



Exceptions Annual Plan 2014/15

PREFACE

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Ruapehu District Council, Private Bag 1001, Taumarunui 3946
Website: www.ruapehudc.govt.nz Email: info@ruapehudc.govt.nz

Taumarunui (Main Office)

59-63 Huia Street
Phone: 07 895 8188
Fax: 07 895 3256

Ohakune Service Centre and Library

Ayr Street
Phone: 06 385 8364
Fax: 06 385 8628

Raetihi Agency and Library

Cr Duncan/Seddon Streets
Phone: 06 385 4447
Fax: 06 385 4014



PREFACE

Statement of Compliance

Ruapehu District Council's Exceptions Annual Plan 2014/15 (EAP) has been produced in compliance with Section 94 of the Local Government Act 2002.

This Plan was adopted on 24 June 2014 and amended to correct a typographical error in the Land Transport Targeted Rate (page 52) on 30 June 2014.



Peter Till

CHIEF EXECUTIVE

30 June 2014

PREFACE

Message from Mayor and Chief Executive 2014/15

Council is pleased to present its 2014/15 Exceptions Annual Plan (EAP) for the coming financial year.

The average rate increase for the coming year has been set at 3.5%.

This is well under the proposed rate increase of 4.7% put forward in the draft EAP for public consultation.

The draft EAP proposed an average rate increase of 4.7% as an absolute minimum while asking ratepayers to consider a higher average increase of 7.6% to allow Council to maintain existing levels of service and ensure that Ruapehu's basic infrastructure remained at its current levels or improved.

Although there were some public submissions to the draft EAP that supported the higher proposed average rate increase, Council was very much aware of the financial difficulties facing many ratepayers.

Council has worked extremely hard to bring the proposed rate increase in at this level. It has required decreases in both capital expenditure and operational budgets. Limited resources, along with increasing and competing demands, have required some difficult decisions about which projects and activities are funded.

A major factor that has allowed Council to achieve an average 3.5% increase is switching the funding for the new Waiouru public toilets to debt funding.

The trimmed budgets mean that Council's infrastructure investment has been reduced to a bare minimum, with some programmes removed altogether. An average rate increase of 3.5% will, however, mean a lower level of response to some requests for service.

During the development of the current Long Term Plan (LTP 2012-22) Council reduced planned capital expenditure by 25% over the ten year period, in order to restrain rate and debt increases. The EAP continues this strategy, although Audit NZ has highlighted the risks associated with this approach.

As has been communicated to ratepayers during consultation on earlier Annual and Long Term Plans, much of Ruapehu's aging infrastructure is nearing the end of its economic life.



Don Cameron JP
MAYOR



Peter Till
CHIEF EXECUTIVE

Going forward, Council has already commenced talking with Ruapehu communities and interest groups about next year's 2015-25 Long Term Plan (LTP).

There are a number of significant issues that Council would urge ratepayers and other Ruapehu stakeholders to inform themselves about so that they can fully engage in the LTP development and consultation process.

These include:

- The reduction of Ruapehu's Funding Assistance Rate (FAR), its impact on the road network and how we should maintain local roads.
- Waimarino's water and wastewater issues.
- Economic development and how Ruapehu's productivity can be improved.
- The closing of the Taumarunui landfill and how to manage solid waste.
- How to have visitors to Ruapehu contribute more toward the costs they impose.

Council is currently meeting with local communities and interest groups on these and other issues pertinent to the 2015-25 LTP.

If you are a member of a community or group who would like to be part of this process please contact your local Council office to register your interest.

PREFACE

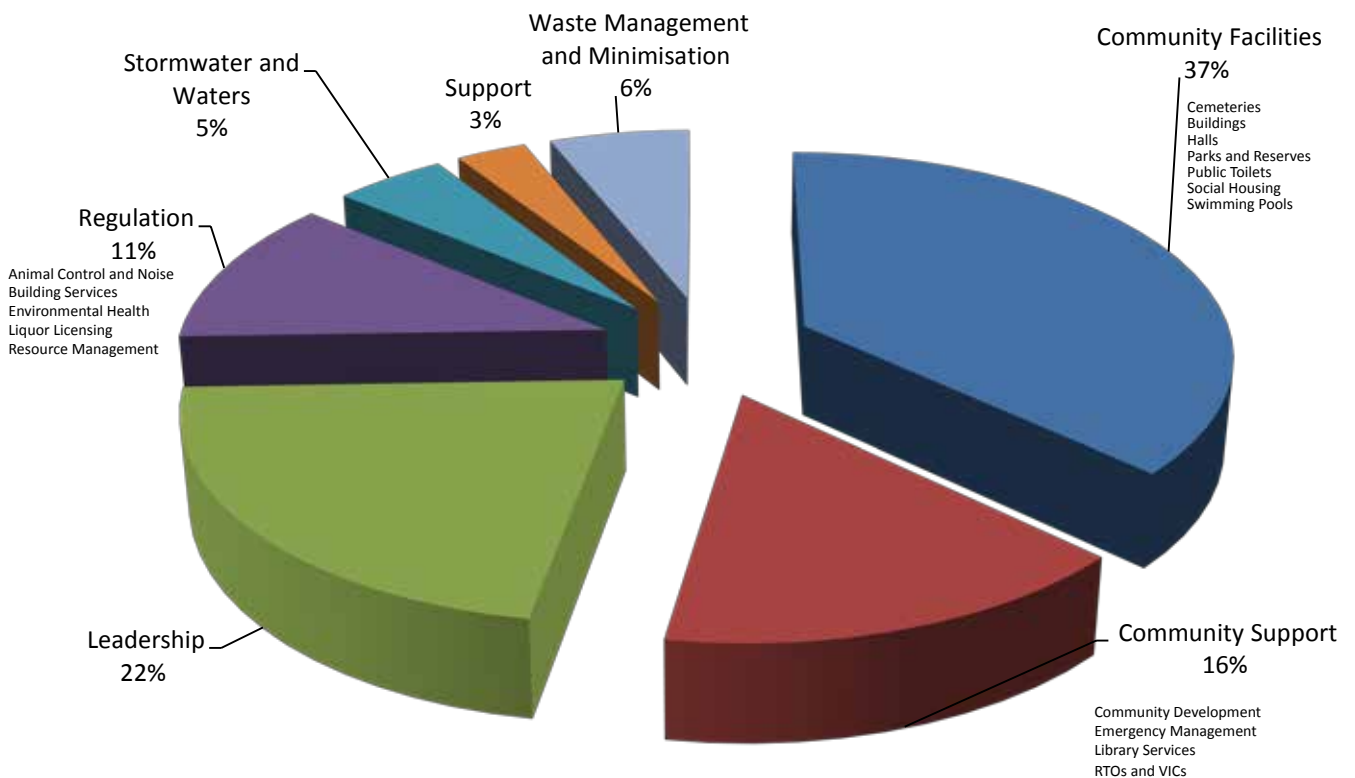
How the General Rate is Made Up

Every rates bill has a General Rate portion, which is made up of the following activities. For each \$100 of General Rates revenue, the following activities are funded:

Activity	\$
Community Facilities	37
Regulation	11
Leadership	22
Community Support	16
Waste Management and Minimisation	6
Stormwater/Water Supply/Wastewater	5
Support	3
Total	100

Apart from General Rates, the balance of the rates bill is made up of Uniform Annual General Charges (UAGC), Targeted Rates for Land Transport, Water, Wastewater (Sewerage), Urban Flood Protection, Regional Tourism, Debt Repayment and Accelerated and Enhanced Development. These appear separately on the Rates Invoice.

How the General Rate is Made Up



CHANGES MADE TO THE EAP FOLLOWING CONSULTATION

Changes

- Library Budget - reinstated \$29,000.
- Waouru Toilets to be funded by capital, not rates (\$257,000).
- Allocation of \$12,000 to the Mayor's budget.
- Additional \$30,000 for footpaths.

Funding Reallocated

- \$75,000 from Wastewater to Water Supply (Taumarunui).
- \$20,000 from Raetihi Water to General (for investigation of Water Supply - Waimarino Plains).
- \$5,000 increase of subscriptions for Local Government New Zealand (other subscriptions reduced).

Changes to Fees and Charges

- Library Overdue fees - increased to \$1/day/book with a cap at \$10 maximum per book (offset free books).
- Solid Waste - Special Waste reduced from \$300/tonne to \$240/tonne.

ACTIVITIES

How this Section Works



ACTIVITIES

Purpose of the Local Government Act

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

Previously, the Act said:

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

(Section 10)

The amendment changed this to read:

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

What Does it Mean for the Community?

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

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

The purpose is taking away the emphasis of community wellbeings and setting the level of delivery at households and businesses. However, households and businesses make up communities and, generally, wellbeings are the primary corners of social delivery. Ruapehu is a small Council with limited capital spend. The delivery of activities and functions of small local Councils will not alter significantly with this change to the Local Government Purpose.

Ruapehu Councillors see the Long Term Plan 2012-22 still providing the blueprint of work for the next year. At each Exceptions Annual Plan, Council scrutinises activities against the Purpose of the Act, particularly in assessing expenditure for the year. The wellbeings still provide guidance in decision making on how to ensure robust and sustainable communities are developed. Other wellbeings remain in Council policy and planning documents. The transition to deliver a Local Government Purpose in all documents is an expensive exercise in itself and will be undertaken over the next year.

The EAP is an exception to the Long Term Plan. While it is still using the Outcomes from the LTP, this will be reviewed in light of the changes to the LGA 2002 over the next few months and the 2015-25 LTP will reflect those changes.

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



ACTIVITIES

Outcomes

Introduction

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

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

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

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

Social Wellbeing

Healthy Communities and People

Caring for our People

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



Safe and Secure Living

Providing Safe Living

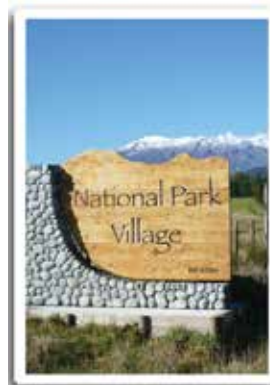
- Core infrastructure (water, wastewater, waste management and minimisation, power, and roading) keeps pace with growth demand.
- Excellent standards of safety and welfare are promoted and respected.
- Zero tolerance to crime and violence.

Economic Wellbeing

Thriving and Prosperous Lifestyles

Providing Opportunities

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



ACTIVITIES

Outcomes

Cultural Wellbeing

Vibrant and Diverse Living

Providing for Diversity

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



Environmental Wellbeing

Our Places – Natural and Beautiful

Caring for our Environment

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



ACTIVITIES

Community Support

Introduction

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

Community Support, in the structure of the LTP, includes :

- Community Development (Grants and Agency Services).
- Economic Development (including Forestry and Investment).
- Emergency Management.

- Library Services
- Regional Tourism Organisation (RTO) and Visitor Information Centres (VICs).

