each additional dwelling will attract uniform charges.
- Where a single rating unit contains a number of shops or offices, each separately used or inhabited office or shop will be counted as one unit. Each office or shop will attract uniform charges.
- Where a single rating unit contains a number of separately used or inhabited residential parts (block of flats), each separate unit will be counted as one rating unit. Each unit or flat will attract uniform charges.
- A motel/hotel complex will not be treated on the basis of the number of rooms, but on the basis of a motel/hotel being a commercial operation. The motel/hotel complex will attract one set of uniform charges. However, should a residential occupancy be contained within the complex, that would constitute an additional use. Each residential occupancy in the motel/hotel complex will attract uniform charges.
- Dwellings that are not fully self-contained will not attract uniform charges. For a dwelling to be self-contained, it must be connected to water and sewerage services, have a means of cooking and have sleeping arrangements.
- Uninhabitable dwellings will not attract uniform charges. For a dwelling to be uninhabitable, it must have deteriorated to a condition not habitable by people and consume no water, power, sewerage or refuse collection.

Rate Type	\$	Total Revenue Requirement 2011/12 \$000
Uniform Annual General Charge (UAGC)	433	3,757

Funding Impact Statement (continued)

2. Targeted Rates

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

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

(a) Targeted Rate Differentiated on Land Use and Area

Council proposes to use land use (Schedule 2(1) LG(R)A) and land area (Schedule 2(4) LG(R)A) to differentiate in the following ways:

Land Use Area	Type	Description
Owhango Water Supply	Dry Stock	Farms located within Owhango and with no dairy facilities
	Dairy farms	Farms located within Owhango with milking facilities: Large - over 85 ha Small - under 85 ha
		Lifestyle Blocks
Mainstreet Targeted Rates Categories	Northern Mainstreet	All commercial or industrially zoned or used rating units (according to Council's Rating Information Database) situated within the Taumarunui (including Manunui) and National Park townships.
	Southern Mainstreet	All commercial or industrially zoned or used rating units (according to Council's Rating Information Database) situated within the Ohakune and Raetihi townships
Sanitary Services Rate Categories	Sanitary Services	Ruapehu District Council water supplies, sewerage schemes and stormwater systems provided for the purpose of community health and sustainability.
Land Transport Rate Categories	Hydro-Electric Properties	All rating units used in relation to hydro-electric power generation with a CV in excess of \$50 million.
	Other	All other rating units in the Ruapehu District.
Economic Development Commercial Rate Categories	Commercial, Industrial and Forestry Properties	All rating units with QV property use codes C (Commercial), I (Industrial) and FE (Forestry Exotic).
	Other	All other rating units in the Ruapehu District

(b) Targeted Rates Differentiated on Location

Council proposes to use location (Schedule 2(6) LG(R)A) to assess every rating unit for the Rating Area Services Rate, Combined Rating Areas, Services Rate, Rating Area Services Rate (CV), Mainstreet Rate, Waimarino-Waiouru Community Board Rate, National Park Community Board Rate, Economic Development, RTO Communities Rate and part Solid Waste Rate.

The following categories will apply:

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

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

Funding Impact Statement (continued)

Waimarino	All rating units situated within the pre-October 2004 Waimarino Ward boundaries as indicated on RDC Plan 040504.
Waiouru	All rating units situated within the pre-October 2004 Waiouru Ward boundaries as indicated on RDC Plan 040504.
Wards: Areas based on October 2004 electoral areas	
National Park Ward Area	All rating units situated within the post-October 2004 National Park Ward representation boundary, as indicated on SO Plan 335332.
Waimarino-Waiouru Ward and "Southern Services Area"	All rating units situated within the post-October 2004 Waimarino-Waiouru Ward representation boundary, as indicated on SO Plan 335333.
Northern Services Area	All rating units situated within the post-October 2004 Ohura, Taumarunui and National Park Wards representation boundary, as indicated on SO Plans 36055, 36056 and 335332.

Communities deemed to benefit from Economic Development function: The Economic Development Function is described under Community Development in the Council Activities section of this document.

Taumarunui, Ohakune, Raetihi, Ohwango, National Park, Whakapapa/Iwikau, Rangataua, Waiouru, Ohura, Pipiriki.	Any property within these communities that can be connected to a water supply (including those on water by meter) or sewerage network, excluding extraordinary users that are not connected to a sewer network and all rateable properties inside the Tongariro National Park.
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Communities deemed to benefit from RTO function: The RTO function is described under Community Development in the Council Activities section of this document.

Taumarunui, Ohakune, Raetihi, Ohwango, National Park, Whakapapa/Iwikau, Rangataua, Waiouru, Ohura, Pipiriki.	Any property within these communities that can be connected to a water supply (including those on water by meter) or sewerage network, excluding extraordinary users that are not connected to a sewer network and all rateable properties inside the Tongariro National Park.
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(c) Targeted Rate Differentiated on Service Provision

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

Water	Capable of connection - The rating unit is within 100m of water main and practicably serviceable in the opinion of Council.
Sewerage	Capable of connection - The rating unit is within 30m of sewer main and practicably serviceable in the opinion of Council.
Solid Waste Collection	Capable of collection - The rating unit is in townships, from which Council is prepared to collect as identified in the Waste Minimisation (WMP), and is one that Council is able and prepared to collect from.

