



Future Ruapehu

Long Term Plan 2012-22



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Certificate of Compliance



This Plan is Ruapehu District Council's Long Term Plan and has been produced in compliance with the Local Government Act 2002, except for Section 93(3) (Breach of Statutory Deadline).

The Long Term Plan was adopted by Council 13 days late (on 13 July 2012).

Approved for Public Release:



Peter Till
CHIEF EXECUTIVE

13 July 2012

The person or body that authorised the issue of the Prospective Financial Statements by the entity is responsible for the Prospective Financial Statements detailed, including the appropriateness of the assumptions underlying the Prospective Financial Statements and all other disclosures.

The actual financial results are incorporated and the period covered by those results.





Introduction to the LTP

What is a Long Term Plan (LTP)?

Ruapehu District Council (Council) is required to produce a Long Term Plan (LTP) every three years and an Exceptions Annual Plan in the years between. Council has adopted Future Ruapehu Long Term Plan (LTP) as the brand name for its LTP.

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

The LTP is a document that sets the direction for Council's role within the community for the next ten years. This document is reviewed every three years and the community is consulted on the updated and reviewed LTP.

Purpose of the Future Ruapehu LTP 2012-22

The purpose of this LTP is to:

- Describe the activities of Council.
- Describe the Outcomes originally identified by the Ruapehu community and update by Council in 2011.
- Provide integrated decision-making and co-ordination of the resources of Council.
- Provide a long-term focus for the decisions and activities of Council.
- Provide a basis for accountability of Council to the community.
- Provide an opportunity for participation by stakeholders in decision-making processes on activities to be undertaken by Council.

The information may not be appropriate for purposes other than that described.

The LTP Staging diagram below shows the staging of Council's LTPs and Exceptions Annual Plans (EAP) for the next 19 years. EAPs will be used to consult on any proposed variations to the adopted LTP and set rates for the two years between the LTP reviews. The LTP is now the central planning document for Council activities that the community can comment on.

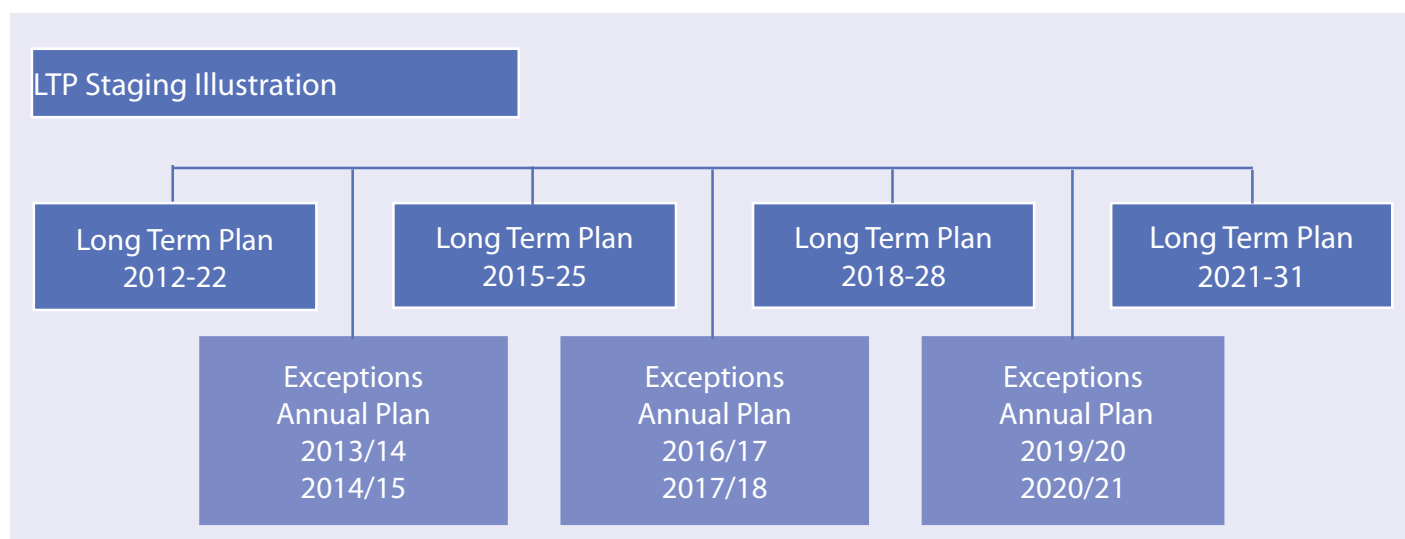
Outcomes

What are Outcomes?

Outcomes are visionary statements and goals that originally emerged through a public consultation process in 2005 where the community identified certain outcomes as important to it. These have been reviewed by Council in 2011, and have been reworded to ensure they are outcomes that Council can work towards.

Outcomes and the LTP

This LTP shows Council's response to the priorities and aspirations of the community, as expressed through the Outcomes. Each activity in this LTP targets some of the Outcomes and Strategic Goals have been developed in response to these. The LTP is also shaped by other consultations that Council has carried out, for example, Customer Satisfaction Surveys.





What is a Long Term Plan (LTP)?

Under each Strategic Goal, Council has developed Levels of Service designed to target and give effect to the Strategic Goals. The Levels of Service have associated Key Performance Indicators and targets to measure Council's achievement of the Strategic Goals. The Outcomes also flow through all Council's policies and plans, as these are reviewed and developed. The diagram below shows this relationship.

Outcomes describe the community's desires and aspirations for the District. The Outcomes described in this LTP are also used to direct other strategic documents developed by Council. This ensures that all Council documents work to achieve the same vision.

How Outcomes Link to Council's Other Strategic Documents

The vision expressed through the Outcomes is used to inform and shape Council's other strategic documents. Outcomes are

fundamental in developing documents such as the following:

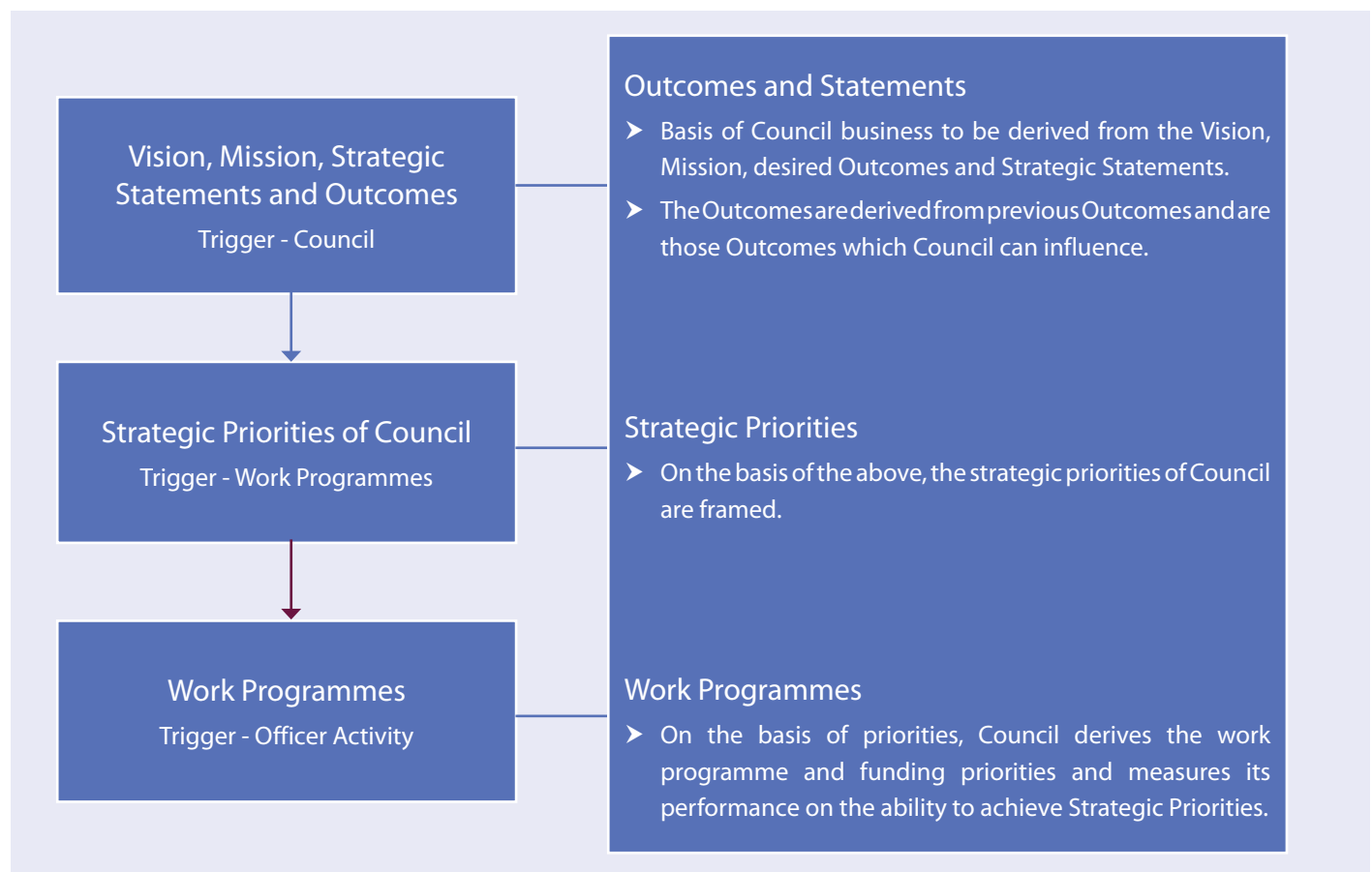
- Asset Management Plans (Land Transport, Waste Management and Minimisation, Water Supply, Wastewater, Stormwater and Flood Protection, Community Property and Recreation and Community Facilities).
- District Land Transport Programme.
- Ruapehu District Plan.

Disclaimer

All care has been taken to ensure that this LTP provides Council's best estimate of the projects, activities and costs for carrying out its services.

Actual results achieved for the period are likely to vary from the information presented and the variations may be material.

Link Between Outcomes, Strategic Goals and Council Work Programmes





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Part 1 - Where We Are Going



Message from Mayor and Chief Executive



Council is pleased to present its Long Term Plan (LTP 2012-22), setting out its proposed direction, priority of works, funding requirements and approach to assisting Ruapehu communities attain their aspirations over the next ten years.

The affordability of running the District, along with maintaining the sustainability of our communities, is of foremost

importance to Council. In this respect the development of this LTP has benefited from an 'Affordability Review' that was undertaken in 2010, where Council revisited cost and revenue projections to ensure their future sustainability.

It is worth noting that Government's recently announced changes to the focus of Local Government will have a limited impact on Ruapehu's direction and operations. As a rural council with a narrow rating base we have, by necessity, focused predominately on core infrastructure with any expenditure outside core business always being a small fraction of our overall spending.

The average rate increase for the 2012/13 year is 3.3%. For the last five years, average rate increases in Ruapehu have tracked close to the CPI inflation level and Council had already committed to having rate increases no greater than the rate of CPI inflation. What should be recognised, however, is that Council's 'true' internal rate of inflation is determined largely by the cost of

petroleum products as a large proportion of our spending is on roading.

Council prides its prudent financial management. Over the last couple of years, we have managed to reduce our overhead and operational costs with the surplus being invested into our capital programme, notably road renewal. Overheads have reduced with prudent

management of Council's staff levels, while a creative approach to maintaining levels of service have reduced operations costs.

Council creativity in creating an operational surplus without reducing levels of service can be seen in the Land Transport activity, where we worked with our suppliers to design and build local roads that meet the local purposes they are used for. This has seen some reduction in the engineering of local roads but also a significant reduction in cost of renewal.

The money saved is being used by Land Transport to reduce the number of weight/speed restricted bridges in the District. Over the next three years, this programme will reduce the number of weight/speed restricted bridges to ten, all of which are uneconomic to renew due to the low number of vehicles that use them.

Experience has provided strong guidelines to Council as to the level of capital works and debt that the District can afford,





Part 1 - Where We Are Going

Message from Mayor and Chief Executive (continued)

while protecting infrastructure with some yearly level of service improvements. As such, Council has taken a 'business as usual' approach where we are planning capital expenditure of an average of \$10.4million per annum (uninflated) over the next ten years, while keeping the District's debt balance to under \$33million for the first three to four years of the Plan.

The demand for Council services is, however, always increasing. In Ruapehu's case, this is mainly being propelled by the attraction of the District as a tourism and holiday location, coupled with ongoing demands from Central Government for improved standards of services. The need for investment in Waimarino water treatment and District wastewater services are two examples. These drivers put pressure on Council and our small communities. In addition, much of our core infrastructure (water, wastewater, bridges, etc) is nearing the end of its economic life, making the financial commitment to renew a key part of Council's budget commitment.

Although the recessionary environment has seen the number of building and resource consents and subdivisions reduce compared to previous years, Ruapehu's construction industry has continued to enjoy a reasonably active period. So far this financial year, Council has issued 176 building consents worth over \$10million.

Ruapehu is moving steadily toward being an all-year round tourism and visitor destination. The District's position in the

centre of the North Island and development of new all-year attractions, such as the cycleway network, is likely to see this trend continue and, as the economy improves, to pick up pace.

Council's financial objectives are to maintain the infrastructure and increase levels of service where necessary and to ensure that costs are kept under tight control. Rates increases will be kept as low as realistically possible, while at the same time maintaining a strong balance sheet and affordable levels of debt. While Council believes that, over the ten year period, it will maintain a strong balance sheet. This means that Council believes it will stay within its debt limits and remain prudent and affordable for the community. Audit NZ has expressed concern that, if there is critical infrastructure failure, Council has little headroom to move. We accept that there is always some risk, but believe that we can, and will, manage critical failures if they happened. This, of course, excludes events on the scale of the recent Christchurch earthquakes. Council is confident that this LTP provides an appropriate balance between sustainability and affordability for the District's ratepayers.

Sue Morris JP
MAYOR

Peter Till
CHIEF EXECUTIVE



Part 1 - Where We Are Going



In Brief ... What We Said and Where We Are Going

In 2009, Council presented a Plan that was prudent and designed to be both affordable and sustainable. In hindsight, it proved to be well thought out and fairly accurate on what Council could achieve. The assumptions on growth were close, even with the slowdown in the economy. Visitor numbers continued to climb throughout the period, with an average of 3% growth in the three years up to 2010. Our outside ratepayers (those who own property here but live outside of the District) also continued to rise by an average of 3.96% per year, between 2008 and 2010. Subdivision growth (number of ratable units) rose by an average of 5.7% in the same years.

Council achieved an average of \$10.5 million of capital works each year for the past three years. We are comfortable with this level of capital works, as it allows for our renewal programme, plus some increases in levels of service and growth.

There are a number of reasons that some projects did not go ahead in the 2009-12 period. In Land Transport we said we would seal Oio, Soldiers and Waitaanga Roads. The projects were unable to be carried out as the funding criteria changed and these roads no longer qualified for subsidy, making the projects unaffordable. In Wastewater and Water Supply, obtaining Resource Consents has caused delays in the timing of projects. Notable examples are Taumarunui and National Park. In Taumarunui, negotiation with affected parties has proved difficult and protracted. In National Park, Council needs to gather more information in order to spend

ratepayer dollars effectively. We were going to reconfigure some of our Social Housing bedsit units, but the Housing New Zealand subsidy is no longer available for this project. This will again be considered if Central Government subsidy funding for this activity becomes available.

For a detailed look at how we performed over the past three years, see Part 6, Looking Back to 2009.

Going forward, we want to continue to be prudent. This means while there are some increases in levels of service (often driven by Central Government regulations and legislation, as well as some community expectations), we will concentrate on the renewals and maintenance of our infrastructure. The major challenges around infrastructure are to keep the roading network open, upgrade water services to new standards and replace aging pipes. It is likely that pipe replacement will fall behind best practice during the term of this LTP but Council will keep this under review. The Financial Strategy is based on the current method of prudent and sustainable management of infrastructure.

We also need to keep debt at an affordable level so, long term, we will keep our Capital Works near this \$10 million mark, plus inflation. Our roading renewals are all on track and Council is intending to concentrate more on bridge renewals.





Part 1 - Where We Are Going

Financial Strategy

Introduction

Council Direction

The Financial Strategy outlines the way Council intends to manage its infrastructure and services over the next ten years.

Council's Asset Management Plans (AMPs) are developed based on best practice. The Renewals, Level of Service increases and Growth-related capital works in the AMPs over the next ten years amounted to \$140million, an average of \$14million per year.

In view of the current economic climate, Council has not funded all the capital projects from the AMPs in this LTP. It has reduced the total cost of capital projects to an average of \$10.4million over the ten year period, which Council believes is both affordable and prudent. This was achieved in two ways, by reducing the amount spent on a number of projects and by entirely removing other projects (mainly growth and level of service related projects) from the Plan.

The projects that have been removed and the amount of reduction in other projects is outlined later in this section

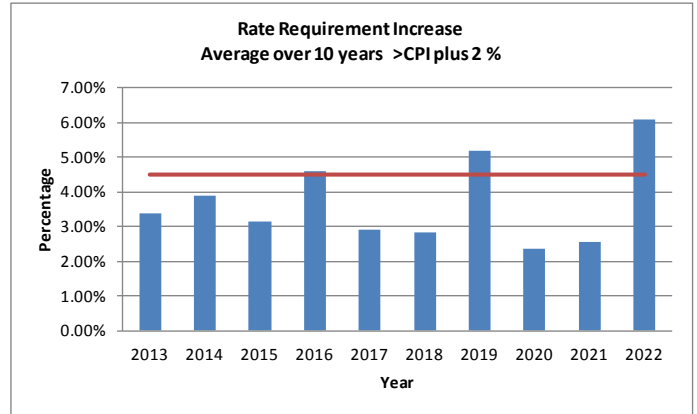
There are some associated risks that the community needs to be aware of. These risks are detailed in Appendix A in each of the Asset Management Plans, which are available on Council's website www.ruapehudc.govt.nz

Council has removed \$23million (uninflated) from its Renewal programme (out of a Renewals budget in the AMP of just over \$90million). This will result in delays to infrastructure replacement but Council believes that, by completing critical works as priorities, this can and will be managed. Council is collecting better data all the time on its pipes and other infrastructure and this will help ensure that planning for critical works will be robust enough to maintain the current level of service.

Debt under this Plan is expected to rise to just over \$45million (uninflated) but, if all the capital works in the AMPs were carried out, this would result in debt growing to over \$65million. Debt can also be offset by rises in rates. The challenge for Council is to get the right balance between debt, rates and capital works.

Council will review its budgets yearly, and make adjustments accordingly.

The sustainability and affordability of the District is of the utmost importance to Council, which has to balance this with the maintenance and renewal of its infrastructure. Many of Council's infrastructural assets are nearing the end of their lives,

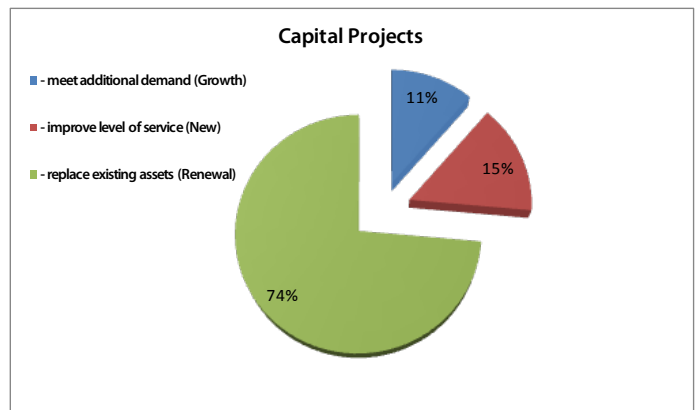


The rates requirement increase will average 3.7% over the ten year period, well within the parameters of this strategy.

making renewal important. Council uses the opportunity, when doing renewals, to increase levels of services where necessary or desired. Increases in Levels of Service are often dictated by legislation and regulations.

Council has a planned programme of work which will see the infrastructure being maintained, with some levels of service improvements along the way. This is detailed in the AMPs and major projects are discussed in this document. The total amount of capital projects in this LTP is \$104million (uninflated).

The affordability and sustainability of the community is of utmost importance to Council. To reduce the risk for present and future generations, Council wants to maintain its debt level to under \$33million for the first three to four years and to remain under \$45million for the next six to seven years. Other reasons for this level of Capital Projects expenditure are that we find weather, resourcing in terms of both design work and labour, political priorities (from both Central and Local Government) and



The expected increase in cost of operating budgets from the cost of capital projects is marginal.





Financial Strategy (continued)

obtaining Resource Consents also constrains Council's ability to do more than this level of work.

What does this mean for the infrastructure? The past three years have shown Council that this level of capital expenditure is sufficient to maintain the current infrastructure, with some improvements to levels of service along the way.

Does this mean that the AMP budgets are planning a 'gold plated' level of service? No, the AMPs are developed with prudence in mind but must follow best practice, legislative and resource consent drivers and current ideas on the life of assets. Council finds that, in practice, the life of assets is very hard to predict. We have spent some effort collecting and analysing data on infrastructure and plan to carry on improving our databases for future planning.

Council also plans using today's technologies but, in this fast moving world, we find that changes occur and new technologies and better and smarter ways of doing things mean that today's forecast budgets, while both prudent and best estimates when developed, can often be reduced. This is most noticeable in the Water Supply and Wastewater areas.

Council uses debt to account for Intergenerational Equity. This means that Council does not consider that today's ratepayers should pay the full cost of services and infrastructure for future uses. The use of loan funding for infrastructure allows Council to spread the cost.

What is Driving the LTP Capital Expenditure?

Growth

Growth is a small part of the Capital Expenditure (\$12 million uninflated - reduced from \$15 million - over the ten year period) and this is mainly funded through Development Contributions and by subsidies, so those who are driving growth pay for the growth part of the infrastructure.

Renewals

Renewals are where we replace assets (or parts of assets) as they start to age and fail. This is funded through depreciation funding. Council is planning to do \$77 million - reduced from \$90 million - of renewals over the ten year period. This will maintain our current infrastructure. Renewals are the largest part of the capital expenditure and this enables Council to keep

its infrastructure and services to the current level, but does not allow for improvements.

Levels of Service

Levels of service is the most problematic area for Council. Much of Council's capital expenditure is around levels of service (\$16 million - reduced from \$19 million - in the next ten years). This includes changes driven by Central Government legislation and regulations, especially in Water Supply and Wastewater Management. The Ohakune, Raetihi and National Park Wastewater Treatment Plants Resource Consents will all expire in November 2015. The plants will require major upgrading to remove nutrients from their discharge. In relation to water supply, water consumption per connection is extremely high, driving demand well in excess of the national standards of allocation. Curbing demand, through the use of metering and considering alternative methods of delivery can defer the need for a new water supply.

Community expectations and the expectations of visitors and residents, have also been driving changes to levels of service. The effects of the growing tourism industry have put pressure on some infrastructure (notably Water Supply in the Waimarino area), the disposal of refuse and recycling and increased needs for carparks (Cycleways) and public toilets.

Risks

There is some level of risk in Council's proposed Financial Strategy that needs discussion. It is important that the community understands these risks. While Council believes that its current level of investment yearly achieves its renewal programme, there is the risk that, as the infrastructure ages, there will be more critical failures, which will compromise the renewal programme or detract from improvements to levels of service.

Other risks are that Council will not be able to meet its legislative or Resource Consent requirements and may be in breach of these if the improvements to levels of service are not made as per the AMP programme of work. Past experience has shown that Council does manage to meet these, but the community needs to keep in mind that this is a risk with the proposed capital expenditure.

Council will manage these risks by ensuring that critical parts of the infrastructure are renewed first.





Part 1 - Where We Are Going

Financial Strategy (continued)

Council continues to be prudent with its overheads and has successfully reduced costs in recent years. The lower number of building consents, resources consents and subdivision, when compared to previous years, has meant that user charges have been down and that ratepayers have picked up some of the cost of delivering these services. As the economy improves, this should also improve.

Council continues to look at its staffing levels and makes adjustments accordingly.

The District is a popular destination for tourism and, while this is a boom for the area, it does have its downside in that Council must provide services that meet the extra demand. The provision of water in the Waimarino area will become more of an issue over the next few years, due to the increases in holiday home owners and visitors using overnight accommodation. Council is investigating the possibility of a new Water Treatment Plant, but this is still an open debate.

The other area most affected by tourism is the amount of refuse and recycling that comes into the District. Council provides a very good service and will maintain this service as it is important to both the environment and the attraction of tourists.

The provision of Wastewater services is an area that is starting to cost Council more, as standards continue to rise and resource consents fall due. Council expects to spend more on this service over the ten year period.

A number of smaller communities are looking at Wastewater Treatment Plants and Council will continue to investigate the feasibility and affordability of these. At present there are no firm plans to extend the service to other communities.

Other increases in levels of service usually arise from community input and the willingness of the community to pay for these increases is always taken into consideration. An example of this is the extension of the footpath programme in Ohakune in 2011 and the proposed Waimarino Water Treatment Plant. For more detail on the Levels of Service and our Key Performance Indicators, please see the Activity Section.

Local Government Act

The Local Government Act 2002 sets out specific financial management requirements for local authorities. Section 100, the Balanced Budget, requires each year's operating revenue to meet that year's expenses. The Act provides local authorities with some flexibility to run an annual deficit or surplus if it is prudent

to do so and surplus operational budget can be spent on capital or to pay off loans.

Section 101, Financial Management, means the local authority must take into account the current and future needs of the community and apply funding tools appropriate to each activity.

This Financial Strategy will be updated three yearly to coincide with the development of the Long Term Plan.

Council has spent some time considering the direction and affordability of its Long Term Plan and the financial impact of this. It is important that both sustainability and affordability are considered, alongside the need to maintain current infrastructure and to improve on it.

Statement of Intent

The goal of Council's Financial Strategy is the prudent and sustainable stewardship of Council's resources on behalf of current and future ratepayers.

This entails consideration of Council's financial performance and position, balancing the current affordability of rates with equity for future ratepayers. Through its Financial Strategy, Council seeks to maintain existing levels of service, ensure that costs are kept under tight control and that rates increases are kept as low as realistically possible, while at the same time maintaining a strong Balance Sheet and affordable levels of debt.

Underpinning Principles

Financial Resources

That Council must have the financial resources to provide services to the standard agreed, without compromising the needs of future citizens and customers.

Cost Control

Outputs and processes must be cost effective and every effort made to contain costs in real terms.

Affordability

That the cost of services will be within an envelope of affordability that reflects, broadly, the capacity of people to pay.



Part 1 - Where We Are Going



Financial Strategy (continued)

Physical Capital

That investment in appropriate physical capital will deliver on current and future expectations.

Risk Aversion

Council will assess and minimise business and financial risks.

Financial Sustainability

Council will manage its finances to ensure their durability, self-sufficiency and resilience.

Overall Direction

Council has given consideration to the estimated expenses of achieving and maintaining the agreed levels of service in the ten year plan. This includes the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life and the projected revenue to fund the estimated expenses associated with delivering services and maintaining the service.

Council is forecasting a debt level of \$45million and that operating expenditure will increase by \$10million to \$36 million in 2022. These increases are a result of:

Growth

Council is expecting a growth rate of 1.25%. This is based on Council's analysis of current trends in tourism, population and subdivision.

Prices Increases

Inflation and other factors means it costs more to do business.

Service Level Increases

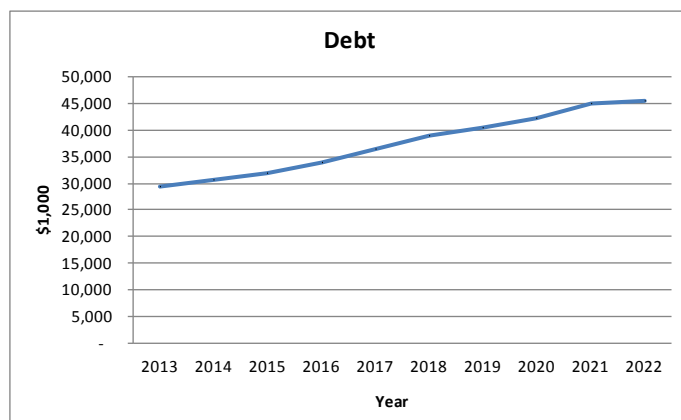
In some areas, Council will be providing a higher level of service.

Depreciation and Interest Payments

The increased capital expenditure programme means corresponding increases in costs in these areas.

Funding Sources

Council uses the following funding sources:



- Rates.
- Grants and Subsidies.
- Fees and Charges/Development Contributions.
- Other (Interest, Dividends, Petrol Taxes etc).
- Loans (Capital Expenditure only).

More detail is available in the Revenue and Finance Policy and the Funding Impact Statement.

Rates

The Plan contains a maximum rate increase at less than the CPI plus 2% for each of the next ten years. This is to ensure that Council does manage its expenditure across the ten year period.

Rates are General (which is calculated on Capital Value), Uniform Annual General Charge (UAGC), User Charges and Targeted Rates. These are set out in the Revenue and Financing Policy (see Part 5). The main services that have User Charges are the Water, Wastewater and Kerbside Collection. Targeted Rates apply to part fund activities such as Stormwater and Flood Protection in urban areas and funding for the Regional Tourism Organisation (RTO).

The values of properties are reviewed every three years and this will result in changes to each property's capital value and how it relates to other properties in the District. The last revaluation (2011) saw a reduction in the value of the District.

As most properties had a decrease in value, this will have no real impact on shifting the burden of rates from one sector to another, or from one area to another.

Debt and Interest

Council's limit is to keep debt to less than twice the annual rate





Part 1 - Where We Are Going

Financial Strategy (continued)

bill. If all the projects predicted in the AMPs are added, then debt is predicted to be at over \$65 million by the end of the ten year period. This is not considered to be affordable for the District, so Council will manage its debt year-on-year, by keeping all capital works projects to an average of approximately \$10 million per year uninflated. The risks of this were discussed above. This will keep debt to under \$33million for the first three/four years. This process recognises the reality of project management in our heavily concentrated and consultative environment. It will require active management by staff. The following graph shows the debt over the next ten year period.

Asset and Capital Development

Council currently has investment properties and infrastructure assets worth \$356million and, during the next ten years, is planning to undertake additional capital development of approximately \$104million to upgrade, develop or build assets.

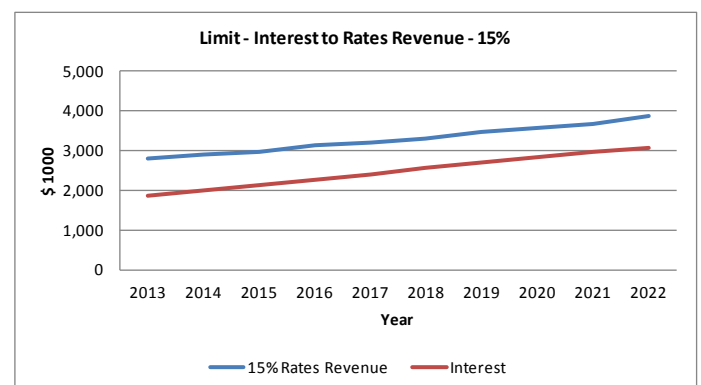
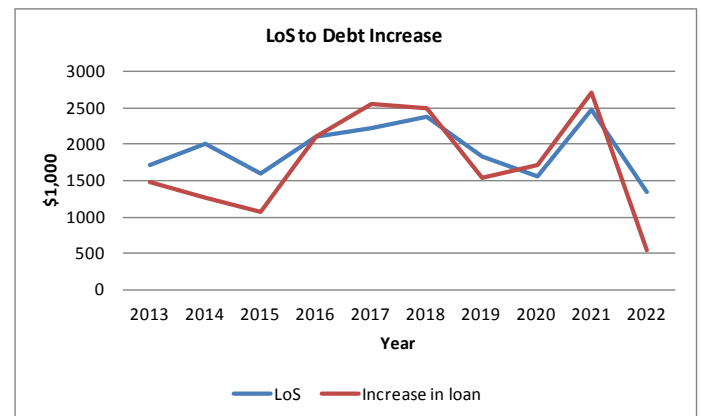
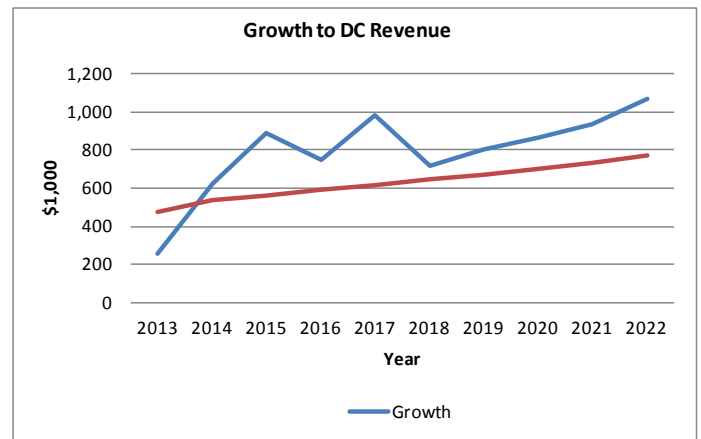
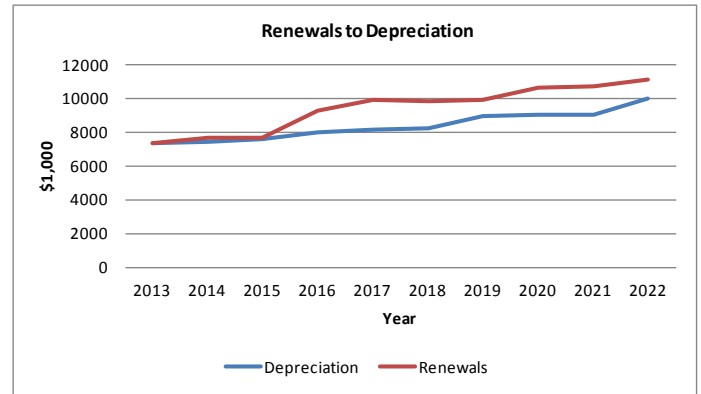
Council has AMPs for each of its assets and these are the key planning tools for the maintenance, renewal and additional assets required to meet future levels of service.

Council has developed the asset programme assuming that all projects will be completed in the year identified in the plan. However, past experience shows that external factors, such as obtaining resource consents, can delay projects. Therefore, Council must review its plans year by year.

Renewals are the replacement programme for the existing assets. Levels of service improvements relate to when Council thinks that the current level of service is too low or a community wants, and is willing to pay for, a higher level of service or driven by Government demand.

Renewals are generally funded from operating revenue, and rates are set to a level to ensure that renewals can be funded from this source. Level of service and growth expenditure is usually funded from debt, subsidies, development contributions and/or reserves.

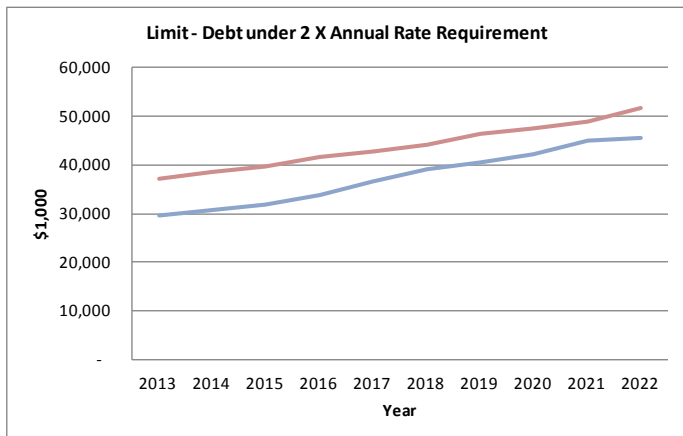
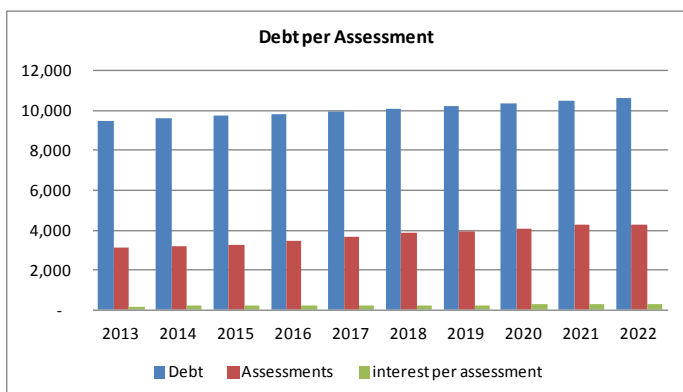
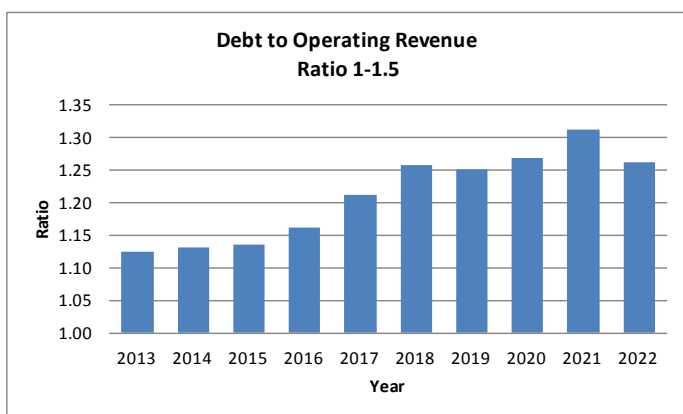
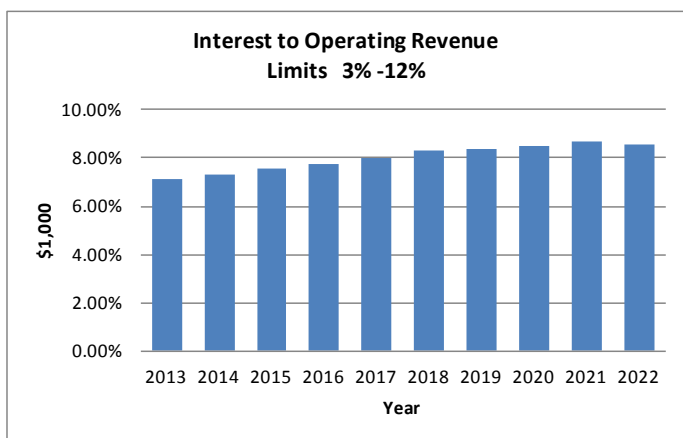
Transport is the largest asset area. However, there are some other large capital projects that may require investment by Council in the future, eg, the Waimarino Plains Water Supply. It is also possible that Council may be unaware of future needs within the ten year life of the Plan. A good example of this was the advent of the National Cycleways project in 2009, after the development of the 2009-19 LTP.



Part 1 - Where We Are Going



Financial Strategy (continued)



Consultation

Public consultation will be undertaken each year. This gives the community the opportunity to influence the capital expenditure and may result in higher or lower than expected expenditure and debt.

Challenges

Growth and Demographic Change

Over the next decade Council's long term growth projections suggest the usual resident population of Ruapehu will continue to decline. Over the same period, the number of holiday home owners will grow by approximately 2-3% each year. To provide services to this growing community, Council has assumed that the cost of providing its services will increase.

The number of visitors also challenges and puts pressure on Council's assets. See the Growth Assumptions for more information. This is most obvious with the amount of refuse and recycling collected during the winter months. Council needs to take into account the visitor industry when setting its levels of service and assets development.

Natural Disasters

Council needs to take into consideration the impact of any possible natural disaster, eg, lahar, floods, earthquake and other possible civil defence incidents. The Financial Strategy needs to be flexible to allow for these types of incidents.

Financial Policies

Council's objectives for holding and managing financial investments are outlined in the Investment Policy (Part 5).

Council's Policy for borrowing and debt are managed through its Liability Management Policy.

The following policies also form part of the overall financial direction of Council.