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

Community Development

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

Agency Services

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

Community Service

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

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

Emergency Management

Civil Defence

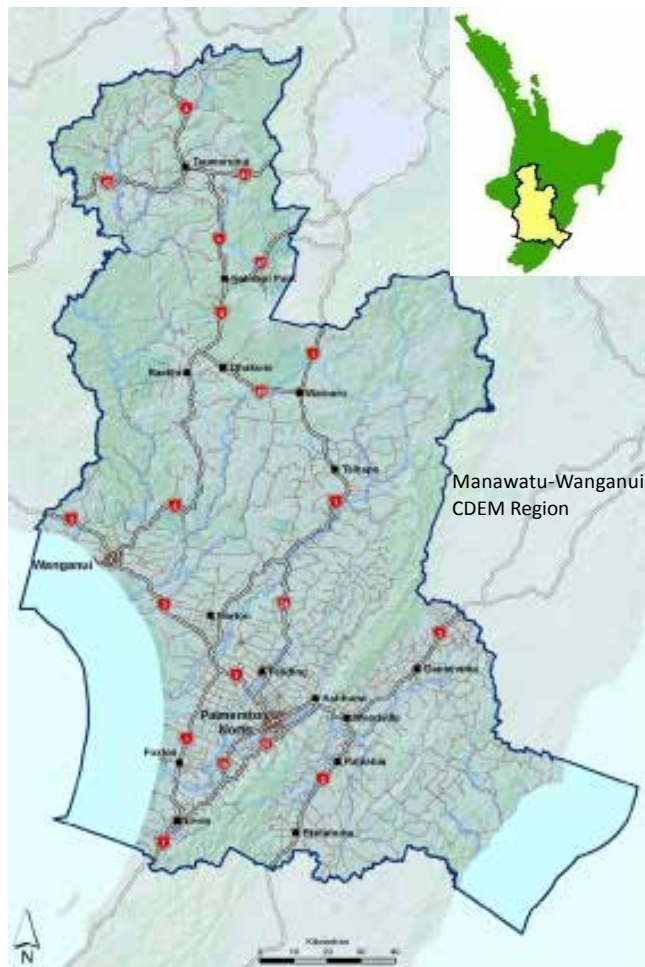
Council is an active member of the Manawatu-Wanganui Civil Defence Emergency Management (CDEM) Group, as required by the CDEM Act 2002. The Group is a consortium of the local authorities in the region with the vision 'to build a resilient and safer region with communities understanding and managing their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

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

Storm events, the potential for increases in the occurrence and intensity of rural fires during hotter, drier summers and other climate-related natural disasters, will impact on the

ACTIVITIES

Community Support



Emergency Management function. Council will continue to resource this function to cope with future events and achieve legislative compliance.

Rural Fire

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

Library Service

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

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

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

The RTO supports the delivery of the joint regional initiatives, linking the tourism infrastructure of Ruapehu to international guests and the significant features of neighbouring districts. In 2008, Council reviewed its involvement in both the RTO and VICs and confirmed that they were an essential part of its economic and community development strategy. Council has resumed control and the daily operation of the VICs under the i-SITE banner. Council is continuing to develop a plan to ensure stronger links are forged between the RTO, VICs and the multitude of tourist operators within the region, to ensure they are able to support the economic development of the region.

Outcomes

Community Development

- That there is access to affordable and effective health and education services.
- Excellent standards of safety and welfare are promoted and respected.
- Zero tolerance to crime and violence.
- That our economy prospers.
- That our community provides effective role models, good parenting, career and life skills guidance for youth.
- That employment opportunities for school leavers are encouraged and supported.
- That there is a range of quality retail, entertainment, educational, health care, business and services to retain families and skilled workers in our District.

ACTIVITIES

Community Support

- That there is a wide range of employment opportunities to encourage growth and provide career progression.
- That economic diversity and core economic strengths are encouraged.
- That the traditions, values and history of all ethnic groups are understood, embraced, respected and celebrated.
- That effective activities and facilities for youth are provided.
- That excellence and achievement in sport, arts/cultural pursuits, community service and businesses are supported, recognised and rewarded.
- That people work towards common goals and issues and speak positively about our community.
- Acceptable, affordable standards.

Emergency Management

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

Library Service

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

RTO and VICs

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

Levels of Service

Level of Service	Key Performance Indicator	Target 2014/15
Community Development		
<i>Goal: To provide funding for community initiatives.</i>		
Council will provide resources and funding for community development	% of grants funding successfully allocated	100%
Emergency Management		
<i>Goal: Provide a safe environment for residents and visitors.</i>		
Council will provide Civil Defence and Emergency Management for the District.	70% of staff will be adequately trained in Co-ordinated Incident Management Systems.	100%
	The number of public education presentations given each year to schools, staff and community groups throughout the District.	>20
	As the Rural Fire Authority for the District, respond to all rural vegetation fires within one hour at all times.	100%
Library Service		
<i>Goal: Provide a modern and consistent environment for learning and enjoyment.</i>		
Provide a library service that meets the needs of the community.	Percentage of users who are satisfied with the service provided.	75%
RTO and VICs		
<i>Goal: Provide an efficient visitor information service.</i>		
VICs are open 40 hour minimum per week.	Tourist numbers increase.	+1%
	Door numbers (visitors) at VICs	+1%

ACTIVITIES

Community Support

Major Capital Projects as per the LTP for the 2014/15 Year

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

Activity Expenditure

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Civil Defence & Emergency Mgmt	416	393	277	116
Community Development	90	131	67	64
Economic Development	135	142	221	(79)
Library	457	452	198	254
Regional Tourism Organisation	266	274	266	8
Visitor Information Centre	240	247	657	(410)
Total Expenditure	1,604	1,639	1,686	(47)

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

- Removal of discretionary grants by Council directives impact on both the Community Development and Grants budgets (\$36,000).
- Savings are predicted in Library costs, due to the relocation of the Taumarunui Library to the Administration Building.
- I-SITES are provided in-house.

Unfunded Depreciation – Community Support

The uncertainty in the future use of Council assets has resulted in the decision not to rate for the depreciation of all Council assets. Currently, the EAP has taken the approach that if it is unlikely Council will replace the assets after it has ended its useful life, or if Council may sell the assets before it is due to be renewed, then depreciation on the asset will be unfunded. For Community Support these are the assets that fall under one (or both) of these categories:

	Amount Unfunded %	Total Depreciation \$	Amount Still to Fund \$
Manunui rural fire shed	72	486	350
Taumarunui rural fire shed	72	1,249	899
Library Hakiaha Street	100	17,774	17,774



ACTIVITIES

Community Support

Forecast Funding Impact Statement

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,244	1,265	941	(324)
Targeted rates (other than a targeted rate for water supply)	266	274	266	(8)
Subsidies and grants for operating purposes	9	9	-	(9)
Fees, charges, and targeted rates for water supply	85	91	489	398
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	1,604	1,639	1,696	57
Applications of Operating Funding				
Payments to staff and suppliers	898	924	949	(25)
Finance Costs	2	11	2	9
Internal charges and overheads applied	648	638	715	(77)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,548	1,573	1,666	(93)
Surplus (deficit) of operating funding (A-B)	56	66	30	(36)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	10	10
Development and financial contributions	-	-	-	-
increase (decrease) in debt	47	50	55	5
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	47	50	65	15
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	45	-	45
- to improve the level of service	53	23	65	(42)
- to replace existing assets	13	-	30	(30)
Increase (decrease) in reserves	37	48	-	48
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	103	116	95	21
Surplus (deficit) of capital funding (C-D)	(56)	(66)	(30)	36
Funding Balance ((A-B)+(C-D))	-	-	-	-

ACTIVITIES

Leadership

Introduction

The Leadership Group of Activities provides for:

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

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

Outcome

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

Levels of Service

Level of Service	Key Performance Indicator	Target 2014/15
<i>Goal: To facilitate effective consultation processes to seek community input into decision-making and advocacy on key issues.</i>		
Consultation material will be made publicly available from all Council offices and on its website.	Percentage of respondents who are satisfied or very satisfied with consultations.	80%
Council meets regularly with iwi.	Number of meetings with Ruapehu District Maori Council per year.	>6
Council provides public access to the community through Community Boards and Council meetings.	Number of Public Forums per year.	>10
Residents are satisfied with the leadership of Council.	Percentage of respondents who are satisfied with Council's leadership.	60%

Major Capital Projects as per the LTP for the 2014/15 Year

There were no major projects for Leadership in the LTP 2012-22.

Activity Expenditure

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Council	1,117	1,065	1,107	(42)
Strategic Planning	498	491	203	288
Total Expenditure	1,615	1,556	1,310	246

ACTIVITIES

Leadership

Forecast Funding Impact Statement

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,625	1,555	1,320	(235)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	(10)	-	(10)	(10)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	1,615	1,555	1,310	(245)
Applications of Operating Funding				
Payments to staff and suppliers	455	417	427	(10)
Finance Costs	-	-	-	-
Internal charges and overheads applied	1,160	1,138	883	255
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,615	1,555	1,310	245
Surplus (deficit) of operating funding (A-B)	-	-	-	-
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	-	-	-	-
Surplus (deficit) of capital funding (C-D)	-	-	-	-
Funding Balance ((A-B)+(C-D))	-	-	-	-

ACTIVITIES

Regulation

Introduction

The Regulation Group of Activities works toward the goal of effectively and efficiently providing a safe and sustainable environment through the administration and enforcement of Central Government legislation, including

its responsibilities for the sustainable management and use of natural resources under the Building Act 2004, Resource Management Act 1991 (RMA) and District Bylaws.

Building Services

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

Compliance

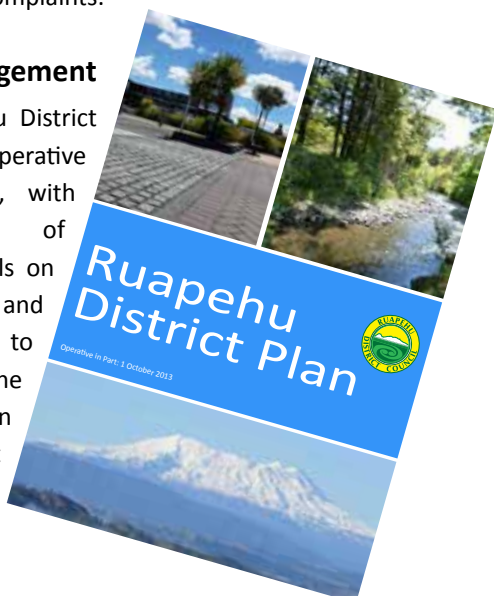
The Compliance team's role is to ensure compliance with Central Government legislation, Council's Bylaws and the District Plan. The work covered is incredibly varied and includes Animal Control, Parking, Noise Control and Bylaws. Compliance Officers ensure that the amenities of the District are maintained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

Environmental Health and Liquor Licensing

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

Resource Management

The 2013 Ruapehu District Plan became part operative in October 2013, with the exception of outstanding appeals on relocated buildings and proposed changes to an industrial zone in Ohakune. An Environment Court Order has been



received in relation to the Relocated Buildings appeal. The industrial zone plan change is progressing quickly. We anticipate the District Plan will be fully operative before the end of December 2014.

