

Te Kaunihera-ā-Rohe o Ruapehu
Ruapehu District Council



LONG TERM PLAN

2021-2031



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MAYOR AND CHIEF EXECUTIVE'S FOREWORD

Council is pleased to present its ten-year Long Term Plan for 2021-2031.

Development of this Long Term Plan had a number of unique challenges most significantly due to the status of 3 waters (drinking, waste and storm) and the long tail of COVID-19 which still has some sting in it yet.

COVID-19 impacted on the Long Term Plan in a number of areas including a higher, COVID-19 revised, Local Government Cost Index for planning, a drop in revenue at the i-SITEs and of key funders such as Waka Kotahi NZ transport agency, as well as providing funding opportunities which has allowed Council to increase levels of service in areas such as housing.

Council needed to work extremely hard to bring the average rate increase down to the final 4.92% level for the 2021/22 year which reflects the increasing cost challenges posed by these and other issues.

While we are unhappy that it is above our target rate guideline of 3.5% it is the minimum required to keep building on current momentum and support the development of our communities and their aspirations.

There are a number of drivers which will determine individual rate demands notably being property revaluations and whether your property attracts water rates. Property revaluations saw significant jumps in average Ruapehu capital values with average rural values increasing by 25%, average commercial values by 31%, and average urban by 61%.

The 'big ticket' item for this Long Term Plan however is the expenditure and associated debt required to bring the districts 3 waters systems in-line with the new government legislated standards.

This saw water rates having the largest influence on individual rate demands with urban properties having an average rate requirement change of +7.84% whereas commercial properties were +2.55% and rural +1.77%.

While the Government's 3 Waters Reform Program is proceeding at pace, key decisions relating to the establishment of new multi-regional entities to take over water assets, and the information required to help us make the decision on the available options, will not be known until later this year.

As a result, Council was required to consult on the basis of 'business as usual' - as if Council will continue to own, maintain and deliver water services into the future. This includes the water debt associated with meeting the Government's mandated water quality standards which without any further funding assistance is projected to reach \$65m by 2031.

Despite there still being many unknown factors around 3 waters reform ratepayers have supported Council's accelerated capital water works strategy that will make Ruapehu compliant with the new water standards within five years.

Under the current indications from Government we expect that by the next Long Term Plan review in 2024 a new water entity will have taken control of Council's water services and the associated debt.

The other major drivers of new debt in this Long Term Plan are roading (15%) and township revitalisation (20%) that together with water will see total debt reach \$100m. While this level of debt is extremely uncomfortable it should be seen as a 'theoretical projection' given the anticipated changes to 3 waters delivery.

It is also worth noting that our debt covenant with the Local Government Funding Agency is for our total borrowing to be no more than 175% of our revenue and we remain within this for all ten years of the Long Term Plan.

Support for increasing township revitalisation funding to \$11m and Pride of Place Funding to \$100,000 per annum came through strongly in submissions to the LTP. The townships that have enjoyed the benefits of redevelopment projects are keen to see this momentum continue while other townships are organising and developing plans. Communities can now be assured that there is funding available for their township and they have the freedom to work on their own plans at their own pace.

While Council did not have a specific question on roading in the Long Term Plan consultation we know that for many rural communities this is our most important area of expenditure.

Waka Kotahi NZ have stated that COVID-19 has impacted road user revenue and have reduced their co-investment commitment to our planned road works program for the three-year (2021/24) period until the next Long Term Plan from \$50.3m to \$46.8m

Despite the \$3.5m reduction it is still a 22% increase on the 2018-21 funding period and includes provisional approval for replacement of the Ruapehu Rd and Mangateitei Rd rail over-bridges in Waimarino.

This will require some reduction to land transport levels of service such as the new metal strengthening budget for regularly used forest roads which has been off-set in part by the increase in the Land Transport Rate on forestry owners.

This Long Term Plan also sees an increase in levels of service in developing areas such as housing. While Council resolved that any housing initiatives should not be at the cost of increasing rates and putting a further burden on ratepayers it is a new work stream for staff.

Engagement on the Long Term Plan highlighted that our community expects Council to continue playing a broader role in promoting their well-being in areas such as housing which are beyond what has been considered traditional core services.

Meeting these expectations over the ten years of the 2021-31 Long Term Plan will be challenging however with the on-going support of our communities we believe this is possible.

We look forward to continuing our journey to drive and support the development of safe, prosperous, sustainable rural communities that enhance the quality of Ruapehu life, and meet the needs of our present and future citizens and visitors to the district.



Don Cameron
MAYOR JP

A handwritten signature in blue ink, appearing to read 'D Cameron'.



Clive Manley
CHIEF EXECUTIVE

A handwritten signature in blue ink, appearing to read 'Clive Manley'.



**PART 1:
WHAT IS
THE LONG
TERM
PLAN?**

THE LONG TERM PLAN

The Long Term Plan (LTP) is Council's big-picture strategic document. It sets out Council's priorities for the next 10 years, what it wants to achieve, how much it will cost, and how Council is going to pay for it. The first three years are covered in detail, the subsequent years are an overview. All of Council's other strategies and planning documents must align with this Long Term (10 Year) Plan.

The Long Term Plan is a legal requirement. The content and process for producing it is set out in the Local Government Act 2002 (LGA). It takes about two years and multiple planning elements to arrive at the final LTP.

PHASE 1: PLANNING ASSUMPTIONS

The LTP is based on a set of assumptions about changes in the District over the next decade. This includes changes to the population, visitor numbers, trends in environmental change, etc. See Council's Planning Assumptions in Part 3 of this LTP.

PHASE 2: REVIEW OF EXISTING PLANS, STRATEGIES AND POLICIES

The LTP process is undertaken every three years. Thus, the 2021-31 LTP is essentially a full-scale review of the 2018-28 LTP. The LTP itself, and all its supporting documentation, is reviewed in the light of Council's updated planning assumptions.

PHASE 3: PUBLIC CONSULTATION

Council engages with our stakeholders all the way through the process to find out what is important to them. However there is a formal period of consultation when Council releases a Consultation Document (CD) which presents the big issues facing Council and the District, options for resolving them and seeks community feedback in order to inform Council decision making. The public consultation period for this LTP took place from 26 March to 26 April 2021. Council received 148 written submissions and 26 people spoke to Council directly about their submissions at hearings held in May.

PHASE 4: DECISIONS AND ADOPTION

Council takes into account all the community feedback that has been received during the engagement process when it makes its final decisions on the finances and projects for the LTP. The LTP must be adopted before the beginning of the next financial year, which is 1 July 2021. This LTP was adopted on 23 June 2021.

While Council needs to be responsive to changes in the economy, community priorities and asset health, it must also make sure it is a prudent steward of public money, and therefore plan at least for the next decade, knowing that some of the details may change. In the years between "Long Term Plan Years" any changes are reflected in the Annual Plan, a plan which details exceptions to what was forecast for that year in the LTP.

How is the Long Term Plan developed?

The Long Term Plan (LTP) is Council's key strategic planning tool that sets out our priorities over a ten year period. It is updated every three years.

The LTP outlines all things Council does and how they fit together showing what will be done over the plan's ten year period, why the council is doing things, and their costs.

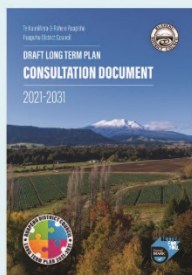
It is the result of a robust planning process that has incorporated input from a range of sources.



Consultation Document

The Consultation Document (CD) outlines the key matters, challenges and issues within the Long Term Plan requiring community consideration and feedback. They are consulted on for a month in a process supported by public meetings and other community engagement.

Council considers all official feedback as part of a formal deliberation process where submitters can present in support of their submission if they want.



Following deliberation of all feedback Council makes final decisions on the issues including the planned work program for the 2021-2031 period.

If Council needs to amend its planned work program as adopted in the LTP in any significant way these are consulted on as part of the Annual Plan process.

The 2021/31 LTP will be reviewed and updated in three years time and once consulted on and adopted will be the 2024/34 LTP.

Asset Management Plans and other support documents.

Detailed Asset Management Plans for each of Council's key activity areas and supporting planning documentation.



Wastewater



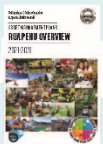
Drinking Water



Storm Water



Community Property, Recreation and Facilities



Land Transport



Who we are
Background info on Ruapehu, key stats, demographics, etc.



- Focus, Mission and Values
- Planning Assumptions
- Financial Policies
- Social Policy

Strategy Documents

1. Financial Strategy
2. 30 Year Infrastructure Strategy
3. Economic Development Strategy
4. Waste Management & Minimisation



The Economic Development Strategy and Waste Management and Minimisation Plan were not consulted on as part of the 2021/31 LTP cycle as they are still valid.



Community input.

The Long Term Plan is developed in consultation with Ruapehu communities. While the key issues are consulted on through the LTP Consultation Document community input is also sourced from a number of other areas including; town hall meetings, consultations, delegations, community conversations, social media comment, etc. This helps to inform Council thinking and planning.

COMMUNITY ENGAGEMENT AND THE LTP

THE FORMAL CONSULTATION PERIOD FOR THE LONG TERM PLAN (LTP) RAN FROM 26 MARCH UNTIL 26 APRIL 2021 HOWEVER ENGAGEMENT WITH THE COMMUNITY HAD BEEN UNDERWAY FOR MANY MONTHS BEFORE THIS. THE PROCESS INVOLVED A RANGE OF ENGAGEMENT METHODS.

PRE ENGAGEMENT (AUGUST - NOVEMBER 2020)

Feedback from the community was collected at community hui, via councils website and Facebook page, email or hard copy. All the information was collated and presented to Elected Members at a workshop held on 4 November 2020.

RADIO ADVERTISING

Radio advertising ran throughout the pre-consultation phase and promoted the importance and relevance of the LTP in order to start raising awareness and interest.

COMMUNITY INTEREST GROUPS

Council met with several community interest groups who sought further information about the issues facing the District and how Council could assist them with their community aspirations.

PRE ENGAGEMENT WITH MĀORI

After discussion with the Ruapehu District Māori Council, a suggestion was made to hold hui Marae. As a result, three hui were held at Paraweka Marae in Pipiriki, Raetihi Marae in Raetihi and Kauriki Marae in Taumarunui. The hui were positive in providing an opportunity for Council to gain an insight to the Māori perspective, and highlighted the importance of ensuring Council's business going forward gives recognition to the economic, environmental, cultural, social priorities and aspirations for Māori.

The following issues were identified as key themes throughout the district:

ENVIRONMENTAL

Concerns around three waters and what the reforms from Central Government would look like. There were requests to Council for clean water management options and to protect the awa. Council was asked to clamp down on illegal dumping and to encourage more recycling and work towards reducing packaging coming into the district.

CULTURAL

Throughout the district there is a desire for council to focus on building relationships with iwi and working towards a collaborative approach. There is also desire for cultural centres to be established in Ohakune, National Park, Taumarunui and Raetihi.

SOCIAL

Ruapehu Communities are concerned with the difficulty to access services such as doctors and banks as organisations move towards centralisation and online service. This is exacerbated with the lack of internet and mobile connectivity areas of the district that are also experienced by communities. There was a strong focus for the continuation of township revitalisation and calls for sports centres in Taumarunui and Ohakune with an emphasis on youth.

ECONOMIC

Feedback was received on the lack of housing in the district and in particular the impact short term visitor accommodation adds to the housing crisis. Infrastructure maintenance was also at the forefront of communities, with calls to focus on the permanent population of the district's needs.

CONSULTATION (MARCH 26 –APRIL 26/ 2021)

In alignment with the Engagement Strategy adopted by Council in 2020, consultation has been intentionally responsive and reflexive to community need throughout the LTP engagement cycle.

The Community Engagement approach was also framed to ensure outreach into key remote communities with consultation document drops off points arranged, mail outs and conversations undertaken as needed with key community organisations and gatekeepers. Schools were also kept informed as key connection points in remote communities.

Key stakeholder relationship meetings took also place on a community and issues based framing. This included but was not limited to:

- Formal stakeholder meetings e.g. Federated Farmers, Non-government Organisations, District Health Boards and real estate agencies
- Business and community groups drop in's
- Community visits
- Email campaign – regular updates, meeting notifications, meeting follow up per geographic and stakeholder groups e.g. Iwi, education, real estate agents, communities, and submission processes. Email newsletters went out to approximately 500 people three times (pre meeting, meeting updates with consultation materials and post meeting update on submissions process. across the campaign cycle)
- Facebook campaign on key issues
- Phone calls to key community members

To ensure outreach to non-resident rate payers and those that could not attend physical meetings all seven face to face meetings held across the district have been live streamed on Facebook.

Physical meetings were held and live streamed via Facebook in:

- National Park
- Ohura
- Waioru
- Taumarunui
- Raetihi
- Owhango
- Ohakune

This approach has been highly successful with the Taumarunui meeting watched over 1,500 times. Smaller meetings have typically hit around 400-700 views.

Live streamed meetings were monitored and online questions feedback in to the LTP consultation hui, which guided by a presentation is conversational and responsive in nature. Comments on live streams and LTP related posts have been feedback into the consultation process.

Captioning was also utilised at some meetings to reach those with hearing difficulties.

This significantly increased outreach and engagement throughout the LTP consultation period.

CONSULTATION DOCUMENT

A consultation document (CD) was produced, discussing the “big issues” facing Council and the District in the coming decade. It outlined the challenges, options for addressing them and the implications of each of those options.

LOCALISED COMMUNITY MEETINGS

Seven LTP community meetings were held in National Park, Ohura, Taumarunui, Owhango, Raetihi, Ohakune and Waiouru - each town with its own aspirations, issues, perspectives and concerns. All of these meetings were live streamed on Facebook to ensure participation and increase outreach to non-resident ratepayers.

In addition to community based meetings, informal community catch ups with opportunities to go through issues raised in consultation documents was undertaken across the district over the first two weeks of the consultation cycle.

Consultation documents were also left at key community hubs and with organisations to ensure document reach into the more remote communities in the district. Around 7000 A4 flyers summarising the LTP issues were distributed to every household including to out-of-District ratepayers and freely throughout the community. As well as the flyer, Council provided summary pages on the individual consultation issues. These were used widely in all forms of conversation with the community.

NEWSPAPER & RADIO

The consultation was supported by advertising in local papers and local radio stations. The summary pages of the CD were utilised for newspaper advertising alongside key focus articles, and key Council staff spoke on the CD in further detail on the local radio station.

WEBSITE

The website was an important platform for making all the consultation material easily available, as well as the large amount of supporting documentation that goes into the LTP. The online submission form was well utilised by submitters, facilitating a streamlined submission process.

ENGAGEMENT WITH MĀORI

Marae based meeting were valuable in the pre engagement process as this demonstrated the importance of needing to participate alongside the community in the formal process of Long Term Plan consultation. This was reflected in the number of Māori who attended the community meetings.

Council also ensured Māori organisations and their respective representatives had access to the consultation documents, supporting materials and information about the submission process and options.

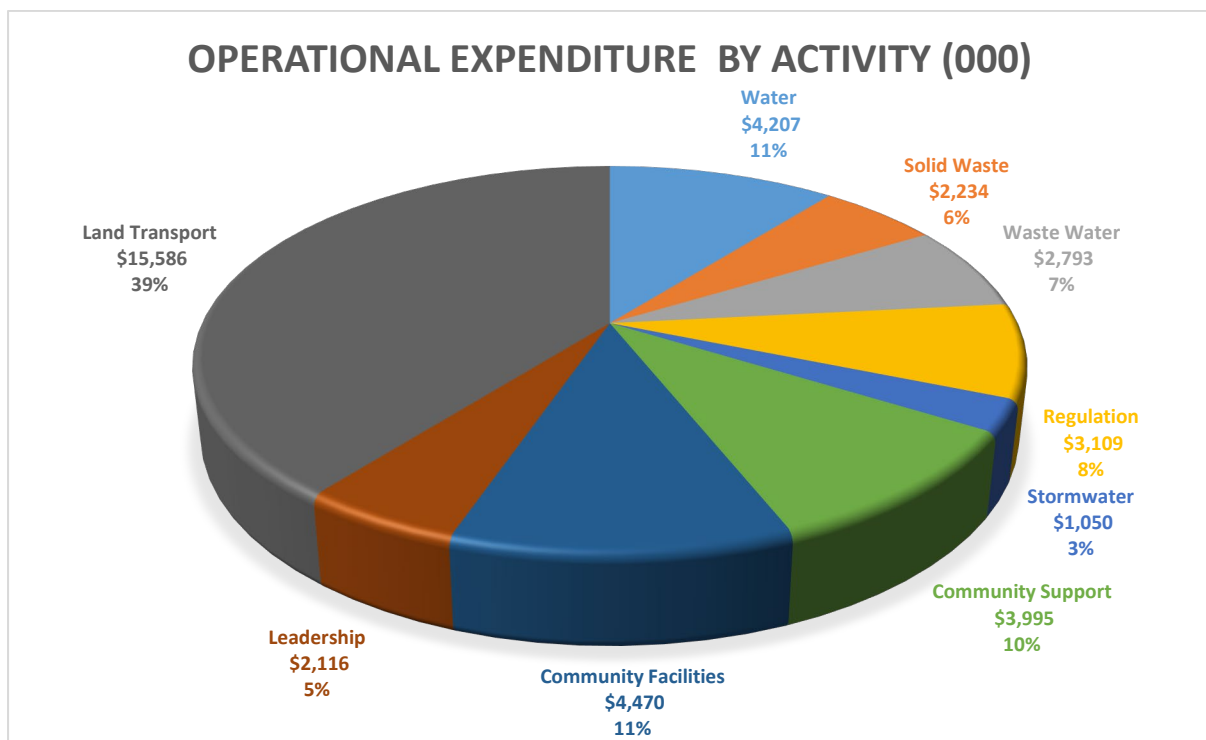
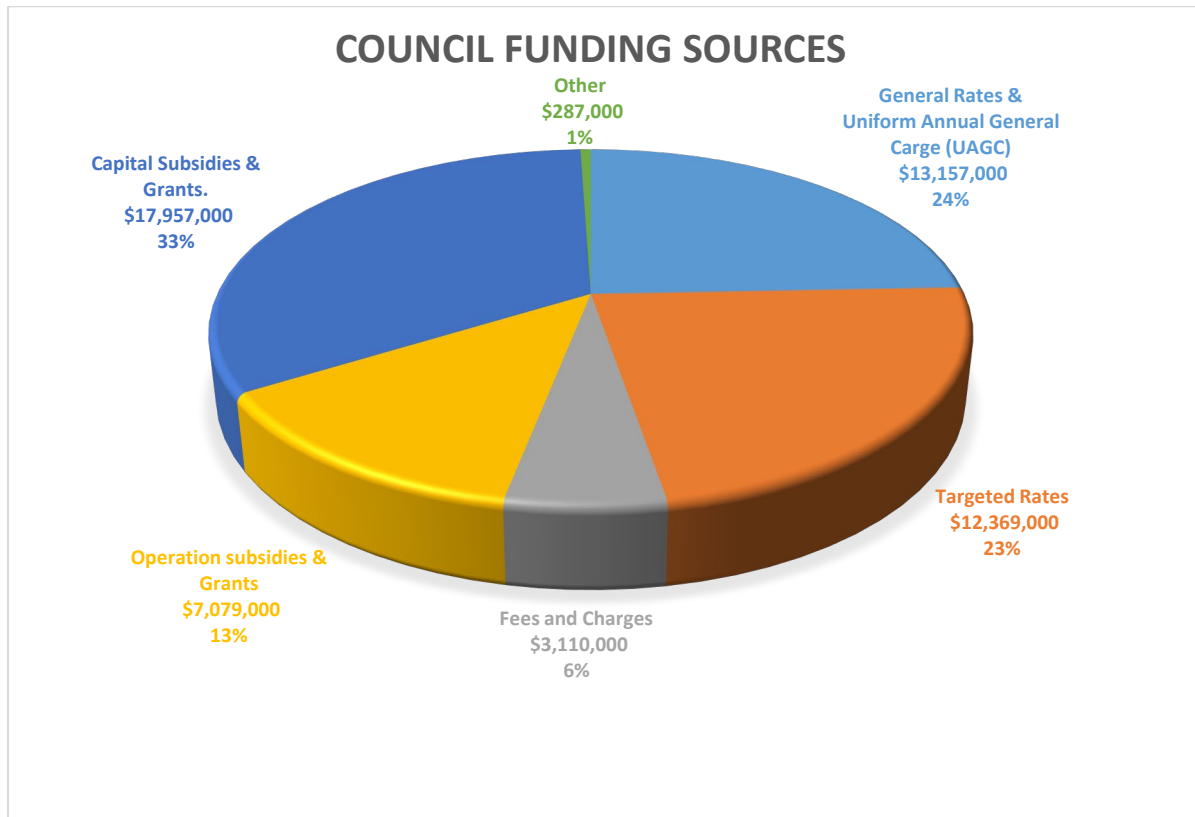
COMMUNITY ENGAGEMENT OUTCOMES

Council asked for feedback on 11 issues, and Council made the following resolutions about the 11 consultation issues:

Issue	Council Decision
3 Waters Program: How should council manage 3 waters program given the new national compliance requirements?	That Council maintains current pace of the 3 waters program to meet new legislative water standards that is anticipated to come into force within the next five years.
Town Revitalisation How much should council budget for township revitalisation?	That council increases our level of investment in township revitalisation to \$11m and fund the major projects within the first five years of the LTP.
Maori Engagement How should Council fund Māori Engagement?	That Council Funds Māori capacity to engage with Council via Relationship Agreements with contributions from Government.
Housing What should Council do to address the housing crisis in the district?	That Council continues to facilitates, advocate and partners with others.
Non-Commercial Visitor Accommodation Targeted Rate	That Council does increase the short term accommodation rate from \$200 to \$300. This rate will apply from 1 July 2021.
Land Transport Forestry Targeted Rate	That Council increases the Land Transport Rate from 200% to 300%, instead of the 400% rise initially proposed.
Warm your Whare-New Opt in Targeted Rate	Council will establish an opt in scheme to support home insulation for rate payers in the district.
Shop Verandah Replacement- New Opt In Targeted Rate	Council will establish an opt in scheme to support property owners to bring shop verandah up to earthquake code and beautify them at the same time.
Environmental Resilience Rate- New Target Rate	Council will establish an Environmental Resilience rate to pay for meeting requirements of Government Environmental Policy.
Changes to the Definition of a Separately Used and Inhabited Portion (SUIP)	Council will amend the definition of what constitutes a Separately Used and Inhabited Portion (SUIP) for rating purposes.
New Rate Remission Policy: UAGC (Uniform Annual General Charge)	Council will establish the new rate remission for properties that have more than one SUIP which is unused or only used, as the extension of the main house as an extra bedroom.

OVERVIEW OF COUNCIL'S INCOME AND EXPENDITURE

The following graphs show the sources of Council revenue and how the revenue is spent.



VISION AND COUNCIL FOCUSES



Drive and support the development of safe, prosperous rural communities that are able to thrive and capitalise on our agriculture, business and tourism sectors while sustaining our beautiful environment

Council Focuses

Improve the well-being and quality of life for our communities by:

Creating and retaining jobs

Growing incomes and opportunities

Increasing the ratepayer base

Providing sustainable infrastructure

Providing value for money in all we do

Ensuring the people who benefit from council spending contribute their fair share of the costs

Working with government and others to gain funding for key projects so as to reduce the financial burden on Ruapehu ratepayers

Creating collaborative partnerships with tangata whenua

COMMUNITY WELL-BEING OUTCOMES

COUNCIL HAS STATED ITS CORE PRIORITIES IN THE FORM OF FIVE COMMUNITY WELL-BEING OUTCOMES. THESE OUTCOMES ARE COUNCIL'S "TRUE NORTH" FOR PLANNING AND DECISION-MAKING. EVERY PROJECT THAT COUNCIL UNDERTAKES AND EVERY DOLLAR IT SPENDS LINKS BACK TO AT LEAST ONE - BUT OFTEN SEVERAL - OF THESE OUTCOMES. THEY ARE A KEY WAY WE MEASURE SUCCESS.



Social – Safe, Healthy Communities

- Quality regulation, regulatory services and infrastructure
- Reduce the volume of waste to the landfill
- Core infrastructure endeavours to keep pace with changing demand
- Excellent standards of safety and welfare are promoted and respected
- Preparation, planning and timely responses protect people and property from natural hazards



Cultural – Vibrant and Diverse Living

- Traditions, values and history of all ethnic groups are respected
- Activities, facilities and opportunities for youth are provided and supported
- Excellence and achievement in sport, arts / cultural pursuits, community service and business is supported
- Events and festivals are encouraged and supported
- Working together with tangata whenua to achieve common goals



Environmental – Sustaining Beautiful Environments

- Our environment is accessible, clean and safe and our water, soil and air meets required standards
- The promotion of our District includes focus on our natural rivers, bush and mountains, as well as the built heritage, agriculture and railways



Economic – Thriving Economy

- Regulatory services and reliable infrastructure help the economy prosper
- Our transportation network is reliable, safe and endeavours to meet the needs of users
- Economic diversity and core economic strengths are encouraged in partnership with others
- Planning and regulatory functions balance economic growth and environmental protection



Strong Leadership and Advocacy

- Council advocates strongly for the provision of, and access to, affordable and effective health, welfare, law enforcement and education services
- Council is proactive, transparent and accountable

SPATIAL PLAN

THREE MAIN ROLES OF RUAPEHU DISTRICT IN NEW ZEALAND

1. A centre of outdoor adventure, sport, a place to relax in nature and a visitor destination.
2. Rural areas for sustainable food production and diversification of the primary sector.
3. A desirable place to live with a unique offering, providing people with different lifestyle choice

PRINCIPLES

- Fairness
- Affordability
- Resilience
- Long Term benefits- Sustainability
- Community at Heart

TOP THREE DISTRICT SHAPING MOVES

1. Strategic focus on housing, employment, town centres and infrastructure
2. Caring for rural communities and the environment
3. Collaborative partnership with Tangata Whenua

REVITALISATION PLANS & PROJECTS	RURAL COMMUNITIES AND ENVIRONMENTAL PROJECTS	COLLABORATIVE PARTNERSHIPS
<ul style="list-style-type: none"> • Ruapehu District Housing Strategy • Raetihi Integrated Council Service Centre & Community Hub • Raetihi Revitalisation Plan • Ohakune Spatial Plan • Taumarunui Future Housing and Community Plan • National Park Community Plan • Rangataua Community Plan 	<ul style="list-style-type: none"> • Bridge replacement • Create and extend cycle-ways • Advocating on increasing necessary service accessibility (e.g. health services, transport services etc.) for our rural communities • Significant investment in three waters upgrades 	<ul style="list-style-type: none"> • Council to continue strengthening relationship with local Iwi/ Hapū. • Council currently developing the Liveability study which will be used as a foundation to create a wellbeing strategy

ENVIRONMENTAL TOURISM

- Tourism Operation locations
- 42 Traverse Cycle Trail
- Forgotten World Highway Adventures
- Proposed Ohura Stratford Cycle Trail
- Timber Trail Bike Track
- Mountains to Sea Cycle Trail
- Sky Waka

- Park & Ride
- District_Gateway
- Lakes
- Whanganui River

- Unique Natural Features
- National Park
 - Stewardship Land

FOOD PRODUCTION & PRIMARY INDUSTRY

- Forestry
- Cropland
- Productive Grassland

PARTNERING WITH IWI ENHANCING THE MAORI ECONOMY

To be mapped subsequently when iwi have confirmed and are ready

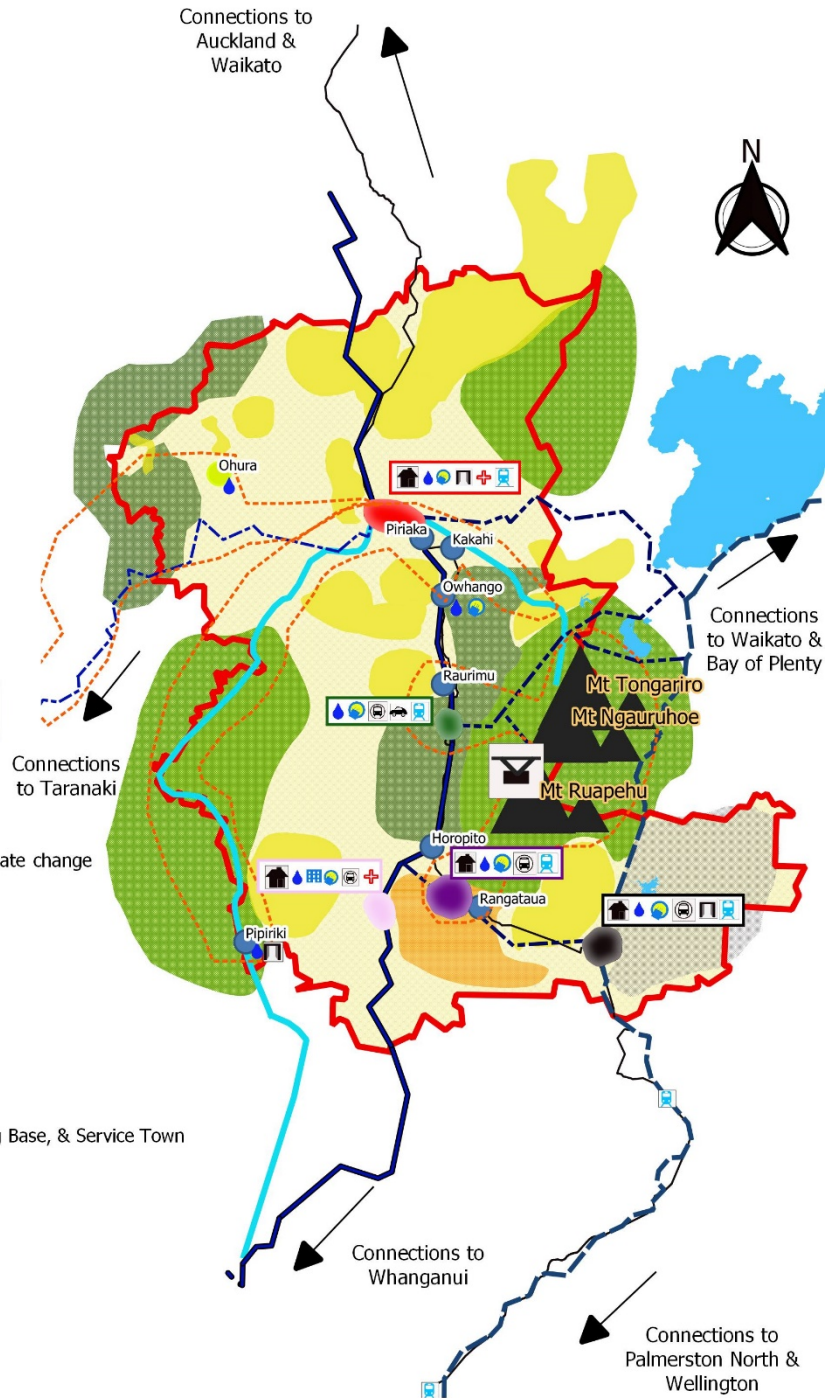
RESPONDING TO CLIMATE CHANGE

Participating in Horizon Regional Council's climate change workstream

INVESTING IN OUR TOWNS & SETTLEMENTS

- Taumarunui: Major Town and CBD hub
- National Park: Tourism Centre
- Raetihi: Revitalisation Hub
- Ohakune: Tourism & Local Centre
- Waiouru: Gateway, NZ Defense Training Base, & Service Town
- Tussock Land & Defence Activity
- Housing Initiatives
- Advocating for Community Health
- Rail Stations
- Advance public transport Initiatives
- Fibre and cell phone network rollout
- District_Gateway
- Park & Ride
- Community Hub for the Raetihi Area
- Existing 3 waters Infrastructure

Central government investigation to transition to new water delivery arrangements



- RDC Boundary
- Rail
- SH1
- Highways 41, 46, 47, 48, 49
- SH4
- SH43

GLOBAL TRENDS AND RISKS

As a member of the global community, our future plans will be impacted by global issues, therefore planning must consider risks and opportunities in the existing and likely future operating environment. The known major sources of risks that could impact on achieving are:

• Climate change	• Disasters
• Legislative change	• Demographic change
• Cyber crime	• Global conflict
• Global economic downturn	• Disruptive Technologies

The impacts of these sources of risk on Council are briefly discussed below. The likelihood of the associated risks happening during the term of the LTP cannot be reliably assessed. Minimal estimation for the financial impacts have been included in budgets in the LTP.

CLIMATE CHANGE

On average the world is about one degree warmer than the pre-industrial era, as a consequence, New Zealand is experiencing more frequent, and more extreme weather events. In response, Central Government declared a climate change emergency in December 2020, taking a bold step towards future proofing the country from the inevitable impacts of climate change. In efforts to move the country towards a more resilient future, Central government passed the Climate Change Response Amendment Bill to create pathways for adaptation. At a local level, local authorities are required and expected to develop climate change strategies to lead their district towards a sustainable future.

To prepare for this, Council is in the process of developing a climate change strategy, starting with establishing an understanding of the unique risks climate change poses to Ruapehu's natural and built environment.

Key climate change impacts include:

• Flooding - increased frequency and magnitude of flood events	• Loss of biodiversity <ul style="list-style-type: none"> ▪ Growth of new pests and weeds ▪ Animal health issues such as greater heat stress, eczema and parasites
• Very heavy rainfall events (weather bombs)	• Increased pressure on health services from: <ul style="list-style-type: none"> ▪ Rise in mental health issues as people attempt to manage change ▪ Increase in heat related health complications and sub-tropical disease brought on by increasing temperatures
• Increased likelihood of drought and forest fire	• Fewer frosts and snowfall but with possible extreme events
• Increased likelihood of high temperatures	• Reduced tourist numbers
• Low sustained river flows ad pressure on grounded water	

Climate change is expected to impact Council's ability to deliver services to their community in both the financial and physical terms. Council believes one of the best ways to increase community resilience is by building / maintaining climate resilient infrastructure that supports a strong, viable, diversified

economic base. Council is in the process of developing strategies to guide them towards building climate change resilience into infrastructures to maintain and improve their community's physical, social, environmental and economic conditions to create a more resilient community in an effective and efficient way.

DISASTERS

Natural disasters are occurring more often and with greater intensity, from flooding, extreme snow events and even tornados.

The key impacts include:

- | | |
|--------------------------------|---|
| • Damage to infrastructure | • Contamination of water supplies and the natural environment |
| • Disruption to people's lives | • Increased costs |
| • Effects on businesses | • Fewer visitors |

Council designs builds and upgrades infrastructure with resilience against emerging threats in mind. It also maintains an effective capability to address emergencies.



TOURISM

Due to COVID-19, international tourist numbers have dropped significantly in the past year (2020), leaving tourist reliant industries low on business. If the border does not open, then the next decade will force communities built around tourism to find new avenues of income, presenting a new opportunity for investors. However, if tourism resumes, then these communities will continue to expand to accommodate new businesses and people¹.



¹ (Ministry of Business Immigration and Employment, 2020)

LEGISLATIVE CHANGE

NATIONAL

Government's responses to societal demands has imposed significant additional duties on local authorities. In most cases, this happens without an associated funding stream. Recent examples include three water changes, and climate change initiatives. Council maintains good awareness of potential legislative change and collaborates in advocating for practical change. Ultimately however, Council is a creature of statute and must comply with the law.

INTERNATIONAL LEGISLATIVE CHANGE- GLOBAL COMMITMENTS

New Zealand is committed to a number of global and bilateral agreements that imposes legislative requirements onto local government, which impact core functions of councils. An example of this is the Carbon Zero bill that was born out of New Zealand's commitment to reduce global emissions. As a result, local authorities are expected to develop their own climate change strategy and plans on how to reduce their carbon footprint. Other climate change related commitments include the United National Convention on Climate change (Treaty) and the Kyoto Protocol.

The key impacts include:

- Educating staff and contractors
- Increased capital and on-going cost
- Rise in cost of living from the flow on affect from adaptation costs
- Process and asset design
- Community resistance to change

ENGAGEMENT WITH MĀORI

The Local Government Act 2002 (LGA) provides for Māori to participate in Council's decision making processes and requires Council to foster the development of Māori capacity to ensure that this is effective, this also includes its obligations to the principles of the Treaty of Waitangi. Other statutory obligations to Māori are further acknowledged in the Resource Management Act 1991 and a number of Treaty settlements statues.

Council acknowledges its statutory obligations to Māori and is committed to building capacity to encourage greater participation, and ensure engagement is meaningful and effective. In 2009, Council formally appointed the Ruapehu District Māori Council as a platform to allow for this. Representation on the Ruapehu District Māori Council is made up of various Iwi and Hapū, and regular hui are held over a six to eight weekly cycle. In total, the number of hui held on average per year is about seven. During this time, Members have established a Strategic Development Plan and signed a Memorandum of Understanding with Council.

With the progression of Treaty settlements over recent years, Iwi and Hapū have sought to review their representation on the Ruapehu District Māori Council, which has resulted in some indicating a preference to have direct relationships with Council, rather than engaging in a collective forum. Council recognises that this is an evolving space and acknowledges that it may be timely to look at establishing other relationship arrangements, for example co-governance and co-management structures that are a better fit for Māori.

To do this however, Council recognises the need to resource the capacity of this work and is committed to doing so. At an operations level, regular hui are being held with various Iwi representatives, and Council staff anticipate that these hui will extend to all Iwi and/or Hapū authorities across the district in the near future. The hui have been mutually beneficial, as this has enabled Council to inform Iwi on matters that are of specific interest, and as a result, this has enabled Council to receive feedback in a

timelier manner. Council is also working alongside various Iwi and Hapū on a number of community projects happening across the district.

Council will continue to support Iwi pre and post Treaty settlements and is committed to strengthening relationships going forward. Council acknowledges the importance of strengthening relationships with Māori, as this is a means to enhance communications, provide better opportunities to enable active participation in its decision making processes, and ensure their interests are considered across the day to day business of Council.

DEMOGRAPHIC CHANGE

The rising cost of living in city centres and the threat of climate change is most likely to increase the population in the district over the next 10 years. As part of the work to reduce national carbon emissions, there may be a move to decentralise industrial hubs across the country to encourage people living in over-populated areas to move. This is a welcomed change, as it will bring more opportunities for town revitalisation, however, there is the risk that it will increase cost of living, which may further disenfranchise the existing underclass community.

There is also the possibility of demographic change by way of climate change relocation, both internally and externally. Increasing population may also mean increase in diversity, this is a good thing for community, but it may also cause social tensions.

The key impacts include providing for the needs of:

• An increasingly aged population e.g. wider footpaths	• Those so deprived that they cannot afford to move
• Increase demand on existing health services	• Increased market opportunities (employment opportunities)
• Housing demand	

GLOBAL ECONOMIC DOWNTURN

Covid 19 has had a severe negative impact on the global (and national) economy. Early estimates predicated that, should the virus become a global pandemic, most major economies will lose at least 2.4 percent of the value their gross domestic product (GDP) over 2020, leading economists to already reduce their 2020 forecasts of global economic growth down from around 3.0 percent to 4.5 percent. Since then, global stock markets have suffered dramatic falls due to the outbreak².

The key impacts include:

• New Zealand GDP falls in 2020 and growth remains subdued for some time	• Rising NZ exchange rate
• Increase economic uncertainty	• Fewer international visitors
• Rising interest rates	• Increase rate of childhood poverty rates
• Increasing unemployment and unaffordability	

² (Statista, 2021)

TECHNOLOGICAL CHANGE

Technology evolves at an expedient rate, and it is changing the way society is organised and structured. Technological innovation can positively transform the way people work, learn and socialise, but also brings with it unique threats to established institutions.

The key impacts include:

- | | |
|----------------------------------|--------------------------------|
| • Training staff and contractors | • Cyber crime |
| • Cyber threats | • Engagement with stakeholders |

Cyber-crime, also known as technology enabled crime, electronic crime, e-crime or online crime, refers to criminal activity that involves the Internet, a computer, smartphone or other electronic devices. Cyber-crime covers a wide range of incidents, from pure cyber-crime where computers are the target (for example computer intrusions), through to cyber-enabled crime where the technology is used to assist in committing a crime. Most crimes now have a technology component.

The key impacts include:

- | | |
|-----------------------|--------------------------------|
| • Business disruption | • Loss of personal information |
| • Cost | • Reputational damage |

ENERGY

Where and how energy is sourced is slowly changing, governments and organisation around the world are moving towards adopting low carbon/ renewable sources of energy, and while New Zealand has the third highest rate of renewable energy, 60% of our energy still comes from fossil fuels. Transitioning the country away from fossil fuels presents both risks and opportunities for local communities.

The key impacts include:

- Industries heavily reliant on fossil fuels may be closed down
 - Affecting communities at large who depend on it for employment
 - We may see migration from these towns to other parts of the country
- Potentially growth opportunities for communities rich in 'renewable resources'
- Healthy natural environment



PART 2: COUNCIL ACTIVITIES



COUNCIL ACTIVITIES, FACILITIES, ASSETS AND COMMUNITY SERVICES

REGULATION

- Building Services
- Compliance
- Environmental Health
- Alcohol Licensing
- Resource Management

COMMUNITY FACILITIES

- Cemeteries
- Community Halls
- Parks and reserves
- Public Toilets
- Administration and library buildings
- Social Housing

LEADERSHIP

- Governance
 - Council
 - Community Boards
- Strategic Development
 - Economic Development
 - Business Development
 - Iwi Development
 - Policy Development
 - Youth Development

INFRASTRUCTURE

- Land Transport
- Water supply
- Wastewater
- Stormwater/Flood Protection
- Solid Waste

COMMUNITY SUPPORT





- Emergency Management
- Library Services
- Regional Tourism Organisation
- I-Sites
- Community Services

FACILITIES AND ASSETS

THIS GROUP OF ACTIVITIES PROMOTES THE COMMUNITY WELL-BEING OUTCOMES THAT MAINLY TARGET SOCIAL, CULTURAL, ENVIRONMENTAL AND ECONOMIC OBJECTIVES.

These activities aim to provide services to the community, while minimising the impact that the community's activities and lifestyles have on the natural environment.

Facilities and Assets activities include Land Transport, Water Supply, Wastewater, Stormwater and Flood Protection, Solid Waste and Community Property, Recreation and Community Facilities.

<ul style="list-style-type: none"> •Quality regulation, regulatory services and infrastructure •Reduce the volume of waste to the landfill •Core infrastructure endeavours to keep pace with changing demand •Excellent standards of safety and welfare are promoted and respected •Preparation, planning and timely responses protect people and property from natural hazards <p>Social: Safe, Healthy Communities</p> 	<ul style="list-style-type: none"> •Traditions, values and history of all ethnic groups are respected •Activities, facilities and opportunities for youth are provided and supported •Excellence and achievement in sport, arts / cultural pursuits, community service and business is supported •Events and festivals are encouraged and supported •Working together with tangata whenua to achieve common goals <p>Cultural: Vibrant and Diverse Living</p> 	<ul style="list-style-type: none"> •Our environment is accessible, clean and safe and our water, soil and air meets required standards •The promotion of our District includes focus on our natural rivers, bush and mountains, as well as the built heritage, agriculture and railways <p>Environmental: Sustaining Beautiful Environments</p> 	<ul style="list-style-type: none"> •Regulatory services and reliable infrastructure help the economy prosper •Our transportation network is reliable, safe and endeavours to meet the needs of users •Economic diversity and core economic strengths are encouraged in partnership with others •Planning and regulatory functions balance economic growth and environmental protection <p>Economic: Thriving Economy</p> 
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Maintaining the environment and its natural resources are essential to the welfare of the community. For example, with good quality roading and reliable and safe drinking water supplies, the economy will grow and prosper, produce from the farming community can be safely and efficiently transported out of the District, visitors and tourists can easily visit the District and retailers have a way of replenishing stock that is sold to customers.

Horizons Regional Council and RDC 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 wellbeing of the community. They also have effects on the social and cultural aspects of the community.

The activities in this group are all subject to provisions of the Resource Management Act 1991, Local Government Act 2002, Land Transport Act 1998, Public Works Act 1981 and a number of other Acts (including relevant Amendment Acts), plans and directives. Council must comply with resource consent conditions to operate essential community infrastructure. This involves monitoring and compliance.

LAND TRANSPORT

THE LAND TRANSPORT ACTIVITY PROVIDES FOR THE MAINTENANCE, RENEWAL AND DEVELOPMENT OF LOCAL PUBLIC ROADS, KERBS AND CHANNELS, BRIDGES, STREET LIGHTING AND FOOTPATHS FOR THE WHOLE DISTRICT. STATE HIGHWAYS ARE MANAGED BY WAKA KOTAHI NEW ZEALAND TRANSPORT AGENCY (NZTA).

RATIONALE

The Land Transport activity provides road and pedestrian infrastructure that allows for the safe, reliable, efficient and effective movement of vehicles and people. Roads are essential infrastructure for both community and economic development.

The district land transport network consists of:

- 488km of sealed roads
- 847km of unsealed road
- 340 bridges and large culverts
- 70km of footpaths
- 1,334 street lights

COMMUNITY WELL-BEING OUTCOMES



Social

Cultural

Environmental

Economic

Significant projects included in our budget that will enable Council to achieve these outcomes are:

Infrastructure Capital Projects	Strategy	Major	Total (\$)	Growth	Renewal	LOS	Year
B297 Matahiwi Track Suspension bridge upgrade ¹			3,476,516		10%	90%	1
Bridge Renewals			8,365,858		85%	15%	1-10
Low Cost Low Risk SPR			5,220,000		20%	80%	1-10
Low Cost Low Risk LR			10,928,239		23%	77%	1-10
Pavement Rehabilitation			27,584,730		85%	15%	1-10
Sealed Road Surfacing			17,604,567		100%		1-10
Unsealed Road Metaling			10,559,570		100%		1-10

SIGNIFICANT NEGATIVE EFFECTS

There are significant negative effects associated with the provision of a roads service including loss of landscape amenity values, increased erosion, stormwater and flooding, runoff, noise, dust, vehicle emissions and traffic dangers.

Council mitigates many of these effects through provisions in its maintenance and improvement contracts. Council also supports this approach by inspections of road conditions, regular reporting by its contractors, audit of contractor performance and responding to public notification of road condition problems.

Council aims to achieve dust suppression by the use of appropriate maintenance aggregates and maintenance techniques such as the use of water suppression at work sites and seal extension on selected sites in urban areas. 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 meters from riparian margins.

Council's Land Transport Bylaw and Policy support the protection of its road network by regulating the behavior of people who impact on road conditions.

CHANGES SINCE CONSULTATION PERIOD

Council's roading programme is mostly subsidised by Waka Kotahi NZ Transport Agency. Council put its bid into Waka Kotahi in parallel with the consultation period and received advice of it's indicative allocation for the 2021/24 period at the end of May 2021 with a total reduction of \$3.5M in maintenance and renewal over the three years. Council has reduced budget to match, reducing funding in work such as bridge painting, pavement rehabilitation, reseal lengths, metal strengthening and minor events. While the total funded is higher than the previous 3 year block, any increase will partly be taken in contracted cost fluctuations.



STATEMENT OF SERVICE PROVISION – LAND TRANSPORT

Community Well-being Outcome(s)	Safe, healthy communities: <ul style="list-style-type: none"> Core infrastructure endeavours to keep pace with changing demand. Excellent standards of safety and welfare are promoted and respected. 						
Level of Service	<ul style="list-style-type: none"> Roads are managed to an acceptable level and the road network is available when required. The programmed improvement works are completed. Roads damaged by emergency events are made safe promptly. The safety of the land transport network is acceptable to users. Supporting road safety activities promoted by Horizons Regional Council. 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
THE SAFETY OF THE LAND TRANSPORT NETWORK IS ACCEPTABLE TO USERS							
The change from the previous financial year in the number of fatalities and serious injuries on the local road network, expressed as a number.	Not achieved. Increase of 2. There were three serious and no fatal crashes in 2019/20 compared with one in 2018-19.	Target for reducing the number of serious injuries and fatalities ≥ 1	Target for reducing the number of serious injuries and fatalities ≥ 1	Target for reducing the number of serious injuries and fatalities ≥ 1	Target for reducing the number of serious injuries and fatalities ≥ 1	Target for reducing the number of serious injuries and fatalities ≥ 1	Target for reducing the number of serious injuries and fatalities ≥ 1
ROADS ARE MANAGED TO AN ACCEPTABLE LEVEL AND THE ROAD NETWORK IS AVAILABLE WHEN REQUIRED							
The average quality of ride on a sealed local road network, measured by smooth travel exposure (2).	Achieved 92% Analysis shows that overall vehicle kilometer travelled (VKT) is lower in 19/20 compared with previous year. However, there was a 10% increase in VKT numbers travelling on smooth roads in the Rural <1000 vehicle per day category	Target level of smooth travel exposure $\geq 87\%$	Target level of smooth travel exposure $\geq 87\%$	Target level of smooth travel exposure $\geq 87\%$	Target level of smooth travel exposure $\geq 87\%$	Target level of smooth travel exposure $\geq 87\%$	Target level of smooth travel exposure $\geq 87\%$
The percentage of the sealed local road network that is resurfaced.	Not achieved – 5.3%. 25.5km out of 486km	$\geq 7.5\%$ $\geq 37\text{km}$ out of 486km (3)	$\geq 7.5\%$ $\geq 37\text{km}$ out of 486km	$\geq 7.5\%$ $\geq 37\text{km}$ out of 486km	$\geq 7.5\%$ $\geq 37\text{km}$ out of 486km	$\geq 7.5\%$ $\geq 37\text{km}$ out of 486km	$\geq 7.5\%$ $\geq 37\text{km}$ out of 486km

Community Well-being Outcome(s)	Safe, healthy communities: <ul style="list-style-type: none"> Core infrastructure endeavours to keep pace with changing demand. Excellent standards of safety and welfare are promoted and respected. 						
Level of Service	<ul style="list-style-type: none"> Roads are managed to an acceptable level and the road network is available when required. The programmed improvement works are completed. Roads damaged by emergency events are made safe promptly. The safety of the land transport network is acceptable to users. Supporting road safety activities promoted by Horizons Regional Council. 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
Maintain the sealed roads to a standard that allows <5.5 defects/ km/quarter.	Achieved Q1 – 3.6 Q2 – 5.0 Q3 – 4.7 Q4 – 4.9	<5.5 defects/km /quarter	<5.5 defects/km /quarter	<5.5 defects/km /quarter	<5.5 defects/km /quarter	<5.5 defects/km /quarter	<5.5 defects/km /quarter
Maintain the unsealed roads to a standard that allows <5.5 defects/ km/quarter.	Achieved Q1 – 3.7 Q2 – 3.7 Q3 – 4.9 Q4 – 4.8	<5.5 defects/km /quarter	<5.5 defects/km /quarter	<5.5 defects/km /quarter	<5.5 defects/km /quarter	<5.5 defects/km /quarter	<5.5 defects/km /quarter
The percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in Council's asset management plan	Achieved 99% of footpaths are in average or greater condition, 1% are in poor condition	90% of network to be in average condition or greater & not more than 5% of network in Poor condition	90% of network to be in average condition or greater & not more than 5% of network in Poor condition	90% of network to be in average condition or greater & not more than 5% of network in Poor condition	90% of network to be in average condition or greater & not more than 5% of network in Poor condition	90% of network to be in average condition or greater & not more than 5% of network in Poor condition	90% of network to be in average condition or greater & not more than 5% of network in Poor condition
The percentage of customer service requests relating to roads and footpaths to which Council responds within the time frame specified in the LTP.	Not achieved 85% Achievement of this target is a focus for the land transport team for 2020/21	≥90%	≥85%	≥85%	≥85%	≥85%	≥85%

Notes:

- Smooth travel exposure is reported annually. The two inputs are Road Roughness, which is measured two yearly, was last completed in November 2019 by Shaw's Consulting Services Ltd. Vehicle Kilometers. Travelled (VKT) are continually updated during the year.
- A defect constitutes potholes on sealed roads, unsealed shoulders on sealed roads, corrugations on unsealed roads, damage to bridges, blocked drain holes and culverts, overgrown vegetation, and damaged running boards and traffic signs.
 - The accuracy of these have not been verified by Council. The information reported on is collected by Council's Professional Services for Land Transport consultants GHD.
 - The coverage of the roads network inspected during the year is aimed at 100%. In 2019/20, 78% of the network roads were inspected due to the lockdown in March and April.
 - Defects are calculated by the number of defects / number of kilometres audited over the three months in the quarter.
 - Each road should be inspected at least once a year.
- The request for service targets can be found in the Asset Management Plans.