2.2 Targeted Rate Values

	Rate in \$ or \$	Total Revenue Requirement 2011/12 \$000
(a) District Rate (CV)		
The District Rate Capital Value (CV) is assessed as a rate in the dollar based on capital value across the District for Emergency Management and Economic Development. The rate is not set differentially. Rationale for use of the rate is contained in the Revenue and Financing Policy (Part 5 of the LTP).		
District Rate CV	0.000229	894
Defence Land (LV)	0.000370	13

Funding Impact Statement (continued)

	Rate in \$ or \$	Total Revenue Requirement 2011/12 \$000
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(b) District Land Transport Rate (CV)

The District Land Transport Rate Capital Value (CV) is assessed as a rate in the dollar based on capital value across the District. With the exception of hydro-electric properties worth in excess of \$50 million, the District Land Transport Rate is set differentially. The rationale for use of the rate is contained in the Revenue and Financing Policy (Part 5 of the LTP).

Other	Differential - Base Rate	0.001237	4,486
Hydro-Electric Properties	Differential - 75% of Base Rate	0.000928	265
Defence Land	Land Value	0.001983	71

(c) Area Services (TUAC)

Council proposes to set Targeted Uniform Annual Charge (TUAC) for each rating area based on an annual charge per separately used or inhabited portion of a rating unit (Schedule 3(7) LG(R)A). This charge part-funds Council swimming pools and Agency Services, according to the Revenue and Financing Policy (Part 5 of the LTP).

Rating Area:	Taumarunui	\$30	99
	Waimarino	\$50	157
	National Park Community Board	\$31	31
	Waimarino-Waiouru Community Board	\$10	32
	Waimarino-Waiouru Community Board (Defence Land)	0.00001391	0.5

(d) Northern/Southern Area Services (TUAC)

Council proposes to set Targeted Uniform Annual Charge (TUAC) to part-fund the activities of Mainstreet, Parks and Reserves and Halls, based on an annual charge per separately used or inhabited portion of a rating unit (Schedule 3(7) LG(R)A). Categories are based on location and the availability of Council services.

Services Area:	Northern	\$68	346
	Southern	\$102	328
	Defence Land (LV)	\$nil	12

e) Area Services (CV)

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

Rating Area:	Taumarunui	0.000065	56
	National Park	0.000025	14
	Waimarino	0.000032	45

(f) Mainstreet Northern/Southern (LV)

Council proposes to set Targeted Rate on all commercial or industrial zoned or used rating units (according to Council's Rating Information Database) to part-fund urban upgrades in the District's centres. The rate will be set on land value (Schedule 3(3) LG(R)A).

Note: Mainstreet is a "grand-parented" funding mechanism. Council resolved that Mainstreet-type projects in future were better funded by the Ward Services Capital Value method that attributes costs to specific Wards that derive the majority of benefit. However, Council retains the Mainstreet funding method to continue funding of existing projects only.

Funding Impact Statement (continued)

		Rate in \$ or \$	Total Revenue Requirement 2011/12 \$000
Mainstreet:	Northern	0.000963	24
	Southern	0.001740	49
(g) Waste Minimisation (TUAC)			

Council proposes to set Targeted Uniform Annual Charge (TUAC) on every separately used or inhabited portion of a rating unit [Schedule 3(7) LG(R)A] to fund Waste Minimisation, which includes recycling and transfer stations, the District landfill and education initiatives, but excludes Kerbside Collection (refer to 2.3(b)).

Rating Area:	Ohura	\$122	107
	Taumarunui	\$47	153
	National Park	\$208	205
	Waimarino	\$65	202
	Waiouru	\$67	9
(h) Sanitary Services (TUAC)			

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

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

Council Water Supplies TUAC	388	3
Council Sewerage Schemes TUAC	388	3
Council Stormwater System TUAC	388	3
(i) Economic Development Community Targeted Rate		

Council proposes to use a Targeted Rate in the dollar based on properties' capital value to part-fund the Economic Development function (Schedule 3(2) LG(R)A).

Economic Development Community Targeted Rate	0.000051	58
(j) Regional Tourism Organisation (RTO) Community Targeted Rate		

Council proposes to use a Targeted Rate in the dollar based on properties' capital value to part-fund the RTO function (Schedule 3(2) LG(R)A).

Regional Tourism Organisation (RTO) Community Targeted Rate	0.000069	78
(k) Commercial Targeted Rate for Economic Development Function		

Council proposes to use a Targeted Rate differentiated by property use codes C, I and FE to part-fund the Economic Development activity

Economic Development Community Targeted Rate - QV Property Use Codes C, I and FE	0.000086	29
(l) Commercial Targeted Rate for RTO Function		

Council proposes to use a Targeted Rate differentiated by property use codes C and I to part-fund the RTO function.