Outcomes

Building Services, Compliance and Inspections

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

Environmental Health and Liquor Licensing

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

Resource Management

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

ACTIVITIES

Regulation

Levels of Service

Level of Service	Key Performance Indicator	Target 2014/15
Building Services, Compliance and Inspections		
<i>Goal: Provide a safe environment for residents and visitors.</i>		
Council will efficiently process all proposed applications.	Building consents processed within 20 working days.	90%
	Urgent LIMs processed in five working days. **	100%
	Non-urgent LIMs processed in ten working days.	95%
Council will undertake ongoing monitoring of conditions to ensure compliance.	Urgent complaints responded to within two hours. Other complaints within eight working hours. *	100%
	Percentage of dogs seized that are not registered.	<10%
	Respond to dog attacks within two hours.	100%
* Urgent is defined by a request under urgency in the Fees and Charges Manual.		
** LIM = Land Information Memorandum		
Environmental Health and Liquor Licensing		
<i>Goal: Provide a healthy environment for residents and visitors.</i>		
Council will undertake ongoing monitoring of conditions to ensure compliance.	Health-related food hygiene complaints are responded to within 24 hours and actioned within five days.	95%
The health and safety of public is protected by ensuring food premises meet required standards.	Percentage of food premises complying with requirements at second inspection.	90%
Ensure liquor licenses comply with statutory and license provisions.	Percentage of liquor licences that comply with statutory and licence conditions on second inspection.	90%
Ensure noise complaints are responded to effectively, promptly and efficiently	Percentage of noise complaints resolved at first contact	99%
Resource Management		
<i>Goal: To provide a sustainable environment for residents and visitors.</i>		
Resource consents are processed within the legal timeframes	Land Use consents processed within the legal timeframes.	100%
	Subdivision consents processed within the legal timeframes.	100%
The public is informed about Resource Management processes and other issues related to maintaining a sustainable environment.	Percentage of applications that go to appeal.	<10%
	Percentage of pre-application meetings to number of applications received.	>10%

Major Capital Projects as per the LTP for the 2014/15 Year

There were no major projects for Regulation in the LTP 2012-22.

Activity Expenditure

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Building Services	891	858	457	401
Compliance	766	743	364	379
Environmental Health and Liquor Licensing	445	438	182	256
Resource Management	729	725	562	163
Total Expenditure	2,831	2,764	1,565	1,199

ACTIVITIES

Regulation

Variations from the LTP Funding Impact Statement (see details below)

- Correction to Dog Registration Income estimates to realistic level.

Forecast Funding Impact Statement

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,874	1,991	697	(1,294)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	957	773	869	96
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	2,831	2,764	1,566	(1,198)
Applications of Operating Funding				
Payments to staff and suppliers	312	298	348	(50)
Finance Costs	-	-	-	-
Internal charges and overheads applied	2,517	2,466	1,218	1,248
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,829	2,764	1,566	1,198
Surplus (deficit) of operating funding (A-B)	2	-	-	-
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
increase (decrease) in debt	(2)	-	8	8
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	(2)	-	8	8
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	8	(8)
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	-	-	8	(8)
Surplus (deficit) of capital funding (C-D)	(2)	-	-	-
Funding Balance ((A-B)+(C-D))	-	-	-	-

ACTIVITIES

Community Facilities

Introduction

The Community Facilities Group of Activities is made up of seven activities:

- Cemeteries
- Community Halls
- Community Buildings and Property
- Parks and Reserves
- Public Toilets
- Social Housing
- Swimming Pools

Cemeteries

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

Community Halls

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

Community Buildings and Property

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

Parks and Reserves

The purpose of Parks and Reserves assets is to:

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

Assets covered by the Parks and Reserves Activity include:

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

Public Toilets

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

ACTIVITIES

Community Facilities

Social Housing

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

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

Swimming Pools

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

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

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



Raetihi Pool

Outcomes

Community Property

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

Recreation and Community Facilities

- That leadership is trusted, transparent, accountable and visionary and takes a co-ordinated approach in finding solutions.
- That effective activities and facilities for youth are provided.
- That people work towards common goals and issues and speak positively about our community.
- Excellent standards of safety and welfare are promoted and respected.

Levels of Service

Level of Service	Key Performance Indicator	Target 2014/15
Community Property		
<i>Goal: To act as a steward for property that is of social, cultural or environmental benefit to the community.</i>		
Libraries, public meeting venues, administration buildings and the Ohakune Railway Station will be retained and well maintained.	Buildings Community satisfaction with the public meeting venues in administration buildings and presentation of the Ohakune Railway Station (annual Survey Monkey).	85%
	Library Library users are satisfied or highly satisfied with public library buildings and services (annual Survey Monkey).	75%

ACTIVITIES

Community Facilities

Level of Service	Key Performance Indicator	Target 2014/15
Community Property		
<i>Goal: Council-owned buildings are structurally sound and safe and Council occupants and tenants in administration buildings and social housing feel safe.</i>		
Housing units are maintained to a satisfactory standard and provide a safe environment for tenants.	Social Housing Percentage of residents who feel safe in their homes (annual resident survey)	95%
	Social Housing Percentage of residents who are satisfied or very satisfied with the LoS (annual survey).	75%
Recreation and Community Facilities		
<i>Goals:</i>		
<i>Parks, reserves and community facilities are accessible, attractive and meet the needs and expectations of residents, visitors and youth wherever and whenever possible.</i>		
<i>Urban streetscapes, parks, playgrounds and public toilets are clean and residents and visitors feel that they are safe places to be in.</i>		
Council will maintain and provide access to playgrounds, public green space, amenities, cemeteries and community halls.	Council-Owned Swimming Pools Achieve NZ Water Pool standards for all Pools.	100%
	Cemeteries The community is satisfied or very satisfied with the presentation of cemeteries in the District (annual Survey Monkey).	>95%
	Community Halls The community is satisfied with the availability and standard of facility provided by their community hall (if there is one) (annual Survey Monkey).	85%
Amenities and facilities are provided that meet the needs and safety of the community.	Playgrounds Monthly safety audits carried out by contractor shows 95% compliance with NZ standards.	95%
	Parks and Reserves Users feel safe and are satisfied with the quantity of green space and facilities available (annual Survey Monkey).	85%
	Public Toilets Urgent requests for service responded to within 24 hours.	95%

Major Capital Projects as per the LTP for the 2014/15 Year

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

Year	Total Cost (\$000)	Description	Growth/LOS/Renewal
Community Property			
2014/15	50	Ohakune Social Housing roof renewal	Renewal

ACTIVITIES

Community Facilities

Exceptions for 2014/15

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

Project Description	LTP 2014/15 \$000	EAP 2014/15 \$000	Reason for Exception
Heat Pump Installations - Taumarunui	26	-	To limit increase in debt
Accessible Walkways - North	25	-	To limit increase in debt
Accessible Walkways - South	25	-	To limit increase in debt
Ohakune Social Housing Roof Renewal (*)	50	-	To limit increase in debt

(*) \$19,000 was approved for expenditure in 2013/14.

Activity Expenditure

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Cemeteries	176	196	158	38
Community Halls	131	134	263	(129)
Economic Development	109	116	65	51
Parks & Reserves	1,134	1,231	1,434	(203)
Public Toilets	225	257	238	19
Social Housing	501	527	705	(178)
Swimming Pools	415	370	503	(133)
Total Expenditure	2,691	2,831	3,366	(535)

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

- Parks and Reserves - decrease in maintenance has reduced the projected costs.
- Community Halls, Parks and Reserves, Social Housing and Swimming Pools - depreciation has not been included, to reduce the rates requirement (see Unfunded Depreciation below).

Unfunded Depreciation – Community Property

The uncertainty in the future use of Council assets has resulted in the decision not to rate for the depreciation of all Council assets. Currently, the EAP has taken the approach that if it is unlikely Council will replace the assets after it has ended its useful life, or if Council may sell the assets before it is due to be renewed, then depreciation on the asset will be unfunded. For Community Property these are the assets that fall under one (or both) of these categories:

ACTIVITIES

Community Facilities

	Amount Unfunded %	Total Depreciation \$	Amount Still to Fund \$
Rental Housing	100	201,908	201,908
Pensioner and Community Housing	100	155,772	155,772
Council owned Community Halls	100	179,270	179,270

Forecast Funding Impact Statement

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	2,224	2,305	2,237	(68)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	3	3
Fees, charges, and targeted rates for water supply	435	473	401	(72)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	2,659	2,778	2,641	(137)
Applications of Operating Funding				
Payments to staff and suppliers	1,857	1,926	1,815	111
Finance Costs	26	54	33	21
Internal charges and overheads applied	735	719	813	(94)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,618	2,699	2,661	38
Surplus (deficit) of operating funding (A-B)	41	79	(20)	(99)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	2	2
Development and financial contributions	14	35	14	(21)
increase (decrease) in debt	306	276	572	296
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	320	311	588	277
Applications of capital funding				
Capital expenditure				
- to meet additional demand	108	148	11	137
- to improve the level of service	90	64	307	(243)
- to replace existing assets	143	116	126	(10)
Increase (decrease) in reserves	20	62	124	(62)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	361	390	568	(178)
Surplus (deficit) of capital funding (C-D)	(41)	(79)	20	99
Funding Balance ((A-B)+(C-D))	-	-	-	-

ACTIVITIES

Land Transport (Roading)

Introduction

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

The District Land Transport network consists of:

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

Outcomes

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



Levels of Service

Level of Service	Key Performance Indicator	Target 2014/15
<i>Goal: All District roads provide continuous all weather travel that is safe and accessible.</i>		
Roads are managed to an acceptable level and the road network is available when required.	Number of respondents to customer survey who are satisfied or very satisfied with the District roads.	55%
	Maintaining the sealed roads (defects/km).	<5.5/quarter
	Maintaining the unsealed roads (defects/km).	<4/quarter
	Amount of Development Contributions collected for Land Transport being used for growth related projects per year.	100%
The programmed improvement works are completed.	Programmed improvement works are completed on time.	80%
The programmed improvement works are completed.	Percentage of instances each quarter when service calls reporting these sites are made safe within two hours plus travel time.	85%
<i>Goal: Managing the network with a strong focus on safety to avoid or mitigate significant hazards.</i>		
The safety of the land transport network is acceptable to users.	Number of reported fatal accidents per annum, where the condition of the road was a factor.	1
	Number of reported serious accidents* per annum, where the condition of the road was a factor.	<6
Supporting road safety activities promoted by Horizons Regional Council.	Completion of the value of the Minor Safety Improvement budget in accordance with agreed annual actions of the relevant Road Safety Committee Action Plan recommendations.	90%

* Serious accidents - as per Police definition.