FUNDING IMPACT STATEMENT - LAND TRANSPORT

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,593	1,573	1,671	1,726	1,853	1,910	1,978	2,042	2,107	2,173	2,240
Targeted rates	3,716	3,671	3,898	4,028	4,323	4,456	4,615	4,765	4,915	5,071	5,226
Subsidies and grants for operating purposes	5,512	6,741	7,140	6,911	7,760	8,002	8,249	8,504	8,767	9,039	9,310
Fees and charges	131	168	173	179	185	190	196	202	209	215	222
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	141	146	151	156	161	166	171	176	182	187	193
Total Operating Funding (A)	11,093	12,299	13,033	13,000	14,282	14,724	15,209	15,689	16,180	16,685	17,191
Applications of Operating Funding											
Payments to staff and suppliers	8,542	9,757	10,332	10,197	11,401	11,747	12,102	12,466	12,842	13,229	13,622
Finance costs	383	242	310	325	373	436	514	595	674	756	846
Internal charges and overheads applied	301	324	351	376	381	397	422	426	437	452	453
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	9,226	10,323	10,993	10,898	12,155	12,580	13,038	13,487	13,953	14,437	14,921
Surplus (deficit) of operating funding (A-B)	1,867	1,976	2,040	2,102	2,127	2,144	2,171	2,202	2,227	2,248	2,270
Sources of capital funding											
Subsidies and grants for capital expenditure	7,057	13,757	8,524	8,012	7,346	7,487	7,770	8,667	8,197	8,451	8,814

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Development and financial contributions	16	24	25	25	26	27	28	29	30	31	32
Increase (decrease) in debt	878	2,430	898	531	887	1,599	1,584	1,340	1,105	1,233	1,290
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	7,951	16,211	9,447	8,568	8,259	9,113	9,382	10,036	9,332	9,715	10,136
Applications of capital funding											
<i>Capital expenditure</i>											
- To meet additional demand	50	53	55	57	59	61	90	356	66	68	70
- To improve the level of service	1,928	6,685	3,173	3,004	1,977	2,559	2,586	2,291	2,116	2,181	2,372
- To replace existing assets	7,710	11,283	8,096	7,446	8,201	8,492	8,737	9,455	9,245	9,586	9,840
Increase (decrease) in reserves	130	166	163	163	149	145	140	136	132	128	124
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	9,818	18,187	11,487	10,670	10,386	11,257	11,553	12,238	11,559	11,963	12,406
Surplus (deficit) of capital funding (C-D)	(1,867)	(1,976)	(2,040)	(2,102)	(2,127)	(2,144)	(2,171)	(2,202)	(2,227)	(2,248)	(2,270)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

WATER SUPPLY

THE PURPOSE OF THE WATER SUPPLY ACTIVITY IS TO SUPPLY SAFE DRINKING WATER TO THE COMMUNITIES OF THE DISTRICT. A SAFE WATER SUPPLY IS ESSENTIAL TO RUN HOUSEHOLDS AND BUSINESSES AND MAINTAIN PUBLIC HEALTH. COUNCIL IS COMMITTED TO PROVIDING A WATER SUPPLY SERVICE THAT MEETS THE NEEDS OF THE COMMUNITY.

Council is responsible for the provision and management of six water supply schemes at National Park, Ohakune, Ohura, Owango, Raetihi and Taumarunui. A total of 211.5km of pipes make up the reticulation network plus 5 pump stations located across the district. In Waiouru, Council owns and operates the water supply network outside the Army base and purchases the potable water from the New Zealand Defence Force. Council has also managed the water services for Whakapapa village on behalf of Department of Conservation since 2015 (but does not own the assets).

RATIONALE

Water supply is perceived by communities to be one of the essential services Council supplies. Council is required by law to assess the need and provision of water services, and to retain its water supplies. It also has a duty to improve, promote and protect public health. Water supplies can be closed or transferred with the agreement of local communities.

There have also been significant legislation and policy changes that will impact the wastewater activity including the 3 water reforms, more freshwater management direction, zero carbon bill and climate change considerations over the last three years. There is now a new crown entity Taumata Arowai to regulate drinking water and Water Services. Further legislation and regulation changes are expected with proposed changes to the Resource Management Act.

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

COMMUNITY WELL-BEING OUTCOMES



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

- Head works, surface water sources, intake weirs and pipelines to treatment plants.
- Treatment plant including raw water pumps, clarifier, filters, main pumps and chemical dosing pumps.
- Water storage including reservoirs and pipelines.
- A piped network including pipelines, valves, hydrants, water meters, service connections and pump stations.

Significant projects included in our budget that will enable Council to achieve these outcomes are:

Infrastructure Projects	Strategy	Major	Capital	Total (\$)	Growth %	Renewal %	LOS %	Year
National Park WTP: New Reservoir				525,800	15		85	2, 4-5
National Park WTP: Plant Upgrade				1,274,200	15		85	2, 4-5
Ohakune Water Networks: Water Main Replacement				3,953,902		100		1-5
Ohakune Intake: Raw Water Delivery Pipework				2,200,000	15		85	3 and 5
Ohakune WTP Reservoirs				1,000,000	15		85	1
Ohakune WTP: Plant Upgrade				3,512,988	15		85	1
Ohura WTP: Plant Upgrade				1,250,900			100	1-2

Infrastructure Projects	Strategy	Major Capital	Total (\$)	Growth %	Renewal %	LOS %	Year
Owhango WTP: New Reservoir			874,900			100	3 and 5-6
Owhango WTP: Plant Upgrade			2,525,100			100	3 and 5-6
Raetihi Additional Reservoir			700,000	7		93	1-2
Raetihi Water Networks: Water Main Replacement			3,597,942		100		1-7
Taumarunui Water Networks: Gold Road Watermain Replacement			497,400		100		1
Taumarunui Water Networks: Water Main Replacement			5,829,767		100		2-9
Taumarunui Water Networks: Hakiaha St Watermain Replacement			2,596,700		100		1
District Wide Water: Water Meter Installation			1,758,500	10		90	3-4

SIGNIFICANT NEGATIVE EFFECTS

The provision of water supply services can result in negative environmental and cultural impacts on waterways.

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. Council mitigates these effects by drawing water to an agreed level that meets resource consent conditions. These conditions include limiting supply as set out in the One Plan. Promoting wise water use by all and reducing leakage in the reticulation network.

Failures in treatment or reticulation can have significant health effects such as what happened in Havelock North. The loss of water supply is disruptive to our communities and can effect whole communities and individual property owners.

Taumata Arowai (the new regulator) has requirements with a strong emphasis on increased monitoring of raw water through the treatment process to the customer. Council has bacterial compliance at all plants and is now focusing on delivering protozoal compliance and renewing failing pipeline. Investment in new infrastructure and compliance costs will be significant for developers and businesses along with individual households. There will be continued new government legislation, policy and regulations.

The government's announcement of the formation of centralized three waters entities to deliver services will impact how these services will operate. It is not yet clear but community affordability remains a high risk.

Climate change predictions are that extreme weather events will occur more frequently. Rainfall events carry sediment which makes rivers dirty which reduces the water quality in the river. Dirty water takes longer to treat and therefore reduces the capacity of the plant to produce safe clean water. Droughts can see the volume of water being able to be taken from the river reduced as set out in resource consents. This restricts capacity at a time when consumer demand is high.

SUMMARY OF EFFECTS

Positive Impact	Negative Impact	Mitigation
ENVIRONMENTAL		
Sustainable water use.	Environmental damage during construction of new works.	Environmental damage is mitigated through resource consent conditions which are specified into the contract document and monitored closely during the implementation of physical works.
	Reduction in water levels in waterways used as source for drinking water.	Council consults with the community including farmers and businesses on any proposed water level reduction.
	Environmental damage from leaking pipes.	Council's facilities maintenance contractor responds to leaks in minimal time to reduce any potential environmental damage.
	Impact on aquatic life from intake.	Intakes equipped with fish screens. New information and understandings around aquatic life may mean an upgrade of an existing screen.
	Discharge of water treatment plant backwash by-products into environment.	Management of discharge- to treatment facilities before entering the environment or to the wastewater system.
	Impact of increased waste products	Increase in chemical treatment at water supply treatment plants will increase the need to treat the waste products.
ECONOMIC		
Sufficient water available for commercial operation.	The cost of investment in infrastructure.	Council is committed to implementing cost-effective solutions as part of successful asset management. LoS have been set with consideration to community affordability and efficiencies are sought on an ongoing basis.
The availability of easily accessed water for firefighting purposes reduces the risk of fire damage within the community.	Some townships do not have adequate firefighting capability. Significant costs and time to implement the upgrade and improvement projects.	Council is committed to improving the natural environment but acknowledges that it takes time to make significant improvements. Council investigates any deficiencies identified by the NZ Fire Service. Firefighting capability is also taken into consideration with network modelling. The supply capability is known to the fire service and they have a fleet of rural firefighting equipment.
	Significant compliance costs for developers and businesses and individual households.	Council is transparent with its compliance costs with the development community as practicable.
SOCIAL		
Safe and continuous supply of water to contribute to the health and wellbeing of the community.	Disruption to individual property owners during new works construction.	Construction is undertaken in such a way as to minimise effects to property owners and to keep them fully informed of the proposed work.
Reduce the risk of property damage.	Property damage resulting from mains failure or sustained leakage overtime.	The development of the AMP to plan for replacement and upgrades in a timely manner.
Sufficient, safe water available for recreational use by community.	Many properties still receive poor quality drinking water.	Water Safety Plan have been completed for Taumarunui Water Treatment Plant to meet the new requirements. These guide Council on mitigation and future improvements to improve the drinking water quality.
The public water supply reduces the risk of waterborne diseases spreading through the community.	The effect on public health should the water supply not meet water quality standards.	Council has a programme of upgrading water treatment systems to meet drinking water standards.

	Risk of events such as large earthquakes, volcanic eruptions and significant floods.	Council continues to develop its Emergency Response Plans, resilience improvements and managed mitigation.
CULTURAL		
Joint governance on decision making of waterways such as the Whangaehu catchment group for shared values related to water.	Reduction in water levels in waterways unacceptable to tangata whenua.	Council has regular communication with Iwi and closely monitors its abstraction from waterways. Education in the scarcity and importance of efficient water use and actions individuals can take.



STATEMENT OF SERVICE PROVISION – WATER SUPPLY

Community Well-being Outcome(s)	<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> • Excellent standards of safety and welfare are promoted and respected. • Quality regulation, regulatory services and infrastructure. • Core infrastructure endeavours to keep pace with changing demand. <p>Thriving natural Environment:</p> <ul style="list-style-type: none"> • Our environment is accessible, clean and safe and our water, soil and air meet required standards. <p>Thriving economy:</p> <ul style="list-style-type: none"> • Regulatory services and reliable infrastructure help the economy prosper. 						
Level of Service	<ul style="list-style-type: none"> • Quality of Drinking Water - continuity of potable water supply to applicable community areas. • Public Safety - pressure and flow. • Responsiveness. 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 21/22	Target 22/23	Target 23/24	Target 24-28	Target 28-31
QUALITY OF DRINKING WATER							
Extent to which Council's drinking water supplies comply with Part 4 (bacteria compliance criteria) of the Drinking Water Standard.* (*Future increases reflect changing statutory requirements)	Achieved Ohura =Y Taumarunui =Y Owhango =Y N.P Village =Y Raetihi =Y Ohakune =Y	Ohura =Y Taumarunui =Y Owhango =Y N.P Village =Y Raetihi =Y Ohakune =Y	Ohura =Y Taumarunui =Y Owhango =Y N.P Village =Y Raetihi =Y Ohakune =Y	Ohura =Y Taumarunui =Y Owhango =Y N.P Village =Y Raetihi =Y Ohakune =Y	Ohura =Y Taumarunui =Y Owhango =Y N.P Village =Y Raetihi =Y Ohakune =Y	Ohura =Y Taumarunui =Y Owhango =Y N.P Village =Y Raetihi =Y Ohakune =Y	Ohura =Y Taumarunui =Y Owhango =Y N.P Village =Y Raetihi =Y Ohakune =Y
Extent to which Council's drinking water supplies comply with Part 5 (protozoal compliance criteria) of the Drinking Water Standard.*	Not Achieved Ohura =N Taumarunui =Y Owhango =N N.P Village =N Raetihi =Y Ohakune =N	Ohura =N Taumarunui =Y Owhango =N N.P Village =N Raetihi =Y Ohakune =Y	Ohura =N Taumarunui =N Owhango =N N.P Village =N Raetihi =N Ohakune =Y	Ohura =N Taumarunui =Y Owhango =N N.P Village =N Raetihi = Y Ohakune =Y	Ohura =N Taumarunui =Y Owhango =N N.P Village =N Raetihi =Y Ohakune =Y	Ohura =N Taumarunui =Y Owhango =N N.P Village =N Raetihi =Y Ohakune =Y	Ohura =N Taumarunui =Y Owhango =N N.P Village =N Raetihi =Y Ohakune =Y
RESPONSIVENESS							
Percentage of real water loss from the networked reticulation system, using minimum night flow (MNF) analysis (Note 8).	Achieved 12% (note 9)	≤40% all supplies	≤40% all supplies	≤40% all supplies	≤40% all supplies	<40% all supplies	<40% all supplies
Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:							
Attendance for urgent call-outs: from the time that the Council receives notification to the time that service	Achieved 27 minutes	Median response times ≤2 hours	Median response times <2 hours	Median response times <2 hours	Median response times <2 hours	Median response times <2 hours	Median response times <2 hours

Community Well-being Outcome(s)	<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> • Excellent standards of safety and welfare are promoted and respected. • Quality regulation, regulatory services and infrastructure. • Core infrastructure endeavours to keep pace with changing demand. <p>Thriving natural Environment:</p> <ul style="list-style-type: none"> • Our environment is accessible, clean and safe and our water, soil and air meet required standards. <p>Thriving economy:</p> <ul style="list-style-type: none"> • Regulatory services and reliable infrastructure help the economy prosper. 						
Level of Service	<ul style="list-style-type: none"> • Quality of Drinking Water - continuity of potable water supply to applicable community areas. • Public Safety - pressure and flow. • Responsiveness. 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 21/22	Target 22/23	Target 23/24	Target 24-28	Target 28-31
personnel reach the site (ie. loss of water supply)(Notes 2,5 and 6)							
Resolution of urgent call-outs: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption site (ie. loss of water supply). (Notes 2 and 6)	Achieved 5 Hours & 36 minutes	Median response times ≤6 hours	Median response times ≤6 hours	Median response times ≤6 hours	Median response times ≤6 hours	Median response times ≤6 hours	Median response times ≤6 hours
Attendance to non-urgent callouts from the time that the Council receives notification to the time that service personnel reach the site (ie. no loss of water supply). (Notes 2,5 and 7)	Achieved 1 hour & 12 minutes	Median response times ≤36 hours	Median response times ≤36 hours	Median response times ≤36 hours	Median response times ≤36 hours	Median response times ≤36 hours	Median response times ≤36 hours
Resolution of non-urgent callouts from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption (ie. no loss of water supply) (Notes 2 and 7)	Achieved 3 hours & 44 minutes	Median response times ≤72 hours	Median response times ≤72 hours	Median response times ≤72 hours	Median response times ≤72 hours	Median response times ≤72 hours	Median response times ≤72 hours
PUBLIC SAFETY PRESSURES AND FLOW							
The total number of complaints (Note 4) received by Council about any of the following expressed per 1,000 connections (Note 3) to the network reticulation systems. (a) drinking water clarity, (b) taste,	Not Achieved (a) 2.0 (b) 0.2	(a) ≤15 (b) ≤10	(a) ≤15 (b) ≤10	(a) ≤15 (b) ≤10	(a) ≤15 (b) ≤10	(a) ≤15 (b) ≤10	(a) ≤15 (b) ≤10

Community Well-being Outcome(s)	<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> • Excellent standards of safety and welfare are promoted and respected. • Quality regulation, regulatory services and infrastructure. • Core infrastructure endeavours to keep pace with changing demand. <p>Thriving natural Environment:</p> <ul style="list-style-type: none"> • Our environment is accessible, clean and safe and our water, soil and air meet required standards. <p>Thriving economy:</p> <ul style="list-style-type: none"> • Regulatory services and reliable infrastructure help the economy prosper. 						
Level of Service	<ul style="list-style-type: none"> • Quality of Drinking Water - continuity of potable water supply to applicable community areas. • Public Safety - pressure and flow. • Responsiveness. 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 21/22	Target 22/23	Target 23/24	Target 24-28	Target 28-31
(c) Odour, (d) pressure and flow, (e) continuity of supply (f) Council response times	(c) - (d) 1.6 (e) 7.7 (f) -	(c) ≤5 (d) ≤25 (e) ≤5 (f) ≤25	(c) ≤ 5 (d) ≤25 (e) ≤5 (f) 25	(c) ≤ 5 (d) ≤25 (e) ≤5 (f) ≤25	(c) ≤5 (d) ≤25 (e) ≤5 (f) ≤25	(c) ≤5 (d) ≤25 (e) ≤5 (f) ≤25	(c) ≤5 (d) ≤25 (e) ≤5 (f) ≤25
The average consumption of drinking water per day per resident within the territorial authority district (litres per person per day)	Achieved 448	500	500	500	500	500	500
Peak demand using peak population (litres per person per day)	Achieved 252	≤300	≤300	≤300	≤300	≤300	≤300

Notes:

- 1 Mandatory Non-Financial Performance Measures, against which all infrastructure in New Zealand are measured, were introduced by the Department of Internal Affairs in 2014.
- 2 The times shown for "attendance and "resolution" are reported by the service provider, Veolia as part of their contracted responsibilities. This includes travel time. The accuracy of these have not been verified by Council, however audits and GPS checks are conducted upon job completion.
- 3 The number of connections is calculated from the number of customers charged in their rates for use of Council water services (calculated at 5,446 at 1 July 2019).
- 4 There are occasions where there is more than one complaint per event. In such a situation, each complaint is counted separately, not each event or occurrence. However, for afterhours complaints received from the Palmerston North call centre, only the first complaint about an incident was recorded.
- 5 The median time presented is based on calls that have been raised directly with Council and not Council's contractor Veolia.
- 6 An urgent call-out is one that leads to a complete loss of supply of drinking water due to a fault or unplanned interruption.
- 7 A non-urgent call-out is one where there is still a supply of drinking water.
- 8 Real water loss refers to volumes lost through leaks, bursts or overflows on mains, service reservoirs and services connections, up to the point of the customer meter.
- 9 This figure is for Taumarunui urban area only. There is a huge variance across the wider area of Taumarunui. 95% night flow water loss for SH4 Piriaka indicating high leakage or high unmetered consumption during the night (eg for irrigation purposes) and 41% night flow water loss for Mahoe Settlement.

FUNDING IMPACT STATEMENT - WATER SUPPLY

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	3,838	3,975	4,540	4,719	5,106	5,378	5,749	6,067	6,457	6,607	6,810
Subsidies and grants for operating purposes	-	120	-	-	-	-	-	-	-	-	-
Fees and charges	299	103	106	110	113	117	121	125	129	134	138
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	4,137	4,198	4,646	4,829	5,219	5,495	5,870	6,192	6,586	6,741	6,948
Applications of Operating Funding											
Payments to staff and suppliers	2,442	2,568	2,705	2,784	2,961	2,994	3,051	3,198	3,423	3,443	3,527
Finance costs	195	180	290	355	486	668	859	999	1,120	1,225	1,325
Internal charges and overheads applied	188	202	219	235	238	248	264	266	273	282	283
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,825	2,950	3,214	3,374	3,685	3,910	4,174	4,463	4,816	4,950	5,135
Surplus (deficit) of operating funding (A-B)	1,312	1,248	1,432	1,455	1,534	1,585	1,696	1,729	1,770	1,791	1,813
Sources of capital funding											
Subsidies and grants for capital expenditure	4,000	2,800	-	-	-	-	-	-	-	-	-

	Annual Plan 20/21 (\$000)	LTP 21/22 (\$000)	LTP 22/23 (\$000)	LTP 23/24 (\$000)	LTP 24/25 (\$000)	LTP 25/26 (\$000)	LTP 26/27 (\$000)	LTP 27/28 (\$000)	LTP 28/29 (\$000)	LTP 29/30 (\$000)	LTP 30/31 (\$000)
Development and financial contributions	16	30	31	32	33	35	36	37	38	39	41
Increase (decrease) in debt	3,226	6,833	1,665	4,843	3,786	7,736	2,636	2,619	732	1,139	274
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	7,242	9,663	1,696	4,875	3,819	7,771	2,672	2,656	770	1,178	315
Applications of capital funding											
Capital expenditure											
- to meet additional demand	6,650	560	75	419	247	353	64	119	68	70	60
- to improve the level of service	561	6,020	769	3,084	1,674	4,495	1,138	750	45	341	-
- to replace existing assets	1,116	4,213	2,072	2,691	3,614	4,466	3,122	3,481	2,370	2,481	1,938
Increase (decrease) in reserves	227	118	212	136	(182)	42	44	35	57	77	130
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	8,554	10,911	3,128	6,330	5,353	9,356	4,368	4,385	2,540	2,969	2,128
Surplus (deficit) of capital funding (C-D)	(1,312)	(1,248)	(1,432)	(1,455)	(1,534)	(1,585)	(1,696)	(1,729)	(1,770)	(1,791)	(1,813)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

WASTEWATER (SEWERAGE)

THE PURPOSE OF THE WASTEWATER ACTIVITY IS TO COLLECT AND DISPOSE OF WASTEWATER IN AN EFFECTIVE AND ENVIRONMENTALLY FRIENDLY MANNER. THIS ACTIVITY IS ESSENTIAL IN ORDER TO PROTECT THE ENVIRONMENT AND TO MAINTAIN PUBLIC HEALTH

Council owns treatment plants at Taumarunui, National Park Village, Ohakune, Pipiriki, Raetihi and Rangataua. In addition, Council co-operates with the NZ Army in Waiouru to provide wastewater services for the town.

RATIONALE

Council is required to assess water and other sanitary services available to the community, including stormwater drainage, and has a duty under Section 23 of the Health Act 1956 to improve, promote and protect public health.

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

Council's wastewater assets consist of:

- 6 wastewater treatment plants
- 126.1 km of pipes
- 17 pump stations
- 1627 manholes
- 4,784 rateable service connections

COMMUNITY WELL-BEING OUTCOMES



Social

Environmental

Economic

Significant projects included in our budget that will enable Council to achieve these outcomes are:

Infrastructure Strategy Major Capital Projects	Total (\$)	Growth	Renewa l	LOS	Year
National Park WWTP: Upgrade Physical Works	1,230,300	15%		85%	5 and 9
Ohakune Wastewater Networks: Wastewater Main Refurbishment	1,701,770		100%		1-10
Ohakune WWTP: Upgrade	2,347,836		85%	15%	3-5 and 10
Raetihi WWTP: Upgrade	782,612	7%		93%	3-5 and 10
Taumarunui Wastewater Networks: Hakiaha Street Main Upgrade	470,000		100%		1
Taumarunui (Hikumutu) WWTP: Asset Renewal	1,180,000		100%		1 and 4
Taumarunui (Hikumutu) WWTP: Upgrades	537,000			100%	1
Taumarunui Wastewater Networks: Wastewater Main Refurbishment	4,611,391		100%		1-10

SIGNIFICANT NEGATIVE EFFECTS

The collection, treatment and discharge of wastewater has a negative effect on the environment through the final disposal of treated wastewater.

The effects of climate change predictions are more extreme events of weather with increased frequency. The wastewater network can be effected by infiltration (water entering the system from high ground water tables) and inflow from stormwater flowing across the ground or illegal connections into the network. These forces can impact on individuals or whole communities' properties and the environment.

Failures in the collection or treatment system, can result in untreated or partially treated wastewater discharges. This wastewater may contain 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 aquatic environments and/or cause property damage.

New more intensive treatment technologies will be required to deliver to higher environmental standards for the land, air and water. These methods include high treatment costs including higher carbon outputs to deliver lower nutrient outputs. The investment in new infrastructure and compliance costs could be significant for developers and businesses along with individual households.

Council mitigates discharge effects by treating wastewater to an agreed level that meets resource consent conditions. Resource consent processes are lengthy and difficult to navigate with changing legislation, policy and regulations.

Wastewater discharges may also contribute to pollution issues experienced downstream of treatment facilities. Horizons One Plan's new targets for wastewater treatment will require significant investment by Council. Council mitigates discharge effects by treating wastewater to an agreed level that meets resource consent conditions.

Council's contractor has prepared a Health and Safety Assessment of Council's systems to assist Council in the prioritisation, planning and implementation of mitigation measures. This report is available to view at all Council offices.

SUMMARY OF EFFECTS

Potential Positive Impact	Potential Negative Impacts	Mitigation
Environmental		
Centralised public wastewater services collect and discharges wastewater limiting the environmental impact.	The potential for emissions to affect climate, and especially 'global warming', including the effect of certain substances on the ozone layer.	Council is committed to understanding the impacts of climate change on public infrastructure and mitigates this through advice from central government agencies.
	Environmental damage during construction of new works.	Environmental damage is mitigated through resource consent conditions which are specified in the contract document and monitored closely during the implementation of physical works.
	Environmental degradation of receiving water from wastewater overflows.	Council continues to monitor watercourse water quality in conjunction with Horizons Regional Council.
Economic		
Infrastructure provides for township growth	The cost of investment in infrastructure.	Council is committed to implementing cost-effective solutions as part of successful asset management. Levels of service have been set with consideration to community affordability and efficiencies are sought on an ongoing basis.
	Significant costs and time to implement the upgrade and overflow reduction improvement projects.	Council is committed to improving the natural environment but acknowledges that it takes time to make significant improvements.
	Significant compliance costs for developers and businesses and individual households.	Council is transparent with its compliance costs with the development community as practicable.
Social		
Safe environment for the community.	Disruption to individual property owners during new works construction.	Construction is undertaken in such a way as to minimise effects to property owners and to keep them fully informed of the proposed work.
The public wastewater service reduces the risk of waterborne diseases spreading through the community.	Property damage resulting from mains failure or sustained leakage overtime.	The development of the AMP to plan for replacement and upgrades in a timely manner.
Cultural		
Our environment is protected and our waterways are safe places for our community to enjoy.	Contamination of the rivers is unacceptable to tangata whenua.	Council is committed to improving the environment through regular communication with its partners.

STATEMENT OF SERVICE PROVISION – WASTEWATER

Community Well-being Outcome(s)	Safe, healthy communities: <ul style="list-style-type: none"> Quality regulation, regulatory services and infrastructure. Core infrastructure endeavours to keep pace with changing demand. Thriving natural Environment: <ul style="list-style-type: none"> Our environment is accessible, clean and safe and our water, soil and air meet required standards. Thriving Economy: <ul style="list-style-type: none"> Regulatory services and reliable infrastructure help the economy prosper. 						
Level of Service	<ul style="list-style-type: none"> Public Safety - Continuity of Wastewater collection system. Responsiveness to infrastructure issues. Environmental sustainability. 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
ENVIRONMENTAL STABILITY							
Number of dry weather wastewater overflows from Council's system (expressed as per 1,000 connections (Note 3) to that system).	Achieved. 1.90 Increase of the number of dry weather overflows this year	≤7	≤7	≤7	≤7	≤7	≤7
Compliance with Council's resource consents for discharges from the wastewater system as measured by number of:							
(a) Abatement notices; (b) Infringement notices; (c) Enforcement orders; (d) Convictions received by Council in relation to those resource consents.	Achieved No Abatement notices have been received over the year.	(a) ≤2 (b) ≤2 (c) ≤1 (d) 0	(a) ≤2 (b) ≤2 (c) ≤1 (d) 0	(a) ≤2 (b) ≤2 (c) ≤1 (d) 0	(a) ≤2 (b) ≤2 (c) ≤1 (d) 0	(a) ≤2 (b) ≤2 (c) ≤1 (d) 0	(a) ≤2 (b) ≤2 (c) ≤1 (d) 0
RESPONSIVENESS TO INFRASTRUCTURE ISSUES							
Where Council attends to wastewater (sewerage) overflows resulting from a blockage or other fault in the Council Wastewater system, the following median response times measured:							
Attendance time: from the time that Council receives notification to the time that service personnel reach the site (Note 2 & 5).	Achieved. 0.58 Attendance times have improved for wastewater callouts	Median response times ≤2hours for a blockage or fault.	Median response times ≤2hours for a blockage or fault.	Median response times ≤2hours for a blockage or fault.	Median response times ≤2hours for a blockage or fault.	Median response times ≤2hours for a blockage or fault.	Median response times ≤2hours for a blockage or fault.
Resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault. (Note 2 & 5.)	Achieved 3.07 Resolution times have improved for wastewater callouts	Median response times ≤6 hours for a blockage or fault.	Median response times ≤6 hours for a blockage or fault.	Median response times ≤6 hours for a blockage or fault.	Median response times ≤6 hours for a blockage or fault.	Median response times ≤6 hours for a blockage or fault.	Median response times ≤6 hours for a blockage or fault.

Community Well-being Outcome(s)	Safe, healthy communities: <ul style="list-style-type: none"> • Quality regulation, regulatory services and infrastructure. • Core infrastructure endeavours to keep pace with changing demand. Thriving natural Environment: <ul style="list-style-type: none"> • Our environment is accessible, clean and safe and our water, soil and air meet required standards. Thriving Economy: <ul style="list-style-type: none"> • Regulatory services and reliable infrastructure help the economy prosper. 						
Level of Service	<ul style="list-style-type: none"> • Public Safety - Continuity of Wastewater collection system. • Responsiveness to infrastructure issues. • Environmental sustainability. 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
Total number of complaints (Note 4) received by Council about any of the following (expressed as per 1000 connections (Note 3) to the territorial authority's wastewater system):	Achieved. The total number of complaints were 2, this equates to 4.22 per 1,000 connections and is broken down below:						
(a) Wastewater odour	(a) 0.63	(a) ≤15	(a) ≤15	(a) ≤15	(a) ≤15	(a) ≤15	(a) ≤15
(b) Wastewater system faults	(b) 0.84	(b) ≤5	(b) ≤5	(b) ≤5	(b) ≤5	(b) ≤5	(b) ≤5
(c) Wastewater system blockages	(c) 2.74	(c) ≤25	(c) ≤25	(c) ≤25	(c) ≤25	(c) ≤25	(c) ≤25
(d) The Council's response to issues with its Wastewater system	(d) 0.00	(d) ≤25	(d) ≤25	(d) ≤25	(d) ≤25	(d) ≤25	(d) ≤25

Notes:

- 1 There are now mandatory Non-Financial Performance Measures against which all Wastewater infrastructure in New Zealand are measured. 2019/20 is the third year these KPIs have been measured.
- 2 The times shown for "attendance" and "resolution" are reported by the service provider, Veolia as part of their contracted responsibilities. This includes travel time. The accuracy of these have not been verified by Council.
- 3 The number of connections is calculated from the number of customers charged in their rates for use of Council wastewater services (calculated at 4,740 as at 1 July 2019).
- 4 There are occasions where there is more than one complaint per event. In such a situation, each complaint is counted separately, not each event or occurrence. However, for afterhours complaints received from the Palmerston North call centre, only the first complaint about an incident was recorded.
- 5 The medium time presented is based on calls that have been raised directly with Council and not Council's contractor Veolia.

FUNDING IMPACT STATEMENT - WASTEWATER (SEWERAGE)

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	19	23	25	25	25	26	26	26	26	27	27
Targeted rates	2,407	2,531	3,004	2,913	2,987	3,228	3,352	3,521	3,521	3,661	3,844
Subsidies and grants for operating purposes	-	120	-	-	-	-	-	-	-	-	-
Fees and charges	100	103	107	112	117	122	127	132	138	144	150
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,526	2,777	3,136	3,050	3,129	3,376	3,505	3,679	3,685	3,832	4,021
Applications of Operating Funding											
Payments to staff and suppliers	1,483	1,650	1,876	1,755	1,772	1,941	2,001	2,134	2,056	2,111	2,126
Finance costs	58	33	82	99	140	190	229	269	318	393	529
Internal charges and overheads applied	188	202	219	235	238	248	264	266	273	282	283
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,729	1,885	2,177	2,089	2,150	2,379	2,494	2,669	2,647	2,786	2,938
Surplus (deficit) of operating funding (A-B)	797	892	959	961	979	997	1,011	1,010	1,038	1,046	1,083
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	32	62	64	66	69	71	73	76	78	81	84
Increase (decrease) in debt	468	3,779	592	1,177	1,599	1,503	285	1,308	701	2,677	3,879
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	500	3,841	656	1,243	1,668	1,574	358	1,384	779	2,758	3,963
Applications of capital funding											

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<i>Capital expenditure</i>											
- to meet additional demand	20	87	20	62	96	137	74	818	186	409	531
- to improve the level of service	508	1,527	176	703	582	402	-	168	-	1,227	2,922
- to replace existing assets	259	3,099	1,233	1,254	1,838	1,871	1,138	1,306	1,476	2,022	1,497
Increase (decrease) in reserves	510	20	186	185	131	161	157	102	155	146	96
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,297	4,733	1,615	2,204	2,647	2,571	1,369	2,394	1,817	3,804	5,046
Surplus (deficit) of capital funding (C-D)	(797)	(892)	(959)	(961)	(979)	(997)	(1,011)	(1,010)	(1,038)	(1,046)	(1,083)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

STORMWATER & FLOOD PROTECTION

EFFICIENT AND EFFECTIVE STORMWATER AND FLOOD PROTECTION INFRASTRUCTURE IS A KEY ELEMENT IN THE SUSTAINABLE AND HEALTHY DEVELOPMENT OF A COMMUNITY. A DEVELOPED NETWORK OF PIPES, CULVERTS TO DRAINS AND WATERCOURSES PROVIDES A SAFE AND EFFICIENT MEANS OF COLLECTING AND CONDUCTING STORMWATER THROUGH TOWNSHIPS.

RATIONALE

Under the Local Government Act, Council is required to assess water and other sanitary services available to the community, including stormwater drainage.

There have also been significant legislation and policy changes that will impact the stormwater activity including the 3 water reforms, more freshwater management direction, zero carbon bill and climate change considerations over the last three years. There is now a new crown entity Taumata Arowai to regulate drinking water and Water Services. Further legislation and regulation changes are expected with proposed changes to the Resource Management Act.

As well as the legal mandate to provide this service, Council aims to:

- Provide efficient and safe stormwater collection and disposal and flood protection in an effective and environmentally acceptable manner.
- Plan for resilience to flooding and safeguard the lives and property of communities during flood events.
- Develop a stormwater treatment system which reduces degradation and contamination to the receiving environment

The stormwater network reticulation comprises of 66.5km of stormwater mains plus approximately 645 manholes across the district plus open drains, associated culverts and sumps.

COMMUNITY WELL-BEING OUTCOMES



Social

Environmental

Economic

Significant projects included in our budget that will enable Council to achieve these outcomes are:

Infrastructure Strategy Major Capital Projects	Total (\$)	Growth	Renewal	LOS	Year
Taumarunui Stormwater Networks: Stormwater Main Replacement	1,715,000		100%		1-10
Taumarunui Stormwater: Short St Physical Works	1,000,000			100%	2

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, e.g., 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.

SIGNIFICANT NEGATIVE EFFECTS

The stormwater and flood protection runoff naturally contains debris and chemicals that are present in the catchment area. 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 aquatic environment. This can also reduce the communities opportunity to engage with the water for swimming, sports or gathering kai.

The effects of climate change predictions are more extreme weather events increasing in frequency. The volume of water (rainfall events) impacts on the capacity of the watercourse, culvert and river system. When there is too much water to hold, flooding occurs which may impact on individuals or whole communities' properties and transportation networks.

Taumata Arowai (the new regulator) will need to be supported. The legislation allows for funding through its compliance checks of Council service delivery. This will be a new charge which will ultimately be funded by the customers and ratepayers. In addition the government has announced the formation of centralized three waters entities to deliver services. Stormwater treatment standards are still to be developed. The impact of how these services will operate is not yet clear but community affordability remains a high risk.

Stormwater and flooding runoff is monitored by Horizons Regional Council for water quality and other effects. Council maintains its stormwater and flood protection systems to reduce the level of flooding within the District.

SUMMARY OF EFFECTS

Positive Impact	Negative Impact	Mitigation
Environmental		
Potential environmental impact from construction of infrastructure	Environmental damage during construction of new works.	Environmental damage is mitigated through resource consent conditions which are specified into the contract document and monitored closely during the implementation of physical works.
Instream effects minimised	The potential for emissions to affect climate and especially global warming, including the effect of certain substances on the ozone layer.	Council is committed to understanding the impacts of climate change on public infrastructure and mitigates this through advice from central government agencies.
	Environmental degradation of receiving water from stormwater discharges.	Council continues to improve the planning of new subdivisions and high volume parking areas to improve the quality of discharges.
	Waterways with no vegetation management has resulted in changes to water courses, reducing riverbed capacity and creating bank erosion.	Partnership with Horizons to control vegetation around communities.

Positive Impact	Negative Impact	Mitigation
	The stormwater and flood protection runoff naturally contains debris and chemicals that are present in the catchment area.	Stormwater and flooding runoff are monitored by Horizons Regional Council for water quality and other effects.
Economic		
Provides infrastructure to support business development in the community.	The cost of investment in infrastructure.	Council is committed to implementing cost-effective solutions as part of successful asset management. LoS have been set with consideration to community affordability and efficiencies are sought on an ongoing basis.
	Significant costs and time to implement new stormwater treatment projects across multiple townships.	Council is committed to improving the natural environment but acknowledges that it takes time to make significant improvements.
	Significant compliance costs for developers and businesses and individual households.	Council is transparent with its compliance costs with the development community as far as practicable.
	Risk of stifling community investment because of perception of reduced water quality.	Education with community and developers that stormwater neutrality and treatment is part of the cost of business and done together is achievable.
Social		
Provides infrastructure to protect habitable areas from flooding.	Disruption to individual property owners during new works construction.	Construction is undertaken in such a way as to minimise effects to property owners and to keep them fully informed of the proposed work.
Instream effects minimized.	Watercourses become degraded and unfit for interaction: wading or swimming.	Treatment of stormwater to remove gross and other pollutants. Upgrade of stormwater systems in urban areas where the ponding from flooding is considered too deep and therefore unsafe for local residents, particularly children.
Cultural		
Community and iwi consultation in urban is effective for the decision making process.	Reduced water quality will result in iwi disengaging with Council.	Council has communication with iwi and are working towards ways of meeting its legislative obligations.
Improving water quality will enhance Councils relationship with tangata whenua.	Increased stormwater runoff into waterways is unacceptable to tangata whenua	Council is working to improve catchments by increasing engagement with the community and its partners.

STATEMENT OF SERVICE PROVISION – STORMWATER AND FLOOD PROTECTION

Outcome(s)	<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> Quality regulation, regulatory services and infrastructure. Core infrastructure endeavours to keep pace with changing demand. Excellent standards of safety and welfare are promoted and respected. Preparation, planning and timely responses protect people and property from natural hazards. <p>Thriving natural Environment:</p> <ul style="list-style-type: none"> Our environment is accessible, clean and safe and our water, soil and air meet required standards. <p>Thriving Economy:</p> <ul style="list-style-type: none"> Regulatory services and reliable infrastructure help the economy prosper. 						
Level of Service	<ul style="list-style-type: none"> Continuity of service Responsiveness of service Capacity/degree of protection Environmental impacts are managed and resource consents complied with 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
CAPACITY/DEGREE OF PROTECTION							
The number of flooding events that occur in a territorial authority district (Note 3). For each event, number of habitable floors affected (Note 4) (per 1,000 properties connected (Note 2) to Council's stormwater system).	Achieved. No flooding events this year.	≤3	≤3	≤3	≤3	≤3	≤3
ENVIRONMENTAL IMPACTS ARE MANAGED AND RESOURCE CONSENTS COMPLIED WITH							
Compliance with Councils resource consents for discharges from the stormwater system as measured by number of: (a) abatement notices (b) infringement notices (c) enforcement orders (d) successful prosecutions received by Council in relation to those resource consents.	Achieved. No Abatement, infringement or enforcement notices received. No prosecutions for resource consents.	(a) ≤2 (b) ≤1 (c) ≤1 (d) 0	(a) ≤2 (b) ≤1 (c) ≤1 (d) 0	(a) ≤2 (b) ≤1 (c) ≤1 (d) 0	(a) ≤2 (b) ≤1 (c) ≤1 (d) 0	(a) ≤2 (b) ≤1 (c) ≤1 (d) 0	(a) ≤2 (b) ≤1 (c) ≤1 (d) 0
RESPONSIVENESS OF SERVICE							
The median response time to attend a flooding event (note 4), measured from the time that Council receives notification to the time that service personnel reach the site.	Achieved There were no flooding events reported.	≤2 hours	≤2 hours	≤2 hours	≤2 hours	≤2 hours	≤2 hours
The number of complaints (Note 5) received by Council about the performance of its stormwater system, (expressed as per 1000 properties connected to Council's stormwater system)	Achieved 3.8 Figures used for insufficient capacity and chokes / blockages combined for 2019/20	≤15	≤15	≤15	≤15	≤15	≤15

Notes:

- 1 Mandatory Non-Financial Performance Measures, against which all stormwater and flood protection in New Zealand are measured, were introduced by the Department of Internal Affairs 2014.
- 2 The number of connections is calculated from the number of customers charged in their rates for use of Council stormwater services (calculated at 5,407as at 23 June 2020).
- 3 A flooding event means overflow of stormwater from a Council stormwater system that enters a habitable floor.
- 4 A habitable floor refers to a floor of a building (including basement) but does not include ancillary structures such as stand-alone garden sheds or garages.
- 5 There are occasions where there is more than one complaint per event. In such a situation, each complaint is counted separately, not each event or occurrence. However, for after hour's complaints received from the Palmerston North call centre, only the first complaint about an incident was recorded.

FUNDING IMPACT STATEMENT - STORMWATER AND FLOOD PROTECTION

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	449	486	572	584	592	612	630	649	668	687	690
Targeted rates	449	486	572	584	592	612	630	649	668	687	690
Subsidies and grants for operating purposes	-	60	-	-	-	-	-	-	-	-	-
Fees and charges	4	17	22	29	32	33	34	35	36	37	39
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	902	1,049	1,166	1,197	1,216	1,257	1,294	1,333	1,372	1,411	1,419
Applications of Operating Funding											
Payments to staff and suppliers	446	559	634	621	617	640	656	677	693	716	710
Finance costs	24	8	24	38	48	55	63	73	83	90	98
Internal charges and overheads applied	94	101	110	118	119	124	132	133	137	141	141
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	564	668	768	777	784	819	851	883	913	947	949
Surplus (deficit) of operating funding (A-B)	338	381	398	420	432	438	443	450	459	464	470
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	527	309	1,100	383	147	77	189	191	67	71	73
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	527	309	1,100	383	147	77	189	191	67	71	73
Applications of capital funding											
<i>Capital expenditure</i>											
- to meet additional demand	31	13	13	13	14	45	102	106	109	113	116
- to improve the level of service	517	146	1,112	439	218	122	181	187	67	69	71
- to replace existing assets	106	531	146	151	157	163	323	342	353	364	375
Increase (decrease) in reserves	211	-	227	200	190	185	26	6	(3)	(11)	(19)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	865	690	1,498	803	579	515	632	641	526	535	543
Surplus (deficit) of capital funding (C-D)	(338)	(381)	(398)	(420)	(432)	(438)	(443)	(450)	(459)	(464)	(470)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

SOLID WASTE

THE WASTE MANAGEMENT AND MINIMISATION ACTIVITY MANAGES THE COLLECTION AND DISPOSAL OF RUBBISH AND RECYCLING IN THE DISTRICT. THE ASSETS FOR THIS ACTIVITY INCLUDE THE DISTRICT LANDFILL IN TAUMARUNUI, SEVEN TRANSFER STATIONS AND SEVEN DECOMMISSIONED (CLOSED) LANDFILLS.

RATIONALE

There are two pieces of legislation that require councils to provide this service to their communities:

- The Health Act 1956 requires Council to provide this activity to ensure that the public suffers no adverse effects due to the accumulation of refuse (both legal and illegal).
- The Waste Minimisation Act 2008 requires councils to promote effective and efficient waste management.

Since 2015 the proportion of waste recycled in the district has remained steady along with the volume of refuse landfilled within the Ruapehu District. Over the last three financial years we have sent an average of 3,344 tonnes of waste to the landfill.

This presents a significant challenge to the community as the resource consent for the Taumarunui Landfill expired in October 2020 and all waste disposal is now shipped out of district to Hampton Downs Landfill. As this is now a more expensive option, the community must show a greater commitment to generating and disposing of waste as efficiently as possible. This will include increased recycling and dealing with food waste by a means other than sending it to the landfill (eg. Composting, resource recovery centres).

COMMUNITY WELL-BEING OUTCOMES



Social

Environmental

Economic

Significant projects included in our budget that will enable Council to achieve these outcomes are:

Infrastructure Capital Projects	Strategy	Major	Total (\$)	Growth	Renewal	LOS	Year
Roof over sorting facility Taumarunui			400,000			100%	1

SIGNIFICANT NEGATIVE EFFECTS

The Waste Management and Minimisation activity collects rubbish from around the District and deposits it at Hampton Downs Landfill. The accumulation 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.

In addition, landfill waste can result in significant environmental effects on the immediate area. For example, leachate can contaminate surrounding soil and water, while landfill gases (methane and carbon dioxide) pollute the air.

On the other hand, a single landfill limits the area of possible contamination to one location. It allows resources to be concentrated on reducing and managing the environmental impact of contamination.

Ruapehu District Council must abide by resource consent conditions to ensure responsible management of the negative environmental effects of the landfill. Horizons Regional Council monitors closed landfills for ongoing environmental impact.

The disposal of waste to landfill has a significant cost associated with it. This cost has increased with the closure of the district landfill in 2020. 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. Significant community education and buy in will be required to further lower the volumes of refuse landfilled



STATEMENT OF SERVICE PROVISION – SOLID WASTE

Community Well-being Outcome(s)	<p>Safe, healthy communities</p> <ul style="list-style-type: none"> • Excellent standards of safety and welfare are promoted and respected. • Core infrastructure endeavours to keep pace with changing demand. • Reduce the volume of waste to the landfill. <p>Thriving natural environment</p> <ul style="list-style-type: none"> • Our environment is accessible, clean and safe and our water, soil and air meet required standards. 						
Level of Service	<ul style="list-style-type: none"> • The community is provided with opportunities to recycle • Waste minimisation is encouraged • Legislative compliance is achieved • Waste hierarchy (reduce, reuse, recover, redirect and refuse) promoted throughout the community • Waste education in schools • Community is satisfied with the overall level of service for waste management and minimisation 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
THE COMMUNITY IS PROVIDED WITH OPPORTUNITIES TO RECYCLE							
The portion of waste recycled increases by 0.5% each year.(Note 1)	Not achieved -4.1% COVID-19 Lockdown resulted in a month of non-recycling which threw us off our target we were on track to meet, this was a country wide phenomenon.	0.5% overall	+0.5% Overall	+0.5% Overall	+0.5% Overall	+0.5% Overall	+0.5% Overall
WASTE MINIMISATION IS ENCOURAGED							
A comprehensive waste audit is conducted every LTP cycle to inform any change to the Waste minimisation and Management Plan	To be conducted in 2021		1		1		
WASTE HIERARCHY (REDUCE, REUSE, RECOVER, REDIRECT & REFUSE) PROMOTED THROUGHOUT THE COMMUNITY							
Waste Minimisation initiatives promoted District wide through multimedia communications.(Note 2)	Achieved 13	4	4	4	4	4	4
Two industry stewardship schemes promoted annually	Achieved 2	2	2	2	2	2	2

Community Well-being Outcome(s)	<p>Safe, healthy communities</p> <ul style="list-style-type: none"> • Excellent standards of safety and welfare are promoted and respected. • Core infrastructure endeavours to keep pace with changing demand. • Reduce the volume of waste to the landfill. <p>Thriving natural environment</p> <ul style="list-style-type: none"> • Our environment is accessible, clean and safe and our water, soil and air meet required standards. 						
Level of Service	<ul style="list-style-type: none"> • The community is provided with opportunities to recycle • Waste minimisation is encouraged • Legislative compliance is achieved • Waste hierarchy (reduce, reuse, recover, redirect and refuse) promoted throughout the community • Waste education in schools • Community is satisfied with the overall level of service for waste management and minimisation 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
LEGISLATIVE COMPLIANCE ACHIEVED							
Annual resource consent breaches	0	<2	<2	<2	<2	<2	<2
WASTE EDUCATION IN SCHOOLS							
Percentage of schools visited annually that participate in a Waste minimisation Education programme.	Achieved 75%	75%	75%	75%	75%	75%	75%
COMMUNITY IS SATISFIED WITH THE OVERALL LEVEL OF SERVICE FOR WASTE MANAGEMENT AND MINIMIZATION							
Percentage of community satisfied with the overall LoS	Achieved 80.45%	70%	75%(3)	75%	75%	75%	75%
Number of requests for service that indicate poor service provision is less than 52 per year (approx. 1 per week). (Note 4.)	Achieved 27	<52	<52	<52	<52	<52	<52

Notes:

- 1 Future targets increased to reflect desired response to waste minimisation promotions through multimedia communications
- 2 Future targets increased to reflect ability to use Facebook and website video links in addition to traditional methods of communication
- 3 Future targets changed to reflect actual performance.
- 4 Future targets decreased to match desire to provide excellent level of service by Principal and Contractor

FUNDING IMPACT STATEMENT - SOLID WASTE

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	360	559	621	633	660	671	691	723	734	757	821
Targeted rates	851	813	889	916	958	984	1,020	1,069	1,098	1,140	1,223
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	840	862	889	946	974	1,002	1,026	1,055	1,085	1,115	1,142
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,051	2,234	2,399	2,495	2,592	2,657	2,737	2,847	2,917	3,012	3,186
Applications of Operating Funding											
Payments to staff and suppliers	1,966	2,134	2,245	2,328	2,419	2,478	2,549	2,658	2,720	2,808	2,980
Finance costs	7	16	27	27	29	31	32	33	35	36	37
Internal charges and overheads applied	56	61	66	71	72	74	79	80	82	85	85
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,029	2,211	2,338	2,426	2,520	2,583	2,660	2,771	2,837	2,929	3,102
Surplus (deficit) of operating funding (A-B)	22	23	61	69	72	74	77	76	80	83	84
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
increase (decrease) in debt	86	795	27	10	(54)	(49)	(50)	(27)	(34)	(33)	(31)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	86	795	27	10	(54)	(49)	(50)	(27)	(34)	(33)	(31)
Applications of capital funding											
<i>Capital expenditure</i>											
- to meet additional demand	42	85	18	53	-	-	-	21	-	-	-
- to improve the level of service	52	731	62	11	-	3	-	-	13	13	13
- to replace existing assets	10	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	4	2	8	15	18	22	27	28	33	37	40
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	108	818	88	79	18	25	27	49	46	50	53
Surplus (deficit) of capital funding (C-D)	(22)	(23)	(61)	(69)	(72)	(74)	(77)	(76)	(80)	(83)	(84)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

RECREATIONAL AND COMMUNITY FACILITIES AND COMMUNITY PROPERTY

THIS ACTIVITY PROVIDES A RANGE OF RECREATION FACILITIES AND PROPERTY WITHIN EACH COMMUNITY THAT IS READILY ACCESSIBLE AND ENJOYED BY THE COMMUNITY. COUNCIL REGARDS THIS ACTIVITY AS AN ESSENTIAL SERVICE FOR THE PUBLIC GOOD.