Part 1 - Where We Are Going

Financial Strategy (continued)

- ▶ In the LTP and available on Council's website, or on request:
 - Revenue and Financing Policy.
 - Investment Policy.
 - Liability Management Policy.
 - Significance Policy.
- ▶ Available on Council's website, or on request:
 - Rates Remissions Policies.
 - Rates Postponement Policy.
 - Rates Remission (Maori Freehold Land Policy).
 - Development Contributions Policy.

Key Limits

Strategy	Objectives	Measures	Limits
Rate Charges	Council rate charges are prudent. Council rates are targeted to services appropriately.	Average rates per rateable assessment.	Average increase less than CPI plus 2% over ten years. Limits reviewed every three years.
Rate Charges	Council rate charges are fair and predictable.	Rates are smoothed over the ten year period.	Increase less than CPI plus 2% over the ten year period.
Debt	Debt is managed in a controlled manner.	Debt per rateable assessment.	Less than twice the annual rates bill.
Cost to deliver services	Council's service costs are allocated appropriately.	Total service cost per rateable assessment.	Equal to, or less than, average costs of other small towns by 2022.
Funding Supply	Council has secure and cost-effective funding sources available to meet its financial needs.	Liquidity requirements of the Liability Management Policy.	>80% of loans are fixed term loans of more than one year duration. Overdraft arrangements are in place for 15% of loan requirements.
Financial Risk	The risk of Council incurring a material financial loss is very low.	Overall costs of funds.	Interest costs to be less than 15% of rates income.
		Uninsured risks in relation to Risk Management Policy.	All insurances considered and approved by the Strategy Team.
		Investment and Liability Management Policy limits.	100% compliance with Policy requirements. Liabilities less than 15% of assets.
		Interest rate exposure within limits.	No more than 20% of loans mature in any one year.

Note: Benchmarking is carried out yearly. Council believes that these targets and limits allow Council to maintain its current infrastructure, as well as additional demand. Risks to Council's infrastructure are addressed earlier in this Strategy.

Part 1 - Where We Are Going



Rating Examples

A small number of rating examples will be included in each year's EAP or LTP.

The Rate Requirement increase for 2012/13 is 3.3% (this is included in these figures).

The following examples give an indication of the likely change in rates per area. Please note these changes are for sample properties only. There are two factors that influence these apart from the overall increase. These are revaluations, and changes to the Revenue and Finance Policy (see Part 5).

			Approximate Value \$	Rates 2011/12 \$	Rates 2012/13 \$	Rates Increase/ Decrease
Ohura	Urban		60,000	1,587	1,628	2.6%
Ohura	Rural	Lower	200,000	944	892	-5.5%
Ohura	Rural	Higher	10,000,000	26,243	26,690	1.7%
Taumarunui	Urban		150,000	1,887	1,839	-2.5%
Taumarunui	Rural	Medium	1,000,000	2,600	2,775	6.7%
Taumarunui	Rural	Higher	3,000,000	8,090	8,938	10.5%
Taumarunui	Commercial		500,000	2,754	2,701	-1.9%
Owhango	Urban		200,000	1,565	1,387	-11.4%
Owhango	Rural	Medium	300,000	1,675	1,580	-5.7%
Owhango	Rural	Higher	1,500,000	3,507	3,815	8.8%
National Park	Urban		200,000	2,248	2,272	1.1%
National Park	Rural		2,000,000	4,918	5,440	10.6%
National Park	Commercial		1,000,000	7,625	6,517	-14.5%
Ohakune	Urban		160,000	1,820	1,737	-4.6%
Ohakune	Rural	Medium	2,000,000	4,506	5,050	12.1%
Ohakune	Commercial		500,000	2,762	2,762	0.0%
Raetihi	Urban		200,000	2,092	2,092	0.0%
Raetihi	Rural	Higher	3,000,000	6,380	7,481	17.3%
Pipiriki	Urban		100,000	1,385	1,436	3.7%
Pipiriki	Rural	Lower	150,000	2,860	3,304	15.5%
Rangataua	Urban		200,000	1,751	1,614	-7.8%
Waiouru	Urban		150,000	1,937	1,937	0.0%





Part 1 - Where We Are Going

Capital Expenditure Not Included in LTP

To ensure that debt levels and rate increases are affordable Council has opted to remove or reduce the funding for a number of Capital Projects from the Long Term Plan. These projects have however been retained within the Asset Management Plans.

The Capital Expenditure that was removed was a mixture of specific projects and a reduction in renewal spending on other projects. The specific projects are set out below.

Summary of Reduction in Capital Expenditure

Land Transport (Roading)

Council submitted its Land Transport Long Term Plan forecast based on the advanced Asset Management Plan (AMP) levels of service and expected maintenance and renewal activity. The focus of Council's Land Transport activity is to reduce the burden of deferred maintenance and increase renewal of sealed pavements and structural bridge components to meet expected levels of service and lifecycle expectations.

The forecast budgets were submitted as a part of the Regional Land Transport Programme and to New Zealand Transport Agency. The NZTA assesses each Approved Organisation's programme and assesses it against the national priorities for land transport. Budgets are moderated by NZTA and, this year, Council's Land Transport activity was reduced in the area of operational costs and capital renewals by \$380,000 (a decrease in capital of \$3.9 million over ten years). Council considered options to increase the level of unsubsidised expenditure during deliberations, but has chosen to accept the reduced allocation.

The District now faces new challenges to delivering a sustainable network within existing or diminishing (flat line) resources. Over the first three years of the LTP, asset managers will seek to introduce new efficiencies to maintain the level of service described and adopted in the Land Transport AMP. A new approach is required for maintenance of the roading network that involves smarter asset management by all parties working collaboratively. The biggest savings will come from focusing on best "whole of life" solutions through collaborative type contract models where all parties (road controlling authorities, asset managers, physical works managers, supervisors and operators) understand the asset, the levels of service required and the network cost drivers.

This approach is supported by the Transport Minister's Road Maintenance Taskforce recommendations and reflects the current national land transport activity focus.

There is a small risk associated with this approach that Council will not be able to maintain its current level of service, but it is confident that this will be managed as stated above.

Wastewater

Council will renew aging pipes at a slower rate. This will result in a risk that there will be more sewage blockages and overflows as:

- 11% pipe network constructed pre 1950.
- 22% pipe network constructed between 1950-69.

The following is a summary of the reduction:

- Reduced pipeline renewals by 25% over all towns.
- Removed pipeline extensions associated with growth or lowered value to half, depending on location.
- Taumarunui wastewater spending reduced from \$400,000 per annum to \$188,000.
- Raetihi wastewater spending reduced from \$234,000 to \$134,000.

Wastewater Treatment Plant Upgrades

- The speed of the upgrade works has been spread out after the date that Council expects to obtain the resource consent.
- There is a risk that the timing is wrong.
- There is a risk that not enough money has been allocated for preliminary planning and for the final upgrade (upgrade reduced by 25%).

Stormwater

The focus will be on clearing vegetation and releasing water into the main waterways. There will be limited pipe replacement and no open water course piping for small towns

Water Supply

There is high water loss in towns with old pipes. Council had planned to increase the level of renewal to reduce water loss. The reduction is about 25% less work in each town, with a total spend of \$130,000 per year. The planned reduction in the renewals of pipes will risk more broken pipes, potential taste and odour complaints. This will result in:

- Reduction in the renewal infrastructure programme.
- Slower progress towards NZ Drinking Water Standards.
- Excluded improvement projects and best practices.



Part 1 - Where We Are Going



Changes Made to the LTP Following Consultation

As a result of submissions to the Long Term Plan, Council has decided to:

➤ Alter the method by which the Regional Tourism Organisation is funded (with associated changes to the Revenue and Financing Policy) as follows:

- 33.3% from a targeted rate on Commercial and Industrial Properties (QV Property Use Codes C and I).
- 66.6% as a Targeted Uniform Annual Charge to all Ratepayers. This will equate to a contribution of \$18 per ratepayer.

This is in response to concerns raised by rural ratepayers regarding equity.

➤ Youth – Funding has been approved from Central Government for the establishment of a Youth Council.

➤ As a result of reduced New Zealand Transport Agency subsidies, Council has reduced the Land Transport budget by \$100,000 local share in the next financial year. Loan funding is also reduced, allowing for other projects to be included.

➤ A range of capital and operational projects have had funding approved, including:

- Owhango Toilets (\$50,000 in 2015/16).

- Owhango Domain Upgrade (\$50,000 in 2019/19).
- Ohakune Service Centre (\$20,000 in 2012/13) to upgrade electricity supply.
- Adventure Highway Gateway Signage.
- Stormwater and Flooding (\$20,000 for studies on the Ohakune Stormwater System).
- National Park Play Area (\$75,000 each year for the next four years).
- Community Plans (\$20,000 in 2012/13 and \$20,000 in 2013/14 seed funding for the development of community plans).
- Security Cameras (\$10,000 in 2012/13).
- Taumarunui Netball Court (\$28,000 from existing budgets).
- Raetihi various works (\$24,000) including Pitt Street Fencing, Welcome Sign, Street Banners, Parapara Reserve Development and confirmation that the Raetihi Information Centre will continue to receive \$10,000 in ring fenced Grants funding.
- Marsack Road Safety Improvements (\$50,000 loan funded).

Overall, this has meant that the average rates increase has been reduced from 3.4% (in the draft LTP) to 3.3%.



Makatote Viaduct





Part 1 - Where We Are Going

Ten Years at a Glance

The next ten years require Council to plan prudently to ensure the current levels of service, particularly in infrastructure, are maintained.

Key risks to levels of service are identified throughout the LTP but can be summarised as:

- Aging community infrastructure impacting on expenditure.
- Development growth costs being distributed in a way that does not adversely impact on the small rating base.
- Changes in reliance on rate revenue or fees and charges depending on property development trends.
- Global economic impacts on revenue from tourism, development, to affordability of rates by communities impacted by economic downturn.

Managing Risks

The next three years will be about business as usual. The current economic conditions demand greater levels of financial prudence, robust monitoring and sound governance systems. Council endeavours to be responsive to meeting community needs and aspirations, while ensuring that its practices and procedures are geared to effectively manage any risks that may impede or impact community wellbeing and the long term sustainability of Council's service delivery to the community.

Effectively managing risks in the present economic conditions presents an ongoing challenge for Council.

Managing Community Resources for Effective Outcomes

The rate requirement for the coming decade is expected to rise at an annual average of between 2-6% to meet the planned expenditure. Sources of funds other than rates are generally driven by how well the economy is performing nationally and globally. The first three years of this LTP are expected to see continued uncertainty in the global financial markets and volatility in commodity prices, interest and exchange rates.

It is important to note that Council is highly sensitive to changes in non-rates revenue (fees and charges and subsidies, in particular). Because Council does not have significant investment funds, it does not have the luxury of offsetting a decrease in projected revenue from fees and charges with a subsidy from an investment fund. The main source of non-rate revenue is the subsidy given by the New Zealand Transport Agency to Council for roading. Fees from resource consents, building consents and development contributions are another source and this is driven by development. This highlights the importance of development to the Council's finances. However, it also necessitates Council strategically taking a course of prudence in both spending and internal overheads and clearly identifying core priorities. The reason for prudence, even during times of significant revenue from development, is that when the 'boom' slows down, Council must hedge the community against significant swings toward rate funding to make up the revenue decreases.

Managing Intergenerational Impacts

Council is mindful of responsibilities and obligations to both current and future generations. Consideration has been given to ongoing financial sustainability issues. However, the impacts of decisions made now need to be assessed and measured, to ensure that future generations are not impacted negatively or overburdened by decisions made today.

Capital development is funded by subsidies from the Government (in the case of Land Transport), loans and finally by rates. Growth driven development is funded by development contributions. Council has to borrow money in line with its Liability Management Policy. For some assets, their useful economic lives may last over 50 years. It is only reasonable the residents of today and tomorrow share the cost to pay for it as they both enjoy the benefits of the infrastructure.

This LTP contains the prospective financial statement for the next ten year period.



Part 1 - Where We Are Going



Looking Forward to 2022

As we go forward, it is important for Council to identify the key challenges and opportunities for the next ten years and beyond.

The future direction in this LTP is driven by the Outcomes (Part 2) and the aspirations and goals expressed by the community at large as to what is important for the future of the District. These Outcomes have been updated from the Community Outcomes developed by the community with Council in 2005. While they are very similar to those Community Outcomes, the Outcomes are now focused more on what Council can achieve alongside the community.

While the Outcomes provide the high level strategic framework for Council's activities and actions, there are specific emerging issues facing the District at the moment that will shape the future and how we respond during the next ten years. These emerging issues are discussed below in the Challenges for Ruapehu section.

Two other future strategic issues are also discussed, Sustainability and Climate Change. These issues of global and national importance are greater than the District and, to some extent, are beyond Council or the community's direct control but must be taken into consideration in our planning and future thinking.

It is important to remember that this LTP is planning for the next ten years and has taken into account the varying cycles of growth and downturns in the economy. Both can happen over a ten year period. Council has a responsibility to present its best plan for sustaining the community over the long term, but has the opportunity to revise its decisions on how to proceed for each year during the life of this plan if circumstances change.

Challenges for Ruapehu

Introduction

The challenge for this LTP is to chart a path with the community towards a sustainable and affordable future for the District – a path that takes into account the aspects of the District that make it an exceptional place to live and play. Its rivers, mountains, bush, hill country and small communities are accessible to larger metropolitan areas but there are some issues of living in a large rural District, with a number of small diverse communities and varying levels of economic prosperity.

Looking to the Future

Whatever pathway we choose to follow will have challenges and this LTP acknowledges these challenges and aspirations of the community. Throughout the development of this LTP, Council has used various resources, eg, consultation with community groups and individuals, current views on sustainability and climate change (see below) and a host of other information to bring together an LTP that contains the right debate for the District.

Challenges

The main issue facing the District is the future affordability and sustainability of its small communities. This has been its focus now for a number of years and will continue to be for the foreseeable future. The right debate for the District is how to continue to maintain its small communities and its current infrastructure, as well as ensuring the continual growth of the District. The fact





Part 1 - Where We Are Going

Looking Forward to 2022 (continued)

that the District has a large number of very small and diverse communities affects much of our business, both in terms of what each small community can afford and how Council can respond. Collectively, the total District is also small, is geographically spread out compared with many other areas and needs to be considered as a cohesive whole. The debate surrounding our small communities is about how to actively grow and develop these as individual towns and settlements, as well as the overall District, in both an affordable and sustainable manner, while respecting their differences. There are contradictions in the social wellbeing of our people, which includes aspects of good quality of life due to the great lifestyle and rural environment of the District and issues with sustainable access to health and education.

Linked to the issue of sustaining small communities is the expectation that the District will continue to experience some growth in property development and tourism, although the past three years have seen a decrease in property development. Tourism creates a higher peak demand on Council services and infrastructure (such as Waste Management and Minimisation services and Water Supply capacity) than that from the usually resident community and has been reflected in the use of a peak population projection in planning assumptions (see Part 4). This growing demand, ever increasing standards from Central Government (such as new National Environmental Standards) and the higher, sometimes different, expectations of visitors, puts pressure on what Council has to provide against what small communities can afford.

Current economic conditions are also impacting on Council's ability to increase levels of service. This is seen particularly in Land Transport, where the Financial Assistance Rate (FAR) from the New Zealand Transport Agency has been reduced.

For Council, the right debate is finding the right level of improvements to levels of service, to meet demands of legislation, Resource Consents and community expectations, while ensuring affordability and sustainability. This balance is the real challenge that Council faces each year.

How Council Intends to Respond

In general, Council intends to take a sustainable development approach in responding to this important debate, as discussed in the next section. The affordability of any proposed rates increases is a real concern and, over the next three years, Council intends to



proceed carefully with 'business as usual' in an attempt to keep costs down.

Overall there will be levels of service increases that are necessary to meet standards and where the community is willing to pay. The ten year forecast for growth is slower than previous years in this LTP. More specific responses for Council's activities are outlined in the Part 3. Each Activity section proposes a strategy for the future that is both affordable and sustainable, while meeting Council's aim to facilitate the growth of the District.

Sustainability

What is Sustainability?

The term 'sustainability' is frequently used these days and can mean different things to different people. In essence, it is derived from the concept of sustainable development. This means that what we do and how we do it should not erode or damage, but rather enhance, our world for future generations, including the environmental, social, cultural and economic dimension thereof. Although this may seem like an overwhelming idea, sustainability is about how we do things on a regular, day to day basis, as well as the big, long-term decisions or actions, to ensure we leave a positive legacy for the future.

How this Relates to Council

At the heart of a democratic society is the responsibility of community leaders, such as Council, to make decisions on behalf, and in the best interests, of present and future generations. Democratic governance therefore inherently encompasses key elements of sustainability, such as stewardship of the community and the environment on which it depends. Other elements of sustainability include justice for all, both within and between





Looking Forward to 2022 (continued)

generations, looking for holistic win/win solutions instead of trade-offs, where the whole is more than the sum of its parts and taking a precautionary approach to deal carefully with risks and irreversible effects.

Council also has a responsibility under the LG Act to take a sustainable development approach. This means taking into consideration the four wellbeings identified by the Act (environmental, social, cultural and economic) and the reasonable foreseeable needs of future generations.

The Way Forward

Sustainability is not a destination but a complex and dynamic journey, with some uncertainty and confusion included along the way. For instance, how do we measure or identify the needs of future generations? Or what about the occasions where we really cannot find a win/win solution and our action or decision will result in negative impacts on one or more of the parts of overall wellbeing? There are no simple or perfect answers.

Council is committed to taking sustainability into consideration in its decisions and actions. The Introductions to Council Activities in Part 3 include an overview of the sustainable development approach taken in this LTP.

Climate Change

What is Climate Change?

Natural gases such as carbon dioxide, methane, nitrous oxide, water vapour and ozone are emitted naturally from plants and animals, as well as from human activities. These 'greenhouse' gases in the atmosphere help make the planet a warm and habitable place by acting like the outside covering of a greenhouse trapping heat from the sun. An increase in human activities such as cutting down trees, waste creation, burning fossil fuels for transport and electricity generation and farming are also increasing these gases in the atmosphere. They trap more heat than what is natural, causing the planet to warm up and climate and weather patterns to change.

The impacts of climate change will vary greatly around the world, in the same way the current natural climate varies between places, but no one or nowhere is really immune to it. Despite some critics and sceptics, the science behind it has been proven to be credible and it is now generally accepted that climate change is a reality and an unprecedented challenge for us all.

How this Affects the Ruapehu District

The effects of a warming planet and disrupted climate patterns are already becoming evident around the world and New Zealand is not isolated from this. Climate change will have significant impacts on our economy, environment and society.

Predictions of some of the direct impacts on the District include changes to the overall climate and seasons including warmer, drier summers and wetter winters, with more extreme weather events such as heavy storms. These climatic changes are likely to affect our agricultural industry, increase the threat of pests and diseases and put some of our native biodiversity at risk. Extreme weather events, including both floods and droughts, will put more stress on infrastructure such as stormwater systems, roads and water supplies.

Indirectly, there could be varied climate change impacts for the District. The risk of sea level rising may make more people inclined to buy holiday properties inland, while some of our land could be used for forestry to offset greenhouse gases. As local and overseas consumers become more concerned about the ecological footprint of our products, we may be required to change how we do business in our large export industries of agriculture, forestry and tourism.

The Emissions Trading Scheme (ETS)

The ETS is Central Government's primary response to climate change. The Scheme introduces a price on greenhouse gas emissions to provide an incentive for people to reduce emissions and plant forests. The ETS covers the following sectors of the economy:

- Forestry.
- Transport Fuels.
- Electricity Production.
- Industrial Processes.
- Synthetic Gases.
- Agriculture.
- Waste.

Sectors will be introduced to the ETS gradually over a period of seven years. Forestry was introduced in 2008 and agriculture, which is the last sector to be introduced, will need to meet its full obligations from 1 January 2015.

The ETS will also affect the cost of fuel. In the longer term, this will have implications for the way both goods and potentially passengers are transported. This presents significant opportunities for the District, given the North Island Main Trunk









Part 1 - Where We Are Going






Looking Forward to 2022 (continued)

Climate Change Impacts on New Zealand



Key to Climate Change Map

	Natural areas Species distribution changes Changes to/loss of habitat Increased pressure from pests, animals and plants
	Coastal Sea level rise Increased storm surge Coastal inundation Increased coastal erosion
	Snowlines and glaciers Changes in length and area of glaciers Rise in snowline Possible increase in snowfall Possible increase in avalanches
	Drier Less rainfall Decreased run-off to rivers Increased evaporation Increased drought for already drought-prone areas Increased irrigation demand

	Wetter Increased precipitation Increased intensity in weather events Increased flooding for already flood-prone areas Increased slips Increased soil erosion
	Cyclones Increased intensity -> increased wind, waves, storm surge and rainfall
	Urban Warmer winters -> less cold-related illnesses Warmer summers -> increased heat stress Decreased electricity use in winter (less heating) Increased electricity use in summer (more air-conditioning)
	Commercial forests Increased growth rates Increased geographic range Increased winds -> increased damage to forests Increased temperatures -> increased pests
	Wind Increased westerly winds

Part 1 - Where We Are Going



Looking Forward to 2022 (continued)

Line runs through many of the towns in the District, in relation to importing and exporting goods and also in relation to tourism.

In addition, the Stratford-Okahukura Line, if it reopens and with its close proximity to the Port in Taranaki, also provides opportunities for the transfer of goods between the port and the central North Island.

Recognising and ensuring that the District is in a good position to take advantage of these opportunities is a key challenge for the next decade.

Other implications of the ETS for Council include encouraging alternative forms of transport within urban areas associated with new development, eg, safe cycling routes to schools or work, which will also help to provide options for the community to manage both their emissions and fuel costs.

Council will also have financial obligations under the ETS in relation to the methane produced at the landfill in Taumarunui. The ETS will also affect the cost of disposing of waste. The most effective strategy Council can take to manage costs in this area is to continue to actively encourage the reduction in waste volumes.

What We Can Do

There are two ways we can take action on climate change - by mitigation and adaptation. Mitigation means to reduce the greenhouse gases emitted into the atmosphere that causes climate change. These actions include switching to renewable energy, reducing waste, using cleaner transport and planting or preserving forests as carbon sinks. Despite mitigation measures taken to reduce greenhouse gas emissions, the levels of carbon dioxide already in the atmosphere are expected to continue to affect and change the climate over our lifetimes.

To that end, adaptation is aimed at preparing individuals and communities to be able cope with the physical impacts of climate change. This involves changing our management of the environment to accommodate climate change by adopting different practices in sustainable land use, business activities, infrastructure development, planning and resource management.

Where appropriate, Council has considered the potential impacts of climate change and any resulting actions under each of its activities in Part 3.

External Impacts

During the past few years there has been much media attention and public concern about the impacts of the widespread economic recession and how it is affecting New Zealand and the financial markets here and overseas. This concern is ongoing and has been influential in the preparation of this LTP.

While this economic uncertainty and recession has undoubtedly had an effect upon the NZ economy and resulted in increased unemployment, a tighter economy and more economic hardship for many small rural communities like Ruapehu, it is also important to recognise that Council needs to plan to maintain infrastructure and to ensure that the District is poised to take advantage of future opportunities as they arise. A good example of this was the Cycleways. In the last LTP, Cycleways were not mentioned and yet, in the past three years, there has been remarkable development in this area, with a resulting increase in off-season tourism and new tourism ventures.

A number of assumptions have been made in the development of this LTP. These include financial assumptions which are found in Part 4 of this LTP.

Other external impacts that affect individual activities are discussed in Part 3.





Part 1 - Where We Are Going

Key Issues

Rates Requirement for 2012/13

Council has worked hard to keep the rate requirement as low as possible by minimising discretionary spending. There are always unavoidable year-on-year increases on what it costs to keep the District running and these translate into the higher rate requirements. Council and the community have a responsibility to keep investing in the future of the District and that is where rates are spent. The overall rate requirement for 2012/13 is \$18.5million. This represents an overall rise of 3.3% to rates. As there are differences to what services ratepayers receive, this will differ from ratepayer to ratepayer.

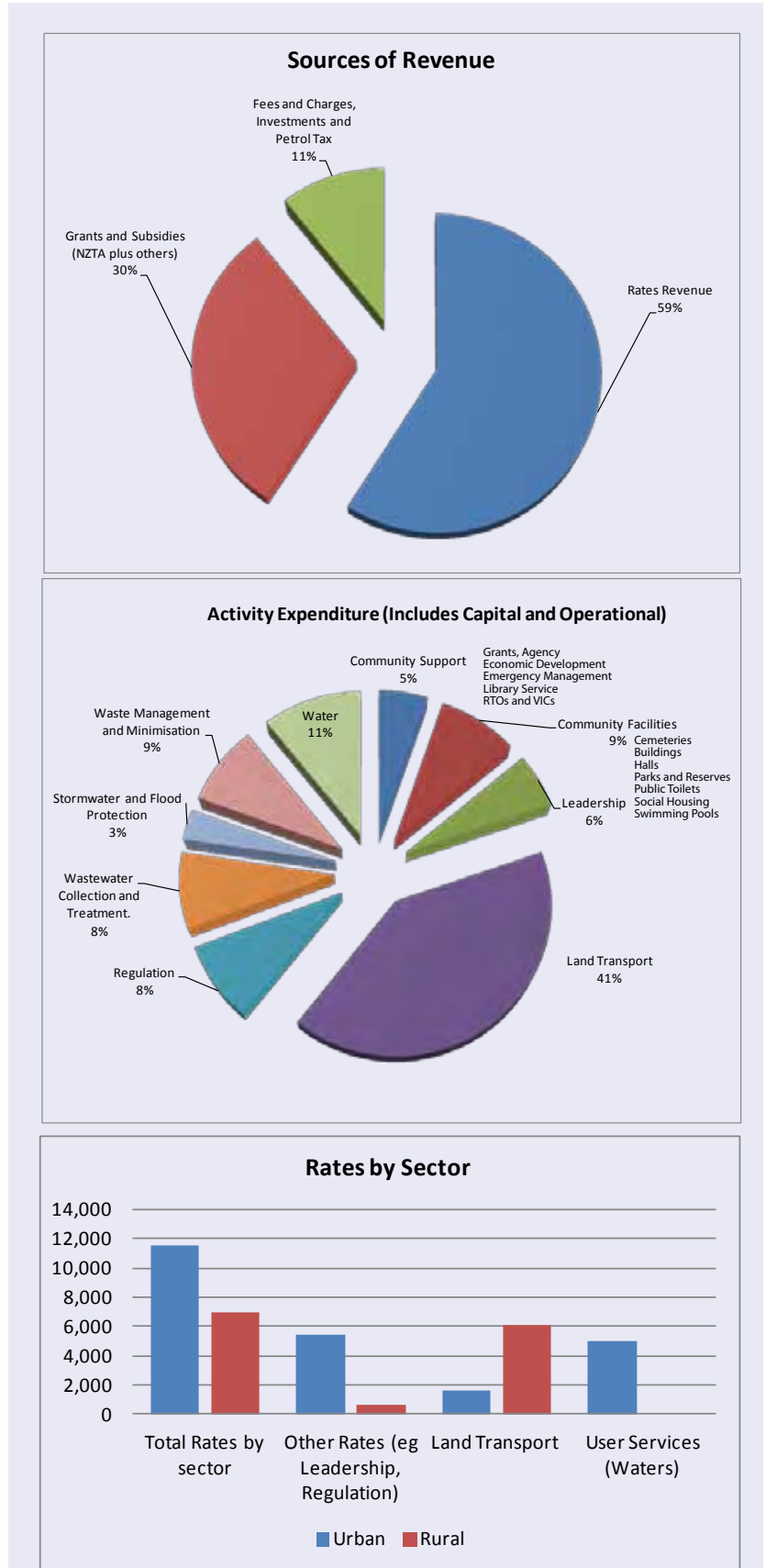
Urban (including Commercial and Industrial) ratepayers are the largest group of ratepayers, with the rural sector making up most of the other ratepayers.

In keeping the 2012/13 rates increase to a low level, Council is proposing to maintain a steady approach to capital projects.

There will be some rise in debt levels to fund capital projects, but Council is watching this carefully and will be prudent due to the current economic conditions. Council will consider the level of spending over the next ten years and will carefully watch the economic climate and the risks to the infrastructure while doing so.

These risks are discussed in more detail in each activity section. Council will consult the community on extra spending in the future when and where necessary to improve the current level of service when necessary.

2012/13 Revenue and Expenditure



Part 1 - Where We Are Going



Key Issues (continued)

Change to Roothing Subsidies

The cost of maintaining roads (excluding State Highways) within the District is managed by Council and funded through a mixture of Rates, Loans and Subsidies.

These subsidies come from the New Zealand Transport Agency (NZTA) and, combined with rate funding, make up a three year Block Allocation which funds the Land Transport Activity.

NZTA has reduced its subsidy to Council for the next three year Block Allocation. As a result of this reduction, Council has chosen to reduce its spending on roading in line with the NZTA allocation.

Overall, this will see an overall \$1.1 million reduction in the Land Transport Activity budget.

For the last few years Council has been reducing the backlog of deferred maintenance. The reduction in spending in this LTP will not result in any significant change in the level of service provided.

Regional Tourism Organisation (RTO)

Council sees the continued growth in tourism, especially outside of the winter months, as being critical for the economic and social development of the District and is therefore continuing its support for the RTO.

In addition to this, and given the potential for growth associated with the National Cycleways, Council has also allocated additional funding for the RTO for the next financial year.

However, Council has indicated that longer term it anticipates that a greater proportion of the funding for the RTO should come from arrangements between the RTO and those that benefit directly from the visitor industry.

Unitary Authority

A potentially significant impact during the ten years of the LTP may be the establishment of a Unitary Authority and/or greater use of shared services. Council has a number of shared services arrangements (which includes Civil Defence and Call Centre services). A unitary authority is a local authority which carries out the roles and responsibilities of both a district and regional council. Such a proposal could lead to Council assuming services currently provided by Horizons Regional Council. At present, Council is not actively pursuing this arrangement, but may look at it again in the future.

Earthquake Measures

The 2010 and 2011 Christchurch earthquakes have had an effect on all local authorities, including reassessing buildings and other assets for earthquake risks and a heightened awareness of public health and safety issues associated with earthquakes.

Earthquake Prone Buildings

According to the Building Act 2004 and its associated regulations, any building which has an earthquake loading capacity of less than or equal to one-third of that required for a similar new building (ie <33% New Building Standard (NBS)) is deemed to be earthquake prone. It should be recognised that the legislation is drafted in terms of the current building standard. Earthquake design standards for new buildings have increased over time, and may increase further as a result of the Christchurch Earthquakes. The implication of this is that a building which just passes the minimum standard today may no longer comply in the future if the design standard increases.

Earthquake Risk Buildings

The New Zealand Society for Earthquake Engineering considers that any building having a resilience to earthquakes of at least two-thirds of that required for a new building (ie, >67% NBS) has reached an adequate standard and does not need to be considered as an earthquake risk.

In December 2011, Council received a seismic assessment report on all of its critical buildings. The Administration/Library building in Raetihi was specifically identified as having low seismic strength and issues associated with the veneer of the building. A risk assessment and options to manage or mitigate the risk will be carried out in 2012.

Council will work on identifying the costs and will consult with the community on options when appropriate.

Revaluations

Property revaluation is a function of Land Information New Zealand which takes place on a three-yearly cycle across the country. Properties in Ruapehu District were revalued in 2011, with the new values being applied to rates from 2012. While this may have an effect on individual properties' rates (either positive or negative), it does not affect the overall rate requirement for the District.





Part 1 - Where We Are Going

Key Issues (continued)

The District's overall Capital Value fell by 13% to a total of \$3.5 billion. This compares to a 75% increase in capital values at the revaluation in 2005 and a 23% increase in the 2008 figures.

Changes to the value of properties do not change the amount of revenue required for Council to effectively manage and maintain its infrastructure.

Changes to individual values for properties may change how much each property is rated compared to other properties.

Changes to Council Policies

Alongside the consultation on the LTP, Council also consulted on changes to:

- Revenue and Financing Policy.
- Development Contributions Policy.
- Rates Remissions Policy.

The key change in the above policies was to the Revenue and Financing Policy where changes were made to simplify the rating system. These included:

- Removal of Land Value Rating – previously approximately 5% of rates income was based on Land Value. This 5% will now be determined based on the Capital Value of a property.
- Other changes include the removal of Ward and north/south based rates. These are now charged across the District as a 'General Rate'.

Copies of all of these policies are available on Council's website.

Council also proposed two new Policies:

- Rates Postponement Policy.
- Visitor Accommodation Policy.

As a result of consultation, the Rates Postponement Policy has been adopted. This will enable eligible landowners to postpone their rate payments in situations of genuine economic hardship.

Council decided not to adopt the Visitor Accommodation Policy, based on concerns raised by submitters.



Part 1 - Where We Are Going



Activity Specific Issues and Projects

Community Development

In terms of community development, the focus over the next ten years will be on working smarter with the limited funds available. We will be actively looking to work with Central Government on joint projects which benefit the District, while not increasing the burden on the ratepayer base. An example of this has been the Youth Development Officer, who has been employed with funding from the Ministry of Social Development to help young people into work.

Emergency Management

The Christchurch earthquakes have highlighted the importance of Civil Defence in managing emergencies and also the importance of developing resilient communities which are more able to cope with stress, overcome adversity or adapt positively to change.

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.

As noted earlier Council has also undertaken preliminary assessments on the safety of Council's buildings in the event of an earthquake. There is likely to be ongoing work in this area.

Leadership

The key areas of work for the Leadership Activity will include the 2013 Local Government Elections, ongoing work on Bylaws and Policies and further developing the role of the Ruapehu District Maori Council.

Regulation

Building Services, Resource Management and Compliance

It is anticipated that there will be no significant changes to how these areas of Council operate. It is, however, also anticipated that there will be further changes to both the Building Act and the Resource Management Act (including new National Policy Statements and National Environmental Standards) which will result in some limited additional costs to Council. The appeals on the District Plan will also have financial implications for Council.

Environmental Health and Liquor Licensing

The Alcohol Reform Bill, which is currently before Parliament, proposes a different approach to liquor licensing. As drafted, this includes increased community participation through the development of local alcohol policies and through more local decision-making on the granting of licences. If the Bill is enacted, there may be additional costs associated with administering the legislation and in developing local alcohol policies. Council will look at this closely and it may be an opportunity for Shared Services.

Using Shared Service arrangements does not always ensure lower costs. However, it does give Council the ability to use more skilled resources and to lower overheads.

The Food Bill is also before the Parliament and, if passed, may have spin-off effects for Council.

Facilities and Assets

Recreation and Community Facilities

Capital development projects required to close identified service gaps over the next decade include:

- ▶ Development of a public play area in National Park (initiated in 2012/13).
- ▶ Replacement of the Waiouru public toilet facilities (project to come back to Council as part of the Exceptions Annual Plan 2013/14, following community consultation and design work).
- ▶ Development of a new public toilet facility in Owango (2015/16).
- ▶ The development of 250 metres of accessible walkways in Taumarunui and Ohakune per year.
- ▶ Developments to Taumarunui Domain, Park Avenue, Rochfort and Jubilee Parks, Owango Domain, Taumarunui Northern Entrance and Parapara Road Reserve.



Current Waiouru Public Toilets





Part 1 - Where We Are Going

Activity Specific Issues and Projects (continued)

Community Property

Consideration is also being given to a new library in Taumarunui. A project plan will be developed over the longer term, with options for this facility. This could include small community meeting rooms and study pods; and a design which will enable the building to adapt to changes in technology and communications in the future. Presently, this is not in the budgets. Council will canvass community views on this as the project develops with options and costs.



Council is proposing to continue to sell stopped road parcels to neighbours where this is possible and, within the next ten years, will harvest and replant the majority, if not all, of the forestry blocks that Council shares.

Social Housing

Some maintenance and upgrading works are proposed for Council-owned Social Housing. This included installation of heat pumps, additional insulation and maintenance works, such as re-roofing the Ohakune Flats and stormwater and carparking works at the Rangimaire Flats (Taumarunui). It is important for the sustainability of the District that Council maintains its current infrastructure. This means keeping up with its replacement programmes and renewal works.

Elderly care is an issue that many communities are facing and Council will look for opportunities to work with others on this issue.

Land Transport (Roothing)

Council is continuing to focus on:

- Removing weight restrictions from a number of bridges in the District.
- Maintaining and improving a road network able to cater for increasing tourism in rural areas through minor improvements such as straightening, widening and sealing roads, where economically justified, eg, the approach to bridges.
- Ensuring all road users on roads associated with the National Cycleways are safe (and is looking at developing a Bylaw to manage this).
- Maintain existing footpaths with a District-wide approach to allow genuine needs to be covered within a reasonable budget.
- Council has a limited pool of money for minor improvements. We are using direct conversations with residents to identify their highest priorities. Council will focus the limited money we have on improving these priorities.
- Council has lowered its level of service for footpaths. It is now calculated based on traffic volumes and the number of dwellings or business units. When requested, extension of footpaths will be considered where the traffic flow is in excess of 300 vehicles per day and the number of dwellings or business premises exceeds 7.5/100 metres.

The reductions in funding from NZTA will reduce the amount of renewal undertaken each year by Council. However, up until recently Council has been reducing the backlog of deferred maintenance. The reductions in spending on roading will be undertaken while still ensuring that there is no significant change in the level of service provided.



Part 1 - Where We Are Going



Activity Specific Issues and Projects (continued)

Stormwater and Flood Protection

Flood modelling and mapping of Taumarunui and Ohakune has been completed by Horizons Regional Council. This information has been used to prioritise major works. For example, in Taumarunui, the majority of flooding is caused by internal drains having restricted flow to the Whanganui River. The first stage in addressing this is increasing the outlet sizes through the stopbank. This will elevate localised events when the Whanganui River is still slowly rising.

In Ohakune, the stormwater system needs renewing. There are also issues with obstructions (eg, trees and shrubs) within drainage channels and driveway crossings stormwater channels being set too low. Consideration is also being given to diverting the Mangateitei River around Ohakune to reduce the volume of stormwater flowing through the town thereby reducing the risk of flooding.



Waste Management and Minimisation (Solid Waste)

Waste Management and Minimisation is one of the core functions which Council undertakes.

Council is considering introducing an E-Waste scheme into the District. This is a scheme driven by the Ministry for the Environment aimed at collecting electronic waste, eg, old computer screens and TVs. The scheme is part funded via contributions from the Waste Levy, with the remainder being funded through a user pays system (estimated \$25 per TV).



Glass Recycling Bins - Waimarino

Two of the key issues associated with Waste Management and Minimisation are the cost of transfer stations and timeframes associated with the closure of the Taumarunui landfill.

Council has one remaining landfill in Taumarunui, which is due to close in 2020 when the Resource Consent expires. The landfill will be subject to high charges associated with the Emissions Trading Scheme. Due to the financial liability this poses, Council needs to consider whether the landfill should be closed earlier. Using funding figures provided from the Ministry for the Environment, each tonne of rubbish will cost \$25 extra. The Taumarunui landfill is a Class B Landfill (unlined) with limited mitigation options. All efforts need to be made to remove organic material from the waste stream.

When Council needs to close the landfill, an alternative is to ship all the refuse out of the District. There will be a cost associated with this and Council will fully engage with the community closer to this becoming necessary. Other alternatives are to build a new landfill but the cost of this may be prohibitive.

Shipping refuse out of the District would not change the level of service.