ACTIVITIES

Land Transport (Roading)

Major Capital Projects as per the LTP for the 2014/15 Year

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

Year	Total Cost (\$000)	Description	Growth/LOS/Renewal
2014/15	420	Minor Improvements	LOS
2014/15	1,746	Sealed road rehabilitation	Renewal
2014/15	956	Unsealed road metalling	Renewal
2014/15	956	Sealed road surfacing	Renewal

Exceptions for 2014/15

Description	LTP 2014/15 \$000	EAP 2014/15 \$000	Variance \$000	Reasons for Exception
Completion of Whanganui River Road Seal Extension	222	-	-222	Completed 2013/14
Minor Improvements (*)	420	378	-42	To limit increases in debt
Sealed Road Rehabilitation (*)	1,746	1,687	-59	To limit increases in debt
Unsealed Road Metalling (*)	956	924	-32	To limit increases in debt
Sealed Road Surfacing (*)	956	924	-32	To limit increases in debt

* Subject to FAR review outcome

Activity Expenditure

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Accelerated and Enhanced	64	77	62	15
Footpath	265	399	137	262
Mainstreet South	124	103	104	(1)
Mainstreet North	64	50	48	2
Subsidised Roading	12,191	12,619	13,258	(639)
Non Subsidised Roading	255	181	762	(581)
Total Expenditure	12,963	13,429	14,371	(942)

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

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

ACTIVITIES

Land Transport (Roading)

Forecast Funding Impact Statement

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	4,852	4,779	6,642	1,863
Targeted rates (other than a targeted rate for water supply)	133	185	170	(15)
Subsidies and grants for operating purposes	5,028	5,205	5,019	(186)
Fees, charges, and targeted rates for water supply	294	102	99	(3)
Local authorities fuel tax, fines, infringement fees, and other receipts	35	254	230	(24)
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	10,342	10,525	12,160	1,635
Applications of Operating Funding				
Payments to staff and suppliers	7,037	7,261	6,957	304
Finance Costs	669	663	563	100
Internal charges and overheads applied	806	785	2,288	(1,503)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	8,512	8,709	9,808	(1,099)
Surplus (deficit) of operating funding (A-B)	1,830	1,816	2,352	536
Sources of capital funding				
Subsidies and grants for capital expenditure	4,559	4,584	4,152	(432)
Development and financial contributions	172	447	172	(275)
increase (decrease) in debt	916	676	941	265
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	5,647	5,707	5,265	(442)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	939	923	844	79
- to improve the level of service	676	624	520	104
- to replace existing assets	5,782	5,966	5,703	263
Increase (decrease) in reserves	80	10	550	(540)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	7,477	7,523	7,617	(94)
Surplus (deficit) of capital funding (C-D)	(1,830)	(1,816)	(2,352)	(536)
Funding Balance ((A-B)+(C-D))	-	-	-	-

ACTIVITIES

Stormwater and Flood Protection

Introduction

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

Where there is development, runoff from properties and roads flow into stormwater systems. The greater the level of development in a catchment, the greater the level of impermeable surfaces, eg, roofs, driveways and paths, which results in a greater conversion of rainfall into stormwater runoff. If this runoff is not managed, it

will cause flooding. Generally, stormwater is directed into channels on roadways or into drains, then into streams and rivers.

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

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

Outcomes

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

Levels of Service

Level of Service	Key Performance Indicator	Target 2014/15
<i>Goal: To provide and maintain an appropriate level of infrastructure.</i>		
Continuity of service.	Percentage of respondents to customer survey who are satisfied or very satisfied with the LoS (measured annually).	70%
	Percentage of stormwater blocked drain incidents attended on site within two hours.	75%
	Percentage of stormwater service for blocked drains restored within six hours.	75%
Capacity/degree of protection.	Stormwater reticulation in new developments is fully compliant with subdivision standards for design storm events.	100%

Major Capital Projects as per the LTP for the 2014/15 Year

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

Year	Total Cost (\$000)	Description	Growth/LOS/Renewal
2014/15	104	Ohakune - Piping open channels	LOS
2014/15	166	Taumarunui - Tuku Street culvert	Renewal

ACTIVITIES

Stormwater and Flood Protection

Exceptions for 2014/15

There are no exceptions to major projects for Stormwater and Flood Protection.

Activity Expenditure

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Stormwater Management	745	805	835	(30)
Total Expenditure	745	805	835	(30)

Variations from the LTP Funding Impact Statement

- There are no major variations.



ACTIVITIES

Stormwater and Flood Protection

Forecast Funding Impact Statement

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	344	349	416	67
Targeted rates (other than a targeted rate for water supply)	344	349	416	67
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	2	2	2	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	690	700	834	134
Applications of Operating Funding				
Payments to staff and suppliers	365	230	319	(89)
Finance Costs	52	90	42	48
Internal charges and overheads applied	127	124	114	10
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	544	444	475	(31)
Surplus (deficit) of operating funding (A-B)	146	256	359	103
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	2	6	2	(4)
increase (decrease) in debt	151	259	97	(162)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	153	265	99	(166)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	92	17	23	(6)
- to improve the level of service	91	298	106	192
- to replace existing assets	72	102	101	1
Increase (decrease) in reserves	44	104	228	(124)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	299	521	458	63
Surplus (deficit) of capital funding (C-D)	(146)	(256)	(359)	(103)
Funding Balance ((A-B)+(C-D))	-	-	-	-

ACTIVITIES

Wastewater

Introduction

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

In order to ensure the successful disposal of wastewater in an environmentally sustainable manner and to promote and protect public health, Council provides treatment plants at Taumarunui, National Park Village, Ohakune,

Pipiriki, Raetihi and Rangataua. In addition, Council co-operates with the NZ Army in Waiouru to provide wastewater services for the Waiouru township.

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

Outcomes

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

Levels of Service

Level of Service	Key Performance Indicator	Target 2014/15
<i>Goal: To provide and maintain an appropriate level of infrastructure.</i>		
Public Safety - Continuity of Wastewater collection system.	The number of blockages per km of pipeline per annum (excludes private blockages and third party damages).	<70
	Properties within developed urban areas are able to connect to a reticulated Wastewater disposal system where they are provided.	100%
Responsiveness to infrastructure issues.	Percentage of Wastewater pipe break, choke or overflow incidents attended on site within two hours.	75%
	Percentage of Wastewater service for pipe break, choke or overflow restored within six hours.	75%
Environmental Sustainability.	Quality of treated Wastewater discharged complies with relevant resource consents. The number of non-compliances from Horizons.	<5

Major Capital Projects as per the LTP for the 2014/15 Year

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

Year	Total Cost (\$000)	Description	Growth/LOS/Renewal
2012-17	536	Raetihi reticulation programme	Renewal
2012-22	2,160	Taumarunui - renewal of mains and treatment	Renewal

ACTIVITIES

Wastewater

The Ohakune, Raetihi, and National Park Wastewater Treatment plants require new resource consents in 2015. The process of upgrading wastewater treatment plants is difficult to predict with certainty. The actual capital works should be delivered in 2013-22. Factors which influence delivery are:

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

Exceptions for 2014/15

There are no exceptions to major projects for Wastewater.

Activity Expenditure

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
National Park	144	177	141	36
Ohakune	528	630	622	8
Pipiriki	61	53	49	4
Raetihi	444	306	330	(24)
Rangataua	161	103	91	12
Taumarunui	1,400	999	1,011	(12)
Waiouru	59	69	100	(31)
Total Expenditure	2,797	2,337	2,344	(7)

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

- Savings in prospective finance costs and small savings in maintenance and internal costs have resulted in an overall decrease.

Unfunded Depreciation

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

	Amount Unfunded %	Total Depreciation \$	Amount Still to Fund \$
Pipiriki	100	9,623	9,634
Raetihi	20	76,762	15,352
Waiouru	100	13,384	13,384

ACTIVITIES

Wastewater

Forecast Funding Impact Statement

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	(31)	(33)	(108)	(75)
Targeted rates (other than a targeted rate for water supply)	2,257	2,294	2,349	55
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	63	66	63	(3)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	2,289	2,327	2,304	(23)
Applications of Operating Funding				
Payments to staff and suppliers	1,063	1,035	997	38
Finance Costs	259	293	214	79
Internal charges and overheads applied	298	292	392	(100)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,620	1,620	1,603	17
Surplus (deficit) of operating funding (A-B)	669	707	701	(6)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	9	19	9	(10)
increase (decrease) in debt	216	89	287	198
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	225	108	296	188
Applications of capital funding				
Capital expenditure				
- to meet additional demand	81	36	94	(58)
- to improve the level of service	311	127	302	(175)
- to replace existing assets	353	446	264	182
Increase (decrease) in reserves	149	206	337	(131)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	894	815	997	(182)
Surplus (deficit) of capital funding (C-D)	(669)	(707)	(701)	6
Funding Balance ((A-B)+(C-D))	-	-	-	-

ACTIVITIES

Water Supply

Introduction

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

Council's water supply service consists of six treatment plants, 16 reservoirs, 186km of pipelines and approximately 5,210 rateable service connections.

Outcomes

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

Levels of Service

Level of Service	Key Performance Indicator	Target 2014/15
<i>Goal: To provide and maintain an appropriate level of infrastructure to the communities defined to be supplied potable water by Council.</i>		
Quality of Drinking Water - continuity of potable water supply to applicable community areas.	Number of incidents where loss of water supply exceeds 24 hours in any one community.	<3
	Comply with New Zealand Drinking Water Standards for Free Available Chlorine (FAC) and E.coli.	95%
Public Safety - pressure and flow	Percentage of no water and poor pressure incidents attended on site within two hours.	90%
	Percentage of minor* leaks and burst pipes restored within 72 hours.	100%
Responsiveness.	Percentage of major* leaks and burst pipes attended on site within two hours.	75%
	Percentage of major* leaks and burst pipes restored within six hours	75%
* Major and Minor leaks are determined by Request for Service information.		

Major Capital Projects as per the LTP for the 2014/15 Year

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

Year	Total Cost (\$000)	Description	Growth/LOS/Renewal
2012-22	1,408	Ohakune water replacement programme	Renewal
2012-22	1,343	Owhango reticulation replacement programme	Renewal
2012-22	1,343	Raetihi reticulation replacement programme	Renewal
2012-22	1,800	Taumarunui reticulation replacement programme	Renewal
2012-19	624	Ohakune meter installation	LOS
2012-19	92	National Park meter installation	LOS
2012-15	78	Raetihi meter installation	LOS
2012-19	800	Owhango mains and storage	Growth

ACTIVITIES

Water Supply

Exceptions for 2014/15

There are no exceptions to major projects for Water Supply.

Each year Council has a limited budget available to spend on capital renewal projects, for treatment and/or reticulation. As more information becomes available the planning around this spending is refined. Plant changes are a higher priority than some improvements in levels of service and renewal. Council has altered its priorities which are reflected in the Exceptions for 2014/15 table.

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

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

- Data gathering for design options.
- Changing technologies.
- Climatic conditions and their effects on the “typical”.
- Feasibility studies, costs and benefit analysis for the decision making process.
- The capital costs, affordability and assistance funding available.
- Procurement of items.
- Contractor availability and delivery timeframes.