RTO Commercial Property Targeted Rate - QV Property Use Codes C and I	0.000633	155
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Funding Impact Statement (continued)

2.3 Service Charges

Council charges Targeted Uniform Charges (UAC) that apply to Water Supply, Sewerage and Solid Waste collection. Council also describes the funding of these services as being “service charges” as they have a more direct link between usage and availability of the service and charging, compared to all other types of rate.

	\$	Total Revenue Requirement 2011/12 \$000
(a) Water Supply		

Council proposes to set Targeted Rates for Water Supply according to the differential factors outlined in 2.1 above and on the basis of the following limits and conditions around the supply of water (Schedule 3(8) of the LG(R)A).

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

User Categories	Description			Total Revenue Requirement 2011/12 \$000
Ordinary (Users connected or able to be connected to the relevant water reticulation systems)	Ohura Supply		\$863	135
	Taumarunui Supply		\$494	1,209
	Owhango Supply		\$438	59
	National Park Supply		\$651	195
	Raetihi Supply		\$512	293
	Ohakune Supply		\$387	581
	Waiouru Supply		\$451	32
Extraordinary (Users who are connected or able to be connected to the related water reticulation schemes and are not metered. Users are deemed extraordinary by land use, by Council's Water Bylaw or by agreement with Council, and charged accordingly)	Owhango Supply Lifestyle blocks <25 ha		\$550	8
	National Park Supply		\$1,042	20
	Raetihi Supply		\$571	5
		Rate per m ³ \$	Minimum Charge per Quarter \$	Total Revenue Requirement 2011/12 \$000
Metered (Sub-set of extraordinary users. Extraordinary users who are metered will be charged the relevant minimum annual charge in conjunction with their usage charges for water consumed. Only one minimum charge will be applied per rateable unit)	Taumarunui	0.82	137	128
	Owhango Supply: 0 - 832m ³	1.35	121	90
	Owhango Supply: > 832m ³	0.65		
	Ohakune Supply: 0 - 500m ³	1.62	102	116
	Ohakune Supply: 500 - 1,500m ³	1.21		
	Ohakune Supply: >1,500m ³	0.85		
	Carrot Washers	0.70		
Waiouru Supply	1.80	125	37	

Funding Impact Statement (continued)

	\$	Total Revenue Requirement 2011/12 \$000
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Metered Water Payment Arrangements

Discount for Prompt Payment - A discount of 10% shall be allowed for water charges paid by the discount date as stated on the Water By Meter Account (under Section 55 LG(R)A).

Water Billing Cycle - The charge made for water supplied by way of meter shall be levied separately from the other rates and charges made by Council. The due date for the charges shall be the last payment date printed on the account for water supplied. This account will be forwarded no later than the second week at the end of each quarter.

(b) Solid Waste Kerbside Collection (TUAC)

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

Council operates kerbside collection in Taumarunui (extending to Piriaka and Kakahi), Ohakune and Raetihi and Rangataua townships. Refuse is collected for all separately usable and inhabitable properties, while recycling is collected only for residential units.

Collection Area:	Taumarunui	117	300
	Waimarino	113	216
	Taumarunui (Commercial - refuse only)	88	
	Waimarino (Commercial - refuse only)	77	

(c) Sewerage (TUAC)

Council proposes to set a Targeted Uniform Annual Charge (TUAC) to provide for the collection and disposal of sewerage, in the form of annual charges based on location and number of pans. The annual charge is levied on every separately used or inhabited portion of a rating unit that is connected or capable of being connected to a Council sewerage reticulation network.

Rangataua Scheme - Council proposes to set an annual charge per separately used or inhabited portion of a rating unit, based on the above categories, to fund a loan raised to fund capital costs of the Rangataua scheme. This charge will be levied on every rating unit in Rangataua that has not made a lump sum contribution to the scheme.

National Park Scheme - National Park Village is rated as a rate per \$ of land value for Category 1.

Category 1 1 - 2 pans (water closets or urinals). Each separately rateable property used exclusively or principally as the residence of not more than one household (defined in terms of their residential valuation land use code), is deemed to have not more than one pan for charging purposes.	Taumarunui	\$356	752
	National Park	0.002735	141
	Ohakune	\$300	407
	Raetihi	\$446	224
	Pipiriki	\$551	13
	Rangataua	\$462	83
	Rangataua (Debt/Operations)	\$590	8
	Waiouru	\$581	44
Category 2 3 plus pans (water closets or urinals). Commercial land uses (as defined by land use category) with more than one pan.	Taumarunui	\$213	133
	National Park	\$141	23
	Ohakune	\$180	85
	Raetihi	\$268	22
	Pipiriki	\$330	1
	Waiouru	\$349	24

Funding Impact Statement (continued)

			\$	Total Revenue Requirement 2011/12 \$000
Category 3	Primary and Secondary Schools	Taumarunui	\$98	17
		National Park	\$70	0.5
		Ohakune	\$89	5
		Raetihi	\$132	4
		Pipiriki	\$162	1

3. Rates Payments

3.1 Instalment Due Dates for 2011/12

Instalment No 1	Due: Monday 22 August 2011
Instalment No 2	Due: Monday 21 November 2011
Instalment No 3	Due: Monday 20 February 2012
Instalment No 4	Due: Monday 21 May 2012

3.2 Water Supply

Water Supply metered charges are subject to a separate payment and discount regime. The discounts outlined below do not apply to Water Supply metered charges.