Wastewater (Sewerage)



Ohakune Septage Tank





Part 1 - Where We Are Going

Activity Specific Issues and Projects (continued)

The resource consents for a number of the Wastewater Treatment Plants will expire over the life of this LTP, including Ohakune (in 2017) and Raetihi (in 2015). Affordable and environmentally sustainable solutions will need to be developed to deal with the upgrading or replacement of the treatment of the Treatment Plants in these areas. This is one area where increased levels of service are dictated by Central Government regulations and legislation, as well as resource consents from Horizons. Council is doing its utmost to work on these issues and give the community the most cost effective solutions to these demands. This involves thorough investigation of options from our engineers and contractors, as well as working with Horizons on sustainable and affordable solutions.



Water Supply

Waimarino Plains Water Treatment Plant

Due to continued growth in the south of the District, Council will be investigating options for future water supplies in the Waimarino area over the next ten years. Monitoring the level of demand in coming years and the results of investigations into potential new sources or changes to the current networks, will determine how Council responds to this issue in the future. Council is also working on changing the way people use water through use of more metering.

New Zealand Drinking Water Standard (2008)

Most of Ruapehu's Water Treatment Plants will not fully comply with the New Zealand Drinking Water Standard when the legislation comes into effect. The legislation requires that Council's minor supplies must be compliant by 2014. Intense rainfall events cause water in the streams which supply the Water Treatment Plants to become unclear. When this occurs, most of the Treatment Plants struggle to achieve the required standard in relation to clarity. Consideration needs to be given to increasing the capacity of storage tanks at the Treatment Plants so that water does not need to be taken during intense rainfall events of short duration.

Resource Consents

The resource consents for the Water Supply at Raetihi, Owango and Taumarunui are all due to expire within the life of the LTP (Raetihi in 2015, Owango in 2016 and Taumarunui in 2017).

Gaining resource consents can cost between \$30,000 - \$50,000 each.



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Part 2 - Outcomes



Outcomes

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.

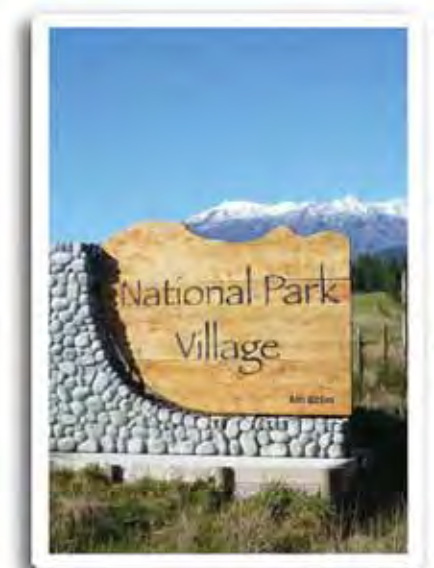


Economic Wellbeing

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.





Outcomes (continued)

- ▶ That there is a range of quality retail, entertainment, educational, healthcare, business and services to retain families and skilled workers to our District.
- ▶ 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.

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 railways.



Part 2 - Outcomes



How Outcomes were Identified

2004/05

Council undertook an extensive consultation process during 2004 and 2005 to identify Community Outcomes. Key Research and Marketing (an independent Market Research Company) was engaged to facilitate the process and to identify Community Outcomes for the District. The process involved a series of discussion groups (three in the north and two in the south of the District). From these discussion groups, 42 Community Outcomes were identified, which were then confirmed and prioritised by the community at large through a self-completion survey distributed throughout the entire District. The survey was also sent to all ratepayers outside the District, stakeholders and distributed to all Year 11, 12 and 13 students from Ruapehu College and Taumarunui High School.

2011/12

In 2011 Council relooked at the Community Outcomes, and has rewritten them to remove those specific ones that Council does not have the ability to influence, as well as improving the structure and readability.

The new Outcomes are essentially the same as the 2004/05 Outcomes, but are more focused.

Relationship to Activities

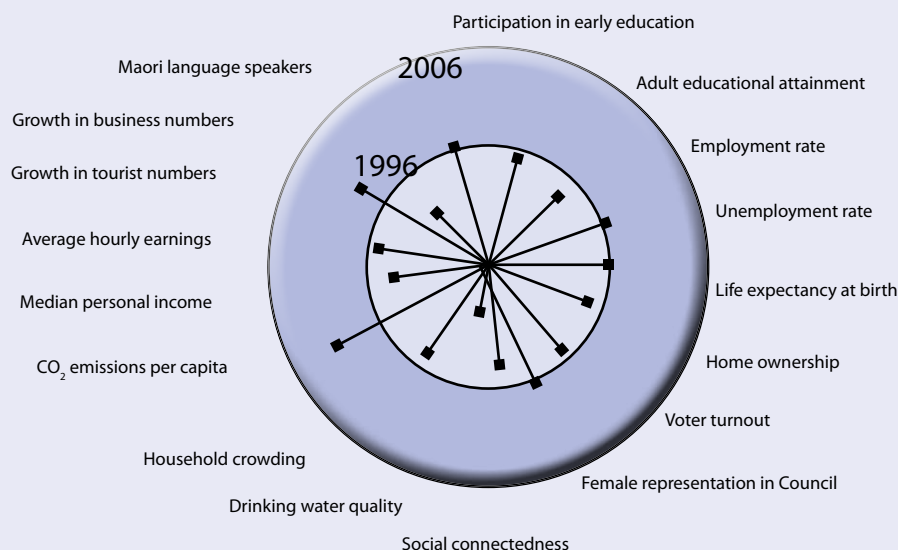
Council targets its activities to help achieve these Outcomes. Each Activity targets some of the Outcomes, and all Outcomes are targeted by one or more activities. What Outcomes are targeted by each activity is found in Part 3 under the Activity section discussion, along with the Strategic Goals, Levels of Service which are the specific methods that Council uses to achieve the Outcomes.

Developing Maori Capacity

Council has established communication and consultation protocols to encourage greater participation by Maori in the decision-making process. Refer to "Ruapehu District Maori Council" later in this Section.

Ruapehu District Compared with New Zealand (Mid-2000s)

Where an indicator spoke on the wheel extends beyond the inner circle, Ruapehu is performing better than the national average, while a spoke inside the inner circle shows we are worse off.





Monitoring Outcomes

Reviewing progress in the District as a whole provides the community with a chance to build on achievements, as well as to take a critical look at where resources might be applied to help achieve Outcomes and enhance wellbeing. Councils are no longer required to monitor Outcomes, but Ruapehu District Council produced a Monitoring Report in 2008 and will produce a follow up one after the next census. This should be available before the next LTP in 2015.

Ruapehu 2008 State of the District Report

The Ruapehu 2008 State of the District Report uses 32 indicators chosen to reflect the overall picture of the District and how we are doing. An indicator is a measure or a collection of measures that tell us something about the state of the Outcome. Indicators do not paint the whole picture but gives Council an idea of what the picture might look like. It is not intended to be a detailed report, but rather to show general trends and states. These selected indicators are based on data available and generally accepted indicators used by other organisations and publications.

This report is the first in Council's specific monitoring of Outcomes. As a result, it aims to provide a baseline indication of the current state of the District to inform the community and Council as to what action is required to improve wellbeing. The report specifically compares the District's performance over time and against equivalent regional and national data to show how we are faring. When compared to the rest of New Zealand, it is clear that the Ruapehu District has many great strengths but also faces significant challenges.

The 'wagon wheel' figure on the previous page compares the District performance in a number of indicators to that of the rest of the country.

The following sections provide an overview of the key findings of the report, including a list of indicators showing states and trends. The full Report is available from Council locations or online at www.ruapehudc.govt.nz.

Summary of State of the District Indicators

Indicator	State	Trend
Cultural Wellbeing		
Maori language speakers	☹️	↓
Visitors to libraries	☹️	↓
Recognition of heritage	😊	↑
Local events	😊	?
Social Wellbeing		
Population changes	☹️	↓
Participation in early education	😊	↑
Adult educational attainment	😊	↑
Employment rate	😊	↑
Unemployment rate	😊	↑
Social connectedness	😊	↑
Recorded crime	😊	↑
Road safety	😊	↑
Home ownership	☹️	↓
Household crowding	😊	↑
Voter turnout	😊	↓
Female representation	😊	↑
Life Expectancy at birth	😊	↑
Access to Health services	☹️	↑
Youth profile	😊	?
Environmental Wellbeing		
Waste volumes	😊	↑
Drinking water standards	😊	↑
Freshwater quality	😊	↓
Biodiversity management	😊	↑
CO ₂ emissions per capita	😊	?
Economic Wellbeing		
Median personal income	😊	↑
Average hourly earnings	😊	↑
Economic growth in GDP	☹️	↓
Number of businesses	😊	↑
Employment growth	☹️	↓
Growth in tourist numbers	😊	↑
Resource consents	😊	↑
Building consents	😊	↑

Key to States		Key to Trends	
😊	Good/Satisfactory	↑	Improving
☹️	Mixed/Uncertain	↓	Declining
☹️	Unsatisfactory	?	No Trend Data

indicators may have improved and show upward trends but are still overall less than satisfactory and may not show a positive state. Trends reflect changes between the latest data and the equivalent previously available such as Census 2001 and 2006 or The Social Report from 2006 and 2007.

Part 2 - Outcomes



How Progress Can be Made on Outcomes

Many government and non-government groups and agencies assist in progressing social, cultural, economic and environmental wellbeing to achieve community wellbeing.

Council also uses a number of its own plans to give effect to Outcomes, including the Solid Waste Strategy, Ruapehu District

Plan, Land Transport Programme and Asset Management Plans. During the life of this Plan, Council will target activities and strategies towards progressing Outcomes. See Part 6 Looking Back to 2009.



Owhango





Part 2 - Outcomes

Ruapehu District Maori Council (Te Kaunihera Maori a Rohe o Ruapehu)

- ▶ Local Iwi, along with Council, established an interactive group to enhance the capacity of consultation between Council and local Iwi. The purpose is to provide local Iwi with the necessary information and enhance the opportunities to develop Maori capacity to participate within the decision-making processes of Council.
- ▶ After several meetings held between Council and local Iwi, a decision was made to establish the Ruapehu District Maori Council (Te Kaunihera Maori a Rohe o Ruapehu) at a meeting on 31 March 2009.
- ▶ The Ruapehu District Maori Council consists of three mandated hapu representatives each from the three main body of Iwi within the Ruapehu District - Maniapoto, Tuwharetoa and Te Awa Whanganui. The group also consists of three Council representatives, appointed by a Council resolution on 28 April 2009 and confirmed after the October 2010 Election.
- ▶ The formation of the group has been positive in building relationships between Council and Iwi, from which a positive reputation is developing within the community.
- ▶ In acknowledgement of the positive outcomes achieved by the establishment of the group, Council's elected members agreed to fund meeting fees for the group.
- ▶ Regular meetings are scheduled throughout the year and there were five meetings held with the group over 2010/11.
- ▶ During the year, progress has been achieved on the following issues:
 - Resource consenting process.
 - District Plan review information.
 - Rating of Maori Land.
 - Long Term Planning process.
 - Discreet remedies process.



Ruapehu District Maori Council (Te Kaunihera Maori a Rohe o Ruapehu)

From Left: Tame Tuwhangai (Maniapoto - Ngati Hari), Donna Tuwhangai (Maniapoto - Te Ihingarangi), Wayne Hudson (Tuwharetoa - Ngati Hikairo ki Tongariro), Mere McGee (Maniapoto - Te Koura Putaroa), Marion Gillard (Councillor - Ruapehu District Council), Sue Morris (Mayor - Ruapehu District Council), Arthur Edmonds (Tamahaki Council of Hapu), Don Cameron (Deputy Mayor - Ruapehu District Council)

Seated: Edwin Ashford (Chair) (Tuwharetoa - Tutetawha).

Absent: Katherine Webb (Tuwharetoa - Tutetawha).





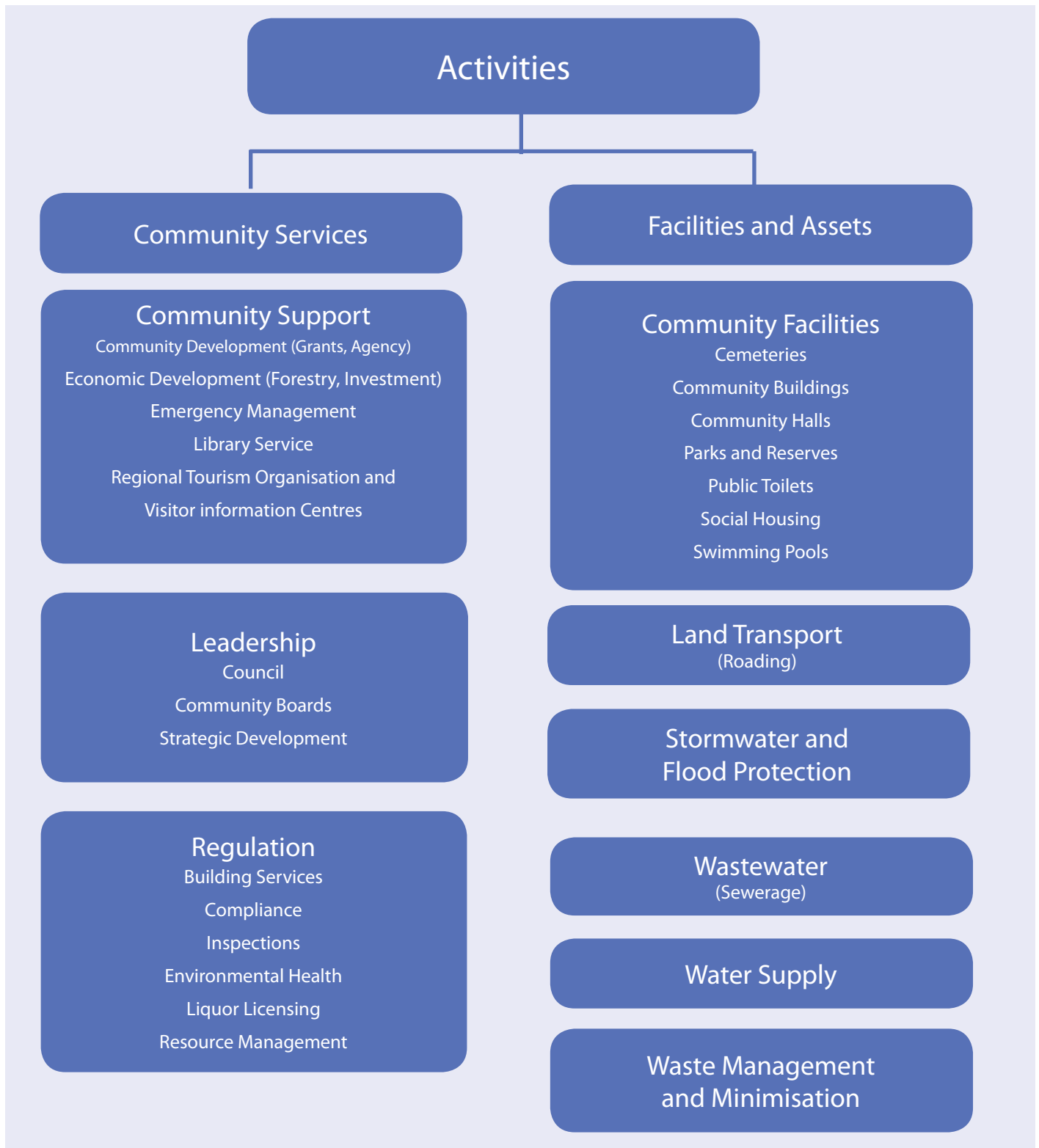
Part 3 - Activities

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How this Section Works





Introduction to Activities

This part of the LTP explains how Council's activities will contribute towards the achievements of Outcomes.

The Council Activities works programmes derive from the priorities that Council identified during the development of its Asset Management Plans (AMPs).

The process consists of aligning Council's Vision, Mission and the Outcomes to its Strategic Goals (SG), Levels of Service (LoS) and priorities. The Planning process tends to be circular with built-in reviews. The AMPs and LTP need to have regular review cycles and monitoring of the SGs, LoS and Key Performance Indicators (KPIs). The AMPs are reviewed every three years, in line with the ten year LTP cycle, but work programmes can also change each year, in response to outside pressures, budget constraints and new projects becoming apparent. The ability to be responsive each year is through the Exceptions Annual Plan (EAP) process.

Community Services

The Community Services activities promote Outcomes that mainly target people. These activities are closely associated with the social and cultural wellbeing of the community, although there is some crossover, as most activities have some impact of all

four wellbeings. These include Community Support, Leadership, and Regulation.

Facilities and Assets

The Community Facilities and Assets activity promotes Outcomes that mainly target physical assets and include Land Transport, Community Property, Facilities, Waste Management and Minimisation, Wastewater, Water Supply and Stormwater and Flood Protection. They share the commonality of adding to the economic health and wellbeing of the District as well as the environmental wellbeing.

At the start of each group of activities section there is a brief introduction that explains what activities are included within the group, assets and key issues and challenges for each group of activities.

Each individual activity section contains the following information:

- Introduction and rationale for Council involvement.
- Any negative effects associated with the activity and how they will be mitigated.





Introduction to Activities (continued)

- Additional asset capacity.
- Relationships to planning assumptions, sustainability, Outcomes and climate change.
- Strategic Goals and how they will be achieved over time.
- Levels of Service statements and the performance monitoring framework.
- Key components of the work programme over the life of this LTP, including major projects to be undertaken.

The financial impact of each activity's ten year plan is shown in each activity section. These financial forecasts contain inflation and are based on a ten year view of the District covered by this LTP. The inflation and other assumptions that define Council's view of the District towards 2022 are contained in the Planning Assumptions section in Part 4.

Levels of Service

Each group of activities is linked to, and contributes towards, a range of Outcomes and has a set of Strategic Goals that have

been developed after consideration of these Outcomes, Council's legislative requirements and overall strategic direction.

Each Strategic Goal has, what is termed, Levels of Service. These show how Council will respond and give effect to its Strategic Goals. Levels of Service statements describe what the community can expect to receive in terms of quality and quantity of service provided.

Council's performance targets and measures are set at activity level and are included in the separate activity sections of this LTP. These targets and measures allow the community to monitor the performance of Council in achieving the stated Levels of Service.

The Levels of Service for the majority of Council activities were developed through a desktop preview that took into consideration a number of consultations and ongoing dialogue with the community, including:

- River Valley meetings.
- Dialogue with 13 community groups.
- Three yearly Customer Satisfaction Surveys.
- Previous submissions to LTPs and EAPs.





Introduction to Activities (continued)

- Previous Consultations (Waste Management and Minimisation, United Water (now Veolia Water), Public Toilet surveys, etc).
- Customer Request for Service System.
- General communication with customers in person and by letter, email and telephone.
- Out of District Ratepayer Surveys.

Assets

The introductory section for each group of activities contains a summary of the assets relating to that group of activities, if necessary (mainly in Community Facilities and Assets).

Asset Management

Change in consumption of a service can have significant implications for Council assets. Community or legislative demands for higher Levels of Service have much the same effect. Council assesses and manages change in this area in several ways.

Council undertook a review of Levels of Service in 2008 and since then has used its Customer Request for Service system to gauge its levels of service alongside its three yearly customer satisfaction survey. An annual meeting is also held with community and focus stakeholder groups. This system allows Council to assess which assets are causing the most concern to their users. The results of that review were considered when developing AMPs so that Council's assets are managed in such a way that the required Level of Service can be delivered.

Usage patterns for some services, including average and peak use, are monitored. This data is used for forecasting future demand and is assessed against current asset capacity. If changes to the management of Council's assets are needed to provide for additional demand or consumption, changes are reflected in the relevant AMP.

Council's Levels of Service and AMPs are reviewed on a three-yearly basis, in line with the LTP planning cycle.

Operations and Maintenance

Various Council staff and contractors undertake the day-to-day operations and general maintenance required by the groups of activities. Asset Managers establish a programme of work and operational Levels of Service that are incorporated into the maintenance contracts.

The operational costs of the group of activities (including maintenance budgets) are recovered through rates and user fees and charges. Council's Revenue and Financing Policy in Part 5 provides information on the methods selected to fund each activity.

Asset Development

All asset development projects identified in the groups of activities are funded through rates, loans or subsidies or Development Contributions, or a combination of these funding sources. Further information on funding is outlined, where appropriate, under each separate activity.

Contractors undertake renewal of assets, with all major work subject to Council's Procurement Policy. Consulting engineers and Council staff monitor standards of work.

There are a number of asset renewals associated with the groups of activities. Details of projects contained within the renewal budgets are contained in Council's AMPs.

Additional Asset Capacity

Council's expectation of additional asset capacity required during the life of this LTP is based on the Planning Assumptions in Part 4 of this LTP. The assumptions include consideration of projected trends for the usually resident population, visitors and non-resident ratepayers owning second or holiday homes in the District. These have been taken into account with demand for services and additional asset capacity discussed in the relevant AMPs.

Each activity section comments on its relationship to the Planning Assumptions and a summary of capital projects, major operational projects and their timing is provided in each activity section.

Estimated Expenses and Significant Forecasts for Each Group of Activities

The financial information relating to the expenses of achieving and maintaining the identified Levels of Service, as well as additional asset capacity, is outlined in each activity section.

Details of the asset development and ongoing operational budgets associated with the groups of assets are outlined under the respective activities.





Community Services

Why Council Provides Community Services

These groups of activities targets people and Outcomes that are more closely associated with the social and cultural wellbeing of the community. There are three Groups of Activities under Community Services - Community Support, Leadership and Regulation.

Council's long term focus is to assist communities in the development and management of their own futures, while ensuring that the health and safety and amenity needs of the community are met. These groups reflect Council's activities that provide community and economic development, encourage tourism, emergency management and housing. They also provide Leadership including Governance (Mayor, Council and Community Boards), Strategic Development and advocacy on issues that are important to achieving Outcomes, as well as Council's statutory obligations to provide regulation services.

Assets Relating to Community Services

Community Service assets are those directly associated with the provision of these activities. To ensure the provision of adequate and appropriate assets, AMPs are developed by Council for each activity with assets. Assets for these groups of activities are discussed under each Group. Further information on the assets and detailed Levels of Service relating to those assets are available in the respective AMPs.

The Leadership, Regulation and most of Community Support activities are not based on the management of assets and therefore, for the most part, do not have a corresponding AMP. However, the Community Support activity does have some associated assets, eg, Council owns a number of small forestry plantations. Management of these assets is discussed in the Community Property AMP.



Civil Defence Stand at Taumarunui A&P Show





Part 3 - 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 this 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 a heavy reliance on smart achievement of Outcomes by partnerships.

Community Development

Part 2 of this 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 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.

Grants

This function includes providing community grants, administered under Council's Community Grants Policy. Information on Grants is available on Council's website, www.ruapehudc.govt.nz.

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.

Economic Development

The overall aim of this function is to facilitate economic development 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 invest in worthy projects as they arise and has significant partnerships. In addition, Council works closely with business associations throughout the District, with the aim of facilitating economic development.

The District does not have an Economic Development Agency (EDA) and this will be investigated in the life of the LTP. A number of different organisations together carry out the functions of an EDA and Council will look at an agreement between these organisations for delivery of EDA functions.



Raetihi Office - Agency





Community Support (continued)

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 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 in 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 brand of Te Kahui Tupua, linking the tourism infrastructure of Ruapehu, Rangitikei and Wanganui and highlighting to international guests the significant features of all three regions. 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. However, Council was not convinced that it could deliver the services as a department of Council better than people who worked in the industry. Therefore, Council retained the functions but decided to contract them out under service performance agreements and bulk funding arrangements. As a result of this decision, Council has achieved a better price, but also expects equal or enhanced levels of performance from these decisions.





Community Support (continued)

Rationale for Delivery

The introduction of the LGA has provided a framework for local authorities to promote and develop sustainability of their Districts in a broad sense covering social, economic, environmental and cultural wellbeings of communities.

A Council activity that targeted both community and economic development was strongly supported by the community during the Future Ruapehu Community Outcomes 2005 consultation. The number of desired Outcomes that relate to both economic and community development indicates the importance of this activity to the District's residents. The community signalled that it supported Council's involvement in activities for which there were no other providers of the same service. Council has the mandate for involvement but did not receive the signal that the community wants to greatly enhance financial investment into the area. Again, this is important in guiding Council's strategic approach toward partnerships in both funding and delivery.

Relationship to Outcomes

The Community Support activity targets the Outcomes by encouraging and supporting community and economic development, through:

- Tourism and other activities.
- Sporting and other cultural activities and events.
- Promoting good health through advocating for health services.
- Other activities that facilitate growth and specialist facilities in the District.

Relationship to Planning Assumptions

This activity is being planned using the same growth assumptions as adopted for the AMPs of 1.25% annually in new properties. Tourism is still growing steadily and places considerable pressure on Council's infrastructure. Other growth is in holiday homes while the usual resident population remains static. This activity directly relates to improving the growth and sustainability of the community, by developing the District.

Relationship to Sustainability

Economic and social sustainability are important facets of this activity. Community and economic development is about building and strengthening communities. Therefore, this activity

will carefully monitor the economic and social sustainability issues and needs in the community and work accordingly to improve wellbeing. To achieve community sustainability, the Community Support activity must work towards the long term goal of promoting a self-reliant and resilient District community, with strong social and economic wellbeing, that can meet its needs into the future.

Relationship to Climate Change/External Impacts

The Economic and Community Development activities have been impacted by the global economic slowdown. The impacts will continue to have some effect on the funding Council invests in these activities and may change the focus of some activities. For instance, the achievement of RTO performance targets is highly dependent on the amount of discretionary income available to local and international visitors. While tourism numbers have been growing steadily, this has been mainly in domestic numbers. Since 2000 (ten years of data) there has been an annual growth in tourist numbers of 6%, which was better than other tourism regions. 2010/11 saw a 4% decrease in actual numbers and this highlights how sensitive the sector is to the global economic conditions.

This activity may also be affected by climate change predictions. The tourism industry will need to adapt to changes in the local climate and cater appropriately in the future. While the impact on this activity is uncertain, a careful watch will be kept and changes made to this activity accordingly through out the life of this LTP.

The current economic downturn may affect the timing of some projects. The affordability of any proposed rates increases is a real concern and Council intends to proceed with 'business as usual' in an attempt to keep costs down. However, this will be reassessed as expected improvements to the economic climate occurs.

Negative Effects

The negative effects of Community Support are the adverse effects of growth. Adverse effects can be caused by:

- Tourism and economic development, including increased volumes of refuse and other waste.
- Increased use of roads, leading to increased need for maintenance.
- Incorrect disposal of waste.
- Potential congestion in some areas.

Part 3 - Activities



Community Support (continued)

- Development pressures on sensitive environmental areas to cater for tourism and growth.

These effects cannot be directly attributed to Council's activities in Community and Economic Development alone.

Council's review of the District Plan is aimed towards achieving the right balance between growth and protection of sensitive environmental areas that actually form the significant attractive features for this growth.

In terms of impacts of visitor numbers on services such as Waste Management and Minimisation, Council frequently refreshes its approach to transfer station hours, collection days in tourism seasons, approach to fly tipping and other decisions in this service.

The improvement of road infrastructure targeted at tourism on Mt Ruapehu and in the Pipiriki area is being addressed by a regular meeting framework of interests on Mt Ruapehu and in Pipiriki, and emerging approach toward assisting that community to cope with an expected higher influx of visitors.

Key Challenges

- The key challenge for the Emergency Management activity is increasing community preparedness and resilience for any Civil Defence emergency. A temporary loss of drinking water in Ohakune during 2011 over a twelve hour plus timeframe, demonstrated that, despite considerable communication with our communities over the need to always "be prepared", many in the community had no store of drinking water for such an emergency.
- Basic training of Council staff in Civil Defence response preparedness will need to continue within the constraints of resource time available for such training.
- Impact on tourist numbers, affected by increasing transport costs, both domestically and internationally.
- Uncertainties of climate on tourism activities and the possible risk of natural disasters affecting trade.
- Delivery of Regional Tourism Organisation services into the future.
- Rural Fire readiness volunteers hard to find.
- Peak demands on infrastructure driven by tourism.
- Visitor Information Centres: Fluctuation in visitor numbers resulting in over or under site sourcing.

Levels of Service

Community Development

Outcomes

- 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 to our District.
- 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.

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
To provide funding for community initiatives.	Council will provide resources and funding for community development	% of grants successfully allocated	New Measure	New Measure	100%	100%	100%	100%	100%





Community Support (continued)

Emergency Management

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.

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
Provide a safe environment for residents and visitors.	Civil Defence and Emergency Management for the District.	70% of staff will be adequately trained in Co-ordinated Incident Management Systems. The number of public education presentations given each year to schools, staff and community groups throughout the District. As the Rural Fire Authority for the District, respond to all rural vegetation fires within one hour at all times.	New Measure	New Measure	100%	100%	100%	100%	100%
			22	>20	>20	>20	>20	>20	>20
			100%	100%	100%	100%	100%	100%	100%

Library Service

Outcomes

- ▶ That the traditions, values and history of all ethnic groups are understood, embraced, respected and celebrated.
- ▶ That excellence and achievement in sport, arts/cultural pursuits, community service and businesses are supported, recognised and rewarded.

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
Provide a modern and consistent environment for learning and enjoyment.	Provide a library service that meets the needs of the community.	Percentage of users who are satisfied with the service provided.	New Measure	New Measure	75%	75%	75%	75%	75%

RTO and VICs

Outcomes

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

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
Provide an efficient visitor information service.	VICs are open 40 hour minimum per week.	Tourist numbers increase. Door numbers (visitors) at VICs	New Measure	New Measure	+1%	+1%	+1%	+2%	+3%
			New Measure	New Measure	Establish Base Measure	+1%	+1%	+1%	+1%

Activity Expenditure

Comparatives may not match, as some activities are now in different groups of activities than in previous years.

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Civil Defence & Emergency Management	221	320	369	393	410	426	442	458	474	499	526
Community Development	110	119	127	131	135	140	144	148	153	157	163
Economic Development	206	163	138	142	147	152	157	162	167	172	178
Library	395	412	437	452	469	485	502	516	532	548	567
Regional Tourism Organisation	250	257	266	274	284	293	303	313	324	335	347
Visitor Information Centre	250	232	240	247	256	265	274	283	292	302	313
Total Expenditure	1,432	1,503	1,577	1,639	1,701	1,761	1,822	1,880	1,942	2,013	2,094

Note: Non-cash transactions, which includes depreciation expense.



Part 3 - Activities



Community Support (continued)

Forecast Funding Impact Statement

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	486	1,101	1,214	1,265	1,313	1,361	1,408	1,453	1,500	1,557	1,620
Targeted rates (other than a targeted rate for water supply)	875	307	266	274	284	293	303	313	324	335	347
Subsidies and grants for operating purposes	8	9	9	9	9	10	10	10	11	11	11
Fees, charges, and targeted rates for water supply	67	86	89	91	94	97	100	104	107	111	114
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	1,436	1,503	1,578	1,639	1,700	1,761	1,821	1,880	1,942	2,014	2,092
Applications of Operating Funding											
Payments to staff and suppliers	747	862	893	924	957	991	1,022	1,055	1,094	1,131	1,169
Finance Costs	-	2	6	11	14	16	18	20	23	30	33
Internal charges and overheads applied	631	584	619	638	659	679	702	719	736	755	779
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,378	1,448	1,518	1,573	1,630	1,686	1,742	1,794	1,853	1,916	1,981
Surplus (deficit) of operating funding (A-B)	58	55	60	66	70	75	79	86	89	98	111
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	-	48	94	50	43	25	36	21	83	120	(20)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	48	94	50	43	25	36	21	83	120	(20)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	2	85	45	41	25	38	27	90	133	3
- to improve the level of service	7	55	22	23	23	24	25	26	26	27	28
- to replace existing assets	51	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	46	47	48	49	51	52	54	56	58	60
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	58	103	154	116	113	100	115	107	172	218	91
Surplus (deficit) of capital funding (C-D)	(58)	(55)	(60)	(66)	(70)	(75)	(79)	(86)	(89)	(98)	(111)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-





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.
- 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 documents as necessary.

Rationale for Delivery

Council's Leadership is guided by the role and principles of local government, as stated Part 2 of the LGA. The following provisions guide Council:

- Council's activities are to be exercised for the benefit of the District.
- Council must conduct its business in an open and transparent manner, giving effect to desired Outcomes.
- Seek and consider the views of its communities and their wellbeing in decision-making.
- Provide opportunities for Maori to contribute in decision-making.
- Collaborate with other organisations to meet desired Outcomes.
- Ensure prudent financial and asset stewardship in accordance with sound business practice, including periodically assessing the expected returns from any commercial activity and assessing risk.
- Provide for the present and future needs of the District by considering social, economic, environmental and cultural wellbeing.

Outcomes Targeted by this Activity

The Leadership activity targets all of the Outcomes as it is the decision-making part of Council. It also advocates on behalf of the community and works towards common community goals.



Councillors inspecting roading issues

Relationship to Planning Assumptions

The Leadership activity must have up to date and accurate information for its decision-making processes. Part of this process is to understand the future needs of the community and to make decisions accordingly. Understanding the patterns of growth in the District is therefore important and is an influencing factor in decision-making.

Relationship to Sustainability

This activity drives the promotion and implementation of Council's sustainable development approach, required to fulfil its role under the LGA. The Leadership activity has a responsibility to make decisions on behalf, and in the best interests, of present and future generations. This means that the activity must take into account the future needs and challenges of the community in its decision-making and view these against present needs and desires. Long term sustainability and affordability are important factors for the decision-making process. Leadership must also take into account the four dimensions of community wellbeing - social, cultural, economic and environmental - and these imply a long term view when making decisions.

Relationship to Climate Change/External Impacts

The Leadership activity has an obligation to take into account the effects of future climate change in its current decision-making. In particular, indirect impacts from central government action on climate change are likely to change the legislative and operating environment for Council as an organisation and



Leadership (continued)

for the community. An example of this is the implementation of the Emissions Trading Scheme (ETS) and its future impact on many key industries (such as agriculture and forestry) and on affordability for the whole community. Council plays an important role in providing leadership and advocacy for the District on these future challenges.

While the direct effects are still uncertain and there is still some dispute on exactly what those effects may be, increased extreme rain events and drier summers are predicted. Council will continue to actively monitor this issue and make decisions accordingly, where possible.

Local authorities will feel the indirect effects of the ETS as the costs of greenhouse gas emissions are passed through the economy, eg, through increased electricity and fossil fuel prices. Council will minimise the impact of these price increases on its operations, demonstrate commitment to addressing climate change and influence change in the community by reducing greenhouse gas emissions from council operations.

The current economic downturn is not thought to have a large effect on this activity, although it has been taken into consideration at all points in providing this activity.

Negative Effects

Negative Effect	Mitigation
The negative effect of Leadership is that decisions are sometimes made at the expense of the wellbeing of some individuals and groups within the District.	Council must make decisions on behalf of its communities that provide for a sustainable future and are based on community needs. However, determining sustainability and community needs often requires weighing up the competing demands of different resident groups and making decisions that will be in the best interests of the entire District.

Key Challenges

The key challenges for Leadership is to maintain a well-balanced and functional organisation which is also responsive to local economic conditions and changes.

Levels of Service

Outcomes

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

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
To facilitate effective consultation processes to seek community input into decision-making and advocacy on key issues.	Consultation material will be made publicly available from all Council offices and on website.	Percentage of respondents who are satisfied or very satisfied with consultations.	92%	85%	80%	80%	80%	80%	80%
	Council meets regularly with iwi.	Number of meetings with Ruapehu District Maori Council per year.	New Measure	New Measure	>6	>6	>6	>6	>6
	Council provides public access to the community through Community Boards and Council meetings.	Number of Public Forums per year.	New Measure	New Measure	>10	>10	>10	>10	>10
	Residents are satisfied with the leadership of Council.	Percentage of respondents who are satisfied with Council's leadership.	New Measure	New Measure	60%	60%	60%	60%	60%





Part 3 - Activities

Leadership (continued)

Activity Expenditure

Comparatives may not match, as some activities are now in different groups of activities than in previous years.

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Council	990	988	1,087	1,065	1,099	1,132	1,166	1,195	1,225	1,258	1,297
Strategic Planning	614	450	476	491	507	523	540	553	567	582	601
Total Expenditure	1,604	1,438	1,563	1,556	1,606	1,655	1,706	1,748	1,792	1,840	1,898

Note: Non-cash transactions, which includes depreciation expense.



Part 3 - Activities



Leadership (continued)

Forecast Funding Impact Statement

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,516	1,438	1,562	1,555	1,605	1,653	1,705	1,747	1,791	1,839	1,896
Targeted rates (other than a targeted rate for water supply)	91	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	(3)	-	-	-	-	-	-	-	1	1	1
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	1,604	1,438	1,562	1,555	1,605	1,653	1,705	1,747	1,792	1,840	1,897
Applications of Operating Funding											
Payments to staff and suppliers	406	396	457	417	429	441	454	465	480	494	508
Finance Costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,198	1,042	1,105	1,138	1,176	1,212	1,251	1,282	1,312	1,346	1,389
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,604	1,438	1,562	1,555	1,605	1,653	1,705	1,747	1,792	1,840	1,897
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))	-	-	-	-	-	-	-	-	-	-	-





Regulation

Introduction

The Regulation Group of Activities work towards 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 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 Council's Bylaws and the District Plan. The work covered is incredibly varied and includes Animal Control, Resource Consent monitoring, Parking, Noise Control and Bylaws. Compliance Officers ensure that the amenities of the District are maintained to be enjoyed by all.

During times of economic downturn, Regulation activities may see an increase in compliance issues such as a rise in unregistered and abandoned dogs, fly tipping and illegal additions to buildings. There may also be a slowdown in building activity. The Compliance activity will be monitoring these areas carefully.

Resource Management

Resource Management involves both the issuing of resource consents and monitoring of conditions of these consents.

The Ruapehu District Plan has recently been reviewed. 17 appeals have been received on the document. These will be worked through by the Environment Court. However, the amendments to the District Plan now have legal effect, meaning that they are considered alongside the existing rules when assessing resource consent applications.



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 required standards of compliance with 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 Food Safety, Sale of Liquor, making sure premises and events comply with standards, as well as monitoring environmental issues and investigating complaints.

There are currently two Bills before Parliament (the Alcohol Reform Bill and the Food Bill), both of which will affect the operation of these areas. The changes to the Alcohol Reform Bill would increase community participation in the development of local alcohol policies through more local decision-making on the granting of licences.

Rationale for Delivery

Council is required to provide Regulation services under a number of Acts of Parliament including, but not limited to, the LGA, the RMA, Dog Control Act 1996, Building Act 2004, Health Act 1956 and Sale of Liquor Act 1989. In addition, Council has to enforce its own Bylaws.

Although there are legislative drivers, the activity also has strong links to provide for community safety and a healthy environment, as signalled through the Future Ruapehu Community Outcomes 2005 Report.

Outcomes Targeted by this Group of Activities

This activity targets the following Outcomes:

- That the impact of waste on our environment is minimised.
- Excellent standards of safety and welfare are promoted and respected.
- 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 railways.



Regulation (continued)

Relationship to Planning Assumptions

Growth is expected to rise 1.25% over the period of this LTP and it is expected that this group of activities will remain steady. Resource Consent services are mainly associated with growth and development. The increase in subdivisions and other issues that impact on this activity continue, even with the current downturn, and Council monitors growth to ensure sustainable management of resources, delivered in legal timeframes, as well as improving the processes involved for the community.

Relationship to Sustainability

Sustainability is a general concern for Council and this group of activities can affect both economic and social sustainability. The public health and safety aspect of Regulation functions is important to sustaining healthy communities, but this comes at a cost. Most of these Regulatory functions are imposed on Council by Central Government and impact on rates, despite the extensive use of user pays charges.

Processes are constantly being modified to improve the ability of Council and the community to work together in a sustainable manner and to overcome unnecessary red tape.

Large subdivisions can create issues for sustaining the environment and the needs for better wastewater treatment, water collection and supply will be closely monitored. At the same time, growth and development is needed to achieve economic sustainability of the community and local economy.