Activity Expenditure

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
National Park	216	241	274	(33)
Ohakune	657	743	769	(26)
Ohura	278	215	240	(25)
Owhango	292	210	146	64
Raetihi	396	344	357	(13)
Taumarunui	1,843	1,377	1,471	(94)
Waiouru	72	81	96	(15)
Total Expenditure	3,754	3,211	3,353	(142)

ACTIVITIES

Water Supply

Unfunded Depreciation

	Amount Unfunded %	Total Depreciation \$	Amount Still to Fund \$
Ohura	100	43,977	43,977
Waiouru	100	9,035	9,035

Forecast Funding Impact Statement

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	(29)	(1)	4	5
Targeted rates (other than a targeted rate for water supply)	2,793	2,787	2,981	194
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	348	402	317	(85)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	3,112	3,188	3,302	114
Applications of Operating Funding				
Payments to staff and suppliers	1,430	1,398	1,351	47
Finance Costs	479	488	388	100
Internal charges and overheads applied	323	311	523	(212)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,232	2,197	2,262	(65)
Surplus (deficit) of operating funding (A-B)	880	991	1,040	49
Sources of capital funding				
Subsidies and grants for capital expenditure	288	-	32	32
Development and financial contributions	4	9	4	(5)
increase (decrease) in debt	247	59	18	(41)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	539	68	54	(14)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	116	18	22	(4)
- to improve the level of service	617	191	273	(82)
- to replace existing assets	382	774	339	435
Increase (decrease) in reserves	304	76	460	(384)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1,419	1,059	1,094	(35)
Surplus (deficit) of capital funding (C-D)	(880)	(991)	(1,040)	(49)
Funding Balance ((A-B)+(C-D))	-	-	-	-

ACTIVITIES

Waste Management and Minimisation

Introduction

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

If waste is not managed in a suitable manner, it may pose serious public health and environmental concerns. In addition, waste deposited to landfill can result in significant environmental effects, eg, leachate can contaminate surrounding soil and water, while landfill gases (methane and carbon dioxide) contribute towards climate change. The disposal of waste to landfill has a significant cost associated with it. This cost will increase as solid waste enters the Emissions Trading Scheme (ETS)

in 2013 and when the District landfill closes. This could potentially cost up to \$25 per tonne or \$112,500 per annum, based on current annual tonnage to the landfill in 2012.

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

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

Outcomes

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

Levels of Service

Level of Service	Key Performance Indicator	Target 2014/15
<i>Goal: Towards waste minimisation and a sustainable environment.</i>		
The community is provided with opportunities to recycle.	The portion of waste recycled increases by 1% annually for recyclable materials: glass, paper, cardboard and plastics.	+1%
The amount of waste received at transfer stations is no greater than the growth projections per year.	Council continues to increase its recycling volumes over its compacted waste volumes each year.	1:<1
Legislative compliance is achieved.	Resource consent breaches per quarter.	<3
Waste Collection and Recycling Services and Transfer Stations are provided.	Transfer Stations are available for residents at least eight hours per week, as agreed with community.	100%
Waste hierarchy (reduce, reuse, recover, redirect and refuse) promoted throughout the community.	Number of times the community is informed about Waste Hierarchy.	>4
	Percentage of schools visited that express a desire to participate in the Education programme for Waste Minimisation in schools each year.	90%
Community is satisfied with the overall level of service for waste management and minimisation.	Percentage of community satisfied with the overall LoS.	75%

ACTIVITIES

Waste Management and Minimisation

Major Capital Projects as per the LTP for the 2014/15 Year

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

Year	Total Cost (\$000)	Description	Growth/LOS/Renewal
2014/15	100	Taumarunui resealing - landfill (*)	LOS

Exceptions for 2014/15

Project Description	LTP 2014/15 \$000	EAP 2014/15 \$000	Reason for Exception
Waimarino Weighbridge (deferred from 2013/14)	100	-	Moved to 2015/16
Resealing Taumarunui Landfill (*)	100	20	See Note

(*) Note: Reduced by \$80,000.

Activity Expenditure

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Solid Waste Collection	928	961	913	48
Solid Waste Management	989	1,532	1,297	235
Total Expenditure	1,917	2,493	2,210	283

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

- The estimated cost of the Emissions Trading Scheme (ETS) has reduced significantly, reducing the cost of the activity.
- Initial projections indicated a possible closure of the Taumarunui Landfill in 2014/15, would have resulted in a large increase in costs. Council has decided to postpone the closure of the Landfill. As a result of this, the EAP has been amended to reflect this.



Taumarunui Transfer Station

ACTIVITIES

Waste Management and Minimisation

Forecast Funding Impact Statement

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	240	1,014	368	(646)
Targeted rates (other than a targeted rate for water supply)	962	748	1,075	327
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	696	711	767	56
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	1,898	2,473	2,210	(263)
Applications of Operating Funding				
Payments to staff and suppliers	1,412	1,973	1,530	443
Finance Costs	44	62	38	24
Internal charges and overheads applied	331	324	515	(191)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,787	2,359	2,083	276
Surplus (deficit) of operating funding (A-B)	111	114	127	13
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	21	54	21	(33)
increase (decrease) in debt	45	177	109	(68)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	66	231	130	(101)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	39	94	77	17
- to improve the level of service	35	122	60	62
- to replace existing assets	93	40	24	16
Increase (decrease) in reserves	10	89	96	(7)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	177	345	257	88
Surplus (deficit) of capital funding (C-D)	(111)	(114)	(127)	(13)
Funding Balance ((A-B)+(C-D))	-	-	-	-

FINANCIAL

Core Business Costs

Introduction

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

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

What Council Wants to Achieve

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

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

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

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

Economic

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

Political

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

Demographic

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

Community Demand

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

Technological

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

Market Driven

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

Financial Strategy

Capital Funding

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

FINANCIAL

Core Business Costs

Operating Funding

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

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

Cost of Support Statement

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

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

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

Inflation

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

Table 3 Adjustors - % Per Annum Change

Year Ending June	Road %	Property %	Water %	Staff %	Other %	Land %	Pipes %
2015	2.60	2.20	1.90	2.20	2.30	3.00	3.00
2016	3.90	2.30	2.80	2.30	2.50	2.30	2.30
2017	4.40	2.40	3.00	2.40	2.60	2.40	2.40
2018	4.60	2.60	3.10	2.60	2.70	2.60	2.60
2019	4.50	2.70	3.30	2.60	2.80	2.70	2.70
2020	4.40	2.80	3.50	2.70	3.00	2.80	2.80
2021	4.30	3.00	3.60	2.80	3.10	3.00	3.00
2022	4.30	3.10	3.80	2.90	3.20	3.10	3.10
2023	4.20	3.20	3.90	3.00	3.30	3.20	3.20

FINANCIAL

Core Business Costs

Unfunded Depreciation

The uncertainty in the future use of Council assets has resulted in the decision not to rate for the depreciation of all Council assets. Currently, the EAP has taken the approach that if it is unlikely Council will replace the assets after it has ended its useful life, or if Council may sell the assets before it is due to be renewed, then depreciation on the asset will be unfunded. For Core Business these are the assets that fall under one (or both) of these categories:

	Amount Unfunded %	Total Depreciation \$	Amount Still to Fund \$
Huia Street Taumarunui Service Centre	100	93,239	93,239
Taumarunui Depot	100	22,662	22,662
Ohakune Railway Station	100	7,466	7,466
Miro Street Ohakune Service Centre	100	31,500	31,500
Clyde Street Ohakune I-site	100	20,982	20,982
Seddon Street Raetihi Service Centre	100	19,413	19,413
Total		195,262	195,262



Taumarunui Office



Taumarunui Depot



Ohakune Railway Station



Ohakune Service Centre



Ohakune I-site



Raetihi Agency

Activity Expenditure

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Support Services	31	40	31	9
Total Expenditure	31	40	31	9

FINANCIAL

Forecast Funding Impact Statement

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges, and targeted rates for water supply	31	32	31	(1)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Internal charges and overheads recovered	7,989	7,821	8,883	1,062
Total Operating Funding (A)	8,020	7,853	8,914	1,061
Applications of Operating Funding				
Payments to staff and suppliers	6,666	6,454	7,238	(784)
Finance Costs	471	467	465	2
Internal charges and overheads applied	523	512	711	(199)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	7,660	7,433	8,414	(981)
Surplus (deficit) of operating funding (A-B)	360	420	500	80
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
increase (decrease) in debt	(629)	(569)	(1,978)	(1,409)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	(629)	(569)	(1,978)	(1,409)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	86	65	50	15
- to improve the level of service	114	144	120	24
- to replace existing assets	174	238	148	90
Increase (decrease) in reserves	(643)	(596)	(1,796)	1,200
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	(269)	(149)	(1,478)	1,329
Surplus (deficit) of capital funding (C-D)	(360)	(420)	(500)	(80)
Funding Balance ((A-B)+(C-D))	-	-	-	-

FINANCIAL

Funding Impact Statement

Introduction

Council is required under Schedule 10 (5) 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 2014/15 financial year. The Statement represents the fiscal outcome from the Revenue and Financing Policy. The Revenue and Financing Policy is located in Part 5 of the LTP.

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

Objectives and Measures

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

Rates Remission and Postponement

Remissions

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

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

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

Category of Rate Remission	Value of Remission (including GST) \$000
Service Charge - Water	112
Service Charge - Wastewater	47
Service Charge - Solid Waste	2
General Rates	67
UAGC	336
Other	43
Total	607

Postponements

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

Rates and Charges

1. General Rates

1.1 General Rate District Capital Value (CV)

The General Rate District Capital Value is assessed as a rate in the dollar based on capital values across the District. The General Rate is not set differentially. The rationale for use is contained in the Revenue and Financing Policy (Part 5 of the LTP). This rate is set at 70% of the total rates, (not including targeted rates).

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

Funding Impact Statement

1.2 Uniform Annual General Charge (UAGC)

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

1.2.1 Basis of UAGC Set

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

Uniform charges will be applied according to the following principles:

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

additional use. Each residential occupancy in the motel/hotel complex will attract uniform charges.

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

1.3 Land Transport

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

1.4 Differential Rate (CV)

The General Rate District Capital Value 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 \$50million. The rates for hydro-electric properties worth in excess of \$50million are set differentially.

1.5 Defence Land (CV)

Defence Land is rated on Capital Value but, in accordance with Section 22 LG(R)A, it does not exceed the amount that would have been charged if the District's rate was calculated on the Land Value only.

2. Targeted Rates

Council will receive lump sum contributions to the Targeted Rate.

Targeted rates fall into three categories:

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

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

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

Funding Impact Statement

Annual Charge) are used by this Council, where TUAC is a Targeted Rate based strictly on a uniform amount set per separately used or inhabited portion of a rating unit.

(a) On Land Use and Area

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

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

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

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

(b) On Location

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

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

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

(c) On Service Provision

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

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

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

2.2 Targeted Rate Values

(a) Accelerated and Enhanced Development (CV)

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

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

Rating areas are categorised as follows:

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

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

(b) Main Street Northern/Southern (CV)

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

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

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

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

(c) Sanitary Services (TUAC)

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

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

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

(d) Regional Tourism Organisation (RTO) General (TUAC)

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

(e) Commercial Targeted Rate for RTO Function (CV)

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

(f) Stormwater and Flood Protection (Urban) (UAC)

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

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

3.0 Service Charges

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

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

Water	Capable of connection - The rating unit is within 100m of water main and practicably serviceable in the opinion of Council.
Wastewater	Capable of connection - The rating unit is within 30m of sewer main and practicably serviceable in the opinion of Council.