3.3 Discount for Payment in Full

A discount of 5% on all current year's rates will be granted for prompt payment if the rates are paid in full by 22 August 2011 for the year ending 30 June 2012, on condition that no rates remain unpaid from previous years.

3.4 Penalties

An additional charge of 10% will be added to rates levied in the 2011/12 financial year and which remain unpaid after the above due dates.

A further additional charge of 10% will be added to all rates and penalties charged in previous years and still outstanding at 11 July 2011 and 9 January 2012.

Council delegates authority to the Finance Manager to apply penalties on unpaid rates. Consideration for remission of penalties will be considered according to Council's Remission of Penalties Policy contained in Part 5 of Council's LTP 2009-19.

Prospective Financial Statements

Prospective Information

To assist in the understanding of the prospective financial statements, this first part of this section explains the caveats related to these prospective statements. This is followed by an explanation of the key planning assumptions that have been used to develop the draft Annual Plan, the accounting policies and finally the prospective financial statements.

The following information is prepared in accordance with the provisions of Financial Report Standard 42 (FRS42) issued by the NZ Institute of Chartered Accountants.

Approach

The approach taken to budget development has been that of preparing “forecasts” on a best estimate basis. In this case, a forecast refers to financial information based on assumptions as to future events Council expects to occur and on the basis of Council’s expected response to these events. Council has not taken an approach where hypothetical (“what if”) projections are used.

The amounts presented are budgeted. However, the opening balance of the 2011/12 year is based on the estimated actual result, with this estimation having been made in March 2011.

Major Limitation

The major limitation of the forecasting approach, as with any approach, is that events may change over time and undermine the accuracy of assumptions made. The actual financial results achieved for the period are likely to vary from the information presented and the variations may be material.

Basis of Assumptions, Risks and Uncertainties

A number of planning assumptions have been made in the development of the LTP. These assumptions, along with the risks and uncertainties that surround these assumptions, are discussed in the Planning Assumptions.

Review of Assumptions

Underlying assumptions for the financial information was undertaken in preparation of the LTP, between September 2008 and March 2009. However, the assumptions themselves were adopted by Council resolution.

Council is required, under the LGA, to issue an updated LTP every three years. The next update is planned for June 2012.

Prior Published Prospective Financial Statements

The LTP, adopted on 30 June 2009, supersedes all previously published prospective financial statements.

Material differences from prior prospective financial statements are as follows:

- Inclusion of inflation adjustment from 2009/10 year onwards.
- Implementation of the Waste Minimisation Plan 2009-12 (WMP) that describes how Council will provide the community with long term solutions to its solid waste issue.
- Increased investment in the District’s land transport network.
- Direct investment in creating tools to attract, retain and grow new and existing businesses in the District.
- Review of the District Plan to ensure that growth in the District is balanced with the environmental sustainability of the District.
- Investment in the future sustainability and effectiveness of the District’s infrastructure by implementing the Asset Management Plan Improvement Programme. This includes the development of asset information for the District’s water supply and sewerage network and improvement of information on all Council assets.
- Sale of surplus properties and subsequent reduction in the operating cost in the Community Property activity.

Statement of Accounting Policies

Reporting Entity

Ruapehu District Council (Council) is a territorial local authority governed by the LGA. The financial statements of Ruapehu District Council and Group consists of Council and its 100% owned subsidiary RDC Holdings Limited and 33% shares in the associated company, Ruapehu Wanganui Rangitikei Economic Development Trust (the RED Trust). RDC Holdings Limited was incorporated on 10 May 1996 in New Zealand and has not traded during the year.

The RED Trust was incorporated under the Charitable Trusts Act 1957 on 4 May 2006. The Trust was established to operate the Major Regional Initiative (MRI) and other partnerships with New Zealand Trade and Enterprise. It is a Council Controlled Organisation according to the LGA and Council has an equal share, together with Rangitikei District Council and Wanganui District Council.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financing Reporting Standards (NZ IFRS).

The financial statements of Council and Group are for the year ended 30 June 2010 were authorised for issue by Council on 23 November 2010.

Basis For Preparation

Statement of Compliance

Council's financial statements have been prepared in accordance with the requirements of the LGA, Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with NZ GAAP. They comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement Base

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

Functional and Presentation Currency

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

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year. Council and Group has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

- **NZ IAS 1 - Presentation of Financial Statements (Revised 2007) replaces NZIAS 1** - Presentation of Financial Statements (Issued 2004). The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. Council and Group has decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.