RATIONALE

Under the Local Government Act, Council is required to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

The total value of the Recreation and Community Facilities portfolio is currently estimated to be \$17.2 million. It includes parks, reserves, playgrounds, walkways, swimming pools, community halls, public toilets and cemeteries.

The total value of the Community Property portfolio is currently estimated to be \$24.6 million. It includes the Council administration and library buildings, social housing, and others.

As well as the legal mandate to provide these services, The Recreation and Community Facilities and Community Property activities play an important role in achieving Council's community well-being outcomes.

COMMUNITY WELL-BEING OUTCOMES



Significant projects included in our budget that will enable Council to achieve these outcomes are:

Infrastructure Strategy Major Capital Projects	Total (\$)	Growth	Renewal	LOS	Year
Demolition of earthquake prone buildings if bought or given to Council	2,000,000	100%			5
Ohakune Revit Outcomes Revitalisation	2,000,000	100%			5
Raetihi CBD development	1,000,000	100%			4
Town Revitalisation Raetihi service hub	3,000,000	100%			2-4
Taumarunui Hakiaha St verandas	468,000			100%	1-3
National Park Revitalisation plan	1,000,000			100%	1-5
Ohakune Town Planning (operational, debt funded)	500,000			100%	1-3
Taumarunui Main Street Stage 3	500,000			100%	4
Taumarunui Railway Station Museum / i-SITE	500,000			100%	4
Housing project - 6 unit build	1,400,000			100%	1
Taumarunui Pool and Plant Renewal	400,000		100%		4

PARKS AND RESERVES

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

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 that 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, reserves, playgrounds, camping grounds (Taumarunui, Raetihi and Ohakune Holiday Parks), walkways, miscellaneous structures (for example, the Taumarunui Grandstand).

SWIMMING POOLS

Council maintains and operates three public swimming pools located in the three main townships; Taumarunui, Ohakune and Raetihi.

Public swimming pools provide highly valued swimming facilities for the people of the District. The three swimming pool complexes owned by Council are considered to be significant assets.

During public consultation in 2017 to consider the future of the pool because of a major water loss at the Taumarunui Pool, the Taumarunui community was almost unanimous in its opinion that Council should retain and repair the pool. As a result, Council has budgeted \$400,000 for the installation of a fibreglass liner to resolve the leak and an upgrade to the pump and filtration system for the pool when the pool does fail.

COMMUNITY HALLS

There are 15 halls that are managed by Council or that have been vested to Council ownership. These range from large facilities such as the Taumarunui Memorial Hall and Miriama Community Centre to smaller, local, community-managed halls such as the Rangataua Hall.

Council's Community Halls provide and maintain suitable and appropriate public venues throughout the District for local social, recreational, cultural, or educational purposes.

The Taumarunui War Memorial Hall is earthquake prone and booking numbers are very low. The future of the hall was therefore an issue that Council took to the community during consultation for the LTP 2018-28. As a result, Council decided that the Memorial Hall would be replaced with a multi-function facility and the Lower Lounge of the Taumarunui Cosmopolitan Club (now named the Miriama Community Centre) was purchased in 2019 to provide for a safer community facility in Taumarunui. The community has however formed a group to ensure the long term retention of the Taumarunui Memorial Hall, meaning that there are now two similar Council owned facilities in Taumarunui. More community engagement will need to take place before any action is taken to dispose of the Taumarunui War Memorial Hall.

Council has a small budget for the upkeep of the community-managed halls. This is set up as an annually contestable grant fund.

PUBLIC TOILETS

The provision of public toilet facilities for residents and visitors is an important activity for Council, particularly in relation to public health and safety. Council funds the ongoing cost of cleaning, maintenance and depreciation.

CEMETERIES

This service provides enquiry and burial services and burial administration and records for Council cemeteries. Council owns and maintains nine cemeteries in Manunui, Matiere, Ohakune, Ohura, Owango, Raetihi, Rangataua, Raurimu and Taumarunui. Council also owns the closed cemetery at Tatu (not maintained). In the near future Council intends to investigate the provision of space for natural burials within the larger cemeteries.

Council has set aside \$150,000 for the development of a new cemetery in Raetihi, as the current cemetery is running out of space for burials.

SOCIAL HOUSING

Council owns a total of 81 individual social housing units constructed on six separate sites across the District; Raetihi – 16 units, Ohakune – 8 units, Taumarunui – 57 units (on four different sites).

Council adopted the Public and Affordable Housing Asset and Tenancy Management Strategy (ATMS) on 18 November 2020. One of the purposes of the strategy was to regenerate Council's public (social) housing and where possible, through partnering, encourage an increase in fit for purpose public housing within the district, with an initial 10-year horizon. The strategy does not rely on Council being the 'owner' of the social housing asset, however it Council has confirmed during the workshops held to prepare for this AMP and the LTP that there is desire to hold onto the existing portfolio.

At the time of preparing this LTP, Council has been negotiating a possible \$7.8M Crown Infrastructure Partner (CIP) funding agreement. A portion of this grant would be for the six new units to be developed adjacent to the existing Council units in Moore Street, Ohakune which would be owned and managed by Council. Master planning has been undertaken to provide for the relocation of existing tenants to the new units, and for the regeneration of the rest of the Moore Street site. A Taumarunui 'Future Housing and Community Plan' will be developed with local Iwi, community and stakeholders in 2021 which will provide direction for implementation projects to occur within year 2-5 of this LTP. A total of \$400,000 over 2022-23 has been included for planning and design for housing outcomes from this plan.

Small housing initiatives in Raetihi and National Park Village will be scoped within the first five years of this Plan, with the possibility for Council land to be used in partnership with housing providers. No Council funding has been considered at this point in time.

ADMINISTRATION BUILDINGS AND LIBRARIES

Each of the three administration buildings (Taumarunui, Raetihi and Ohakune) house a library, a Council Chamber and staff offices. Council's provision of libraries sits under both Property activity (the buildings) and the Community Support activity (the service, incl. books, computers, children's holiday programmes, etc).

OTHER PROPERTIES

Council also owns the Taumarunui Aerodrome, Ohakune Railway Station, the former Taumarunui Saleyards and a number of other properties, such as forestry plantations and the former library building in Ohakune. For detailed information on these properties, please see the Community Property Asset Management Plan.

SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY

Community Property buildings have significant environmental footprints with high power and water usages, and during development or renewal construction.

The cost to the ratepayer of maintaining facilities such as the Taumarunui Aerodrome and investment property and Community Facilities such as Swimming Pools. Assets that are used by a small number of residents and ratepayers but are of high importance to those that use the facilities. Potentially, some development or demolition/removal/disposal may be of concern to Iwi. A number of properties owned by Council, derived from Iwi or the Crown, may be of high cultural importance.



STATEMENT OF SERVICE PROVISION - COMMUNITY FACILITIES

Recreation and Community Facilities Outcome(s)		<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> • Excellent standards of safety and welfare are promoted and respected. <p>Vibrant and Diverse Living:</p> <ul style="list-style-type: none"> • Activities, facilities and opportunities for youth are provided and supported. • Excellence and achievement in sport, arts/cultural pursuits, community service and businesses is supported. <p>Strong Leadership and Advocacy:</p> <ul style="list-style-type: none"> • Council is proactive, transparent, accountable. 						
Level of Service		<ul style="list-style-type: none"> • Council will maintain and provide access to playgrounds, public green space, amenities, cemeteries and community halls • Amenities and facilities are provided that meet the needs and safety of the community • To provide Council buildings that are compliant with legislative requirements • To provide public toilets that are well maintained • To provide public toilets that are safe to use and in accessible locations • Provide prompt responses to requests for service • To provide Council buildings that are compliant with legislative requirements • Libraries, public meeting venues, administration buildings will be retained and well maintained • Housing units are maintained to a satisfactory standard and provide a safe environment for tenants • To provide social housing units that are fit for purpose • Airfield that is safe for authorised aircraft • Provide prompt responses to requests for service 						
Key Performance Indicator(s)		Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2023/24	Target 2024/25	Target 2025-28	Target 2028-31
COUNCIL WILL MAINTAIN AND PROVIDE ACCESS TO PLAYGROUNDS, PUBLIC GREEN SPACES, AMENITIES, LIBRARIES, AND COMMUNITY HALLS								
CEMETERIES								
Number of customer complaints on the maintenance of the District cemeteries		Achieved 6	<10 per annum	<10 per annum	<10 per annum	<10 per annum	<10 per annum	<10 per annum
Percentage of cemetery assets in satisfactory condition (grades 1, 2 or 3)		Achieved 97%	>95	>95%	>95%	>95%	>95%	>95%
Percentage of cemetery interment requests responded to within 24 hours		Achieved 100%	100%	100%	100%	100%	100%	100%
COMMUNITY HALLS								
Council managed community halls have the required building compliance and emergency evacuation procedures in place.		Achieved 100%	100%	100%	100%	100%	100%	100%
Percentage of Council managed community halls and public toilets in satisfactory condition (grades 1,2 or 3)		Not achieved 90%	>95%	>95%	>95%	>95%	>95%	>95%

Recreation and Community Facilities							
Outcome(s)	<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> • Excellent standards of safety and welfare are promoted and respected. <p>Vibrant and Diverse Living:</p> <ul style="list-style-type: none"> • Activities, facilities and opportunities for youth are provided and supported. • Excellence and achievement in sport, arts/cultural pursuits, community service and businesses is supported. <p>Strong Leadership and Advocacy:</p> <ul style="list-style-type: none"> • Council is proactive, transparent, accountable. 						
Level of Service	<ul style="list-style-type: none"> • Council will maintain and provide access to playgrounds, public green space, amenities, cemeteries and community halls • Amenities and facilities are provided that meet the needs and safety of the community • To provide Council buildings that are compliant with legislative requirements • To provide public toilets that are well maintained • To provide public toilets that are safe to use and in accessible locations • Provide prompt responses to requests for service • To provide Council buildings that are compliant with legislative requirements • Libraries, public meeting venues, administration buildings will be retained and well maintained • Housing units are maintained to a satisfactory standard and provide a safe environment for tenants • To provide social housing units that are fit for purpose • Airfield that is safe for authorised aircraft • Provide prompt responses to requests for service 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2023/24	Target 2024/25	Target 2025-28	Target 2028-31
	1,337 out of 1,491 asset components in satisfactory conditions						
COMMUNITY HALLS, SWIMMING POOLS & PUBLIC TOILETS							
Full compliance with legislative requirements when undertaking repairs, refurbishing or demolition of buildings including asbestos material.	Achieved 100%	100%	100%	100%	100%	100%	100%
Safety defect requests attended and made safe at building within 4 hours	Achieved 100%	>90%	100%	100%	100%	100%	100%
Safety defects are rectified (issue fully resolved) within 3 days	Achieved 100%	>85%	100%	100%	100%	100%	100%
AMENITIES AND FACILITIES ARE PROVIDED THAT MEET THE NEEDS AND SAFETY OF THE COMMUNITY							
PLAYGROUNDS							

Recreation and Community Facilities							
Outcome(s)	<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> • Excellent standards of safety and welfare are promoted and respected. <p>Vibrant and Diverse Living:</p> <ul style="list-style-type: none"> • Activities, facilities and opportunities for youth are provided and supported. • Excellence and achievement in sport, arts/cultural pursuits, community service and businesses is supported. <p>Strong Leadership and Advocacy:</p> <ul style="list-style-type: none"> • Council is proactive, transparent, accountable. 						
Level of Service	<ul style="list-style-type: none"> • Council will maintain and provide access to playgrounds, public green space, amenities, cemeteries and community halls • Amenities and facilities are provided that meet the needs and safety of the community • To provide Council buildings that are compliant with legislative requirements • To provide public toilets that are well maintained • To provide public toilets that are safe to use and in accessible locations • Provide prompt responses to requests for service • To provide Council buildings that are compliant with legislative requirements • Libraries, public meeting venues, administration buildings will be retained and well maintained • Housing units are maintained to a satisfactory standard and provide a safe environment for tenants • To provide social housing units that are fit for purpose • Airfield that is safe for authorised aircraft • Provide prompt responses to requests for service 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2023/24	Target 2024/25	Target 2025-28	Target 2028-31
Percentage of playground assets complying with NZ Standards (annual audit) (Note 2)	Achieved 100%	100%	100%	100%	100%	100%	100%
PUBLIC TOILETS							
Percentage of public toilet related emergency requests for service responded to within 24 hours (Note 1)	Achieved 100%	90%	90%	90%	90%	90%	90%
Percentage of public toilet related urgent requests for service responded to within 48 hours (Note 1)	Achieved 100%	85%	85%	85%	85%	85%	85%
Number of customer complaints received	Not achieved 22	<20 per annum	< 20 per annum	< 20 per annum	< 20 per annum	< 20 per annum	< 20 per annum
Any new public toilets provide safe environment for users	Achieved 100%	>95%	>95%	>95%	>95%	>95%	>95%
Percentage of public toilets inspected and cleaned daily in all areas	Not achieved 68%	>85%	>85%	>85%	>85%	>85%	>85%
PARKS AND RESERVES							
Users feel safe when using actively used domains and reserves	Achieved 92%	85%	85%	85%	85%	85%	85%

Recreation and Community Facilities							
Outcome(s)	<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> • Excellent standards of safety and welfare are promoted and respected. <p>Vibrant and Diverse Living:</p> <ul style="list-style-type: none"> • Activities, facilities and opportunities for youth are provided and supported. • Excellence and achievement in sport, arts/cultural pursuits, community service and businesses is supported. <p>Strong Leadership and Advocacy:</p> <ul style="list-style-type: none"> • Council is proactive, transparent, accountable. 						
Level of Service	<ul style="list-style-type: none"> • Council will maintain and provide access to playgrounds, public green space, amenities, cemeteries and community halls • Amenities and facilities are provided that meet the needs and safety of the community • To provide Council buildings that are compliant with legislative requirements • To provide public toilets that are well maintained • To provide public toilets that are safe to use and in accessible locations • Provide prompt responses to requests for service • To provide Council buildings that are compliant with legislative requirements • Libraries, public meeting venues, administration buildings will be retained and well maintained • Housing units are maintained to a satisfactory standard and provide a safe environment for tenants • To provide social housing units that are fit for purpose • Airfield that is safe for authorised aircraft • Provide prompt responses to requests for service 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2023/24	Target 2024/25	Target 2025-28	Target 2028-31
Number of customer complaints on the maintenance of the actively used domains and reserves	Achieved 9	<10 per annum	<10 per annum	<10 per annum	<10 per annum	<10 per annum	<10 per annum
Percentage of parks assets in satisfactory condition (grades 1, 2 or 3**)	Not achieved 88%	>95%	>95%	>95%	>95%	>95%	>95%
LIBRARIES, PUBLIC MEETING VENUES AND ADMINISTRATION BUILDING WILL BE RETAINED AND WELL MAINTAINED							
BUILDINGS							
Council public buildings (including administration, library and information centres) have the required building compliance in place.	Achieved 100%	100%	100%	100%	100%	100%	100%
Full compliance with legislative requirements when undertaking repairs, refurbishing or demolition of buildings including asbestos material.	100%	100%	100%	100%	100%	100%	100%
Safety defect requests attended and made safe at building within 4 hours.	Not achieved -% One safety aspect not attended	90%	90%	90%	90%	90%	90%

Recreation and Community Facilities							
Outcome(s)	<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> • Excellent standards of safety and welfare are promoted and respected. <p>Vibrant and Diverse Living:</p> <ul style="list-style-type: none"> • Activities, facilities and opportunities for youth are provided and supported. • Excellence and achievement in sport, arts/cultural pursuits, community service and businesses is supported. <p>Strong Leadership and Advocacy:</p> <ul style="list-style-type: none"> • Council is proactive, transparent, accountable. 						
Level of Service	<ul style="list-style-type: none"> • Council will maintain and provide access to playgrounds, public green space, amenities, cemeteries and community halls • Amenities and facilities are provided that meet the needs and safety of the community • To provide Council buildings that are compliant with legislative requirements • To provide public toilets that are well maintained • To provide public toilets that are safe to use and in accessible locations • Provide prompt responses to requests for service • To provide Council buildings that are compliant with legislative requirements • Libraries, public meeting venues, administration buildings will be retained and well maintained • Housing units are maintained to a satisfactory standard and provide a safe environment for tenants • To provide social housing units that are fit for purpose • Airfield that is safe for authorised aircraft • Provide prompt responses to requests for service 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2023/24	Target 2024/25	Target 2025-28	Target 2028-31
	to within an hour						
Safety defects rectified (issue fully resolved) within 3 days	Not Achieved -% One safety defect not fully resolved within 3 days (took 4 days)	85%	85%	85%	85%	85%	85%
Percentage of Council buildings in satisfactory condition (grades 1,2 or 3).	Achieved 99%	>95%	>95%	>95%	>95%	>95%	>95%
I-SITES AND SERVICE CENTRES							
Visitor information and service centre users are satisfied or highly satisfied with buildings	Achieved 83%	75%	75%	75%	75%	75%	75%
LIBRARY FACILITY							
Percentage of library users who are satisfied or highly satisfied with public library facility	Achieved 90%	75%	75%	75%	75%	75%	75%

Recreation and Community Facilities							
Outcome(s)	<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> • Excellent standards of safety and welfare are promoted and respected. <p>Vibrant and Diverse Living:</p> <ul style="list-style-type: none"> • Activities, facilities and opportunities for youth are provided and supported. • Excellence and achievement in sport, arts/cultural pursuits, community service and businesses is supported. <p>Strong Leadership and Advocacy:</p> <ul style="list-style-type: none"> • Council is proactive, transparent, accountable. 						
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Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2023/24	Target 2024/25	Target 2025-28	Target 2028-31
AIRFIELD THAT IS SAFE FOR AUTHORISED AIRCRAFT							
AERODROME							
Percentage compliance of the Taumarunui Aerodrome with Civil Aviation Authority (CAA) safety requirements	Achieved 100%	100%	100%	100%	100%	100%	100%
HOUSING UNITS ARE MAINTAINED TO A SATISFACTORY STANDARD AND PROVIDE A SAFE ENVIRONMENT FOR TENANTS							
SOCIAL HOUSING							
All social housing units are proactively inspected annually	100%	100%	100%	100%	100%	100%	100%
Percentage of residents who feel safe in their homes	Achieved 93%	95%	95%	95%	95%	95%	95%
Percentage of residents are satisfied or very satisfied with LoS (Note 3)	Achieved 91%	90%	90%	90%	90%	90%	90%
Percentage of social housing units in satisfactory condition (grades 1, 2 or 3).	Achieved 97%	95%	95%	95%	95%	95%	95%
Percentage utilisation rates of social housing units available to use	Achieved 95%	90%	80%	85%	90%	95%	95%
BUILDINGS AND SOCIAL HOUSING							

Recreation and Community Facilities															
Outcome(s)	<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> • Excellent standards of safety and welfare are promoted and respected. <p>Vibrant and Diverse Living:</p> <ul style="list-style-type: none"> • Activities, facilities and opportunities for youth are provided and supported. • Excellence and achievement in sport, arts/cultural pursuits, community service and businesses is supported. <p>Strong Leadership and Advocacy:</p> <ul style="list-style-type: none"> • Council is proactive, transparent, accountable. 														
Level of Service	<ul style="list-style-type: none"> • Council will maintain and provide access to playgrounds, public green space, amenities, cemeteries and community halls • Amenities and facilities are provided that meet the needs and safety of the community • To provide Council buildings that are compliant with legislative requirements • To provide public toilets that are well maintained • To provide public toilets that are safe to use and in accessible locations • Provide prompt responses to requests for service • To provide Council buildings that are compliant with legislative requirements • Libraries, public meeting venues, administration buildings will be retained and well maintained • Housing units are maintained to a satisfactory standard and provide a safe environment for tenants • To provide social housing units that are fit for purpose • Airfield that is safe for authorised aircraft • Provide prompt responses to requests for service 														
Key Performance Indicator(s)	<table border="1"> <thead> <tr> <th>Actual 2019/20</th> <th>Annual Plan 2020/21</th> <th>Target 2021/22</th> <th>Target 2023/24</th> <th>Target 2024/25</th> <th>Target 2025-28</th> <th>Target 2028-31</th> </tr> </thead> <tbody> <tr> <td>% of requests responded to within 3 days (excluding safety defects)</td> <td>Not achieved 44%</td> <td>80%</td> <td>80%</td> <td>80%</td> <td>80%</td> <td>80%</td> </tr> </tbody> </table>	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2023/24	Target 2024/25	Target 2025-28	Target 2028-31	% of requests responded to within 3 days (excluding safety defects)	Not achieved 44%	80%	80%	80%	80%	80%
Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2023/24	Target 2024/25	Target 2025-28	Target 2028-31									
% of requests responded to within 3 days (excluding safety defects)	Not achieved 44%	80%	80%	80%	80%	80%									

Notes:

**International Infrastructure Management Manual condition grades 1–Very good, 2–Good, 3–Moderate, 4–Poor 5–Very poor.

1 Future targets decreased to reflect ability of contractors to respond and requirements of contract obligations.

3 Future targets increased to reflect responsibility of Principal under new Health & Safety Act.

4 Future targets increased to closer reflect actual performance.

FUNDING IMPACT STATEMENT (RECREATION AND COMMUNITY FACILITIES AND COMMUNITY PROPERTY ACTIVITIES COMBINED)

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	3,256	3,378	3,517	3,683	3,887	4,217	4,537	4,672	4,788	4,960	5,082
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	3	5	5	5	6	6	6	6	6	6	7
Fees and charges	490	555	595	587	604	648	637	655	705	693	711
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	3,749	3,938	4,117	4,275	4,497	4,871	5,180	5,333	5,499	5,659	5,800
Applications of Operating Funding											
Payments to staff and suppliers	3,033	3,163	3,249	3,339	3,431	3,526	3,613	3,711	3,813	3,916	4,017
Finance costs	49	74	106	128	219	364	450	490	530	558	584
Internal charges and overheads applied	339	364	395	423	429	446	475	479	492	508	509
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,421	3,601	3,750	3,890	4,079	4,336	4,538	4,680	4,835	4,982	5,110
Surplus (deficit) of operating funding (A-B)	328	337	367	385	418	535	642	653	664	677	690
Sources of capital funding											

	Annual Plan 20/21 (\$000)	LTP 21/22 (\$000)	LTP 22/23 (\$000)	LTP 23/24 (\$000)	LTP 24/25 (\$000)	LTP 25/26 (\$000)	LTP 26/27 (\$000)	LTP 27/28 (\$000)	LTP 28/29 (\$000)	LTP 29/30 (\$000)	LTP 30/31 (\$000)
Subsidies and grants for capital expenditure	-	1,400	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,610	1,338	803	1,303	5,837	4,570	(235)	587	(240)	(243)	(246)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,610	2,738	803	1,303	5,837	4,570	(235)	587	(240)	(243)	(246)
Applications of capital funding											
<i>Capital expenditure</i>											
- to meet additional demand	1,154	-	165	582	3,922	4,484	-	-	-	-	-
- to improve the level of service	453	2,732	741	823	1,765	358	138	966	145	150	154
- to replace existing assets	67	244	109	73	553	60	62	64	65	67	69
Increase (decrease) in reserves	264	99	155	210	15	203	207	210	214	217	221
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,938	3,075	1,170	1,688	6,255	5,105	407	1,240	424	434	444
Surplus (deficit) of capital funding (C-D)	(328)	(337)	(367)	(385)	(418)	(535)	(642)	(653)	(664)	(677)	(690)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

COMMUNITY SERVICES

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.

COMMUNITY WELL-BEING OUTCOMES



THERE ARE THREE ACTIVITIES IN THE COMMUNITY SERVICES GROUP:

- **Community Support:** library services, visitor services, Civil Defence Emergency Management services
- **Leadership:** governance and advocacy (Mayor, Council and Community Boards), and strategic development (economic, policy, Iwi partnership, business and youth)
- **Regulation:** Council has a statutory obligation to provide regulatory services.

ASSETS RELATING TO COMMUNITY SERVICES

The assets related to this group of activities are mostly buildings and therefore primarily fall under the Community Property and Recreation Facilities activity. For example, while the provision of *library services* falls under community services, the *library buildings* (and the Council admin buildings within which the libraries are located) are managed by the Community Property and Recreation Facilities team. Likewise the i-Sites.

Civil Defense Emergency Management does not hold any significant assets.
The Leadership and Regulation activities do not hold any significant assets.

There are no significant projects for the Community Support activity in excess of \$500,000 planned for 2021-31.

COMMUNITY SUPPORT

THE PURPOSE OF LOCAL GOVERNMENT IS TO PROVIDE GOOD QUALITY LOCAL INFRASTRUCTURE, PUBLIC SERVICES AND REGULATORY FUNCTIONS AT THE LEAST POSSIBLE COST TO HOUSEHOLDS AND BUSINESS. IN RELATION TO COMMUNITY SUPPORT FUNCTIONS, THE KEY WORDS ARE 'LOCAL' (TO DIFFERENTIATE FROM SERVICES BETTER PROVIDED BY CENTRAL GOVERNMENT) AND 'PUBLIC' WHICH MEANS THAT COUNCILS SHOULD NOT TRY TO REPLACE SERVICES PROVIDED BY THE PRIVATE SECTOR.

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

- Emergency Management (Civil Defence)
- Libraries
- I-Sites
- Regional Tourism Organisation

EMERGENCY MANAGEMENT

Council is an active member of the Manawatu-Wanganui Civil Defence Emergency Management (CDEM) Group, as required by the CDEM Act 2002. This group maintains a Plan that considers all phases of emergency – the 4 Rs: 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's approach is "centralised co-ordination and local delivery", and works closely with emergency services, welfare agencies.

Council staff and volunteers are trained at various levels of competency in readiness for any civil defence emergency within the district. The aim is to improve consistency in approach and to provide additional resources to enhance the level of readiness and response capability throughout the district and the region.

The increasing impact of climate change has a direct impact on the emergency management activity of Council. There have been numerous weather events which have required emergency management support. Some recent examples include:

- COVID-19 responses
- Water outages in Taumarunui

Council will continue to resource this function to cope with future events and achieve compliance with the Civil Defence Act 2002.

LIBRARY SERVICES

Ruapehu Community Libraries are situated in Taumarunui, Ohakune and Raetihi. The *library buildings* are managed by the Community Property activity, but the *library services* (books, computers, children's holiday programmes, etc.) fall within the Community Support activity. Council also supports the community libraries in Ohura and Waiouru with grants each year.

I-SITES

There are three i-Sites in the District; Taumarunui, Whakapapa, and Ohakune. I-Sites provide local information and booking services to visitors.

The Visitor Information Centre in Raetihi receives grant funding from Council.

REGIONAL TOURISM ORGANISATION

A Regional Tourism Organisation (RTO) is responsible for promoting the region at both a domestic and international level. There are RTOs all across New Zealand. Council contracts out the RTO function because it believes that people who have worked in the industry can deliver the services better and more efficiently than Council could.

The RTO for Ruapehu is Visit Ruapehu. Visit Ruapehu supports the tourism infrastructure of the district and works with local, regional and national partners. Council considers Visit

Ruapehu to be an essential part of its economic and community development strategy, particularly the promotion of Ruapehu as a visitor destination, both for the domestic and international markets, in partnership with operators/providers.

SIGNIFICANT NEGATIVE EFFECTS ON THE LOCAL COMMUNITY

EMERGENCY MANAGEMENT AND LIBRARY SERVICES

There are no significant negative effects on the community from the provision of these services.

I-SITES AND REGIONAL TOURISM ORGANISATION (RTO)/VISIT RUAPEHU

The i-Sites and the Visit Ruapehu work together to encourage visitors to the District and to ensure that have a fantastic time while they are here.

The results of their efforts have been paying off with increases in both visitor numbers and length of stay.

While this increase is good for the local economy it also places extra pressure on the local infrastructure (roads, waste management, water and wastewater). Our growth-driven infrastructure demands could be a rate burden on our communities as we work to fund renewal and improvements to meet increasing standards such as those in the waters.

By way of mitigation, Council actively pursues funding support from central government so that the cost of infrastructure upgrades is not borne entirely by the ratepayer.



STATEMENT OF SERVICE PROVISION – COMMUNITY SUPPORT

Emergency Management							
Community Well-being Outcome(s)	Safe, healthy communities <ul style="list-style-type: none"> • Excellent standards of safety and welfare are promoted and respected • Preparation, planning and timely responses protect people and property from natural hazards 						
Level of Service	<ul style="list-style-type: none"> • Council will provide Civil Defence and Emergency Management for the District 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
Percentage of staff who are adequately trained in an approved emergency response training programme.	Achieved 85%	70%	70%	70%	70%	70%	70%
Undertake 5 or more presentations or events within the community to raise awareness of Civil Defence.	Not Achieved 3 (Covid 19 response stopped community events)	>5	>5	>5	>5	>5	>5
Have trained volunteer community Civil Defence teams in the district.	3 Achieved	4	2	3	4	4	4
Respond to hazardous substance emergencies within two hours from notification.	Achieved 100%	100%	100%	100%	100%	100%	100%

Library Service							
Community Well-being Outcome(s)	Vibrant and Diverse Living: <ul style="list-style-type: none"> • Traditions, values and history of all ethnic groups are respected. • Activities, facilities and opportunities for youth are provided and supported. • Excellence and achievement in sport, arts/cultural pursuits, community service and business is supported. 						
Level of Service	<ul style="list-style-type: none"> • Provide a library service that meets the needs of the community. 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
Percentage of users who are satisfied with the service provided.	Achieved 77.2%	75%	75%	75%	75%	75%	75%
Increase in number of active library members	Not Achieved 2.1% (1,494) The COVID-19 lockdown prevented active members from	+1% on prior year's membership	+1% Per Year	+1% Per Year	+1% Per Year	+1% Per Year	+1% Per Year

	borrowing books. Ebook users are not represented in these stats.						
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Visitor Information Centres (I-Sites)							
Community Well-being Outcome(s)		Thriving, Natural Environment <ul style="list-style-type: none"> The promotion of our District includes focus on our natural rivers, bush and mountains, as well as the built heritage, agriculture and railways. 					
Level of Service		<ul style="list-style-type: none"> i-SITES are open 40 hours minimum per week. 					
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
Booking transactions (sales) increase	Not Achieved -16.2% Covid-19 affected tourism and economy in general.	+2%	+2%	+2%	+2%	+2%	+2%
Customer Satisfaction with i-Site service from Customer Radar.	Achieved 90%	>/=85%	>/=85%	>/=85%	>/=85%	>/=85%	>/=85%

Regional Tourism Organisation/Visit Ruapehu							
Community Well-being Outcome(s)		Thriving economy <ul style="list-style-type: none"> Economic diversity and core economic strengths are encouraged in partnerships with others Thriving natural environment <ul style="list-style-type: none"> The promotion of our district includes focus on our natural rivers, bush and mountains as well as the built heritage, agriculture and railways. Vibrant and diverse living <ul style="list-style-type: none"> Traditions, values and history of all ethnic groups are respected Events and festivals are encouraged and supported 					
Level of Service		Visit Ruapehu Regional Tourism Organization (RTO) will proactively promote the destination to Domestic and International markets.					
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
Domestic tourism awareness of Ruapehu grows against the 2016 benchmark of 14%	Achieved 24%	+2%	+0.5%	+0.5%	+0.5%	+0.5%	+0.5%
International tourism awareness of Ruapehu grows against the 2016 benchmark of 3%.	Not measured COVID-19 stopped all international tourism marketing efforts. Therefore this activity was not measured.	+1%	+0.5%	+0.5%	+1%	+1%	+1%

Notes

1 Due to COVID-19, the KPI for International tourism awareness has been reduced for years 2021/22 and 2022/23 of the LTP.

FUNDING IMPACT STATEMENT - COMMUNITY SUPPORT

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	2,671	3,284	3,445	3,583	3,635	3,713	3,861	3,926	4,025	4,134	4,190
Targeted rates	588	597	615	632	651	670	688	708	729	750	770
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	684	114	130	149	172	200	208	214	220	226	232
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	3,943	3,995	4,190	4,364	4,458	4,583	4,757	4,848	4,974	5,110	5,192
Applications of Operating Funding											
Payments to staff and suppliers	2,640	2,601	2,666	2,733	2,804	2,877	2,946	3,021	3,093	3,172	3,251
Finance costs	1	1	2	2	2	2	3	3	4	4	4
Internal charges and overheads applied	1,167	1,254	1,359	1,459	1,478	1,536	1,635	1,650	1,694	1,750	1,754
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,808	3,856	4,027	4,194	4,284	4,415	4,584	4,674	4,791	4,926	5,009
Surplus (deficit) of operating funding (A-B)	135	139	163	170	174	168	173	174	183	184	183
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
increase (decrease) in debt	68	100	11	(9)	(13)	16	12	10	(13)	30	(32)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	68	100	11	(9)	(13)	16	12	10	(13)	30	(32)
Applications of capital funding											
<i>Capital expenditure</i>											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	44	107	39	14	25	37	49	49	34	33	16
- to replace existing assets	90	65	67	80	71	84	75	77	79	127	83
Increase (decrease) in reserves	69	67	68	67	65	63	61	58	57	54	52
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	203	239	174	161	161	184	185	184	170	214	151
Surplus (deficit) of capital funding (C-D)	(135)	(139)	(163)	(170)	(174)	(168)	(173)	(174)	(183)	(184)	(183)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

LEADERSHIP

THE LOCAL GOVERNMENT ACT 2002 (LGA) SETS OUT THE ROLE AND PRINCIPLES OF LOCAL GOVERNMENT AS WELL AS GOVERNANCE AND MANAGEMENT PRINCIPLES.

The following principles from the Local Government Act 2002 guide both the governance and the strategic development functions of Council. Council must:

- Exercise activities for the benefit of the District.
- Conduct its business in an open and transparent manner, giving effect to desired Outcomes.
- Seek and consider the views of its communities and their wellbeing in decision-making.
- Provide opportunities for Māori to contribute in decision-making.
- Collaborate with other organisations to meet desired outcomes.
- Ensure prudent financial and asset stewardship in accordance with sound business practice, including periodically assessing the expected returns from any commercial activity and assessing risk.

Provide for the present and future needs of the District by considering social, economic, cultural interests of the community and the need to maintain the environment for present and future generations.

The Leadership Activity is divided into two key areas:

Governance - Council and Community Boards

Strategic Development- Economic development, Business development, Policy development, Youth Development and Iwi development.

COMMUNITY WELL-BEING OUTCOMES



GOVERNANCE

COUNCIL

Council is made up of eleven elected members from across the District and the Mayor. Councillors are elected to represent both their Ward and the whole District. While equitable representation is critical (ie. they are elected as representatives of their Ward) when they are sitting as Council to make governance decisions they do so with consideration of the outcomes for the whole district. Council recently resolved to establish Māori wards.

Council's focus is strategic direction, policy and an overview of the financial position of Council.

COMMUNITY BOARDS

Community Boards are Ward-based and serve an important function in the district. Their role is to be the advocate for their local community (Ward) to Council, to stay involved and engaged with issues "on the ground" and communicate those concerns to Council.

Community Boards members are elected every three years by their Ward constituents as part of local body elections. One or two District Councillors also sit on the Community Boards.

In the Ruapehu District we have two community boards, National Park (NPCB) and Waimarino/Waiouru (WWCB). In the North there is a different arrangement for Ward representation called the Taumarunui/Ohura Ward Committee (TOWC). The TOWC is made

up of all of the Northern Ward Councillors, ie, the Elected Members from both the Taumarunui and Ohura Wards. There are no other elected or appointed “committee members”.

STRATEGIC DEVELOPMENT

ECONOMIC DEVELOPMENT

This group of activities promotes the Community Well-being Outcomes that mainly target environmental, social and economic objectives

POLICY DEVELOPMENT

Council develops bylaws, strategies and policies to provide practical solutions, guidance and consistency in direction setting and decision making with the purpose of achieving balanced wellbeing outcomes for the district.

YOUTH DEVELOPMENT

Council values youth input in decision making and acquires this through the Ruapehu Youth Council. The Facilitator of the Ruapehu Youth Council also engages with external youth development agencies, projects and schools.

DEVELOPING RELATIONSHIPS AND ENGAGING WITH MĀORI

The Local Government Act 2002 (LGA) provides for Māori to participate in Council’s decision making processes and requires Council to foster the development of Māori capacity to ensure that this is effective, this also includes its obligations to the principles of the Treaty of Waitangi. Other statutory obligations to Māori are further acknowledged in the Resource Management Act 1991, and a number of Treaty settlements statues.

Council acknowledges its statutory obligations to Māori and is committed to building capacity to encourage greater participation, and ensure engagement is meaningful and effective. In 2009, Council formally appointed the Ruapehu District Māori Council as a platform to allow for this. Representation on the Ruapehu District Māori Council is made up of various Iwi and Hapū, and regular hui are held over a six to eight weekly cycle. In total, the number of hui held on average per year is about seven. During this time, Members have established a Strategic Development Plan and signed a Memorandum of Understanding with Council.

With the progression of Treaty settlements over recent years, Iwi and Hapū have sought to review their representation on the Ruapehu District Māori Council, which has resulted in some indicating a preference to have direct relationships with Council, rather than engaging in a collective forum. Council recognises that this is an evolving space and acknowledges that it may be timely to look at establishing other relationship arrangements, for example co-governance and co-management structures that are a better fit for Māori.

To do this however, Council recognising the need to resource the capacity of this work and is committed to doing so. At an operations level, regular hui are being held with various Iwi representatives, and Council staff anticipate that these hui will extend to all Iwi and/or Hapū authorities across the district in the near future. The hui have been mutually beneficial, as this has enabled Council to inform Iwi on matters that are of specific interest, and as a result, this has enabled Council to receive feedback in a timelier manner. Council is also working alongside various Iwi and Hapū on a number of community projects happening across the district.

Council will continue to support Iwi pre and post Treaty settlements and is committed to strengthening relationships going forward. Council acknowledges the importance of strengthening relationships with Māori, as this is a means to enhance communications, provide better opportunities to enable active participation in its decision making processes, and ensure their interests are considered across the day to day business of Council.

SIGNIFICANT NEGATIVE EFFECTS

There are no significant negative effects on the community of the Leadership Activity of Council.



STATEMENT OF SERVICE PROVISION – LEADERSHIP

Leadership - Governance							
Community Well-being Outcome(s)	Vibrant and Diverse Living: <ul style="list-style-type: none"> • Traditions, values and history of all ethnic groups are respected. Strong Leadership and advocacy: <ul style="list-style-type: none"> • Council advocates strongly for the provision of, and access to, affordable and effective health, welfare, law enforcement and education services. • Council is proactive, transparent and accountable 						
Level of Service	<ul style="list-style-type: none"> • Council provides public access to the community through Community Boards and Council meetings. • Residents are satisfied with the leadership of Council. 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
Number of Public Forums per year.	Achieved 41	>40	>40	>40	>40	>40	>40
Percentage of respondents who are satisfied with Council's overall leadership and performance.	Achieved 75.53%	60%	60%	60%	60%	60%	60%

Leadership - Strategic Development							
Outcome(s)	Vibrant and Diverse Living: <ul style="list-style-type: none"> • Traditions, values and history of all ethnic groups are respected. • Activities, facilities and opportunities for youth are provided and supported. Strong Leadership and advocacy: <ul style="list-style-type: none"> • Council advocates strongly for the provision of, and access to, affordable and effective health, welfare, law enforcement and education services. • Council is proactive, transparent, and accountable. 						
Level of Service	<ul style="list-style-type: none"> • Progress the Accelerate 25 Ruapehu Regional Visitor Development Plan and the Economic Development Strategy • Council meets regularly with Iwi/Hapū • Consultation material will be made publicly available from all Council offices and on its website • Activities, facilities and opportunities for youth are provided and supported 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
Economic and Business Development							

Continue to progress the Accelerate 25 Ruapehu Regional Visitor Development Plan by increasing the number of priority actions achieved each year.	Achieved 3	3 additional actions	3 additional actions	3 additional actions	3 additional actions	9 additional actions (3 per year)	9 additional actions (3 per year)
Continue to progress the Economic Development Strategy by increasing the number of priority actions achieved each year.	Achieved 3	3 additional actions	3 additional actions	3 additional actions	3 additional actions	9 additional actions (3 a year)	9 additional actions (3 a year)
Iwi Development							
Number of meetings with Iwi/ Hapū per year.	Achieved 6	>6	>6	>6	>6	>18	>18
Policy Development							
Percentage of respondents who are satisfied or very satisfied with consultations.	Not Achieved 67.6%	80%	80%	80%	80%	80% per year	80% per year
Youth Development*							
Support the Ruapehu Youth Council to hold 18 meetings a year.	Achieved 20	18	18	18	18	18 per year	18 per year
Support the Ruapehu Youth Council to hold two community events per year (at least).	Achieved 2	2	2	2	2	6	6

FUNDING IMPACT STATEMENT – LEADERSHIP

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,888	1,787	1,867	1,937	2,019	2,086	2,159	2,206	2,266	2,329	2,370
Targeted rates	331	296	330	366	376	387	398	410	422	434	446
Subsidies and grants for operating purposes	-	33	34	35	-	-	-	-	-	-	-
Fees and charges	1	1	35	1	2	41	2	2	47	2	2
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,220	2,117	2,266	2,339	2,397	2,514	2,559	2,618	2,735	2,765	2,818
Applications of Operating Funding											
Payments to staff and suppliers	1,767	1,632	1,740	1,774	1,825	1,919	1,926	1,979	2,079	2,088	2,139
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	452	485	526	565	572	595	633	639	656	677	679
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,219	2,117	2,266	2,339	2,397	2,514	2,559	2,618	2,735	2,765	2,818
Surplus (deficit) of operating funding (A-B)	1	-	-	-	-	-	-	-	-	-	-
Sources of capital funding											

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
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											
<i>Capital expenditure</i>											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	1	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding (C-D)	(1)	-	-	-	-	-	-	-	-	-	-
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

REGULATION

THE REGULATION ACTIVITY SEEKS TO FACILITATE A SAFE AND SUSTAINABLE COMMUNITY THROUGH THE ADMINISTRATION AND ENFORCEMENT OF LAWS MADE BY CENTRAL GOVERNMENT. THIS INCLUDES THE SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES UNDER THE RESOURCE MANAGEMENT ACT 1991 AND DISTRICT BYLAWS.

Council is required by a number of laws to provide Regulatory services. These laws include, but are not limited to,

- The Local Government Act 2002,
- The Resource Management Act 1991
- The Dog Control Act 1996,
- The Building Act 2004,
- The Health Act 1956,
- The Sale and Supply of Alcohol Act 2012, and
- The Food Act 2014.

As well as enforcing many Central Government laws, Council has to enforce its own Bylaws. A bylaw is a local law, specific to a region, district or city.

COMMUNITY WELL-BEING OUTCOMES



Social

Environmental

Economic

Leadership

The Regulation group is made up of the following teams:

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.

RESOURCE MANAGEMENT

The Resource Management team coordinates both the issuing of resource consents and monitoring the conditions of these consents, in line with relevant legislation (primarily the Resource Management Act 1991 and the District Plan.

The District Plan is one of Council's key planning documents that sets out the rules and policies that guide development in the district. The Resource Management Act 1991 requires that the District Plan to be reviewed every ten years. Because of the size and complexity of a District Plan review, Council will do a 'rolling review' of discrete sections as required to satisfy the prescribed review process.

ENVIRONMENTAL HEALTH AND ALCOHOL LICENCING

This activity has a number of functions, including food safety, alcohol licensing, making sure premises and events comply with regulatory standards, as well as monitoring environmental issues and investigating complaints. The team ensures that health and safety of the public are protected by ensuring that food and alcohol premises comply with legal requirements under the Sale and Supply of Alcohol Act 2012, the Health Act 1956 and the Food Act 2014.

COMPLIANCE

The Compliance Team ensures compliance with Council's Bylaws, the District Plan and legislation such as the Dog Control Act 1996. The role is varied and includes

- Animal Control,
- Parking,
- Noise Control
- Bylaws

The Compliance Officer's role is to promote a safe and happy community by educating the public about local bylaws and other community-focused legislation. They also have the responsibility to monitor and enforce these laws and bylaws when necessary.

SIGNIFICANT NEGATIVE EFFECTS

There are no significant negative effects on the community as a result of the Regulatory Activity of Council.



STATEMENT OF SERVICE PROVISION – REGULATION

Community Well-being Outcome(s)	<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> Quality regulation, regulatory services and infrastructure. Core infrastructure endeavours to keep pace with changing demand. Excellent standards of safety and welfare are promoted and respected. <p>Thriving, Natural Environment:</p> <ul style="list-style-type: none"> Our environment is accessible, clean and safe and our water, soil and air meets required standards. <p>Strong Leadership and advocacy:</p> <ul style="list-style-type: none"> Council is proactive, transparent and accountable. <p>Thriving Economy:</p> <ul style="list-style-type: none"> Regulatory services and reliable infrastructure help the economy prosper. Economic diversity and core economic strengths are encouraged in partnership with others. Planning and regulatory functions balance economic growth and environmental protection. 						
Level of Service	<ul style="list-style-type: none"> Council will effectively process all proposed applications. Council will undertake ongoing monitoring of conditions to ensure compliance. Ensure alcohol licensing complies with statutory and licensing provisions. Ensure noise complaints are responded to effectively, promptly and efficiently Resource consents are processed within the legal timeframes. The public is informed about Resource Management processes and other issues related to maintaining a sustainable environment 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
BUILDING SERVICES							
Building Consents processed within 20 working days from request	Achieved 100%	100%	100%	100%	100%	100%	100%
Code Compliance Certificates issued within 20 working days from request	Achieved 100%	100%	100%	100%	100%	100%	100%
Urgent LIMs processed in five working days from valid application	Achieved 100%	100%	100%	100%	100%	100%	100%
Non-Urgent LIMs processed in ten working days from valid application*	Achieved 96.49%	95%	95%	95%	95%	95%	95%
ANIMAL CONTROL							
Respond to dog attacks within two hours of receiving the complaint	Achieved 100%	100%	100%	100%	100%	100%	100%
Percentage of All Registered Dogs by 30 June	Achieved 58%	50%	50%	50%	50%	50%	50%

Community Well-being Outcome(s)	<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> • Quality regulation, regulatory services and infrastructure. • Core infrastructure endeavours to keep pace with changing demand. • Excellent standards of safety and welfare are promoted and respected. <p>Thriving, Natural Environment:</p> <ul style="list-style-type: none"> • Our environment is accessible, clean and safe and our water, soil and air meets required standards. <p>Strong Leadership and advocacy:</p> <ul style="list-style-type: none"> • Council is proactive, transparent and accountable. <p>Thriving Economy:</p> <ul style="list-style-type: none"> • Regulatory services and reliable infrastructure help the economy prosper. • Economic diversity and core economic strengths are encouraged in partnership with others. • Planning and regulatory functions balance economic growth and environmental protection. 						
Level of Service	<ul style="list-style-type: none"> • Council will effectively process all proposed applications. • Council will undertake ongoing monitoring of conditions to ensure compliance. • Ensure alcohol licensing complies with statutory and licensing provisions. • Ensure noise complaints are responded to effectively, promptly and efficiently • Resource consents are processed within the legal timeframes. • The public is informed about Resource Management processes and other issues related to maintaining a sustainable environment 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
ENVIRONMENTAL HEALTH Health-related food hygiene complaints are responded to within 24 hours working weekdays and 72 hours weekends and actioned within five days.	Achieved 100%	95%	95%	95%	95%	95%	95%
Percentage of food premises complying with improvements requested by Environmental Health Officer at second inspection.	Achieved 96%	90%	90%	90%	90%	90%	90%
ALCOHOL LICENCING Percentage of alcohol licenses that comply with statutory and licence conditions on first inspection.	Not achieved 89% Businesses that have failed to comply with these requirements were also those who have also appeared before the District Licensing	95%	95%	95%	95%	95%	95%

Community Well-being Outcome(s)	<p>Safe, healthy communities:</p> <ul style="list-style-type: none"> • Quality regulation, regulatory services and infrastructure. • Core infrastructure endeavours to keep pace with changing demand. • Excellent standards of safety and welfare are promoted and respected. <p>Thriving, Natural Environment:</p> <ul style="list-style-type: none"> • Our environment is accessible, clean and safe and our water, soil and air meets required standards. <p>Strong Leadership and advocacy:</p> <ul style="list-style-type: none"> • Council is proactive, transparent and accountable. <p>Thriving Economy:</p> <ul style="list-style-type: none"> • Regulatory services and reliable infrastructure help the economy prosper. • Economic diversity and core economic strengths are encouraged in partnership with others. • Planning and regulatory functions balance economic growth and environmental protection. 						
Level of Service	<ul style="list-style-type: none"> • Council will effectively process all proposed applications. • Council will undertake ongoing monitoring of conditions to ensure compliance. • Ensure alcohol licensing complies with statutory and licensing provisions. • Ensure noise complaints are responded to effectively, promptly and efficiently • Resource consents are processed within the legal timeframes. • The public is informed about Resource Management processes and other issues related to maintaining a sustainable environment 						
Key Performance Indicator(s)	Actual 2019/20	Annual Plan 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024-27	Target 2027-31
	Committee on more than one occasion.						
HEALTH RELATED NOISE							
Less than 2 health related noise complaints received a second time	Achieved <2	<2	<2	<2	<2	<2	<2
RESOURCE MANAGEMENT							
Land Use consents processed within the legal timeframes.	Achieved 100%	100%	100%	100%	100%	100%	100%
Subdivision consents processed within the legal timeframes.	Achieved 100%	100%	100%	100%	100%	100%	100%
Percentage of pre-application meetings to number of applications received.	Achieved 56%	>10%	>10%	>10%	>10%	>10%	>10%

*While Council strives to meet the statutory 10 working day processing timeframe, until LIM's are available electronically, there is always a potential delay through unforeseen lack of human resourcing somewhere in the process.