Relationship to Climate Change/External Impacts

Climate change will affect how the community responds to and manages changing living conditions, including increasing costs for energy and related products and demands for more environmentally friendly practices in areas such as the building industry. Issues such as warm, healthy homes, building energy efficient and future-proof buildings will become more important in the years to come. While, at present, government regulations in building do not reflect necessary responses to climate change, this may change and Council will need to closely monitor this during the life of this Plan.

The current economic climate may affect the timing of some projects. The affordability of any proposed rates increases is a real concern and for the near future Council intends to proceed with 'business as usual' in an attempt to keep costs down. Overall, there will be no significant Levels of Service increases over this time. However, this will be reassessed as expected improvements to the economic climate occur.

Negative Effects

Negative Effects	Mitigation
Negative effects of this service are more social in nature, with the balancing of development proposals and individual residents' actions with wider sustainability and community wellbeing, as desired by the community, and also provided for through the Ruapehu District Plan. Council seeks to balance the communities' wellbeing against individual freedom.	Council seeks to be fair and impartial in exercising its legal obligation to the community. The Ruapehu District Plan aims to mitigate the effects of development in the District by implementation of compliance monitoring, Resource Consent processing, and monitoring of Resource Consents.

Key Challenges

- Central Government has been reviewing parts of both the Building Act and the RMA over the last few years:
 - The Building Act - to improve standards.
 - The RMA – to simplify and streamline processes.
 It is likely that there will be ongoing changes to these Acts that Council needs to keep abreast of.
- Changes are also proposed through the Alcohol Reform Bill and the Food Bill, which have potential implications for Council in terms of both cost and additional administration requirements.
- Appeals on the District Plan – there will be ongoing costs associated with working through the appeals that have been received.
- Balancing development pressure with environmental protection.
- Enabling iwi participation in RMA processes.
- Balancing the rights of individuals and the community.





Regulation (continued)

Levels of Service

Building Services, Compliance and Inspections

Outcomes

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

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
Provide a safe environment for residents and visitors.	Council will efficiently process all proposed applications.	Building consents processed within 20 working days.	99%	90%	90%	90%	90%	90%	90%
		Urgent LIMs processed in five working days.**	100%	100%	100%	100%	100%	100%	100%
		Non-urgent LIMs processed in ten working days.	98%	95%	95%	95%	95%	95%	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%	100%	100%	100%	100%	100%	100%
		Percentage of dogs seized that are not registered.	New Measure	New Measure	< 10%	< 10%	< 10%	< 10%	< 10%
		Respond to dog attacks within two hours.	100%	100%	100%	100%	100%	100%	100%

* Urgent is defined by a request under urgency in the Fees and Charges Manual.

** LIM = Land Information Memorandum

Environmental Health and Liquor Licensing

Outcomes

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

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
Provide a healthy environment for residents and visitors.	Council will undertake ongoing monitoring of conditions to ensure compliance.	Health-related food hygiene complaints are responded to within 24 hours and actioned within five days.	100%	61%	95%	95%	95%	95%	95%
		The health and safety of public is protected by ensuring food premises meet required standards.	New Measure	New Measure	90%	90%	90%	90%	90%
	Ensure liquor licenses comply with statutory and license provisions.	Percentage of liquor licences that comply with statutory and licence conditions on second inspection.	New Measure	New Measure	90%	90%	90%	90%	90%
	Ensure noise complaints are responded to effectively, promptly and efficiently.	Percentage of noise complaint resolved at first contact	100%	100%	95%	95%	95%	95%	95%



Regulation (continued)

Resource Management

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.
- That leadership is trusted, transparent, accountable and visionary and takes an active approach to finding solutions.
- That the impact of waste on our environment is minimised.
- 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 retain families and skilled workers to our District.
- That economic diversity and core economic strengths are encouraged.

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
To provide a sustainable environment for residents and visitors.	Resource consents are processed within the legal timeframes.	Land Use consents processed within the legal timeframes.	100%	Above national average	100%	100%	100%	100%	100%
		Subdivision consents processed within the legal timeframes.	99%	Above national average	100%	100%	100%	100%	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.	New Measure	New Measure	<10%	<10%	<10%	<10%	<10%
		Percentage of pre-application meetings to number of applications received.	New Measure	New Measure	5%	>10%	>10%	>10%	>10%

Activity Expenditure

Comparatives may not match, as some activities are now in different groups of activities than in previous years.

	Exceptions											
	Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000	
Building Services	708	786	848	858	887	914	943	966	990	1,015	1,048	
Compliance	646	685	721	743	767	791	817	837	857	880	908	
Environmental Health and Liquor Licensing	311	402	426	438	453	467	482	494	506	519	535	
Resource Management	672	670	704	725	750	774	799	821	843	868	896	
Total Expenditure	2,337	2,543	2,699	2,764	2,857	2,946	3,041	3,118	3,196	3,282	3,387	

Note: Non-cash transactions, which includes depreciation expense.





Regulation (continued)

Forecast Funding Impact Statement

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,397	1,816	1,949	1,991	2,057	2,118	2,186	2,234	2,283	2,336	2,408
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	940	726	749	773	799	827	856	884	913	946	979
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,337	2,542	2,698	2,764	2,856	2,945	3,042	3,118	3,196	3,282	3,387
Applications of Operating Funding											
Payments to staff and suppliers	377	284	304	298	307	319	331	341	352	365	378
Finance Costs	23	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,937	2,258	2,394	2,466	2,549	2,626	2,711	2,777	2,844	2,917	3,009
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,337	2,542	2,698	2,764	2,856	2,945	3,042	3,118	3,196	3,282	3,387
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	67	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	67	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	67	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	67	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding (C-D)	-	-	-	-	-	-	-	-	-	-	-
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-



Facilities and Assets

Why Council Provides Facilities and Assets

This group of activities promote Outcomes that mainly target environmental, social and economic wellbeing, but have some impact on the other wellbeings as well. These activities all aim to minimise the impact that the community's activities and lifestyles have on the natural environment.

Facilities and Assets activities includes Land Transport, Water Supply, Wastewater, Stormwater and Flood Protection, Waste Management and Minimisation and Community Facilities.

Maintaining the environment and its natural resources (such as land and water) are essential to the social, cultural and economic wellbeing of the community. For example, without good quality roading and a reliable and safe drinking water supplies, the economy in the District could not continue to grow and prosper. Nor would produce from the farming community be able to be safely and efficiently transported out of the District. Visitors and tourists could not easily visit the District and retailers would have no way of replenishing stock that is sold to customers.

While Horizons Regional Council is the lead agency for many of the broad issues that impact on our environment, Council must work to ensure that the negative environmental effects of the community's activities are managed in a sustainable manner.

Supplying water, wastewater treatment, managing stormwater and flood protection and waste management and minimisation are all important to the economic and environmental wellbeing of the community. They also have effects on the social and cultural aspects of the community.

Assets Relating to Facilities and Assets

Assets relating to Community Facilities and Assets are those directly associated with the provision of each of the individual activities that make up this group. For example, the provision of a wastewater system requires pipework and treatment plants, and so on. To ensure the provision of adequate and appropriate assets, AMPs are developed by Council for each activity. The following AMPs directly relate to Community Facilities and Assets activities:

- Community Property,
- Recreation and Community Facilities.
- Land Transport (Roading).
- Stormwater and Flood Protection.
- Wastewater (Sewerage).

- Water Supply.
- Waste Management and Minimisation.

Information on the assets and operational Levels of Service relating to those assets are contained in the respective AMPs.

Enhanced Levels of Service

Public expectations are that levels of service are continually improved. For example, enhanced treatment of wastewater, expansion of waste minimisation and better treatment of stormwater, sealing of rural roads and new footpaths. Council's ability to meet public expectations is limited by how much the community is prepared to pay and can afford.

Competing Community Priorities

It is always a difficult process for Council to balance the competing needs of various communities and groups within those communities. Council must consider wider community wellbeing and balance expenditure between competing priorities. For example, there are tensions between increasing the levels of service for one service compared to another. Many of Council's activities are affected by outside influences (eg, Central Government legislation) and Council has legal obligations it must meet.

Sustainability involves the allocation of resources towards activities and Outcomes that often do not bring instant results. It involves developing medium to long term plans that take into consideration a "whole of District" approach and implementing those plans using a "whole of Council" approach. This ensures that the delivery of Outcomes align with Council's capacity to deliver at its current resourcing level. More resources would be needed to be able to deliver the range of desired Outcomes and to ensure that initiatives are built on a strong foundation, so that Outcomes are achievable in the short term and are sustainable over the longer term.



Ohakune Wastewater Treatment Ponds





Facilities and Assets (continued)

Legislative Framework

The activities in this group are all subject to provisions of the RMA, LGA, Land Transport Act, Public Works Act and a number of other Acts, Plans and directives. Council must comply with Resource Consent conditions to operate essential community infrastructure and cannot avoid or cap expenditure required to achieve this.

Reduced water quality has been acknowledged as an issue throughout New Zealand. The Government is actively working to address this issue through its "Fresh Start for Fresh Water" initiative. A key part of this initiative is the National Policy Statement for Freshwater Management 2011, which will affect new applications for resource consents affecting freshwater quality.

Horizons Regional Council's One Plan also includes new standards for water quality and quantity.

These new provisions, from both Central and Regional Government, will affect Council when it comes to apply for resource consents for a number of our activities. Most notably are our Wastewater Treatment Plans and Water Treatment Plants, many of which are due to expire within the next ten years. This will result in improvements to water quality but may also result in higher costs to the community than would otherwise have been the case.

Asset Conditions and Funding

Land Transport, Stormwater and Flood Protection, Water, Supply, Wastewater and Waste Management and Minimisation all represent essential community infrastructure that helps to achieve sustainability within the District. A key challenge for Council is to ensure that the District can continue to provide this essential infrastructure in serviceable condition at an affordable level, given the small funding base.

Council must consider wider community wellbeing and community affordability by assessing the needs of critical infrastructure such as roads and water supplies against other demands competing for funding. With the aging of Council's infrastructure these types of community choices will increasingly need to be made in urban areas. The need to maintain these areas will grow with the expected rise in storm events.

Land Transport represents a significant portion of Council's overall funding requirement. This level of investment is important to ensure that transport systems are maintained at a safe and effective level. With the enactment of the Land Transport Management Act 2003 and the subsequent amendment in 2008, rural councils such as Ruapehu may find it more difficult to advocate for roading projects from the New Zealand Transport Agency (NZTA). This is because other transport priorities (such as roads of national significance, rail and public transport) have been added as funding priorities alongside road infrastructure, to compete for the same funding pool. The review of NZTA funding priorities has made the business cases for upgrading of tourist routes such as the Raetihi-Pipiriki and Oio Roads more uncertain.

- As detailed in Part 2, the level of funding from NZTA has been reduced. As a result of this reduction, Council has chosen to reduce its spending on Land Transport, in line with the NZTA allocation.
- Council is also facing future demand issues around significant forests in the District that will be harvested over the next 10-15 years. This will result in more truck movements on the District roads and this major impact will need to be planned for.
- The condition of Water Supply assets is regularly monitored. Council is signalling that there is increasing work to be undertaken on most supplies in the next ten years to replace pipes and components. These works are outlined in the Water Supply section of this LTP. Council is also signalling that it needs to upgrade water supplies to target compliance with Ministry of Health guidelines stated in the Drinking Water Standards for New Zealand 2005. Progress towards compliance was significant over the last LTP period.
- Wastewater Treatment Systems will require upgrading in 2015. Council needs to:
 - Investigate the most appropriate technology.
 - Plan for new resource consents.
 - Implement solutions.

This will require significant consultation between affected parties.



Facilities and Assets (continued)

Community Facilities

Introduction

The Facilities Activity is an important part of achieving Council's vision. This includes Recreation and Community Facilities (such as Parks and Reserves, Cemeteries and Community Halls) and Community Property (which includes Community Buildings and Social Housing).

The purpose of the Recreation and Community Facilities activity is to efficiently provide services, facilities and an environment that attracts people to the area and encourages good health and education for all residents. The value of the Recreation and Community Facilities portfolio is currently estimated to be \$11.1 million, based on the 2011 asset valuation of land and improvements carried out by Darroch Valuations under NZIAS40 for all assets. The portfolio includes parks, reserves, playgrounds, walkways, swimming pools, community halls, public toilets and cemeteries.

The purpose of the Community Property Activity is to act as a steward for property that is of social, cultural or environmental benefit to the community and maintain these properties to a high standard. The value of the Community Property portfolio is currently estimated to be \$12.5 million, based on the 2011 asset valuation of land and improvements carried out by Darroch Valuations under NZIAS40 for investment property assets and NZIAS16 for all other property assets. The portfolio includes Council administration buildings and libraries, social housing



Manunui Cemetery

rental units, some small forestry plantations and a number of miscellaneous properties.

The Facilities Group of Activity is made up of seven activities:

Cemeteries

The objective of the Cemeteries service is to provide administration, record, 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, Owahango, 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,



Council's Ohakune Office/Library





Facilities and Assets (continued)

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.

Areas covered by the Parks and Reserves Activity include:

- Parks and Reserves.



Mangawhero River Walkway, Ohakune



Ohakune Public Toilets

- 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.

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),



Facilities and Assets (continued)



Cherry Grove Court, Taumarunui

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. Fundraising by the community for this project has commenced.



Ohakune Swimming Pool

Rationale for Delivery

Under the LGA, Council is required to promote the wellbeing of communities in the present and in the future. The provision of recreation and community facilities contributes to the promotion of the cultural, social and environmental wellbeings.

Through the activity, Council aims to work with the community to provide recreation and leisure facilities that meet community demands and to promote sustainable development in the design of new facilities in streetscapes and parks.

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

Outdoor activities involving rivers, scenic and active recreation reserves and walkways are integral to the community's wellbeing. Council intends to continue to ensure that access to these activities is maintained.

In previous consultations on community facilities, it has been indicated that the community wants more facilities and services that meet the needs of the District.

Council's initial involvement in the provision of Older Persons Housing and Community Housing was to fill a gap in the 1970s and 1980s for housing not being provided by central government or the private sector. Suspensory loans from the Government assisted with the cost of development of Council's older person housing units. Council has no legal obligation to provide older person or community housing (now called Social Housing) but will continue to do so until this need is adequately met by another sector of the community.

Council provides a number of building and property assets that house services that may not exist without Council assistance, such as the Taumarunui Aerodrome, the Taumarunui Saleyards and the Ohakune Railway Station, many of which were acquired by County and Borough Councils in the past.

Relationship to Community Outcomes

The Facilities Group of Activities targets a number of Outcomes by providing recreation and community facilities that meet the needs of the community, retain the beauty and aesthetic values of the area and provide leisure opportunities for residents and tourists. The Community Property activity aims to provide stewardship for property that is of social, cultural, environmental or economic benefit to the community and ensures this property is managed in a sustainable and responsible manner.

The following are the main Outcomes targeted:

- 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.





Facilities and Assets (continued)

- 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 railways.
- That the traditions, values and history of all ethnic groups are understood, embraced, respected and celebrated.
- That people work towards common goals and issues and speak positively about our community.
- That there is a range of quality retail, entertainment, educational, health care, business and services to retain families and skilled workers to our District.
- Excellent standards of safety and welfare are promoted and respected.

Additional Asset Capacity

This Group of Activities has many assets attached to it. These are detailed in the Recreation and Community Facilities and Community Property Asset Management Plans.

Overall, limited new development in this area is planned. However, new playground equipment that will directly benefit children and youth, and sealed walking tracks that are accessible to disabled people, are proposed to be developed in the coming ten year period.

There is a proposal for a new library in Taumarunui, having received public support for the concept. In the longer term, a project plan will be developed, with options for this facility. This could include small community meeting rooms, study pods and be designed to enable the building to adapt to changes in technology and communications in the future.

Council will continue to consult the community on the provision of parks and reserves, other Recreation and Community Facilities and any significant changes to Community Property.

Relationship to Planning Assumptions

Growth is predicted in Ohakune and, to a lesser extent, National Park and Horopito. However, it is unclear whether the permanent resident population will increase as much as the predicted growth in the development of more holiday homes, or facilities catering for the expected steady increase in tourism.

There is already consistently high use of the public toilet facilities on the State Highways in the District and annual surveys of users indicate that an increase in the current capacity may be required if visitor numbers continue to increase at the existing rates of growth. Green space for public use may need to be a condition of subdivision resource consents in the future where significant housing is proposed.

Relationship to Sustainability

The management and maintenance of the Community Facility assets is focused on sustaining the existing levels of service. The affordability of both long term maintenance and renewal must be carefully considered in the planning phase of any proposed new facility. The life of most playground equipment is limited to between 10-20 years, whereas other recreation facilities such as the three swimming pools have a longer economic life. However, many recreation facilities are at the end of their economic life such as the swimming pools, Taumarunui Grandstand structure and many community halls.

Without a significant increase in funding toward maintaining and renewing these facilities, long term access to these facilities is at risk. However, the affordability of any proposed rates increases is a real concern and Council intends to proceed with 'business as usual' in an attempt to keep costs down.

Some community property buildings will reach their expected 50 year life span within the next ten years and, therefore, component renewals will be included in asset management planning to ensure that the overall life of community property buildings exceed their 50 year life span. The current economic downturn may affect the timing of some projects. Overall there will be no significant level of service increases over this time. However, this will be reassessed as improvements to the economic climate occur.

Relationship to Climate Change/External Impacts

It has been predicted that the District will experience heavier and more sustained rain events over the next decade. The risk of flooding of any of the community property buildings is low, except for the Ohakune social housing units which are located close to the Mangateitei River.

The predicted changes in weather patterns may severely impact on many of the esplanade reserves. Erosion to river banks has been severe in some places throughout the District over the



Facilities and Assets (continued)

past decade and this is likely to increase. There are numerous esplanade reserves or esplanade strips vested in Council as part of old urban subdivision consents. If these are completely eroded, residential dwellings may become at risk from river flooding or erosion. In most instances, the cost of river work to mitigate this potential erosion is unaffordable.

Planting near waterways must take into consideration flood management concerns.

The District is less likely to experience drought. However, the possibility of drought elsewhere in the country raises a potential risk of power cuts and shortages locally. Power cuts could affect the operation of some of the District's essential infrastructures such as wastewater pumps and water treatment plants, which provide services to community properties and recreational facilities.

The ongoing economic downturn may affect the timing of some projects. Overall there will be no significant level of service increases over this time. However, this will be reassessed as improvements to the economic climate occur.

Council recognises the risk to its Community Facilities activity from predicted climate change and will continue to try and develop low-cost mitigation strategies and responses.

Negative Effects

Negative Effect	Mitigation
There is a cost associated with maintaining facilities that are used by a relatively small percentage of the residents and ratepayers.	Most communities have accepted responsibility for the maintenance of their community halls. In some instances where communities have ceased using a community hall, the facility has been leased to a single organisation, with maintenance responsibilities transferred to the lessee in order to better benefit those who use the facilities.
There is an economic cost to providing visual and recreational amenity values that are maintained by retaining green space and facilities that are available for the public to use and enjoy.	Community groups have carried out fundraising and provided, at no cost to Council, a number of community facilities, eg, Taumarunui Skate Park, Lions Club playground (Taumarunui), Ohakune swimming pool covers and rollers to assist heat retention, Raetihi swimming pool roof enclosure.

Key Challenges

The key challenges facing the Community Facilities activity are:

- Increasing community expectations with regard to quantity and quality of playground equipment, public toilet facilities and urban streetscapes, the standard and size of units in social

housing accommodation and the provision of improved access for disabled users, along with additional needs for services associated with an aging population.

- Increasing legislative requirements, particularly regarding transparency and environmental and economic sustainability.
- Rapid development pressure in Ohakune and National Park which can make it difficult to meet the communities and Council's best long-term interests within the timeframes desired by the developers.
- Aging community halls and swimming pool complexes. Despite relatively low usage, community expectation is that Council should increase its level of support for outstanding maintenance or renewal on these aging assets, many of which were built using voluntary community labour.
- Age of building structures, eg, all social housing units are now of an age where some major components such as roofs, bathrooms and kitchens are reaching the end of their useful life. Some buildings, such as the Ohakune Railway Station, which are old and past their useful life span, have historical value to the community. The Ohakune Railway Station has now been listed as a Heritage building in the District Plan. It may become expensive to keep maintaining such buildings.
- Keeping social housing units warm in winter. Provision for better insulation and heat pumps in all social housing rental units over time to replace old inefficient heaters and under-rated insulation is a targeted outcome in this ten year plan period.
- Modern technology is impacting on electrical systems and the provision of associated infrastructure in buildings. Libraries are now being used as centres of electronic information which is gradually changing the way they are used, configured and equipped. Such infrastructure changes come at a financial cost.
- The cost of maintaining facilities is borne by all ratepayers. However, many of these facilities are used by a relatively small percentage of the residents and ratepayers, in particular, community halls and swimming pools.
- Safety of Council-owned structures – the Earthquake Assessments completed on Council-owned buildings have highlighted that works may need to be undertaken on some buildings to minimise earthquake risks. Further investigations will need to be carried out to establish the priority of works and to ensure that any work is affordable.





Facilities and Assets (continued)

Levels of Service

Community Property

Outcomes

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

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
To act as a steward for property that is of social, cultural or environmental benefit to the community.	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).	New Measure	New Measure	85%	85%	85%	85%	85%
		Library Library users are satisfied or highly satisfied with public library buildings and services (annual Survey Monkey).	New Measure	New Measure	75%	75%	75%	75%	75%
		Social Housing Percentage of residents who feel safe in their homes (annual residents survey)	New Measure	New Measure	95%	95%	95%	95%	95%
Council-owned buildings are structurally sound and safe and Council occupants and tenants in administration buildings and social housing feel safe.	Housing units are maintained to a satisfactory standard and provide a safe environment for tenants.	Percentage of residents who are satisfied or very satisfied with the LoS (annual survey).	76%	75%	75%	75%	75%	75%	75%

Recreation and Community Facilities

Outcomes

- ▶ Excellent standards of safety and welfare are promoted and respected.
- ▶ 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.
- ▶ That excellence and achievement in sport, arts/cultural pursuits, community service and businesses are recognised and rewarded.

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
Parks, reserves and community facilities are accessible, attractive and meet the needs and expectations of residents, visitors and youth wherever and whenever possible.	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.	New Measure	New Measure	100%	100%	100%	100%	100%
		Cemeteries The community is satisfied or very satisfied with the presentation of cemeteries in the District (annual Survey Monkey).	New Measure	New Measure	>95%	>95%	>95%	>95%	>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)..	New Measure	New Measure	85%	85%	85%	85%	85%

Part 3 - Activities



Facilities and Assets (continued)

Outcomes

- Excellent standards of safety and welfare are promoted and respected.
- 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.
- That excellence and achievement in sport, arts/cultural pursuits, community service and businesses are recognised and rewarded.

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
Urban streetscapes, parks, playgrounds and public toilets are clean and residents and visitors feel that they are safe places to be in.	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.	New Measure	New Measure	95%	95%	95%	95%	95%
		Parks and Reserves Users feel safe and are satisfied with the quantity of green space and facilities available (annual Survey Monkey).	New Measure	New Measure	85%	85%	85%	85%	85%
		Public Toilets Urgent requests for service responded to within 24 hours.	New Measure	New Measure	95%	95%	95%	95%	95%

Major Capital Projects

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

Year	Total Cost (\$)	Description	Growth/LoS/Renewal
Community Facilities			
2012/13-2021/22	250,000	(\$25,000 per year for 10 years) Development of "accessible" walkways (north)	LoS
2012/13-2021/22	250,000	(\$25,000 per year for 10 years) Development of "accessible" walkways (south)	LoS
Community Property			
2014/15	50,000	Ohakune Social Housing roof renewal	Renewal
2013/14-2017/18	130,000	(\$26,000 per year for 5 years) Social Housing heat pump installation	LoS

Activity Expenditure

Comparatives may not match, as some activities are now in different groups of activities than in previous years.

	Exceptions	Forecast 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
	Annual Plan 2012										
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cemeteries	157	172	193	196	202	209	215	220	227	234	241
Community Halls	90	118	130	134	137	144	147	150	157	160	164
Economic Development	101	124	113	116	120	126	131	136	139	144	149
Parks & Reserves	1,106	1,151	1,186	1,231	1,277	1,330	1,370	1,411	1,462	1,518	1,594
Public Toilets	202	245	245	257	267	277	284	291	301	309	319
Social Housing	416	483	500	527	547	570	588	604	625	643	662
Swimming Pools	297	405	421	370	382	395	405	415	428	440	454
Total Expenditure	2,369	2,698	2,788	2,831	2,932	3,051	3,140	3,227	3,339	3,448	3,583

Note: Non-cash transactions, which includes depreciation expense.





Facilities and Assets (continued)

Forecast Funding Impact Statement

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,203	2,203	2,277	2,305	2,389	2,487	2,562	2,632	2,724	2,812	2,927
Targeted rates (other than a targeted rate for water supply)	676	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	443	445	459	473	488	503	518	533	550	568	587
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,322	2,648	2,736	2,778	2,877	2,990	3,080	3,165	3,274	3,380	3,514
Applications of Operating Funding											
Payments to staff and suppliers	1,692	1,905	1,924	1,926	1,985	2,043	2,103	2,163	2,228	2,302	2,377
Finance Costs	16	21	37	54	68	76	83	87	88	99	118
Internal charges and overheads applied	550	659	698	719	743	766	791	810	829	851	878
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,258	2,585	2,659	2,699	2,796	2,885	2,977	3,060	3,145	3,252	3,373
Surplus (deficit) of operating funding (A-B)	64	63	77	79	81	105	103	105	129	128	141
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	4	32	34	35	37	38	40	42	43	45	47
Increase (decrease) in debt	56	248	241	276	159	97	101	30	29	311	297
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	60	280	275	311	196	135	141	72	72	356	344
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	80	113	148	98	6	64	6	6	6	7
- to improve the level of service	25	119	62	64	66	63	64	52	60	340	325
- to replace existing assets	99	85	113	116	54	102	46	47	49	69	52
Increase (decrease) in reserves	-	59	64	62	59	69	70	72	86	69	101
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	124	343	352	390	277	240	244	177	201	484	485
Surplus (deficit) of capital funding (C-D)	(64)	(63)	(77)	(79)	(81)	(105)	(103)	(105)	(129)	(128)	(141)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-



Land Transport (Roothing)

Introduction

The Land Transport Group of Activities involves the maintenance and development of public roads, kerbs and channels, bridges, street lighting, footpaths and street furniture for all of the District, with the exception of the State Highways, which are 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.

Rationale for Delivery

The Land Transport activity provides a road and pedestrian infrastructure that allows for the safe, reliable, efficient and effective movement of vehicles and people. Roads are essential infrastructure for both Community and Economic Development.

Outcomes Targeted by this Activity

The Land Transport Group of Activities targets the following Outcomes by providing core services, and managing the roading network to keep pace with development, as well as ensuring that

roads and footpaths are safe, reliable and well maintained. The relevant objectives are:

- That leadership is trusted, transparent, accountable and visionary, and takes an active approach in finding solutions.
- 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.
- Our transportation and communication is reliable and meets the needs of users.

Relationship to Planning Assumptions

Land Transport within the District will respond to growth through private sector development proposals for new subdivisions, in both the rural and urban areas. It is unlikely that the network will be expanded in speculation of commercial or industrial investment. However, preparation is needed for exotic forest harvesting.

Overall, the focus in the medium term will be on maintaining the roading network within budgetary constraints.

Relationship to Sustainability

Sustainability in this activity is provided by maintaining a transport infrastructure network that allows for the safe, reliable, efficient and effective movement of vehicles and people. Road





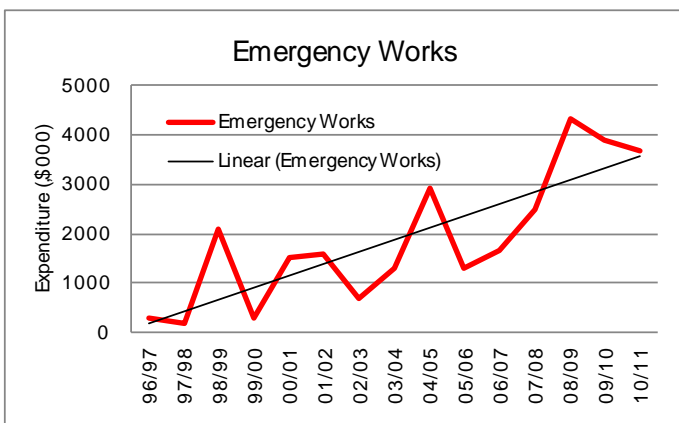
Land Transport (Roothing) (continued)

and rail networks are essential infrastructure for community and economic development in the District. Asset management and long term renewal of transport infrastructure demonstrates a commitment to sustaining the current network with minor growth in response to development. These aspects of the Land Transport activity specifically require Council to take a long term view and consider both present and future needs.

The current economic downturn may affect the timing of some projects. The affordability of any proposed rates increase is a real concern over the next two years and this has resulted in some hard decisions by Council in this LTP. Council intends to proceed with a 'business as usual' approach in most areas. As a result, overall there will be no significant level of service change in the near future.

Relationship to Climate Change/External Impacts

Climate change will impact on the land transport network in several ways. Most importantly the more extreme weather events will cause significant damage to the network, which will result in associated disruption and repair costs. This trend is already evident as seen in the rising trend of emergency works shown in the graph below.



Other impacts will be in the size of waterways, frequency of snow events and, in the future, the types of traffic carried by the roads and the proportion of freight transported by rail. Some areas may become more intensively farmed or forested and others less so, impacting on the potential future demand on the road network.

Key Issues for Land Transport

Pastoral farming is expected to remain the main demand generator for the District's roading network. However, the following factors are also likely to have significant impacts:

- Larger vehicles will put more stress on the rural roading network.
- Forestry will continue to have a major impact on roads throughout this planning period and the impact will need to be assessed and financial provisions put in place as required. It is estimated that there are in excess of 36,500ha of forestry in the District that would yield 24 million tonnes of logs and will generate one million logging truck movements in each direction.
- Recent bridge inspections have indicated some bridge deterioration. In addition, a number of bridges in the District are approaching the end of their design life. Ongoing maintenance does not increase the design life of a bridge, as all components weaken with age. There is a forecast need for bridge structure replacement of \$518,000 per annum over the next 20 years (in 2011 dollars, not inflation adjusted). This is expected to increase significantly over the next 20 years (2032 to 2051) as many of the District's bridge were built between 1940 and 1965. It is important to recognise this cost going forward.
- The need for Area Wide Pavement Treatment (the sub-surface of the road) as a least cost maintenance option is expected to increase as roads progressively reach the end of their economic life, and the increased use of heavy vehicles increases.

However, the overall focus for the Land Transport Activity will be to continue to focus on the following areas:

- Removing weight restrictions from a number of bridges in the District.
- Maintaining and improving a road network able to cater for increasing tourism in remote areas through minor improvements such as straightening, widening and limited sealing roads of roads, eg, bridge approaches.
- Ensuring all road users on roads associated with the cycle trails are safe (Council is looking at developing a Bylaw to manage this).
- Council will rationalise development of new footpaths based on the following criteria:
 - That footpaths will be installed where traffic flow is in excess of 300 vehicles per day and the number of dwellings or business premises exceed 7.5 per 100 metres.

This is a change from the previous policy of having one footpath on residential streets and on both sides in all commercial areas. This previous approach consistently



Land Transport (Roothing) (continued)

proved to be unaffordable. The new policy will focus on areas of high use, eg, around marae, schools, community housing and CBDs.

- Waiouru and Pipiriki Communities - concepts for these communities are being investigated but will rely on community support for the projects to proceed.
- The majority of the work associated with the Central North Island Rail Trail and the Mountains to the Sea Cycle Trail is nearing completion. The key issues here will be to ensure safety for all users of the trails, along with some routine maintenance of trail surfaces.

Negative Effects

Negative Effect	Mitigation
There are significant negative effects associated with the provision of a roads service including landscape amenity values, increased erosion, stormwater and flood protection, runoff, noise, dust, vehicle emissions and traffic safety.	<p>Council mitigates many of these effects through the provisions in its maintenance and improvement contracts. Council also supports this approach by inspections of road conditions, regular reporting by its contractor, audit of contractor performance and responding to public notification of road condition problems.</p> <p>Council aims to achieve dust suppression by the use of appropriate maintenance aggregates and seal extension.</p> <p>Erosion and sedimentation during routine road works are minimised using industry controls such as sediment filters and traps with disposal and fill sites located no closer than 20 metres from riparian margins.</p> <p>Council's Land Transport Bylaw and Policy supports the protection of its road network by regulating the behaviour of people who impact on road conditions.</p>

Key Challenges

- The key challenge for the Land Transport activity over the life of the LTP will be managing roading costs, driven by contract cost adjustment and inflation. As detailed in Part 1, there has also been a reduction in funding from NZTA in relation to a number of Council's work programmes.
- Funding of footpath renewals and other unsubsidised work has often been reduced to minimise cost increases. For footpath renewals, budgets reductions need to be avoided if the backlog of deferred renewals and the ongoing renewal programme is to be achieved.
- Longer term funding for bridge renewals (see above).





Land Transport (Roding) (continued)

Levels of Service

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.

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
All District roads provide continuous all weather travel that is safe and accessible.	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.	New Measure	New Measure	55%	55%	55%	55%	55%
		Maintaining the sealed roads (defects/km).	20 for year	< 4 per quarter	<5.5 per quarter	<5.5 per quarter	<5.5 per quarter	<5.5 per quarter	<5.5 per quarter
		Maintaining the unsealed roads (defects/km).	13 for year	<7 per quarter	<4 per quarter	<4 per quarter	<4 per quarter	<4 per quarter	<4 per quarter
		Amount of Development Contributions collected for Land Transport being used for growth related projects per year.	New Measure	New Measure	100%	100%	100%	100%	100%
		The programmed improvement works are completed.	Programmed	79%	85%	80%	80%	80%	80%
Managing the network with a strong focus on safety to avoid or mitigate significant hazards.	The safety of the land transport network is acceptable to users.	Emergency events are made safe promptly.	82%	85%	85%	85%	85%	85%	85%
		Percentage of instances each quarter when service calls reporting these sites are made safe within two hours plus travel time.							
		Number of reported fatal accidents per annum, where the condition of the road was a factor.	0	< 1	1	1	1	1	1
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.	Number of reported serious accidents* per annum, where the condition of the road was a factor.	6 for year	< 8	<6	<6	<6	<6	<6
			New Measure	New Measure	90%	90%	90%	90%	90%

* Serious accidents - as per Police definition.

Part 3 - Activities



Land Transport (Roading) (continued)

Major Capital Projects

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

Year	Total Cost (\$)	Description	Growth/LoS/Renewal
2012/13-2014/15	799,710	Completion of Whanganui River Road seal extension	Growth
2012-22	9,200,000	Minor improvements	LoS
2012-22	23,000,000	Sealed road rehabilitation	Renewal
2012-22	9,000,000	Unsealed road metalling	Renewal
2012-22	9,000,000	Sealed road surfacing	Renewal

Activity Expenditure

Comparatives may not match, as some activities are now in different groups of activities than in previous years.

	Exceptions										
	Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Accelerated and Enhanced	-	77	77	77	77	77	77	77	77	77	77
Footpath	165	366	385	399	413	427	442	459	474	490	511
Mainstreet South	136	112	107	103	98	92	85	77	68	60	49
Mainstreet North	73	54	52	50	48	44	40	35	30	25	18
Subsidised Roading	10,843	12,180	12,489	12,799	13,398	13,725	14,083	14,916	15,311	15,710	16,746
Total Expenditure	11,217	12,789	13,110	13,428	14,034	14,365	14,727	15,564	15,960	16,362	17,401

Note: Non-cash transactions, which includes depreciation expense.





Land Transport (Roading) (continued)

Forecast Funding Impact Statement

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	4,648	4,757	4,779	5,113	5,174	5,238	5,740	5,773	5,825	6,494
Targeted rates (other than a targeted rate for water supply)	5,231	184	184	185	185	185	185	184	184	183	182
Subsidies and grants for operating purposes	4,435	4,920	5,028	5,205	5,366	5,527	5,704	5,904	6,122	6,330	6,552
Fees, charges, and targeted rates for water supply	96	96	99	102	106	109	112	116	120	125	129
Local authorities fuel tax, fines, infringement fees, and other receipts	197	241	247	254	261	267	274	282	291	299	308
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	9,959	10,089	10,315	10,525	11,031	11,262	11,513	12,226	12,490	12,762	13,665
Applications of Operating Funding											
Payments to staff and suppliers	6,072	6,816	7,035	7,261	7,486	7,710	7,959	8,237	8,542	8,833	9,140
Finance Costs	687	580	616	663	717	775	837	884	929	987	1,029
Internal charges and overheads applied	701	719	762	785	811	836	863	884	905	928	958
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	7,460	8,115	8,413	8,709	9,014	9,321	9,659	10,005	10,376	10,748	11,127
Surplus (deficit) of operating funding (A-B)	2,499	1,974	1,902	1,816	2,017	1,941	1,854	2,221	2,114	2,014	2,538
Sources of capital funding											
Subsidies and grants for capital expenditure	5,347	4,599	4,860	4,584	5,503	5,544	5,726	5,721	6,058	6,139	6,349
Development and financial contributions	116	409	425	447	465	486	506	532	556	584	613
increase (decrease) in debt	418	395	559	676	850	1,001	1,051	771	975	1,166	743
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	5,881	5,403	5,844	5,707	6,818	7,031	7,283	7,024	7,589	7,889	7,705
Applications of capital funding											
Capital expenditure											
- to meet additional demand	588	930	958	923	992	999	984	994	1,055	1,067	1,102
- to improve the level of service	2,351	716	685	624	765	731	754	635	708	683	704
- to replace existing assets	5,441	5,711	6,089	5,966	7,071	7,238	7,399	7,618	7,946	8,163	8,447
Increase (decrease) in reserves	-	20	14	10	7	4	-	(2)	(6)	(10)	(10)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	8,380	7,377	7,746	7,523	8,835	8,972	9,137	9,245	9,703	9,903	10,243
Surplus (deficit) of capital funding (C-D)	(2,499)	(1,974)	(1,902)	(1,816)	(2,017)	(1,941)	(1,854)	(2,221)	(2,114)	(2,014)	(2,538)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-



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

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.

Rationale For Delivery

Council adopted Outcomes in November 2011. The Stormwater activity aims to mitigate problems of flooding in urban areas that pose hazards to people, roads and the urban economy. Under the LGA, Council is required to assess water services and future demand on Stormwater (Sections 125 to 127).



Relationship to Community Outcomes

The Stormwater activity targets the following Outcomes by providing core services, working towards providing a cleaner and safer environment and by allowing opportunities for community involvement in planning.

- Core Infrastructure (water, wastewater, waste management and minimisation, power and roading) keep 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.

Relationship to Planning Assumptions

The expected growth in the District, especially in new developments, will result in more impermeable surfaces and the effects of stormwater on the environment will grow, unless managed effectively by Council. Part of this management will be that new developments will contribute to the cost of improving stormwater systems, through the Development Contributions Policy. Council will continue to improve its stormwater systems, both in relation to growth in the District and as an ongoing policy to reduce the risk of flooding. Developers of new subdivisions will be required to put retention systems in place to assist in managing stormwater.

The increasing urbanisation of the District means that Council will have to increase its direct interventions into urban stormwater networks. Whilst rural stormwater channels can be very effectively managed by the farming community, it becomes difficult to achieve useful consensus about stormwater issues, such as drain clearance, in an urban situation. Consequently, it is expected that Council will become increasingly involved in the maintenance of urban drains. This is an increased level of service.