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Solid Waste Collection	<p>Capable of collection - The rating unit is in townships, from which Council is prepared to collect as identified in the Waste Management and Minimisation Asset Plan, and is one that Council is able and prepared to collect from.</p> <p>Council operates kerbside collection in Taumarunui (extending to Piriaka and Kakahi), Ohakune, Raetihi and Rangataua townships.</p>
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User Category	Description
Metered (Sub-set of extraordinary users. Extraordinary users who are metered will be charged the ordinary charge, in conjunction with their usage charges for water consumed.)	<ul style="list-style-type: none"> ➤ Taumarunui ➤ Owhango Supply 0 – 832m³ ➤ Ohakune Supply 0 - 500m³ ➤ Ohakune Supply 500 –1,500m³ ➤ Ohakune Supply > 1,500m³ ➤ Carrot Washers ➤ Waiouru Supply

(a) Water Supply (TUAC)

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

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

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

User Category	Description
Ordinary (Users connected or able to be connected to the relevant water reticulation systems).	<ul style="list-style-type: none"> ➤ Ohura Supply ➤ Taumarunui Supply ➤ Owhango Supply ➤ National Park Supply ➤ Raetihi Supply ➤ Ohakune Supply ➤ Waiouru Supply
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).	<ul style="list-style-type: none"> ➤ Owhango Supply Lifestyle Blocks <25ha ➤ National Park Supply ➤ Raetihi Supply

(b) Solid Waste Kerbside Collection (TUAC)

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

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

(c) Wastewater (TUAC)

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

- **Use** – these are divided into three categories:
 - Category 1: One to two pans (water closets or urinals). Each separately rateable property used exclusively or principally as the residence of not more than one household (defined in terms of their residential valuation land use code), is deemed to have not more than one pan for charging purposes.

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Funding Impact Statement

- Category 2: Three plus pans (water closets or urinals). Commercial land uses (as defined by land use category) with more than one pan.
- Category 3: Primary and Secondary Schools.

▪ **Location.**

- **Number of pans** (Categories 2 and 3 only).

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

4.0 Due Dates for Payment of Rates

Instalment No 1	20 August 2014
Instalment No 2	20 November 2014
Instalment No 3	20 February 2015
Instalment No 4	20 May 2015

4.1 Discount for Prompt Payment

A discount of 3% on all current year's rates will be granted for prompt payment if the rates for the year ending 30 June 2015 are paid in full by 20 August 2014, on condition that no rates remain unpaid from previous years.

4.2 Penalties

- (a) An additional charge of 10% will be added to all rates assessed in the 2014/15 financial year and which remain unpaid after the above due dates.

- (b) A further additional charge of 10% will be added to all rates and penalties charged in previous years and still outstanding as at 9 July 2014 and 9 January 2015.

- (c) Council delegates authority to the Group Manager Corporate Services to apply penalties on unpaid rates. Remission of penalties will be considered according to Council's Remission of Penalties Policy, which can be found at www.ruapehudc.govt.nz.

5.0 Metered Water Supply

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

5.2 Due Dates for Payment of Metered Water

Instalment No 1	31 July 2014
Instalment No 2	31 October 2014
Instalment No 3	31 January 2015
Instalment No 4	30 April 2015

5.3 Discount for Prompt Payment

A discount of 3% on each quarterly water bill will be granted for prompt payment if the water bill is paid in full by the due dates for each instalment.

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Funding Impact Statement 2014/15

	\$ or Rate in \$ (excluding GST)	Total Revenue Requirement 2014/15 \$000 (excluding GST)
General Rates		
General Rate (CV)	0.00124	3,848
Hydro Electrical (CV)	0.000742	207
Defence Land (CV)		
Section 22 LG(R)A	0.00053	101
Uniform Annual General Charge (UAGC)		
UAGC	\$430.35	3,713
Targeted Rate		
Land Transport		
Land Transport (CV)	0.00141	4,375
Hydro Electric (CV)	0.0009842	274
Accelerated and Enhanced Development (CV)		
Taumarunui	0.000071	52
National Park	0.000025	13
Waimarino	0.000029	35
Main Street Northern/Southern (CV)		
Northern	0.000318	23
Southern	0.000603	47
Sanitary Services (TUAC)		
Council Water Supplies	\$388	2
Council Wastewater Schemes	\$388	2
Council Stormwater Systems	\$388	2
Solid Waste Management		
Solid Waste Charge	\$43	368
Regional Tourism Organisation (RTO) (General)		
General Targeted Uniform Annual Charge	\$18	159
Commercial Targeted Rate for RTO Function (CV)		
RTO Commercial Property Targeted Rate (QV Property Use Codes C and I)	0.00044	106
Stormwater and Flood Protection - Urban		
Urban	\$75	416
Service Charges		
Water Supply		
Ordinary - Ohura	\$1,290	196
Ordinary - Taumarunui	\$550	1,338
Ordinary - Owhango	\$474	60
Ordinary - National Park	\$829	245
Ordinary - Raetihi	\$615	351
Ordinary - Ohakune	\$465	707

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Funding Impact Statement 2014/15

		\$ or Rate in \$ (excluding GST)	Total Revenue Requirement 2014/15 \$000 (excluding GST)
Ordinary - Waiouru		\$697	49
Extraordinary - Owhangō Supply Lifestyle Blocks (<25 ha)		\$554	7
Extraordinary - National Park		\$1,059	23
Extraordinary - Raetihi		\$554	7
Metered - Taumarunui		\$550	97
Metered - Owhangō		\$474	34
Ohakune		\$465	33
Waiouru		\$697	15
Water Meter Charges (Usage over 75m³/quarter)			
Metered - Taumarunui	0.74/m ³	-	35
Metered - Owhangō 75m ³ - 832m ³	1.26/m ³	-	16
Metered - Owhangō > 832m ³	0.69/m ³	-	33
Ohakune (75m ³ - 500m ³)	1.16/m ³	-	4
Ohakune (500m ³ - 1500m ³)	1.13/m ³	-	5
Ohakune (>1500m ³)	0.88/m ³	-	19
Ohakune - Carrot Washers	0.68/m ³	-	2
Waiouru	1.95/m ³	-	24
Solid Waste Kerbside Collection (TUAC)			
Commercial		\$114	65
Residential		\$159	642
Wastewater (TUAC)			
Category 1 – Taumarunui		\$407	849
Category 1 - National Park		\$650	183
Category 1 - Ohakune		\$362	492
Category 1 - Raetihi		\$542	268
Category 1 - Pipiriki		\$900	18
Category 1 - Rangataua		\$576	105
Category 1 - Waiouru		\$563	42
Category 2 - Taumarunui		\$241	150
Category 2 - National Park		\$203	49
Category 2 – Ohakune		\$215	102
Category 2 – Raetihi		\$357	33
Category 2 – Pipiriki		\$556	2
Category 2 – Waiouru		\$362	25
Category 3 - Taumarunui		\$110	18
Category 3 - National Park		\$102	1
Category 3 - Ohakune		\$108	6
Category 3 - Raetihi		\$156	6
Category 3 - Pipiriki		nil	nil

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Rating Examples

The overall 2014/15 Rates increase is 3.5%.

Urban	Value	%	\$ Change
Ohura Urban	59,000	13.47%	\$230
Kakahi Urban	85,000	4.53%	\$41
Pipiriki Urban	99,000	10.06%	\$151
Rangataua Urban	99,000	4.20%	\$63
Taumarunui Urban	101,000	4.53%	\$85
Taumarunui Urban	147,000	4.45%	\$89
Waiouru Urban	151,000	11.26%	\$225
Ohakune Urban	160,000	5.57%	\$104
National Park Urban	180,000	5.19%	\$124
Rangataua Urban	185,000	4.00%	\$69
Owhango Urban	195,000	3.90%	\$59
Raetihi Urban	230,000	5.64%	\$133

Rural	Value	%	\$ Change
Pipiriki Rural	135,000	2.67%	\$9
Ohura Rural	180,000	2.93%	\$27
Owhango Rural	285,000	3.73%	\$45
Raetihi Rural	615,000	3.10%	\$64
Taumarunui Rural	905,000	3.43%	\$98
Ohura Rural	1,025,000	2.48%	\$77
Ohakune Urban	1,100,000	2.95%	\$98
Raetihi Rural	1,225,000	2.91%	\$106
Ohakune Rural	1,261,000	2.90%	\$109
Owhango Rural	1,300,000	3.37%	\$131
Taumarunui Rural	1,400,000	2.54%	\$104
National Park Rural	1,925,000	2.78%	\$152
Ohakune Rural	1,975,000	2.83%	\$158
Raetihi Rural	2,705,000	2.89%	\$231
Taumarunui Rural	3,110,000	3.35%	\$305
Ohakune Rural	4,725,000	2.37%	\$300
Waiouru Rural	3,105,000	2.41%	\$205

Commercial	Value	%	\$ Change
Raetihi Commercial	141,000	7.44%	\$164
Taumarunui Commercial	415,000	5.02%	\$147
Ohakune Commercial	435,000	5.45%	\$161
Ohura Exotic Forestry	810,000	2.52%	\$65
Ohakune Commercial	880,000	4.17%	\$344
Taumarunui Commercial	910,000	4.35%	\$324
National Park Commercial	930,000	2.85%	\$184
Taumarunui School	1,350,000	5.26%	\$105
Waimarino Waiouru Exotic Forestry	3,200,000	2.77%	\$243

Statement of Accounting Policies

Notes to the Financial Statements

Reporting Entity

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

The primary objective of Council is to provide goods or services for the community and social benefit rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity as defined under Public Benefit Entities International Public Sector Accounting Policies (PBE IPSAS).

The prospective financial statements are for Ruapehu District Council only and do not include transactions related to the group because the differences to Council financial statements are not material.

Statement of Compliance and Basis of Preparation

The reporting period for these prospective financial statements is the year ending 30 June 2015.

The prospective financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). New accounting standards, effective for periods starting on or after 1 July 2014, are the Public Benefit Entity Standards (PBE Standards), and in compliance with the PBE Standards these prospective financial statements have been prepared in accordance with the requirement of the Public Benefit Entity Financial Reporting Standard 42 Prospective Financial Statement (PBE FRS 42). The financial year ending 30 June 2015 is the year Council adopts the PBE Standards for the first time.

Measurement Base

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

Functional and Presentation Currency

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

Accounting Policies

RDC has adopted the accounting standards set out in the PBE Standards, to comply with the External Reporting Board's accounting standards. However, for the prospective financial statement no disclosures have been made to show the effects to the financials of the change in accounting standards. The effect of change in accounting policies relate to new and changed disclosures, but does not for RDC include changes to the value of revenue, costs, assets or liabilities.

Significant Accounting Policies

Basis of Consolidation

These prospective financial statements are for Ruapehu District Council only.

Subsidiaries

Subsidiaries are those entities in which RDC has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. RDC Holdings Ltd is RDC's only subsidiary (100% owned). This company has not traded since 1997 and has exempt status (Local Government Act 2002 S7(3)).

RDC accounts for investments in subsidiaries using the equity method as described in PBE IPSAS 7 Investments in associates in accordance with PBE IPSAS 6 Consolidated and Separate Financial Statements.

Associates

These are entities which RDC has significant influence (but not control) over operating and financial policies. The prospective financial statements show the investment in associates using the equity method. Associates include the Ruapehu-Wanganui-Rangitikei Economic Development Trust (33.3% interest, equally with Wanganui and Rangitikei District Councils), Whanganui River Enhancement Charitable Trust (33.3% interest, equally with Wanganui District Council and Genesis Energy) and Manawatu Wanganui LASS Ltd (14.29%, owned with six other local authorities). All of these entities are exempt Council Controlled Organisations.