FUNDING IMPACT STATEMENT - REGULATION

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,902	2,069	2,173	2,280	2,315	2,385	2,489	2,524	2,578	2,647	2,677
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	976	1,040	1,070	1,101	1,133	1,166	1,198	1,233	1,269	1,306	1,341
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,878	3,109	3,243	3,381	3,448	3,551	3,687	3,757	3,847	3,953	4,018
Applications of Operating Funding											
Payments to staff and suppliers	1,705	1,849	1,892	1,943	1,990	2,040	2,089	2,142	2,190	2,244	2,299
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,174	1,260	1,351	1,438	1,458	1,511	1,598	1,615	1,657	1,709	1,719
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,879	3,109	3,243	3,381	3,448	3,551	3,687	3,757	3,847	3,953	4,018
Surplus (deficit) of operating funding (A-B)	(1)	-	-	-	-	-	-	-	-	-	-
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	-	7	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	7	-	-	-	-	-	-	-	-	-
Applications of capital funding											
<i>Capital expenditure</i>											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	7	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(1)	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(1)	7	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding (C-D)	1	-	-	-	-	-	-	-	-	-	-
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

PART 3: PLANNING ASSUMPTIONS, POLICIES AND STRATEGIES



SIGNIFICANT ASSUMPTIONS & POPULATION PROJECTIONS 2021-31

PART ONE

PURPOSE

The purpose of the significant assumptions and population projections is to provide realistic, evidence based, well planned and researched forecast assumptions to underpin Council's Long Term Plan 2021 - 2031, and specifically, the Asset Management Plans. These planning assumptions are to be used in the forward planning for the population, infrastructure and economy of the Ruapehu District. Forecasting assumptions are important pieces of information in their own right as population shifts cause change in demand and is therefore a major driver of expenditure. Growth and decline do not always have a linear relationship to changes in levels of demand on a service and it is therefore necessary to analyse at a local level with local knowledge, verified by authentic data.

METHOD AND ASSOCIATION LIMITATIONS

The assumptions in this document have been formulated using the results from a number of sources, most of which are solely reliant on Statistics New Zealand (StatsNZ). Given the lower than expected return rate of the 2018 census (90% in 2018 compared to 94% in 2013)¹, StatsNZ had to delay the release of many data sets, including population projections.

Given the aforementioned delay, combined with a regional attitude of distrust in the StatsNZ methodology², it was proposed to jointly purchase population and household projections for all territorial authorities and two (of three three) DHBs within the Horizons region (unfortunately, excluding the Waikato District Health Board). Both Berl and Infometrics have been contracted to produce projections for the region with the former utilising building consents as one of the base data sets for its population projections. The later proposed to base its population projections on employment projections for each council in the region, offering an additional data set for future planning. Data sources used to produce these planning assumptions are listed below. A complete list of resources can be found in the reference section of this document.

- (a) Statistics New Zealand
- (b) Infometrics
- (c) Berl
- (d) Profile ID, Community ID
- (e) Ministry of Business, Innovation and Employment
- (f) Department of Conservation
- (g) Treasury
- (h) Multiple local tourism operators
- (i) Visit Ruapehu
- (j) Ruapehu District Council
 - (i) Out of District Rate Payer Survey
 - (ii) Rating database
 - (iii) Building database

¹ <https://www.stats.govt.nz/news/update-on-release-of-2018-census-data>

² Anecdotal

LIMITATIONS

All assumptions made in this document contain some inherent uncertainty. The uncertainty has been minimised by utilising and cross referencing as many data sources and reputable opinions as possible. Since February 2020, the level of uncertainty has been increased by the world wide outbreak of the COVID-19 pandemic and the subsequent nationwide lockdown. The effects of the pandemic on the District and these assumptions are discussed further in this document.

TO NOTE

As at 1 January 2018, the *area unit* classification was replaced by the *statistical area 2 (SA2)* classification. Additionally, the boundaries of many area units/statistical areas were altered. The 13 area units of 2013 (and previous census) have been replaced with 10 statistical areas. The amalgamation of areas and boundary changes have been listed below. For a visual representation of the following changes, visit <https://datafinder.stats.govt.nz/> or <https://profile.idnz.co.nz/ruapehu/census-2018>

2013 AREA UNIT SIZE (SQ KM)	2018 SA2 SIZE (SQ KM)
Otangiwai – Heao: 345.67 SQ KM	Otangiwai – Ohura: 2011.70 SQ KM
Ohura: 3.25 SQ KM	
Ngapuke: 1285.11 SQ KM	Ngapuke: 621.83 SQ KM
Tarrangower: 3.17 SQ KM	Taumarunui North: 3.595 SQ KM
Taumarunui Central: 6.88 SQ KM	Taumarunui Central: 5.54 SQ KM
Sunshine – Hospital Hill: 5.15 SQ KM	
Manunui: 5.04 SQ KM	Taumarunui East: 4.52 SQ KM
Raurimu: 1366.36 SQ KM	
203 National Park: 0.89 SQ KM	National Park: 1375.28 SQ KM
Owhango: 0.93 SQ KM	
Tangiwai: 2693.58 SQ KM	Tangiwai: 2696.63 SQ KM
Raetihi: 3.89 SQ KM	Raetihi: 3.86 SQ KM
Ohakune: 8.47 SQ KM	Ohakune: 6.44 SQ KM
Waiouru: 5.79 SQ KM	Waiouru: 5.01 SQ KM

Change from Area Unit to SA2

PART TWO- SUMMARY OF SIGNIFICANT PLANNING ASSUMPTIONS

ASSUMPTION AREA	DETAILS OF POTENTIAL RISK + REASON	LEVEL OF CERTANTY	POTENTIAL FINANCIAL CONSEQUENCE
LEGISLATIVE / CENTRAL GOVERNMENT			
The proposed Local Government (Rating of Whenua Maori) Amendment Bill is passed	There is potential risk that upwards of \$465,000 in rates arrears is wiped. This will have a potentially significant impact on Council's need to plan for development and an eventual change in land use and potential increase in rating base.	Neutral	Moderate
	The assumption has been made that writing off arrears will not affect rates as it will be an accounting book entry only	Likely	Low
Taumata Arowai—the Water Services Regulator Act 2020 is passed	The assumption has been made that there will be a complete restructure and implementation of system-wide reforms to regulate drinking water and source water, and targeted reforms to improve the regulation and performance of wastewater and stormwater networks. The second Bill will outline the exact effect this new legislation will have on territorial authorities. There is a significant risk that this will alter Water Services LoS, challenge current infrastructure and staffing levels.	Very likely	Significant
Infrastructure Funding and Financing Act 2020 is passed	This Act provides a funding and financing model for the provision of infrastructure for housing and urban development and will reduce the impact of local authority financing and funding constraints. While the assumption has been made that it is unlikely that RDC will utilise these provisions during the next planning period, it is however important to note.	Unlikely	Low
Potential Resource Management Act Amendments	It is assumed that amendments will be made to the RMA however, these changes will more likely target large development projects in high density areas therefore have little effect on the Ruapehu District.	Likely	Moderate
Declaration of Climate Emergency	The assumption has been made that due to the recent declaration of a Climate Emergency by Central Government, and the ongoing effects that Climate Change will have on Ruapehu's infrastructure and economy, resourcing will need to be made available in order to develop an appropriate Climate Emergency response.	Very likely	Moderate
Climate Change Response (Zero Carbon) Amendment Act 2019	Climate change response continues to dominate legislative reform and in turn, expectations and responsibilities of Local Authorities are shifting. The amendments made to the Act provide a framework and commission through which New Zealand can develop and implement "clear and stable climate change policies" that contribute to the global effort under the Paris Agreement. The Act itself identifies Council as a Reporting Organisation which means that Council may be called upon by the Minister or Commission to provide information on Climate Change Adaptation. The assumption has been made that resourcing will need to be made available in order to meet these expectations.	Very likely	Moderate
COVID-19			
New Zealand borders will remain closed to international tourists and visitors until at least 2021	There is a risk that there will be no international tourists or visitors to the area until at least June 2021, and potentially longer. Until this time, foreign tourist spending the District will remain nil.	Very Likely	Significant

ASSUMPTION AREA	DETAILS OF POTENTIAL RISK + REASON	LEVEL OF CERTANTY	POTENTIAL FINANCIAL CONSEQUENCE
Another outbreak of COVID will usher in another level 3 - 4 lock down	There is a risk that a level 3 or 4 lock down will be imposed on Ruapehu communities.	Likely	Significant
Levels of Service	The assumption has been made that there will be no changes to levels of service.	Likely	Low
POPULATION / GROWTH			
Increase in Usually Resident Population (URP) in all townships (SA2's) within the District	The assumption has been made that all identified communities (SA2's) within the District will experience an increase in Usually Resident Population (URP) over the next 10 years, experiencing a mixture of low, medium and high growth levels. - The URP of townships within the District will experience yearly growth ranging from 0.7% - 1.967% per year. - The total District URP is expected to increase 15% between 2021 - 2031.	Likely	Moderate
Proportion of under 5's and over 70's set to increase	The assumption has been made that, District wide, under a medium growth scenario, the proportion of under 5's and over 75's is set to increase 57% and 45% respectively.	Likely	Low
Increase in Peak Population in all townships within the District	The assumption has been made that the Peak Population (combination of URP, Holiday Homes, Commercial Accommodation, and Day Visitors) will increase in all identified communities (SA2's) within the District. - The Peak Population of all townships will experience yearly growth ranging from 0.77% - 2.2% per year. - The total District Peak Population is set to increase 12% between 2021 - 2031.	Likely	Moderate
INFRASTRUCTURE			
Assets and asset lives (replacement, revaluation, depreciation)	The assumption has been made that low quality asset condition assessments will lead to poor infrastructure capital decision making.	Highly Likely	Moderate – Significant
	The assumption has been made that excepting water infrastructure, all other assets will deliver the required level of service over their documented useful life as reflected in the Revenue And Financing Policy.	Likely	Moderate
	Revaluation of fixed assets is done annually for property. 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. The revaluations are based on the BERL inflation rates. The revaluation impact is broadly equivalent to the increase in the Local Government Cost Index.	Likely	Moderate
	Depreciation rates on planned asset acquisitions are based on an average percentage of their components and the estimated useful life of the various assets.	Likely	Moderate
State highway 4 (Whanganui-Raetihi Road)	There is a risk that compromised access to and through SH4 could lead to economic impacts resulting from short term interruption and loss of economic opportunity.	Unlikely	Low

ASSUMPTION AREA	DETAILS OF POTENTIAL RISK + REASON	LEVEL OF CERTANTY	POTENTIAL FINANCIAL CONSEQUENCE
Ohakune Water Treatment Plant	The assumption has been made that the Capital work programme estimates and MBIE funding are not sufficient to complete all elements of proposed works and ratepayers will need to part fund this	Likely	Significant
Subdivisions and Land Use	The assumption has been made that ongoing subdivisions in Ohakune will cause additional pressures on 3 waters infrastructure resulting in Council not being able to consent buildings.	Likely	Significant
Resource Consents	It has been 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.	Likely	Significant
Rateable Assessments	The assumption has been made that the number of rateable assessments will continue to experience small scale growth of approximately 0.16%	Likely	Neutral
ECONOMY			
Tourism and visitor numbers continue to rely on domestic tourism	The assumption has been made that International borders will remain closed, international tourist numbers remain nil into the near future. Local tourism operators rely solely on domestic tourism for the foreseeable future.	Extremely Likely	Significant
The number of holiday homes will continue to increase in each of the three major urban areas	The assumption has been made that pre-COVID, holiday home numbers were set to increase approx. 1.21% on average per year. Throughout COVID this is unlikely, however, this trend is expected to return with the recommencement of a fully functioning tourism economy.	Likely	Moderate
NATURAL ENVIRONMENT			
Occurrence of 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.	Likely	Significant
Increase in rainfall	Seasonal projections show winter rainfall increasing by 7-16% in Taumarunui by 2090. It is unclear what this increase looks like out to 2031. There is not enough data to plan for increase/decrease in rainfall in other areas. This in itself is a risk.	Neutral	Moderate
Increase in average annual temperature	Temperatures are likely to be 0.7°C to 1.1°C warmer by 2040 effecting evapotranspiration of soil and dams as well as snow days.	Neutral	Moderate
Decrease in snowfall	A reduction in the number of snow days experienced annually is projected; potentially effecting local economies reliant on snow seeking visitors.	Likely	Moderate – Significant
FINANCIAL			
Rates Receivables (Debtors)	It has been assumed that rates receivable as a percentage of rates will remain at current levels. There is a risk that rates receivables are significantly higher than that forecast due to a number of reasons, such as the effect of COVID 19 and economic issues. This would impact on cash flow requirements, increasing borrowing for operational costs.	Neutral	Moderate

ASSUMPTION AREA	DETAILS OF POTENTIAL RISK + REASON	LEVEL OF CERTANTY	POTENTIAL FINANCIAL CONSEQUENCE
External Funding For Roads	<p>The forecast financial statements are based on the assumption that Council will be able to claim 74% of all maintenance and renewal costs for district roads in line with currently known NZTA work categories and classifications.</p> <p>Forecast co-investment from Waka Kotahi NZTA may be reduced due to impact from COVID-19. Council's financial assistance rate will increase to 75% in 2021/22 for local roads and 100% for Special purpose roads, with local roads reducing to 74% thereafter.</p> <p>Should the outcome result in less roading expenditure items being covered by the subsidy, the work programme for roading could be impacted.</p> <p>Any decrease in funding would require modification to planned projects and work programmes and may result in delays to both. Where it is not possible to decrease funding, there is the potential to impact on borrowing and rates.</p>	Likely	Significant
Vested Assets	The assumption has been made that no Vested Assets have been budgeted over the next ten years	Neutral	Low
Government subsidies	While it is expected that Council will receive some Government funding for Land Transport, Housing, Cycle Trails and Three Waters and possibly other capital projects over the next ten years, the lack of certainty around this means that (and the assumption has been made) no subsidies have been factored into the budgets	Low	Moderate
Inflation	The preparation of the budget has included inflation assumptions based on BERL forecasting for the Local Government Sector. 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 be lower than forecast, there will be a favourable impact on Council's operating and capital expenditure budgets.	Likely	Moderate
CAPEX Feasibility - Three Waters	There is a strong chance that additional funding support from Central Government will be available to fast track drinking water reform changes. However, this LTP cannot include this possibility with key assumptions due to timing of any such announcements. As affordability has been removed from Local Government as a defence, RDC has forecast considerable debt impacts to Council as full compliance is an absolute non-negotiable now. The assumption has been made that practical delivery against the very ambitious LTP works forecast will face the challenges of supply chain constraints, and active monitoring will be required to minimise the risk of non-compliance by due dates.	Likely	Significant

ASSUMPTION AREA	DETAILS OF POTENTIAL RISK + REASON	LEVEL OF CERTAINTY	POTENTIAL FINANCIAL CONSEQUENCE
CAPEX Feasibility - Other Works	With regards to Land Transport, there is a well-established supply chain, and committed funding. There is potential that some bridge work not covered by NZTA will require RDC to fund which it would do through debt. These are one off items in what is otherwise a very stable work program. A number of Township Revitalisation outcomes that are to be debt funded to account for inter-generational equity. These would go ahead in consultation with community regardless of external funding, but Council is very open to using proposed budgets as 'seed funding' with other partners to deliver further value than forecast. However, 3rd party investment cannot be assumed in this LTP, and as such counts as 100% RDC investment. Practical delivery will have strong political and community support, and supply chain issues are somewhat lessened in this activity due to lower competition for resources from out of district or competing priorities. The assumption has been made that these the capital works costs will not vary significantly from those budgeted	Likely	Moderate
Interest rates	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 with the LGFA which Council joined in 2018. The assumption has been made that all borrowings will be renewed under similar terms and conditions except that interest rates applied to replacement and new borrowings annually will range from 1.7% to 3.4% in year ten of the LTP 2021-31. There is a high degree of uncertainty around borrowing costs due to the fluctuations of interest rates. Interest costs and debt repayment have been estimated in accordance with the Treasury Investment and Liability Management Policy.	Likely	Moderate - Significant

Overview of Planning Assumptions

LEVEL OF CERTAINTY	POTENTIAL FINANCIAL CONSEQUENCE
5 – Very likely	Significant
4 – Likely	Moderate
3 – Neutral	Low
2 – Unlikely	
1 – Very unlikely	

PART THREE- BASE INFORMATION FOR PLANNING ASSUMPTION

LEGISLATIVE/ CENTRAL GOVERNMENT

Over the past decade there has been a substantial increase in the level of delegation from central government to local government through legislative reforms. In almost all cases there has been little funding provided to develop the policy and/or deliver these new services. This has meant that the services have had to be funded from efficiency gains, local user charges, and an increase in rates, or a combination of all these mechanisms. In some instances there has been a need to increase resources, such as staff, consultants and contractors.

The following legislative changes have been identified as possible risks to RDC and therefore considered in the planning assumptions.

LOCAL GOVERNMENT (RATING) ACT 2002

Proposed changes to the Local Government (Rating) Act 2002 will reduce rating barriers for owners of Māori land who want to use and develop their whenua (land). Currently, unpaid rates arrears prevent the development of Māori land. Under the proposal, local authority Chief Executives will have the power to write off rates arrears on all land (including general land) if they consider the rates are unrecoverable, including rates arrears inherited from deceased owners of Māori land. Most of the rates arrears on Māori freehold land are on unused land and the majority of this is from non-payment of penalties rather than the original rates bills. For example, in the Ruapehu District, there is a 4000sq m parcel with annual rates of \$823.05 and rates arrears of \$56,623.18. Of that overdue amount, only \$5,863.66 is made up of rates charges and \$50,553.78 is made up of penalties. As at June 2020:

- There are 755 Māori Freehold rating units in the district making up 8% of all rating units.
- There are 9,134 General rating units (9889 total rateable units). These 755 Māori Freehold rating units comprise 111,000ha, 16% of all total land in the Ruapehu District (673,315ha total).
- Of these 755 Māori Freehold rating units, 318 are non-rateable or receive a full rates remission under Councils current Category A Maori Land Rates Remission Policy.
- Of the 9,134 General rating units 535 are non-rateable, (22 of these being 50% non-rateable).
- Of the 437 rateable Māori Freehold units, 54 (12%) are in rate arrears, totalling \$465,000. ā
- Of the 8,598 rateable General rating units, 252 (3%) are in rates arrears, totalling \$1,387,000. It is important to note that an unknown number of General rating units may have been at some stage, Māori Freehold land.

Area of Impact: *Urban, commercial and rural development, Māori Economic Development, Environmental Planning*

Forecasted Assumption(s):

There is potential risk that upwards of \$465,000 in rates arrears is wiped. This will have a potentially significant impact on Council's need to plan for development and an eventual change in land use and potential increase in rating base.

The assumption has been made that writing off arrears will not affect rates as it will be an accounting book entry only

Level of certainty: *Likely*

Potential Financial Consequence: *Low - Moderate*

TAUMATA AROWAI – THE WATER SERVICES REGULATOR BILL AND SUBSEQUENT BILLS

The Taumata Arowai – Water Services Regulator Bill implements the Government's decision to create a new regulatory body to oversee, administer, and enforce the drinking water regulatory system. This bill will establish Taumata Arowai, the Water Services Regulator, as a new Crown agent and provides for its objectives, functions, operating principles, and governance arrangements³. It is expected that

³ <http://www.legislation.govt.nz/bill/government/2019/0202/latest/LMS294345.html>

Taumata Arowai will 'go live' on or before July 2021. **This Bill will be complemented by a separate Bill** that will give effect to decisions to implement system-wide reforms to the regulation of drinking water and source water, and targeted reforms to improve the regulation and performance of wastewater and stormwater networks. The second Bill will outline the exact effect this new legislation will have on territorial authorities.

- Expectations (financial and otherwise) of RDC not entirely clear as yet.
- Shared service model likely to be most common option for small Territorial Authorities such as RDC.

Area of Impact: Water Services, Finance, Environmental Planning, Human Resources

Forecasted Assumption(s): The assumption has been made that there will be a complete restructure and implementation of system-wide reforms to regulate drinking water and source water, and targeted reforms to improve the regulation and performance of wastewater and stormwater networks. The second Bill will outline the exact effect this new legislation will have on territorial authorities. Significant risk that this will alter Water Services LoS, challenge current infrastructure and staffing levels.

Level of certainty: Very Likely

Potential Financial Consequence: Significant

INFRASTRUCTURE FUNDING AND FINANCING BILL

This bill would establish a new funding and financing model to support the provision of infrastructure for housing and urban development. The new model intends to address the challenges local authorities face in relation to financing housing-related infrastructure and supply serviced urban land⁴. It sets up a flexible, legislative framework that will enable councils and developers to overcome one of the key constraints they face and provides them with a new tool to fund and finance infrastructure without being hindered by financing constraints, or high upfront infrastructure costs; it does this by allowing a third party, other than a council, to finance the construction of infrastructure⁵.

The funding and financing model proposed is the Special Purpose Vehicle (SPV). A SPV is a separate legal entity created by an organisation with its own assets. The bill enables SPVs, which are companies, limited partnerships, Crown entities, or other persons to:

- Be responsible for both financing and construction of the infrastructure assets.
- Service the finance raised to cover the costs of the infrastructure via the levy.

Area of Impact: Three Waters, Roading, Environmental Planning

Forecasted Assumption: The assumption has been made that it is unlikely that RDC will utilise these provisions during the next planning period, it is however important to note that they are available to Council.

Level of certainty: Neutral

Potential Financial Consequence: Low

POTENTIAL RESOURCE MANAGEMENT ACT AMENDMENTS

It is assumed that amendments will be made to the RMA however, these changes will more likely target large development projects in high density areas therefore have little effect on the Ruapehu District.

Area of Impact: Environmental Planning (District Plan)

Forecasted Assumption: It is assumed that amendments will be made to the RMA however, these changes will more likely target large development projects in high density areas therefore have little effect on the Ruapehu District.

Level of certainty: Likely

Potential Financial Consequence: Moderate

⁴ https://www.parliament.nz/en/pb/sc/make-a-submission/document/52SCTI_SCF_BILL_93461/infrastructure-funding-and-financing-bill

⁵ https://www.parliament.nz/en/pb/hansard-debates/rhr/combined/HansDeb_20191217_20191217_48

DECLARATION OF CLIMATE EMERGENCY

Following the warmest winter on record and 1,800 jurisdictions in 32 countries world-wide, New Zealand's government declared a Climate Emergency and committed to a carbon-neutral government by 2025.

Area of Impact: All Council operations

Forecasted Assumption: The assumption has been made that due to the recent declaration of a Climate Emergency by Central Government, and the ongoing effects that Climate Change will have on Ruapehu's infrastructure and economy, resourcing will need to be made available in order to develop an appropriate Climate Emergency response.

Level of certainty: Very Likely

Potential Financial Consequence: Moderate

CLIMATE CHANGE RESPONSE (ZERO CARBON) AMENDMENT ACT 2019

Climate change response continues to dominate legislative reform and in turn, expectations and responsibilities of Local Authorities are shifting. The amendments made to the Act provide a framework and commission through which New Zealand can develop and implement "clear and stable climate change policies" that contribute to the global effort under the Paris Agreement. The Act itself identifies Council as a Reporting Organisation which means that Council may be called upon by the Minister or Commission to provide information on Climate Change Adaptation.

Area of Impact: Policy and Planning

Forecasted Assumption: The assumption has been made that resourcing will need to be made available in order to meet these expectations.

Level of certainty: Very Likely

Potential Financial Consequence: Moderate

COVID-19

The worldwide outbreak of COVID-19 has added to the unpredictability of the planning environment. There is a risk for another level 3 – 4 lock down to occur in New Zealand which will significantly affect Ruapehu communities and also that international tourists will not return to NZ until 2021/22.

Area of Impact: All Council Activities

Forecasted Assumption: The assumption has been made that New Zealand borders will remain closed to international tourists and visitors until at least 2021/22.

Level of certainty: Likely

Potential Financial Consequence: Significant

POPULATION

Identifying shifts in populations amongst town and village centres, including the demographics of said populations, is an important mechanism with which to measure projected dependency on vital assets. *Peak population* is the fundamental tool used to plan for the usage of key infrastructure and assets within the District. The peak population of the Ruapehu District has been calculated by combining Usually Resident Population (URP), Holiday Home visitor numbers (HH), Commercial Accommodation visitor numbers (CAM) and Day Visitor numbers (DV). Each of these measurements are important in their own right and are therefore discussed and explored both separately and collectively. This subsection briefly analyses past population and demographic shifts in addition to providing population projections at a District and SA2 level.

Forecasted Assumption(s):

1. The assumption has been made that all identified communities (SA2's) within the District will experience an increase in Usually Resident Population (URP) over the next 10 years, experiencing a mixture of low, medium and high growth levels.
The URP of townships within the District will experience yearly growth ranging from 0.7% - 1.967% per year.
The total District URP is expected to increase 15% between 2021 – 2031

2. The assumption has been made that the Peak Population (combination of URP, Holiday Homes, Commercial Accommodation, and Day Visitors) will increase in all identified communities (SA2's) within the District.
 - The Peak Population of all townships will experience yearly growth ranging from 0.77% - 2.2% per year.
 - The total District Peak Population is set to increase 12% between 2021 – 2031
3. The assumption has been made that, District wide, under a medium growth scenario, the proportion of under 5's and over 75's is set to increase 57% and 45% respectively.

Level of certainty: Likely
Potential Financial Consequence: Moderate

USUALLY RESIDENT POPULATION: DEMOGRAPHICS PAST AND PRESENT

The first component of peak population that is explored is that of Usually Resident Population (URP); those who permanently reside in the Ruapehu District. This section explores past and present URP demographics and is then followed by URP projections.

AT A GLANCE:

	Ruapehu District	Manawatū-Whanganui	New Zealand
Number of people	12,309	238,797	4,699,755
Median age	39.0 years	39.4 years	37.4 years
Males	6,288	117,123	2,319,558
Females	6,021	121,671	2,380,197
Number of Māori	5,337	54,570	775,836
Māori median age	27.0 years	25.0 years	25.4 years

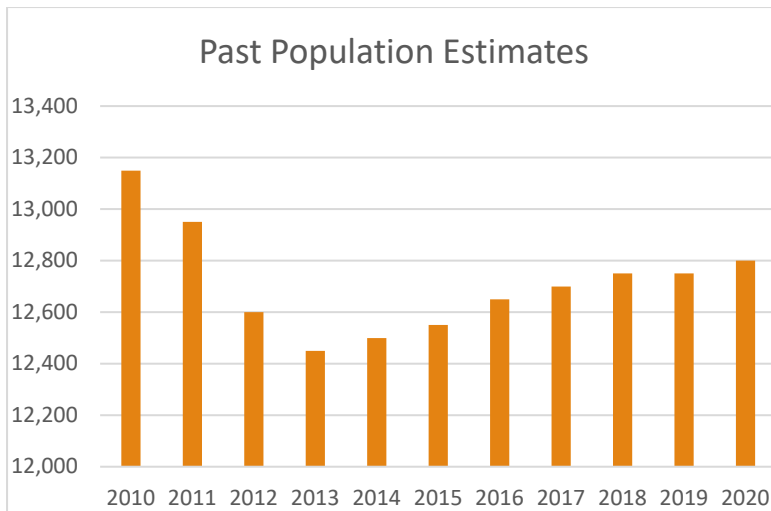
Overview of District Demographics

Statistics New Zealand, InfoShare⁶, have estimated that the population of the Ruapehu District decreased from 15,550 in 2000 to 13,150 in 2010. Shifting focus to the past decade, the District's population continued to decline until 2013 where it seems to have plateaued. We are now expecting to experience small scale growth similar to that experienced 2013 – 2020.

Ruapehu District	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Past Population Estimates	13,150	12,950	12,600	12,450	12,500	12,550	12,650	12,700	12,750	12,750	12,800

Ruapehu Past Population Estimates

⁶ <http://infoshare.stats.govt.nz/ViewTable.aspx?pxID=11a49800-c875-49a8-844d-18e0ae71d282>



AGE AND SEX

An integral part, however not the sole focus, of projecting the demographic makeup of our communities lies in understanding our past. The following tables compare results of the past three census (2006, 2013, and 2018) via 'service age groups'. Service age groups are one of many groupings that can be used to compare shifts in population and are particularly useful when taking into account services that each age group are more/less prone to utilising. Please note that when comparing the below, not all service age groups are dispersed evenly in terms of years.

Age structure - Service age groups ⁷	2006			2013			2018		
	No#	RDC %	NZ %	No#	RDC %	NZ %	No#	RDC %	NZ %
Babies and Pre-schoolers (0 to 4)	1,026	7.6	6.8	1,002	8.5	6.9	900	7.3	6.3
Primary Schoolers (5 to 11)	1,653	12.2	10.1	1,251	10.6	9.4	1,389	11.3	9.6
Secondary Schoolers (12 to 17)	1,389	10.2	9.2	1,014	8.6	8.3	870	7.1	7.7
Tertiary education and independence (18 to 24)	1,149	8.5	9.6	1,005	8.5	9.6	918	7.5	9.3
Young workforce (25 to 34)	1,593	11.7	12.9	1,296	10.9	12.1	1,557	12.6	14.1
Parents and homebuilders (35 to 49)	2,997	22.1	22.6	2,205	18.6	20.6	2,079	16.9	19.3
Older workers and pre-retirees (50 to 59)	1,734	12.8	12.1	1,767	14.9	13.2	1,761	14.3	13.0
Empty nesters and retirees (60 to 69)	1,062	7.8	8.1	1,290	10.9	10.1	1,647	13.4	10.4
Seniors (70 to 84)	837	6.2	7.2	852	7.2	8.0	1,023	8.3	8.5
Elderly aged (85 and over)	132	1.0	1.4	165	1.4	1.7	165	1.3	1.8
Total population	13,572	100.0	100.0	11,847	100.0	100.0	12,309	100.0	100.0

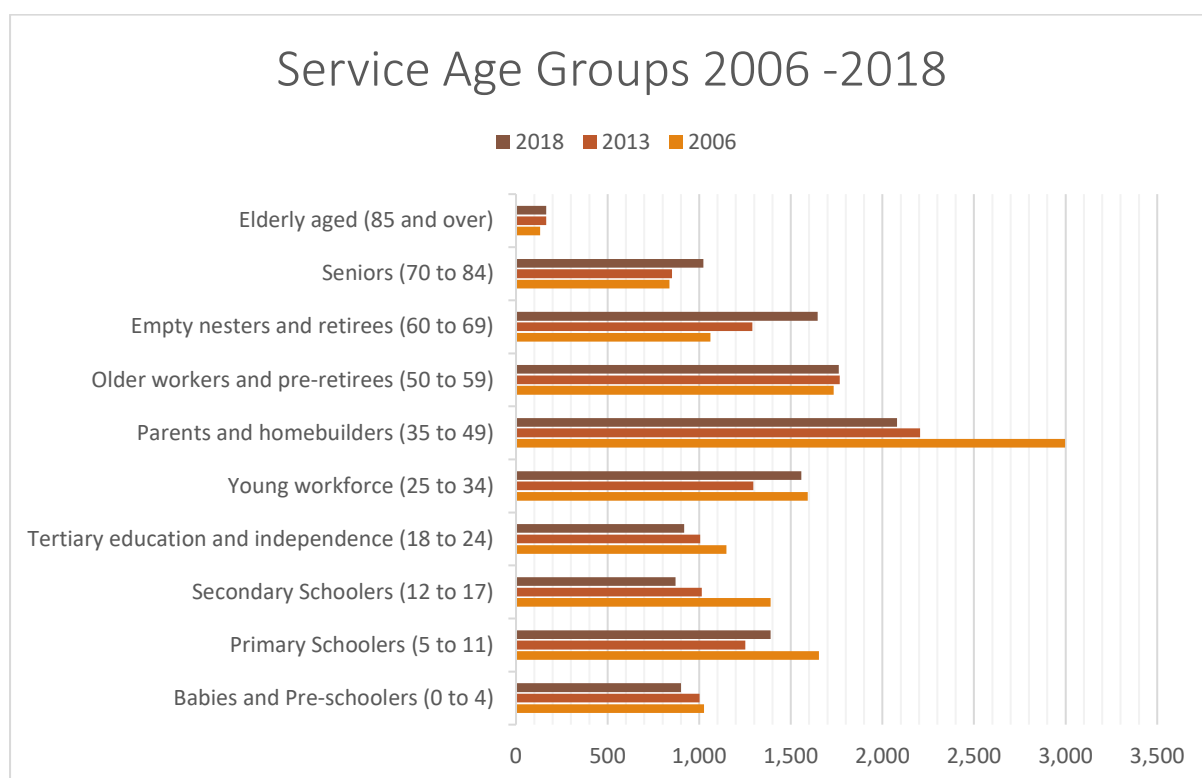
Summary of Past Service Age Groups

⁷ Profile ID

The above table in summary:

SERVICE AGE GROUP (YEARS) ⁸	2006	2013	2018
Babies and Pre-schoolers (0 to 4)	1,026	1,002	900
Primary Schoolers (5 to 11)	1,653	1,251	1,389
Secondary Schoolers (12 to 17)	1,389	1,014	870
Tertiary education and independence (18 to 24)	1,149	1,005	918
Young workforce (25 to 34)	1,593	1,296	1,557
Parents and homebuilders (35 to 49)	2,997	2,205	2,079
Older workers and pre-retirees (50 to 59)	1,734	1,767	1,761
Empty nesters and retirees (60 to 69)	1,062	1,290	1,647
Seniors (70 to 84)	837	852	1,023
Elderly aged (85 and over)	132	165	165
Total population	13,572	11,847	12,309

Summary of Past Service Age Groups Simplified



The three tables above illustrate that;

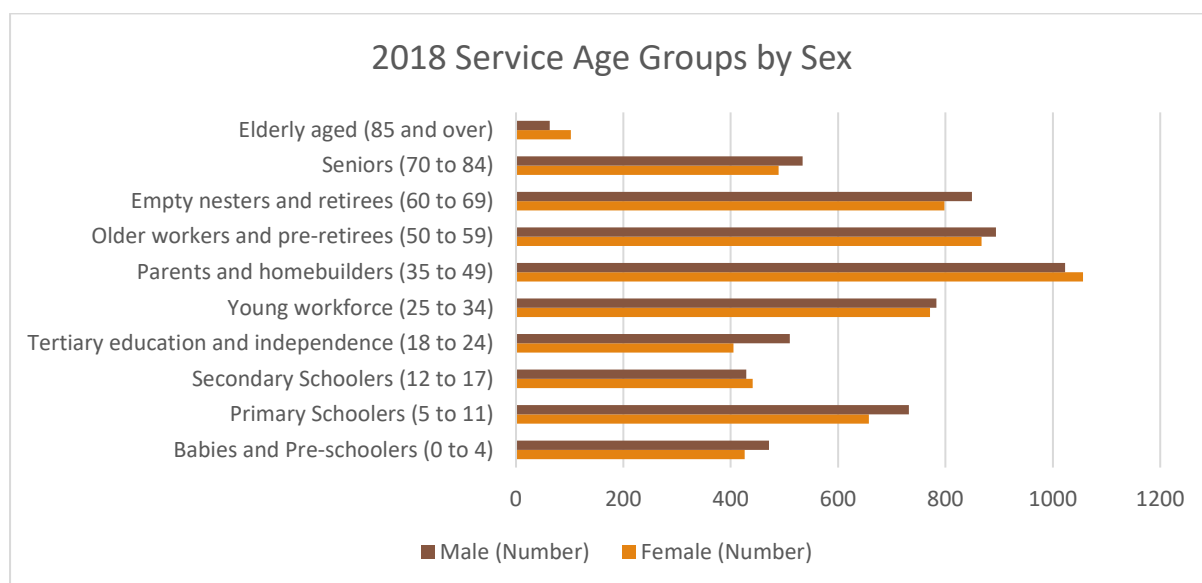
- Of the population shift between 2006 and 2018, a significant proportion of departures from the District were aged 5 – 17 and 35 – 49.
- The proportion of those aged 60 – 84 grew significantly.
- Between 2006 – 2018, there was little change in the proportional make up of those aged 50 – 59. This information suggests that most remained in the District and then moved into the next service age group (60 - 69) which saw the largest proportional growth of all of the service age groups.

⁸ Profile ID

The following tables break the 2018 population down into male-female demographics and is compared to national statistics for a reference point⁹. Historically, the census has only measured Male-Female sex.

2018 SERVICE AGE GROUPS BY SEX ¹⁰						
Service age group (years)	Female (#)	RDC %	NZ %	Male (#)	RDC %	NZ %
Babies and Pre-schoolers (0 to 4)	426	117.1	6	471	7.5	6.5
Primary Schoolers (5 to 11)	657	10.9	9.2	732	11.6	10
Secondary Schoolers (12 to 17)	441	7.3	7.4	429	6.8	7.9
Tertiary education and independence (18 to 24)	405	6.7	8.9	510	8.1	9.7
Young workforce (25 to 34)	771	12.8	14	783	12.5	14.2
Parents and homebuilders (35 to 49)	1056	17.6	19.6	1023	16.3	19
Older workers and pre-retirees (50 to 59)	867	14.4	13.2	894	14.2	12.8
Empty nesters and retirees (60 to 69)	798	13.3	10.5	849	13.5	10.3
Seniors (70 to 84)	489	8.1	8.9	534	8.5	8.2
Elderly aged (85 and over)	102	1.7	2.2	63	1	1.4

2018 Service Age Groups by Sex



⁹ The census currently only allows sex to be recorded as male or female.

¹⁰ Profile ID, <https://profile.idnz.co.nz/ruapehu/service-age-groups?BMID=30&Sex=2>

Summary of male-female demographics in the Ruapehu District 2018:

- The most significant gap between the sexes is seen in the '18 – 24' service age group where males outnumber females by 105. This trend has remained constant within the District since 2006.
- Nationally, men outnumber women in the first five service age groups (0 - 34) and women outnumber men in the last five (35 – 85+). In the Ruapehu District this initial trend is not so apparent however, women do outnumber men in 4 of the last 5 service age groups (35 – 85+).

ETHNICITY, CULTURE AND IDENTITY

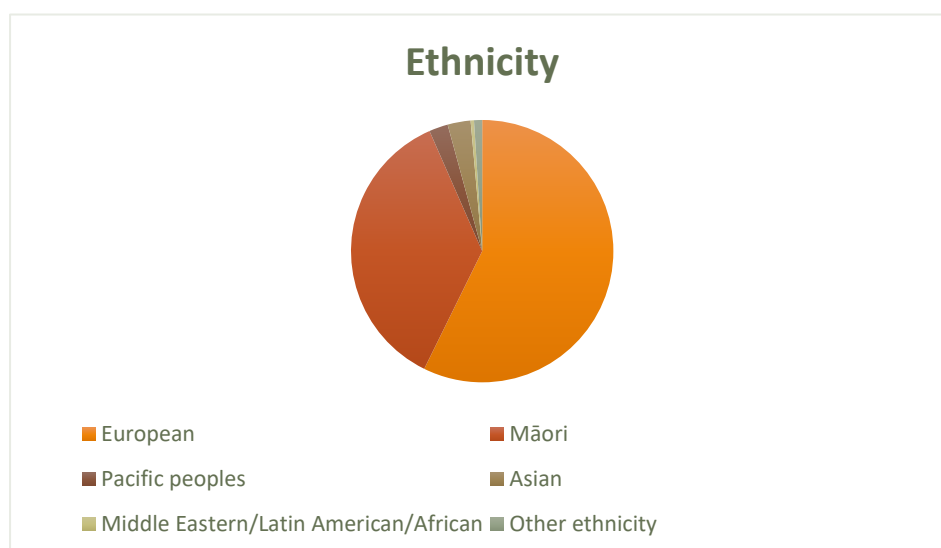
The following information regarding ethnicity, culture and identity has been collected from Stats NZ and Profile.ID. The information has been collated from questions asking the respondent to classify their ethnic group. It is therefore important to note that results are subjective, and somewhat open to interpretation, particularly regarding each person's understanding of the term "ethnicity". The recording of ethnicity is a multi-response question in that more than one ethnicity can be selected. Of 12,309 respondents, 14,778 responses were recorded.

Those of European decent continue to dominate Ruapehu demographics while those of Māori decent continue to increase, be it slowly. The significant decrease in those identifying as 'other ethnicities' may be due to the fact that the options of "New Zealand European" and "Pakeha" were not available in 2006 (and earlier census') and were available/measured in 2013 and 2018.

The Māori ethnicity is significantly more dominant in the Ruapehu compared to the national rate of 16.5%. Asian and Pacific Peoples ethnic groups are significantly lower than the national rate of 15.1% and 8.1% respectively.

Ruapehu Ethnic Groups 2006–18 ¹²	2006 (%)	2013 (%)	2018 (%)
European	62.9	69.5	68.8
Māori	39.2	42.5	43.4
Pacific peoples	2.2	2.3	2.8
Asian	2.1	2.9	3.4
Middle Eastern/Latin American/African	0.2	0.1	0.5
Other Ethnicity	10.9	1.5	1.2

Ruapehu Ethnic Groups



¹² Profile ID, <https://profile.idnz.co.nz/ruapehu/ethnic-group?BMID=30&Sex=2> and STATS NZ <https://www.stats.govt.nz/tools/2018-census-place-summaries/ruapehu-district#ethnicity-culture-and-identity>

EMERGING GROUPS:

The largest changes in ethnic group responses between 2013 and 2018 were:

- European (+576 responses)
- Maori (+513 responses)
- Asian (+93 responses)
- Pacific peoples (+87 responses)

While 89.4% of Ruapehu residents were born in New Zealand, 10.6% were born overseas; significantly less than the national rate of 27.4%¹³.

Ruapehu residents born overseas	2006	2013	2018
United Kingdom	396	360	393
Australia	168	141	198
South Africa	81	90	99
India	24	51	93
Philippines	12	33	54
Netherlands	48	39	39
People's Republic of China	21	27	33
Germany	21	18	30
Thailand	0	18	27
United States of America	33	27	27
Fiji	21	39	27
Canada	30	21	21
Russia	0	6	18
Cook Islands	9	6	15
Argentina	0	0	12
Ireland	0	12	12
Malaysia	9	6	12

Ruapehu Residents Born Overseas

- Migrant's from 16 of the 17 above groups increased or remained the same between 2013 – 2018.
- Between 2006 – 2018 the largest increase in migrants born in another country residing in the Ruapehu are from India (+69).

¹³ Stats NZ, <https://www.stats.govt.nz/tools/2018-census-place-summaries/ruapehu-district#ethnicity-culture-and-identity>

Statistics NZ recently released population estimates and projections by ethnicity as follows.

Projected Māori population									
	1996	2001	2006	2013	2018	2023	2028	2033	2038
High					5,950	6,470	6,870	7,330	7,870
Medium	6,770	6,030	5,460	5,330	5,660	5,840	5,820	5,780	5,730
Low					5,370	5,200	4,800	4,350	3,850

Projected Asian population									
	1996	2001	2006	2013	2018	2023	2028	2033	2038
High					630	850	1,030	1,220	1,400
Medium	330	320	310	410	560	690	770	850	910
Low					490	540	540	520	500

Projected Pacific population									
	1996	2001	2006	2013	2018	2023	2028	2033	2038
High					370	440	510	610	740
Medium	350	290	330	310	340	370	400	430	470
Low					320	300	280	260	240

COMPONENT 1: ESTIMATED PROJECTED POPULATION – USUALLY RESIDENT POPULATION (URP)

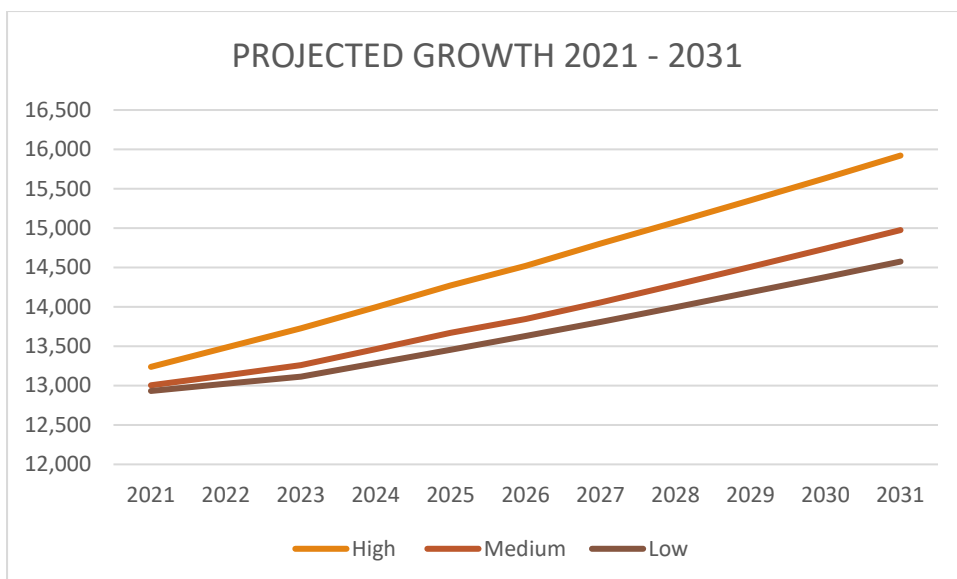
Council engaged with Infometrics to provide the projected population for the Ruapehu District out to 2053. Staff utilised this information in order to prepare projected population at SA2 levels out to 2031. Due to COVID, Infometrics have since provided three sets of possible projections all of which offer low, medium and high growth level scenarios. Utilising the second set of projections, the projected growth of the District has been prepared assuming a mixture of low, medium and high levels of growth across the District.

Under all three projected scenarios, the URP is set to steadily increase overall between 2021 and 2031.

- Under the high growth scenario, annual increases range between 1.739% and 1.967%
- Under the medium growth scenario, there is an annual increase of between 0.969% and 1.592%
- Under the low growth scenario, there is an annual increase of between 0.700% and 1.361%

PROJECTED GROWTH: RUAPEHU DISTRICT URP 2021 - 2031											
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	13,238	13,483	13,727	13,997	14,272	14,520	14,806	15,077	15,354	15,635	15,922
Med	13,004	13,132	13,259	13,463	13,671	13,845	14,058	14,282	14,510	14,741	14,975
Low	12,932	13,024	13,115	13,285	13,458	13,631	13,808	13,996	14,187	14,380	14,575

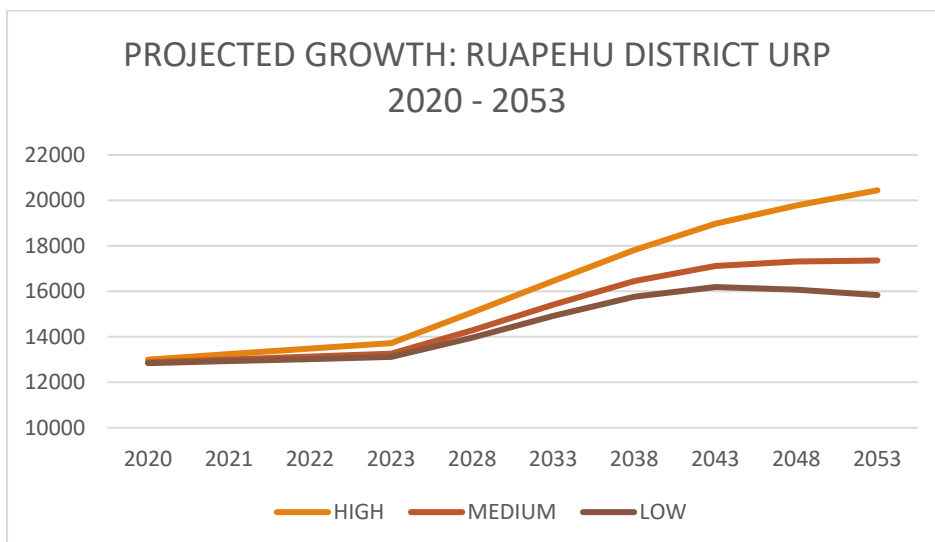
Projected Growth: Ruapehu District URP 2021 - 2031



Forecasting further ahead, the trend of slow but steady growth lessens and under the low growth scenario, small scale decline begins to feature from 2043 at a rate of -0.144% and from 2048 at a rate of 0.299%.

PROJECTED GROWTH: RUAPEHU DISTRICT URP 2020 - 2053										
	2020	2021	2022	2023	2028	2033	2038	2043	2048	2053
HIGH	12,994	13,238	13,483	13,727	15,077	16,458	17,827	18,975	19,783	20,445
MEDIUM	12,877	13,004	13,132	13,259	14,282	15,418	16,454	17,120	17,319	17,357
LOW	12,841	12,932	13,024	13,115	13,966	14,917	15,766	16,190	16,074	15,834

Projected Growth: Ruapehu District URP 2021 – 2053



% INCREASE BASED ON ABOVE ASSUMPTIONS (RDC 2020 - 2053)										
	19-20	20-21	21-22	22-23	23-28	28-33	33-38	38-43	43-48	48-53
HIGH	1.915	1.879	1.845	1.811	1.967	1.833	1.663	1.288	0.852	0.669
MEDIUM	0.998	0.988	0.978	0.969	1.543	1.592	1.343	0.810	0.233	0.043

LOW	0.715	0.710	0.705	0.700	1.298	1.361	1.139	0.538	-0.144	-0.299
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Percentage Increase of Projected URP year on year 2020 - 2053

USUALLY RESIDENT POPULATION: PROJECTED GROWTH BY SA2

As of November 2020, recommended growth levels to determine peak population have been revised to reflect the potential effects of COVID-19. The following eight tables are recorded as a collective (table 16).