Standards, Amendments and Interpretations Issued that Are Not Yet Effective and Have Not Been early Adopted

Amendments to NZ IFRS 9 - Financial Instruments will eventually replace NZ IAS 39 Financial Instruments; Recognition and Measurement - NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. Ruapehu District Council has not yet assessed the effect of the new standard and expects it will not be early adopted.

Critical Judgement In Applying Council's Accounting Policies

Management has exercised the following critical judgment in applying Council's accounting policies for the Annual Report for the period ending 30 June 2010.

- **Classification of Property** - Council owns a number of properties held to provide social housing. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives and are accounted for as Property, Plant and Equipment.

Critical Accounting Estimates And Assumptions

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

Infrastructural Assets

Note 1 (later in this section, under the sub-heading “Infrastructural Assets”) provides information about the estimates and assumptions applied in determining the fair value of infrastructural assets.

Landfill Aftercare Provision

Note 20 provides information about the estimates and assumptions surrounding the Landfill Aftercare Provision.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Council and the revenue can be reliably measured. Revenue is recognised at fair value. The following specific recognition criteria must also be met before revenue is recognised.

Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised on the due date for each instalment.

Other Revenue

As clarified below, other revenues are recognised when the service is provided. Other grants, bequests and assets vested in the Council are recognised as revenue when control over the asset is obtained.

Subsidy revenue is recognised when expenditure has been incurred and the claim for subsidy processed.

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Traffic and parking infringements are recognised when tickets are issued.

Fees and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence. **Expenditure** is recognised when the service has been provided or the goods received.

Grants from petrol tax are received from the government, which subsidises part of its costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Rental revenue arising on property owned by Council is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Fair value of the asset received is recognised as revenue, when a physical asset is acquired for nil or nominal consideration

Commission or fee on the transaction is recognised revenue, where Council is acting as an agent for another party.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive payment has been established.

Licences are invoiced when the application is received and permits are paid for when issued.

Government grants are received from the NZ Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Development and financial contributions are recognised as revenue at the later of the point when Council is ready to provide the service for which the contribution has levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation. Unapplied contributions at balance date are recorded as a liability in the financial statements.

Assets vested in Council are recognised as revenue when control over the asset is obtained. Vested asset revenue recognises the value of land and/or infrastructural works that have been handed over to Council following completion of the subdivision consent process. Vested assets are valued by applying standard unit rates to actual quantities of infrastructural components vested. The rates used are provided by the land developers and tested for reasonableness by Council engineering staff.

Statement of Accounting Policies (continued)

Expenditure Recognition

Expenditure is recognised when Council is deemed to have been supplied with the service or has control of the goods supplied.

Borrowing costs are recognised as an expense in the period in which they are incurred.

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

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Operating lease does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

Cash and Cash Equivalents

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

Trade And Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans, including loans to community organisations made by Council at nil, or below market, interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment.

They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Statement of Comprehensive Income as a grant.

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Financial Assets

Council classifies its financial assets into the following three categories:

- Financial assets at fair value through profit or loss.
- Loans and receivables.
- Financial assets at fair value through equity.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss, in which case the transaction costs are recognised in the Consolidated Statement of Comprehensive Income.

Purchases and sales of investments are recognised on trade date, the date on which Council commits to purchase or sell the asset.

Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The three categories of financial assets are:

Financial Assets at Fair Value through Profit or Loss

- This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.
- After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the

Statement of Accounting Policies (continued)

Consolidated Statement of Comprehensive Income. Council currently does not hold any financial assets in this category.

Loans and Receivables

- These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- After initial recognition they are measured at amortisation cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the Statement of Comprehensive Income. Loans and receivables are classified as “trade and other receivables” in the statement of financial position.

Financial Assets at Fair Value through Equity

- Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above.
- This category encompasses:
 - Investments that Council intends to hold long term but which may be realised before maturity.
 - Shareholdings that Council holds for strategic purposes. Council investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.
- After initial recognition these investments are measured at their fair value.
- Gains and losses are other comprehensive income except for impairment losses, which are recognised in the Consolidated Statement of Comprehensive Income. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in Consolidated Statement of Comprehensive Income even though the asset has not been de-recognised.
- On de-recognition the cumulative gains or loss previously recognised in equity is recognised in the Consolidated Statement of Comprehensive Income

Impairment of Financial Assets

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial asset is impaired. Any impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

Property, Plant and Equipment

Fixed assets are disclosed as follows:

Land

All land owned by Council, excluding land under roads, was valued at market value as at 30 June 2009 by Darroch Valuations (a registered independent valuer with relevant experience). Land is valued at fair value using market-based evidence, based on its highest and best use with reference to comparable land values. Land under roads was valued based on fair value by determining the total land area and multiplying this by an average District land value determined by the recent Government valuation as at 1 July 2004.

Council has elected to use the fair value of land under roads as at transition date, as deemed cost. Land under roads are no longer revalued.

Land and buildings (operational and restricted), library books and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values.