Relationship to Sustainability

The relationship of Stormwater to sustainability is twofold. Council needs to take an approach that is both economically sustainable for the community, while also attempting to mitigate the negative effects of stormwater on the community and the environment. Flooding can have devastating effects, both in the loss of lives, property and environmental damage. Therefore, the cost of these must also be taken into account. This plan aims to balance the need for improvement of stormwater infrastructure alongside the associated costs to the community.





Stormwater and Flood Protection (continued)

Relationship to Climate Change/External Impacts

Predictions of some of the direct impacts on the District include changes to the overall climate and seasons including warmer, drier summers and wetter winters, with more extreme weather events such as heavy storms. This will have a direct and very real effect on the Stormwater activity. Over the life of this plan, Council intends to improve its stormwater system for future-proofing against more intense storm events. One practical result of these considerations will be the need for more stormwater detention areas, particularly around new developments and in urban areas. These changes will be a long-term process as there are also other considerations involved, eg, the ability and willingness of the community to pay for such improvements.

The current economic downturn may affect the timing of some projects. The affordability of any proposed rates increases is a real concern and, over the next two years, Council intends to proceed with 'business as usual' in an attempt to keep costs down. Overall, there will be no significant level of service increases over this time. However, this will be reassessed as expected improvements to the economic climate occurs.

Additional Asset Capacity

Included in the Stormwater activity are a number of reticulation development projects. These projects are itemised in Council's Stormwater and Flood Protection AMP. These works are predominantly in response to the community's requests for higher levels of service, eg, the replacement of open drains with piped reticulation.

Negative Effects

Negative Effect	Mitigation
The stormwater and flood protection runoff naturally contains debris and chemicals that are present in the catchment area.	Stormwater and flooding runoff is monitored by Horizons Regional Council for water quality and other effects.
Due to the presence of these chemicals and other debris, the disposal of stormwater and flooding into natural watercourses may have negative effects on the quality of the receiving aquatic environment.	Council maintains its stormwater and flood protection system to reduce the level of flooding within the District. Council will undertake a public awareness campaign including labelling of drains.

Key Challenges

- There is a significant volume of aging pipe, which forms part of a rolling replacement programme.
- The key to open watercourse capacity is the removal of vegetation and other obstructions from the water channel. This is particularly prevalent in Ohakune and Taumarunui and emphasis will be placed in these areas over this LTP period. This will be achieved through:
 - Education campaign.
 - Spray programme.
 - Vegetation removal programme.
- Taumarunui internal drains do not have the capacity to release water through the stopbank in storm events which do not coincide with the Whanganui River in full flood. This LTP period will focus on improving this situation.
- A Stormwater and Flood Protection Strategy will be developed for key urban areas.



Stormwater and Flood Protection (continued)

Levels of Service

Outcomes

- Providing safe living through delivery of appropriate wastewater infrastructure, and keep 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.

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
To provide and maintain an appropriate level of infrastructure.	Continuity of service.	Percentage of respondents to customer survey who are satisfied or very satisfied with the LoS (measured annually).	89%	70%	70%	70%	70%	70%	70%
		Percentage of stormwater blocked drain incidents attended on site within two hours.	94%	75%	75%	75%	75%	75%	75%
		Percentage of stormwater service for blocked drains restored within six hours.	99%	50%	75%	75%	75%	75%	75%
Capacity/degree protection.	of	Stormwater reticulation in new developments is fully compliant with subdivision standards for design storm events.	New Measure	New Measure	100%	100%	100%	100%	100%

Major Capital Projects

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

Year	Cost - \$000	Project Description	Growth/LoS/Renewal
2012-14	78	National Park - Piping Open Channels	LoS
2014/15	104	Ohakune - Piping Open Channels	LoS
2013/14	354	Ohakune - Diversion Drain B to Mangateitei	LoS
2014/15	166	Taumarunui - Tuku Street Culvert	Renewal

Activity Expenditure

Comparatives may not match, as some activities are now in different groups of activities than in previous years.

	Exceptions											
	Annual Plan 2012	Forecast 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Stormwater Management	889	795	761	805	855	879	894	940	964	988	1,046	
Total Expenditure	889	795	761	805	855	879	894	940	964	988	1,046	

Note: Non-cash transactions, which includes depreciation expense.





Stormwater and Flood Protection (continued)

Forecast Funding Impact Statement

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	346	349	330	349	371	381	386	407	416	425	450
Targeted rates (other than a targeted rate for water supply)	345	349	330	349	371	381	386	407	416	425	450
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	2	2	2	2	2	2	2	2	3	3	3
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	693	700	662	700	744	764	774	816	835	853	903
Applications of Operating Funding											
Payments to staff and suppliers	320	282	221	230	237	246	255	263	277	286	297
Finance Costs	52	49	67	90	105	111	110	113	119	123	125
Internal charges and overheads applied	92	114	121	124	128	132	137	140	143	147	152
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	464	445	409	444	470	489	502	516	539	556	574
Surplus (deficit) of operating funding (A-B)	229	255	253	256	274	275	272	300	296	297	329
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	96	5	6	6	6	7	7	7	8	8	9
increase (decrease) in debt	167	119	435	259	172	14	(13)	111	129	16	79
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	263	124	441	265	178	21	(6)	118	137	24	88
Applications of capital funding											
Capital expenditure											
- to meet additional demand	41	13	38	17	11	9	9	70	88	19	10
- to improve the level of service	164	139	435	298	227	79	52	114	118	80	59
- to replace existing assets	287	143	78	102	98	289	323	310	218	335	348
Increase (decrease) in reserves	-	84	143	104	116	(81)	(118)	(76)	9	(113)	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	492	379	694	521	452	296	266	418	433	321	417
Surplus (deficit) of capital funding (C-D)	(229)	(255)	(253)	(256)	(274)	(275)	(272)	(300)	(296)	(297)	(329)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-



Wastewater (Sewerage)

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 authorities in Waiouru to provide wastewater services for the town.

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 2,811 rateable service connections.

Rationale for Delivery

Council adopted Outcomes in November 2011 which reflect the community's overall aspirations for the District.

Untreated or partially treated wastewater contains pathogens and nutrients that can be harmful to humans and the environment. Wastewater may accumulate on the ground, percolate into the groundwater or flow into nearby waterways. This poses public health risks and can damage terrestrial and aquatic environments. Council's Wastewater activity is aimed at managing, avoiding and mitigating these potential impacts.

Council is required under the LGA to assess water services and future demand on wastewater (Sections 125 to 127).



Outcomes Targeted by this Activity

The Wastewater activity targets the following Outcomes by providing core services, working towards providing a cleaner and safer environment and by allowing opportunities for community involvement in planning:

- ▶ That the impact of waste on the environment is minimised.
- ▶ Core infrastructure (water, wastewater, waste management and minimisation, power and roading) keep 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.

Relationship to Planning Assumptions

New development and growth in subdivisions in parts of the District will create demand for additional wastewater infrastructure over time. Renewal of resource consents for Ohakune, Raetihi and National Park will see upgrades to these plants. Investigating options for these projects will take place during the first part of this LTP period. Council is signalling the potential need for new Wastewater Treatment Plants and systems for Owahango, Raurimu and Horopito in the long term.

Relationship to Sustainability

The effective treatment of wastewater requires large areas of land, especially for the various wetland methods. There are other significant constraints inherent in the treatment of wastewater, including soil types, neighbourhood sensitivity and ambient temperature ranges. All of these make the positioning of wastewater treatment systems difficult. Council carefully considers the environment when developing and improving its wastewater schemes and considers the sustainability of the environment as very important in this process.

The cost of new schemes will be met in part by Development Contributions, but there will also be a cost on ratepayers. Large increases in costs for schemes may be economically unsustainable and Council will need to carefully consider these issues when making decisions.

Relationship to Climate Change/External Impacts

Climate change may have a serious effect on this activity. If the predicted rise in rain events occurs, there will be issues with stormwater infiltration into the wastewater system. This will





Wastewater (Sewerage) (continued)



Taumarunui Camping Ground Wastewater Pumping Station

cause the wastewater system to be ineffective for periods of time and could cause overflows that may pollute the environment and increase the public health risk. Council will continue to monitor the effectiveness of its wastewater system over the life of this plan and make provision for improvements in future plans as it updates and improves its understanding of the effectiveness and limitations of the present system. Septic tanks also may not be an environmentally ideal solution under such conditions.

The current economic downturn may affect the timing of some projects. The affordability of any proposed rates increases is a real concern and over the next two years Council intends to proceed with 'business as usual' in an attempt to keep costs down. Overall there will be no significant Level of Service increases over this time.

Additional Asset Capacity

Increasing environmental standards required by both the community and legislation are causing the need to upgrade wastewater assets. In order to ensure compliance with these standards, development works are planned in Ohakune.

There is ongoing reticulation upgrades in all townships as pipes age and as the towns grow. Approximately 33% of the network reticulation will require replacing in the near future, with 11% constructed earlier than the 1950s. In Ohakune, there will also be a need to provide additional asset capacity as the town grows.

Negative Effects

Negative Effect	Mitigation
The collection, treatment and discharge of wastewater has a negative effect on the environment through the final disposal of the treated wastewater.	Council mitigates these effects by treating wastewater to an agreed level that meets resource consent conditions.
The collection, treatment and discharge of wastewater is an issue of concern to Iwi groups in the District. Iwi has strong preferences as to the methods that should be used to treat and dispose of wastewater. However, due to reasons of cost efficiencies and practicalities, these preferences cannot always be accommodated. Discussions on these issues will continue.	Council attempts to mitigate Iwi concerns by the utilisation of wetland systems. These systems allow Council to discharge treated wastewater onto land prior to it entering waterways.
Wastewater discharges may also contribute to pollution issues experienced downstream of these treatment facilities. The Proposed One Plan new targets for wastewater treatment that will require significant investment.	Council's contractor has prepared a Health and Safety Assessment of Council's systems to assist it to prioritise, plan and implement mitigation measures. This report is available to view at Council's office.

Key Challenges

- Three Wastewater Treatment Plant resource consents will expire in 2015. Investigations and planning will be undertaken in the next three years to achieve these goals.
- Renewal of aging pipes and assessment of the hydraulic capacity within each town's Water Supply.
- Increasing demand on Wastewater infrastructure from growth over the next 20 years, particularly in the south of the District.

Part 3 - Activities



Wastewater (Sewerage) (continued)

Levels of Service

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.

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
To provide and maintain appropriate level of infrastructure.	Public Safety - Continuity of W a s t e w a t e r collection system.	The number of blockages per 100km of pipeline per annum (excludes private blockages and third party damages).	New Measure	New Measure	<70	<70	<70	<70	<70
		Properties within developed urban areas are able to connect to a reticulated Wastewater disposal system where they are provided.	New Measure	New Measure	100%	100%	100%	100%	100%
	Responsiveness to infrastructure issues.	Percentage of Wastewater pipe break, choke or overflow incidents attended on site within two hours.	100%	75%	75%	75%	75%	75%	75%
		Percentage of Wastewater service for pipe break, choke or overflow restored within six hours.	100%	75%	75%	75%	75%	75%	75%
Environmental Sustainability.	Quality of treated Wastewater discharged complies with relevant resource consents. The number of non-compliances from Horizons.	<3	6	<'5'	<'5'	<'5'	<'5'	<'5'	

Major Capital Projects

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

Year	Cost - \$000	Project Description	Growth/LoS/Renewal
2016-22	1045	Ohakune - New Treatment Plant (subject to resource consent)	LoS
2012-17	536	Raetihi - Reticulation Programme	Renewal
2016/17 and 2021/22	618	National Park - Wastewater Treatment Plant	Renewal
2013/14	670	Raetihi - Renewal of Mains and Treatment	Renewal
2012-22	2,160	Taumarunui - Renewal of Mains and Treatment	Renewal

Activity Expenditure

Comparatives may not match, as some activities are now in different groups of activities than in previous years.

	Exceptions										
	Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Wastewater National Park	161	173	176	177	185	201	218	225	226	246	284
Wastewater Ohakune	645	616	623	630	652	684	722	782	842	915	998
Wastewater Pipiriki	54	52	50	53	57	62	65	68	71	75	79
Wastewater Raetihi	286	281	291	306	333	365	395	421	428	431	443
Wastewater Rangataua	111	99	101	103	106	108	110	115	120	122	129
Wastewater Taumarunui	923	950	915	999	1,035	1,066	1,095	1,138	1,160	1,185	1,233
Wastewater Waiouru	76	64	66	69	72	75	79	83	88	94	100
Total Expenditure	2,256	2,235	2,222	2,337	2,440	2,561	2,684	2,832	2,935	3,068	3,266

Note: Non-cash transactions, which includes depreciation expense.





Wastewater (Sewerage) (continued)

Forecast Funding Impact Statement

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	(46)	(29)	(32)	(33)	(33)	(33)	(34)	(35)	(36)	(37)	(38)
Targeted rates (other than a targeted rate for water supply)	2,009	2,194	2,182	2,294	2,395	2,512	2,633	2,779	2,879	3,011	3,205
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	33	61	63	66	68	71	73	76	79	82	85
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	1,996	2,226	2,213	2,327	2,430	2,550	2,672	2,820	2,922	3,056	3,252
Applications of Operating Funding											
Payments to staff and suppliers	1,012	973	936	1,035	1,074	1,116	1,156	1,197	1,239	1,291	1,343
Finance Costs	310	283	287	293	318	375	432	469	508	568	611
Internal charges and overheads applied	212	268	284	292	302	311	321	329	337	346	357
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,534	1,524	1,507	1,620	1,694	1,802	1,909	1,995	2,084	2,205	2,311
Surplus (deficit) of operating funding (A-B)	462	702	706	707	736	748	763	825	838	851	941
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	197	18	18	19	20	21	22	24	24	25	27
Increase (decrease) in debt	702	29	(2)	89	655	1,093	733	593	744	1,275	323
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	899	47	16	108	675	1,114	755	617	768	1,300	350
Applications of capital funding											
Capital expenditure											
- to meet additional demand	193	8	10	36	212	90	118	220	171	313	81
- to improve the level of service	770	119	89	127	486	717	470	236	385	773	118
- to replace existing assets	398	475	461	446	765	964	863	893	953	981	989
Increase (decrease) in reserves	-	147	162	206	(52)	91	67	93	97	84	103
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,361	749	722	815	1,411	1,862	1,518	1,442	1,606	2,151	1,291
Surplus (deficit) of capital funding (C-D)	(462)	(702)	(706)	(707)	(736)	(748)	(763)	(825)	(838)	(851)	(941)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-



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 6,220 rateable service connections.

Rationale for Delivery

The Future Ruapehu Community Outcomes Report 2005 consultation highlighted that water supply is perceived by communities to be one of Council's essential services and should remain Council's responsibility.

Council is required under the LGA to assess the need and provision of water services, including water supply (Sections 125 to 127) and to retain its water supplies.

Council also has obligations under the Horizons Regional Plan (the One Plan) on the way it delivers and manages water.

Outcomes Targeted by this Activity

The Water Supply activity targets the following Outcomes, by providing core services, working towards providing a cleaner and safer environment and by allowing opportunities for community involvement in planning.



Ohakune Water Supply Tanks

- 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.
- That the community works together to ensure that our environment is accessible, clean and safe and that our water, soil and air meeting acceptable, affordable standards.

Relationship to Planning Assumptions

The supply of water is important to communities' health and wellbeing. Council has a responsibility to ensure that clean healthy water is available to those communities it supplies water to, for both domestic and commercial use. With ongoing development in communities like Ohakune, Council will need to closely monitor the use of water to ensure that a continuous supply is available.

Relationship to Sustainability

Water is vital for life and good, clean water is important for the sustainability of the environment and the community. It is important that Council manages both the quality and quantity of the District's water resources to protect the sustainability of the community, now and into the future. Issues like leakage will be addressed over the life of this plan, as well as continuing to introduce and expand the use of water meters to improve demand management, ensuring that water is not wasted.

In the future, the operating environment for the Water Supply activity is likely to be impacted by Central Government actions to sustainably manage water resources across New Zealand. Examples of this include current proposed national standards and policy statements on water management under the RMA. A Water Supply and Demand Strategy will be required to place emphasis on meeting National Environmental Standards.

Relationship to Climate Change/External Impacts

With climate change predictions for Ruapehu expecting drier summers and autumns and wetter winters and springs, the quality and quantity of water into the future is a serious concern to Council. Council will closely monitor the trends to ensure that it has good information on supply options and needs, especially in dry summers.





Water Supply (continued)



Hakiaha Street, Taumarunui
- Burst Water Main

The initial assumptions are that more storage will be needed, demand management must be improved and wastage of water must be reduced. Wastage is being addressed by water metering and the replacement of leaky old pipes. Water consumption tends to decrease substantially and conservation improves when water is charged for.

The current economic downturn may affect the timing of some projects. The affordability of any proposed rates increases is a real concern and over the next two years Council intends to proceed with 'business as usual' in an attempt to keep costs down. Overall, there will be some level of service increases associated with regulations and Central Government legislation and some community desire, over this time. However, this will be reassessed as expected improvements to the economic climate occurs.

Additional Asset Capacity

Council continues its asset development programme to ensure that water supplies in the District are upgraded to comply with legislative changes, Drinking Water Standards and to allow for increasing tourism demand. E.coli compliance is currently achieved in all-weather events. The ability to achieve low turbidity levels during high rainfall events is a struggle. Potentially, money is better spent on more storage to cover storm events and provide better resilience than adding more filters. Council expects these upgrades to be completed within legislative timeframes.

Due to continued growth in the south of the District, Council will be investigating options for future water supplies in the Waimarino area over the next ten years of this LTP. Monitoring the level of demand in the coming years and results of investigations into potential new sources or changes to the current networks will determine how Council responds to this issue in the future. Council will investigate options for a new water supply to service the Waimarino Plains, which would replace the existing plants in Ohakune and Raetihi.

Negative Effects

Negative Effect	Mitigation
The provision of water supply services unintentionally results in negative environmental and cultural impacts on waterways which are often the source of supply of drinking water.	Council mitigates these effects by drawing water to an agreed level that meets resource consent conditions.
Council use of waterways has an opportunity cost to others through reducing the amount of water that may be used by others, eg, commercial or industrial businesses and farms. This may have a detrimental economic impact on those businesses.	In addition, Council's contractor has prepared a Health and Safety Risk Assessment to assist Council to prioritise, plan, and implement mitigation measures. This report is available to view at Council Offices.

Key Challenges

- NZ Drinking Water Standards (NZDWS 2005, updated in 2008) – as discussed above, one of the key issues for the District in relation to Water Supply is achieving compliance with the NZDWS. This requires that all Council's public water supplies meet specified standards by 2014. The District Water Supplies achieve E.coli compliance at all plants. The installation of water storage tanks at the Water Treatment Plants will be a significant step towards community resilience. The advantage of water storage tanks is that they enable Council to avoid taking water from streams when there are high levels of turbidity (eg, during storm events). By providing appropriate storage, National Park and Ohango Water Supplies potentially can avoid further chemical treatment, and Ultra-Violet light treatment used. Protozoa compliance has not yet been addressed. There is debate about the benefits of protozoa compliance for minor, small and neighbourhood supplies which needs to be considered on a case by case basis. The report can be found at www.health.govt.nz/publications/drinking-water-cost-benefit-analysis. The approach taken in this LTP reflects the "best practical steps" towards compliance.



Water Supply (continued)

➤ Consumption—good practice in terms of water consumption is between 250 and 300 litres per person per day. However, water consumption in the District is significantly above this level. This is both inefficient, in terms of the use and treatment of a physical resource, but also has significant cost implications as inefficient water usage can bring forward the need for new/enlarged Water Treatment Plants. Alternatively, reducing water consumption can delay the need for significant works,

eg, the need for a new Waimarino Water Treatment Plant could be delayed, with significant savings to ratepayers. To address issues associated with water consumption, Council will develop a Water Demand Strategy, which will investigate options for changing people's behaviour in relation to water usage.

Levels of Service

Outcomes

- Providing safe living through delivery of appropriate water infrastructure, and keep pace with growth demand.
- Excellent standards of safety and welfare are promoted and respected.
- Caring for our environment: That the urban environment is beautiful, tidy, clean, safe, and accessible.

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
To provide and maintain an appropriate level of infrastructure to the communities defined to be supplied potable water by Council.	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.	New Measure	New Measure	<3	<3	<3	<3	<3
		Comply with New Zealand Drinking Water Standards for Free Available Chlorine (FAC) and E.coli.	95%	95%	95%	95%	95%	95%	95%
	Public Safety - pressure and flow.	Percentage of no water and poor pressure incidents attended on site within two hours.	90%	90%	90%	90%	90%	90%	90%
		Percentage of minor* leaks and burst pipes restored within 72 hours.	New Measure	New Measure	100%	100%	100%	100%	100%
Responsiveness.	Percentage of major* leaks and burst pipes attended on site within two hours.	100%	75%	75%	75%	75%	75%	75%	
	Percentage of major* leaks and burst pipes restored within six hours	100%	75%	75%	75%	75%	75%	75%	

* Major and minor leaks are determined by Request for Service information.





Water Supply (continued)

Major Capital Projects

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

Year	Cost - \$000	Project 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

Activity Expenditure

Comparatives may not match, as some activities are now in different groups of activities than in previous years.

	Exceptions	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Annual Plan	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	2012	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Water National Park	190	227	237	241	251	259	268	282	291	301	318
Water Ohakune	711	712	727	743	770	793	821	868	888	909	953
Water Ohura	174	204	210	215	222	227	232	240	246	253	261
Water Owhango	151	149	181	210	228	248	264	283	298	323	360
Water Raetihi	315	311	329	344	360	371	387	408	418	429	448
Water Taumarunui	1,323	1,339	1,360	1,377	1,410	1,427	1,457	1,541	1,584	1,599	1,647
Water Waiouru	70	76	79	81	84	87	89	92	96	99	103
Total Expenditure	2,934	3,018	3,123	3,211	3,325	3,412	3,518	3,714	3,821	3,913	4,090

Note: Non-cash transactions, which includes depreciation expense.

Part 3 - Activities



Water Supply (continued)

Forecast Funding Impact Statement

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	(29)	-	(1)	(1)	(1)	(2)	(2)	(2)	(3)	(4)	(4)
Targeted rates (other than a targeted rate for water supply)	2,532	2,624	2,712	2,787	2,883	2,953	3,046	3,224	3,313	3,385	3,540
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	369	374	389	402	417	433	448	464	481	501	522
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,872	2,998	3,100	3,188	3,299	3,384	3,492	3,686	3,791	3,882	4,058
Applications of Operating Funding											
Payments to staff and suppliers	1,248	1,293	1,349	1,398	1,449	1,503	1,556	1,612	1,673	1,741	1,812
Finance Costs	518	445	468	488	501	514	552	602	619	628	632
Internal charges and overheads applied	227	284	302	311	321	331	342	350	358	367	379
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,993	2,022	2,119	2,197	2,271	2,348	2,450	2,564	2,650	2,736	2,823
Surplus (deficit) of operating funding (A-B)	879	976	981	991	1,028	1,036	1,042	1,122	1,141	1,146	1,235
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	38	8	9	9	10	10	10	11	12	12	13
increase (decrease) in debt	71	189	383	59	245	194	1,076	765	57	473	129
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	109	197	392	68	255	204	1,086	776	69	485	142
Applications of capital funding											
Capital expenditure											
- to meet additional demand	56	19	44	18	42	43	100	136	39	104	48
- to improve the level of service	225	303	507	191	341	296	939	705	142	369	39
- to replace existing assets	707	639	572	774	895	863	863	856	912	801	919
Increase (decrease) in reserves	-	212	250	76	5	38	226	201	117	357	371
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	988	1,173	1,373	1,059	1,283	1,240	2,128	1,898	1,210	1,631	1,377
Surplus (deficit) of capital funding (C-D)	(879)	(976)	(981)	(991)	(1,028)	(1,036)	(1,042)	(1,122)	(1,141)	(1,146)	(1,235)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-





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, landfill waste 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 is likely to increase when solid waste enters the Emissions Trading Scheme (ETS) in 2013 and when the District landfill closes. This could potentially cost \$25 per tonne or \$112,500 per annum, based on current annual tonnage to the landfill in 2011.

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. Council will also assess the costs and benefits of closing the landfill earlier.

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

Rationale For Delivery

- ▶ The Health Act 1956 requires Council to provide this activity to ensure that the public suffers no adverse effects due to the accumulation of refuse (both legal and illegal).



Council contractors emptying kerbside recycle bins on refuse collection day.

- ▶ The Future Ruapehu Community Outcomes 2005 consultation process highlighted community priorities including that the impact of waste on the environment is minimised.
- ▶ The Waste Minimisation Act 2008 requires councils to promote effective and efficient waste management within their District.

Outcomes Targeted by this Activity

The Waste Management and Minimisation activity targets the following Outcomes by providing core facilities, opportunities for community involvement and participation, retaining the excellent quality of natural resources and working towards improving the environment with the goal of waste minimisation.

- ▶ That the impact of waste on our environment is minimised.
- ▶ Core infrastructure (water, wastewater, waste management and minimisation, power and roading) keep pace with growth demands.
- ▶ 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.

Relationship to Planning Assumptions

Council continuously and systematically records the amount of solid waste produced by residents and visitors in the District and is looking at ways to mitigate its impact. As a result of this monitoring Council can, and does, respond to changes in the activity due to growth. Council collects Development Contributions for Waste Management and Minimisation.

The pressure that the expanding ski tourism industry places on recycling and waste facilities mean that opening hours and general facility provision in Waimarino and National Park are regularly being monitored and reviewed. Initiatives to expand the collection of commercial recycling are in response to the growth in the District.

Relationship to Sustainability

This activity is closely linked to environmental sustainability in two main areas:

- ▶ Council's focus on waste management and minimisation aims to reduce both the amount of waste generated and the



Waste Management and Minimisation (continued)

use of natural resources. By promoting a reduction in waste and by increasing the amount of materials that are recycled and reused, less virgin natural materials are used to produce new goods and less waste is sent to landfill.

- The activity is designed to lessen the impact of residual waste on the environment through effective sustainable management of the landfill and other waste facilities. The AMP maps the direction for improving sustainability through this activity.

Relationship to Climate Change/External Impacts

The relationship of Waste Management and Minimisation activities to climate change is twofold. Waste disposal in landfill results in the emission of greenhouse gases (such as methane) that contribute to climate change. By managing the amount and types of waste entering landfills, this impact can be mitigated.

The second link to climate change is through greenhouse gas emissions from the fossil-fuel based energy, materials and processes used to produce much of the products that end up as waste.

Climate change impacts on the Waste Management and Minimisation activity will mostly be indirect, through stricter standards and national directions for waste management and minimisation activities. The Waste Minimisation Act 2008 is a key example of this. In a more direct sense, regular higher or extreme rainfall will create increasing volumes of leachate in the District landfill and this will be closely monitored by Council.

The landfill becomes part of the ETS in full, in January 2013. The costs of operating a landfill and disposing of waste will increase, with most of the cost being passed on to users of the landfill. To address this, Council is actively working to minimise waste. The approach is set out in the Waste Management and Minimisation Asset Plan 2012-22.

The current economic downturn may affect the timing of some projects. The affordability of any proposed rates increases is a real concern and, over the next two years, Council intends to proceed with 'business-as-usual' in an attempt to keep costs down. Overall there will be no significant Level of Service increases over this time. However, this will be reassessed as expected improvements to the economic climate occurs.

Additional Asset Capacity

Council operates one District landfill in Taumarunui which has a resource consent expiring in 2020. Capacity within the landfill is expected to be sufficient for current foreseeable needs and up to the end of the consented period. However, between 2013 and 2020, the site will cease to receive material. As a result, Council is signalling that, towards the end of this LTP period, there will be a need to dispose of waste outside the District. Depending on the economics of the situation, a cleanfill may be set up at the site. The use of the cleanfill will reduce the quantities of material requiring external disposal.

There are plans to expand and further develop the National Park and Waimarino transfer stations. Transfer stations are expensive to operate and consideration is being given to reducing the number of transfer stations from six to three over this LTP period.

In terms of service, Council is considering introducing an E-waste scheme. The scheme is aimed at collecting electronic waste (eg, old computer screens and TVs) and would be part-funded via contributions from the Waste Levy, with the remainder being funded through a user-pays system. Council will undertake a major drive on educating the public about ETS, composting and waste.

Negative Effects

Negative Effect	Mitigation
The Ruapehu community produces a significant amount of refuse. The uncontrolled dumping of this refuse would have considerable adverse effects on the environment and the standard of living for the community.	Gathering the refuse in a controlled way significantly reduces the effects.
The Waste Management and Minimisation activity collects refuse from around the District and deposits this at the District Landfill. The build up of waste in one area concentrates the effects that this refuse may have on its immediate environment. This includes negative effects such as water contamination, odour, and vermin nuisances.	The provision of a single landfill limits the area of possible contamination to one location. A single site allows landfill management resources to be concentrated on the mitigation of environmental effects. Performance of the District's landfill and closed landfills is monitored by Horizons Regional Council to ensure they meet resource consent conditions.





Waste Management and Minimisation (continued)

Key Challenges

- To date, the decrease in the volume of waste produced in the District has been significant, but is still less than target levels. This indicates that initiatives for waste minimisation have been successful, but new initiatives are still required to effectively reduce the volume of waste created in the District. Changes in waste volumes will have a considerable effect on the asset operations and financial planning.
- Affordability of recycling - recycling is currently provided at no cost to residential customers. The cost of the service is paid through income from waste disposal and through the sale of recycled materials. However, the markets for recycled materials are increasingly being saturated, which drives the price down. In addition, as landfill waste volumes reduce, the funding from waste disposal will reduce. A recycling charge may need to be applied to address increasing costs or the price of waste will become prohibitive and drive negative behaviour.

Levels of Service

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.

Goals	LoS	KPIs	Actual 2010/11	EAP 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015-18	Target 2019-22
Towards waste minimisation and a sustainable environment.	The community is provided with opportunities to recycle.	The portion of waste recycled increases by 1% annually for recyclable materials: glass, paper and cardboard, plastics.	4%	+1%	+1%	+1%	+1%	+1%	+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.	New Measure	New Measure	1: <1	1: <1	1: <1	1: <1	1: <1
	Legislative compliance is achieved	Resource consent breaches per quarter.	New Measure	New Measure	<3	<3	<3	<3	<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%	95%	100%	100%	100%	100%	100%
That the impact of waste on our environment is minimised.	Waste hierarchy (reduce, reuse, recover, redirect and refuse) promoted throughout the community.	Number of times the community is informed about Waste Hierarchy.	15	>2	>2	>3	>4	>5	>6
		Percentage of schools visited that express a desire to participate in the Education programme for Waste Minimisation in schools each year.	New Measure	New Measure	90%	90%	90%	90%	90%
To provide and maintain an appropriate level of infrastructure and people are informed about, and participate in, waste minimisation.	Community is satisfied with the overall level of service for waste management and minimisation.	Percentage of community satisfied with the overall LoS.	New Measure	New Measure	75%	75%	75%	75%	75%



Waste Management and Minimisation (continued)

Major Capital Projects

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

Year	Cost - \$000	Project Description	Growth/LoS/Renewal
2014/15	100	Taumarunui Resealing - Landfill	LoS
2012/13	120	Waimarino Transfer Station Development	Growth
2013/14	100	Waimarino Weighbridge	Growth

Activity Expenditure

Comparatives may not match, as some activities are now in different groups of activities than in previous years.

	Exceptions Annual Plan	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
Solid Waste Collection	833	890	929	961	995	1,032	1,067	1,102	1,141	1,184	1,230
Solid Waste Management	1,544	1,148	1,301	1,532	1,600	1,668	1,732	1,787	1,843	1,917	1,996
Total Expenditure	2,377	2,038	2,230	2,493	2,595	2,700	2,799	2,889	2,984	3,101	3,226

Note: Non-cash transactions, which includes depreciation expense.





Waste Management and Minimisation (continued)

Forecast Funding Impact Statement

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	364	658	802	1,014	1,062	1,109	1,152	1,187	1,221	1,268	1,321
Targeted rates (other than a targeted rate for water supply)	1,208	692	723	748	775	802	830	857	886	919	954
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	719	671	687	711	737	765	792	820	851	886	922
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,291	2,021	2,212	2,473	2,574	2,676	2,774	2,864	2,958	3,073	3,197
Applications of Operating Funding											
Payments to staff and suppliers	1,197	1,576	1,741	1,973	2,046	2,122	2,196	2,274	2,361	2,458	2,559
Finance Costs	105	42	50	62	74	85	89	86	88	93	95
Internal charges and overheads applied	971	297	314	324	335	345	356	365	373	383	395
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,273	1,915	2,105	2,359	2,455	2,552	2,641	2,725	2,822	2,934	3,049
Surplus (deficit) of operating funding (A-B)	18	106	107	114	119	124	133	139	136	139	148
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	22	49	52	54	57	60	62	66	69	73	77
increase (decrease) in debt	266	53	177	177	198	138	(17)	(30)	95	113	(29)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	288	102	229	231	255	198	45	36	164	186	48
Applications of capital funding											
Capital expenditure											
- to meet additional demand	55	34	130	94	144	107	23	12	89	39	13
- to improve the level of service	220	49	79	122	100	85	20	18	64	136	24
- to replace existing assets	31	55	96	40	88	118	45	36	98	50	85
Increase (decrease) in reserves	-	70	31	89	42	12	90	109	49	100	74
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	306	208	336	345	374	322	178	175	300	325	196
Surplus (deficit) of capital funding (C-D)	(18)	(106)	(107)	(114)	(119)	(124)	(133)	(139)	(136)	(139)	(148)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-



Part 4 - Financials

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Core Business Costs

Introduction

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

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

What Council Wants to Achieve

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

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

Council seeks to resource its activities in a way that is efficient, which means getting the most value from the least amount of funding. Council recognises that it has limited resources and takes a considerable 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 dog control, gambling, land

transport, water quality, raising more revenue for depreciation and resource management planning.

Demographic

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

Community Demand

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

Technological

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

Market Driven

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

Financial Strategy

Capital Funding

Council's use of funding mechanisms to fund capital development is as follows. Council will first apply, subsidies (Land Transport), Development Contributions, followed by loans and lastly rate funding. Borrowing is managed by the provisions of Council's Liability Management Policy (Refer; Liability Management Policy Part 5). The Prospective Financial Statements, including Forecast Statement of Public Debt, provide a forecast of public debt levels associated with borrowing.

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.





Core Business Costs (continued)

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

Cost of Support Statement

The Cost of Support Statement details the corporate support costs that are built into each of the ten 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.

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

- The global economic climate which impacts the national economy, influencing:
 - Commodity prices and export markets.
 - Inflation.
 - Employment.
 - Interest Rates.
- Council's strategic direction.
- Other external conditions, eg, climate extremes (drought, floods, etc).

Inflation

As discussed earlier in this LTP, 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 LTP.

Table 3 Adjustors: % per annum change

Year ending	Road	Property	Water	Energy	Staff	Other	Earthmoving	Pipelines	Private sector wages
	% pa change								
Jun 09	4.2	4.5	2.3	-2.6	3.2	4.5	5.9	10.2	3.2
Jun 10	3.6	1.8	1.1	0.6	2.2	1.2	2.6	1.8	1.6
Jun 11	2.6	1.7	3.7	0.3	1.6	2.7	2.0	4.9	1.9
Jun 12	4.3	3.9	4.5	5.5	2.6	3.6	5.5	5.7	2.6
Jun 13	3.8	3.0	4.2	4.8	2.5	2.4	4.1	5.2	2.4
Jun 14	3.1	2.9	3.9	4.7	2.4	3.2	3.4	4.4	2.3
Jun 15	3.5	2.9	3.5	4.7	2.4	3.2	2.9	3.7	2.3
Jun 16	3.1	3.0	3.7	5.0	2.6	3.4	3.0	3.8	2.4
Jun 17	3.0	3.1	3.8	5.1	2.6	3.5	3.3	4.2	2.5
Jun 18	3.2	2.8	3.5	4.6	2.4	3.4	3.5	4.5	2.2
Jun 19	3.5	2.8	3.5	4.5	2.3	3.3	3.8	4.8	2.2
Jun 20	3.7	3.0	3.8	5.0	2.6	3.3	4.1	5.2	2.4
Jun 21	3.4	3.3	4.1	5.4	2.7	3.6	4.3	5.5	2.6
Jun 22	3.5	3.3	4.1	5.4	2.7	3.5	4.4	5.7	2.6



Core Business Costs (continued)

Activity Expenditure

Comparatives may not match, as some activities are now in different groups of activities than in previous years.

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Support Services	24	30	39	40	42	44	44	45	48	50	52
Total Expenditure	24	30	39	40	42	44	44	45	48	50	52

Note: Includes non-cash transactions.





Cost of Support Statement

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$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	28	30	31	32	34	35	36	37	38	40	41
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	7,227	7,162	7,592	7,821	8,083	8,328	8,598	8,807	9,019	9,249	9,543
Total Operating Funding (A)	7,255	7,192	7,623	7,853	8,117	8,363	8,634	8,844	9,057	9,289	9,584
Applications of Operating Funding											
Payments to staff and suppliers	6,356	5,953	6,283	6,454	6,643	6,838	7,028	7,219	7,426	7,655	7,885
Finance Costs	415	443	458	467	474	482	489	491	491	491	491
Internal charges and overheads applied	-	469	497	512	529	545	563	576	590	605	624
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	6,771	6,865	7,238	7,433	7,646	7,865	8,080	8,286	8,507	8,751	9,000
Surplus (deficit) of operating funding (A-B)	484	327	385	420	471	498	554	558	550	538	584
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	(158)	(352)	(629)	(569)	(256)	(66)	(472)	(723)	(398)	(661)	(881)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(158)	(352)	(629)	(569)	(256)	(66)	(472)	(723)	(398)	(661)	(881)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	150	94	65	46	47	85	56	54	60	49
- to improve the level of service	65	209	125	144	93	228	59	49	63	65	54
- to replace existing assets	261	254	248	238	303	340	326	181	443	298	300
Increase (decrease) in reserves	-	(638)	(711)	(596)	(227)	(183)	(388)	(451)	(408)	(546)	(700)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	326	(25)	(244)	(149)	215	432	82	(165)	152	(123)	(297)
Surplus (deficit) of capital funding (C-D)	(484)	(327)	(385)	(420)	(471)	(498)	(554)	(558)	(550)	(538)	(584)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-



Funding Impact Statement

Introduction

Council is required under Schedule 10 (10) of the LGA to adopt a Funding Impact Statement. This Statement provides a summary of Council's funding sources over the ten year period, as well as the detailed rates requirement for the 2012/13 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 will affect rates from 1 July 2012. The following outlines Council's goals in the setting of rates.

Objectives	Targets and Measures
Provide the income by rates received to meet Council's LTP objectives, after user charges and other income is first applied.	Rating income is raised with user charges to meet, and not exceed, that required by Council's forecast work programme. Council complies with the Balanced Budget requirement of Section 100 of the LGA.
Ensure that all ratepayers pay their fair share towards the cost of Council services.	Development of a Revenue and Financing Policy adopted, with consultation, with each LTP.
Ensure that the incidence of rates is spread as fairly as possible over the different ratepayer groups.	Setting of rates is in accordance with Council's Revenue and Financing Policy and Funding Impact Statement.
Ensure consistency in the charging of rates.	The setting of rates is in accordance with the provisions of the LG(R)A and the LGA.

Rates Remission and Postponement

Remissions

Council has a Rates Remissions Policy developed under Section 102(5)(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 Remissions	Value of Remission (incl GST) - \$000
General Rate/UAGC	347
Targeted Rate	19
Service Charge - Water	113
Service Charge - Wastewater	43
Service Charge - Solid Waste	2
Total	524

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.

Statement of Funding Sources

Council's Revenue and Financing Policy and work programmes form the basis for the funding forecast.

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).