NATIONAL PARK												
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
HIGH	1114	1135	1156	1177	1200	1224	1244	1268	1291	1315	1339	1364
MEDIUM	1104	1115	1126	1137	1154	1172	1186	1204	1223	1243	1263	1283
LOW	1101	1109	1116	1124	1139	1154	1165	1180	1196	1212	1229	1246

It is recommended that the **medium growth** scenario is used in preparing National Park's peak population.

OHAKUNE												
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
HIGH	1250	1273	1297	1320	1346	1373	1395	1422	1449	1475	1502	1530
MEDIUM	1238	1250	1263	1275	1295	1315	1330	1351	1372	1394	1416	1439
LOW	1235	1244	1252	1261	1277	1294	1307	1324	1342	1360	1378	1397

It is recommended that the **high growth** scenario is used in preparing Ohakune's peak population.

OTANGIWAI - OHURA												
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
HIGH	1083	1104	1124	1144	1167	1190	1209	1233	1256	1279	1302	1326
MEDIUM	1074	1084	1095	1105	1122	1140	1153	1171	1190	1209	1228	1248
LOW	1071	1078	1086	1093	1108	1122	1133	1148	1163	1179	1195	1211

It is recommended that the **low growth** scenario is used in preparing Otangiwai-Ohura's peak population.

RAETIHI												
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
HIGH	1102	1122	1143	1164	1187	1210	1230	1254	1277	1301	1324	1349
MEDIUM	1092	1103	1113	1124	1141	1159	1173	1191	1210	1229	1249	1269
LOW	1089	1096	1104	1112	1126	1141	1152	1167	1183	1199	1215	1232

It is recommended that the **low growth** scenario is used in preparing Raetihi's peak population.

TANGIWAI												
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
HIGH	1351	1377	1402	1427	1456	1484	1509	1538	1566	1595	1624	1654
MEDIUM	1339	1352	1366	1379	1400	1422	1439	1461	1484	1508	1532	1556
LOW	1335	1345	1354	1364	1382	1400	1413	1432	1451	1471	1491	1511

It is recommended that the **low growth** scenario is used in preparing Tangiwai's peak population.

TAUMARUNUI (CENTRAL, EAST AND NORTH - THREE SA2'S COMBINED)												
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
HIGH	4941	5034	5127	5220	5322	5427	5516	5624	5727	5832	5939	6048

MEDIUM	4896	4945	4993	5042	5119	5198	5260	5341	5426	5513	5600	5690
LOW	4883	4917	4952	4987	5051	5117	5167	5234	5305	5378	5451	5525

It is suggested that the **medium growth** scenario is used in preparing Taumarunui's peak population.

	WAIOURU											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
HIGH	821	837	852	868	885	902	917	935	952	970	987	1006
MEDIUM	814	822	830	838	851	864	875	888	902	917	931	946
LOW	812	818	823	829	840	851	859	870	882	894	906	919

It is suggested that the **low growth** scenario is used in preparing Waiouru's peak population.

	NGAPUKE											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
HIGH	1333	1358	1383	1408	1436	1464	1488	1517	1545	1573	1602	1631
MEDIUM	1321	1334	1347	1360	1381	1402	1419	1441	1464	1487	1511	1535
LOW	1317	1326	1336	1345	1363	1380	1394	1412	1431	1451	1470	1490

It is suggested that the **low growth** scenario is used in preparing Ngapuke's peak population.

OVERVIEW OF SUGGESTED GROWTH LEVELS FOR URP:

SA2	RECOMMENDED GROWTH LEVEL
National Park	Medium
Ohakune	High
Otangiwai-Ohura	Low
Raetihi	Low
Tangiwai	Low
Taumarunui (Central, East + North)	Medium
Waiouru	Low
Ngapuke	Low

Recommended Growth Levels per SA2

COMPONENT 2: ESTIMATED PROJECTED POPULATION – HOLIDAY HOMES

The second component of Peak Population that is explored is that of Holiday Home Population. In order to monitor and record the holiday home environment within the District and to attempt to quantify the use of holiday homes, Council has undertaken five *Non-Resident Ratepayer Surveys* (NRR) since 2008.

Whilst this survey is an important source for understanding the holiday home environment, due to its nature and the low return rate, it should be noted that the results come with a very high level of uncertainty.

LOCATION AND NUMBER OF HOLIDAY HOMES

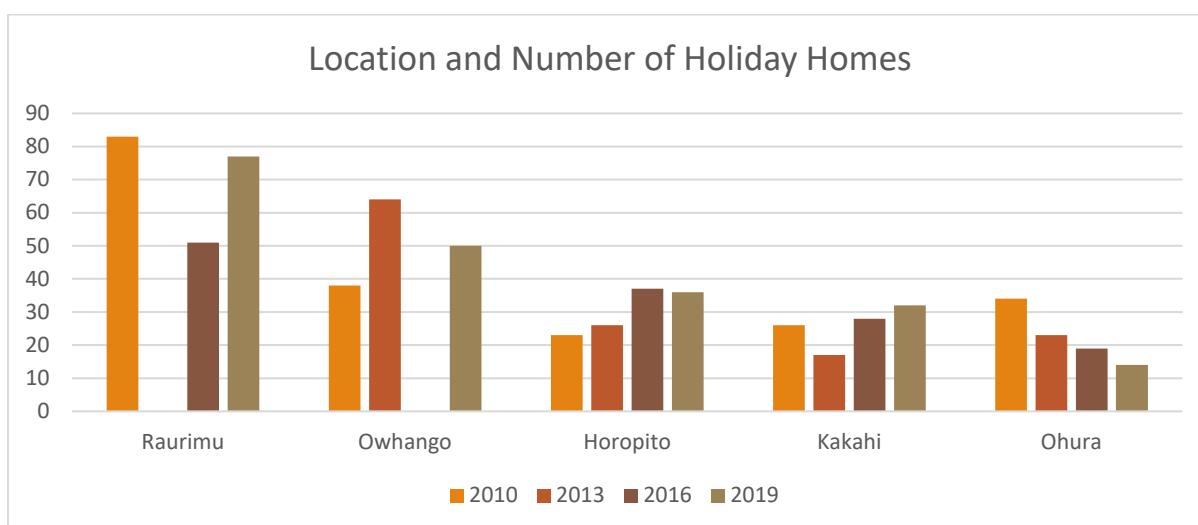
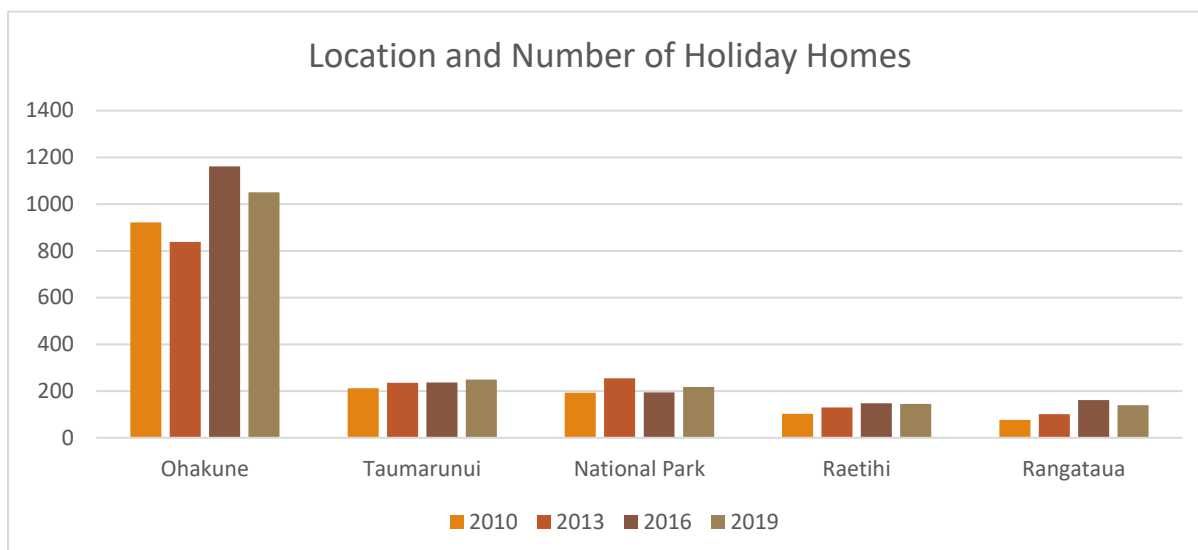
The table below reports the estimated number of holiday homes owned by non-resident rate payers in 2010, 2013, 2016 and 2019. It does not include rental homes owned by non-resident rate payers nor does it include holiday homes owned by residents living within the district. As stated above, this information is drawn directly from the NRR survey, 'not known' locations come from incomplete surveys that did not fill out their location.

AREA	2010	2013	2016	2019
Ohakune	922	838	1162	1051
Taumarunui	212	235	236	249
National Park	193	255	194	217
Raetihi	102	130	148	145

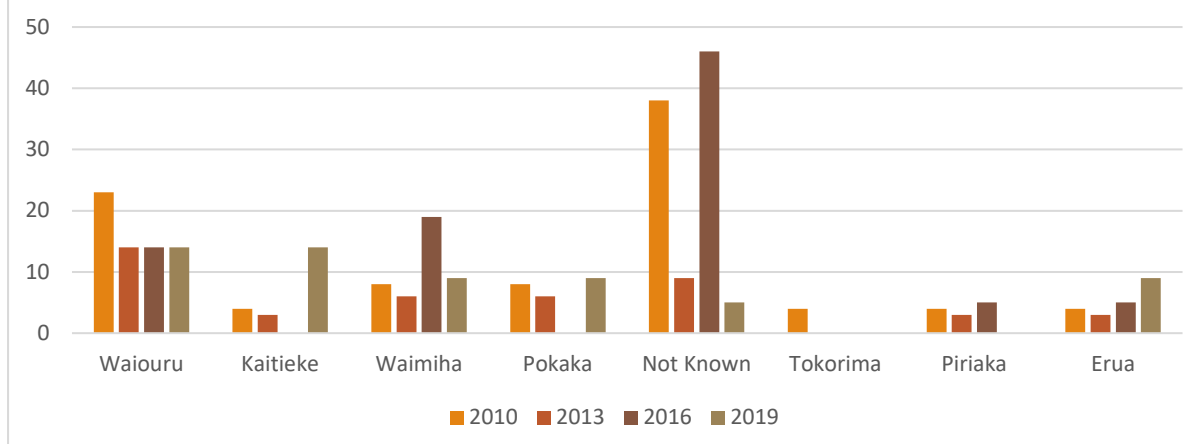
Rangataua	76	101	162	140
Raurimu	83	-	51	77
Owhango	38	64	-	50
Horopito	23	26	37	36
Kakahi	26	17	28	32
Ohura	34	23	19	14
Waiouru	23	14	14	14
Kaitieke	4	3	-	14
Waimiha	8	6	19	9
Pokaka	8	6	-	9
Not Known	38	9	46	5
Tokorima	4	-	-	-
Piriaka	4	3	5	-
Erua	4	3	5	9
TOTAL	1802	1733	2126	2071
Return Rate	21.30%	27.90%	20.40%	22%

Location and Estimated Number of Holiday Homes by year, past and present.

PLEASE NOTE THE VARIATION IN Y-AXIS INCREMENTS WHEN COMPARING THE FOLLOWING GRAPHS.



Location and Number of Holiday Homes



ESTIMATED DISTRIBUTION OF HOLIDAY HOMES (%)

Based on the information above, the table below shows the estimated distribution of holiday homes and the 9 year average which is used later in this document for projection purposes.

	2010	2013	2016	2019	9 Year Average
Ohakune	51.165%	48.355%	54.657%	50.748%	51.12%
Taumarunui	11.765%	13.560%	11.101%	12.023%	12.00%
National Park	10.710%	14.714%	9.125%	10.478%	11.14%
Raetihi	5.660%	7.501%	6.961%	7.001%	6.67%
Rangataua	4.218%	5.828%	7.620%	6.760%	5.99%
Raurimu	4.606%		2.399%	3.718%	3.46%
Owhango	2.109%	3.693%		2.414%	2.63%
Horopito	1.276%	1.500%	1.740%	1.738%	1.45%
Kakahi	1.443%	0.981%	1.317%	1.545%	1.21%
Ohura	1.887%	1.327%	0.894%	0.676%	1.08%
Waiouru	1.276%	0.808%	0.659%	0.676%	0.74%
Kaitieke	0.222%	0.173%		0.676%	0.24%
Waimiha	0.444%	0.346%	0.894%	0.435%	0.42%
Pokaka	0.444%	0.346%		0.435%	0.29%
Not Known	2.109%	0.519%	2.164%	0.241%	1.15%
Tokorima	0.222%				0.11%
Piriaka	0.222%	0.173%	0.235%		0.10%
Erua	0.222%	0.173%	0.235%	0.435%	0.16%

Estimated Distribution of Holiday Homes

HOLIDAY HOME OCCUPANCY

The NRR survey also gathers information to ascertain the average number of people that stay in holiday homes and the average number of holiday homes in use each day. As aforementioned, the quality of this data is low and we therefore believe that this estimate is on the low side

	2010	2013	2016	2019
Estimated average # of people per home per stay	4.4	4.4	4.7	4.6
Average # of Holiday Homes in use each day	(N.A)	(N.A)	28	27
Estimated total number of Holiday Homes	1802	1733	2126	2071

Holiday Home Occupancy

The above estimated figures suggest that during 2016, there was an average of 131 (4.7 x 28) people utilising holiday homes in the district each day and that during 2019, there was an average of 124 (4.6 x 27) people in the district utilising holiday homes each day.

Using the estimated number of holiday homes and the estimated number of people per home, the District's **absolute peak** holiday home population for 2016 was 9,992 people per day, and for 2019 was 9,526 people per day.

Acknowledging the percentage of holiday homes in each urban area, we can estimate that the **absolute peak holiday home** population possible in each urban area could be distributed as the table below suggests.

URBAN AREA	2013	2016	2019
Ohakune	3687.1	5461.3	4834.3
Taumarunui	1034.0	1109.2	1145.3
National Park	1122.0	911.8	998.1
Raetihi	572.0	695.6	667.0
Rangataua	444.4	761.4	644.0
Raurimu	0.0	239.7	354.2
Owhango	281.6	0.0	230.0
Horopito	114.4	173.9	165.6
Kakahi	74.8	131.6	147.2
Ohura	101.2	89.3	64.4
Waiouru	61.6	65.8	64.4
Kaitieke	13.2	0.0	64.4
Waimiha	26.4	89.3	41.4
Pokaka	26.4	0.0	41.4
Not Known	39.6	216.2	23.0
Tokorima	0.0	0.0	0.0
Piriaka	13.2	23.5	0.0
Erua	13.2	23.5	41.4
TOTAL	7625	9992	9526

Peak Holiday Home Population per Urban Area

HOLIDAY HOME – PROJECTED GROWTH BY AREA

As noted earlier, the NRR survey is an important source of information however due to the variance in responses and low level return rate, it comes with a very high level of uncertainty. Nevertheless, given the importance of holiday home visitor numbers in establishing an estimated peak population, it is necessary to use this information in order to estimate future holiday home visitor numbers as well as the projected absolute peak population.

Based on the survey responses between 2010 and 2019 the total number of holiday homes increased by 269, or approximately 27 homes per year, from 1,802 (in 2010) to 2,071 (in 2019). Over this same time period, the average number of people staying per home ranged from 4.4 – 4.7.

The following projections have been calculated assuming growth of 27 holiday homes per year at an estimated occupancy rate of 4.6 persons.

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Projected number of holiday homes	2125	2152	2179	2206	2233	2260	2287	2314	2341	2368	2395
Projected peak population	9775	9899	10025	10148	10272	10396	10520	10644	10769	10893	11017

Projected Holiday Home Number and Population

The 9 year average (percentage) of the distribution of holiday homes has been used to determine future holiday home projections because there were no obvious trends emerging from this set of data (due to its dubious nature). The 9 year average can be found on page 28 table 19.

PROJECTED HOLIDAY HOME POPULATION											
URBAN AREA	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Ohakune	4,997	5,060	5,124	5,188	5,251	5,314	5,378	5,441	5,505	5,569	5,632
Taumarunui	1,173	1,188	1,203	1,218	1,233	1,248	1,262	1,277	1,292	1,307	1,322
National Park	1,089	1,103	1,117	1,130	1,144	1,158	1,172	1,186	1,200	1,213	1,227
Raetihi	652	660	669	677	685	693	702	710	718	727	735
Rangataua	586	593	600	608	615	623	630	638	645	652	660
Raurimu	338	343	347	351	355	360	364	368	373	377	381
Owhango	257	260	264	267	270	273	277	280	283	286	290
Horopito	142	144	145	147	149	151	153	154	156	158	160
Kakahi	118	120	121	123	124	126	127	129	130	132	133
Ohura	106	107	108	110	111	112	114	115	116	118	119
Waiouru	72	73	74	75	76	77	78	79	80	81	82
Kaitieke	23	24	24	24	25	25	25	26	26	26	26
Waimiha	41	42	42	43	43	44	44	45	45	46	46
Pokaka	28	29	29	29	30	30	31	31	31	32	32
Not Known	112	114	115	117	118	120	121	122	124	125	127
Tokorima	11	11	11	11	11	11	12	12	12	12	12
Piriaka	10	10	10	10	10	10	11	11	11	11	11
Erua	16	16	16	16	16	17	17	17	17	17	18
TOTAL	9,771	9,895	10,019	10,144	10,268	10,392	10,516	10,640	10,765	10,889	11,013

Projected Holiday Home Population

In order to inform peak population (pages 35 - 43) each of these townships have been attributed to their respective SA2.

COMPONENT 3: ESTIMATED PROJECTED POPULATION - COMMERCIAL ACCOMMODATION

The third component of Peak Population that is explored is that of the Commercial Accommodation Monitor Survey (CAM Stats) which provides information about short-term commercial accommodation activity in hotels, motels, backpackers and holiday parks (excluding Bed + Breakfast type arrangements – see Holiday Homes) at territorial authority level¹⁴. Unfortunately, the survey was discontinued in August 2019. There is however, still adequate information with which to model projections for the time being. The data for the months of September 2019 through to December 2019 has been conservatively modelled from the emerging trends of the same months of the previous five years.

It is important to note that the CAM Stat data is reliant on commercial accommodation operators willingly and honestly providing their information. Not all commercial accommodation providers in the District

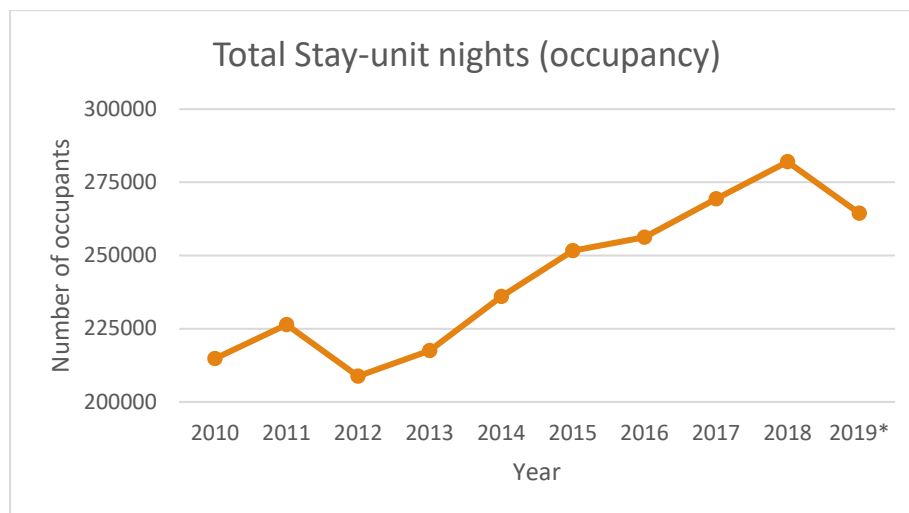
¹⁴ <https://www.stats.govt.nz/information-releases/accommodation-survey-august-2019>

provided data to CAM Stats and not all operators provided data consistently. Anecdotal feedback from Council's Economic Development Manager is that approximately a dozen commercial accommodation providers never provided information to CAM Stats.

Over the past 10 years between 47 and 54 commercial accommodation providers have submitted data to CAM Stats. On average, there was a 0.294% increase in occupancy per year, a 2.46% increase in guest nights and a 2.8% increase in guest arrivals.

	Average # of accom. units	Average Daily Capacity (stay units)	Average Occupancy Rate (%)	Total Stay unit nights (occupancy)	Average length of stay (days)	Average # Guests per stay-unit night
2010	50	2,503	23.5	214,754	1.76	1.77
2011	51	2,402	25.81	226,393	1.69	1.71
2012	51	2,476	23.07	208,789	1.62	1.79
2013	52	2,442	24.37	217,558	1.62	1.81
2014	52	2,426	26.63	236,036	1.67	1.79
2015	51	2,419	28.41	251,663	1.69	1.72
2016	51	2,305	30.27	256,223	1.70	1.72
2017	52	2,227	33.06	269,311	1.73	1.78
2018	52	2,195	35.2	282,007	1.73	1.75
2019* ¹⁵	51	2,219	32.57	264,485	1.73	1.80

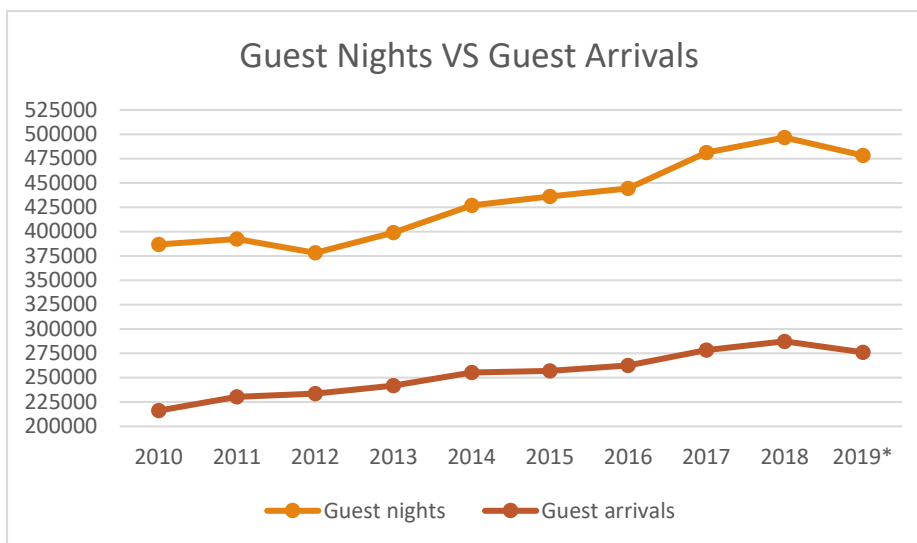
Commercial Accommodation Averages



¹⁵ 2019 statistics are skewed and most likely very conservative. The last four months of the calendar year have been modelled from the same months of the previous 5 years trends due to the survey being discontinued in August 2019.

Percentage change in occupancy		
2010	214,754	5.42%
2011	226,393	-7.78%
2012	208,789	4.20%
2013	217,558	8.49%
2014	236,036	6.62%
2015	251,663	1.81%
2016	256,223	5.11%
2017	269,311	4.71%
2018	282,007	-6.21%
2019*	264,485	
Average increase per year 2.49%		

CAM Percentage Change in Occupancy



Percentage Change in Guest nights		
2010	386,869	1.49%
2011	392,636	-3.66%
2012	378,280	5.51%
2013	399,123	7.01%
2014	427,107	2.18%
2015	436,404	1.87%
2016	444,570	8.30%
2017	481,460	3.18%
2018	496,772	-3.74%
2019*	478,181	
Average increase per year 2.46%		

CAM Percentage Change in Guest Nights

Percentage Change in Guest arrivals		
2010	216,202	6.54%
2011	230,345	1.43%
2012	233,649	3.56%
2013	241,966	5.52%
2014	255,314	0.70%

2015	257,092	2.13%
2016	262,574	6.05%
2017	278,464	3.20%
2018	287,380	-3.93%
2019*	276,082	
Average increase per year 2.8%		

CAM Percentage Change in Guest Arrivals

COMMERCIAL ACCOMODATION – PROJECTED GROWTH BY SA2

The following table assumes that there are 60 commercial accommodation providers operating within the District distributed as follows:

NUMBER OF COMMERCIAL ACCCOMIDATION PROVIDERS							
National Park	Ngapuke	Ohakune	Otangiwai – Ohura	Raetihi	Tangiwai	Taumarunui	Waiouru
16	0	30	1	2	2	8	1

Number of Commercial Accommodation Providers

Another assumption made is that a commercial accommodation provider will be established in the Ngapuke SA2 over the next 10 years. If this is not the case, this allowance will most likely be absorbed by another SA2.

Projected commercial accommodation visitors have been prepared at low, medium and high growth levels. It is recommended that when preparing the peak population, the same growth levels are used as those for the URP projections.

NATIONAL PARK	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	873	873	873	873	873	912	912	912	912	953	953	953
Medium	770	770	770	770	770	793	793	793	793	817	817	817
Low	667	667	667	667	667	670	670	670	670	674	674	674

NGAPUKE	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	0	0	0	0	0	8	8	8	8	8	8	8
Medium	0	0	0	0	0	4	4	4	4	4	4	4
Low	0	0	0	0	0	0	0	0	0	0	0	0

OHAKUNE	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	1637	1637	1637	1637	1637	1719	1719	1719	1719	1805	1805	1805
Medium	1444	1444	1444	1444	1444	1487	1487	1487	1487	1532	1532	1532
Low	1252	1252	1252	1252	1252	1265	1265	1265	1265	1277	1277	1277

OTANGIWAI - OHURA	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	55	55	55	55	55	55	55	55	55	55	55	55
Medium	48	48	48	48	48	48	48	48	48	48	48	48
Low	42	42	42	42	42	42	42	42	42	42	42	42

RAETIHI	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	109	109	109	109	109	109	109	109	109	109	109	109
Medium	96	96	96	96	96	96	96	96	96	96	96	96
Low	83	83	83	83	83	83	83	83	83	83	83	83

TANGIWAI	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	109	109	109	109	109	109	109	109	109	109	109	109
Medium	96	96	96	96	96	96	96	96	96	96	96	96
Low	83	83	83	83	83	83	83	83	83	83	83	83

TAUMARUNUI	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	436	436	436	436	436	449	449	449	449	463	463	463
Medium	385	385	385	385	385	385	385	385	385	385	385	385
Low	334	334	334	334	334	327	327	327	327	321	321	321

WAIOURU	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	55	55	55	55	55	55	55	55	55	55	55	55
Medium	48	48	48	48	48	48	48	47	47	47	47	47
Low	42	42	42	42	42	42	42	41	41	41	41	41

COMPONENT 4: ESTIMATED PROJECTED POPULATION - DAY VISITORS

The fourth and final component of Peak Population is Day Visitors. There is no solid data that can currently be relied upon to identify day visitors to the District and as such the assumption has been made that day visitors to the District will reflect commercial accommodation visitors. The same growth level is also to be used when preparing the peak population.

PEAK POPULATION

Peak population is a vital tool with which to plan for the absolute peak usage of services and infrastructure that Council could experience on any given day. Peak population comprises for the four components explored through pages 23 - 45; usually resident population, holiday home population, commercial accommodation population and day visitors.

NATIONAL PARK												
URP	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	1114	1135	1156	1177	1200	1224	1245	1269	1293	1316	1341	1365
Medium	1104	1115	1126	1137	1154	1172	1187	1205	1224	1244	1264	1284
Low	1101	1109	1116	1124	1139	1154	1169	1184	1200	1216	1233	1249
Holiday Homes	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Medium	1686	1708	1729	1751	1773	1795	1816	1838	1860	1881	1903	1925
CAM	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	873	873	873	873	873	912	912	912	912	953	953	953
Medium	770	770	770	770	770	793	793	793	793	817	817	817
Low	667	667	667	667	667	670	670	670	670	674	674	674
Day Visitors	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	873	873	873	873	873	912	912	912	912	953	953	953
Medium	770	770	770	770	770	793	793	793	793	817	817	817
Low	667	667	667	667	667	670	670	670	670	674	674	674
Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	4546	4589	4631	4674	4719	4843	4886	4932	4977	5104	5150	5196
Medium	4330	4363	4395	4428	4467	4553	4589	4629	4670	4759	4800	4842
Low	4121	4150	4180	4209	4246	4289	4325	4362	4400	4445	4483	4521

Peak Population: National Park

NGAPUKE												
URP	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	1333	1358	1383	1408	1436	1464	1489	1519	1546	1575	1604	1633
Medium	1321	1334	1347	1360	1381	1402	1420	1442	1465	1488	1512	1536
Low	1317	1326	1336	1345	1363	1380	1398	1416	1436	1455	1475	1495
Holiday Homes	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Medium	126	128	130	131	133	135	136	138	139	141	143	144
CAM	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	0	0	0	0	0	8	8	8	8	8	8	8
Medium	0	0	0	0	0	4	4	4	4	4	4	4
Low	0	0	0	0	0	0	0	0	0	0	0	0
Day Visitors	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	126	128	130	131	133	135	136	138	139	141	143	144
Medium	95	97	100	103	106	109	112	115	118	122	125	128
Low	71	73	75	77	79	82	84	86	89	91	94	96
Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	1586	1614	1642	1671	1702	1741	1770	1802	1833	1865	1897	1930
Medium	1542	1559	1577	1594	1620	1650	1672	1699	1727	1755	1784	1813
Low	1515	1528	1541	1554	1575	1597	1618	1640	1664	1687	1711	1736

Peak Population: Ngapuke

OHAKUNE												
URP	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	1250	1273	1297	1320	1346	1373	1396	1424	1450	1477	1504	1531
Medium	1238	1250	1263	1275	1295	1315	1331	1352	1373	1395	1417	1440
Low	1235	1244	1252	1261	1277	1294	1311	1328	1346	1364	1383	1401
Holiday Homes	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Medium	4934	4997	5060	5124	5188	5251	5314	5378	5441	5505	5569	5632
CAM	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	1637	1637	1637	1637	1637	1719	1719	1719	1719	1805	1805	1805
Medium	1444	1444	1444	1444	1444	1487	1487	1487	1487	1532	1532	1532
Low	1252	1252	1252	1252	1252	1265	1265	1265	1265	1277	1277	1277
Day Visitors	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	1637	1637	1637	1637	1637	1719	1719	1719	1719	1805	1805	1805
Medium	1444	1444	1444	1444	1444	1487	1487	1487	1487	1532	1532	1532
Low	1252	1252	1252	1252	1252	1265	1265	1265	1265	1277	1277	1277
Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	9457	9544	9631	9718	9808	10061	10149	10239	10329	10591	10682	10773
Medium	9060	9135	9211	9287	9370	9540	9620	9704	9789	9964	10050	10136
Low	8672	8745	8817	8889	8969	9074	9154	9235	9316	9424	9506	9588

Peak Population: Ohakune

OTANGIWAI - OHURA												
URP	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	1083	1104	1124	1144	1167	1190	1211	1234	1257	1280	1303	1327
Medium	1074	1084	1095	1105	1122	1140	1154	1172	1191	1210	1229	1249
Low	1071	1078	1086	1093	1108	1122	1136	1151	1167	1183	1199	1215
Holiday Homes	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Medium	155	157	159	161	163	165	167	169	171	173	175	177
CAM	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	55	55	55	55	55	55	55	55	55	55	55	55
Medium	48	48	48	48	48	48	48	48	48	48	48	48
Low	42	42	42	42	42	42	42	42	42	42	42	42
Day Visitors	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	55	55	55	55	55	55	56	56	56	56	56	57
Medium	48	48	48	48	48	48	48	48	48	48	48	48
Low	42	42	42	42	42	42	41	41	41	41	41	42
Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	1349	1371	1393	1416	1440	1465	1489	1515	1539	1564	1590	1616
Medium	1325	1338	1350	1363	1382	1401	1418	1437	1458	1479	1500	1522
Low	1310	1320	1329	1339	1355	1371	1387	1404	1422	1439	1458	1477

Peak Population: Otangiwai-Ohura

RAETIHI												
URP	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	1102	1122	1143	1164	1187	1210	1231	1255	1278	1302	1326	1350
Medium	1092	1103	1113	1124	1141	1159	1174	1192	1211	1230	1250	1270
Low	1089	1096	1104	1112	1126	1141	1156	1171	1187	1203	1219	1236
Holiday Homes	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Medium	644	652	660	669	677	685	693	702	710	718	727	735
CAM	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	109	109	109	109	109	109	109	109	109	109	109	109
Medium	96	96	96	96	96	96	96	96	96	96	96	96
Low	83	83	83	83	83	83	83	83	83	83	83	83
Day Visitors	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	109	109	109	109	109	111	111	111	111	111	111	113
Medium	83	83	83	83	83	83	83	83	83	83	83	83
Low	63	63	63	63	63	63	63	63	63	63	63	63
Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	1963	1992	2021	2050	2082	2115	2145	2177	2209	2240	2272	2307
Medium	1915	1934	1953	1972	1997	2023	2046	2073	2100	2127	2155	2184
Low	1878	1894	1910	1926	1949	1972	1995	2018	2043	2067	2092	2117

Peak Population: Raetihi

TANGIWAI												
URP	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	1351	1377	1402	1427	1456	1484	1510	1540	1568	1597	1626	1656
Medium	1339	1352	1366	1379	1400	1422	1440	1462	1485	1509	1533	1557
Low	1335	1345	1354	1364	1382	1400	1418	1436	1456	1475	1495	1516
Holiday Homes	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Medium	761	771	781	791	801	810	820	830	840	850	859	869
CAM	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	109	109	109	109	109	109	109	109	109	109	109	109
Medium	96	96	96	96	96	96	96	96	96	96	96	96
Low	83	83	83	83	83	83	83	83	83	83	83	83
Day Visitors	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	109	109	109	109	109	109	110	110	110	110	110	110
Medium	96	96	96	96	96	96	96	96	96	96	96	96
Low	83	83	83	83	83	83	83	83	83	83	83	82
Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	2331	2366	2401	2436	2474	2513	2549	2588	2626	2665	2704	2744
Medium	2293	2316	2339	2362	2393	2424	2452	2484	2517	2551	2584	2619
Low	2263	2282	2301	2321	2348	2376	2403	2432	2461	2491	2520	2550

Peak Population: Tangiwai

TAUMARUNUI (CENTRAL, EAST AND NORTH - THREE SA2'S COMBINED)												
URP	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	4941	5034	5127	5220	5322	5427	5521	5630	5733	5838	5945	6054
Medium	4896	4945	4993	5042	5119	5198	5264	5346	5431	5517	5605	5694
Low	4883	4917	4952	4987	5051	5117	5183	5250	5322	5394	5468	5542
Holiday Homes	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Medium	1158	1173	1188	1203	1218	1233	1248	1262	1277	1292	1307	1322
CAM	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	436	436	436	436	436	449	449	449	449	463	463	463
Medium	385	385	385	385	385	385	385	385	385	385	385	385
Low	334	334	334	334	334	327	327	327	327	321	321	321
Day Visitors	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	436	436	436	436	436	449	449	449	449	463	463	463
Medium	385	385	385	385	385	385	385	385	385	385	385	385
Low	334	334	334	334	334	327	327	327	327	321	321	321
Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	6971	7079	7187	7294	7412	7558	7667	7790	7909	8056	8177	8301
Medium	6825	6888	6951	7014	7107	7201	7282	7378	7478	7579	7682	7786
Low	6709	6758	6808	6857	6937	7004	7085	7167	7254	7328	7416	7506

Taumarunui, Central East and North

WAIOURU												
URP	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	821	837	852	868	885	902	918	936	953	971	988	1007
Medium	814	822	830	838	851	864	875	889	903	917	932	947
Low	812	818	823	829	840	851	862	873	885	897	909	921
Holiday Homes	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Medium	71	72	73	74	75	76	77	78	79	80	81	82
CAM	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	55	55	55	55	55	55	55	55	55	55	55	55
Medium	48	48	48	48	48	48	48	47	47	47	47	47
Low	42	42	42	42	42	42	42	41	41	41	41	41
Day Visitors	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	55	55	55	55	55	55	55	55	55	55	55	55
Medium	48	48	48	48	48	48	48	47	47	47	47	47
Low	42	42	42	42	42	42	42	41	41	41	41	41
Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High	1003	1019	1036	1052	1070	1088	1105	1124	1142	1160	1179	1198
Medium	969	978	987	996	1010	1024	1036	1048	1063	1078	1094	1110
Low	967	974	981	987	999	1011	1023	1032	1045	1058	1071	1084

Peak Population: Waiouru

As aforementioned, it is recommended that the following growth levels be used to indicate the absolute peak population:

SA2	RECOMMENDED GROWTH LEVEL
National Park	Medium
Ohakune	High
Otangiwai-Ohura	Low
Raetihi	Low
Tangiwai	Low
Taumarunui (Central, East + North)	Medium
Waiouru	Low
Ngapuke	Low

The following table depicts the total projected Peak Population when taking into consideration each SA2's recommended growth level.

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
NATIONAL PARK												
Medium	4330	4363	4395	4428	4467	4553	4589	4629	4670	4759	4800	4842
NGAPUKE												
Low	1515	1528	1541	1554	1575	1597	1618	1640	1664	1687	1711	1736
OHAKUNE												
High	9457	9544	9631	9718	9808	10061	10149	10239	10329	10591	10682	10773
OTANGIWAI - OHURA												
Low	1310	1320	1329	1339	1355	1371	1387	1404	1422	1439	1458	1477
RAETIHI												
Low	1878	1894	1910	1926	1949	1972	1995	2018	2043	2067	2092	2117
TANGIWAI												
Low	2263	2282	2301	2321	2348	2376	2403	2432	2461	2491	2520	2550
TAUMARUNUI (CENTRAL, EAST AND NORTH - THREE SA2'S COMBINED)												
Medium	6825	6888	6951	7014	7107	7201	7282	7378	7478	7579	7682	7786
WAIOURU												
Low	967	974	981	987	999	1011	1023	1032	1045	1058	1071	1084
RUAPEHU DISTRICT												
Total Peak POP	28545	28792	29039	29287	29608	30142	30446	30773	31111	31672	32016	32364

Projected Peak Population by SA2 at Recommended Growth Levels

INFRASTRUCTURE

Indicators of growth and expansion in the built environment include;

1. Resource Consents
2. Building Consents
3. Rateable Assessments

Forecasted Assumption(s):

1. *The assumption has been made that low quality asset condition assessments will lead to poor infrastructure capital decision making.*
Level of Certainty: Highly Likely
Potential Financial Consequence: Moderate
2. *The assumption has been made that, excepting water infrastructure, all other assets will deliver the required level of service over their documented useful life as reflected in the Revenue and Financing Policy.*
Level of Certainty: Likely
Potential Financial Consequence: Moderate
3. *Revaluation of fixed assets is done annually for property. 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. The revaluations are based on the BERL inflation rates. The revaluation impact is broadly equivalent to the increase in the Local Government Cost Index.*
Level of Certainty: Likely
Potential Financial Consequence: Moderate
4. *Depreciation rates on planned asset acquisitions are based on an average percentage of their components and the estimated useful life of the various assets.*
Level of Certainty: Likely
Potential Financial Consequence: Moderate
5. *There is a risk that compromised access to and through SH4 could lead to economic impacts resulting from short term interruption and loss of economic opportunity.*
Level of Certainty: Unlikely
Potential Financial Consequence: Low
6. *The assumption has been made that the Capital work programme estimates and MBIE funding are not sufficient to complete all elements of proposed works and ratepayers will need to part fund this*
Level of Certainty: Likely
Potential Financial Consequence: Significant
7. *The assumption has been made that ongoing subdivisions in Ohakune will cause additional pressures on 3 waters infrastructure resulting in Council not being able to consent buildings.*
Level of Certainty: Likely
Potential Financial Consequence: Significant
8. *It has been 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.*
Level of Certainty: Likely
Potential Financial Consequence: Significant
9. *The assumption has been made that the number of rateable assessments will continue to experience small scale growth of approximately 0.16%*
Level of Certainty: Likely
Potential Financial Consequence: Neutral

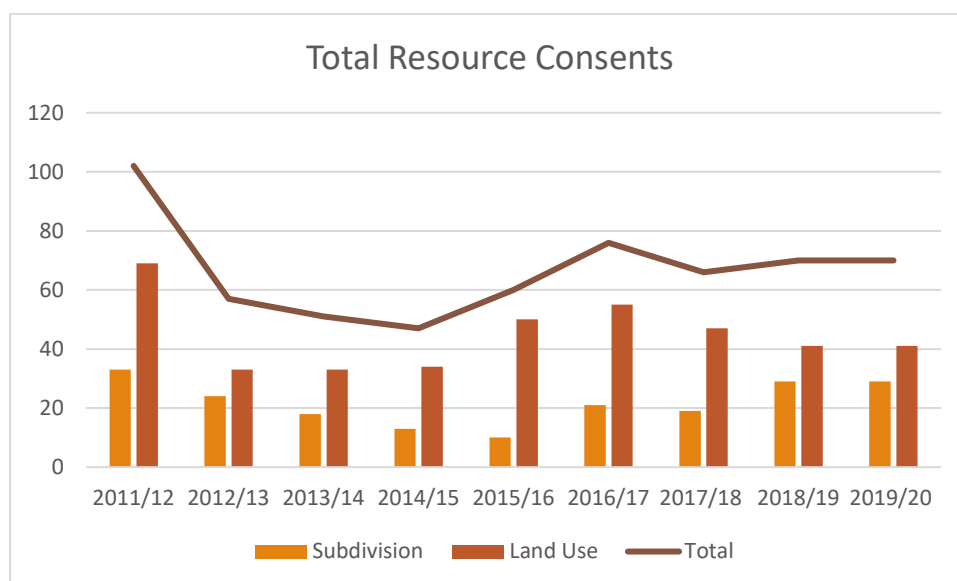
RESOURCE CONSENTS

In the past six months, a number of subdivisions have been progressed from granted consents to completion of conditions and the final process to issue of title. The year 2019/20 saw 54 development contributions paid, while during the current financial year (2020/21 to date), there have been 62 lots paid, indicating that owners are experiencing positive responses from potential and actual purchasers of these new lots.

This surge in urban residential subdivision activity is only occurring in Ohakune but does include a number of lifestyle blocks being developed all over the District including an increasing number of two – three lot subdivisions.

Year	Subdivision	Land Use
2011/12	33 (1 refused)	69
2012/13	24 (2 refused)	33
2013/14	18	33
2014/15	13	34
2015/16	10	50
2016/17	21	55
2017/18	19	47 (2 returned)
2018/19	29 (4 returned)	41 (4 returned)
2019/20	29 (1 returned; 1 withdrawn)	41 (1 returned)
2020/21* as at 18/01/21	17*	11*

2010 – 2020 Resource Consents

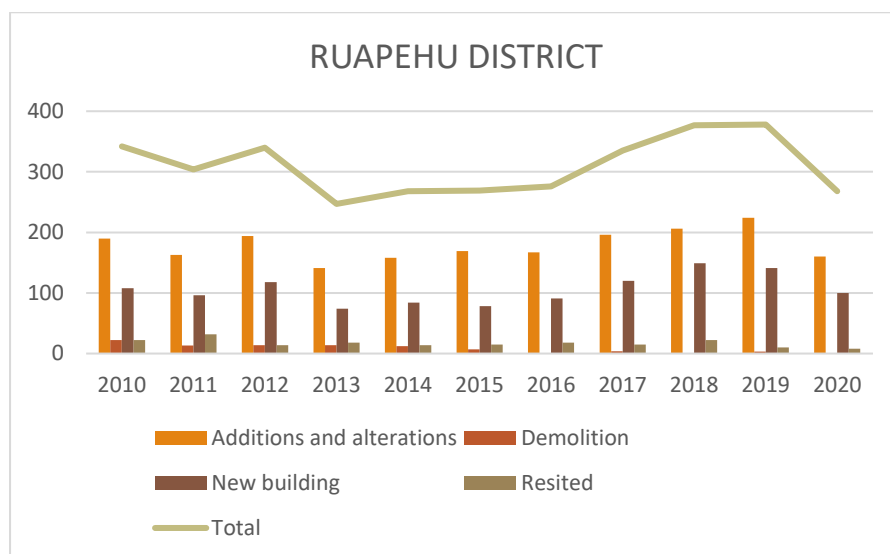


BUILDING CONSENTS

At a District level, the number of building consents issued has continued to rise since the 2012/13 decline. 2020 saw the first overall decline in building consents issued since 2012; this could be attributed to COVID-19 induced behaviour. Interestingly, Taumarunui was the only ward that saw an increase, albeit slight, in building consents issued in 2020.

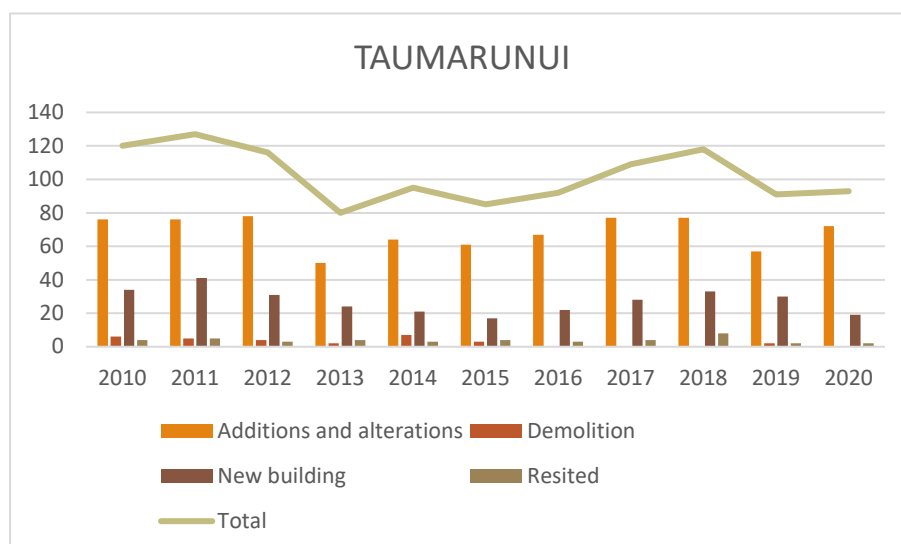
RUAPEHU DISTRICT												
CONSENT TYPE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Additions + alterations	190	163	194	141	158	169	167	196	206	224	160	1968
Demolition	22	13	14	14	12	7	0	4	0	3	0	89
New building	108	96	118	74	84	78	91	120	149	141	100	1159
Re-sited	22	32	14	18	14	15	18	15	22	10	8	188
Total	342	304	340	247	268	269	276	335	377	378	268	3404

Ruapehu District: Building Consents



TAUMARUNUI												
CONSENT TYPE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Additions + alterations	76	76	78	50	64	61	67	77	77	57	72	755
Demolition	6	5	4	2	7	3	0	0	0	2	0	29
New building	34	41	31	24	21	17	22	28	33	30	19	300
Resited	4	5	3	4	3	4	3	4	8	2	2	42
Total	120	127	116	80	95	85	92	109	118	91	93	1126

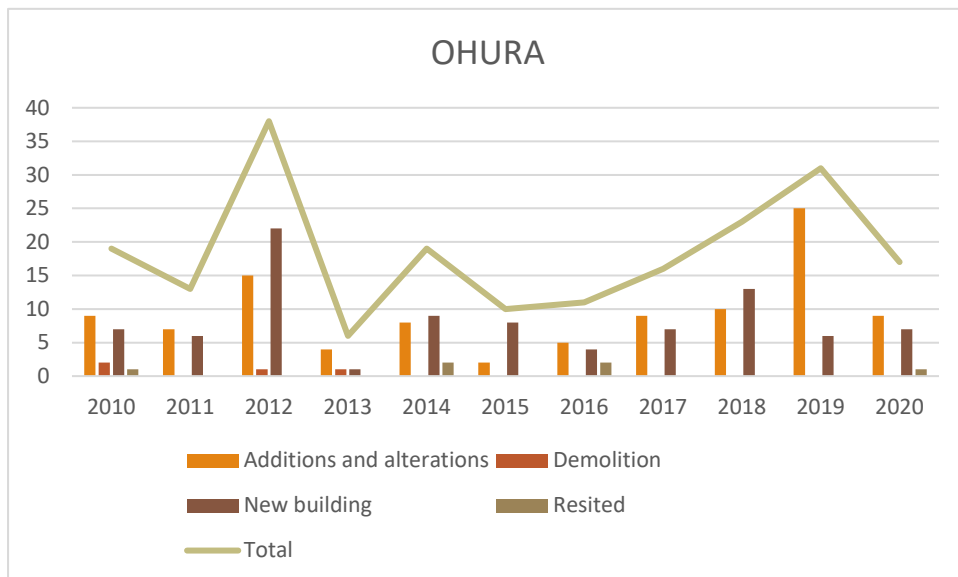
Building Consents: Taumarunui



OHURA												
CONSENT TYPE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Additions + alterations	9	7	15	4	8	2	5	9	10	25	9	103
Demolition	2	0	1	1	0	0	0	0	0	0	0	4

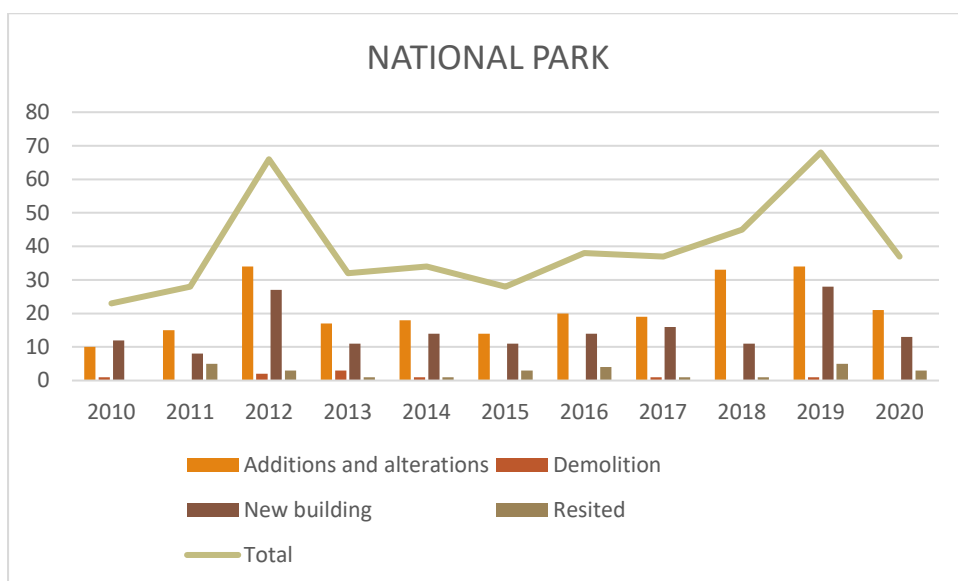
New building	7	6	22	1	9	8	4	7	13	6	7	90
Re-sited	1	0	0	0	2	0	2	0	0	0	1	6
Total	19	13	38	6	19	10	11	16	23	31	17	203

Building Consents: Ohura



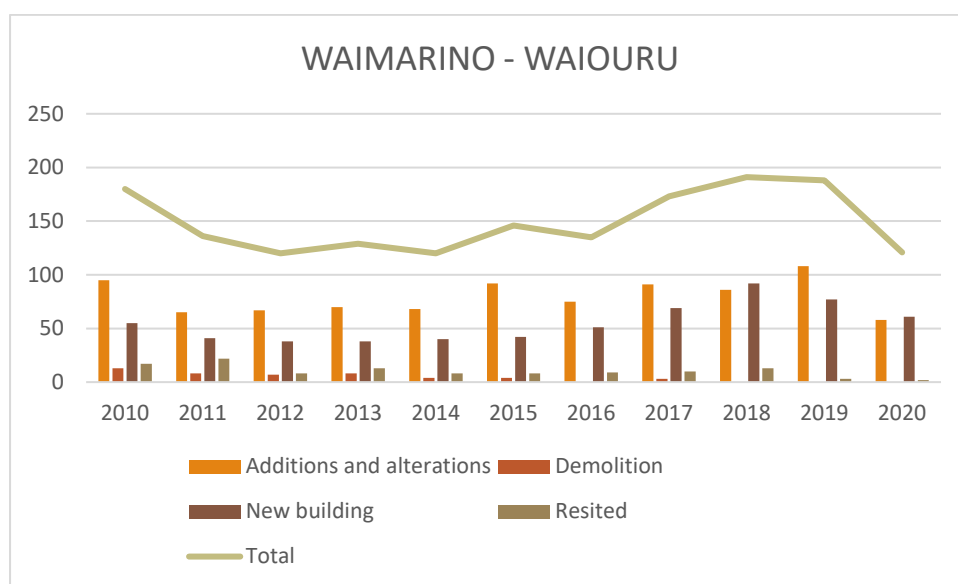
NATIONAL PARK												
CONSENT TYPE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Additions + alterations	10	15	34	17	18	14	20	19	33	34	21	235
Demolition	1	0	2	3	1	0	0	1	0	1	0	9
New building	12	8	27	11	14	11	14	16	11	28	13	165
Re-sited	0	5	3	1	1	3	4	1	1	5	3	27
Total	23	28	66	32	34	28	38	37	45	68	37	436

Building Consents: National Park



WAIMARINO - WAIOURU												
CONSENT TYPE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Additions + alterations	95	65	67	70	68	92	75	91	86	108	58	875
Demolition	13	8	7	8	4	4	0	3	0	0	0	47
New building	55	41	38	38	40	42	51	69	92	77	61	604
Re-sited	17	22	8	13	8	8	9	10	13	3	2	113
Total	180	136	120	129	120	146	135	173	191	188	121	1639

Building Consents: Waimarino-Waiouru

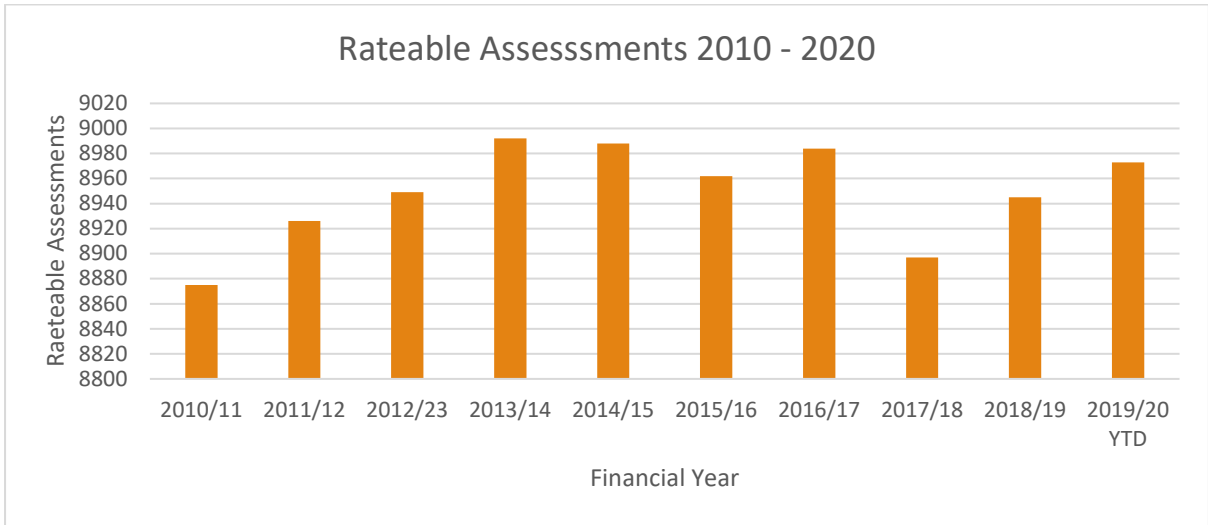


RATEABLE ASSESSMENTS

The number of rateable units is also an important measure of growth however it must be acknowledged that the number of rateable units fluctuates year-on-year for reasons such as subdivisions, part-sales, or amalgamations. Over the past 10 years, the number of rateable assessments has increased on average 0.123% (or 11 units per year). Building on this trend, confidently assuming small scale growth, the assumed rate of growth has been set at 0.16% (or 15 units per year).