Statement of Accounting Policies

The investment in an associate is initially recognised at cost and the carrying amount in the prospective financial statements is increased or decreased to recognise the share of the surplus or deficit of the associate after the date of acquisition. Any distributions received from an associate reduce the carrying amount of the investment. After RDC's interest is reduced to zero, additional deficits are provided for and a liability is recognised, only to the extent that RDC has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, RDC will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where RDC transacts with an associate, any surplus or deficit is eliminated to the extent of RDC's interest in the relevant associate.

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

Borrowing Costs

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

Borrowings

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

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

Cash and Cash Equivalents

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

Cost Allocation

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

- Direct costs are those operational costs directly attributable to and controllable by a significant activity. These are charged directly to significant activities (maintenance, vehicles).
- Where this is not possible the costs are allocated by way of corporate overhead. Overheads directly related to a significant activity are charged directly to that significant activity.
- Other Indirect costs (overheads) are those costs that cannot be identified on an economically feasible manner with a specific significant activity. Indirect costs are charged to significant activities based on the total dollar spend within that category.

Creditors and Other Payables

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

Debtors and Other Receivables

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

A provision for impairment is established when there are firm objective indications, that Council will not be able to collect all amounts due, according to the original terms of the agreements. The amount of the provision is the difference between the asset's carrying amount and the amount believed to be collectable. If the receivable is fully uncollectible, it is written off against the allowance account for receivables.

Employee Entitlements

Short-Term Entitlements

Employee entitlements that RDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

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

Statement of Accounting Policies

Long Term Entitlements

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

Equity

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

The components of equity are:

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

Asset Revaluation Reserve

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

Restricted Reserves

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

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

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

Fair Value through Other Comprehensive Income Reserves

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

Financial Assets

Financial assets are initially recognised at fair value.

Acquisitions and disposals of financial assets are recognised at the date at which RDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, along with the risks and rewards of ownership.

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

- Fair value through surplus or deficit.
- Loans and receivables.
- Held-to-maturity investments.
- Fair value through other comprehensive income.

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

Financial Assets at Fair Value through Surplus or Deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evident of short-term profit-taking.

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

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

Loans and receivables

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

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

Statement of Accounting Policies

Held-to-Maturity Investments

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

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

Fair Value through Other Comprehensive Income

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. RDC includes in this category:

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

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

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Grants Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where RDC has no obligation to reward on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of RDC's decision.

Impairment of Financial Assets

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

Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Where these assets have a finite useful life they are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

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

Statement of Accounting Policies

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

Income Tax

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

Intangible Assets

Intangible assets comprise:

Software Acquisition and Development

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

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

Amortisation

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

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

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

Easements

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

Inventories

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

Investment Properties

Investment properties (properties held to earn rental income and/or for capital appreciation) are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, RDC measures all investment property at fair value as assessed annually by a registered valuer.

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

Leases

Finance Leases

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

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

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

Statement of Accounting Policies

Operating Leases

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

Property, Plant and Equipment and Infrastructural Assets

Property, Plant and Equipment consists of:

Operational Assets

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

Restricted Assets

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

Infrastructural Assets

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

Property, Plant and Equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

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

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

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

value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive income, in accordance with PBE IPSAS 17 Property, Plant and Equipment.

All other asset classes are carried at depreciated historical cost.

Additions

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

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no (or nominal) cost, it is recognised at fair value as at the date of acquisition.

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

Disposals

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

Depreciation

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

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

The revaluation approach, useful lives and associated depreciation rates of major classes of assets have been estimated as shown below.

FINANCIAL

Statement of Accounting Policies

Property, Plant and Equipment	Measurement Basis (*1)	Estimated Life (Years)	Depreciation Rate
Buildings (excluding investment property)	RAD	10 – 100	1 - 10% SL
Other Improvements	CAD	10 – 100	1 - 10% SL
Computer Equipment	CAD		40% DV
Office Equipment, Furniture and Fittings	CAD		20% DV
Library Books	CAD	12.5	8% SL
Other Plant and Vehicles	CAD	3.33– 10	10 – 30% SL
Roads	RAD		
Top Surface (seal)		20	5% SL
Pavement (basecourse)		100	1% SL
Culverts		60 – 100	1 – 1.67% SL
Footpaths		80 – 100	1 – 1.25% SL
Kerbs		80 – 100	1 – 1.25% SL
Signs		10 – 15	6.67 – 10% SL
Street Lights		10 – 15	6.67 – 10% SL
Bridges		50 – 100	1 – 2% SL
Water Reticulation	RAD		
Pipes		30 – 50	2 - 3.33% SL
Valves & Hydrants		25 – 50	2 – 4% SL
Pump Stations		10 – 60	1.67 – 10% SL
Tanks		25 – 100	1 – 4% SL
Wastewater Reticulation	RAD		
Pipes		30 – 50	2 - 3.33% SL
Manholes & Cesspits		30 - 50	2 – 3.33% SL
Treatment Plants		10 – 100	1 – 10% SL
Stormwater Systems	RAD		
Pipes		30 - 50	2 – 3.33% SL
Manholes & Cesspits		50	2% SL
Solid Waste	RAD		
Various		20 - 70	1.43 - 5% SL
Other (Not Depreciated)			
Land	REV		
Formation Costs for roading	COST		
Stopbanks	REV		
Investment Property	REV		
Work in progress and assets under construction	COST		

*1 CAD = Cost less accumulated depreciation and impairment losses
 RAD = Revaluation less subsequent depreciation
 REV = Revaluation (not depreciated)
 COST = Cost

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

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

Provisions

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

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

Landfill Aftercare Provision

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

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

Revenue

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

Revenue may be derived from either exchange or non-exchange transactions.

Exchange Transactions

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

Statement of Accounting Policies

Non-Exchange Transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, RDC either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange, or where the value given or received is not able to be accurately measured.

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

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

A liability will not be recognised in respect of a transferred asset subject to one or more restrictions.

Specific accounting policies for major categories of revenue are listed below

Rates Revenue

Rates are set annually by a resolution of Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised in the period in which it is invoiced, with respect to the matching principle within the particular period,

Other Revenue

- Water billing revenue is recognised on an accruals basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Traffic and parking infringements are recognised when tickets are issued.
- New Zealand Transport Agency roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.
- Subsidy revenue is recognised when expenditure has been incurred and the claim for the subsidy processed. This includes grants from petrol tax that are received from the Government, subsidising

part of its costs in maintaining the local roading infrastructure.

- Fees and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence.
- Rental revenue from property owned by Council is accounted for on a straight line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned.
- Revenue from providing services is recognised based on the actual service provided as a percentage of the total services provided.
- Other grants and bequests and assets vested in Council are recognised as revenue when control over the assets is obtained, unless there are liabilities and/or conditions on the asset, in which case the revenue will only be recognised when the liabilities are removed and the conditions are met.
- Interest income is recognised as it accrues, using the effective interest method. (The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. This rate is applied to the principal outstanding to determine interest income each period.)
- Dividend revenue is recognised when the right to receive payment has been established.
- Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution is charged. Otherwise, development and financial contributions are recognised as liabilities until such time Council provides or is able to provide, the service.

Superannuation Schemes

Defined Contribution Schemes

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

Critical Accounting Estimates and Assumptions

The preparation of financial statements in conformity with NZ PBE IPSAS 1 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying RDC's accounting policies.

Statement of Accounting Policies

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

Public Benefit Entity Financial Reporting Standard 42 Prospective Financial Statements (PBE FRS 42)

RDC has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

- (i) Description of the nature of the entity's current operation and its principal activities

The Council is a territorial local authority, as defined in the Local Government Act 2002. RDC's principal activities are outlined within this Annual Plan.

- (ii) Purpose for which the prospective financial statements are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 1 year and include them within the Annual Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of RDC. Prospective financial statements are revised annually to reflect updated assumptions and costs.

- (iii) Bases for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as the future events which RDC expects to take place. RDC has

considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Annual Plan.

- (iv) Cautionary Note

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

- (iv) Other Disclosures

The prospective financial statements were authorised for issue on adoption date by Ruapehu District Council. RDC is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Annual Plan is prospective and as such contains no actual operating results.

Critical Judgments in Applying Accounting Policies

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

Classification of Property

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

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

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

FINANCIAL

Forecast Statement of Comprehensive Income

For the Year Ended 30 June 2015

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Revenue				
Rates Revenue	19,100	19,860	19,774	(86)
Grants & Subsidies	9,884	9,798	9,218	(580)
Dividend & interest Revenue	35	46	35	(11)
Fees & Charges	2,902	2,654	3,029	375
Other Revenue	221	778	416	(362)
Investment Gains	79	115	76	(39)
Total Revenue	32,221	33,251	32,548	(703)
Expenditure				
Personnel Costs	4,607	4,574	5,259	(685)
Finance Costs	2,002	2,128	1,746	382
Depreciation and Amortisation	7,967	7,565	8,107	(542)
Other Expenses	16,370	16,839	15,960	879
Total Expenditure	30,946	31,106	31,072	34
Net Surplus	1,275	2,145	1,476	(669)
Other Comprehensive Income				
Revaluation of Assets	713	25,308	3,994	(21,314)
Total Other Comprehensive Income	713	25,308	3,994	(21,314)
Total Comprehensive Income	1,988	27,453	5,470	(21,983)

Forecast Statement of Changes in Equity

As at 30 June 2015

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Equity balance at 1 July	362,914	351,138	362,914	11,776
Comprehensive income for year	1,988	27,453	5,470	(21,983)
Equity Balance 30 June	364,902	378,591	368,384	(10,207)
Components of Equity				
Retained Earnings at 1 July	262,305	253,215	262,305	9,090
Net Surplus/(Deficit)	1,275	2,145	1,476	(669)
Retained earnings 30 June	263,580	255,360	263,781	8,421
Revaluation Reserves 30 June	100,905	123,159	104,186	(18,973)
Council Created Reserves at 1 July	417	72	417	345
Equity at 30 June	364,902	378,591	368,384	(10,207)

FINANCIAL

Forecast Statement of Financial Position

As at 30 June 2015

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
ASSETS				
Current Assets				
Cash & Cash Equivalents	294	63	294	231
Debtors & Other Receivables	4,954	5,136	4,954	(182)
Inventories	8	8	8	-
Total Current Assets	5,256	5,207	5,256	49
Non-Current Assets				
Investment Property	3,389	3,613	3,386	(227)
Other Financial Assets	418	418	418	-
Property Plant & Equipment	27,967	29,180	26,882	(2,298)
Infrastructural Assets	365,764	378,938	369,147	(9,791)
Total Non-Current Assets	397,538	412,149	399,833	(12,316)
TOTAL ASSETS	402,794	417,356	405,089	(12,267)
LIABILITIES				
Current Liabilities				
Trade & Other Payables	4,800	5,295	4,800	495
Income in Advance	900	890	900	(10)
Borrowings	4,100	4,300	8,000	(3,700)
Employee Benefit Liabilities	250	278	250	28
Total Current Liabilities	10,050	10,763	13,950	(3,187)
Non-Current Liabilities				
Borrowings	27,344	27,507	22,258	5,249
Employee Benefit Liabilities	4	4	4	-
Provisions	493	493	493	-
Total Non-Current Liabilities	27,841	28,004	22,755	5,249
TOTAL LIABILITIES	37,891	38,767	36,705	2,062
EQUITY				
RatePayers Equity	263,580	255,360	263,781	(8,421)
Revaluation Reserves	100,905	123,159	104,186	18,973
Council Created Reserves	417	72	417	(345)
Trust Funds	-	-	-	-
TOTAL EQUITY	364,902	378,591	368,384	10,207