Buildings

All buildings owned by Council were valued at depreciated replacement cost as at 30 June 2009 by Darroch Valuations (a registered independent valuer with relevant experience).

This is considered to be the fair value of the properties.

Infrastructural Assets

Infrastructural Assets are the fixed utility systems providing an ongoing service to the community, but not generally regarded as tradeable (eg, roads, street lights, bridges, water and sewer reticulation systems, stormwater systems and refuse sites).

Land and buildings related specifically to an infrastructural asset are valued at depreciated replacement cost as at 30 June 2009. The valuation were carried out by Darroch Valuations (a registered independent valuer with relevant experience). This is considered to be the fair value of the properties. Services assets were revalued by DTZ New Zealand Limited. Roading assets were valued by GHD Limited as at 30 June 2009.

The assets are recorded at their depreciated replacement cost as at 30 June 2009 plus subsequent additions at cost.

There are a number of assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets. These include:

Statement of Accounting Policies (continued)

- The replacement cost of the asset. This is derived from recent construction contracts in the region for similar assets.
- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes which are underground. The risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over- or under-estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income. To minimise the risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Deprecation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations

Restricted Assets

Restricted assets are parks and reserves owned by Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Restricted Land and Buildings were valued at fair value as at 30 June 2009 by Darroch Valuations.

Plant and Equipment

All motor vehicles, plant and machinery, office furniture, equipment and management information systems owned by Council are valued at cost less accumulated depreciation.

Depreciation

Fixed assets are depreciated on a straight-line or diminishing value basis at rates that reflect their estimated useful lives. The depreciation rates of the various classes of assets are as follows:

Fixed Assets	Rate	Deprn Method
Land	Nil	Not Depreciated
Buildings	1 - 2%	Straight Line
Computer Equipment	40%	Diminishing Value
Office Equipment, Furniture and Fittings	20%	Diminishing Value
Library Books	8%	Straight Line
Motor Vehicles, Other Equipment	10 - 30%	Straight Line

Council depreciates all infrastructural fixed assets, excluding stop-banks and land under roads.

Infrastructural fixed asset depreciation rates are based on the remaining useful life for each individual asset component, which equates to a range of rates as per Council's infrastructural asset register. Depreciation for this class of assets is calculated on a straight-line basis.

The base lives in years are:

Roads	Years
Top Surface (seal)	20
Pavements Basecourse	100
Formation (not depreciated)	N/A
Culverts	60 - 100
Footpaths	80 - 100
Kerbs	80 - 100
Signs	10 - 15
Street lights	10 - 15
Bridges	70 - 100
Water Reticulation	
Pipes	40 - 80
Valves, Hydrants	25 - 50
Pump Stations	10 - 60
Tanks	25 - 100
Sewerage Reticulation	
Pipes	50 - 80 ⁽¹⁾
Manholes	50
Treatment Plants	10 - 100
Stormwater Systems	
Pipes	50 - 60 ⁽¹⁾
Manholes, Cesspits	50
Stop Banks (not depreciated)	N/A
Solid Waste	
Various Assets	20

⁽¹⁾ Life depends on material type of pipe

Impairment: Property, Plant and Equipment

The carrying values of operational buildings, plant and equipment and infrastructural assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Council's assets do not generate direct cash inflows and cannot be grouped into cash generating units. Thus, Council does not group

Statement of Accounting Policies (continued)

its assets into cash generating units to assess impairment. Instead, Council annually tests for internal and external factors which may indicate that the carrying value of its assets exceeds depreciated replacement cost, which could indicate impairment has occurred.

If any such indication exists and, where the carrying values are found to exceed the estimated recoverable amount, the assets are written down to their recoverable amount or depreciated replacement cost.

Impairment losses are recognised in the Consolidated Statement of Comprehensive Income in the write downs and disposals line item unless they offset a prior asset revaluation reserve for that asset.

Revaluations

Following initial recognition at cost, operational land and buildings and infrastructural assets are carried at a revalued amount, which is the fair value at the date of the revaluation, less any subsequent accumulated depreciation on buildings and infrastructural assets and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Where no market exists for assets, for example for infrastructural assets, the fair value is the depreciated replacement cost.

Any revaluation surplus is credited to the appropriate asset revaluation reserve included in the equity section of the Consolidated Statement of Financial Position unless it reverses a revaluation decrease of the same asset previously recognised in the Consolidated Statement of Comprehensive Income. Revaluation changes are recorded on a class of assets basis.

Any revaluation deficit is recognised in the Consolidated Statement of Comprehensive Income unless it directly offsets a previous surplus in the same asset class in the asset revaluation reserve.

In addition, any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Consolidated Statement of Comprehensive Income in the year the item is derecognised.

Intangible Assets

Intangible assets contribute to the revenue earning capacity of the Council, but they are not physical in nature. The large sums of expenditure create valuable assets to Council that they may generate cash flows over several years. The immediate deduction of this expenditure from revenue in one year would reduce the fair value of the assets in the Statement of Financial Position of the Council. Therefore, intangible assets are written off or charged against revenue over the expected period they are deemed to be of benefit or value to Council.