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.

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).





Funding Impact Statement (continued)

1.2.1 Basis of UAGC Set

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 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 \$50 million. The rates for hydro-electric properties worth in excess of \$50 million are set differentially.

1.4 Defence Land (LV)

Defence Land, based on Land Value (LV) Section 22 (LG(R)A).

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



Funding Impact Statement (continued)

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

Rating 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.

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).





Funding Impact Statement (continued)

(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) (TUAC)

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 proposes to use provision or availability to the land of a service (Schedule 2(5) LG(R)A) to assess service charges for Water Supply, 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.
Solid Waste Collection	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. Council operates kerbside collection in Taumarunui (extending to Piriaka and Kakahi), Ohakune, Raetihi and Rangataua townships.

(a) Water Supply (TUAC)

Council proposes to set 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).	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).	Owhango Supply Lifestyle Blocks <25ha National Park Supply Raetihi Supply
Metered (Sub-set of extraordinary users. Extraordinary users who are metered will be charged the relevant minimum annual charge in conjunction with their usage charges for water consumed. Only one minimum charge will be applied per rateable unit).	Taumarunui Owhango Supply 0 – 832m3 Owhango Supply > 832m3 Ohakune Supply 0 – 500 m3 Ohakune Supply 500 – 1,500 m3 Ohakune Supply > 1,500 m3 Carrot Washers Waiouru 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:



Funding Impact Statement (continued)

- 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.
 - 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.

3.0 Due Dates for Payment

Due Dates for 2012/13	
Instalment No 1	Monday 20 August 2012
Instalment No 2	Tuesday 20 November 2012
Instalment No 3	Wednesday 20 February 2013
Instalment No 4	Monday 20 May 2013

3.1 Discount for Prompt Payment

A discount of 5% on all current year's rates will be granted for prompt payment if the rates for the year ending 30 June 2013 are paid in full by 20 August 2012, on condition that no rates remain unpaid from previous years.

3.2 Penalties

- (a) An additional charge of 10% will be added to all rates levied in the 2012/13 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 2012 and 7 January 2013.
- (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.

3.3 Metered Water Supply

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





Funding Impact Statement (continued)

Summary of Rates and Charges: 2012/13

Clause No	Description	\$ or Rate in \$ (excluding GST)	Total Revenue Requirement 2012/13 \$000 (excluding GST)
1.0	General Rates		
1.1	General Rate District Capital Value	0.00255180	7,934
1.2	Uniform Annual General Charge (UAGC)	\$416	3,620
1.3	Hydro-Electrical (CV) - Differential	0.00146123	397
1.4	Defence Land (LV) - Section 22 LG(R)A	0.00427850	97
2.0	Targeted Rate		
2.2	Targeted Rate Values		
(a)	Accelerated and Enhanced Development (CV)		
	Taumarunui	0.00004877	35
	National Park	0.00001465	8
	Waimarino	0.00002704	33
(b)	Main Street Northern/Southern (CV)		
	Northern	0.00033707	37
	Southern	0.00065015	70
(c)	Sanitary Services (TUAC)		
	Council Water Supplies	\$388	2
	Council Wastewater Schemes	\$388	2
	Council Stormwater Systems	\$388	2
(d)	Regional Tourism Organisation (RTO) (General)		
	General Targeted Uniform Annual Charge	\$18	150
(e)	Commercial Targeted Rate for RTO Function (CV)		
	RTO Commercial Property Targeted Rate (QV Property Use Codes C and I)	0.00042547	100
(f)	Stormwater and Flood Protection - Urban		
	Urban	\$63	349
3.0	Service Charges		
(a)	Water Supply		
	Ordinary - Ohura	\$1,043	163
	Ordinary - Taumarunui	\$496	1,211
	Ordinary - Owhango	\$446	60
	Ordinary - National Park	\$783	234
	Ordinary - Raetihi	\$533	305
	Ordinary - Ohakune	\$393	590
	Ordinary - Waiouru	\$548	39
	Extraordinary - Owhango Supply Lifestyle Blocks (<25 ha)	\$550	7.2
	Extraordinary - National Park	\$1,042	18
	Extraordinary - Raetihi	\$571	4
	Metered - Taumarunui	0.85/m ³ \$124 per quarter	141



Funding Impact Statement (continued)

Clause No	Description		\$	Total Revenue
			or Rate in \$	Requirement 2012/13
			(excluding GST)	\$000
			(excluding GST)	(excluding GST)
	Metered - Owhango 0 - 832m ³	1.13/m ³		45
	Metered - Owhango > 832m ³	0.67/m ³	\$112 per quarter	44
	Ohakune (0 - 500m ³)	1.54/m ³	\$124 per quarter	25
	Ohakune (500 - 1500m ³)	1.15m ³	\$124 per quarter	21
	Ohakune (>1500m ³)	0.81m ³	\$124 per quarter	12
	Ohakune - Carrot Washers	0.66/m ³	\$124 per quarter	47
	Waiouru	2.18/m ³	\$137 per quarter	41
(b)	Solid Waste Kerbside Collection (TUAC)			
	Commercial		\$74	41
	Residential		\$161	651
(c)	Wastewater (TUAC)			
	Category 1 - Taumarunui		\$373	788
	Category 1 - National Park		\$587	188
	Category 1 - Ohakune		\$336	456
	Category 1 - Raetihi		\$495	249
	Category 1 - Pipiriki		\$767	18
	Category 1 - Rangataua		\$545	98
	Category 1 - Waiouru		\$520	39
	Category 2 - Taumarunui		\$224	140
	Category 2 - National Park		\$188	31
	Category 2 - Ohakune		\$198	93
	Category 2 - Raetihi		\$318	26
	Category 2 - Pipiriki		\$440	1.8
	Category 2 - Waiouru		\$344	24
	Category 3 - Taumarunui		\$104	18
	Category 3 - National Park		\$94	0.6
	Category 3 - Ohakune		\$100	5.3
	Category 3 - Raetihi		\$146	5.4
	Category 3 - Pipiriki		nil	nil





Planning Assumptions

Introduction

A number of assumptions have been used in preparing this LTP. These are necessary as the planning term is for ten years and the assumptions ensure that all estimates and forecasts are made on the same basis.

The set of assumptions relates to key indicators or drivers that show the level of growth or demand for Council services in future years. Two main factors were used to define this assumption. The first is Peak Population Growth, which includes three components: Usual Resident Population (URP), Non-resident Home Owners and Visitor Industry Growth. The second is District Growth, which includes rateable units and subdivisions.

The combination of these two factors and components provides a comprehensive approach to determining future growth demand in the District. No single demand assumption is considered appropriate for all Council activities.

Method

Careful analysis of key datasets shows that the seasonal influx of visitors and non-resident home owners, increases in rateable units, building consents and other data shows growth over the past five years, resulting in the need for an assumption for future planning purposes.

The following datasets are analysed:

- Rateable Units (Source: Quotable Value).
- The number of nights that guests stay in accommodation, occupancy rate and day visitor numbers (January 2000 to July 2010) (Source: Ministry of Economic Development Tourism Strategy Group and Commercial Accommodation Monitor).
- Council's Resource Management Datasets (Subdivisions).
- Council's Out of District Ratepayers Survey 2010.
- Census 2006.

Overall Growth Assumptions

From the data gathered, the following overall growth assumptions have been made and will be used to inform Asset Management Plans and the LTP 2012-22.

URP	Static (<0%) Ruapehu is not expecting any major increases or decreases in the usual resident population.
Holiday Homes	Growth of 64 holiday homes per year. District-wide, with assumed average occupancy of 4.4 people (2.3%).
Visitors	0.7%. This will have an effect on demand for infrastructure in some communities.
Peak Population Growth	0.9% Overall. 1.6%. (Increase in rateable units, subdivisions and consents for new dwellings). Ruapehu is expecting that new dwellings and the number of rateable units will increase by 1.6% per year. This will have a small but determinable effect on infrastructure in some areas.
Overall Demographics (Age, Ethnicity, etc)	No change.

Growth Demand Assumption (Peak Population plus Growth) = 1.25 % increase overall/year

Council's Response

A discussion of how Council will respond to the growth assumptions is included in the introductions to each individual activity in Part 3.

Peak Population Growth

Peak populations have been calculated for each quarter by using a mixture of URP, non-resident holiday home occupants and overnight visitors. This shows the average maximum amount of people that are in the District at peak times, in each quarter. There is a 90% increase over the URP in the September peak.

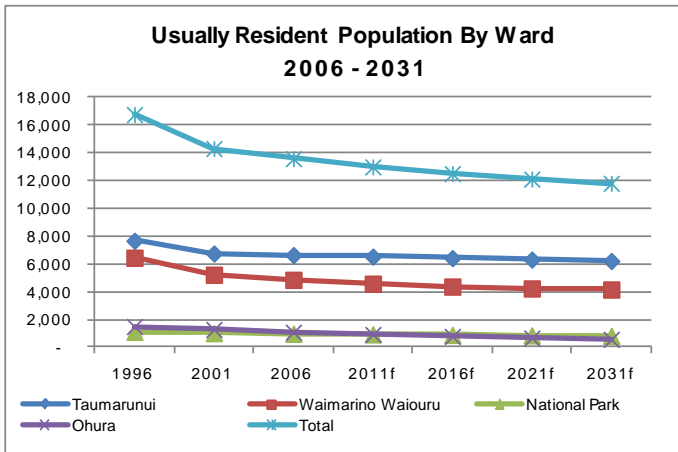
The following analysis shows projected and assumed growth for each of the three components of the peak population.

Usual Resident Population

Statistics New Zealand has predicted that the URP of Ruapehu District will continue to decline. The prediction is based on comparing trends from the 1996 Census with data from the 2001 and 2006 Census.

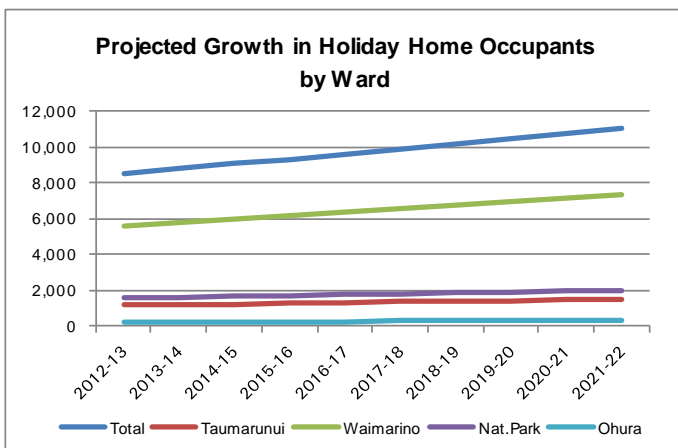


Planning Assumptions (continued)



While the predicted decline in the URP by Statistics NZ is acknowledged, Council does not use this forecast alone. There have been a number of events which have occurred that are unlikely to be repeated going forward and there is contrary information that supports growth in several parts of the District. Council is therefore modelling an assumption for growth based on a number of other indicators, as well as the URP.

Non-Resident Home Owners



One of the main contributors to growth is the significant increase in absentee ratepayers who own second or holiday homes in the District. In 2010 Council conducted a survey of non-resident ratepayers to gain an understanding of the impact this group has on the District.

This provided valuable data on the visiting trends of these ratepayers who are not accounted for in either URP or visitor statistics. Information provided by respondents included the frequency and length of time spent at holiday homes and the number of people who occupy these homes.

The number of holiday homes used in growth projections is based on actual growth rates between 2008 and 2010. Based on analysis of this data the assumed projected growth in holiday homes is 64 homes per year district-wide.

The number of holiday home occupants is based on an average occupancy rate of 4.4 people (based on analysis of the 2010 survey).

In recognition of the seasonal nature of visits to holiday homes and based on the trends from visitor numbers, it is presumed occupancy will be running at 100% capacity in the September quarter, 50% in the December and March quarters and 30% in the June quarter.

The concentration of holiday homes varies across the District. This has been accounted for in projections by applying the percentage split of actual numbers of holiday homes as at 2010.

Visitor Industry Growth



The tourism industry is a significant contributor to the economic wellbeing of the community. The District has become an attractive holiday destination to both local and international visitors. This has a corresponding impact on the demand for Council services and infrastructure. Given the significance of this sector, it is important that an assumption is made regarding visitor numbers.

Information on the number of visitors shows that the population swells during the ski season, with a high in the July to September quarter. The peak number of skiers was over 7,500, with a large number of days with over 5,000 people on the mountain skiing. Mardi Gras numbers have been climbing over the past three years, with almost 8,500 attending in 2010.





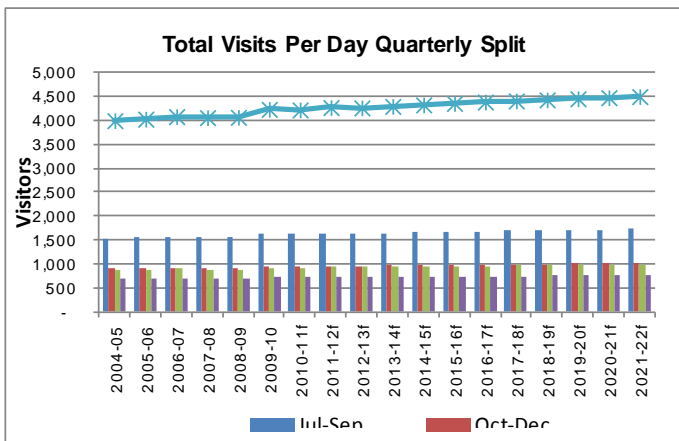
Planning Assumptions (continued)

Night Visitors

Night visitors are the number of visitors that stay for a night. Each visitor stays an average of 2.3 nights. The graph below shows the average numbers of night visitors.

The number of visitors each year has been increasing by an average 0.8% per year, according to the information from Tourism NZ. For the year ended December 2009, the District attracted a total night visitation figure of 976,323 for the year.

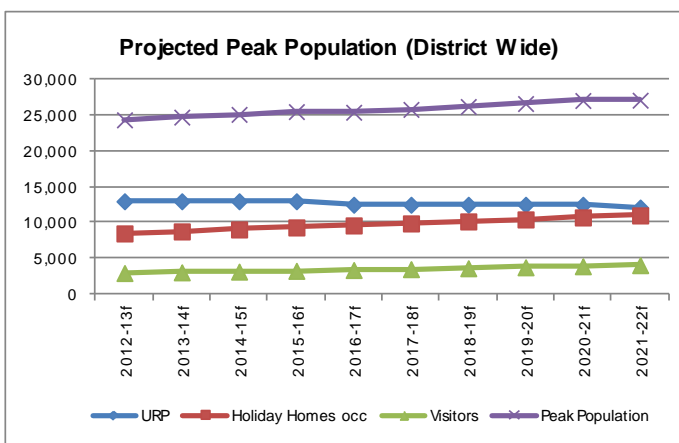
Day Visitors



Day visitors have been calculated from statistics from the TourismResearch.govt.nz website. Day visitors have been increasing just under 1% per year between 2004 and 2009. There were a total of 575,300 day visitors in the District in 2009.

A conservative annual growth rate of 2.1% is assumed for day and night visitor numbers, based on the average of actual historical growth, Tourism NZ data and projected future growth.

Peak Population Summary

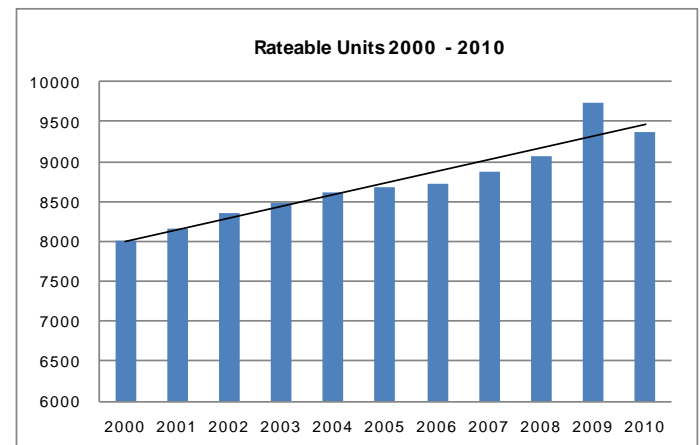


The overall growth in peak population is assumed to be at 0.9% per year. The projected growth in peak population for the period 2012-22 takes into account the assumed individual growth rates for each of the URP, Non-Resident Home Owners and Visitor components.

Due to the distribution of the visitor industry and holiday homes the projected peak population growth is not uniform District-wide. Both National Park and the Ohakune area are showing increases in peak populations. National Park's peak population is growing at 1.7% per year, the rural Waimarino area at 1.3% and Ohakune at 1.6% per year. The Peak Population for the remainder of the District is static.

District Growth

Assessments



The number of assessments (both rateable and non rateable units) in the District is an important indicator for future planning purposes. This is particularly so because there is a large proportion of holiday homes in the District. A key characteristic of holiday homes is that they are used at certain times of the year and often have large numbers of occupiers at those times. This means that, at certain times of the year, there is more strain on Council's services. As a result, rateable units represent another indicator for demand in this District.

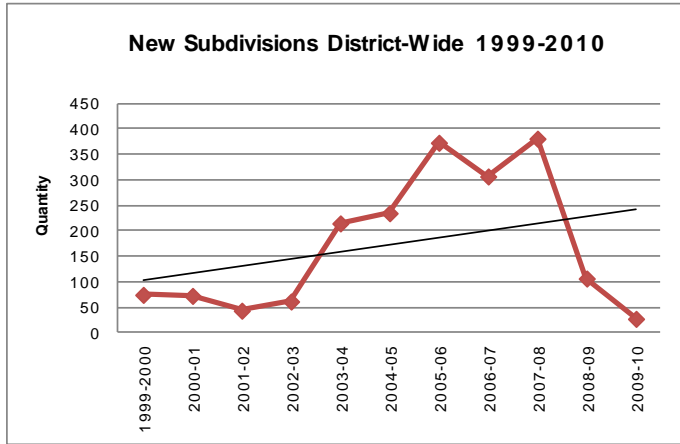
The number of rateable units has been trending upwards since 2000. The change in the number of units between July 2000 and July 2010 was an increase of 1,365, a rise of 15.4% over this period, which averages 1.5% per year. 2010 saw a decrease against 2009, due to a large number of amalgamations and correction of data following the introduction of new management software.





Planning Assumptions (continued)

Subdivision Growth



Closely related to rateable units is the number of new subdivisions. These also show that there is significant growth happening in the District. Over 2000 new subdivisions have been created since 1997. This has been trending upwards (see trend line) at a significant rate and shows an average year on year increase of 1.7% growth in possible assessments (not all subdivisions become rateable assessments for a number of reasons, eg, they may not be sold). There was a significant drop in the number of subdivisions in 2008/09 and again in 2009/10.

Growth Assumption = 1.25 % increase overall/year

Overall Risk Analysis for Growth Assumptions

Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Population		
Population will have a sudden shift.	Low	Population movements tend to be incremental. A sudden increase may put pressure on infrastructure.
Growth		
Growth may stall.	Medium	While growth has been steady over a number of years, Council may plan for greater growth than actualises, but does closely monitor growth and can make adjustments as necessary.
Visitor Industry		
Visitor numbers may not continue according to present trend.	Low to medium	A large number of factors influence visitor numbers including costs, weather and availability of activities.

Political Environment

Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Council Policies			
There are no significant changes to Council policies agreed in this LTP.	New legislation from Central Government.	Medium	Some changes to policies may be required as a result of new legislation by Central Government. These may incur unforeseen costs.
	New Council.	Medium	Significant changes to policy would be assessed in terms of impact on Council's financial position.
Governance			
That the structure of elected representation of Council will not change for the 2013 elections.	Council will receive applications for a representation review.	Low	At present no representation review is scheduled for 2013. The financial implications of a review are small.

Operating Environment





Planning Assumptions (continued)

Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Resource Consents			
Council has assumed that all resource consents will be renewed but in many cases, with increasing environmental standards. The expected time to obtain resource consents is factored into project timelines and the increased standards if they are qualifiable.	Conditions of Resource Consents will change without significant warning. Changes due to Horizons' Proposed One Plan take effect.	Low Council is aware of this happening Low Council is aware of the Proposed One Plan and its implications	Community expectations regarding Council performance change. Proposed One Plan is before the Environment Court and the final Plan is still uncertain.
Natural Disasters			
Small natural disasters can be funded out of budgetary provisions. Council will require financial and other assistance from Central Government for large-scale events or disasters.	There will be a natural disaster requiring emergency work that cannot be funded from normal budget provisions.	Low to Medium	The potential effect of a natural disaster on Council's financial position is dependent on the scale, duration and location of the event. Source: Southern and Northern Ruapehu Emergency Management Plan, Ruapehu Lahar Emergency Management Plan
Human Resources			
Council is fully resourced for developing and delivering on work programmes.	Council will not be able to attract suitable candidates to fill key positions.	Medium	The District continues to find it difficult to attract suitably qualified staff, Council may not, as a result, be able to deliver on work programme, increasing costs over time.
External Factors			
Council's operating environment will not change significantly.	There are unexpected changes that alter services provided by Council.	Low	Most changes to legislation are known in advance.

Note: There are changes significant to Local Government, currently being prepared as a Bill. These may take effect within the life of this Plan. As yet, the economic impacts are unknown.



Significant Financial Assumptions

This section is designed to identify the significant assumptions made and explain the risks associated with those assumptions. Where there is a high level of uncertainty, the potential effects of the assumptions being incorrect are also identified.

Council's financial statements will be produced in accordance with current International Financial Reporting Standards (IFRS) as they apply to New Zealand entities. No significant changes are expected to Council's accounting treatment other than that required by the introduction of new accounting standards as addressed in the Statement of Accounting Policies. The impact of these has not been assessed. There are also potential changes to the accounting for public benefit entities, but there is no certainty over what these changes will be or the impact they will make.

Inflation

The preparation of the budget has included inflation assumptions based on BERL forecasting for the Local Government Sector (see Core Business Costs earlier in this section). The specific rates are detailed in the "Forecast of Economic Driver Variables" table included earlier in this section under Core Business Costs.

There is a high level of uncertainty associated with these inflation assumptions. If the impact of inflation on Council's budgets turns out to be higher than forecast and Council does not wish to generate additional revenue by increasing rates, then either additional operational efficiencies or reduction in service levels or planned capital expenditure would need to be considered.

Should the impact of inflation turn out to be lower than forecast, there will be a favorable impact on Council's operating and capital expenditure budgets.

Interest

The interest rates used are based on an estimate of what will occur in the future combined with known rates that are currently fixed under current borrowings. Council assumes that all borrowings will be renewed under similar terms and conditions except that interest rates applied to replacement and new borrowings annually will be:

2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
6.5%	6.7%	6.9%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

Interest is applied to 50% of the new borrowings incurred during the year.

There is a high degree of uncertainty around borrowings costs due to the fluctuations of interest rates. Interest costs average around 6.5% over the ten year plan. A 1% change in interest rates would result in a change of around between \$200,000 to \$400,000 over the ten year period.

Interest rates on any cash and cash equivalent investments that are held is assumed to be at an average of 4%.

Interest costs and debt repayment have been estimated in accordance with the Liability Management Policy.

Funding Sources and Borrowings

Capital Development

Council will use funding mechanisms in the following priority order to fund capital development:

- Subsidies (Land Transport).
- Development Contributions.
- Depreciation Funding .
- Loans.
- Rate Funding.

Borrowing is managed by the provisions of Council's Liability Management Policy (refer to Liability Management, Part 5). The Prospective Financial Statements, including the Forecast Statement of Public Debt, provide a forecast of public debt levels associated with the borrowings. Further information is available in the Revenue and Financing Policy.

Operational

Council is required, under Section 103(1) of the LGA to disclose policies how operating expenses are funded (from the sources listed in Section 103(2) of the LGA). These are:

Operating expenses are funded annually with costs distributed to the beneficiaries of the particular activity.

Council will make use of a mix of revenue sources to meet operating expenses. These mechanisms are outlined in the financial section following.





Significant Financial Assumptions (continued)

Other Financial Assumptions

Assumption Area	Assumption Made	Risks
Assets and Asset Lives	<p>Revaluation of fixed assets on a regular basis is done annually for investment property and every three years for other properties. It includes an assessment of the useful (economic) life of the asset. This is in accordance with the Council's accounting policies detailed under "property, plant and equipment and infrastructural assets" which includes further detail of revaluation policies and the estimated useful life of various assets.</p> <p>Infrastructural assets have been revalued (forecast) in 2012. Property assets will be revalued in 2013.</p> <p>The revaluations are based on the BERL inflation rates and the revaluation impact is broadly equivalent to the increase in the Local Government Cost Index.</p> <p>Depreciation rates on planned asset acquisitions are based on an average percentage of their components.</p>	<p>If the actual revaluation factors are significantly higher than anticipated, the depreciation costs for Council will increase. This will potentially impact on rates that the Council needs to charge.</p> <p>There is no certainty that asset components will last their expected design lives. If they do not, it may result in deferral of other discretionary capital expenditure.</p> <p>Depreciation rates on actual acquisitions could be different from the average rates used.</p>
External Funding for Roads	<p>Funding provided by NZTA for Land Transport activities is assumed to be:</p> <ul style="list-style-type: none"> ➤ Maintenance: 61% (2012/13), 60% thereafter ➤ Construction: 71% (2012/13), 70% thereafter ➤ Whanganui River Road and Raetihi Pipiriki Road seal extension: 79% ➤ Special Purpose Roads: 100% 	<p>NZTA's focus on roads of national significance creates a risk that there may be a funding cut. Any decrease in funding would require modification to planned projects and subsequent delay in planned road work programmes. Where this is not possible there is the potential to impact on borrowings and rates</p>
Rates Receivables (Debtors)	<p>It has been assumed that rates receivables as a percentage of rates will decrease by 0.5% per annum, as a result of additional emphasis being placed on collection and enforcement.</p>	<p>There is a risk that the rates receivables are significantly higher than that forecast due to a number of reasons, including economic issues. This would impact on cash flow requirements, increasing borrowings to support working capital and increase borrowing costs.</p>
Vested Assets	<p>It is assumed that Council will receive vested assets in proportion to the growth of the District.</p>	<p>No risks.</p>
Surplus Land Sales/ Redevelopment	<p>No sales of non-strategic assets are planned to fund new asset development programs.</p>	<p>No risks.</p>
Development Contributions	<p>These have been included based on an estimated growth forecast as detailed in Growth Assumptions. The funds obtained will be used to provide growth in asset development projects.</p>	<p>There is a risk that growth will not reach assumed levels and this would potentially impact debt borrowing required to complete projects and rates.</p>
Price of Oil	<p>Fuel price increases are included based on the inflation rates established by the BERL analysis.</p>	<p>Increased international oil prices impact upon the cost of plant associated with works and the cost of bitumen. Continued unrest in the Middle East impact on the cost of tenders, especially reseals, with fluctuations of up to 15% (up or down).</p> <p>Fuel prices also impact on the cost of general goods, services and transport. It also significantly impacts on Council contracts such as transporting recyclables out of the District for processing.</p>



Significant Financial Assumptions (continued)

Assumption Area	Assumption Made	Risks
Climate Change	There has been no allowance for the potential impact of climate change.	<p>The potential physical impact on climate and natural environment could include more frequent extreme weather events, rising snow lines, increase in pests, habitat loss and changes in growing conditions (www.climatechange.org.nz)</p> <p>Climate change could drive changes in land use and use of economic activities. The implementation of climate change actions such as the Emissions Trading Scheme (ETS) could change the nature of the local economy as a result of decisions made in the primary industries.</p> <p>Demand for climate mitigation and adaptation methods could drive changes to the operation and management of Council assets, infrastructure and activities. This would result in additional expenditure.</p> <p>Cost implications from carbon offsetting (e.g. ETS) will have cost implications for petroleum products and energy prices.</p>
Economic Growth, Population Growth and Rating Base Growth	The plan assumes that economic and population growth will continue to be slow. Growth in the population and rate base is anticipated as detailed in Growth Assumptions.	A further decline in any of these areas would impact on rates and regulatory type revenue.
Significant increase in Legislative Demand on Council	No allowance has been made for a significant increase in legislative demand on Council.	This could create significant changes in how the Council operates. There is no effective way to allow for this.
Natural Disaster Event	There has been no allowance made for a natural disaster for the duration of the plan other than standard contingency amounts built into budgets.	There is a risk that there is a disaster event needing emergency works exceeding the standard contingency amounts allowed for. Some emergency works are covered by the Local Authority Protection Programme Disaster Fund Trust. Central Government, in extreme situations, provides support.

Information Sources

Category	Source
Usual Resident Population (URP)	Statistics NZ Census 2006
Peak Population of URP, and visitors including:	A combination of URP, holiday home population (Council's Out of District Ratepayers Survey 2010), and Visitor numbers (Ministry of Economic Development's Tourism Strategy Group website pivot tables, www.tourismresearch.govt.nz)
<ul style="list-style-type: none"> ➤ Occupancy of 4.4 people per holiday home. ➤ 100% capacity in September quarter, 50% in December and March quarter, 30% in the June quarter (on similar lines to actual visitor numbers). ➤ The number of guest nights and day visitors. 	
Rateable Units	Quotable Value Data
Subdivisions	Council database of Resource consent 2010/11 and District Plan Statistics





Statement of Accounting Policies

Notes to the Prospective Financial Statements

Reporting Entity

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

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity as defined under New Zealand International Financial Reporting Standards (NZ IFRS).

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.

Basis of Preparation

Council authorised the prospective financial statements on 27 March 2012. Council, which is authorised to do so and believes that the assumptions underlying these prospective financial statements are appropriate, approved the Long Term Plan for consultation. Council and management of Ruapehu District Council accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual results have been incorporated within the prospective financial statements.

Council intends to update the final prospective financial statements and present them to Council for adoption on 30 June 2012.

In September 2011, the External Reporting Board (XRB) issued a position paper and consultation papers proposing a new external reporting framework for public benefit entities (PBEs). The papers proposed the accounting standards for PBEs would be based on International Public Sector Accounting Standards, modified as necessary. The proposals in these papers do not provide certainty about any specific requirements of future accounting standards. Therefore, the accounting policies on which the forecast information for 2012-22 has been prepared are based on the current New Zealand equivalents to International Financial Reporting Standards.

Statement of Compliance

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).

These prospective financial statements have been prepared with NZ GAAP. They comply with FRS: 42 Prospective Financial Statements and other applicable FRS as appropriate for public benefit entities.

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 (including derivative 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.

Standards, Amendments and Interpretation Adoption

Statements, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to Council, are:

NZ IFRS 9 Financial Instruments (replacing NZ IAS 39 Financial Instruments: Recognition and Measurement)

NZ IAS 39 is being replaced through three phases:

- Phase 1: Classification and Measurement.
- Phase 2: Impairment Methodology.
- Phase 3: Hedge Accounting.

Phase 1 has been completed and published within NZ IFRS 9. The new standard is required to be adopted for the year ended 30 June 2014. Council has not yet assessed the effect of the new standard and expects it will not be early adopted.



Statement of Accounting Policies (continued)

Accounting Policies

The accounting policies have been applied consistently to all periods presented.

Significant Accounting Policies

Basis of Consolidation

Subsidiaries

Subsidiaries are those entities in which Council has control. RDC Holdings Ltd is Council's only subsidiary. This company has not traded since 1997 and has exempt status under the LGA 2002..

The prospective financial statements show the investment in this subsidiary at cost.

Associate Companies

These are entities which Council has significant influence (but not control) over operating and financial policies. The prospective financial statements show the investment in associates based on the value of these entities at 30 June 2011. There is not expected to be any significant economic benefits flowing from these entities or changes in values over the period of the forecast. Associates include the Ruapehu-Wanganui-Rangitikei Economic Development (RED) Trust (33.3% interest) and Manawatu Wanganui LASS Ltd (14.29%). Both of these entities are exempt Council Controlled Organisations.

Borrowing Costs

Council has elected to defer the adoption of NZ IAS 23 Borrowing Costs (revised 2007) in accordance with the transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

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.

Debtors and Other Receivables

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

Employment Benefits

Short Term Benefits

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

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

Long Term Benefits

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

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. 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.
- Revaluation Reserves.
- Other Reserves (restricted reserves).





Statement of Accounting Policies (continued)

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 Council.

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

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

Asset Revaluation Reserve

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

Financial Assets

Financial assets are initially recognised at fair value.

Acquisitions and disposals of financial assets are recognised at the date at which Council 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.

Investments

Council classifies its investments in the following categories:

Loans (Trade) and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. (A provision for impairment is established when there is evidence that Council will not be able to collect all amounts due according to the original terms of receivables.)

Other Investments

Investments classed as either investments held-for-trading or as available-for-sale and are stated at cost less the annual test for impairment. For assets designated as held-for-trading, any resultant gain or loss from changes in the value are recognised in the surplus or deficit. For assets designated as available-for-sale, which are measured at fair value, any resultant gain or loss from changes in the fair value is recognised in other comprehensive income.

Goods and Services Tax (GST)

All items in the prospective 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 payable 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.

Grant Expenditure

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



Statement of Accounting Policies (continued)

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

The carrying amount of Council'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, Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of an asset are not primarily dependant on the asset's ability to generate net cash flows, and where Council would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

Where Council 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.

Where Council 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

Council is exempt from Income Tax and consequently there is no income tax expense or income tax liability recognised in the accounts. Subsidiaries are subject to income tax but have not traded for more than ten years. Tax losses in the subsidiary company are carried forward but not 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 Council 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 have an estimated useful life and are not amortised. They are, instead, tested annually for impairment.

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.

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.





Statement of Accounting Policies (continued)

Investment property is measured initially at its cost, including transaction costs. After initial recognition, Council 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, Council 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 Council 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.

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 are shown at cost or valuation, less accumulated depreciation and impairment losses. 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 Council that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Infrastructural Assets

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

Revaluation

Land and buildings (operational and restricted), library books 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 (at least every three years).

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.

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 Council and the cost of the item can be measured reliably.

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.



Statement of Accounting Policies (continued)

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.

Subsequent Costs

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

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 useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Fixed Asset	Estimated Life	Depreciation Rate
Land	N/A	Not Depreciated
Buildings	50 – 100 years	1 – 2% SL
Computer Equipment		40% DV
Office Equipment, Furniture and Fittings		20% DV
Library Books	12.5 years	8% SL
Other Plant and Vehicles	3.33 – 10 years	10 – 30% SL
Roads		
Top Surface (seal)	20 years	5% SL
Pavement (basecourse)	100 years	1% SL
Culverts	60 – 100 years	1 – 1.67% SL
Footpaths	80 – 100 years	1 – 1.25% SL
Kerbs	80 – 100 years	1 – 1.25% SL
Signs	10 – 15 years	6.67 – 10% SL
Street Lights	10 – 15 years	6.67 – 10% SL
Bridges	70 – 100 years	1 – 2% SL
Water Reticulation		
Pipes	40 – 80 years	1.25 – 2.5% SL
Valves & Hydrants	25 – 50 years	2 – 4% SL
Pump Stations	10 – 60 years	1.67 – 10% SL
Tanks	25 – 100 years	1 – 4% SL
Wastewater Reticulation		

Fixed Asset	Estimated Life	Depreciation Rate
Pipes	50 – 80 years	1.25 – 2% SL
Manholes & Cesspits	50 years	2% SL
Treatment Plants	10 – 100 years	1 – 10% SL
Stormwater Systems		
Pipes	50 – 60 years	1.67 – 2% SL
Manholes & Cesspits	50 years	2% SL
Stopbanks		Not Depreciated
Waste Management and Minimisation		
Various	20 years	5% SL

Depreciation is not provided in these statements on the following assets:

- Land.
- Formation costs associated with roading.
- Stopbanks.
- Investment Properties.
- Work in progress and assets under construction.

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

Provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probably that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments at the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Landfill Aftercare Provision

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

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





Statement of Accounting Policies (continued)

assessments of the time value of money and the risks specific to Council.

Revenue

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

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 when payable.

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 (with or without conditions) are recognised as revenue when control over the assets is obtained.

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.

Critical Accounting Estimates and Assumptions

The preparation of financial statements, in conformity with NZ IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the production of applying Council's accounting policies.