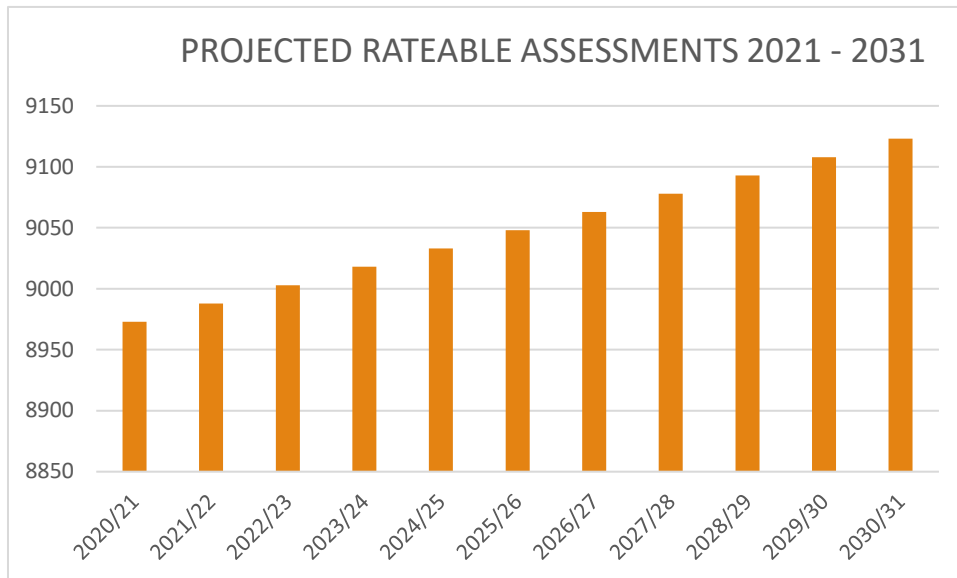
YEAR	RATEABLE ASSESSMENTS
2010/11	8875
2011/12	8926
2012/23	8949
2013/14	8992
2014/15	8988
2015/16	8962
2016/17	8984
2017/18	8897
2018/19	8945
2019/20 YTD	8973

Table forty-five: Rateable Assessments



YEAR	PROJECTED RATEABLE ASSESSMENTS
2020/21	8973
2021/22	8988
2022/23	9003
2023/24	9018
2024/25	9033
2025/26	9048
2026/27	9063
2027/28	9078
2028/29	9093
2029/30	9108
2030/31	9123

Projected Rateable Assessments



ECONOMY

There are many measures with which to gauge economic trends and outputs of households, communities and countries. A small insight into the Ruapehu economy is explored below featuring GDP, filled jobs and number of business units all of which are compared to the country as a whole.

Further information regarding Ruapehu's economy in response to COVID-19 can be provided by staff (as prepared by Horizon's Region Council) which references the following data sets; weekly retail, MSD benefits, overseas trade, job vacancies, jobs filled, job seekers, COVID income relief, property value, rent, and tourism.

The Herfindahl–Hirschman Index (HHI) measures the level of diversification of an economy, the higher the score the more concentrated a region or district's economic activity is within a few industries, meaning the more vulnerable it is to adverse effects, such as those arising from climatic conditions or commodity price fluctuations. The Ruapehu HHI score has continually decreased since 2000 (52.6) to where it sits today at 45.7 indicating that the Ruapehu economy continues to diversify.

Forecasted Assumption(s):

1. *The assumption has been made that International borders will remain closed, international tourist numbers remain nil into the near future. Local tourism operators rely solely on domestic tourism for the foreseeable future.*
Level of Certainty: Very Likely
Potential Financial Consequence: Significant
2. *The assumption has been made that pre-COVID, holiday home numbers were set to increase approx. 1.21% on average per year. Throughout COVID this is unlikely, however, this trend is expected to return with the recommencement of a fully functioning tourism economy.*
Level of Certainty: Likely
Potential Financial Consequence: Moderate

GDP

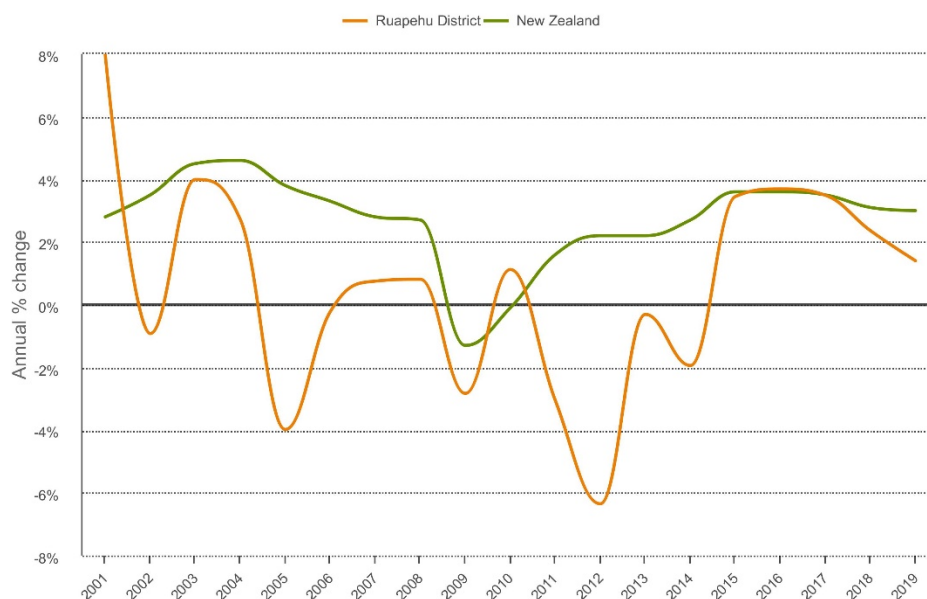
Gross Domestic Product (GDP) is a fundamental economic indicator that measures the value added from the production of goods and services. This section presents estimates of GDP for Ruapehu District for the year to March 2019 and previous years. GDP is measured in 2019 prices.¹⁶ In summary, over

Year	Ruapehu District		New Zealand	
	GDP (\$m)	Change	GDP (\$m)	Change
2000	598		178,338	
2001	646	8.00%	183,317	2.80%
2002	640	-0.90%	189,786	3.50%
2003	665	4.00%	198,411	4.50%
2004	683	2.70%	207,456	4.60%
2005	656	-4.00%	215,334	3.80%
2006	655	-0.20%	223,533	3.30%
2007	659	0.80%	229,689	2.80%
2008	665	0.80%	235,822	2.70%
2009	646	-2.80%	231,880	-1.30%
2010	653	1.10%	232,535	-0.10%
2011	633	-3.10%	235,142	1.60%
2012	593	-6.40%	240,348	2.20%
2013	591	-0.30%	245,674	2.20%
2014	580	-1.90%	252,222	2.70%
2015	600	3.40%	261,380	3.60%
2016	622	3.70%	270,899	3.60%
2017	644	3.50%	280,277	3.50%
2018	659	2.40%	289,104	3.10%

¹⁶ Infometrics, <https://ecoprofile.infometrics.co.nz/Ruapehu%20District/Gdp/Growth>

Ruapehu District			New Zealand	
2019	668	1.40%	297,894	3.00%

Table forty-six: GDP



Both domestic and international tourism has grown rapidly since 2000 and as a result, tourism's contribution to the Ruapehu's GDP has increased from \$28 Million in 2000 to \$102 million in 2020 making it one of the largest contributors to economic growth.

According to Infometrics the top 10 industries contributing to the Ruapehu's GDP in 2020 were as follows:

Ruapehu GDP contribution by Industry		
Industry	\$million	Share of total
Central Gov Admin, Defence & Safety	91	12.50%
Sheep, Beef Cattle & Grain Farming	78.8	10.80%
Property Operators & Real Estate Services	44.3	6.10%
Arts & Recreation Services	36.5	5.00%
Accommodation & Food Services	33	4.50%
Education & Training	29.9	4.10%
Pulp & Paper Product Manufacturing	27.6	3.80%
Heavy & Civil Engineering Construction	25.2	3.50%
Health Care & Social Assistance	22	3.00%
Electricity & Gas Supply	20.3	2.80%

GDP contribution by industry

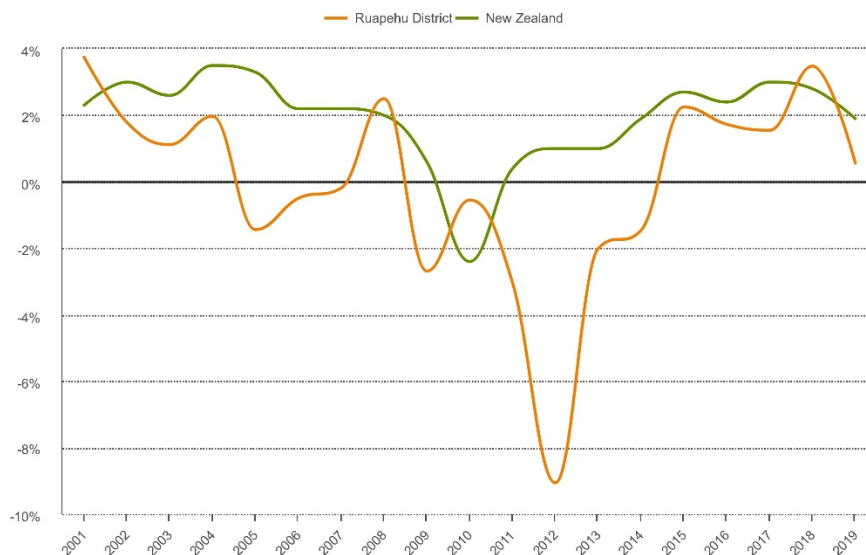
FILLED JOBS

Employment growth is an economic and social wellbeing indicator. As an economic indicator, positive employment growth shows that businesses in a region are confident in their activity and outlook to expand their workforce. The jobs created provide new opportunities for the population in Ruapehu District to earn an income, contribute to the local economy and increase the options available for how they live their lives.

Employment growth is important as it provides opportunities for the area's population to increase their contact with others and the sense of self-worth or satisfaction it can give people.¹⁷

Ruapehu District			New Zealand
Year	# of jobs	Change	Change
2000	6,507		
2001	6,751	3.70%	2.30%
2002	6,871	1.80%	3.00%
2003	6,948	1.10%	2.60%
2004	7,085	2.00%	3.50%
2005	6,983	-1.40%	3.30%
2006	6,948	-0.50%	2.20%
2007	6,935	-0.20%	2.20%
2008	7,108	2.50%	2.00%
2009	6,916	-2.70%	0.60%
2010	6,879	-0.50%	-2.40%
2011	6,669	-3.00%	0.40%
2012	6,065	-9.10%	1.00%
2013	5,943	-2.00%	1.00%
2014	5,857	-1.50%	1.90%
2015	5,989	2.30%	2.70%
2016	6,092	1.70%	2.40%
2017	6,187	1.60%	3.00%
2018	6,402	3.50%	2.80%
2019	6,438	0.60%	1.90%

Filled Jobs



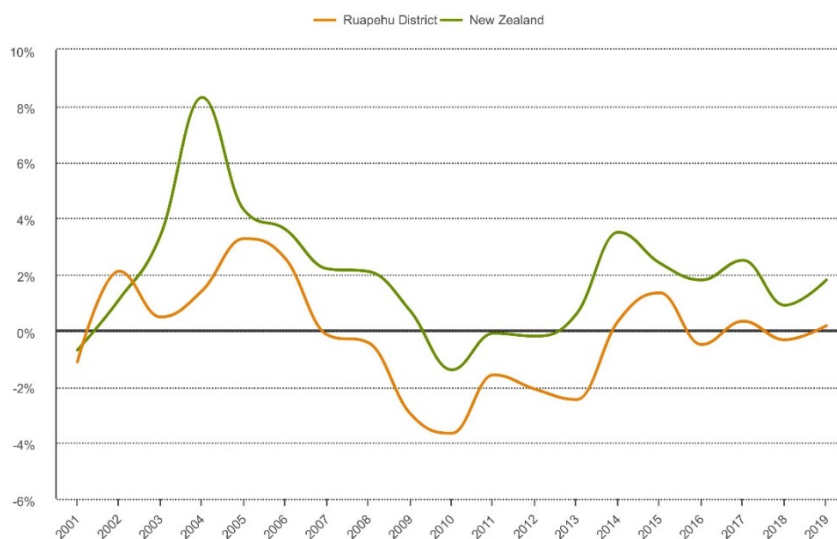
¹⁷ Infometrics, <https://ecoprofile.infometrics.co.nz/Ruapehu%20District/Employment/Growth>

NUMBER OF BUSINESS UNITS

The number of businesses in an area is an indicator of the health of the economy. For example, growth in the number of businesses in an area reflects increased entrepreneurial activity and economic activity as entrepreneurs are prepared to take risks and start new ventures.¹⁸

Year	Ruapehu District		New Zealand
	# of units	Change	Change
2000	1,872		
2001	1,851	-1.10%	-0.70%
2002	1,890	2.10%	1.10%
2003	1,899	0.50%	3.40%
2004	1,926	1.40%	8.30%
2005	1,989	3.30%	4.30%
2006	2,040	2.60%	3.60%
2007	2,037	-0.10%	2.20%
2008	2,028	-0.40%	2.10%
2009	1,968	-3.00%	0.70%
2010	1,896	-3.70%	-1.40%
2011	1,866	-1.60%	-0.10%
2012	1,827	-2.10%	-0.20%
2013	1,782	-2.50%	0.60%
2014	1,788	0.30%	3.50%
2015	1,812	1.30%	2.40%
2016	1,803	-0.50%	1.80%
2017	1,809	0.30%	2.50%
2018	1,803	-0.30%	0.90%
2019	1,806	0.20%	1.80%
2019	1,806	0.20%	1.80%

Number of Business Units



¹⁸ Infometrics, <https://ecoprofile.infometrics.co.nz/Ruapehu%20District/Businesses/Growth>

NATURAL ENVIRONMENT

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.

Forecasted Assumption(s):

1. *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.*
Level of Certainty: Likely
Potential Financial Consequence: Significant
2. *Seasonal projections show winter rainfall increasing by 7-16% in Taumarunui by 2090. It is unclear what this increase looks like out to 2031. There is not enough data to plan for increase/decrease in rainfall in other areas. This in itself is a risk.*
Level of Certainty: Neutral
Potential Financial Consequence: Moderate
3. *Temperatures are likely to be 0.7°C to 1.1°C warmer by 2040 effecting evapotranspiration of soil and dams as well as snow days.*
Level of Certainty: Neutral
Potential Financial Consequence: Moderate
4. *A reduction in the number of snow days experienced annually is projected; potentially effecting local economies reliant on snow seeking visitors.*
Level of Certainty: Likely
Potential Financial Consequence: Moderate - Significant

CLIMATE CHANGE

Guidance for territorial authorities on preparing for climate change was reviewed in June 2018.

The 'Climate Change Projections for New Zealand' report¹⁹ addresses expected changes in New Zealand's climate (temperature and many other climate variables) out to 2120, and draws heavily on climate model simulations from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report. Projections of climate change depend on future greenhouse gas emissions, which are uncertain. There are four main global emissions scenarios ranging from low to high greenhouse gas concentrations. This new set of four scenarios known as *representative concentration pathways* (RCPs), are used in this report. These pathways are identified by their approximate total **radiative forcing** at 2100 relative to 1750.

- (a) RCP 2.6 = removal of some CO₂ presently in our atmosphere (low emissions)
- (b) RCP 4.5 and RCP 6.0 = stabilisation of current CO₂ levels
- (c) RCP 8.5 = high concentration of CO₂ (high emissions)

¹⁹ Ministry for the Environment 2018. Climate Change Projections for New Zealand: Atmosphere Projections Based on Simulations from the IPCC Fifth Assessment, 2nd Edition. Wellington: Ministry for the Environment.

Projected changes in rainfall show a marked seasonality and variability across regions. For summer it is likely that there will be drier conditions in the central North Island. (*see MfE CCP*) The temperature projections generally increase with time and with the strength of the radiative forcing.

Taumarunui was (one of 5 towns) specifically singled out in this report as being *very likely* to have increased precipitation under the highest **radiative forcing** (RCP 8.5) during winter by the end of the century. (*see MfE CCP*)

Climate change projections for the Manawatu-Whanganui region were reviewed by the Ministry for the Environment in May 2018²⁰. The following changes are projected for the Manawatu-Wanganui region.²¹

TEMPERATURE

Compared to 1995, temperatures are likely to be 0.7°C to 1.1°C warmer by 2040 and 0.7°C to 3.1°C warmer by 2090.

By the end of the century, the Region is projected to have from 7 to 47 extra days per year where maximum temperatures exceed 25°C. The number of frosts could decrease by around 6 to 17 per year by 2090.

RAINFALL

The largest changes will be for particular seasons rather than annually.

Seasonal projections show winter rainfall increasing by 6 to 10 per cent in Whanganui and 7 to 16 per cent in Taumarunui by 2090.

According to the most recent projections, the Manawatu-Whanganui region is not expected to experience a significant change in the frequency of extreme rainy days as a result of climate change.

SNOWFALL

A reduction in the number of snow days experienced annually is projected throughout New Zealand, including the Central Plateau.

The duration of snow cover is also likely to decrease, particularly at lower elevations. Less winter snowfall and an earlier spring melt may cause marked changes in the annual cycle of river flow in the regions. Places that currently receive snow are likely to see increasing rainfall as snowlines rise to higher elevations due to rising temperatures.

It is possible snow amount could increase with rising temperatures in special circumstances; a warmer atmosphere can hold more moisture, and on a day where the temperatures are higher but still below freezing, there is the potential for increased heavy snowfalls. No analysis of snow extremes has been carried out at this point, however. Page 120 CC projections.

WIND

The frequency of extremely windy days in the Manawatu-Whanganui region is not likely to change significantly by 2090. There may be an increase in westerly wind flow during winter and north-easterly wind flow during summer.

²⁰ <https://www.mfe.govt.nz/climate-change/likely-impacts-of-climate-change/how-could-climate-change-affect-my-region/manawatu>

²¹ NOTE: Overview of regional projections shown as a range of values from a low emissions to a high emissions future. The projected changes are calculated for 2031–2050 (referred to as 2040) and 2081–2100 (2090) compared to the climate of 1986–2005 (1995).

STORMS

Future changes in the frequency of storms are likely to be small compared to natural inter-annual variability. Some increase in storm intensity, local wind extremes and thunderstorms is likely to occur.

IMPACTS BY SEASON

BY 2090, THE REGION COULD EXPECT ²² :	
Spring	0.6°C to 2.7°C temperature rise 1 per cent less to 3 per cent more rainfall in Whanganui No change to 5 per cent more rainfall in Taumarunui
Summer	0.7°C to 3.3°C temperature rise No change to 3 per cent more rainfall in Whanganui 2 per cent more rainfall in Taumarunui across the range of scenarios
Autumn	0.7°C to 3.2°C temperature rise 5 per cent less to 2 per cent more rainfall in Whanganui and Taumarunui
Winter	0.7°C to 3.2°C temperature rise 6 to 11 per cent more rainfall in Whanganui 7 to 16 per cent more rainfall in Taumarunui

Table forty-nine: Climate Change Possible Impacts by Season

Note:

Likelihood estimates IPCC terminology (see Introduction chapter or Technical Summary) for indicating the assessed likelihood of an outcome or result:

Virtually certain: More than 99 per cent probability of occurrence

Extremely likely: More than 95 per cent

Probability very likely: More than 90 per cent

Probability likely: More than 66 per cent probability

More likely than not: More than 50 per cent probability

Very unlikely: Less than 10 per cent probability

Extremely unlikely: Less than 5 per cent probability.

²² Projected changes are relative to 1995 levels. The values provided capture the range across all scenarios. They are based on scenario estimates and should not be taken as definitive

FINANCIAL ASSUMPTION

Refer to Part 3 of the Long term Plan, Significant Financial Assumptions, for further information regarding significant financial assumptions.

6. FINANCIAL			
Rates Receivables (Debtors)	It has been assumed that rates receivable as a percentage of rates will remain at current levels. There is a risk that rates receivables are significantly higher than that forecast due to a number of reasons, such as the effect of COVID 19 and economic issues. This would impact on cash flow requirements, increasing borrowing for operational costs.	Neutral	Moderate
External Funding For Roads	The forecast financial statements are based on the assumption that Council will be able to claim 74% of all maintenance and renewal costs for district roads in line with currently known NZTA work categories and classifications. Forecast co-investment from Waka Kotahi NZTA may be reduced due to impact from COVID-19. Council's financial assistance rate will increase to 75% in 2021/22 for local roads and 100% for Special purpose roads, with local roads reducing to 74% thereafter. Should the outcome result in less roading expenditure items being covered by the subsidy, the work programme for roading could be impacted. Any decrease in funding would require modification to planned projects and work programmes and may result in delays to both. Where it is not possible to decrease funding, there is the potential to impact on borrowing and rates.	Likely	Significant
Vested Assets	The assumption has been made that no Vested Assets have been budgeted over the next ten years	Neutral	Low
Government subsidies	While it is expected that Council will receive some Government funding for Land Transport, Housing, Cycle Trails and Three Waters and possibly other capital projects over the next ten years, the lack of certainty around this means that (and the assumption has been made) no subsidies have been factored into the budgets	Low	Moderate

Inflation	The preparation of the budget has included inflation assumptions based on BERL forecasting for the Local Government Sector. 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 be lower than forecast, there will be a favourable impact on Council's operating and capital expenditure budgets.	Likely	Moderate
CAPEX Feasibility - Three Waters	There is a strong chance that additional funding support from Central Government will be available to fast track drinking water reform changes. However, this LTP cannot include this possibility with key assumptions due to timing of any such announcements. As affordability has been removed from Local Government as a defence, RDC has forecast considerable debt impacts to Council as full compliance is an absolute non-negotiable now. The assumption has been made that practical delivery against the very ambitious LTP works forecast will face the challenges of supply chain constraints, and active monitoring will be required to minimise the risk of non-compliance by due dates.	Likely	Significant
CAPEX Feasibility - Other Works	With regards to Land Transport, there is a well-established supply chain, and committed funding. There is potential that some bridge work not covered by NZTA will require RDC to fund which it would do through debt. These are one off items in what is otherwise a very stable work program. A number of Township Revitalization outcomes that are to be debt funded to account for inter-generational equity. These would go ahead in consultation with community regardless of external funding, but Council is very open to using proposed budgets as 'seed funding' with other partners to deliver further value than forecast. However, 3rd party investment cannot be assumed in this LTP, and as such counts as 100% RDC investment. Practical delivery will have strong political and community support, and supply chain issues are somewhat lessened in this activity due to lower competition for resources from out of district or competing priorities. The assumption has been made that these the capital works costs will not vary significantly from those budgeted	Likely	Moderate

Interest rates	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 with the LGFA which Council joined in 2018. The assumption has been made that all borrowings will be renewed under similar terms and conditions except that interest rates applied to replacement and new borrowings annually will range from 1.7% to 3.4% in year ten of the LTP 2021-31. There is a high degree of uncertainty around borrowing costs due to the fluctuations of interest rates. Interest costs and debt repayment have been estimated in accordance with the Treasury Investment and Liability Management Policy.	Likely	Moderate - Significant
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REFERENCE

STATISTICS NZ:

<https://www.stats.govt.nz/news/update-on-release-of-2018-census-data>
<http://infoshare.stats.govt.nz/ViewTable.aspx?pxID=11a49800-c875-49a8-844d-18e0ae71d282>
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https://www.parliament.nz/en/pb/sc/make-a-submission/document/52SCTI_SCF_BILL_93461/infrastructure-funding-and-financing-bill
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PROFILE ID

<https://profile.idnz.co.nz/ruapehu/service-age-groups?BMID=30&Sex=2>
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MINISTRY FOR THE ENVIRONMENT

<https://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/Climate-change-projections-2nd-edition-final.pdf>
<https://www.mfe.govt.nz/climate-change/likely-impacts-of-climate-change/how-could-climate-change-affect-my-region/manawatu>

INFOMETRICS:

<https://ecoprofile.infometrics.co.nz/Ruapehu%20District/Businesses/Growth>
<https://ecoprofile.infometrics.co.nz/Ruapehu%20District/Gdp/Growth>
<https://ecoprofile.infometrics.co.nz/Ruapehu%20District/Employment/Growth>

RUAPEHU DISTRICT COUNCIL:

NRR Survey
QUBE: Building Consents; Rating database;

OTHER:

Ministry of Education
Horizon's Regional Council

INFRASTRUCTURE STRATEGY

INTRODUCTION

Ruapehu District Council (Council) is responsible for the provision of core infrastructure that is essential for the health, safety and economic wellbeing of our District. The core infrastructure that we provide our community to function includes our water supply, wastewater, stormwater, and land transport activities (roading and footpaths). These activities support economic activity, protect private property and the environment, and ensure public health.

Our 2021 Infrastructure Strategy (strategy) provides us and our communities, with our strategic direction for the provision of core infrastructure over the next 30 years. The strategy outlines the investment programmes to ensure we are meeting our legislative obligations as well as maintaining service levels to our communities. We also need to consider how the national, regional and local economies are changing with the impact of the global pandemic.

The purpose of an Infrastructure Strategy is to identify significant infrastructure issues for a council during the period covered by its strategy, the principal options for managing those issues and the implications of those options. This strategy includes the core infrastructure assets identified in section 101B (6) of the Local Government Act being:

- Water supply
- Sewerage and the treatment and disposal of sewage (wastewater)
- Stormwater drainage (stormwater)
- Roads and footpaths (land transport).

ASSET OVERVIEW

We own and manage \$607 million (replacement value as at 30 June 2021) of infrastructure assets which can be summarised as follows:

TABLE 1 ASSET SUMMARY

ACTIVITY	ASSET DESCRIPTION
Water supply	<ul style="list-style-type: none">• 6 water treatment plants• 17 reservoirs• 191km of waterpipes
Wastewater	<ul style="list-style-type: none">• 6 wastewater treatment plants• 104km of pipelines• 18 wastewater pump stations
Stormwater	<ul style="list-style-type: none">• 50km piped drains• 32km watercourse
Land transport	<ul style="list-style-type: none">• 848km unsealed roads and 496km sealed roads• 1,548 streetlights• 341 bridges and larger culverts• 286 retaining walls• 70km footpaths• 16km of Council maintained cycleways

Sources: Three waters asset valuation Veolia (1 July 2020) and GHD Transport Revaluation report 2019/20 (excluding land value)

CURRENT ASSET STATE

We have a sound understanding of the current state of our core infrastructure assets in terms of condition and performance as follows:

- **Three waters** - The overall condition of the three water assets has been assessed between good and moderate for most asset classes and townships.
- **Land transport** - The average quality of roads is measured in terms of Smooth Travel Exposure. The performance of our primary collector roads in terms of Smooth Travel Exposure is good when compared nationally, regionally and with other rural district councils. However, the other road categories do not perform or compare that well.

Asset condition and performance has been assessed at a high level for each activity and is covered in the Significant Infrastructure Issues Section of this strategy.

SIGNIFICANT ISSUES

There are significant infrastructure issues that we are faced. This is challenging with being a remote community and with small rating base to share the burden. In preparing this strategy, we have identified five strategic district infrastructure issues that need to be at the forefront of infrastructure planning and decision making:

- Impacts of the Government's Three Water Reforms
- Meeting future demands on water and wastewater infrastructure to service Ohakune
- Significant and complex challenges with upgrading wastewater treatment plants to meet higher environmental standards
- Poor quality housing provision in the district to support population growth
- Community affordability to pay for core infrastructure.

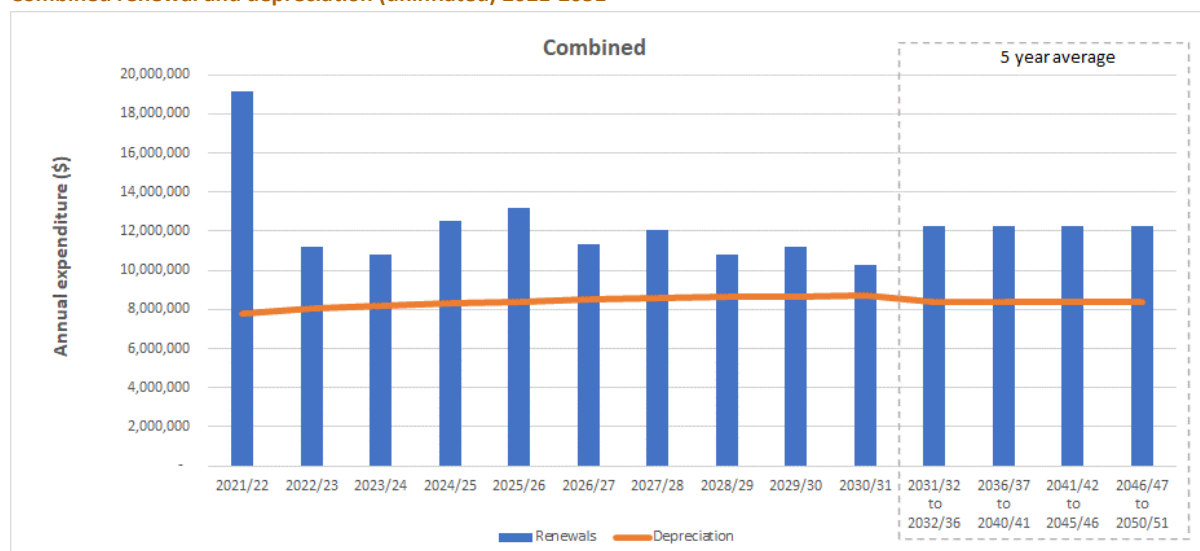
The Introduction Section of this strategy details the actions we will take to respond to the key strategic issues at district level as these are common to all activities.

RENEWAL DEPRECIATION COMPARISON

The below graph shows the combined annual renewals of \$12 million (average) versus annual depreciation \$8 million for the core assets. This shows that the forecast of renewals expenditure is higher than the depreciation over the 30-year period.

This is mainly due to the higher renewal investment in land transport than funded depreciation, and that gap is funded by Waka Kotahi NZ Transport Agency (Waka Kotahi). Three waters capital works are classified levels of service due to legislative and environmental requirements. Most projects are a combination of levels of service and renewals (i.e. like for like scenario).

Combined renewal and depreciation (uninflated) 2021-2051



Councils draft LTP budget (as at June 2021)

OVERALL FINANCIAL SUMMARY

The table below shows the total expenditure capital (broken down into renewals, growth and levels of service) and operational expenditure of the 30-year period (2022-2052).

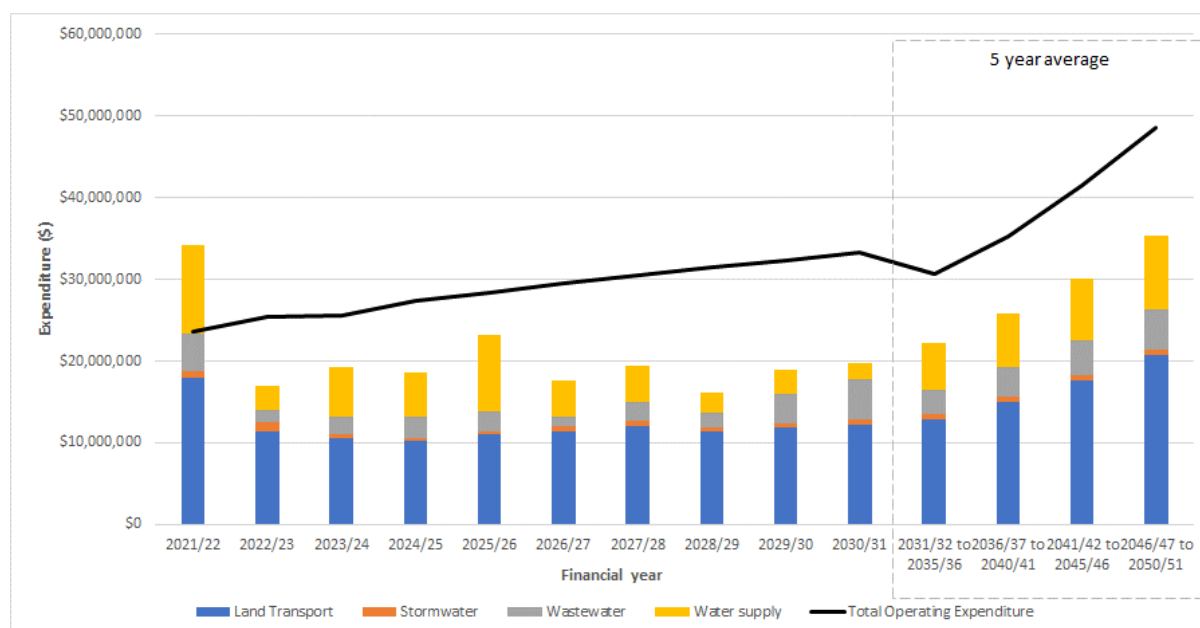
Expected total operating and capital expenditure (inflated)

Activity	Capital Expenditure (30 year totals)			Operational Expenditure (30 year totals)
	Renewals	Growth	Levels of Service	Operating
Water Supply	\$113,363,409	\$7,583,482	\$73,739,476	\$211,576,385
Wastewater	\$62,310,489	\$9,007,844	\$33,943,726	\$127,985,933
Stormwater	\$10,816,331	\$2,398,700	\$9,723,614	\$47,353,183
Land Transport	\$338,819,031	\$3,507,736	\$108,507,561	\$688,361,818
Sub Total	\$525,309,260	\$22,497,762	\$225,914,378	\$1,075,277,318
Total	\$1,856,305,886			

Source: Council's LTP budget (as at June 2021)

The figure below shows the most likely scenario for total operating and capital expenditure for combined assets.

Combined infrastructure operation and capital forecasts (inflated) 2021-51



Source: Council's LTP budget (as at June 2021)

Over the next 30-years it is expected that:

- Renewal expenditure across all the infrastructure activities is generally constant, water supply and wastewater have high capital programmes in 2021/22
- Limited provision for growth across the portfolio at present, except in wastewater
- Significant level of service investment in water supply treatment plants to comply with the Drinking Water Standards in the initial years than larger investment in wastewater to meet higher environmental standards

- Land transport focus is on maintaining and strengthening resilience of existing assets.

UNCERTAINTY AND IMPLICATIONS

In developing this strategy, we have identified a few things that we do not know. This uncertainty has a flow on effect on the identification of issues, options for dealing with issues, and how we can best respond. This also impacts the Financial Strategy.

The most significant areas of uncertainty are Council's reliance on grants and subsidies and the ability to deliver the three waters capital programme. Waka Kotahi has indicated a reduction in funding within the first three years of the Long Term Plan 2021-31. However it is expected this will revert to current level of funding from year four onwards. This is an established and mature process and plenty of opportunities to negotiate.

There is a level of uncertainty with successfully gaining the full amount from the Government's three waters stimulus grant applied for upgrading water standards and wastewater assets across the district. We are planning to undertake these upgrades regardless of Government funding being successful or not (a portion of this funding has already been secured through a signed funding agreement and has been included in our financial projections). It is untenable for Council not to comply with the Drinking Water Standards. This will mean that the debt projections will be unaffordable for our community. Council will be exploring alternative funding options and investigate opportunities to alter scope and timing to reduce this risk. We therefore expect that we likely need to consult with the community through exceptions to future Annual Plans.

There has been a strong achievement on delivering the land transport capital works programme in the past three years. However, there has been under achievement in delivering the three waters capital programme. This has mainly been due to the time to get projects procured and approved to start. This is being addressed with a Section 17A review (requirement under the Local Government Act), update of the Contract with our service provider and to set up a streamlined process for procuring capital projects. Our discussions with potential suppliers have indicated that there is sufficient market capacity to respond to our current and future delivery programme.

Council wishes to accelerate the water supply capital programme to improve drinking water compliance. This acceleration requires a step change in programme delivery. External specialist consultants will also be used to deliver a proposed larger capital programme, particularly the upfront planning and bedding in good programme management disciplines.

In summary, Council's approach to mitigating the impacts of not securing Government funding is:

- Adopt an agile approach and closely monitor the delivery of our capital programme and identify changing priorities and consult with the community through exceptions to future Annual Plans
- Actively manage the scope and timing of investment to minimise the debt burden on ratepayers, to the extent that it is able to do so while still meeting regulatory and legislative requirements.

INTRODUCTION

This Infrastructure Strategy (strategy) sets out how Ruapehu District Council expects to manage its core infrastructure over the next 30 years. This strategy outlines a 30-year view of strategic issues, expenditure requirements and significant decisions that will need to be made. The core infrastructure that we provide our community to function includes our water supply, wastewater, stormwater, and land transport activities. These activities support economic activity, protect private property and the environment, and ensure public health.

It is very difficult to make firm plans beyond the 30-year timeline. Some assets such as bridges and water pipelines will probably be in existence after 30 years and the technical works that need to be done are reasonably predictable. The use that society will put them to is the most unpredictable aspect. Will users need bridges built to current standards? Will current water, stormwater and wastewater standards be acceptable? Will tomorrow's tourists accept the same levels of physical commitment that today's tourists accept? It is hard to predict with any certainty.

The Infrastructure Strategy is a high-level strategic overview of the issues involved with providing services for the next 30 years. It should be read in conjunction with the Financial Strategy and feeds into the Long Term Plan and its Consultation Document. The Activity Management Plans are detailed documents that form the basis of this overall strategy.

The 2021 Infrastructure Strategy outlines the investment programmes to ensure we are meeting our legislative obligations as well as maintaining service levels to our communities. We also need to consider how the national, regional and local economies are changing with the impact of the global trends (due to the pandemic).

In 2018, the Infrastructure Strategy covered core and non-core assets including community property and solid waste. The 2021 Infrastructure Strategy covers only core assets to focus on the significant issues, particularly for three waters.

There are significant infrastructure issues that we are facing as outlined in the following section. These issues are contemplated through the lens of the challenge of being a remote community with a small rating base to share the burden.

PURPOSE OF THIS STRATEGY

The strategy is a component of the Long Term Plan. It identifies what we are going to do to provide our services, manage our infrastructure, grow our District sustainably, care for our environment, and overcome our issues and challenges. It aligns with our Financial Strategy, in which we determine what we can afford to do, when we can afford to do it and how we will fund it.

This strategy has been prepared in accordance with the requirements of section 101B of the Local Government Act 2002. This strategy includes the core infrastructure assets identified in section 101B (6) of the Local Government Act being:

- Water supply
- Sewerage and the treatment and disposal of sewage (wastewater)
- Stormwater drainage (stormwater)
- Roads and footpaths (land transport).

The purpose of an infrastructure strategy is to identify significant infrastructure issues for a council during the period covered by its strategy, the principal options for managing those issues and the implications of those options. This strategy also outlines the most likely scenario for the management of a council's infrastructure assets during its 30-year period, the estimated costs of managing those assets, the nature and timing of expected significant capital expenditure decisions and the assumptions on which the scenarios are based.

KEY THEMES

We have decided to focus on core assets in this strategy due to the significant issues, particularly for three waters. Council wishes to make a step change in investment in core infrastructure, particularly for water supply and wastewater activities.

We must undertake the work to provide safe drinking water and public health to our community and the environment. We cannot deliver the required programme of capital investment and keep debt at levels that are affordable to our community.

The key themes are summarised in the following table.

Summary of key themes

KEY THEME	WHAT IS THE KEY THEME?
Key Theme 1 Providing safe drinking water is a high priority	We must provide safe drinking water for communities connected to the public systems. We intend to accelerate the investment programmes, so our public water supplies are fully compliant with the Drinking Water Standards. This is the highest priority of the three water activities. This accelerated programme will impact our debt levels and therefore community affordability (refer to Key Theme 4 below).
Key Theme 2 Must address public health and safety impacts from three water activities	Although providing safe drinking water is a high priority, we must always address public health and safety concerns, particularly from the wastewater impacts. Wastewater overflows are unacceptable to our community and impacts the waterways.
Key Theme 3 Decisions on critical bridge replacement	Critical bridges in our District have been identified for replacement or urgent strengthening have been brought forward in our investment programme. We have accelerated the funding with our partner Waka Kotahi and is also high safety risk for Council. Decisions need to be made on other bridges on whether to retain or divest. This will impact local communities as the alternative route will create longer journey times in most cases and the current restrictions limit the class of vehicles that can use them. In the past these bridge works have been deferred due to affordability but has now reached a critical stage where the work must be undertaken.
Key Theme 4 Investment programmes will be unaffordable for our community	Accelerating the investment programmes, particularly for providing safe drinking water, means the debt levels will not be affordable. We are seeking Government funding where possible. However, if we are unsuccessful, we intend to still undertake these programmes as public safety is a must do (ie non- negotiable) and cannot be deferred.
Key Theme 5 Rapidly changing priorities	The 2021 Long Term Plan including this strategy is based on the best information available. Many of the key inputs, legislative changes and decisions to be made are changing at a rapid pace. We therefore expect that we likely need to further consult with the community through exceptions to future Annual Plans as the uncertainty with the information reduces.
Key Theme 6 Township revitalisation for District's prosperity	It is important that our town centres are vibrant and attractive for our community for our district to thrive and prosper. This is also important to keep existing residents but also to attract people moving from the large metropolitan cities to the regions. We also need to be attractive to domestic tourist and have to compete with other districts offering similar outdoor activities.
Key Theme 7 Increased operational obligations	There is new monitoring and stringent enforcement of the existing wastewater resource consents. This means Council will expect an increase in the number of non-compliances issued by the Regional Council until new / upgraded treatment plants are completed. We will continue to investigate short to medium term solutions until permanent solutions are agreed and funded. Wastewater solutions are more complex compared to water supply and stormwater. It is also likely that Taumata Arowai will also have higher expectations for drinking water compliance from local authorities that current practices.

SIGNIFICANT ISSUES

In preparing this strategy, we have identified five strategic district infrastructure issues that need to be at the forefront of infrastructure planning and decision making:

- Impacts of the Government's Three Water Reforms
- Meeting future demands on water and wastewater infrastructure to service Ohakune
- Significant and complex challenges with upgrading wastewater treatment plants to meet higher environmental standards
- Poor quality housing provision in the district to support population growth
- Community affordability to pay for core infrastructure.

The following table summarises key strategic issues, implications and Council's response as these are common to all activities. The significant issues for each activity are covered in later sections.

Significant district issues

SIGNIFICANT DISTRICT ISSUE	DISCUSSION AND IMPLICATION	COUNCIL'S RESPONSE
Impacts of the Government's Three Water Reforms	<p>The water reforms will be the most significant issue Council will need to consider with the 2021 Long Term Plan. It will impact the way we deliver three waters to our communities and the cost of providing these services. Taumata Arowai Water Services Regulator Act has been passed and the complementary Water Services Bill is expected to be passed in mid-2021. The standalone Crown entity Taumata Arowai is being created to regulate drinking water. The Government's Three Waters Reform Programme is strongly encouraging councils to consider changes to their delivery methods with the preferred outcome being semi regional / regional / multi-regional or national suppliers.</p>	<p>Council's management response to the change in legislation has been to collaborate with the other councils in the Manawatu-Whanganui Region to identify a preferred three waters management option. The councils located in the region undertook a collaborative study in 2018 to identify a preferred three waters management option. The study involved an asset stocktake, analysis of resources and funding, and engagement with Council local representatives. A regional agreement has been formed for a staged approach to increasing regional coordination to build a strong alliance and maximise benefits for the region's communities.</p>
Meeting future demands on water and wastewater infrastructure to service Ohakune	<p>Ohakune is experiencing significant population growth based on large number of building consents received for new subdivisions. The main drivers for the rapid growth in Ohakune are:</p> <ul style="list-style-type: none"> • Popular cycleway track round the mountains creating all year round tourist demand • Commercial growth such as new industry and Turoa gondola • Affordable housing required for workers to meet the tourist demand and new industries (mainly short term rental accommodation) • Continuing to be a popular holiday house destination. <p>Peak population is the key tool to plan for core infrastructure particularly water supply and wastewater. These seasonal peaks have a large impact on demand for water services.</p> <p>The Ohakune Water Treatment Plant is nearing capacity. The existing Ohakune Wastewater Treatment Plant largely meets the Regional Council's One Plan (single resource management planning document for the Horizons Region). Future growth will produce a tipping point where the treatment technology will need to change.</p>	<p>Council have implemented the following initiatives to address these challenges:</p> <ul style="list-style-type: none"> • Completion of the Raetihi Water Treatment Plant Upgrade in 2018 • Initiating the planning and design of the Ohakune Water Treatment Plant capacity upgrade in 2020 • Undertake modelling for Ohakune township for water supply and wastewater to understand and plan for the rapid population growth • Start investigations for a new Wastewater Treatment Plant to service Ohakune and Raetihi that will address future growth, as well as the long-standing issue of non-compliance at the Ohakune Wastewater Treatment Plant (related to ammonia and suspended solids) and strengthen resilience
Significant and complex challenges with upgrading wastewater treatment plant to meet higher environmental standards	<p>Taumata Arowai will provide oversight of wastewater and stormwater networks and administer the drinking water regulatory system for drinking water safety. Together with the Government's suite of proposed legislation and regulation changes to improve the freshwater ecological health, as well as the Regional Council's One Plan, these significant national and regional changes will impact the cost of upgrading our wastewater treatment plants and may not be affordable for our community or provide the desired environmental outcome.</p>	<p>We will continue to work collaboratively with iwi, Regional Council and stakeholder groups as the platform for co-management for a holistic and integrated wastewater management approach. We need to identify long term sustainable solutions that are affordable for our community.</p>

Poor quality and affordable housing provision in the District to support population growth

Housing is one of the biggest issues the Ruapehu community faces. Identified issues include a shortfall of quality houses, changing demographics and increasing waiting list for social housing. The housing stock in the Ruapehu District is dominated by older family homes with a general lack of affordable new homes and homes fit for purpose outside the traditional family unit. Modest sized, new, affordable, and fit for purpose homes are in short supply in the Ruapehu District. Accessible homes suited to age in place and disability are also in limited supply. Ohakune is experiencing significant population growth, greater than expected as noted above. Although Taumarunui has been identified as the main town for providing quality and affordable houses to meet the future needs, providing core infrastructure to enable growth in Ohakune is the priority in the short to medium term. Taumarunui is a centrally located town in the North Island for different industries including forestry and Ruapehu Alpine Lifts. It is attractive for permanent residents moving out of the large cities to the regions.