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income.

Software Acquisition and Development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs that are directly associated with the development of software for internal use by Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Amortisation Rates for Software	%
Proprietary Software is 3 years	33.3
Corporate Software is 8 years	12.5

Investment Property

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

Investment properties are initially measured at cost, unless acquired at less than fair value when they are recognised at fair value.

After initial recognition, Council measures all investment property at fair values as determined annually by a registered independent valuer with relevant experience.

Statement of Accounting Policies (continued)

Gains or losses arising from a change in the fair value of investment property are recognised in the Statement of Comprehensive Income.

Impairment of Non Financial Assets

Non financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset.

Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Consolidated Statement of Comprehensive Income. For assets not carried at a revalued amount, the total impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in Consolidated Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Income.

Employee Benefits

Short Term Benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken, at balance date, retiring and long service entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried

forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

Long Term Benefits

Entitlements that are payable beyond 12 months, such as retirement gratuities, have been calculated on an actuarial basis. The calculation is based on likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information.

Provisions

Provisions are recognised when Council has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

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

Borrowings

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

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Ratepayers equity
- Special funds
- Asset revaluation reserves

Restricted and Council Created Reserves

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

Statement of Accounting Policies (continued)

Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Council objectives, policies and processes for managing capital are described in Note 29.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are shown exclusive of GST.

Cost Allocations

The costs of all internal services are either charged directly to the Significant Activities or allocated to them. Where the user of the service can be identified the recovery is made by way of direct charge. Where this is not possible, the costs are allocated by way of corporate overhead.

The basis of the Council corporate overhead was subject to overhead model review and significant changes have been made. Overheads

directly related to a Significant Activity are charged directly to that Significant Activity. These direct overheads include part of wage costs, part of ACC Costs, part of vehicle costs and part of legal costs.

Other indirect overheads are allocated to each Significant Activity based on the number of full-time-staff-equivalent (FTSE) directly employed in these Significant Activities.

Landfill Aftercare Provision

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

The provision is based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

The discount rate used reflects current market assessments of the time value of money and the risks specific to Council.

Classification Of Property

Council owns a number of properties, as follows:

- Social Housing - the receipt of market-based rental from these properties is incidental to holding these properties. They are held for service delivery objectives.
- Community Assets - Council also holds certain properties for reasons other than to make an investment income, including:
 - Airport.
 - Ohakune Railway Station.
 - Pukehou Quarry.

These properties are accounted for as property, plant and equipment.

Prospective Statement of Comprehensive Income

For the Year Ended 30 June 2012

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Revenue			
General Rates	866	849	(17)
UAGC	3,589	4,127	538
Targeted Rates	13,989	12,953	(1,036)
User Fees and Charges	3,077	2,574	(503)
Other Public Funding	573	473	(100)
Subsidies	8,476	9,878	1,402
Dividends	10	10	0
Petrol Tax	173	173	0
Interest	158	46	(112)
Revaluations	141	0	(141)
Total Operating Revenue	31,052	31,083	31
Expenditure			
Personnel Costs	4,323	4,191	(132)
Depreciation	6,894	6,592	(302)
Finance Costs	2,168	2,072	(96)
Other Expenses	13,827	14,544	717
Total Operating Expenditure	27,212	27,399	187
Net Surplus/(Deficit)	3,840	3,684	(156)

Reconciliation of Comprehensive Income to Cost of Service Statement

For the Year Ended 30 June 2012

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Total Operating Revenue			
Leadership	158	91	(67)
Regulation	1,462	998	(464)
Resource Management	232	120	(112)
Land Transport	14,156	15,226	1,070
Sewerage Collection	2,504	2,239	(265)
Stormwater	480	443	(37)
Water Supply	3,116	2,939	(177)
Solid Waste	2,082	1,949	(133)
Recreation and Community Facilities	883	824	(59)
Community Development	719	770	51
Community Property	324	311	(13)
General Rates Revenue	4,455	4,975	520
Total Operating Revenue (Cost of Service Statements)	30,571	30,885	314
Total Operating Revenue (Statement of Comprehensive Income)	31,052	31,083	31
Variance	(481)	(198)	283
Less other revenue not included in Cost of Service Statements	481	198	(283)
Variance	0	0	0
Operating Expenditure (Cost of Service Statements)			
Leadership	1,584	1,601	17
Regulation	2,116	1,886	(230)
Resource Management	504	672	168
Land Transport	10,677	11,218	541
Sewerage	2,374	2,256	(118)
Stormwater	951	889	(62)
Water Supply	2,926	2,934	8
Solid Waste	2,442	2,377	(65)
Recreation and Community Facilities	2,270	2,228	(42)
Community Development	814	808	(6)
Community Property	554	530	(24)
Total Operating Expenditure (Cost of Service Statements)	27,212	27,399	187
Total Operating Expenditure (Statement of Comprehensive Income)	27,212	27,399	187
Variance	0	(0)	(0)
Net Surplus per Statement of Comprehensive Income	(3,840)	(3,684)	156