Part 4 - Financials



Prospective Statement of Comprehensive Income

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Revenue											
Rates Revenue	17,929	18,536	19,256	19,860	20,771	21,375	21,984	23,127	23,670	24,278	25,753
Grants & Subsidies	9,878	9,527	9,897	9,798	10,879	11,081	11,441	11,635	12,191	12,480	12,912
Dividend & interest Revenue	56	46	46	46	46	46	46	46	46	46	46
Fees & Charges	2,574	2,492	2,569	2,654	2,745	2,843	2,938	3,036	3,142	3,261	3,383
Other Revenue	646	717	744	778	809	843	875	917	956	1,000	1,049
Investment Gains	-	79	108	115	131	144	150	157	169	198	208
Total Revenue	31,083	31,397	32,620	33,251	35,381	36,332	37,434	38,918	40,174	41,263	43,351
Expenditure											
Personnel Costs	4,191	4,224	4,464	4,574	4,697	4,822	4,941	5,058	5,194	5,338	5,486
Finance Costs	2,072	1,864	1,988	2,128	2,271	2,433	2,610	2,751	2,865	3,020	3,134
Depreciation and Amortisation	6,592	7,352	7,466	7,565	8,023	8,136	8,261	8,950	9,029	9,088	10,050
Other Expenses	14,596	15,648	16,194	16,838	17,397	17,978	18,566	19,201	19,893	20,622	21,373
Total Expenditure	27,451	29,088	30,112	31,105	32,388	33,369	34,378	35,960	36,981	38,068	40,043
Net Surplus	3,632	2,309	2,508	2,146	2,993	2,963	3,056	2,958	3,193	3,195	3,308
Other Comprehensive Income											
Revaluation of Assets	-	1,637	-	25,308	2,170	-	42,983	2,393	-	57,892	2,960
Total Other Comprehensive Income	-	1,637	-	25,308	2,170	-	42,983	2,393	-	57,892	2,960
Total Comprehensive Income	3,632	3,946	2,508	27,454	5,163	2,963	46,039	5,351	3,193	61,087	6,268

Prospective Statement of Changes in Equity

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Equity balance at 1 July	321,743	344,683	348,629	351,137	378,591	383,754	386,717	432,756	438,107	441,300	502,387
Comprehensive income for year	3,632	3,946	2,508	27,454	5,163	2,963	46,039	5,351	3,193	61,087	6,268
Equity Balance 30 June	325,375	348,629	351,137	378,591	383,754	386,717	432,756	438,107	441,300	502,387	508,655
Components of Equity											
Retained Earnings at 1 July	256,652	248,397	250,706	253,214	255,360	258,353	261,316	264,372	267,330	270,523	273,718
Net Surplus/(Deficit)	3,632	2,309	2,508	2,146	2,993	2,963	3,056	2,958	3,193	3,195	3,308
Retained earnings 30 June	260,284	250,706	253,214	255,360	258,353	261,316	264,372	267,330	270,523	273,718	277,026
Revaluation Reserves at 1 July	64,716	96,214	97,851	97,851	123,159	125,329	125,329	168,312	170,705	170,705	228,597
Revaluation Gains	-	1,637	-	25,308	2,170	-	42,983	2,393	-	57,892	2,960
Revaluation Reserves 30 June	64,716	97,851	97,851	123,159	125,329	125,329	168,312	170,705	170,705	228,597	231,557
Council Created Reserves at 1 July	375	72	72	72	72	72	72	72	72	72	72
Transfers to / (from) reserves	-	-	-	-	-	-	-	-	-	-	-
Council created Reserves 30 June	375	72	72	72	72	72	72	72	72	72	72
Equity at 30 June	325,375	348,629	351,137	378,591	383,754	386,717	432,756	438,107	441,300	502,387	508,655





Prospective Statement of Financial Position

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
ASSETS											
Current Assets											
Cash & Cash Equivalents	1,244	70	115	63	46	52	35	43	83	59	60
Debtors & Other Receivables	4,164	4,954	5,043	5,136	5,194	5,229	5,234	5,209	5,156	5,069	4,943
Inventories	9	8	8	8	8	8	8	8	8	8	8
Total Current Assets	5,417	5,032	5,166	5,207	5,248	5,289	5,277	5,260	5,247	5,136	5,011
Non-Current Assets											
Investment Property	4,042	3,389	3,498	3,613	3,744	3,888	4,039	4,196	4,365	4,562	4,770
Other Financial Assets	425	418	418	418	418	418	418	418	418	418	418
Property Plant & Equipment	26,316	28,381	28,670	29,180	31,395	31,494	32,083	34,106	34,064	35,145	38,018
Infrastructural Assets	326,635	347,706	351,084	378,938	383,781	388,957	436,761	441,478	446,221	508,853	512,691
Total Non-Current Assets	357,418	379,894	383,670	412,149	419,338	424,757	473,301	480,198	485,068	548,978	555,897
TOTAL ASSETS	362,835	384,926	388,836	417,356	424,586	430,046	478,578	485,458	490,315	554,114	560,908
LIABILITIES											
Current Liabilities											
Trade & Other Payables	4,275	5,151	5,299	5,293	5,308	5,315	5,317	5,316	5,322	5,330	5,323
Income in Advance	707	916	903	890	876	860	845	829	811	792	772
Borrowings	3,200	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	4,900
Employee Benefit Liabilities	261	262	270	278	288	297	306	315	325	336	348
Total Current Liabilities	8,443	10,429	10,672	10,761	10,872	10,972	11,068	11,160	11,258	11,358	11,343
Non-Current Liabilities											
Borrowings	28,427	25,371	26,530	27,507	29,513	31,960	34,356	35,793	37,406	40,018	40,559
Employee Benefit Liabilities	4	4	4	4	4	4	5	5	5	5	5
Provisions	586	493	493	493	443	393	393	393	346	346	346
Total Non-Current Liabilities	29,017	25,868	27,027	28,004	29,960	32,357	34,754	36,191	37,757	40,369	40,910
TOTAL LIABILITIES	37,460	36,297	37,699	38,765	40,832	43,329	45,822	47,351	49,015	51,727	52,253
EQUITY											
RatePayers Equity	260,284	250,706	253,214	255,360	258,353	261,316	264,371	267,329	270,522	273,718	277,025
Revaluation Reserves	64,716	97,851	97,851	123,159	125,329	125,329	168,313	170,706	170,706	228,597	231,558
Council Created Reserves	375	72	72	72	72	72	72	72	72	72	72
Trust Funds	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	325,375	348,629	351,137	378,591	383,754	386,717	432,756	438,107	441,300	502,387	508,655



Prospective Funding Impact Statement

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	4,976	12,184	12,859	13,224	13,878	14,248	14,600	15,363	15,669	16,021	17,074
Targeted rates (other than a targeted rate for water supply)	12,953	6,352	6,398	6,636	6,893	7,127	7,384	7,764	8,001	8,257	8,679
Subsidies and grants for operating purposes	4,443	4,928	5,037	5,214	5,376	5,537	5,714	5,914	6,133	6,342	6,563
Fees, charges, and targeted rates for water supply	2,574	2,492	2,569	2,654	2,745	2,843	2,938	3,036	3,142	3,261	3,383
Interest and dividends from investments	56	46	46	46	46	46	46	46	46	46	46
Local authorities fuel tax, fines, infringement fees, and other receipts	173	195	201	208	215	221	228	236	245	253	262
Total Operating Funding (A)	25,175	26,197	27,110	27,982	29,153	30,022	30,910	32,359	33,236	34,180	36,007
Applications of Operating Funding											
Payments to staff and suppliers	18,735	19,873	20,651	21,405	22,084	22,791	23,498	24,250	25,076	25,949	26,849
Finance Costs	2,072	1,864	1,988	2,128	2,271	2,433	2,610	2,751	2,865	3,020	3,134
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	20,807	21,737	22,639	23,533	24,355	25,224	26,108	27,001	27,941	28,969	29,983
Surplus (deficit) of operating funding (A-B)	4,368	4,460	4,471	4,449	4,798	4,798	4,802	5,358	5,295	5,211	6,024
Sources of capital funding											
Subsidies and grants for capital expenditure	5,435	4,599	4,860	4,584	5,503	5,544	5,726	5,721	6,058	6,139	6,349
Development and financial contributions	473	522	543	570	594	622	647	681	711	747	787
increase (decrease) in debt	1,788	728	1,259	1,018	2,066	2,497	2,495	1,537	1,713	2,812	641
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	7,696	5,849	6,662	6,172	8,163	8,663	8,868	7,939	8,482	9,698	7,777
Applications of capital funding											
Capital expenditure											
- to meet additional demand	858	1,237	1,471	1,346	1,586	1,326	1,420	1,520	1,592	1,741	1,311
- to improve the level of service	3,894	1,710	2,005	1,593	2,101	2,222	2,384	1,835	1,566	2,472	1,351
- to replace existing assets	7,312	7,362	7,657	7,682	9,274	9,913	9,866	9,942	10,619	10,696	11,139
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	12,064	10,309	11,133	10,621	12,961	13,461	13,670	13,297	13,777	14,909	13,801
Surplus (deficit) of capital funding (C-D)	(4,368)	(4,460)	(4,471)	(4,449)	(4,798)	(4,798)	(4,802)	(5,358)	(5,295)	(5,211)	(6,024)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-





Prospective Cash Flow Statement

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Cashflow from Operating Activities											
Cash was provided from:											
Rates Revenue	18,159	18,536	19,167	19,767	20,713	21,341	21,979	23,151	23,724	24,365	25,878
Dividend & interest Revenue	56	46	46	46	46	46	46	46	46	46	46
Fees & Charges	12,624	12,736	13,210	13,230	14,433	14,767	15,253	15,588	16,289	16,742	17,344
	30,839	31,318	32,423	33,043	35,192	36,154	37,278	38,785	40,059	41,153	43,268
Cash was disbursed to:											
Payments Staff & Suppliers	18,733	19,871	20,516	21,424	22,083	22,801	23,510	24,266	25,090	25,960	26,873
Finance Costs	2,072	1,864	1,988	2,128	2,271	2,433	2,610	2,751	2,865	3,020	3,134
	20,805	21,735	22,504	23,552	24,354	25,234	26,120	27,017	27,955	28,980	30,007
Net Cashflow from Operating Activity	10,034	9,583	9,919	9,491	10,838	10,920	11,158	11,768	12,104	12,173	13,261
Cashflow from Investing Activities											
Cash was provided from:											
	-	-	-	-	-	-	-	-	-	-	-
Cash was disbursed to:											
Purchase of Assets	12,046	10,309	11,133	10,621	12,961	13,461	13,670	13,297	13,777	14,909	13,801
	12,046	10,309	11,133	10,621	12,961	13,461	13,670	13,297	13,777	14,909	13,801
Net Cashflow from Investing Activity	(12,046)	(10,309)	(11,133)	(10,621)	(12,961)	(13,461)	(13,670)	(13,297)	(13,777)	(14,909)	(13,801)
Cashflow from Financing Activities											
Cash was provided from:											
Loans Raised	5,268	4,728	5,359	5,278	6,406	6,947	6,995	6,137	6,413	7,512	5,441
	5,268	4,728	5,359	5,278	6,406	6,947	6,995	6,137	6,413	7,512	5,441
Cash was disbursed to:											
Loan Repayments	3,200	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900
	3,200	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900
Net Cashflow from Financing Activity	2,068	728	1,259	1,078	2,106	2,547	2,495	1,537	1,713	2,712	541
Net Increase (Decrease) in Cash Held	56	2	45	(52)	(17)	6	(17)	8	40	(24)	1
Add Opening Cash bought forward	1,188	68	70	115	63	46	52	35	43	83	59
Closing Cash Balance	1,244	70	115	63	46	52	35	43	83	59	60
Closing Balance made up of Cash and Cash Equivalents	1,244	70	115	63	46	52	35	43	83	59	60

Part 4 - Financials



Reconciliation of Funding Impact Statement to Statement of Comprehensive Income

	Exceptions Annual Plan 2012 \$000	Forecast 2013 \$000	Forecast 2014 \$000	Forecast 2015 \$000	Forecast 2016 \$000	Forecast 2017 \$000	Forecast 2018 \$000	Forecast 2019 \$000	Forecast 2020 \$000	Forecast 2021 \$000	Forecast 2022 \$000
Income											
Prospective Statement of Comprehensive Income	31,083	31,397	32,620	33,251	35,381	36,332	37,434	38,918	40,174	41,263	43,351
Summary Funding Impact Statement											
Sources of Operating Funding											
Total Operating Funding	25,175	26,197	27,110	27,982	29,153	30,022	30,910	32,359	33,236	34,180	36,007
Add Sources of Capital Funding											
Sources of capital funding	5,435	4,599	4,859	4,584	5,503	5,544	5,727	5,721	6,058	6,138	6,349
Development and financial contributions	473	522	543	570	594	622	647	681	711	747	787
Investment (Gains)/Losses	-	79	108	115	131	144	150	157	169	198	208
Total Revenue	31,083	31,397	32,620	33,251	35,381	36,332	37,434	38,918	40,174	41,263	43,351
Expenditure											
Prospective Statement of Comprehensive Income Operating Expenditure	27,451	29,088	30,112	31,105	32,388	33,369	34,378	35,960	36,981	38,068	40,043
Summary Funding Impact Statement											
Application of Operating Funding											
Total Application of Operating Funding	20,807	21,734	22,636	23,532	24,358	25,222	26,108	27,001	27,941	28,967	29,985
Add Provision Aftercare	52										
Add Employee Benefit Movement		2	10	8	7	11	9	9	11	13	8
Add Depreciation and Amortisation Expense	6,592	7,352	7,466	7,565	8,023	8,136	8,261	8,950	9,029	9,088	10,050
Total Expenditure	27,451	29,088	30,112	31,105	32,388	33,369	34,378	35,960	36,981	38,068	40,043

Reserve Funds

Taumarunui County Council Reserve Fund is generally for the purpose of improving or developing any land held as a public reserve. The relates mainly to the Property and Community Facility Activities.

	Opening Balance		Movement	Closing Balance	
	Budget 2013			Budget 2022	
Reserve Fund	\$000		\$000	\$000	
TCC Reserve Fund	72		0	72	





Explanation of Major Variances Against Annual Plan Budget

Explanations for major variances from Council's 2011/12 Exceptions Annual Plan are as follows:

Forecast Statement of Comprehensive Income

Council's Total Comprehensive Income is \$0.9 million more than budgeted. There are, however, variances within the various categories of revenue and expenditure. They are:

- Rates revenue is \$0.6 million more than budget. The increase is required to cover increases in operating cost.
- Depreciation and Amortisation have an increase of \$0.4 million. This is the forecast effect of revaluation of infrastructural assets.
- Other expenses have increased by \$1.2 million. This is mainly as a result of increases in Land Transport required to meet NZTA standards.
- Revaluation of Property Plant and Equipment is expected to have a \$1.6 million effect.

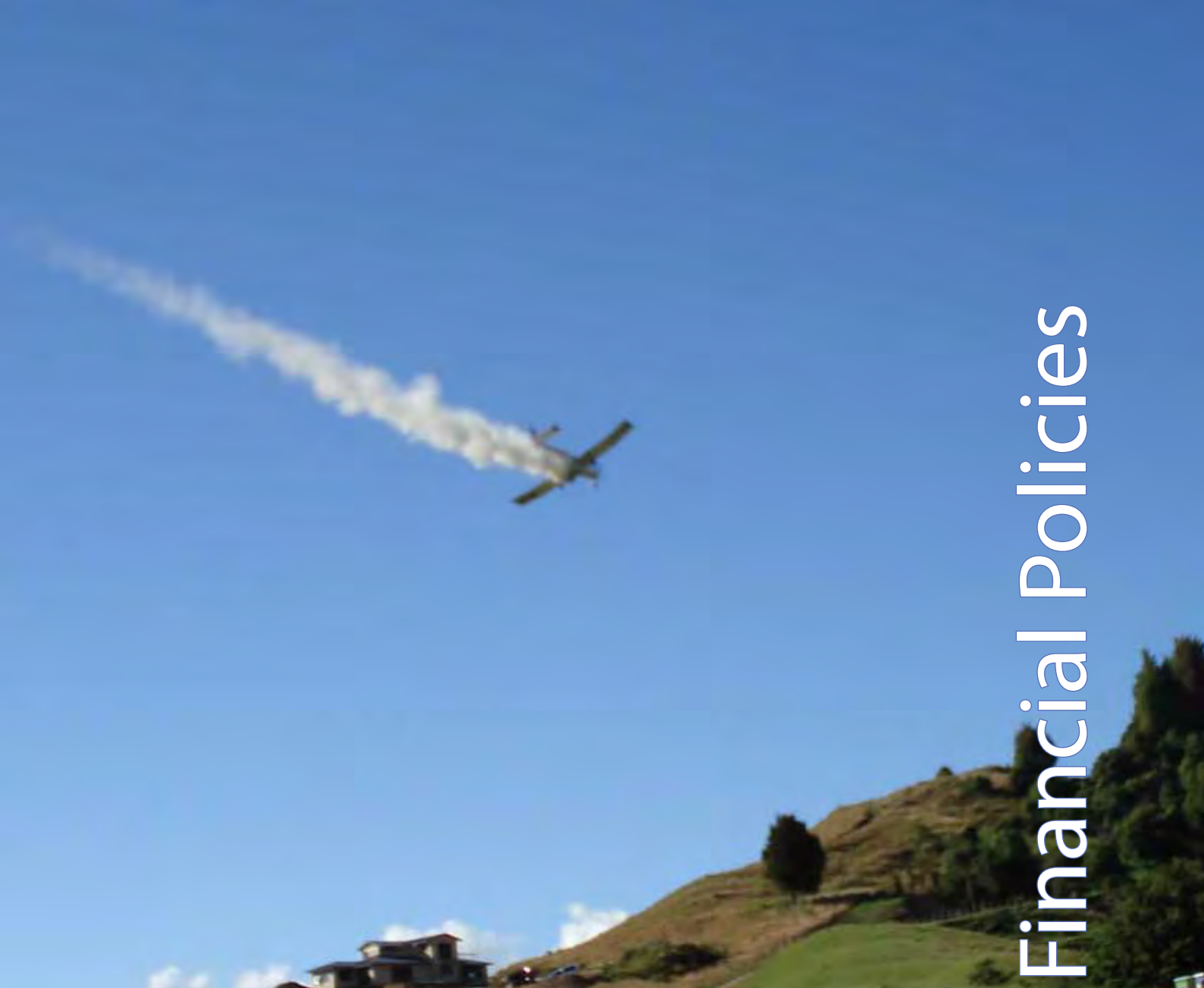
Forecast Changes in Equity

The change in equity is mainly due to forecast revaluations of Infrastructural Asset for 2012.

Forecast Statement of Financial Position

The major variances are due to:

- Cash and cash equivalents. The decrease reflects the intention to tightly manage the cash position.
- Investment Properties. This is the effect of the latest revaluation.
- Infrastructural Assets. The increase is a result of the forecast revaluation of infrastructural assets.
- Trade and Other Payables. The increase in payables is the expected timing of payments being late in the financial year.
- Borrowings - Current and Term. The decrease against budgeted borrowings is a result of spending restraint and budget control, with some capital projects being deferred.



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Revenue and Financing Policy

Policy Objectives

- 1.1 The purpose of the Revenue and Financing Policy is to demonstrate how and why Council funds each of its significant activities.
- 1.2 The objective of this Policy is to disclose Council's intentions regarding funding methods applied to fund each of Council's activities. This is to enable the Ruapehu community to monitor and assess Council's prudent financial management.
- 1.3 This policy is required to comply with Sections 102 and 103 of the Local Government Act 2002 (LGA) requiring Council to develop a Revenue and Financing Policy and incorporate it into the LTP.

Principles

- 1.1 Council funds its activities to achieve its Outcomes that it is committed to, as outlined in the Long Term Plan – Outcomes Section. Total funding is a mix of Rates, Fees and Charges and other income.

Background

- 1.1 This Policy is set according to Sections 101, 102 and 103 of the LGA.

Policy Statement

1.0 Rating Methods

1.1 General Rate

- 1.1.1 The General Rate is set under Section 13(2)(a) of the Local Government Rating Act (LGRA). The General Rate is a rate in the dollar on capital value applied to all properties in the District. This is set at 70% of the rate requirement (not including Water and Wastewater). A General Rate is used according to the Revenue and Financing Policy when:
 - (a) Council considers that a capital value rate is fairer than the use of other existing rating tools for the service funded.
 - (b) Council considers that the community as a whole should meet costs of the function.

- (c) Council is unable to achieve its user charge targets and must fund expenditure.

1.2 Uniform Annual General Charge (UAGC)

- 1.2.1 The UAGC is set under Section 15 of the LGRA to part fund the activities of Council and forms part of the General Rate. The UAGC will be 30% of the total rates, but not including Water and Wastewater rates.
- 1.2.2 All rates charged under General and UAGC will be calculated using a 70%/30% split.

1.3 Targeted Rates

- 1.3.1 A targeted rate is set under Sections 16 or 19 of the LGRA. A targeted rate is used according to the Revenue and Financing Policy, when:
 - (a) Council considers that a targeted rate would enable a higher level of transparency in funding allocation.
 - (b) Council considers that a targeted rate is fairer than the use of other existing rating tools for the service funded, in consideration of the benefit derived from the service. The percentage of benefit is determined by Council's Revenue and Financing Policy.
 - (c) There is not equal benefit to all District ratepayers from that portion funded by a Targeted Uniform Annual Charge (TUAC).

1.4 Fees and Charges

- 1.4.1 Fees and charges will be sought according to Council's Revenue and Financing policy where:
 - (a) It is assessed that level of benefit to identified beneficiary/exacerbator groups justifies the seeking of user charges.
 - (b) There are identifiable and distinct user groups/exacerbators identified by Council's Revenue and Financing Policy.
 - (c) User Fees represent the fairest method to seek a contribution from identified beneficiaries or exacerbators.

1.5 Other Funding

- 1.5.1 Council also uses the following funding methods:
 - (a) Extra income, petrol tax, interest and dividends - Council receives limited interest and dividends.
 - (b) Proceeds from asset sales - Used to offset debt first.





Revenue and Financing Policy (continued)

(c) Financial and Development Contributions - See Development Contributions Policy for more details. Funds are applied to projects resulting from development.

(d) Grants and Subsidies - Council receives a significant subsidy from New Zealand Transport Agency, as well as other subsidies, from time to time.

(e) Loan Funding.

1.6 Capital Funding

Council's use of funding mechanisms to fund capital development is as follows:

(a) Firstly, apply subsidies (Land Transport), Development Contributions

(b) Secondly, loans.

(c) Lastly, rate funding.

Borrowing is managed by the provisions of Council's Liability Management Policy

1.7 Operating Funding

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

(a) Operating expenses are funded annually with costs distributed to the beneficiaries of the particular activity.

(b) Council will make use of a mix of revenue sources to meet operating expenses. These mechanisms are outlined in the following section.

1.8 Proceeds from Asset Sales

Funds from any asset sales are applied first to offset public debt.

1.9 Financial Contributions

Council has received limited financial contributions to date. These contributions are expected to increase and are held in separate accounts, according to the purpose for which they are raised.

1.10 Development Contributions

A Development Contributions Policy has been developed for the LTP. Contributions from this source of funding are held in separate accounts, according

to the purpose for which they are raised. The funds will be applied to projects that have resulted from development in the District.

1.11 Grants and Subsidies

Council receives significant subsidy to part-fund operations, renewal and capital development in Land Transport. The percentage of this subsidy differs for different types of works.

2.0 Policy Assumptions

2.1 Key Funding Considerations

2.1.1 The funding needs of Council are met from those mechanisms that Council considers appropriate, after considering the matters set out in Section 101(3) of the LGA.

2.2 Intergenerational Equity

2.2.1 Section 101(3)(iii) of the LGA includes the consideration of intergenerational equity in terms of "the period in or over which those benefits are expected to occur". This means that, for some projects that have a long life, the cost of the project should be allocated over the life of the asset. However, to fund an asset with a life of 70 years with a loan would not be prudent, due to the large interest repayments.

2.2.2 The Intergenerational Equity policy is based on Council's 'Decline in Service Potential' (DISP) policy. The key activities where the principle of intergenerational equity applies to capital projects are as follows:

(a) Solid Waste disposal.

(b) Wastewater collection and treatment.

(c) Stormwater.

(d) Water extraction, treatment and distribution.

(e) Land Transport.

(f) Other capital projects.

2.2.3 Other functions where intergenerational equity may apply to capital projects include parks and reserves, district swimming pools, community halls, libraries, public toilets, cemeteries, older persons housing, and investment activities.



Revenue and Financing Policy (continued)

2.3 Decline in Service Potential Policy (DISP)

2.3.1 Council considers DISP to be a method of measuring the amount of 'service capacity' that is lost each year on key assets. For example, a water pipe slowly degrades over time to the point where it must be replaced. Each year, this reduction in life can be considered a reduction in service potential. As such, the concept of DISP is similar to depreciation. A number of methods for the treatment of DISP have already been established, based on accounting standards and government directives. Council has incorporated these and the following guidelines into the DISP Policy.

2.3.2 Calculation of DISP

- (a) DISP on all assets will be calculated using the Depreciation Approach.
- (b) Funding DISP came into effect in the financial year commencing on 1 July 1999.

2.3.3 Use of DISP funds

- (a) Expenditure of DISP funds can only be of a capital nature, such as new or replacement assets, or principal repayments. This is because of the requirement that all operating expenditure must be met out of operating revenues.
- (b) Council considers it has a moral obligation to spend DISP funds for the benefit of the group of ratepayers that provided those funds.
- (c) Any cash reserves that are used for internal loans will be documented.

2.4 Extra Income Policy

2.4.1 Extra income can be considered as income that is not specific to a particular function. This includes any dividends, petrol tax (provided by central government) and interest on rates, penalties and any other non-specific income. Council policy is to allocate on a pro-rata basis all significant extra income to the General Rate and the Uniform Annual General Charge (UAGC).

3.0 Outcomes Considered During the Policy Development

3.1 Council considered what Outcomes the Revenue and Finance Policy and activities targeted. The selection

of revenue and financing mechanisms should reflect desired Council Outcomes.

- That leadership is trusted, transparent, accountable and visionary, and takes a active approach to finding solutions.
- Core infrastructure, water, wastewater, solid waste, power, roading and keep pace with growth demand
- That economic diversity and core economic strengths are encouraged
- 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.

4.0 The Benefit Principle

4.1 Council considered how the benefits from each activity are distributed to individuals, groups, or the community generally.

- National Benefit - Benefits the nation and is public in nature.
- District Benefit - Benefits the whole District and is public in nature.
- Commercial Benefit - Benefits the commercial sector and has elements of both public and private benefit.
- Community Benefit - Benefits a particular Ward and is public in nature.
- User Benefit - Benefits an identifiable individual, group, or community segment.

4.2 Council considered the benefits of each of its activity and subactivities, as to the national, district, commercial, community or user component. Each activity was considered in turn and the following benefits were seen as the best fit.

4.3 The following activities are wholly funded by the General Rate/UAGC, as the benefit for each of these activities is considered to be equal for the community in general, are public in nature or have benefits nationally:

- (a) Leadership.
- (b) Public Toilets.
- (c) Emergency Management.





Revenue and Financing Policy (continued)

- (d) Grants.
 - (e) Economic Development.
 - (f) Visitor Information Centres.
- 4.4 The following activities are wholly funded by the user, as the benefit is considered to be solely to the user.
- (a) Water Supply.
 - (b) Wastewater.
 - (c) Kerbside Collection.
- 4.5 The following activities are funded by a mix of Fees and Charges and General Rates/UAGC, as the benefit is to both the community and to the user and have components of an groups who's action or inactions contribute to the activity.
- (a) Resource Management.
 - (b) Regulation.
 - (c) Land Transport.
 - (d) Waste Management and Minimisation.
 - (e) Recreation and Community Facilities (excluding Public Toilets).
 - (f) Environmental Health.
 - (g) Community Property.
 - (h) Community Development (excluding Grants).
- 4.6 The following activities are funded by a mixture of CV rates on commercial and industrial properties and a Targeted Uniform Charge on all properties as Council considers that there is more benefit on commercial and industrial properties, but that the District as a whole also benefits.
- (a) Regional Tourism.
- 4.7 The following activity is funded by a mix of the General Rates/UAGC and Urban Targeted Rates, as Council considered that there is more benefit on urban properties, but all properties benefit to some extent.
- (a) Stormwater and Flooding.
- 5.0 The Exacerbator Principle**
- 51 Council considered Section 101(3)(iv) and charges fees, charges and fines when there is an exacerbator or direct beneficiary.
- 5.1.1 Costs and Benefits**
- Council considered the costs and benefits of rating for its activities separately. Council considers that each activity, and in some cases, sub activities, should be rated separately as this is the most transparently method for capital and operating of these activities. This allows more detailed understanding of expenditure, transparency and accountability and the ability of input from the community. This also allows for monitoring of each activity separately. Council believes that the benefit of this rating method outweighs the costs.

Part 5 - Financial Policies



Revenue and Financing Policy (continued)

6.0 Summary

Activity	Groups of Activities	Activities	Funding Method	Percentage
Community Support	Community Support	Social Cultural and Environmental Investments	General Rate/UAGC	20-40%
			Fees and Charges	60-80%
		Emergency Management	General Rate/UAGC	100%
		Agency Services	General Rate	40 – 60%
			Fees and Charges	40 – 60%
		Community Initiatives	General Rate/UAGC	0 -20%
			Subsidies	80 -100%
		Grants	General Rate/UAGC	100%
		Visitor Information Centres	General Rate/UAGC	100%
	Economic Development	General Rate/UAGC	100%	
	Regional Tourism Organisation	Targeted Rate	66.6% TUAC 33.3% Commercial and Industrial on CV	
	Libraries	General Rate/UAGC	85 - 95%	
		Fees and Charges	5 – 15%	
	Leadership	Council, Committees, Community Boards, Strategic Development	General Rate/UAGC	100%
	Regulation	Resource Management	General Rate/UAGC	40-80%
			Fees and Charges	20-60%
		Building Services	General Rate/UAGC	40 -60%
			Fees and Charges	40 -60%
	Compliance	General Rate/UAGC	20-40%	
		Fees and Charges	60-80%	
	Environmental Health	General Rate/UAGC	40-60%	
		Fees and Charges	40 - 60%	
	Liquor Licensing	General Rate/UAGC	40-60%	
		Fees and Charges	40 - 60%	
Community Facilities and Assets	Facilities	Parks and Reserves	General Rate/UAGC	80-100%
			Fees and Charges	0-20%
		Community Halls	General Rate/UAGC	80-100%
			Fees and Charges	0-20%
		Public Toilets	General Rate/UAGC	100%
	Cemeteries	General Rate/UAGC	20-40%	
			Fees and Charges	60-80%
		Social Housing	General Rate/UAGC	0-20%
			Fees and Charges	80-100%
		Land Transport	Roading General	Subsidies
	General Rate/UAGC			20-40%
	Accelerated and Enhanced Development		Targeted by Capital Value by Ward	100%
	Mainstreet		Targeted by Capital Value by Ward	100%
	Power		Differential	70%
		Land Value	100%	
	Waste Management and Minimisation	Waste Minimisation	General Rate/UAGC	40-80%
			Fees and Charges	20-60%
		Kerbside Collection	TUAC Rate	100%
	Stormwater and Flood Protection	Stormwater and Flood Protection	General Rate/UAGC	50%
			Urban *	50%
	Wastewater	Wastewater	T U A C	By scheme 90 -100% 0 – 10%
Water Supply	Water Supply	T U A C	By scheme 80 - 90% 10 - 20%	

* In this instance, "Urban" means able to be connected to a Water or Wastewater system or receives Kerbside Collection.



Investment Policy

Policy Objectives

- 1.1 To manage the investment activities of Council to provide long term prudent financial management within specific investment limits and to reduce all forms of risk associated with investment activities.
- 1.2 To disclose to the Ruapehu community the procedures by which investments are managed and reported on to Council.
- 1.3 To provide an outline of how risks associated with investments are assessed and managed.

Principles

- 1.1 This Policy discloses Council's prudent financial management principles and risk mitigation strategies associated with its investments. This Policy is developed pursuant to Section 102(4) of the Local Government Act 2002 (LGA) to meet the requirements outlined in section 105. The primary purpose of Council's investment holdings is for strategic and cash flow/contingency reasons. Any acquisition of new assets must be for strategic reasons and meet goals and objectives outlined in the LTP. Council currently holds both strategic and treasury investments.
- 1.2 The following Outcome is targeted by this Policy:
Healthy Communities and People
That leadership is trusted, transparent, accountable and visionary, and takes an active approach to finding solutions.

Background

- 1.1 Section 105 of LGA states:
A policy adopted under section 102(4)(c) must state the local authority's policies in respect of investments, including:
 - (a) Repealed.
 - (b) The mix of investments.
 - (c) The acquisition of new investments.
 - (d) An outline of the procedures by which investments are managed and reported on to the local authority.
 - (e) An outline of how risks associated with investments are assessed and managed.

Policy Statement

1.0 Scope

The Investment Policy applies to Council's equity, treasury, and financial investments. Council is a risk-averse entity, meaning that Council takes prudent measures to protect equity and investment from known sources of risk. Interest rate, liquidity and credit risks are risks that Council seeks to manage. In general terms, Council has two types of investments:

1.1 Strategic

- (a) Investments made or held in the context of Council's general strategic objectives and typically retained on a long-term basis.
- (b) Council maintains strategic investments in the following:
 - (i) Equity investments in King Country Energy.
 - (ii) NZ Local Government Insurance Corporation.
 - (iii) Joint Forestry venture with Wanganui/South Taranaki District Councils.
 - (iv) RDC Holdings Ltd.

1.2 Treasury

- (a) Treasury investments are those made from surplus funds available to Council. These would typically be in the form of financial instruments acquired from approved counter parties. Treasury investments comprise the investment surplus general fund held by Council from time to time, and the investment of those moneys in credit worthy counter parties.

2.0 Strategic Investment Policy

2.1 Purpose

- (a) To hold investments for strategic purposes and for investment diversification.
- (b) To have limited or no holdings of equity investments unless for strategic purposes or through gifting.
- (c) Loans and advances will only be made for Council related or community projects for which Council has undertaken a risk assessment and repayment is of acceptable risk.



Investment Policy (continued)

2.2 Acquisition/Alteration/Disposal of Strategic Investments

- (a) In assessing whether to acquire any proposed investment, Council will take into account:
 - (i) The expected financial return.
 - (ii) Any Outcomes that would be furthered by holding the investment in question.
 - (iii) Any other consideration that Council deems appropriate.
- (b) Council will not pursue any equity holdings in the future except through the formation of Council Controlled Organisations.
- (c) All new strategic investments, additions to existing strategic investments and/or disposals of existing strategic investments, must be approved by Council resolution.

2.3 Decision-Making, Consultation, Reporting and Monitoring

- (a) Decision-making in relation to Council strategic investments must take into account:
 - (i) Decision-making process required by Sections 76-81 of the LGA.
 - (ii) Principles of consultation as required by sections 82-84 of the LGA.
- (b) In the event of a sudden occurrence where a strategic investment or the industry in which it operates is severely impacted, a large drop in the value of the investment may occur. Under these circumstances, the consultation may not be practical or useful and Council could resolve to immediately dispose of its investment.
- (c) Strategic Investments will be reported on using the Annual Report process.
- (d) Monitoring - Council will monitor its investments in a manner which is dependent on the size and nature of the investment and, in instances where it is not the 100% shareholder, will seek to do so in conjunction with other major shareholders. It will do so by:
 - (i) Monitoring performance.
 - (ii) Acting to preserve the value of Council's investment.
 - (iii) Monitoring the impact of the company's (or organisation's) operations on the Ruapehu District.

2.4 Mix of Investments

- (a) Council will maintain a prudent mix of investments.

2.5 Risk Management

- (a) Each strategic investment (or category) will be subject to a risk management review to address the particular risks of each investment category. Council reviews its strategic investments three yearly in preparation of its LTP.

3.0 Treasury Investment Policy

3.1 Purpose

- (a) To hold sufficient cash and cash reserves for approved expenditure, contingency, general reserve and cash flow purposes.

3.2 Policies

- (a) Council sets the overall treasury investment strategy by reviewing cash flow forecasts, including approved expenditure and interest rate forecasts. This strategy is reviewed three yearly.
- (b) Council will not increase financial reserves. However, Council will maintain access to funds that may be called on for unforeseen emergency expenditure.
- (c) Treasury investments shall only be made in New Zealand dollar denominated instruments, and in accordance with the guidelines and parameters embodied in the Liability Management and Investment Management Policies.
- (d) Treasury investments will be reported on using the monthly, quarterly and Annual Report process.

3.3 Risk Management

- (a) To ensure protection of Treasury investments, Council will only invest with creditworthy counterparties.
- (b) Low risk counterparties are selected on the basis of ratings from reputable credit agencies. With this framework, Council seeks to maximise investment return and ensure that an appropriate level of treasury investments are liquid for forecast expenditure.

Delegations

Refer to Council's Delegations Manual.





Liability Management Policy

Policy Objectives

- 1.1 To disclose Council's intentions regarding borrowing, debt and other liabilities to enable monitoring of Council's prudent financial management.
- 1.2 To comply with Sections 102 and 104 of the LGA requiring Council to develop a Liability Management Policy.
- 1.3 To maintain liquidity levels and manage cash flows within Council to meet known and reasonably unforeseen funding requirements.
- 1.4 The following Community Outcome is targeted by this Policy:

That leadership is trusted, transparent, accountable and visionary, and takes a active approach to finding solutions

Principles

- 1.1 The Liability Management Policy is developed pursuant to Section 102(4) of the Local Government Act 2002 (LGA) to meet the requirements of Section 104, for Council to adopt a policy disclosing the method by which it will manage its borrowing, issuing of securities, debt management and interest rate exposure. Council has two types of liabilities: current and non-current liabilities.

Background

- 1.1 Section 104 of LGA states:

A policy adopted under Section 102(4)(b) must state the local authority's policies in respect of the management of both borrowing and other liabilities, including:
 - (a) Interest rate exposure.
 - (b) Liquidity.
 - (c) Credit exposure.
 - (d) Debt repayment.
 - (e) Specific borrowing limits.
 - (f) The giving of securities.

Policy Statement

1.0 Scope

1.1 Current Liabilities

- (a) Current liabilities are Council's financial commitments that must be paid within 12 months from the date of the period under review. They include accounts payable, accrued expenses and the current portion of the Public Debt.
- (b) Council policy is to pay all routine obligations of its operational and capital expenditure in full (or to the full extent of any contractual obligations) by the due date.

1.2 Non-Current Liabilities

- (a) Non-Current liabilities are also known as long term liabilities. They are financial commitments of Council that in general terms are not due to be paid within 12 months from the date of the period under review.
- (b) Public debt is the most common example, but long term lease obligations or deferred settlements are also term liabilities in this section.
- (c) Council is a risk-averse entity.
- (d) Speculative activity is prohibited.
- (e) Interest rate risk and credit risk are risks that Council seeks to manage by following the policy.

1.3 Public Debt Repayment

- (a) Council repays borrowings from reserves, available bank facilities or from general funds.

1.4 Public Debt Security

- (a) Public debt is secured by registered charge over Rates Revenue.

2.0 Risk Mitigation

2.1 Interest Rate Exposure

- (a) Objective: To mitigate the effect of interest rate increases and to stabilise interest costs.



Liability Management Policy (continued)

Risk	Risk Management
Interest rate increases	<ul style="list-style-type: none"> Use of hedging transactions to reduce risk, adjust an undesirable maturity profile or a fixed versus floating interest rate position. No more than 20% of total debt may be at a floating interest rate.
High levels of public debt mature at the same time, leading to high refinancing rates (market dependant).	<p>Council's targets are:</p> <ul style="list-style-type: none"> No more than 40% of total debt may mature within any one annual planning cycle. Debt maturity levels should not exceed the guidelines outlined below.

2.2 Debt Maturity Levels: Investment Rate Exposure

Period to Maturity	Minimum %	Maximum %
0-12 months	10%	40%
12 months-2 years	10%	40%
2-4 years	20%	50%
4 years +	10%	20%

2.3 Liquidity

Objective: To maintain access to funds so that Council's routine commitments can be met.

Risk	Risk Management
Disruption of cash flow.	<ul style="list-style-type: none"> Treasury investments shall not be invested in instruments maturing in more than 12 months time unless an appropriate resolution is obtained from Council.
Major disruption to financial markets.	<ul style="list-style-type: none"> Maintenance of a bank standby facility at a level that will ensure that Council will have access to emergency funds.
Natural disaster affecting part of the District or Region that results in a severe disruption to Council's routine revenues.	<ul style="list-style-type: none"> Maintenance of an adequate level of liquidity, including through a cushion of liquid assets. Retaining of membership to the Local Authority Protection Programme. Debt maturities are spread over a band of maturities to ensure that no more than 20% of total borrowing is subject to refinancing in any financial year.

2.4 Credit Exposure

Objective: To minimise credit risk to Council.

Risk	Risk Management
Deterioration of the credit rating of an entity with which Council has term debt or entered into a major contract.	<ul style="list-style-type: none"> Financial derivative contracts are only to be concluded with registered banks. All parties with whom Council intends to enter major contracts will be subject to a risk assessment undertaken by Council. Council will only enter into borrowing agreements with creditworthy counterparties. Low-risk, credit-worthy counter parties are selected on the basis of ratings from reputable credit agencies. Speculation with regard to using non-creditworthy parties is prohibited. Council will seek a diversified pool of creditworthy stock and borrowing institutions, and ensure that bank borrowing is sought from an approved list of registered banks.

3.0 Debt Repayment

- The funds from all assets sales and operating surpluses will be applied to the reduction of debt and /or a reduction in borrowing requirements, unless Council specifically directs that the funds be put to another use.
- Council will manage debt on a net portfolio basis at all times.

4.0 Limits on Borrowing

Objective: To maintain Council's borrowing within the parameters during the period of this LTP

Ratio	Acceptable Range	Limit
Interest/Operating Revenue	3% - 12%	15%
Total liabilities/Total Assets	Less than 12%	15%
Net Debt/Operating Revenue	1-1.5	2

4.1 Borrowing Exposure

Objective: To constrain borrowing to within limits





Liability Management Policy (continued)

outlined within this policy.

Risk	Risk Management
Council's liabilities and debts may exceed its asset value and revenue.	<ul style="list-style-type: none"> ➤ Council has a variety of borrowing sources available and will utilise the most appropriate and cost effective source from time to time. ➤ Other sources of financing will be offered to Council from time to time. Council will assess and utilise such financing sources as it so determines, but within the general constraints laid down in this Policy and the Investment Policy. ➤ Council operates an internal Treasury Management function that requires Council to centralise all its borrowings. Borrowings are not allocated to specific activities. However, funds are internally allocated on the basis of funding needs with interest and debt repayments charged to the activity benefiting from the allocated funding. ➤ Council exercises flexible diversified borrowing powers within the LGA (Sections 113 -116). Council approves a maximum level of borrowing (in general terms) during the Annual Planning process with public disclosure by way of resolution. ➤ Ratios based on income and debt or debt servicing and asset based ratios are used for measuring a prudent debt level. Council borrowing limits are based on these ratios.

5.0 Borrowing Mechanism

(a) Council is able to borrow through a variety of market

mechanisms including issuing stock and debentures, direct bank borrowing or assessing the short and long-term capital markets directly.