As part of the Government's response to help offset the economic and social impacts of COVID-19, Council has been granted about \$1.4 million for a small pilot build (Moore Street, Ohakune) as part of the Social and Affordable Housing project (subject to negotiation between Council and Crown Infrastructure Partners). This grant has been a catalyst for Council to reconsider the scope of its role in helping to address Ruapehu's growing housing issues. Currently this is limited to a small number of social housing units. The rate of new housing provision will be determined by the available external capital and suitable land for reconfiguration. The housing provision may trigger services upgrades including water services. It is expected that there will be an agreement in place to share upgrade costs attributed to each new development. The Social and Affordable Housing project is still in the early stage, so any upgrade costs have not been allowed for in this strategy and expected to be provided in the 2024 Infrastructure Strategy. The focus is on providing quality and affordable houses in Taumarunui and providing core infrastructure to enable growth in Ohakune. Council's three water and land transport asset groups need to be aligned to the Social and Affordable Housing project for future demand planning.

Community affordability to pay for core infrastructure

Community affordability to pay for core infrastructure is a challenge for Ruapehu District with the small rating base as well as higher levels of deprivation compared to other parts of the country (when using the New Zealand Deprivation Index). On a scale of 1 to 10 (least to most deprived scores, the main townships are assessed individually ranging from 6 to 10 (based on 2018 Deprivation Index). Council needs to think more broadly about how to fund its infrastructure programme. This will therefore challenge Council to look for alternative funding sources. Over the life of this strategy Council needs to understand the funding options available, including Waka Kotahi NZ Transport Agency subsidies, other Government funding, other grants and subsidies, user fees and charges, potentially development contributions, and partnerships to deliver services to the district. Alternative funding sources will enable Council to reduce the financial impact of increased infrastructure costs to our ratepayers.

Overall, Council needs to make sure its infrastructure is well maintained to avoid future unexpected costs for repair or replacement, and to prevent unexpected disruption of services to the community.

Our key initiatives include:

- Revitalising our housing portfolio, working with partners and seeking Government funding through the Social and Affordable Housing project (as noted above)
- Maintaining relationships with Waka Kotahi to ensure Council's proposed land transport programmes are fully funded
- Continuing engagement with funding sector through alignments and programmes such as Road Efficiency Group.
- Set priorities based on alignment with our vision, community feedback and economic development aspirations as set out in Council's Ruapehu Economic Development Strategy 2018-2028 and the Recovery Programme
- Seek Government funding for the significant costs of treatment plant upgrades (water supply and wastewater) to meet increased demand more affordable to the local community

STRATEGIC LINKAGES

The document is part of a suite of documents including the Financial Strategy, Consultation Document, Long Term Plan, Activity / Asset Management Plans and associated policies. This Infrastructure Strategy supports Council's Vision, Focus Areas and Outcomes.
Council's Future Vision is to:



Drive and support the development of safe, prosperous rural communities that are able to thrive and capitalise on our agriculture, business and tourism sectors while sustaining our beautiful environment

Council's Focus Areas are inspired by and support the Vision:

Council Focuses

Improve the well-being and quality of life for our communities by:

Creating and retaining jobs

Growing incomes and opportunities

Increasing the ratepayer base

Providing sustainable infrastructure

Providing value for money in all we do

Ensuring the people who benefit from council spending contribute their fair share of the costs

Working with government and others to gain funding for key projects so as to reduce the financial burden on Ruapehu ratepayers

Creating collaborative partnerships with tangata whenua

Council has stated its core priorities in the form of Community Wellbeing Outcomes:

These Outcomes are Council's true north for planning and decision-making. Every project that Council undertakes links back to at least one of the wellbeing outcomes. These are a key way we measure success. The specific ways that infrastructure contributes to the Vision, Mission and Community Outcomes are best thought about by noting the following Outcomes:

Community Wellbeing Outcomes



Social – Safe, Healthy Communities

- Quality regulation, regulatory services and infrastructure
- Reduce the volume of waste to the landfill
- Core infrastructure endeavours to keep pace with changing demand
- Excellent standards of safety and welfare are promoted and respected
- Preparation, planning and timely responses protect people and property from natural hazards



Cultural – Vibrant and Diverse Living

- Traditions, values and history of all ethnic groups are respected
- Activities, facilities and opportunities for youth are provided and supported
- Excellence and achievement in sport, arts / cultural pursuits, community service and business is supported
- Events and festivals are encouraged and supported
- Working together with tangata whenua to achieve common goals



Environmental – Sustaining Beautiful Environments

- Our environment is accessible, clean and safe and our water, soil and air meets required standards
- The promotion of our District includes focus on our natural rivers, bush and mountains, as well as the built heritage, agriculture and railways



Economic – Thriving Economy

- Regulatory services and reliable infrastructure help the economy prosper
- Our transportation network is reliable, safe and endeavours to meet the needs of users
- Economic diversity and core economic strengths are encouraged in partnership with others
- Planning and regulatory functions balance economic growth and environmental protection



Strong Leadership and Advocacy

- Council advocates strongly for the provision of, and access to, affordable and effective health, welfare, law enforcement and education services
- Council is proactive, transparent and accountable

LEGISLATIVE CHANGES

The key legislative changes that are either planned or underway that will impact the delivery of core infrastructure are summarised in the following table including Council's response to these changes.

Summary of legislative changes

LEGISLATIVE CHANGES	IMPLICATIONS	COUNCILS RESPONSE
Water Reforms	The pending water reforms will impact the way we deliver three waters to our communities and the cost of providing these services. The Government's latest Three Waters Reform Programme is strongly encouraging Councils to aggregate at regional / sub regional level to be considered for the funding package. Regional approaches will be favoured for the funding with conditions attached.	Three waters - We are collaborating with the other councils in the Manawatu-Whanganui Region to identify a preferred three waters management option. Refer to Significant Issues Section for further discussion.
Zero Carbon	The Climate Change Response (Zero Carbon) Amendment Act includes a target of reducing emissions of biogenic methane within the range of 24 to 47% below 2017 levels by 2050, and an interim target of 10% by 2030. It also has a target of reducing net emissions of all other greenhouse gases to zero by 2050.	All activities - The Zero Carbon Act will impact Council's asset portfolios including three waters and land transport. The Act does not explicitly exclude any activities such as methane produced at wastewater treatment plants. Council will consider Zero Carbon Act with its decision making and is still to develop formal strategy / action plan in response.
Road to Zero	The Government has recently released its proposal for the new road safety strategy, Road to Zero. The proposed Vision Zero is based on a world leading approach that says no death or serious injury while traveling on our roads is acceptable.	Land transport - Safety has been incorporated into Council's Programme Business Case for the land transport activity. This includes: <ul style="list-style-type: none"> • Use of Low Cost Low Risk Programme to address safety issues. • Safety audit and inspections. • Investigation of all serious and fatal crashes. • Increase driver education and safety campaigns.
Government Policy Statement on Land Transport	The Government Policy Statement on Land Transport (2021) (final September 2020) signals Government's shift to investing in improving people's wellbeing and the liveability of places. This recognises the importance of society. Modal shift, freight connections and urban form are major issues to address.	Land transport - The district seeks to achieve the Government Policy Statement strategic priorities through maintenance and renewal, minor safety work and a Walking and Cycling Strategy.
Freshwater Management	The Action for Healthy Waterways package sets higher standards around the cleanliness of swimming spots, includes a new bottom line for nitrogen toxicity, sets controls for farming practices like winter grazing and how much synthetic fertiliser is used and requires mandatory and enforceable farm environment plans. There are new requirements with the National Policy Statement for Freshwater Management 2020 including giving effect to Te Mana o to Wai, improving degraded water bodies, and maintaining or improving all others using bottom lines, and an expanded national objectives framework.	Stormwater We need to develop evidence based strategy and programmes to be more proactive in stormwater quality than our current practices, aligned with the new requirements. Refer to Significant Issues Section for further discussion.

STRATEGIC CONTEXT

RUAPEHU DISTRICT

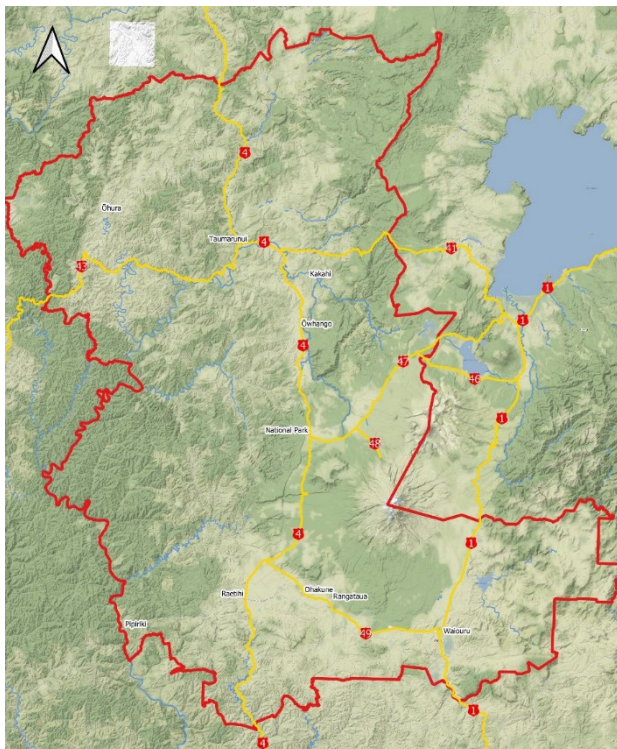
Ruapehu District Council was established on 1 November 1989 by a merger of the former Taumarunui Borough Council, Taumarunui County Council, Waimarino District and part of the Rangitikei County Council.

Historically, the Taumarunui County included the Ohura Town Board, Ohura County and Kaitieke Councils. Waimarino included Ohakune and Raetihi Boroughs. Ruapehu is consequently diverse.

The District comprises 6,700km² (673,019ha) of land bordered by the Whanganui River in the west and the Hauhungaroa Range in the north-east. It stretches towards the peaks of Tongariro, Ngauruhoe and Ruapehu.

There are two large National Parks in the District, Tongariro (which has dual World Heritage status for culture and landscape) and Whanganui. The Tongariro National Park is the largest park in the Region and is the oldest national park in the country, established in 1887. The volcanoes Tongariro, Ruapehu and Ngauruhoe are sacred to Māori and were gifted to the nation by Te Heuheu Tukino IV, paramount chief of Ngāti Tuwharetoa. Pureora Forest Park, Tongariro Forest and Waitaanga Forest are also significant areas of indigenous vegetation.

Abundant natural resources and world-renowned scenery are defining characteristics of our District. The rural landscape sustains large farming, forestry, horticulture industries and reserve land. Nearly 90% of land value is in the rural sector.



The largest township is Taumarunui, which sits in the north of the District at the confluence of the Whanganui and Ongarue Rivers. Taumarunui has a rich history of Māori settlement. Recent activity includes farming, sawmilling, railway and river Tourism. In recent years, the town's economy is being boosted by new tourism business, a new industrial business, river tourism and the nearby Timber Trail Cycleway.

To the south lies Ohakune, a tourist hotspot situated at the southern gateway to Tongariro National Park. Raetihi in the south west has positioned itself as a gateway to tourism around the Whanganui River and the nearby Mountain to the Sea Cycleway. Waikare is the southern-most town in the District which borders New Zealand Defence Force land and largely serves the military training area.



District Boundary

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OUR COMMUNITY

Ruapehu District is home to a stable resident population of around 13,000 (12,309 with 2018 census). The district experienced population decline between 2001 and 2016 and began to show signs of recovery in 2017. The resident population is predicted to steadily increase overall between 2021 and 2043 under either of the low, medium and high growth scenarios.

Population growth is expected to slow due to the impacts of COVID-19, at least in the short to medium term, given the region's reliance on net migration. The Region's economic performance comparative to other regions may lead to increased inward internal migration.

At the township level, Ohakune is experiencing significant population growth based on the large number of resource and building consents received for new subdivisions (as noted under Significant Issues). Taumarunui is also experiencing growth but not as rapid as Ohakune.

The District's population increases dramatically with visitor numbers. The main holiday towns are National Park, Ohakune, Raetihi and Rangataua. Peak population is the fundamental tool we use to plan for the expected demand placed on our key infrastructure assets in the District.

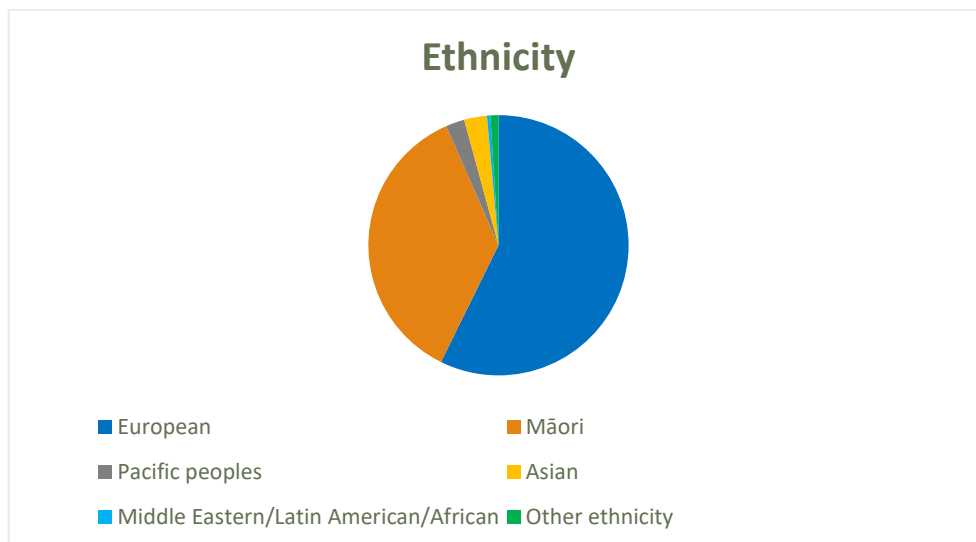
The recommended growth projection scenarios to be used for this strategy and for infrastructure planning purposes are:

- High growth for the tourist towns of Ohakune and National Park village
- Medium growth for the other townships (Raetihi, Taumarunui, Waiouru and Tangiwai)
- Low growth for the small rural townships of Otangiwai-Ohura.

This population profile of residents, tourists and holiday homeowners creates challenges to balance between residents and non-resident ratepayers and holidaymakers' changes.

There is 43.4% of our district's population that identifies as Māori as shown below. The Māori ethnicity is significantly more dominant in the Ruapehu compared to the national rate of 16.5%.

Ethnic composition of Ruapehu District



Source: New Zealand Census (2018)

The District's age distribution is skewed reflecting residents, tourists and holiday homeowners' profile. Key trends in service age groups that need to be considered with our infrastructure planning are:

- The District continues to have a higher proportion of children aged 0 to 11 when compared nationally.
- The 18 to 24 age group continues to decline and remain lower than the national average and is expected to continue to do so.

- The young workforce aged 25 to 34 proportion of the population is expected to remain constant.
- The population is aging and expected to continue:
 - Empty nesters and retirees (aged 60 to 69) significantly increasing in number and this trend is expected to continue
 - Seniors (aged 70 to 84) are steadily increasing in number and following the significant increase of empty nesters and retirees, is expected to continue to slowly, yet steadily, increase.
 - The number of elderly (aged 85 and over) is expected to remain steady.

NATURAL HAZARDS

Ruapehu District has many physical attractions such as Mount Ruapehu and two national parks, which also could negatively impact the infrastructure and townships. The major natural hazards that affect Ruapehu District are earthquakes, volcanic activity, landslides and river flooding.

The District encompasses some of the most seismically active parts of New Zealand. Mount Ruapehu has erupted at least 18 times since 1861 and has produced numerous lahars. The most recent lahar occurred on 18 March 2007.

Taumarunui is located at the confluence of the Whanganui and Ongarue Rivers. Whanganui River is the largest river system in the Region, and it drains a significant proportion of the land area within the Ruapehu and Whanganui districts. The primary area of risk is Whanganui, with some risk also present at Taumarunui.

The Region is susceptible to various types of landslide events over a significant proportion of the Region, and in particular the hill country within Ruapehu District. The most hazardous events are debris flows associated with lahars from Mount Ruapehu.

TANGATA WHENUA

Increasingly, legislation is requiring that iwi have a greater role in the governance or decision making for key assets such as water. Major infrastructure projects require significant input from iwi to ensure cultural considerations are understood and provided for.

The Water Services Bill states that all persons and functions in the three waters activity must give effect to Te Mana o te Wai. This includes suppliers, territorial authorities, and regional councils, and Taumata Arowai.

Along with Māori and the wider community, Council has been reviewing the best way Māori participation in decision making can continue. This included looking at a wide number of options, such as the Ruapehu District Māori Council and Māori Electoral Wards.

The Ruapehu District Māori Council was established by Council to help encourage greater participation by Ruapehu Māori in local government decision-making. A Memorandum of Understanding was signed on 15 February 2013 at Morero Marae and sealed a partnership between the Ruapehu District Māori Council and Council. The Ruapehu District Māori Council comprises a collective of nine representatives from the following iwi within the Ruapehu District:

- Tuwharetoa
- Maniapoto
- Southern Iwi

TREATY SETTLEMENT

The Government is actively engaged in treaty settlement with claimants recognised as large natural groupings. However, the mechanism of delivering settlement and governance has been left to regional and local government to consider delivery, which are being progressed alongside other changes.

Some Council infrastructure assets are located on land that currently are part of the Treaty Settlements. There is uncertainty with this current state and a pragmatic mechanism is required for dealing with these

assets. The location of these assets may need to be considered in future as they are replaced / upgraded.

TOURISM TRENDS

Tourism is the most significant industry in the District. It is a well-known gateway to Tongariro and Whanganui National Parks and located at the base of the western side of Mt Ruapehu is Ohakune, a popular tourist destination because of its access to Turoa ski field. Another popular tourist stop is National Park, located between Tongariro and Whanganui National parks, well known for its hiking and biking trails, as well as access to Whakapapa ski field. The District's cycleways have created a summer tourist attraction.

If COVID-19 border restrictions remain in place for an extended period (up to 18 months), then it is expected that (based on Waka Kotahi's study October 2020 on the potential implications of):

- Greatest impact on tourist gateways (Christchurch and Auckland), and districts that rely on tourism
- Significant drop in revenue in tourist areas and associated service industries
- Potential offset from Trans-Tasman bubble
- Significant drop in revenue in tourist areas and associated service industries
- Potential offset from Trans-Tasman bubble.

The Manawatū-Whanganui Region is expected to be less impacted as it is also the country's least reliant on international tourism. There is only 17% of tourism spend in the Region coming from international visitors.

ECONOMIC TRENDS

There is much uncertainty about the potential economic impacts on the Region as the global COVID-19 pandemic unfolds. The potential economic impacts on the Region have been considered by various independent sources.

Potential impacts on key sectors are (based on the Waka Kotahi study October 2020 on the potential implications of COVID-19):

- Manawatū-Whanganui Region economy is forecast to perform better than most during the economic slowdown
- Significant levels of primary production outside of the main urban centres are also expected to help mitigate the impacts of the economic slowdown on the region
- Ruapehu District's forecast fall in employment to 2021 (relative to BAU) is 7.9% and to be impacted harder than the rest of the region due to its greater reliance on tourism.

Infometrics suggest that the economic hit to Ruapehu will be smaller than that of many other districts. The Ruapehu District economy relies heavily on primary production and tourism. The global pandemic event has disrupted the national and local economies with the national lockdown and closing of international borders. This will mainly impact on the demand for infrastructure and the community's ability to pay in an economic recession.

Council's response is to develop the Recovery Programme including rethinking the shape of future tourism. Ruapehu Economic Development Strategy 2018-2028 and Ruapehu Recovery Thought Leaders Group will provide strategic direction for the District's recovery. This will help rebuild domestic tourist demand and encourage trans-Tasman international tourism.

INFRASTRUCTURE PLANNING

LEVELS OF SERVICE

The high-level customer levels of service for the infrastructure are set out in the table below with the detail provided in the Activity Management Plans.

The level of service framework provides alignment and strategic linkages between:

- Our Vision
- Community Outcomes







- Infrastructure Strategy
- Activity Management Plans
- Activities

Levels of service for infrastructure include customer outcomes (i.e. responding to unplanned water interruptions) as well as meeting legislative requirements (i.e. compliance with resource consents). Any major service level changes and implications long term are identified for each activity. Generally any significant service level will be consulted with the community through the Long Term Plan process.

Community and key stakeholder engagement on developing levels of service for water services and land transport uses the following main consultation initiatives (with further detail provided in each Activity Management Plan):

- Resident satisfaction surveys
- Consultation with community groups for Annual Plan and Long Term Plan
- Service request response levels
- Joint governance catchment groups for shared values related to water including Whangaehu River Catchment project.
- Treaty settlement co-governance groups Te Awa Tupua (Wanganui River)
- Liaise with road user stakeholder groups including freight and ski operators.

CUSTOMER LEVELS OF SERVICE

COMMUNITY OUTCOMES	CUSTOMER OUTCOMES	CUSTOMER LEVELS OF SERVICE- ACTIVITY OUTCOMES			
		WATER SUPPLY	WASTEWATER	STORMWATER	LAND TRANSPORT
Safe, Healthy Communities 	Safety	Providing quality and safe drinking water to applicable community areas	Provide public safety through continuous of wastewater collection system	Stormwater systems protect houses from flooding in urban areas	How users experience the safety of the road
Thriving Economy 	Quality / amenity / reliability	To provide reliable water networks	To provide reliable wastewater networks and treatment	To provide reliable stormwater networks and treatment	<p>The level of travel comfort experienced by the road user and the aesthetic aspects of the road environment that impact on the travel experience of road users in the road corridor</p> <p>Travel time reliability – the consistency of travel times that road users can expect</p>
Thriving Economy 	Accessibility / Availability	Safe water pressure and flow is supplied to consumers	All urban residents are provided with adequate wastewater provision	All urban residents are provided with adequate stormwater provision	The ease with which people are able to reach key destinations and the transport networks available to them, including land use access and network connectivity
Safe, Healthy Communities 	Resilience	Water supply disruption during natural disaster events is minimised	Wastewater disruption during natural disaster events is minimised	Stormwater disruption during natural disaster events is minimised	The availability and restoration of each road when there is a weather or emergency event, whether there is an alternative route available and the road user information provided
Thriving Economy 	Responsiveness	To provide prompt responses for service	To provide prompt responses for service	To provide prompt responses for service	To provide prompt responses for service
Thriving, Natural Environment 	Environmental Sustainability	To promote the efficient and sustainable use of water	Environmental impacts are managed and resource consents complied with	Environmental impacts are managed and resource consents complied with	Effects on the natural environment are minimised

RISK MANAGEMENT

OUR RISK MANAGEMENT APPROACH

Our approach for managing infrastructure balances risk and performance while providing cost effective services. Infrastructure risks can be considered in terms of global threats (such as climate change), national (legislative changes), corporate and asset risks. At an activity level, these infrastructure risks need to be considered holistically as part of the asset management planning approach and not taken in isolation.

The following sections outline how this is addressed for each activity with the detail provided in the Activity Management Plans.

CLIMATE CHANGE IMPACTS AND ACTIONS

Climate change is a major management issue facing all infrastructure providers and the built environment. Ruapehu District is tested further as it has physical constraints / natural hazards including the Mountain and is subject to intense weather events that need to be considered in the context of climate change impacts. It is also exposed to a variety of natural hazards including earthquakes and volcanic eruptions.

Projections: Climate change will affect our district over the medium to long term in line with projections provided by the Ministry for the Environment for the Manawatu-Whanganui Region (as at May 2018). The major trends expected for the Region are summarised in the table below (with the full projections list detailed in the 2021 Long Term Plan), with rainfall expected to have the largest change particularly for Taumarunui:

Climate change predictions for the region

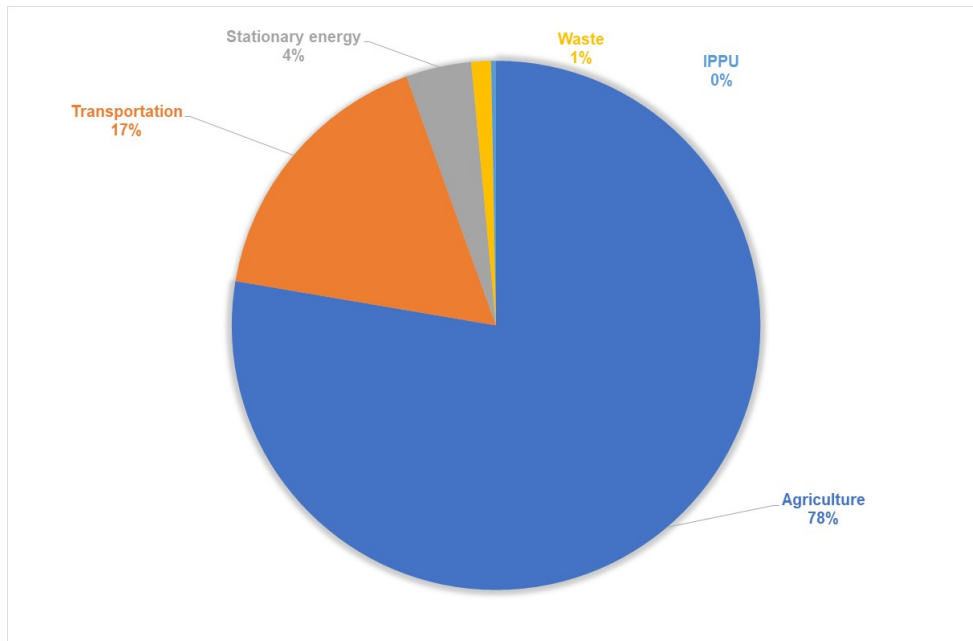
WEATHER ASPECT	2040	2090
Temperature	Compared to 1995, temperatures are likely to be 0.7°C to 1.1°C warmer by 2040	0.7°C to 3.1°C warmer by 2090
Rainfall	The largest changes will be for particular seasons rather than annually	Seasonal projections show winter rainfall increasing 7 to 16% in Taumarunui by 2090. Region is not expected to experience a significant change in the frequency of extreme rainy days as a result of climate change
Wind		The frequency of extremely windy days in the region is not likely to change significantly by 2090
Storms		Future changes in the frequency of storms are likely to be small compared to natural inter-annual variability. Some increase in storm intensity, local wind extremes and thunderstorms is likely to occur.
Snowfall		A reduction in the number of snow days experienced annually is projected throughout New Zealand, including the Central Plateau.

The reduction in snow days may impact winter tourism at Mt Ruapehu, although this is a long term projection.

We follow Horizon Regional Council lead in preparing for climate change. Horizon Regional Council has provided the regional impact of climate change (see Asset Management Plan Part 1) and are partnering with district councils in community engagement.

Carbon footprint: Horizon Regional Council have developed a greenhouse gas footprint for the region and each territorial authority for 2018/19. Ruapehu emitted gross 1,203,611 and net 191,684 tonnes of Carbon Dioxide Equivalent emissions in 2018/19. The population in 2019 was approximately 12,700 people, resulting in per capita gross emissions of 94.8 tonnes of Carbon Dioxide Equivalent per person. Agricultural emissions were the largest contributor to the inventory for Ruapehu, followed by transport as shown in the Figure below

Ruapehu greenhouse gas emission (gross) by sector for 2018/19



Source: HRC Ruapehu Community Carbon Footprint 2019 (AECOM August 2020)

The stationary energy sector covers the consumption of electricity and natural gas. The Industrial Processes and Product Use (IPPU) sector covers emissions associated with the consumption of greenhouse gas for refrigerants, foam blowing, fire extinguishers, aerosols, metered dose inhalers and Sulphur Hexafluoride for electrical insulation and equipment production.

Ruapehu contributed to 14% of the Region's total gross emissions for 2018/19. Ruapehu had the fourth highest emissions in the region, predominantly due to particularly large agricultural emissions. With a small population and high gross emissions, Ruapehu has extremely high per capita gross emissions (over nine times higher than Palmerston North).

The greenhouse inventory provides information for decision-making and action by Council, our stakeholders, and the wider community. Sector-level data allows the council to target and work with those sectors which contribute the most emissions to the footprint.

Climate change actions: Our specific proposed climate change actions including indicative timeframes are outlined in the following table at activity level with further detail in the Activity / Asset Management Plans.

Proposed climate change actions

Activity	Most likely effects due to climate change	Proposed actions
Water supply	<ul style="list-style-type: none"> Increasing extreme weather patterns with storms of increasing intensity and frequency will also increase the challenges of making potable water from highly turbid waters 	<ul style="list-style-type: none"> Chlorination at all water treatment plants provides for bacterial (E.coli) protection and ensures network disinfection residual Linking reticulation networks where possible (Ohakune and Raetihi Treatment Plants)
	<ul style="list-style-type: none"> Increasing dry periods (droughts) are reducing the recharge zones in the river so they have less flow which can extend for longer periods of time 	<ul style="list-style-type: none"> Upgrade treatment plants / reconfigure supply areas to address reduction in demand due to restrictive consent conditions for water takes from rivers and streams
Wastewater	<ul style="list-style-type: none"> Inflow and infiltration increase and reduces pipeline capacity during storm events resulting in more frequent wet weather overflows 	<ul style="list-style-type: none"> Continue with implementing targeted infiltration and inflow programme to prioritise the catchments for remedial works
	<ul style="list-style-type: none"> Pump station vulnerability due to flooding inundation 	<ul style="list-style-type: none"> Identify wastewater pump stations at risk due to flooding inundation
Stormwater	<ul style="list-style-type: none"> More frequent flooding may increase with more intense and frequent storms 	<ul style="list-style-type: none"> Continue to monitor flooding risk to residential properties with the more intense and frequent storms
	<ul style="list-style-type: none"> In the longer term the townships protected by the regional stopbanks such as Taumarunui may be at risk 	<ul style="list-style-type: none"> Developing a process with Horizons to capture stormwater culvert changes over time to provide inputs into modelling of flooding capacity and map updates
Land transport	<ul style="list-style-type: none"> Road slips / under slips Limited access to communities with single road 	<ul style="list-style-type: none"> Identification of the critical roads (such as the Ohakune Mountain Road and Raetihi-Ohakune Road) with more frequent inspections and management strategies Increased inspection / maintenance of road drainage systems Long term maintenance contract to have suitable resources keeping land transport network resilient

KEY NATIONAL RISKS

The key national risks that we are managing are mostly related to legislative changes and summarised for each activity. It is expected that these risks will increase with the proposed three waters reforms and Action for Healthy Waterways as there will be increased compliance and quality management requirements. The Government Policy Statement on Land Transport (2021) signals the Government's shift to investing in improving people's wellbeing and the liveability of places.

MANAGING FINANCIAL RISKS

The 2021 Long Term Plan signals a step change in Council's investment in core infrastructure. This will allow for providing safe drinking water and public health to minimise adverse wastewater impacts to our community and environment.

To date Council has taken a prudent approach to ensure that the debt levels were kept within the financial benchmarks. This ensured that the ten year investment programmes were affordable for our community.

Council now wishes to accelerate the investment programmes, mainly in water supply and wastewater, to ensure that we are meeting our legislative obligations to our community and key stakeholders. The proposed debt projections are detailed in the Financial Strategy.

The most significant areas of uncertainty are Council's reliance on grants and subsidies and the ability to deliver the three waters capital programme. Waka Kotahi has indicated a reduction in funding within the first three years of the Long Term Plan 2021-31. However it is expected this will revert to current level of funding from year four onwards. This is an established and mature process and plenty of opportunities to negotiate.

There is a level of uncertainty with successfully gaining the full amount from the Government's three waters stimulus grant applied for upgrading water standards and wastewater assets across the district. We are planning to undertake these upgrades regardless of Government funding being successful or not (a portion of this funding has already been secured through a signed funding agreement and has been included in our financial projections). It is untenable for Council not to comply with the Drinking Water Standards. This will mean that the debt projections will be unaffordable for our community. Council will be exploring alternative funding options and investigate opportunities to alter scope and timing to reduce this risk. We therefore expect that we likely need to consult with the community through exceptions to future Annual Plans.

Council's ability to deliver the three waters capital programme is outlined in the section below and in the Financial Strategy.

A high level assessment of the levels of uncertainty for gaining external funding and delivering the capital programmes is summarised in the following table (and detailed in the Financial Strategy).

Activity	Is the required (ie must do)	Grant funding Source	Third party investment certainly	Potential debt impact	Chance of practical delivery	Comments
Water supply	Yes	DIA / MIBE	Moderate	High	Moderate	There is a strong chance that funding support from Central Government will be available to fast track drinking water reform changes. However, this Long Term Plan cannot include this possibility with key assumptions due to timing of any such announcements.
Wastewater	Yes	DIA / MIBE	Low	High	Moderate / low	There is also support for the idea that drinking water outcomes will be prioritised, and imminent funding support announcements for wastewaters appear a little further off
Stormwater	Yes	DIA / MIBE	Low	Moderate / low	Moderate	Long Term Plan does not make any assumptions around possible funding opportunities in support of

Activity	Is the required (ie must do)	Grant funding Source	Third party investment certainly	Potential debt impact	Chance of practical delivery	Comments
						Stormwater. Environmental standards continue to shift the focus and outcome requirements in this space, and planning with certainty is quite challenging
Land transport	Yes	Waka Kotahi	Very high	Limited	High	Well established supply chain and committed funding. There is potential that some bridge work not covered by Waka Kotahi will require Council to fund which it would do through debt. These are one off items in what is otherwise a very stable work programme.

As part of our Financial Strategy, Council will continue to pursue all available opportunities to receive grant funding to minimise the burden on ratepayers. Where grant funding is not forthcoming, Council will seek to actively manage the scope and timing of investment to minimise the debt burden on ratepayers, to the extent that it is able to do so while still meeting regulatory and legislative requirements.

We recognise that we need to be agile to change and the three yearly Long Term Plan cycle may be too long for changes in investment priorities and the ability to deliver our larger capital programme. We intend to closely monitor the delivery of our capital programme and identify changing priorities through exception to the Annual Plan (refer to Key Theme 5 in Introduction Section).

In summary, Council's approach to mitigating the impacts of not securing Government funding is:

- Adopt an agile approach and closely monitor the delivery of our capital programme and identify changing priorities and consult with the community through exceptions to future Annual Plans
- Actively manage the scope and timing of investment to minimise the debt burden on ratepayers, to the extent that it is able to do so while still meeting regulatory and legislative requirements.

EMERGENCY READINESS

Council maintains a Civil Defence Readiness Plan which lists many risks inherent in our area. These include volcanic, geological, earthquake, weather, civil unrest and technological failure risks. The same basic Civil Defence responses will mitigate the effects of any of these risks.

Critical assets are defined in Council's lifelines and Civil Defence documents. The Council asset seen as most critical for life and limb is the roading asset. Once communication and access is restored, other services can follow. In order to keep roads open, Council contracts for remotely located subcontractors, including heavy machinery response and staff.

There is a possible threat to public safety if water and wastewater assets do not operate within legislated limits. To this end we have identified critical assets in each AMP. Extra steps are taken to protect these critical assets and to provide for spares where possible.

There are no significant concentrated centres of population within the District and hence it is likely that there is an ability for the population to sustain itself for a significant period following an emergency. The farming community is relatively self-sufficient.

Council could lower its state of readiness for Civil Defence or increase the state of readiness. At present Council supports one staff member who encourages community groups and trains all Council staff for Civil Defence emergencies. This works well for relatively small events. In larger events Council relies on support from Central Government. The status quo is Council's preferred option.

CAPITAL DELIVERY

It is important that we deliver the planned capital works programme for our core infrastructure to ensure service continuity for our communities. We know it is important to deliver our planned capital works programme, particularly for the three waters. We wish to increase the investment levels over the next 30 years to address the key issues such as meeting the Drinking Water Standards and higher environmental standards. We recognise that we need to increase our capability to deliver the current levels to ensure we are successful on delivering a higher level of investment.

When there is an under achievement of the capital works programme, this means our ratepayers pay for work that has not been performed. Potentially there is a reduction in service levels when necessary renewals are not completed.

There has been a strong achievement on delivering the land transport capital works programme in 2018/19 and 2019/20 at 107% and 102%. There has been under achievement in delivering the three waters capital programme, mostly under 50% for the last three years and wastewater has been less than 20%. Capital delivery improved in 2019/20 for the water supply activity at 71% of the budgets. Failures to deliver capital works has mainly been due to the time to get projects procured and approved to start. This is being addressed with a Section 17A review (requirement under the Local Government Act), update of the Contract with our service provider Veolia and to set up a streamlined process for procuring capital projects.

Council wishes to accelerate the water supply capital programme to improve drinking water compliance. This acceleration requires a step change in programme delivery. External specialist consultants will also be used to deliver a proposed larger capital programme, particularly the upfront planning and bedding in programme management disciplines. Our discussions with potential suppliers have indicated that there is sufficient market capacity to respond to our current and future delivery programme.

Due to the increase in the capital works programme, there are unknown certainties beyond Councils control, such as demand and pressures on contractors market, availability of raw materials and the potential impacts of Covid-19 on the supply chain. If a project is affected by this, it could see our levels of service not improve as fast as Council had originally planned as well as the potential for risk of asset failure.

MANAGING CAPITAL DELIVERY

Council will make a step change in capital investment being \$16.7m (75.3% more) –\$39m in 2021/22 vs \$22.2m in 2020/21 in core infrastructure spend. The total capital works programme in the Long Term Plan is \$234m. This is driven in particular by the water supply and wastewater activities. Council has confidence in its ability to deliver its capital works programme because of the following:

- Significant effort has been put into ensuring we are able to deliver the planned network and capital works programme.
- A strategic reorganisation of Council. This has seen the creation of a dedicated Infrastructure Manager position with responsibility of overseeing all major capital work delivery.
- Council works closely with contractors and funders to ensure we have the financial, human, technical and other resources required to successfully deliver the accelerated programme.
- This has included a revision of our contracts with key suppliers Veolia who has employed an additional 24 FTEs to support the programme.
- Land Transport we have maintained relationships with Waka Kotahi NZ to help ensure Councils land transport and bridge renewal programme. We have maintained on-going engagement with programmes such as Road Efficiency Group.

INFRASTRUCTURE OVERVIEW

ASSET OVERVIEW

We own and manage \$607 million (replacement value as at 30 June 2020), of infrastructural assets which can be summarised as follows. Details of the assets are contained in each individual Activity / Asset Management Plans.

Asset summary

Activity	Asset description
Water supply	<ul style="list-style-type: none">• 6 water treatment plants• 17 reservoirs• 191km of waterpipes
Wastewater	<ul style="list-style-type: none">• 6 wastewater treatment plants• 104km of pipelines• 18 wastewater pump stations
Stormwater	<ul style="list-style-type: none">• 50km piped drains• 32km watercourse
Land transport	<ul style="list-style-type: none">• 848km unsealed roads• 496km sealed roads• 1,548 streetlights• 341 bridges and larger culverts• 286 retaining walls• 70km footpaths• 369km cycleways

Sources: Three waters asset valuation Veolia (1 July 2020) and GHD Transport Revaluation report 2019/20 (excluding land value)

SIGNIFICANT INFRASTRUCTURE ISSUES

Significant infrastructure issues for the activities and principal options for managing these issues are detailed in the following sections for core infrastructure.

WATER SUPPLY

BACKGROUND

The water supply activity provides safe and secure drinking water to the communities in the District in an environmentally sustainable manner. We are responsible for the provision and management of six water supply schemes at National Park, Ohakune, Ohura, Owhango, Raetihi and Taumarunui. The water supply network includes six water treatment plants, 16 water storage reservoirs, four pumping stations and nearly 200km of water reticulation mains. The water assets had a gross replacement cost of \$72.1 million (as at 1 July 2020).

Council also purchases potable drinking water for the Waiouru Township from the New Zealand Defence Force. The New Zealand Defence Force supplies the bulk water to Waiouru and Council distributes it to the end customers.

Council works closely with District Health Boards in relation to public health of our community, particularly drinking water but also the wellbeing of our community. Drinking Water Assessors will be moving to Taumata Arowai with the new legislation. Ruapehu District is split between two District Health Boards, Whanganui in the southern half and Waikato in the northern half. This can make strategic relationships and decision making more complex to manage dealing with two agencies with sometimes different approaches.

STRATEGIC WATER SUPPLY CHALLENGES

PROVIDING FOR GROWTH AND MEETING LEVELS OF SERVICE

MEETING DRINKING WATER STANDARDS

Council is continually working towards improving its water supply schemes and their ability to comply with the Drinking Water Standards to ensure that we provide safe drinking water to our customers.

It is a challenge for the treatment plants to comply with the Drinking Water Standards for protozoan compliance criteria. Ohakune, Ohura, National Park and Owhango Treatment Plants currently do not comply. Raetihi Water Treatment Plant was upgraded in 2018 and is now fully compliant. Ohakune Treatment Plant is being upgraded in the next two years. The Matapuna Water Treatment Plant (for Taumarunui) has achieved protozoal compliance for the first time in 2019/20. There have been historical issues around water quality compliance and the provision of data by the minute to meet the requirement.

The remaining plants (ie Ohura, National Park and Owhango) require upgrades as detailed in this strategy. Council will continue to seek external funding to accelerate the upgrade programme to provide safe drinking water for residents and visitors.

SERVICING GROWTH AREAS

Peak population is the key tool to plan for core infrastructure including water supply. Peak population is used to plan for the absolute peak population the district might experience on any given day. For water supply planning purposes, peak population needs to be considered at township level as it will differ throughout the district.

There is significant growth occurring in Ohakune and the provision of core infrastructure is required to enable suitable housing to support the influx of people into the district. The timing and investment in core infrastructure including water supply needs to be planned to support this growth.

Ohakune and National Park Treatment Plants are nearing capacity. Ohakune is scheduled for upgrade in the next two years which will address Drinking Water Standards compliance issues as well as providing for additional capacity.

Strategic planning is important to guide long term infrastructure planning. A key planning initiative is undertaking modelling for the Ohakune township for water supply and wastewater to understand and plan for the population growth.

MANAGING RISK AND ASSET PERFORMANCE

NETWORK RESILIENCE

Resilience is important for all water operators and essential for remote communities like Ruapehu. Infrastructure resilience is tested further in Ruapehu as it is influenced by the Mountain and subject to intense weather events. It is also exposed to a variety of natural hazards including earthquakes and volcanic eruptions.

A key focus is strengthening our infrastructural resilience as there are six treatment plants at significant distances from one another to serve our communities. It also does not provide for economies of scale. Joining plants may provide economies of scale but they reduce the resilience in having a second supply. In the future it is expected that ribbon development will see the township of Ohakune and Raetihi join with enough ratepayers to make it cost effective to develop a watermain between the townships.

Most of the District's water supply network is plastic (newer pipe material) and asbestos concrete pipe material (53% and 33% respectively). Asbestos concrete pipe material is a brittle material and known to break frequently causing outages. To mitigate this vulnerability with our water supply network, we have implemented an active watermain renewal programme. This has resulted in the renewal of approximately 6.2% of the watermains by length since 2010, mainly to replace asbestos concrete pipe material. These renewals have taken place primarily in Ohakune, Ohura, Raetihi and Taumarunui.

PREPARING FOR CLIMATE CHANGE

We are preparing for the impacts of climate change on the water supply activity as we are already experiencing impacts such as prolonged droughts and intense storm events.

Increasing extreme weather patterns with storms of increasing intensity and frequency will also increase the challenges of making potable water from highly turbid waters. Chlorination at all water treatment plants provides for protection against bacteria (*E.coli*) and ensures network disinfection residual.

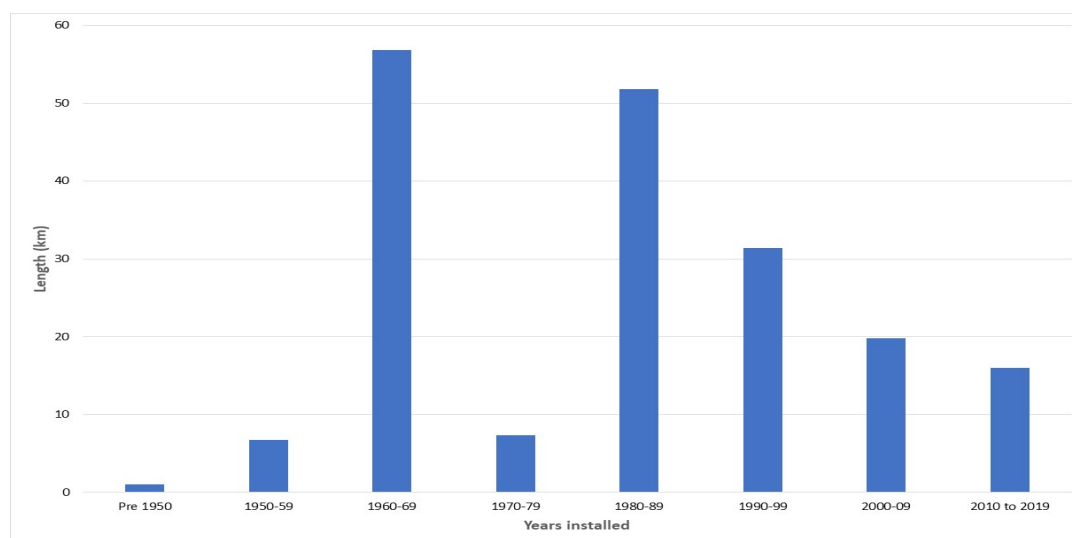
Inversely increasing dry periods (droughts) are reducing the recharge zones in the river so they have less flow which can extend for longer periods of time. This drives demand from connections across the district.

Climate change may also impact the catchments used for drinking water with more intense storms predicted. This will likely be a focus for Taumata Arowai in relation to providing safe and secure drinking water. The potential reduction in water intakes may impact our existing treatment plant capacity and management of the reticulation service.

ASSET CONDITION AND PERFORMANCE

Most of the network (62.4%) was constructed after 1980, with a further 29.8% constructed during the period 1960 to 1969 period, as shown in the figure below. Most pipeline assets are about one third through their asset lives.

Water supply pipes by age



Source: Asset Finda (as at 30 June 2019)

The overall condition of the water supply assets is summarised in the table below by major asset class and township (by Veolia as at 2020). This shows that most asset classes and townships have been assessed between good and moderate.

Asset condition by major asset class and township

MAJOR ASSET CLASS	CONDITION GRADING	WATER SUPPLY SYSTEM	CONDITION GRADING
Intake	Moderate	National Park	Good
Water treatment plant	Good	Ohakune	Good
Treated water storage	Good	Ohura	Moderate
Water pump stations	Moderate	Owhango	Moderate
Watermains	Moderate	Raetihi	Good
Hydrants	Good	Taumarunui	Moderate
Valves	Good	Waiouru	Good

Source: Veolia (August 2020)

Asset condition and performance monitoring is undertaken to identify under-performing assets and those about to fail. Ongoing asset capacity / performance assessment and asset condition assessment is undertaken by Council's Facilities Management Contractor (Veolia) on a rolling basis township by township (this applies to wastewater and stormwater as well).

The asset assessments cover critical and non-critical assets at the same time as undertaken at township level. This is the most practical method (this applies to wastewater and stormwater as well).

Asset performance of Council's water supply network is assessed in terms of water leakage and water quality as follows:

- Water leakage - Water loss can happen for a range of reasons, including leaks and breaks in the network and this results in Council treating more water than is needed. Council assesses its water losses through targeted surveys. Water loss surveys were completed in Ohakune and Raetihi in 2019 using night usage surveys. Night-time flow monitoring was undertaken at Taumarunui in 2019 as part of the network modelling project. Areas of high usage were identified and targeted for further investigation.
Council intends to move to using Infrastructure Leakage Index as a water loss performance indicator which is consistent with industry best practice. It has been used for the Taumarunui water loss survey to identify the leaky zones. Preliminary results for the largest part of town were assessed with an Infrastructure Leakage Index of 1.2. This index indicates further loss reduction may be uneconomic unless there are shortages, careful analysis needed to identify cost-effective improvement.
- Water quality - Council has a suite of plans and processes to provide assurance that it is providing safe drinking water. These include Water Safety Plans, operating procedures, and operations and maintenance manuals for the treatment plants. Council's water quality is measured monthly against the mandatory performance measures and reported in the Annual Report. Two plants (Raetihi and Taumarunui) are now fully compliant with the New Zealand Drinking Water Standards and the remaining plants require upgrades as noted above.

We have defined our critical water supply assets that are significantly important to our community. These are classified as critical, low criticality and non-critical. These include items such as raw water pipelines, trunk mains and control equipment. The categorisation of critical water supply assets at component level has been completed as part of the condition assessments but not recorded in Council's asset management system (AssetFinda). We will address this as an improvement action in the next three years (this applies to wastewater and stormwater as well).

Significant issues for the water supply activity and principal options for managing these issues are detailed in the following table. The option preferred as the most likely scenario has been identified. Indicative cost estimates are provided for evaluating wide range of options only and not part of Long Term Plan budgets (this applies to wastewater, stormwater and land transport).