FINANCIAL

Forecast Funding Impact Statement As at 30 June 2015

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	12,344	13,224	12,518	(706)
Targeted rates (other than a targeted rate for water supply)	6,756	6,636	7,256	620
Subsidies and grants for operating purposes	5,037	5,214	5,022	(192)
Fees, charges, and targeted rates for water supply	2,902	2,654	3,029	375
Interest and dividends from investments	35	46	35	(11)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	208	195	(13)
Total Operating Funding (A)	27,074	27,982	28,055	73
Applications of Operating Funding				
Payments to staff and suppliers	20,979	21,407	21,220	187
Finance Costs	2,002	2,128	1,746	382
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	22,981	23,535	22,966	569
Surplus (deficit) of operating funding (A-B)	4,093	4,447	5,089	642
Sources of capital funding				
Subsidies and grants for capital expenditure	4,847	4,584	4,196	(388)
Development and financial contributions	221	570	221	(349)
increase (decrease) in debt	1,296	1,018	110	(908)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	6,364	6,172	4,527	(1,645)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,462	1,346	1,121	225
- to improve the level of service	1,986	1,593	1,761	(168)
- to replace existing assets	7,012	7,682	6,734	948
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	10,460	10,621	9,616	1,005
Surplus (deficit) of capital funding (C-D)	(4,096)	(4,449)	(5,089)	(640)
Funding Balance ((A-B)+(C-D))	(3)	(2)	-	2

FINANCIAL

Forecast Cash Flow Statement

As at 30 June 2015

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Cashflow from Operating Activities				
Cash was provided from:				
Rates Revenue	18,536	19,767	19,774	7
Dividend & interest Revenue	46	46	35	(11)
Fees & Charges	12,736	13,230	12,663	(567)
	31,318	33,043	32,472	(571)
Cash was disbursed to:				
Payments Staff & Suppliers	19,871	21,424	21,220	204
Finance Costs	1,864	2,128	1,746	382
	21,735	23,552	22,966	586
Net Cashflow from Operating Activity	9,583	9,491	9,506	15
Cashflow from Investing Activities				
Cash was provided from:				
	-	-	-	-
Cash was disbursed to:				
Purchase of Assets	10,309	10,621	9,616	1,005
	10,309	10,621	9,616	1,005
Net Cashflow from Investing Activity	(10,309)	(10,621)	(9,616)	(1,005)
Cashflow from Financing Activities				
Cash was provided from:				
Loans Raised	4,728	5,278	4,210	(1,068)
	4,728	5,278	4,210	(1,068)
Cash was disbursed to:				
Loan Repayments	4,000	4,200	4,100	100
	4,000	4,200	4,100	100
Net Cashflow from Financing Activity	728	1,078	110	(1,168)
Net Increase (Decrease) in Cash Held	2	(52)	-	52
Add Opening Cash bought forward	68	115	294	179
Closing Cash Balance	294	63	294	231
Closing Balance made up of Cash and Cash Equivalents	294	63	294	231

FINANCIAL

Reconciliation of Funding Impact Statement to Comprehensive Income

For the Year Ended 30 June 2015

	Annual Plan 2013/14 \$000	LTP 2014/15 \$000	Forecast 2014/15 \$000	Variation \$000
Income				
Prospective Statement of Comprehensive Income	32,221	33,251	32,548	(703)
Summary Funding Impact Statement				
Total Operating Funding	27,074	27,982	28,055	73
Add Sources of Capital Funding				
Sources of capital funding	4,847	4,583	4,196	(387)
Development and financial contributions	221	570	221	(349)
Investment (Gains)/Losses	79	115	76	(39)
Total Revenue	32,221	33,250	32,548	(702)
Expenditure				
Prospective Statement of Comprehensive Income				
Operating Expenditure	30,946	31,106	31,072	34
Summary Funding Impact Statement				
Total applications of operating funding	22,980	23,541	22,966	575
Add Depreciation and Amortisation Expense	7,967	7,565	8,107	(542)
Total Expenditure	30,947	31,106	31,073	33

Reserve Funds

OBC – Reserve Contributions

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

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

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

During the 2013/14 year, the fund was paid towards the cost of the Ohakune Skate Park.

Waimarino Reserves Fund

The Reserve Contribution Fund can be used in terms of Section 411.2 of the Resource Management Act (see OBC - Reserve Contributions).

TCC – Land Subdivision Reserve

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

OBC – Roading Contributions (former Ohakune Borough Council)

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

TBC – ECNZ Wanganui River Amenities Fund

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

TCC ECNZ Stratford/Huntly Amenities Fund

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

Property Disposition Reserve

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

	Expected Opening Balance 2014/15	Expected Closing Balance 2014/15
OBC – Reserve Contributions	0	0
Waimarino Reserves Fund	\$6,373	\$6,373
TCC – Land Subdivision Reserve	\$72,456	\$72,456
OBC – Roading Contributions	\$4,106	\$4,106
TBC – ECNZ Wanganui River Amenities Fund	\$11,359	\$11,359
TCC ECNZ Stratford/Huntly Amenities Fund	\$84,823	\$84,823
Property Disposition Reserve	\$149,741	\$149,741

APPENDICES

Your Elected Representatives

Mayor and Councillors

Mayor

Don Cameron JP

136 Matapuna Road
RD6, RAETIHI 4696

Phone 07 385 3033 (H)
07 895 8188 (W)



Ohura Ward

Marion Gillard JP (Deputy Mayor)

Tokirima RD1
TAUMARUNUI 3991

Phone 07 893 8575



Taumarunui Ward

Bruce Broderson QSM

55 Ward Street
TAUMARUNUI 3920

Phone 07 896 7124



Taumarunui Ward

Ron Cooke

33 Miriama Street
TAUMARUNUI 3920

Phone 07 895 6807



Taumarunui Ward

Graeme Cosford JP

42 Reu Street
TAUMARUNUI 3920

Phone 07 895 7572



Taumarunui Ward

Karen Ngatai

46 Echolands Road
RD4, TAUMARUNUI 3994

Phone 07 896 6658



Taumarunui Ward

Rhonda Wood

11 West Street
TAUMARUNUI 3920

Phone 07 895 7560



National Park Ward

Elaine Wheeler

608 Upper Retaruke Road
RD2, OWHANGO 3990

Phone 07 896 6048



Waimarino-Waiouru Ward

Cynthia Dowsett

30 Shannon Street
OHAKUNE 4625

Phone 06 385 8086



Waimarino-Waiouru Ward

Rabbit Nottage

32 Southridge Drive
OHAKUNE 4625

Phone 021 111 6514



Waimarino-Waiouru Ward

Ben Goddard QSM

PO Box 8
OHAKUNE 3660

Phone 06 385 8324



Waimarino-Waiouru Ward

Pita Pehi

167 Pehi Road
NATIONAL PARK 3948

Phone 07 892 2898



APPENDICES

Your Elected Representatives

Community Boards

National Park Community Board

The National Park Ward Councillor is Council's appointed representative on the Board. The Mayor is an ex-officio member. Councillor Elaine Wheeler (Ward Councillor) has been appointed by Council to the Board.

William (Bill) Taylor (Chair)

288 Kaitieke Road
Raurimu
RD2
OWHANGO 3990

Phone 07 892 2895



Jenni Pendleton (Deputy Chair)

Jam Cottage
13 MacKenzie Street
NATIONAL PARK 3948

Phone 027 441 2147



Jim Paul

2175 State Highway 4
(CMB2)
OWHANGO 3990

Phone 027 556 6660



Hamish Sinclair

8 Millar Street
(PO Box 115)
NATIONAL PARK VILLAGE 3948

Phone 07 892 2825
Mobile 021 372 392



Waimarino-Waiouru Community Board

Two Waimarino-Waiouru Ward Councillors are Council's appointed representative on the Board. The Mayor has speaking rights. Councillors Pita Pehi and Rabbit Nottage (Ward Councillors) have been appointed by Council to the Board.

John Compton (Chair)

119 Mangarewa Road
(PO Box 3)
RAETIHI 4696

Phone 06 385 4202
Mobile 027 985 4204



John (Luigi) Hotter (Deputy Chair)

99 Ruapehu Road
OHAKUNE 4625

Phone 06 385 8193
Mobile 027 274 2616



Lucy Conway

36 Seddon Street
RAETIHI 4632

Phone 06 385 3123
Mobile 027 427 8700



Allan Whale

125 Ruapehu Road
OHAKUNE 4625

Phone 06 385 9139
Mobile 027 478 7808



APPENDICES

Key Documents and Strategies

Documents

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

Community Outcomes Report 2005

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

Ruapehu 2008 State of the District Report

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

Asset Management Plans (AMPs) (2012)

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

Water and Sanitary Services Assessment

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

Levels of Service Consultation

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

Policies - Financial

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

Revenue and Financing Policy

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

Liability Management Policy

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

Investment Policy

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

Significance Policy

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

Policies - Other

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

Rates Remissions Policies

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

Maori Freehold Land Remissions Policy

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

APPENDICES

Key Documents and Strategies

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.

APPENDICES

Glossary

Activity

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

Assets

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

Capital Expenditure

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

Corporate Support

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

Collaboration

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

Current Assets

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

Current Liabilities

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

Development (Growth) Expenditure

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

Designated Investments

Investments representing Special Funds and Reserve Accounts.

Infrastructural Assets

Fixed utility systems that provide a continuing service to the community and are not generally regarded as tradable.

Council's infrastructural assets consist of roads, waste disposal systems, wastewater, stormwater systems and landfill assets.

Key Performance Indicators (KPIs)

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

Levels of Service

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

Level of Service Expenditure

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

Local Government Act 2002 (LGA)

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

Long Term Plan (LTP)

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

Operations Expenditure

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

APPENDICES

Glossary

Operational Assets

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

Operating Revenue

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

Operating Surplus

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

Outcomes

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

Outputs

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

Planning Assumptions

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

Renewal Expenditure

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

Stakeholders

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

Strategic Goals

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

Sustainable Development

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

Targeted Uniform Annual Charge (TUAC)

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

Uniform Annual Charge (UAC)

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

Uniform Annual General Charge (UAGC)

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

Work Programmes

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

APPENDICES

The Ruapehu District

Statistics (based on 2013 Census)

The Ruapehu District covers 6,700km² (673,019 ha) and, in 2011, had 9,473 properties, of which 9,044 are rateable. The land can be divided by type as follows:

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

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

National Parks

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

Towns

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

National Park Village caters for the ski industry, cycleways and other tourism adventures, as well as a small resident population.

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

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



APPENDICES

The Ruapehu District

Waiouru is situated at the southern end of the District and features the Army Base on State Highway 1.



Whanganui River

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



Tourism

The Ruapehu environment is largely high quality, with a relatively low number of heavy industries or high intensity residential development. The high quality of the environment makes the District attractive to tourists who seek to visit natural and unspoilt landscapes. The numbers of tourists continues to grow and, with some Cycleway projects completed and new ones now being developed, this is expected to grow substantially.



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

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



More Information

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



APPENDICES

The Ruapehu District

District Map