(b) Council may use a mixture of short-term facilities (which generally have a lower credit margins) as well as longer-term facilities to achieve an effective borrowing mix, balancing the requirements of liquidity and cost.

6.0 The Giving Of Securities

Objective: To enable Council to secure finance for borrowings

Risk	Risk Management
Adequate funding for Council activities may not be raised without security.	<ul style="list-style-type: none"> ➤ Security will be provided over rates (as per section 115 of LGA) revenue unless special circumstances require security over assets or specially deemed rates.
Security will not be given over one or more of Council's assets without prior Council resolution.	<ul style="list-style-type: none"> ➤ Where borrowing is by way of finance lease, or some other form of trade credit under which it is normal practice to provide security over the asset concerned, Council may offer security over the asset.

Delegations

The delegated authority regarding liability management is with the Chief Executive.



Significance Policy

Objectives

- To outline in what situations Council will consult with the District community on issues of significance that fall outside other specific provisions of the Act.
- To outline the basis on which Council considers issues to be of significance.
- To outline which assets Council considers strategic.
- To comply with Section 90 of the LGA.

Principles

This policy is developed in compliance with Section 90 of the LGA. It addresses the criteria and procedures by which issues, decisions, proposals or other matters that fall outside of other specific LGA provisions, will be considered as significant by Council and consulted on (in accordance with Section 79 (1)(a)). The Policy also determines which assets of Council it considers strategic.

The Significance Policy targets the following Outcomes:

- Caring for Our People - That there is access to affordable and effective health and education services.
- Caring for Our People - That leadership is trusted, transparent, accountable and visionary and takes an active approach to finding solutions.

Background

Section 90 of the LGA states:

- (1) Every local authority must adopt a policy setting out
 - (a) that local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters, and
 - (b) any thresholds, criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, decisions, or other matters are significant.
- (2) The policy adopted under subsection (1) must list the assets considered by the local authority to be strategic assets.
- (3) A policy adopted under subsection (1) may be amended from time to time.

- (4) A local authority must use the special consultative procedure both in relation to
 - (a) the adoption of a policy under subsection (1), and
 - (b) the amendment, under subsection (3), of a policy adopted under subsection (1).

Section 79 of the LGA states:

- (1) It is the responsibility of the local authority to make, in its discretion, judgements-
 - (a) about how to achieve compliance with sections 77 and 78 that is largely in proportion to the significance of the matters affected by the decision.

Policy Statement

1. Definitions

Significance (LGA Part 1, Section 5):

Significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:

- The current and future social, economic, environmental, or cultural wellbeing of the district or region:
- Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter:
- The capacity of the local authority to perform its role, and the financial or other costs of doing so.

Significant (LGA Part 1, Section 5):

Significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision or other matter has a high degree of significance.

Strategic Asset (LGA Part 1, Section 5):

Strategic asset, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority





Significance Policy (continued)

determines to be important to the current or future well-being of the community; and includes

- Any asset or group of assets listed in accordance with section 90(2) by the local authority.
- Any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy.
- Any equity securities held by the local authority in:
 - A port company within the meaning of the Port Companies Act 1988.
 - An airport company within the meaning of the Airport Authorities Act 1966.

2. General Approach

In considering whether any issue, proposal or decision or other matter is of significance under this Policy, Council will be guided by the following:

The likely impact or consequence of the issue, proposal, decision or other matter, on the current and future social, economic, environmental and cultural wellbeing on the community.

The parties who are likely to be affected by or interested in the issue, proposal, decision or other matter.

The likely impact or consequences of the issue, proposal, decision or other matter from the perspective of those parties.

The financial and non-financial costs and implications of the issue, proposal, decision or other matter having regard to Council's capacity to perform its role.

3. Criteria

To determine the significance of any issues, proposal, decision or other matter Council will consider whether it:

- Is determined to be significant by Council through resolution, and has not been previously consulted on by the Special Consultative Procedure through Council's Annual Plan or LTP.
- May have significant cost implications for the community, in terms of:

- A possible increase in funding requirement in excess of:
 - 20% of the total asset class' value, or
 - 20% of total Council operating budget costs, or
 - Capital expenditure in excess of 2.5% of the total value of Council's assets.
- Emergencies and emergency works of Council are excluded from this policy as, by their very nature, they are unplanned and must be responded to immediately.
- Will severely affect the capacity (including financial capacity) of Council to carry out any significant activity identified in the LTP.
- May lead to significant change to levels of service, or service provision, to Ruapehu communities, or District-wide, in terms of:
 - Potential reduction in levels of service below any level of service standards agreed on through the LTP by Council, including change to service delivery points.
 - Increases in levels of service that invoke cost implications as outlined under (b).
 - Involves the sale, transfer of ownership or management control of Council's shareholding in any Council Controlled Organisation.
 - Involves Council's entry into any partnership, transfer of ownership or management control to be exercised over an entire Significant Activity (as defined by Council's Revenue and Financing Policy).
- Results in the construction, replacement or abandonment of a strategic asset, defined as:
 - Road network, in entirety
 - Wastewater treatment plants, and reticulation network in entirety
 - Water treatment plants, and reticulation network in entirety
 - Stormwater reticulation, in entirety
 - Solid waste disposal network, in entirety
 - Cemeteries



Significance Policy (continued)

- District libraries, in entirety
- Information Centres, in entirety
- Community Halls
- Community housing, in entirety
- Recreation reserves and facilities, in entirety

“In entirety”: Where this is stated, it refers to the overall network, and does not refer to the individual components that make up the network. Issues of significance pertaining to individual components will be evaluated against the other significance criteria in this Policy.

The issue, decision, proposal or other matter that triggers a criterion [from (a) to (g)] will be consulted on through the Special Consultative Procedure with Maori, affected communities and other stakeholders, after first demonstrating compliance with Section 76 (Decision Making) and Section 82 (Principles of Consultation).

4. Exceptions

There may be cases where the significance and/or consultation requirements of a specific issue, proposal, decision or other matter are determined by statutory processes or legislative requirements other than in the LGA, such as under the Resource Management Act 1991. These cases may fall outside the scope of this Policy and will be considered on a case-by-case basis.

Delegations

Refer to Council's Delegations Manual.





Part 6 - Appendices

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Mayor and Councillors



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Taumarunui 3992

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Deputy Mayor
Waimarino-Waiouru Ward

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Marion Gillard JP
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Bruce Broderson QSM
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Mayor and Councillors (continued)



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Ron Cooke
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Karen Ngatai
Taumarunui Ward
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Part 6 - Appendices



Mayor and Councillors (continued)



Elaine Wheeler
National Park Ward
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Waimarino-Waiouru Ward
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Community Boards

National Park Community Board

National Park Councillor Elaine Wheeler is Council's appointed representative on the Board. Mayor Sue Morris is an ex-officio member.



Ken Malcolm (Chair)
2379 Oio Road, RD2
Owhango 3990
Ph: 07 896 6262
Fax: 07 895 6263



Jim Paul
CMB2
Owhango 3990
Ph: 027 556 6660



Jenni Pendleton
13 MacKenzie Street
National Park 3948
Ph: 07 892 2774



William (Bill) Taylor (Deputy Chair)
288 Kaitieke Road, RD2
Owhango 3990
Ph: 07 892 2895

Waimarino-Waiouru Community Board

Two Waimarino Ward Councillors (Deputy Mayor Don Cameron and Councillor Cynthia Dowsett) are Council's appointed representatives on the Board. Mayor Sue Morris has speaking rights.



John Compton (Chair)
PO Box 3
Raetihi 4626
Ph: 06 385 4204



John (Luigi) Hotter
99 Ruapehu Road
Ohakune 4625
Ph: 06 385 8312



Uwe Kroll
(Deputy Chair)
99 Ruapehu Road
Ohakune 4625
Ph: 06 385 8312



Allan Whale
125 Ruapehu Road
Ohakune 4625
Ph: 06 385 9139



Key Council Documents and Strategies

Documents

A lot of detailed information is needed to produce this 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. This will be updated after the next census.

Asset Management Plans (AMPs)

Council's AMPs outline the strategic direction that its asset-based services will take and detail associated work programmes for these assets. Strategic Goals align the AMPs to Community Outcomes. Council's work programmes are subsequently based 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 was required to undertake 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.





Key Council Documents and Strategies (continued)

Policies

The following Policies can be found in Part 6 (Financial Strategy) of this 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 having limited rateability under legislation.

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.

Part 6 - Appendices



Looking Back to 2009

It is useful to look at what has happened since the last Long Term Plan in 2009. There have been many changes, challenges and achievements in the District and for Council as an organisation.

Community Services

Economic Development

Te Kahui Tupua (Sacred Peaks) - Over the last three years, Council has continued to support and fund its partnership with Te Kahui Tupua, with the aim of ensuring excellent tourism advice and ambassadorship of the region. Over this period, Central Government has provided



\$2million in funding towards the partnership and this has been supported by funding from the District Councils involved in the partnership: Whanganui, Rangitikei and Ruapehu.

As a result of this, the partnership was awarded the top prize for 'Excellence in Local Government' in the 2010 New Zealand Post 'Local Government Excellence Awards'.

Visit Ruapehu

Council's funding contribution of \$250,000/annum to Visit Ruapehu has enabled significant leveraging of additional funding to market the District and build the district's tourism industry. Council's funding is complimented by contributions from the Tourist Industry and Central Government, along with significant in-kind contributions.



NZ Cycle Trail

Two of the seven Cycleways, Central North Island Rail Trail and Mountains to the Sea (Nga Ara Tuhono), approved in the first round of funding by Central Government for the National Cycleways Project are within the Ruapehu District. Over \$4.8million has been spent developing these cycleways and has resulted in 382km of new tracks being created. The creation of the cycleways is a significant step towards expanding tourism into a full year round activity and not just a winter destination.

One of Council's key goals in relation to Economic Development is to develop a year-round tourist industry in the District. Projects



such as the Cycleways and funding of Te Kahui Tupua (Sacred Peaks) and Visit Ruapehu will all, over the long term, contribute towards this goal. However, early figures indicate that these projects are already having a positive effect, (eg, off-peak (summer) guest nights have increased by approximately 40,000 in the ten year period (2000 – 2010) from 48,843 guest nights in 2000 to 88,728 in 2010).

Council actively worked to get McDonalds into the area, with the aim of creating jobs for young people in Taumarunui and also actively lobbied for the Stratford Okahukura Railway Line to remain open, again due to the potential economic benefits for both Ohura and the wider community.

Community Development

Following an assessment of Youth Issues in Taumarunui early in 2010, Council received funding for a Youth Co-ordinator from the Ministry



Stephen Carson, Youth Co-ordinator

of Social Development. Twelve young people have been successful in finding jobs with the support and mentoring of the Youth Co-ordinator. Council has also been working with Police on targeting youth issues on Taumarunui Main Street and Library and has been actively involved in fighting graffiti.

With the help of the Aotearoa Peoples' Network, all three of Council's Libraries now have computers available to the public with free internet access. There is also free WiFi access, which enables people to use their laptops in the Libraries. There has been ongoing development of the children's programme within the Libraries. These improvements to the range of services offered reflect the changing role of Libraries nationally.





Looking Back to 2009 (continued)

Community Grants



Council has distributed approximately \$273,000 in Community Grants over the last three years. These grants, alongside the SPARC Rural Travel Fund (now called Sport New Zealand) and the Creative Communities Grants, provide support for our communities and volunteers. With the current financial situation, Council has had to focus on core business and as such less contestable funding for community grants was available in the last financial year.

Leadership

The Local Government Elections were successfully held in 2010 with both the Mayor and the Ohura Ward Councillor re-elected unopposed. This was followed by a By-Election in the Waimarino-Waiouru Ward in June 2011 where Ben Goddard was elected.

The Ruapehu District Maori Council (Te Kaunihera Maori a Rohe o Ruapehu) is now in entering its third year. The Maori Council was established as an interactive group to enhance consultation between Council and local iwi. At present, there are three mandated hapu representatives from Maniapoto, Tuwharetoa and Te Awa Whanganui, along with three Council representatives.

The formation of the Ruapehu District Maori Council has been positive in terms of building relationships between Council and the represented iwi, with progress being made in relation to issues such as resource consent processing, rating of Maori Land, the Discrete Remedies Process and the Long Term and District Plans.

The Customer Satisfaction Survey was carried out in 2010, with 70% of respondents being satisfied with Council's overall performance. The main areas for improvement identified by respondents were in the areas of economic and community development and job creation.

Significant work has also been put into reviewing many of Council's Bylaws and



Policies. Most recently, this has included a review of the Animal Control Bylaw and development of a Trade Waste and Water Bylaw.

Council has worked hard to keep a cap on rates. In the last three years, rates increases have been kept below 4%. Council continues to keep sustainability and affordability of its communities in mind, as it works on maintaining its infrastructure. This LTP has a very 'business as usual' approach to keep rates within reasonable increases.

Regulation

District Plan Review

In December 2011, Council voted to accept the Independent Commissioners' Recommendations on changes to the Ruapehu District Plan. This was a significant milestone in the review of the District Plan which first started in 2006. Seventeen appeals have been received by the Environment Court. These may take some time to resolve. However, the amendments to the District Plan now have legal effect, meaning that they are considered alongside the existing rules when assessing resource consent applications.

Building Consents Authority (BCA) Accreditation

Council's Building Consents team gained Accreditation again this year (this is an assessment undertaken for the Department of Building and Housing to ensure that BCAs meet a number of Regulations). Councils cannot issue building consents without Accreditation and therefore gaining accreditation is critical for the District.

There have also been changes to the Building Act which enable minor and low risk building works to be undertaken without needing to apply for building consent. However, all works still need to comply with the Building Code's Standards.

Animal Control

A new Animal Shelter (dog pound) has also been opened in Taumarunui. The new shelter is a significant improvement over the existing kennel facilities and meets the new, improved standards for care required for housing animals. Council has also run a number of successful campaigns aimed at reducing the number of unregistered dogs.

Part 6 - Appendices



Looking Back to 2009 (continued)

Facilities

A range of works have been undertaken in relation to Community Facilities and Assets. This has included the construction of toilets at the Taumarunui Domain Playground, upgrading the Clyde Street Public Toilets in Ohakune and installation of a new playground in Ohura. In addition, invaluable work has been undertaken by the Hinengakau Trust and Community Service workers who, in partnership with Council, have done clean up work and track reconstruction in various Council reserves and cemeteries.

Community Property

In the last three years:

- The Pukehou Quarry investment property was sold.
- Two sections adjoining the Ohakune Service Centre were purchased to allow for the extension of the Service Centre in the future, if needed.
- A range of small scale maintenance and upgrading works have also been undertaken. This has included the provision of disabled access ramps to the Rochfort Flats (Taumarunui) to enable better access for tenants with disabilities; installation of insulation to the Miriama Street flats (Taumarunui) and painting of the exterior of the Ohakune Flats.



Ohura Playground

Land Transport (Roading)

During the 2009-12 LTP period, the Land Transport programme has focussed capital works towards completing long standing projects such as Dobbs Bluff remedial works, Okahukura Saddle seal extension and Wanganui River Road Seal extension. A number of improvements have also been undertaken on the Ohakune Mountain Road where we have focused investment towards capacity improvement projects such as the Ohakune Mountain



Ohakune Mountain Road 9km bridge ... before



Ohakune Mountain Road 9km bridge ... after

Road 9km bridge renewal, 7.2km black spot reconstruction and the 13km realignment.

Maintenance and operations have targeted high risk infrastructure for works such as reducing the number of weight and speed restricted bridges and increasing the presentation of the road network signs and safety structures. Council has a target of resealing all chip sealed roads every 14 years and are well on the way to achieving this goal.

Over this period, Road Pavement (surface under a sealed road) Rehabilitation distances have increased from 3.2km to 6.3km, which represents a sustainable renewal cycle for sealed road pavements in the District.

In general terms, the Land Transport team has finished works on all long term construction projects and is now in a position to consolidate its maintenance and renewal of transport infrastructure, while avoiding the temptation to build new assets.





Looking Back to 2009 (continued)

Capital Works – Deferred from 2009

- Land Transport - Three of the five projects are still to be completed or are no longer included in the LTP. These projects are:
 - Whanganui River Road seal extension is still to be completed.
 - Soldiers Road sealing programme.
 - Waitaanga Road sealing programme.

The last two projects have not been included in this LTP as NZTA has changed the funding criteria for seal extensions, making it difficult to achieve NZTA funding with the low level of traffic on those roads. Instead, Council is concentrating on its existing roads and continuing the level of renewal investment achieved in the last LTP period.

Stormwater and Flood Protection

The major focus for the 2009-12 LTP period has been:

- The renewal of aged stormwater pipes across the District with significant works in:
 - Taumarunui township - replacement of Ward Street stormwater system.
 - National Park Village - development of Park Lane and Ward Street extensions, Kirk/Waimarino Tokaanu Roads.
 - Ohakune township - Miro Street, Southridge Drive, Lee Street and Mangawhero Terrace pipeworks.
 - Raetihi township - Ward, Grey and Queen Street area.
 - Waiouru township - Ruanui Road, Rangipo Street.
 - Rangataua township - Nei and Kaha Street.
- Maintenance across the District on the sumps within the road network and general cleaning of the drain network.
- Removal and diversion of stormwater as a result of infiltration and ingress testing in the Lower Huia Street catchment (Taumarunui) and in Rangataua and Raetihi townships.
- Collecting information using Light Detection and Ranging (LiDAR) mapping of town contours in Rangataua, Raetihi, Ohakune, Owahango and Taumarunui.

Waste Management and Minimisation

Rubbish entering the District landfill continues to reduce and is at the lowest level since records were kept in 2002/03. In addition, the volume of materials that people are recycling is increasing.



New Taumarunui Weighbridge

This is great news in terms of Council's goal of Zero Waste by 2015.

The Taumarunui Weighbridge was completed in 2011. The weighbridge will significantly improve the accuracy of the data Council captures about the levels of recycling and waste entering the Transfer Station and Landfill. This information helps Council to make good decisions about how to manage the District's waste and recycling efforts.

Since 2005, Council has supported Zero waste education. This is a nationally available education programme provided to primary schools. It is to assist in reducing their waste by integrating waste and sustainability into the school curriculum, carrying out waste audits and supporting teachers and students with their action plans, and has included establishing worm farms in schools.

Council has also actively supported a number of smaller, low cost initiatives, which collectively will help to reduce waste and keep the District tidy. These included:

- A highly successful composting workshop in Taumarunui, held in conjunction with Mitre 10.
- The placement of stainless steel recycling bins in urban areas throughout the District.
- Supporting community groups which have been removing rubbish from reserves and walking tracks by providing them with rubbish bags.

Wastewater (Sewerage)

A number of works have been undertaken to improve the District's wastewater network. This has included:

- Improvements to the Hikumutu Treatment Plant (Taumarunui) and reticulation system, including improvements to increase



Looking Back to 2009 (continued)

the safety of the system, along with smoke testing of Huia Street and the Sunshine area to identify and remove Stormwater from the Wastewater system. Standby generators have also been installed at Victory Bridge and the Huia Street pump station to ensure that effluent will no longer discharge into the river in power cuts.

- In Ohakune, a range of works have been undertaken, including the replacement of the bottleneck in the Wastewater mains along Clyde Street. In addition, a receiving station for sewage from tankers has been completed in Ohakune. This has started yielding a financial return for Council.
- Works have also been undertaken at Raetihi and Rangataua, including hydraulic modelling of both of these treatment plants. In Raetihi, the ongoing pipe renewal programme has continued. This programme will significantly reduce ground water entering the Wastewater network, which increases unnecessary costs in treating wastewater.
- In addition, there has been maintenance to the septic tanks in Pipiriki and sludge removed.

Water Supply



Hikumutu Oxidation Ponds

A large number of works have been undertaken in the last three years, including:

- Ohura - the upgrade of the Ohura Water Treatment Plant is largely completed. This has included:
 - The upgrading of both the intake and the treatment plant itself.



New Ohakune Water Supply Reservoir

- A new liner has been installed in the water reservoir.
- A new sludge lagoon has also been added to treat the wastewater.

Much of the funding for this project has come from the Ministry of Health's Drinking Water Assistance Programme (DWAP).

- Upgrading projects at National Park, Raetihi and Owhango have also been progressed, enabling on-line monitoring and dosing of chemicals at each plant.
- The Ohakune Water Supply, Treatment and Reticulation Works have included upgrading of the treatment facility, installation of a second reservoir, new roof on the current reservoir. A new UV unit has been installed. This was also funded through Capital Assistance Funding from the Ministry of Health.
- Pipe replacement – mains have been replaced in Ohura (Hihi Street), Taumarunui (Ward Street), Ohakune (Clyde and Miro Streets) and Raetihi (Ward Street).
- Basic maintenance has also been undertaken on an ongoing basis at the other Water Treatment Plants.
- Control of the Piriaka Water Supply was also transferred to the Piriaka Community Incorporated Society, following a referendum where 80% of the community voted in favour of local control of the Water Supply.
- All water treatment plants now have SCADA – a computer system to monitor water quality along with flow rates
- Part of the upgrade work at each plant saw the replacement of aging water meters to ensure compliance with National Environmental Standards.





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.
Community Wellbeings	One of the main purposes of councils, as stated in the LGA, is to promote the social, economic, environmental, and cultural wellbeing of communities, in the present and for the future. These four aspects are known as the "four wellbeings".
Current Assets	Assets that can be readily converted to cash, or will be used up during the year. These include cash, stock, debtors, and operational investments.
Current Liabilities	Creditors and other liabilities due for payment within the financial year.
Development Expenditure	A form of capital expenditure that refers to investment in an asset to improve its capacity or level of service. The investment in the asset results in the asset's condition being better than when it was first purchased or built by Council. This does not include renewing old assets to their original state; these are classed as renewal works.
Designated Investments	Investments representing Special Funds and Reserve Accounts.
Infrastructural Assets	Fixed utility systems that provide a continuing service to the community and are not generally regarded as tradable. Council's infrastructural assets consist of roads, waste disposal systems, sewerage, stormwater systems and landfill assets.
Key Performance Indicators (KPIs)	Targets set by Council to enable the community to monitor Council's progress towards agreed outcomes each year. A table of the performance framework including KPIs is provided in each activity section.
Levels of Service	Council agrees Levels of Service with the community to provide activities that contribute to 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".



Glossary (continued)

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.
Operational Assets	Assets used to deliver Council's activities such as land, buildings and infrastructural assets including sewerage, water and road systems.
Operating Revenue	Money earned through Council activities in return for services provided, or by way of a grant or subsidy to ensure particular services or goods are provided. Examples include New Zealand Transport Agency Financial Assistance Rates (NZTA FAR) subsidies, rental income and fees and charges.
Operating Surplus	An accounting term meaning the excess of income over expenditure. Income and expenditure in this context excludes "capital" items such as the receipt or repayment of 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 without compromising the ability of future generations to meet its own needs.
Targeted Uniform Annual Charge (TUAC)	A targeted rate based strictly on a uniform amount set for each rating unit, within a defined (targeted) area, eg, stormwater, solid waste kerbside collection, etc.
Uniform Annual Charge (UAC)	A service charge that is levied on separately used rating units, eg, solid waste disposal, sewerage, water supply, etc.
Uniform Annual General Charge (UAGC)	A uniform annual general charge that is levied on all rating units in the District.
Work Programmes	The plan for each activity that sets out the 'what, how and when' of projects or services that will be undertaken in the activity over the life of the LTP. Creditors and other liabilities due for payment within the financial year.





The Ruapehu District

The Ruapehu District covers 6,700km² (673,019 ha) and, in 2011 has 9,367 properties, of which 8,719 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.

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

Townships are spread throughout the District.

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 the centre for the cycleways in the area.

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.

At the southern end of the District, Waiouru features the Army Base on State Highway 1.

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.¹ 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.

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 whose seek to visit natural and unspoilt landscapes. The numbers of tourists continues to grow and, with the advent of the Cycleway projects coming on line, 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 about the Ruapehu District can be found in Council's Ruapehu 2008 State of the District Report and online at www.ruapehudc.govt.nz

¹ 1991, New Zealand Historic Places Trust, 'Historic Places Inventory, Ruapehu District'.

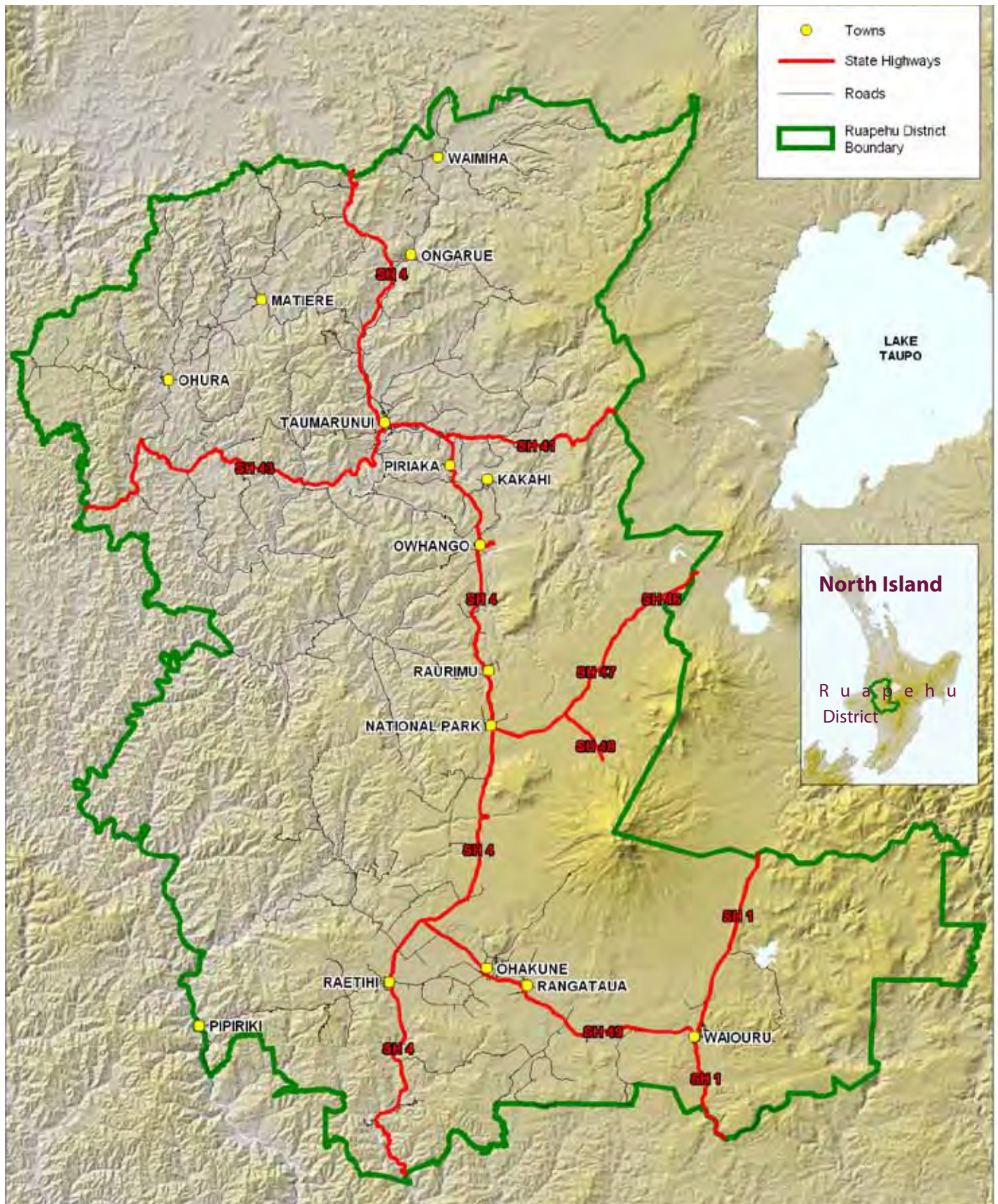


The Ruapehu District ... where adventure begins

Part 6 - Appendices



Map of the Ruapehu District





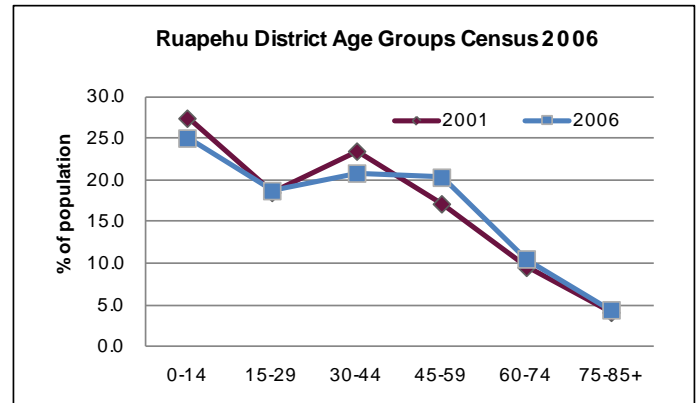
Social Overview

A resident population of 13,572 was recorded for the District in the 2006 Census. This will be updated after the next census in 2013. The ethnic diversity is less variable than the national population of New Zealand, but contains an above-average percentage of Maori, with 36.5% of the population stating that they were of Maori ethnicity, compared with the national average of 14%. Meanwhile 58.7% of the population said that they were of European ethnicity compared with 64.8% nationally (the census allowed recording of more than one ethnicity per person).

The District's population is young, compared with the rest of New Zealand, with the median age being 32.7 years. 25% of the population is under 15 years compared to the national average of 21.5%. 9.9% are aged 65 and over, compared to the national average of 12.1%.

Other key facts about the District are:

- The population is made up of 52% males and 48% females.
- Overseas migrants represent 7% of people.
- 84.3% (91.6% nationally) of households have access to a telephone and 47.5% (60.5% nationally) to the internet.
- 32.3% of the population over the age of 15 have no formal qualifications compared with 28.4% nationally.
- Approximately 47% of householders own their own homes compared with the national average of 54.5%.
- 42% (same as national figure) of households consist of couples with children and 20% (18.1% nationally) consisted of single parents and children.



Council services a large geographic area with the costs shared across a relatively small rating base. The larger the rating base or the more prosperous the community, the more affordable the rate requirement becomes. Council must balance affordability with investment in the future sustainability of the District. This translates into investment to create economic growth, to maintain existing assets to meet community expectations and legislative requirements and to ensure the capacity of infrastructural assets continue to meet the needs of growth in the District.

More detailed information regarding the cost of providing each of Council's services and the way in which these costs will be met is located in Part 3.

Part 6 - Appendices



Economic Overview

Economic indicators such as median personal income and average hourly earnings in the District show steady increases but remain well behind the national averages. This reflects resident families, but around 45% of the District is owned by non-resident ratepayers, with a very different socio-economic profile.

Building Consents – There was a total of 323 building consents issued in 2010/11, for a total of \$18 million.

The Ruapehu District is primarily rural and this sector (agriculture, fishing and forestry) provides 28% of total employment and 19.4% of total Regional GDP. Government and Defence make up 18.8% of GDP. Ruapehu does not have a very diverse economy (49th out of the 72 Local Authorities).

GDP was measured at \$327 million in 2010.

Tourism-related industries of retail trade and accommodation, cafes and restaurants are also a significant part of the District's economic wellbeing.

Tourism experienced a 1.2% growth from 2009/10. Its GDP is \$23.2 million, 7.1% of the District's GDP, an increase from 6.6% ten years ago.

The average number of guest nights has seen a steady rise. Tourism has experienced solid growth in recent years, with the average number of overnight visitors showing a steady rise. For the year ending June 2010, there were 413,357 overnight visitors in the District. Day visitors are also increasing steadily, with



574,172 in 2010. Council has planned for increased demand in the areas where growth is anticipated. Its assets must be able to cope with the extra demand placed on its services during the typical peak winter season and the growing summer visitor market.

More visitors to the area also create the need to develop infrastructure. Expectations of higher levels of service have a flow-on effect to economic growth. For example, it is easier to attract visitors to a river that is reached by a sealed road, as opposed to a metal road. Visitors are then more likely to purchase goods and services from the area and promote their experiences in Ruapehu, thereby encouraging their friends to visit and increase the economic wellbeing of the District.





Environmental Overview

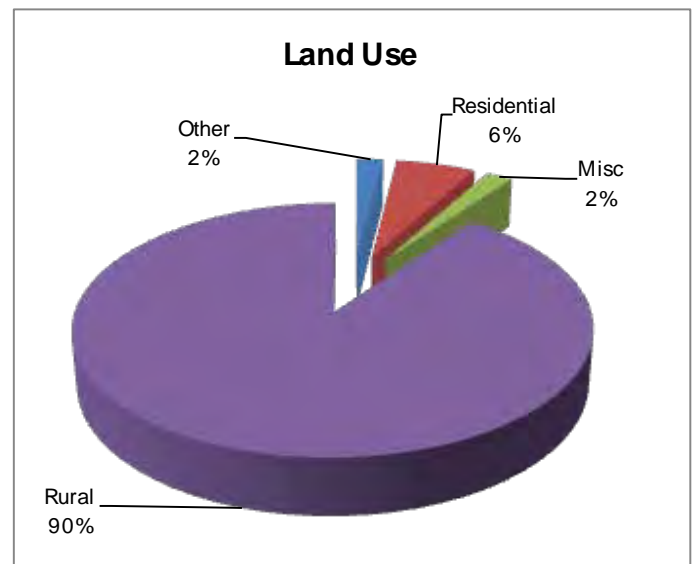


Abundant natural resources and world-renowned scenery are defining characteristics of the Ruapehu District. Nearly 90% of land value is in the rural sector, which includes farming, forestry and reserve land. The National Parks, rivers and more than 150 other varied reserves in the area provide recreational opportunities that enhance the quality of life for residents and draw visitors to the District. These natural areas cater for a diverse range of recreational activities and outdoor pursuits including passive recreation, active sport and children's recreation.

The rural landscape sustains large farming, forestry and horticulture industries. As a result, maintaining the quality of the environment is also essential to economic wellbeing in the District.

Issues surrounding freshwater quality and quantity are growing in importance both nationally and globally. The District is fortunate to have relatively plentiful water sources but growing demands on drinking water supplies, in terms of both health standards and capacity, will present challenges in the future.

The overall water quality in the rivers and waterways is still good, but must be protected to ensure it does not become degraded over time. The middle and lower reaches of some of our rivers are affected by human activities such as sewerage, industrial discharges and land use practices.



In comparison to most parts of the country, the District has a relatively large area of indigenous natural habitats remaining under Conservation management. This includes around 20% of land being protected by the Department of Conservation under several different types of protected areas. There are also numerous privately protected areas, with 86 Nga Whenua Rahui covenants on Maori land and 43 Queen Elizabeth II Trust covenants registered.

Part 6 - Appendices



Cultural Overview

The Ruapehu District is rich in Maori heritage. Taumarunui was originally a Maori settlement, positioned at the junction of canoe and trade routes linking the central North Island with downstream villages.

Taumarunui is where the boundaries of three predominant Maori tribes come together. The area surrounding the town is described as a quiet spiritual place where the four winds meet. European settlement in Taumarunui began in 1874.

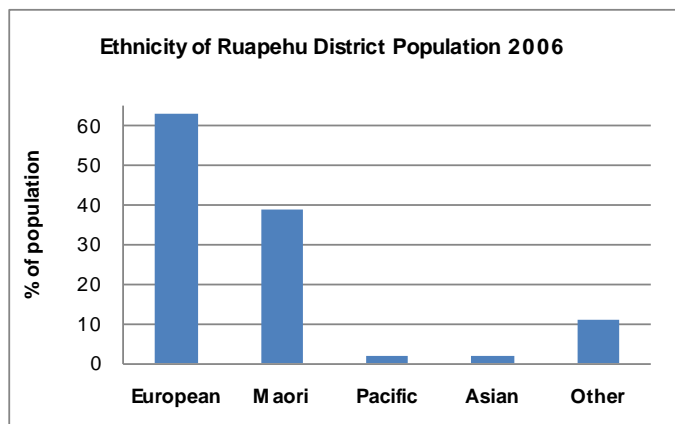
Mt Hikurangi, Taumarunui's closest mountain, is historically and spiritually connected to Ngati Maniapoto. Near Taumarunui are the "White Cliffs", the recognised "friendship gateway" of the Ngati Tuwharetoa tribe. The Whanganui River that flows around Taumarunui contains the ancestral spirit of the Ngati Haua tribe.

The Waimarino's European history began around 1850 with the construction of the Main Trunk Railway Line. Other early industries that have shaped the District's history included timber milling, farming and market gardening. In recent years, tourism has added to the growth of the area, aided by the opening of Turoa and Whakapapa ski fields on Mt Ruapehu.

The Tongariro National Park, surrounding and including the three great volcanic mountains - Ruapehu, Ngauruhoe and Tongariro - is one of New Zealand's most outstanding natural habitats and was gifted by the Tuwharetoa people. The original area of 2,600ha was subsequently extended by acquisition of surrounding lands to the present size of 75,000ha, to become New Zealand's first National Park and the fourth in the world to be granted recognition as a World Heritage Area.

Council has established communication and consultation protocols to encourage greater participation by Maori in the decision-making process. Refer to Part 3 (Outcomes) - Ruapehu District Maori Council.

Council also consults with iwi on Resource Consents and has worked alongside iwi and the Department of Conservation to establish the Cycleways in the District over the past 2-3 years..





Independent Auditor's Report

To the readers of Ruapehu District Council's Long-Term Plan for the ten years commencing 1 July 2012

The Auditor-General is the auditor of Ruapehu District Council (the District Council). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to report on the Long-Term Plan (LTP) on her behalf. We have audited the District Council's LTP dated 13 July 2012, for the ten years commencing 1 July 2012.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Opinion

In our opinion the District Council's LTP dated 13 July 2012 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and
- the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.



Auditor's Report

Risks associated with not renewing infrastructure assets and removing some planned growth related capital expenditure as proposed in the District Council's asset management plans

Without modifying our opinion, we draw your attention to the "Financial Strategy" on pages 9 to 15, and the "Capital Expenditure Not Included in LTP" on page 17. In particular, we draw your attention to the risks set out on pages 10 to 11 that are associated with the District Council's decision to:

- reduce expenditure on its renewal of infrastructure assets below the expenditure proposed in the asset management plans; and
- remove some planned growth related capital expenditure from the LTP.

In our view, the implications of this decision are that in future the District Council may:

- not replace some assets and hence forgo the services they provide;
- need to replace existing assets with assets that provide reduced levels of service;
- not be able to meet its planned levels of service, including that arising from the unexpected failure of infrastructure;
- not be able to meet increased levels of service to support the assumed growth;
- not be able to meet its legislative or resource consent requirements; or
- need to increase funding through higher rates or higher levels of debt to replace assets.

In drawing your attention to the District Council's decision, we are not commenting on the merits of the policy content. We consider the disclosure of the above matters to be adequate.

Our report was completed on 13 July 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporates the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.





Auditor's Report

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the District Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the District Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the District Council, and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.



Auditor's Report

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal controls as it determines is necessary to enable the preparation of a LTP that is free from material misstatement.

The Council's responsibilities arise from Section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

Independence

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the District Council or any of its subsidiaries.

Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand





Auditor's Report

Matters relating to the electronic presentation of the report to readers of the Long-Term Plan

This audit report relates to the Long-Term Plan of Ruapehu District Council for the ten years commencing 1 July 2012 included on the Council's website. Ruapehu District Council is responsible for the maintenance and integrity of its website. We have not been engaged to report on the integrity of Ruapehu District Council's website. We accept no responsibility for any changes that may have occurred to the Long-Term Plan since they were initially presented on the website.

The audit report refers only to the Long-Term Plan named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the Long-Term Plan. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Long-Term Plan as well as the related audit report dated 13 July 2012 to confirm the information included in the audited Long-Term Plan presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