Prospective Statement of Changes in Equity

As At 30 June 2012

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Accumulated funds at start of year	261,340	(321,743)	(583,083)
Net Surplus for the year	3,840	(3,684)	(7,524)
Provision for Aftercare	(44)	52	96
Accumulated funds at end of year	265,136	(325,375)	(590,511)
Asset Revaluation Reserves at start of year	78,982	64,716	(14,266)
Revaluation Surplus	0	0	0
Revaluation Reserves at end of year	78,982	64,716	(14,266)
Equity at end of year	344,118	(260,659)	(604,777)

Prospective Statement of Financial Position

As At 30 June 2012

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Current Assets			
Cash and Cash Equivalents	1,244	1,244	0
Trade & Other Receivables	4,119	4,164	45
Inventories	29	9	(20)
Current Assets	5,392	5,417	25
Non-Current Assets			
Investment Properties	5,392	4,042	(1,350)
Financial Assets at Fair Value	451	425	(26)
Property Plant and Equipment	25,058	26,316	1,258
Infrastructural Assets	346,296	326,635	(19,661)
Non Current Assets	377,197	357,418	(19,779)
Total Assets	382,589	362,835	(19,754)
Current Liabilities			
Trade and Other Payables	4,338	4,275	(63)
Income in Advance	570	593	23
Bonds, Deposits and Trust Funds	368	114	(254)
Other Financial Liabilities	318	261	(57)
Borrowings - Term	3,200	3,200	0
Current Liabilities	8,794	8,443	(351)
Non Current Liabilities			
Accruals Provisions and Employee Benefits	769	590	(179)
Borrowings - Term	28,908	28,427	(481)
Non Current Liabilities	29,677	29,017	(660)
Total Liabilities	38,471	37,460	(1,011)
Net Assets	344,118	325,375	(18,743)
Equity			
Ratepayers Equity	264,558	260,284	(4,274)
Special Funds	578	375	(203)
Asset Revaluation Reserve	78,982	64,716	(14,266)
Equity	344,118	325,375	(18,743)

Prospective Cash Flow Statement

For the Year Ended 30 June 2012

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Cash Flow from Operating Activities			
Rates	18,788	18,159	(629)
Subsidies and Grants	12,151	12,624	473
Suppliers of Goods and Services	(14,843)	(14,542)	301
Employees' and Elected Members' Remuneration	(3,150)	(4,191)	(1,041)
Interest on Loans	(2,168)	(2,072)	96
Net Cash Flow from Operating Activities	10,778	9,978	800
Cash flows from Investing Activities			
Purchase of Fixed Assets	(394)	(519)	(125)
Capital Expenditure on Infrastructural Assets	(10,832)	(11,527)	(695)
Net Cashflow from Investing Activities	(11,226)	(12,046)	(820)
Cashflow from Financing Activities			
Loans Raised	3,648	5,268	1,620
Loan repayments	(3,200)	(3,200)	0
Net Cashflow from Financing Activities	448	2,068	1,620
Net Increase/(Decrease) in Cash, Cash Equivalents and Bank Overdrafts			
Balance at beginning of the year	1,244	1,244	0
Balance at End of Year	1,244	1,244	0

Forecast Statement of Public Debt

As At 30 June 2012

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Opening Loan Balance	31,660	29,559	(2,101)
Net Loans Required	3,648	5,268	1,620
Loans Repaid	(3,200)	(3,200)	0
Closing Loan Balance	32,108	31,627	(481)

Other Disclosures

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Reserve Funds			
TBC Reserve Contributions	(30)	(4)	26
TCC Reserve Contributions	(16)	(72)	(56)
OBC Reserve Contributions	(4)	(11)	(7)
Waimarino Reserves	(7)	(7)	0
Ohakune Parking Contributions	(56)	0	56
OBC Rooding Contributions	(51)	(49)	2
Special Funds			
ECNZ Stratford Huntly Amenities	(172)	(85)	87
ECNZ Wanganui River Amenities	(18)	(17)	1
Mayoral Relief Fund	(78)	(77)	1
Total Special Funds	(432)	(322)	110
Trust Funds			
TBC Silver Band Trust Fund	(45)	(45)	0
WDC Ngauruhoe Lodge Trust Fund	(8)	(8)	0
Total	(53)	(53)	0
	LTP 2011/12	EAP 2011/12	Variation
Interest/Operating Revenue	7%	7%	0
Total Liabilities/Total Assets	10	10	0
Net Debt/Operating Revenue	1	1	0

Balanced Budget

	LTP 2011/12 \$000	EAP 2011/12 \$000	Variation \$000
Leadership	(16)	(6)	10
Regulation	2	65	63
Resource Management	20	(10)	(30)
Stormwater	43	102	59
Solid Waste	(2)	66	68
Recreation and Community Facilities	2	50	48
Community Development	12	13	1
Total	61	280	219