Significant issues and options for water supply

Significant water supply issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
Implications of the Government's Three Waters Reforms and changes to legislation are likely to result in higher standards for water treatment and compliance costs, and changes to Water Services Delivery Models.	1. Continue with water services remaining in house	<ul style="list-style-type: none"> Future water supply costs may be unaffordable for District's small population Not eligible for funding through Government's three waters reform programme Government may force amalgamation for councils that do not collaborate regionally 		<p>✓</p> <p>Current budgets are known (\$50.8m for capital projects for 10 years inflated)</p>	<p>✓</p> <p>Current budgets are known (\$60.9m for capital projects for 10 years inflated)</p>	<p>✓</p> <p>Current budgets are known (\$83m for capital projects for 10 years inflated)</p>	H
	2. Continue to collaborate with the other councils in the Region to identify a preferred three waters management option (regional aggregation model)	<ul style="list-style-type: none"> Costly to set up water Council Controlled Organisation but will be eligible for Central Government funding A dedicated water Council Controlled Organisation with no other competing priorities will be expected to better prioritise investment decisions across the region leading to better environmental and community outcomes than the Councils can individually achieve Potentially loss of community involvement in water decisions Council needs to opt into reform programme to be eligible for funding 	<p>Option 2 is preferred as the most likely scenario – Continue with regional collaboration on the preferred three waters management option</p> <p>Decision required by Council – Decision on participating in reforms and preparation for the formation of water services entities expected from late 2021 to 2023 (legislation is still being passed)</p>	<p>✓</p> <p>Higher level estimates from industry of reduction in capital programme with aggregation (1.25% per year indicative estimated cost \$570k reduction in capital projects over 10 years in real terms)</p>	<p>✓</p> <p>Higher level estimates from industry of reduction in capital programme with aggregation (1.25% per year indicative estimated cost \$590k reduction in capital projects over 10 years in real terms)</p>	<p>✓</p> <p>Higher level estimates from industry of reduction in capital programme with aggregation (1.25% per year indicative estimated cost \$590k reduction in capital projects over 10 years in real terms)</p>	H

Significant water supply issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
		<ul style="list-style-type: none"> Regional collaboration is already underway with Regional Three Waters Services Delivery Study on preferred management option 					
	3. Maintain a watching brief on the Government's Three Waters Reform Programme and respond as required to ensure Council's best interest are considered particularly for a small rural district council	<ul style="list-style-type: none"> Central Government may force amalgamation for councils that do not aggregate regionally Implications from water reforms on service delivery including the impact of Taumata Arowai and changes to legislation are still unfolding and happening at a rapid pace 		<p>✓</p> <p>Current budgets are known (\$50.8m for capital projects for 10 years inflated)</p>	<p>✓</p> <p>Current budgets are known (\$60.9m for capital projects for 10 years inflated)</p>	<p>✓</p> <p>Current budgets are known (\$83m for capital projects for 10 years inflated)</p>	H
Challenge for Council's treatment plants to comply with the Drinking Water Standards for protozoan compliance criteria. Ohakune, Ohura, National Park and Owhangō Treatment Plants currently do not comply.	1. Continue operating the plants that do not fully comply with the Drinking Water Standards	<ul style="list-style-type: none"> Public health risk for the community with being provided potentially unsafe drinking water Unfavourable review from Taumata Arowai and other Government agencies Water management may be removed from Council by Central Government 		<p>✓</p> <p>Current budgets are known (\$2.1m opex per annum for operating networks)</p>	<p>✓</p> <p>Current budgets are known (\$2.2m opex per annum for operating networks)</p>	<p>✓</p> <p>Current budgets are known (\$2.2m opex per annum for operating networks)</p>	H
	2. Upgrade the plants to fully meet the Drinking Water Standards over long period that is affordable for our community	<ul style="list-style-type: none"> Public health risk for the community in the short to medium term as upgrades are completed Takes time to implement Taumata Arowai may not be satisfied with the time to implement the upgrade programme 		<p>✓</p> <p>Requires additional LTP funding (estimated at \$5.9m plant upgrades at National Park, Ohura and Owhangō)</p>	<p>-</p> <p>(upgrades expected to be completed in first 10 years)</p>	<p>-</p>	H

Significant water supply issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
	3. Seek external Government funding to accelerate the capital upgrade programmes	<ul style="list-style-type: none"> Full compliance will be achieved in shortened timeframe Will require additional resources to deliver programme 	<p>Option 3 is preferred as the most likely scenario – Seek external Government funding to accelerate the capital upgrade programmes to ensure full achievement with Drinking Water Standards</p> <p>Decision required by Council – Application made already, decision required if not successful to proceed as part of the 2021 Long Term Plan adoption</p>	<p>✓</p> <p>Requires seeking external funding (\$2.8m of capital grant funding, and \$300k of operational grant funding in year 1 only)</p>	-	-	M
Water allocation reviews may mean that environmental protection will have priority over water intakes for public drinking water purposes. The potential reduction in water intakes may impact our existing treatment plant capacity.	1. Allocate funding and resourcing to secure new resource consents and monitoring of conditions. Start early discussions with the Regional Council to understand significant changes so we can plan and budget for this	<ul style="list-style-type: none"> Dependent on early engagement with stakeholders and iwi to be successful Additional operational and capital expenditure may be required to meet consent conditions 	<p>Option 1 is preferred as the most likely scenario - Allocate funding and resourcing to secure new resource consents and monitoring of conditions, and start early discussions with the Regional Council.</p> <p>Decision required by Council – Underway with Regional Council at township level. Decision required before expiration of current consents:</p> <p>-National Park: Dec 2026 -Ohakune: Sept 2025 -Ohura: Nov 2021 -Owhango: - Lodged -Raetihi: July 2039 -Taumarunui: Lodged</p>	<p>✓</p> <p>May require additional LTP funding (estimated at \$700k for National Park, Ohakune, Ohura and Taumarunui)</p>	<p>✓</p> <p>May require additional LTP funding (indicative estimated cost at \$300k over 10 years)</p>	<p>✓</p> <p>May require additional LTP funding (indicative estimated cost at \$300k over 10 years)</p>	M
	2. Provide justification to the Regional Council for catchment allocation for public	<ul style="list-style-type: none"> Takes time to plan and consult including cultural issues May not be successful with the Regional Council 		<p>✓</p> <p>Current budgets are known (about \$250k pa for</p>	<p>✓</p> <p>Current budgets are known (about</p>	<p>✓</p> <p>Current budgets are known (about</p>	H

Significant water supply issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
	drinking water purposes			Council staff time to respond)	\$250k pa for Council staff time to respond)	\$250k pa for Council staff time to respond)	
	3. Reduce demand through enhanced water loss programme. Enforce water restrictions when the river flows at set locations approach the minimum flow thresholds	<ul style="list-style-type: none"> Community and stakeholders dissatisfied with Council's management of water sources District may not be attractive to businesses without certainty with service provision all year round 		✓ Low cost from existing resources and budgets (about \$100k pa for water loss programme)	✓ Low cost (about \$100k pa for water loss programme)	✓ Low cost (about \$100k pa for water loss programme)	
Ability of water supplies to meet demands of visitor numbers coupled with future growth in main townships. National Park Village and Ohakune are impacted by peak tourist demand.	1. Continue with ad hoc planning approach for water provision in growth areas, particularly Ohakune	<ul style="list-style-type: none"> Development occurs ad hoc Bulk infrastructure is not planned to meet current or future demand, or sequenced Does not support Council's Social and Affordable Housing project District is unattractive for developers as Council difficult to work with Not supported by Council as an ongoing option 		✓ Low cost from existing resources and budget (about \$150k pa for Council staff time to respond)	✓ Low cost (about \$150k pa for Council staff time to respond)	✓ Low cost (about \$150k pa for Council staff time to respond)	H
	2. Undertake hydraulic modelling of water supply for Ohakune township to understand and plan for the rapid population growth	<ul style="list-style-type: none"> Bulk infrastructure is planned holistically and enables growth in townships Based on realistic forecast of development, where it will likely occur and when 	Options 2 and 3 are preferred. Option 2 is preferred as the most likely scenario (medium to long term) – Undertake hydraulic modelling of water supply for Ohakune township to understand and plan for the rapid population growth	✓ Moderate cost for study (about \$100k)			M

Significant water supply issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
		<ul style="list-style-type: none"> Supports Council's economic stimulus programme to offset the impact of COVID-19 as well as the Social and Affordable Housing project 	<p>Decision required by Council – Study is underway. This option is shown for completeness and therefore no formal Council decision is required.</p>				
	3. Seek Government funding for the significant costs of upgrades to meet increased demand more affordable to the local community	<ul style="list-style-type: none"> Softens any water rates increases for our community Will require additional resources to deliver programme Can be undertaken with upgrades to meet compliance requirements Have to compete for funding allocation with other local authorities facing similar challenges 	<p>Option 3 is preferred as the most likely scenario – Seek Government funding for the significant costs of upgrades to meet increased demand.</p> <p>Decision required by Council – Budget approved as part of the 2021 Long Term Plan adoption.</p>	<p>✓ Requires seeking external funding (about \$2m growth capex projects in total inflated over ten years)</p>	<p>✓ (about \$2.3m growth capex projects in total inflated over ten years)</p>	<p>✓ (about \$3.2m growth capex projects in total inflated over ten years)</p>	M

WASTEWATER

BACKGROUND

The wastewater activity provides efficient and safe wastewater collection and disposal in the District in an effective and environmentally acceptable manner. A safe and efficient wastewater network is essential as the basis for maintaining public health in our communities and protecting the environment.

Council manages a wastewater network which includes six wastewater treatment plants, 18 pump stations, 104 km of pipes, 1,434 manholes, and 4,778 rateable properties connected. The wastewater assets had a gross replacement cost of \$53.1 million (as at 1 July 2020). Council collects wastewater from the Waiouru township customers and pays New Zealand Defence Force for treatment and disposal.

Resource consents are required for discharging into water bodies and onto planted forestry and are issued by Horizons Regional Council. The main purpose of a consent is environmental protection and driven by the Resource Management Act. These consents are subject to requirements that restrict the volume of water that can be discharged and stipulate the water quality parameters the discharged water must meet.

STRATEGIC WASTEWATER CHALLENGES

CHANGES TO LEVELS OF SERVICE

There are significant wastewater challenges driven by higher future consent requirements, environmental protection, cultural expectations for suitable treatment processes, Government's freshwater reform programme coupled with growth. This will require significant investment as outlined in the Strategic Issues Section (at district wide level).

The priority for Council has been working towards improving its water supply schemes and their ability to comply with the Drinking Water Standards, post the Havelock North gastro water contamination outbreak. This dominates the capital works programme in the first ten years of this strategy.

We need to identify long term sustainable solutions that are affordable for our community. We will continue to undertake feasibility studies and gather technical information to inform our decision making recognising that wastewater challenges are complex. It can be difficult to schedule treatment plant upgrades as it takes time to investigate and build as well as ageing with stakeholders on sustainable solutions. We have adopted a collaborative approach with iwi, Regional Council and stakeholder groups noting that co-management is a longer process.

It is likely that Council will receive an increase in the number of non-compliances issued by the Regional Council with the new monitoring and stringent enforcement of the existing resource consents and until new / upgraded plants are completed. We will adopt short term measures to mitigate this risk and ensure maximum utilisation of the existing plants and processes where practical.

MANAGING RISK AND ASSET PERFORMANCE

NETWORK RESILIENCE

A key focus is strengthening our infrastructural resilience as there are six treatment plants at significant distances from one another to serve our communities (similar challenge as for the water supply activity). The Waimarino networks (Ohakune and Raetihi) townships growth may see network collection systems join which will make a single treatment system viable in the future. It will also address the long-standing issues at the Ohakune Wastewater Treatment Plant (related to ammonia and suspended solids).

Climate change directly impacts the wastewater activity. Council's future action in response to climate change and strengthen resilience for the activity includes building any centralised plants out of flood plains.

FUTURE CHALLENGES

CHANGING TECHNOLOGY

Council currently utilises the lowest cost technology to treat wastewater, largely using gravity to collect the wastewater from the community and delivering it to the treatment plant. The existing plants utilise low carbon treatment technologies with enhanced oxidation lagoons systems. The step change to treat nutrients to deliver nutrient removal will involve high carbon technology. Council will consider the carbon footprint with any new / upgraded treatment plants in its decision making.

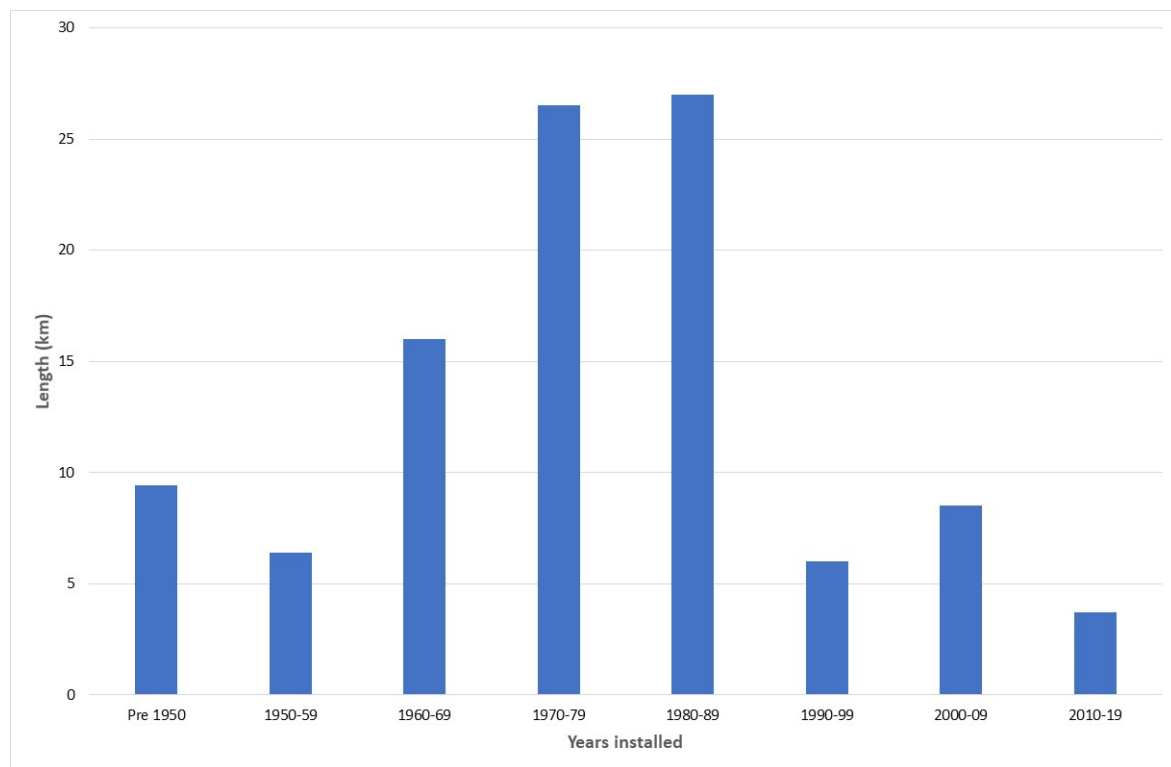
SLUDGE MANAGEMENT

Future treatment plant upgrades will generate greater volumes of sludge which will require increased management, handling and disposal processes. While this is not currently a major pressure, it will be in the future and needs to be considered across plants. The new / upgraded plants will have large carbon footprints and will generate greater volumes of sludge. This will potentially generate increased greenhouse gases as well as ongoing operational costs.

ASSET CONDITION AND PERFORMANCE

Most of the district's wastewater network is plastic (newer pipe material) and asbestos concrete pipe material (at 41% each). Most of the network (69%) was installed after 1970, as shown in the figure below.

Wastewater pipes by age



Source: AssetFinda (as at 30 June 2019)

The overall condition of the wastewater assets is summarised in the table below by major asset class and township (by Veolia as at 2020). This shows that most asset classes and townships have been assessed between good and moderate.

Asset condition by township

MAJOR ASSET CLASS	CONDITION GRADING	WASTEWATER SYSTEM	CONDITION GRADING
Wastewater mains	Good	National Park	Good
Manholes	Good	Ohakune	Good
Wastewater pump stations	Moderate	Pipiriki	Good
Wastewater treatment plants	Moderate	Raetihi	Good
		Rangataua	Good
		Taumarunui	Good
		Waiouru	Good

Source: Veolia (August 2020)

We have defined our critical wastewater assets that are significantly important to our community. These are classified as critical, low criticality and non-critical. These include items such as raw wastewater pipelines, trunk mains and control equipment.

Asset performance of Council's wastewater network is assessed in terms of overflows and inflow and infiltration as follows:

- **Dry weather overflows.** A dry weather overflow is an uncontrolled wastewater discharge that is not associated with a rain event. All pump stations are connected to a monitoring system so we can monitor and report failures. This helps us to effectively mitigate dry weather overflows from entering the environment and for reporting to the Regional Council. Dry weather overflows are reported on as a mandatory performance measure and to Horizons Regional Council. Blockage incidences occur from time to time but our asset performance for dry weather overflow events meet the industry accepted benchmarks.
- **Wet weather overflows.** These incidents occur periodically, mainly during significant rainfall events at weak points in the system such as pump stations and low lying areas where gully traps are inundated with floodwaters. A wet weather overflow has limited environmental effect as it is diluted. No overflows were recorded during the 2019/20 period due to the Raetihi network capacity being exceeded. This reduction in overflows indicates that the relining of the poor condition mains has been effective in reducing infiltration in the network.
- **Inflow and infiltration.** We know operationally that some of our catchments are leaky. This is the term used to describe groundwater and stormwater entering into dedicated wastewater system resulting in the system becoming overloaded and overflows occurring. These increases occur in Raetihi, some Ohakune wastewater networks, and discrete catchments within the Taumarunui wastewater network. Significant wet weather flow increases at Raetihi Wastewater Treatment Plant resulted in regular wet weather flow discharge exceedance. Surveys of the wastewater network and subsequent relining of poor condition mains has now been completed in the last few years throughout the township and has significantly reduced the wet weather inflows to the treatment plant.

Significant issues for the wastewater activity and principal options for managing these issues are detailed in the following table. The option preferred as the most likely scenario has been identified.

Significant issues and options for wastewater

Significant wastewater issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
Implications of the Government's Three Waters Reforms including strengthening the stewardship of wastewater and stormwater with regional councils remaining primary regulators, and changes to Water Services Delivery Models. Taumata Arowai will not start monitoring the wastewater and stormwater functions until 2023. The initial focus will be weighted towards wastewater.	1. Continue with water services remaining in house	<ul style="list-style-type: none"> Future wastewater costs may be unaffordable for District's small population Not eligible for funding through Government's three waters reform programme Government may force amalgamation for councils that do not collaborate regionally 		<p>✓</p> <p>Current budgets are known (\$26.9m for capital projects for 10 years inflated)</p>	<p>✓</p> <p>Current budgets are known (\$33.2m for capital projects for 10 years inflated)</p>	<p>✓</p> <p>Current budgets are known (\$45.2m for capital projects for 10 years inflated)</p>	H
	2. Continue to collaborate with the other councils in the Region to identify a preferred three waters management option (regional aggregation model)	<ul style="list-style-type: none"> Costly to set up water Council Controlled Organisation but will be eligible for Central Government funding A dedicated water Council Controlled Organisation with no other competing priorities will be expected to better prioritise investment decisions across the region leading to better environmental and community outcomes than the Councils can individually achieve Potentially loss of community involvement in water decisions Council needs to opt into reform programme to be eligible for funding Regional collaboration is already underway with Regional Three Waters Services Delivery Study on preferred management option 	<p>Option 2 is preferred as the most likely scenario – Continue with regional collaboration on the preferred three waters management option. Decision required by Council – Decision on participating in reforms and preparation for the formation of water services entities expected from late 2021 to 2023 (legislation is still being passed)</p>	<p>✓</p> <p>Higher level estimates from industry of reduction in capital programme with aggregation (1.25% per year indicative estimated cost \$300k reduction in capital projects over 10 years in real terms)</p>	<p>✓</p> <p>Higher level estimates from industry of reduction in capital programme with aggregation (1.25% per year indicative estimated cost \$310k reduction in capital projects over 10 years in real terms)</p>	<p>✓</p> <p>Higher level estimates from industry of reduction in capital programme with aggregation (1.25% per year indicative estimated cost \$310k reduction in capital projects over 10 years in real terms)</p>	H
	3. Maintain a watching brief on the Government's Three Waters Reform Programme and respond as required to	<ul style="list-style-type: none"> Central government may force amalgamation for councils that do not aggregate regionally Implications from water reforms on service delivery including the impact of Taumata Arowai and changes to 		<p>✓</p> <p>Current budgets are known (\$26.9m for capital)</p>	<p>✓</p> <p>Current budgets are known (\$33.2m for capital)</p>	<p>✓</p> <p>Current budgets are known (\$45.2m for capital)</p>	H

Significant wastewater issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
	ensure Council's best interest are considered particularly for a small rural district council	legislation are still unfolding and happening at a rapid pace		projects for 10 years inflated)	projects for 10 years inflated)	projects for 10 years inflated)	
Cultural concerns for suitable wastewater treatment processes. The fundamental position is that the direct discharge of wastewater to surface water is culturally unacceptable.	1. Continue to meet existing resource consent conditions to keep within consented water quality limits to minimise the impact of the treated effluent discharged from the existing wastewater treatment plants	<ul style="list-style-type: none"> Meets current minimum resource consent requirements May not result in substantial positive environmental improvements Stakeholders including iwi and the Regional Council unlikely to support this approach for long-term resource consent condition on the current terms 		<ul style="list-style-type: none"> Current budgets are known (part of wastewater operational activity budget about \$150k pa) 	<ul style="list-style-type: none"> Current budgets are known (part of wastewater operational activity budget about \$150k pa) 	<ul style="list-style-type: none"> Current budgets are known (part of wastewater operational activity budget about \$150k pa) 	M
	2. Explore alternative options and stage appropriate solutions overtime to ensure our capital projects are culturally appropriate and supported by our community. Find the optimal solution for the balance between treatment provision, movement through Papatuanuku and discharge in a District with extreme weather events, geological constraints for discharge to land.	<ul style="list-style-type: none"> Better alignment with Māori values and community aspirations Improves freshwater quality Takes time to find appropriate solutions May not be practical at some locations Significant operational and capital expenditure may be required Requires greater stakeholder management to gain acceptable on alternative options 	<p>Option 2 is preferred as the most likely scenario – Explore alternative options and stage appropriate solutions overtime.</p> <p>Decision required by Council – The budget for new plant servicing Ohakune and Raetihi will be adopted as part of the 2021 Long Term Plan. Formal project approval will be required by Council in 2027/28 to 2028/29.</p>	<ul style="list-style-type: none"> Solution still to be agreed and upgrade costs may be significant (about \$2.7m for new plant servicing Ohakune and Raetihi in 2030/31) 	<ul style="list-style-type: none"> Upgrade costs may be significant (indicative cost estimate \$10m to \$15m over 10 years) 	<ul style="list-style-type: none"> Upgrade costs may be significant (indicative cost estimate \$10m to \$15m over 10 years) 	H
Significant challenges with the future wastewater treatment plant upgrades as consents expire and costly to address for a small rural district council. Interrelated issues to consider include growth,	1. Meet new resource consent conditions on a plant by plant basis	<ul style="list-style-type: none"> The upgrades may not have substantial positive environmental improvements and be unaffordable for the district given the limited funds available Meets minimum resource consent requirements Stakeholders including iwi unlikely to support this approach 		<ul style="list-style-type: none"> Consent conditions still need to be agreed and cost impact (about \$2.7m for new plant servicing 	<ul style="list-style-type: none"> Upgrade costs may be significant (indicative cost estimate \$15m to 	<ul style="list-style-type: none"> Upgrade costs may be significant (indicative cost estimate \$15m to 	

Significant wastewater issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
Horizon Regional Council's One Plan, National Policy Statement for Freshwater Management 2020, and a higher degree of treatment required for future resource consents.				Ohakune and Raetihi starting in 2030/31)	\$20m over 10 years)	\$20m over 10 years)	
	2. Identify options in consultation with iwi, Regional Council and stakeholder groups to identify long term sustainable solutions that are affordable for our community	<ul style="list-style-type: none"> Addresses issues holistically Requires greater stakeholder management to gain acceptance on new and innovative approach Sustainable investment that addresses the four well beings Maybe greater impact on the environment until investment is made 	Option 2 is preferred as the most likely scenario (medium to long term) – Identify options in consultation with iwi, Regional Council and stakeholder groups to identify long term sustainable solutions. Decision required by Council – This is current practice and will continue but takes longer. This option is shown for completeness and no formal Council decision is required for this option (planning stage).	✓ Moderate costs for studies and supporting technical information (indicative cost estimate \$0.5m to \$1m)			H
	3. Seek external government funding for the significant upgrades such as the new single treatment plant to service Ohakune and Raetihi (to replace two existing plants)	<ul style="list-style-type: none"> Softens any wastewater rates increases for our community Will require additional resources to deliver programme Can be undertaken with upgrades to meet compliance requirements Have to complete for funding allocation with other local authorities facing similar challenges 	Option 3 is preferred as the most likely scenario – Seek Government funding for the significant costs of upgrades to meet increased demand Decision required by Council – The application does not	✓ Requires seeking external funding (about \$2.7m for new plant servicing Ohakune and Raetihi starting in 2030/31)			M

Significant wastewater issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
			require formal Council approval.				
Treatment plant upgrades and discharge methods will require step change in technology to meet the higher environmental requirements and cultural concerns	1. Continue with lagoon-based technology for treatment at existing plants	<ul style="list-style-type: none"> Operational costs are known Low carbon treatment technology Technology may become obsolete and not supported May not be suitable to meet future resource consent requirements 		<p>✓</p> <p>Costs are known (part of wastewater activity operational budget at \$1.3m pa)</p>	<p>✓</p> <p>Costs are known (part of wastewater activity operational budget at \$1.3m pa)</p>	<p>✓</p> <p>Costs are known (part of wastewater activity operational budget at \$1.3m pa)</p>	M
	2. Stage the implementation of plant upgrades over longer period while meeting the various requirements	<ul style="list-style-type: none"> Addresses issues holistically Potentially degraded environment as takes too long to implement Timeframe may not be acceptable to stakeholders 		<p>✓</p> <p>Budget impacts (<i>indicative cost estimate</i> \$1m to \$2m over 10 years)</p>	<p>✓</p> <p>Budget impacts (<i>indicative cost estimate</i> \$5m to \$8m over 10 years)</p>	<p>✓</p> <p>Budget impacts (<i>indicative cost estimate</i> \$5m to \$8m over 10 years)</p>	H
	3. Upgrade treatment plants before the existing consents expire to meet the more stringent requirements of One Plan, cultural concerns and stakeholder groups, and community expectations	<ul style="list-style-type: none"> May be unaffordable for the District given the limited funds available including higher operational costs Requires higher carbon technology Better alignment with Māori values and community aspirations Does not support reducing the District's carbon footprint 	<p>Option 3 is preferred as the most likely scenario - Upgrade treatment plants before the existing consents expire to meet the more stringent requirements</p> <p>Decision required by Council – The budget for new plant servicing Ohakune and Raetihi will be adopted as part of the 2021 Long Term Plan. Formal project approvals will be required by Council for each plant upgrade.</p>	<p>✓</p> <p>Budget impacts may be significant (about \$2.7m for new plant servicing Ohakune and Raetihi starting in 2030/31)</p>	<p>✓</p> <p>Budget impacts may be significant (<i>indicative cost estimate</i> \$15m to \$20m over 10 years)</p>	<p>✓</p> <p>Budget impacts may be significant (<i>indicative cost estimate</i> \$15m to \$20m over 10 years)</p>	H

STORMWATER

BACKGROUND

The stormwater and flood protection activity provides a safe environment which protects the communities in the District in an environmentally sustainable manner. A developed network of pipes, culverts to drains, watercourses, provides a safe and efficient means of collecting and conducting stormwater through townships.

Council manages a stormwater and flood protection (stormwater) network across 11 townships which includes stormwater reticulation mains (50 km), public drains, watercourses (30 km), open drains and associated culverts, manholes and sumps. The assets had a gross replacement cost of \$29.5 million (as at 1 July 2020).

STRATEGIC STORMWATER CHALLENGES

PROVIDING FOR GROWTH AND CHANGES TO LEVELS OF SERVICE

RESOURCE CONSENTS

Historically Council has not applied for resource consents to discharge stormwater from its townships. The towns are largely built in high alpine swamp plains with limited drainage. There are numerous drains and streams through these townships with numerous short drainage pipes to the streams. Global consents will be required for these communities across Ruapehu District.

We know that there will be higher requirements than we currently have including treatment and more comprehensive monitoring. A significant amount of work will be required to prepare the consent application and supporting technical information. Horizon Regional Council's One Plan has stringent conditions regarding discharges of water to the receiving environment as well as the considerations of the National Policy Statement for Freshwater Management 2020.

Stormwater treatment will also be required with global consents. This will require us to be more proactive in stormwater quality management than our current practices. We need to develop evidence-based strategy and programmes to be more proactive in stormwater quality.

SERVICING GROWTH AREAS

Although our usually resident population is set to steadily increase, stormwater demand is linked indirectly to population growth with the creation of impervious or paved surfaces. This is not a linear relationship. Demand for stormwater infrastructure is directly related to the creation of imperviousness and rainfall.

There is significant growth occurring in Ohakune and the provision of core infrastructure is required to enable suitable housing to support the influx of people into the District. The timing and investment in core infrastructure including stormwater needs to be planned to support this growth.

We do know that the existing stormwater systems at the bottom of catchments cannot cope with the effects of growth in townships. These stormwater assets are undersized, and any additional paved surfaces may result in localised flooding. In particular, there is concern that future development in Ohakune may be constrained by the existing stormwater system. Ohakune is experiencing significant population growth and stormwater is a constraint for enabling future development in the township. We need to develop a Stormwater Master Plan as an overarching framework to guide our long term planning and capital works programme.

MANAGING RISK AND ASSET PERFORMANCE

PREPARING FOR CLIMATE CHANGE

We are preparing for the impacts of climate change for the District for the next 20 to 30 years on the infrastructure assets as we are already experiencing impacts such as flooding. Ruapehu District is influenced by the Mountain and subject to intense weather events which may be short with a peak within two hours.

The National Climate Change Risk Assessment (August 2020) prepared by the Ministry for the environment identified New Zealand’s ten most significant climate change risks based on consequence and urgency. The other most significant risks included risks to wastewater and stormwater systems due to extreme weather events and ongoing sea level rise.

A key focus is strengthening our infrastructure resilience, particularly for our townships with more built infrastructure as Raetihi, Ohakune and Taumarunui (less impact for National Park village).

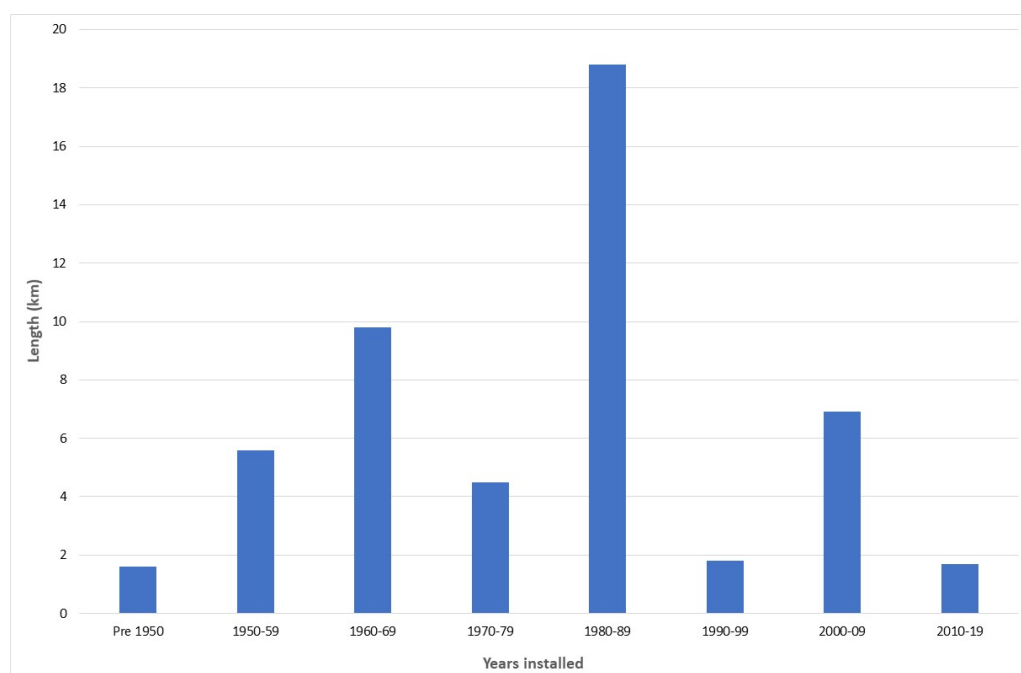
Stormwater infrastructure may not be able to cope long term, particularly with the intense rainfall predicted. Global climate change is likely to bring more intensive rainfall events with longer dry periods between them and annual rainfall volume is also expected to increase. Changes in rainfall intensity and frequency will have an impact on the performance of the stormwater network.

We will continue to monitor trends in the performance of our stormwater network, particularly flooding risk to residential properties, with more intense and frequent storms. New stormwater infrastructure is designed to provide for future capacity and changes in rainfall intensity. We design our infrastructure to take into account climate change projections and the risk of climate change weather related events. At this stage, the financial implications of adapting to the effects of climate change are uncertain for the stormwater activity and they will be refined in subsequent strategies and plans as investigations are progressed.

ASSET CONDITION AND PERFORMANCE

Most of the stormwater piped network (86%) is concrete material. In terms of age, 60% of the network was installed after 1980 with a further 30% constructed in the period 1950 to 1969 as shown in the figure below.

Stormwater pipes by age



Source: AssetFinda (as at 30 June 2019)

The overall condition of the stormwater assets is summarised in the table below by township (by Veolia as at 2020). This shows that most townships have been assessed between good and moderate. The overall asset condition of Council’s stormwater asset classes has been assessed in good condition.

Asset condition by township

STORMWATER SYSTEM	ASSET CONSION GRADING
National Park	Good
Ohakune	Moderate
Ohura	Good
Owhango	Moderate
Raetihi	Good
Rangataua	Good
Raurimu	Moderate
Taumarunui	Moderate
Waiouru	Good

Asset performance of Council's stormwater network is assessed in terms of capacity constraints (flood protection) and stormwater quality. Overall, the townships asset performance has been assessed between good (or 2) and moderate (or 3) (by Veolia as at 2020).

There has been historical flooding in Raetihi, Ohakune and Taumarunui. Council works with Horizon Regional Council on flood management schemes including flood modelling. There were no flood events reported or habitable floors flooded recorded in 2019/20 as a mandatory performance measure.

We have defined our critical stormwater assets that are significantly important to our community. These are classified as critical, low criticality and non-critical. These include items such as the Miro Street channel and most channels passing through urban Ohakune, and internal drainage release through the stopbanks and culverts through the stopbanks in Taumarunui.

Significant issues for the stormwater activity and principal options for managing these issues are detailed in the following table. The option preferred as the most likely scenario has been identified.

Significant issues and options for stormwater

Significant stormwater issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
Implications of the Government's Three Waters Reforms including strengthening the stewardship of wastewater and stormwater with regional councils remaining primary regulators, and changes to Water Services Delivery Models. The initial focus for the three waters reforms for stormwater will be collecting performance information as relatively limited data currently exists and promoting best practice.	1. Continue with water services remaining in house. Stormwater activity remains mainly reactive service.	<ul style="list-style-type: none"> Future stormwater costs may be unaffordable for District's small population Not eligible for funding through Government's three waters reform programme Government may force amalgamation for councils that do not collaborate regionally 		<p>✓</p> <p>Current budgets are known (\$6.1m for capital projects for 10 years inflated)</p>	<p>✓</p> <p>Current budgets are known (\$7.1m for capital projects for 10 years inflated)</p>	<p>✓</p> <p>Current budgets are known (\$9.7m for capital projects for 10 years inflated)</p>	H
	2. Continue to collaborate with the other councils in the Region to identify a preferred three waters management option (regional aggregation model)	<ul style="list-style-type: none"> Costly to set up water Council Controlled Organisation but will be eligible for Central Government funding A dedicated water Council Controlled Organisation with no other competing priorities will be expected to better prioritise investment decisions across the region leading to better environmental and community outcomes than the Councils can individually achieve Potentially loss of community involvement in water decisions 	<p>Option 2 is preferred as the most likely scenario – Continue with regional collaboration on the preferred three waters management option including stormwater.</p> <p>Decision required by Council – Decision on participating in reforms and preparation for the formation of water services entities</p>	<p>✓</p> <p>Higher level estimates from industry of reduction in capital programme with aggregation (1.25% per year indicative estimated cost \$70k reduction in capital projects over 10 years in real terms)</p>	<p>✓</p> <p>Higher level estimates from industry of reduction in capital programme with aggregation (1.25% per year indicative estimated cost \$70k reduction in capital projects over 10 years in real terms)</p>	<p>✓</p> <p>Higher level estimates from industry of reduction in capital programme with aggregation (1.25% per year indicative estimated cost \$70k reduction in capital projects over 10 years in real terms)</p>	H

Significant stormwater issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
		<ul style="list-style-type: none"> • Council needs to opt into reform programme to be eligible for funding • Regional collaboration is already underway with Regional Three Waters Services Delivery Study on preferred management option • Water cycle promoted with stormwater retained with water and wastewater with regional approach 	expected from late 2021 to 2023 (legislation is still being passed)				
	3. Maintain a watching brief on the Government's Three Waters Reform Programme and respond as required to ensure Council's best interest are considered particularly for a small rural district council	<ul style="list-style-type: none"> • Central government may force amalgamation for councils that do not aggregate regionally • Implications from water reforms on service delivery including the impact of Taumata Arowai and changes to legislation are still unfolding and happening at a rapid pace 		✓ Current budgets are known (\$6.1m for capital projects for 10 years inflated)	✓ Current budgets are known (\$7.1m for capital projects for 10 years inflated)	✓ Current budgets are known (\$9.7m for capital projects for 10 years inflated)	H
Historic under investment in the stormwater system.	1. Continue with providing a mainly reactive service with limited renewals	<ul style="list-style-type: none"> • Will not achieve good environmental outcomes • Deterioration of the network and ultimately increased costs • Not meeting the agreed levels of service with potentially local flooding issues including habitable floors • Assets are deteriorated to a point that the 		✓ Current budgets are known (\$2.9m renewal projects in total over 10 years inflated)	✓ Current budgets are known (\$3.3m renewal projects in total over 10 years inflated)	✓ Current budgets are known (\$4.6m renewal projects in total over 10 years inflated)	M

Significant stormwater issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
		<p>community cannot afford to pay for</p> <ul style="list-style-type: none"> Investment burden is shifted to the next generation to pay for Compromises safety and resilience Constrains growth in township and District's economy Stakeholders including Regional Council, Taumata Arowai, local community and iwi dissatisfied with Council's management of stormwater activity 					
	2. Develop an investment programme that addresses asset performance issues including flooding and meets the higher standards expected by the NPS Freshwater Management 2020 and greater requirements for stormwater quality management	<ul style="list-style-type: none"> Achieves good environmental outcomes but will take time Will likely require higher level of investment Appropriate level of investment that maintains stormwater assets in perpetuity Ensures assets are functional and meets levels of service Bulk stormwater infrastructure is planned and enables growth in townships 	<p>Option 2 is preferred as the most likely scenario – Develop of investment programme to maintain the stormwater assets to agreed level of service and at a sustainable level</p> <p>Decision required by Council – Investment programme will be expected to</p>	<p>✓</p> <p>Requires additional LTP and potentially seeking external funding (indicative cost estimate at \$5m+ over 10 years)</p>	<p>✓</p> <p>Requires additional LTP and potentially seeking external funding (indicative cost estimate at \$5m+ over 10 years)</p>	<p>✓</p> <p>Requires additional LTP and potentially seeking external funding (indicative cost estimate at \$5m+ over 10 years)</p>	H

Significant stormwater issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
			be adopted by Council in the medium term (2026/27 to 2028/29).				
Growth in district, particularly from subdivisions adding pressure on existing drainage systems at the bottom of catchments that are already struggling to cope. Servicing future capacity in Ohakune will be a challenge and stormwater is a constraint for development.	1. Continue with ad hoc planning approach for stormwater provision in growth areas, particularly Ohakune	<ul style="list-style-type: none"> • Flooding is exacerbated with additional impervious areas into existing stormwater networks • Development occurs ad hoc • Bulk infrastructure is not planned to meet current or future demand, or sequenced • Does not support Council's Social and Affordable Housing project • District is unattractive for developers as Council difficult to work with • Not supported by Council as an ongoing option 		✓ Low cost from existing resources and budget (\$650k capital growth projects over 10 years inflated)	✓ Low cost (\$740k capital growth projects over 10 years inflated)	✓ Low cost (\$1m capital growth projects over 10 years inflated)	H

Significant stormwater issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
	2. Develop a Stormwater Master Plan as an overarching framework to guide our long term planning and capital works programme	<ul style="list-style-type: none"> Bulk infrastructure is planned holistically and enables growth in townships Based on realistic forecast of development, where it will likely occur and when Supports Council's economic stimulus programme to offset the impact of COVID-19 as well as the Social and Affordable Housing project 	<p>Option 2 is preferred as the most likely scenario (medium to long term) – Develop and implement the Stormwater Master Plan to guide long term planning and the capital works programme</p> <p>Decision required by Council – Budget for study will be approved as part of the 2021 Long Term Plan process.</p>	<p>✓</p> <p>Moderate cost for study (\$200k for study only)</p>			M
The implications of the National Policy Statement for Freshwater Management 2020 on Council's water quality improvements. This will dictate the redrafting of the Regional Policy Statement and will be the basis for assessing our Comprehensive	1. Secure new resource consent and negotiate with the Regional Council to ensure the conditions are pragmatic and affordable for our community	<ul style="list-style-type: none"> Consent requirements are understood and budgeted for May not achieve good environmental outcomes Some stakeholders including iwi may not support this pragmatic approach Preparation for consent application and support technical information will 		<p>✓</p> <p>Current budgets are known (about \$100k pa)</p>	<p>✓</p> <p>Current budgets are known (about \$100k pa)</p>	<p>✓</p> <p>Current budgets are known (about \$100k pa)</p>	H

Significant stormwater issue	Options for managing the issue	Implications of the options	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
Stormwater Resource Consent application and setting conditions.		take time and may be costly					
	2. Develop evidence based strategy and programmes to be more proactive in stormwater quality than our current practices, aligned with the new requirements	<ul style="list-style-type: none"> Improves freshwater quality Achieves good environmental outcomes but may not be immediate There may ongoing operational costs that need to be considered as well as capital before adopting this approach Aligned to the new requirements Stormwater treatment devices will need to be installed both proactively and retrospectively Demonstrates good stewardship to the Regional Council and Taumata Arowai 	<p>Option 2 is preferred as the most likely scenario - Develop evidence based strategy and programmes to be more proactive in stormwater quality</p> <p>Decision required by Council – Strategy will be expected to be adopted by Council in the medium term (2026/27).</p>	<p>✓</p> <p>Strategy development and data consolidation about \$150k for external support; Stormwater quality capital improvements about \$300k pa</p>	<p>✓</p> <p>Stormwater quality capital improvements indicative estimated costs \$300k pa</p>	<p>✓</p> <p>Stormwater quality capital improvements indicative estimated costs \$300k pa</p>	H

LAND TRANSPORT

BACKGROUND

Ruapehu is at the top of the Manawatū-Whanganui Region in the heart of the North Island and its transport system plays a key role in connecting the central and lower North Island. The land transport activity is to provide a multi-modal network that allows for the safe, reliable, efficient and effective movement of vehicles, cyclists and people. Roads are essential infrastructure for both community and economic development.

Council owns and manages land transport assets including 1,325km of roads (sealed and unsealed), 1,548 streetlights, 341 bridges and large culverts, 286 retaining walls, 70km of footpath and 16km of Council maintained cycleways. The assets had a gross replacement cost of \$452 million (as at 1 July 2020).

STRATEGIC LAND TRANSPORT CHALLENGES

IMPACTS OF FORESTRY OF ROADING NETWORK

Harvesting of the surrounding forests is having a significant adverse impact on both our unsealed and sealed roads. Weak pavement strength due to local geology of the district and pavement that have not been designed for this quantity and loading associated with logging haulage. Higher carrying loads of forestry trucks are accelerating pavement failures and consuming budget.

TRANSPORT LEGISLATION AND STRATEGY CHANGES

There are significant changes to legislation that are either planned or underway that will impact the delivery of core infrastructure as outlined in the Infrastructure Overview Section. The key changes to legislation that impacts the land transport activity includes Road to Zero Strategy, Zero Carbon Act and the new Government Policy Statement on Land Transport (2021).

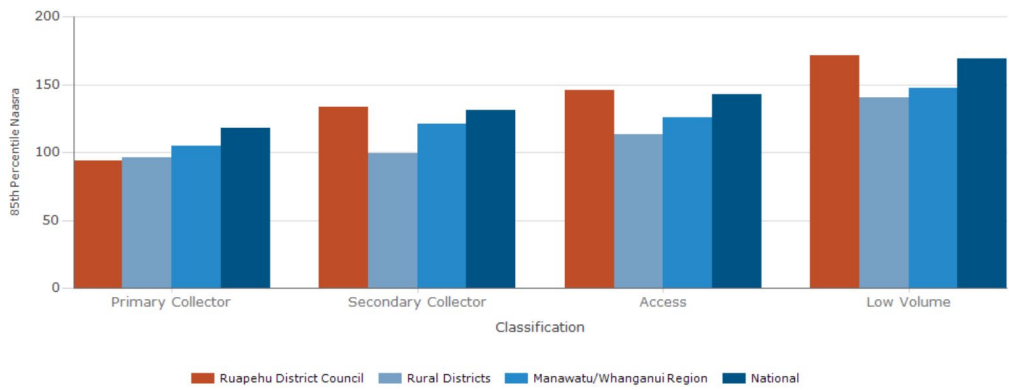
The One Network Framework is being developed nationally to provide a common language to reflect the role transport corridors play in the movement of people and freight across all land transport modes, the social spaces they provide and their role in providing access to adjacent land. This will ensure investment decisions are made consistently by local authorities rather than in an ad hoc manner. The network under this framework will be classified under a movement and place dimensions. Council will use the framework to guide its decisions on its transport network in the next Long Term Plan planning round. This will ensure that the transport network is accessible for the community, particularly the aging population.

INVESTMENT SUSTAINABILITY

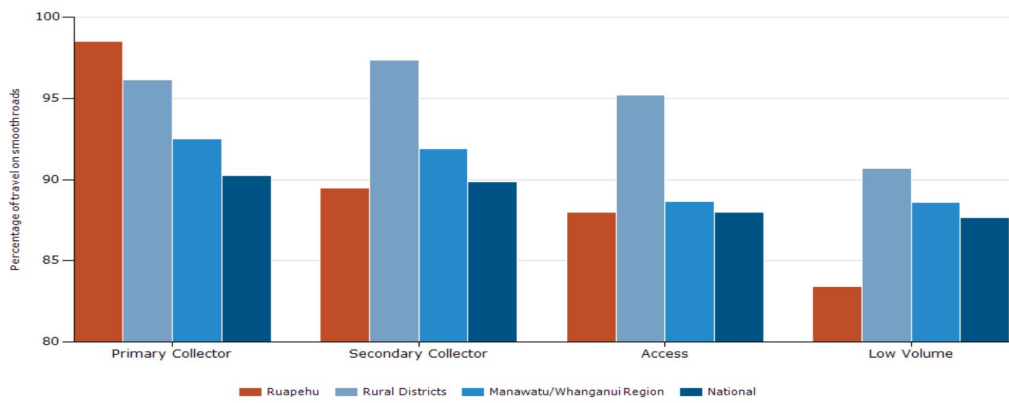
Identified in the last Waka Kotahi audit, Ruapehu spends what it can afford rather than what the network needs. Performance of our primary collector roads is good however the other roads do not perform or compare that well. Ruapehu relies on a high Waka Kotahi subsidy rate (74%) to manage the network in a fiscal manner.

2019/20 Roughness and Smooth Travel Exposure results

 85th percentile comparison



 The trend of percentage of travel on roads smoother than the threshold



Significant issues for the land transport activity and principal options for managing these issues are detailed in the following table. The option(s) preferred as the most likely scenario have been identified.

Significant issues and options for land transport

Significant issues	Principal options for managing the issue	Implications of the Issues	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
Forestry and land use - Impacts of intense forestry harvesting on the roading network.	1. Respond reactively to industry demands.	<ul style="list-style-type: none"> No flexibility and agility to respond to the needs of the industry and network when roads deteriorate. 	<p>Option 1 is the preferred as the most likely scenario – continue to respond to the needs of industry. Decision required by Council – This is current practice and is shown for completeness and therefore no formal Council decision is required.</p>	<p>✓ Current budgets are known (about \$100k pa for Council staff time to respond)</p>	<p>✓ Current budgets are known (about \$100k pa for Council staff time to respond)</p>	<p>✓ Current budgets are known (about \$100k pa for Council staff time to respond)</p>	H
	2. Ensure sufficient funding available to react to pavement wear caused by the forestry routes.	<ul style="list-style-type: none"> Condition of the pavement may make roads access limited or un-useable if funding is not sufficient. Forestry may not be able to transport harvest out. 		<p>✓ Current budgets are known (Renewal projects at about \$8m to \$9m pa over 10 years)</p>	<p>✓ Current budgets are known (Renewal projects at about \$8m to \$9m pa over 10 years)</p>	<p>✓ Current budgets are known (Renewal projects at about \$8m to \$9m pa over 10 years)</p>	H
	3. Work with industry sectors to understand their needs. Prioritisation of heavy maintenance and renewal on forest plantation cartage roads	<ul style="list-style-type: none"> Investment in renewals and heavy maintenance not aligned to where forestry operations are being undertaken and extra funding required to react to pavement issues. Wastage of works and funding. Customer complaints increase. 	<p>Option 3 is the preferred as the most likely scenario – prioritise heavy maintenance and renewals on plantation cartage routes. Decision required by Council – Renewal prioritisation undertaken is part of ongoing network management.</p>	<p>✓ Current budgets are known (Renewal projects at about \$8m to \$9m pa over 10 years)</p>	<p>✓ Current budgets are known (Renewal projects at about \$8m to \$9m pa over 10 years)</p>	<p>✓ Current budgets are known (Renewal projects at about \$8m to \$9m pa over 10 years)</p>	H
	4. Negotiate maintenance agreements with forest owner for harvest period on low volume unsealed roads.	<ul style="list-style-type: none"> Low volume roads Customer complaints 		<p>✓ Current budgets are known (about \$50k pa for Council staff)</p>	<p>✓ Current budgets are known (about \$50k pa for Council staff)</p>	<p>✓ Current budgets are known (about \$50k pa for Council staff)</p>	H

Significant issues	Principal options for managing the issue	Implications of the Issues	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
				time to negotiate)	time to negotiate)	time to negotiate)	
	5. Collect pavement depth data to monitor trends and planning.	<ul style="list-style-type: none"> Without this information heavy maintenance and renewal works will be reactive to failures rather than proactive planning to improve pavements where it is needed most. 		✓ Estimated \$100k pa for collection of technical data	✓ Estimated \$100k pa for collection of technical data	✓ Estimated \$100k pa for collection of technical data	H
Ageing rural bridges – bridge stock needing replacement and upgrades.	1. Continue weight restriction, speed restrictions and permits on bridges.	<ul style="list-style-type: none"> Bridges capacity is not improved (maintained). 	Option 1 is the preferred as the most likely scenario – maintain restrictions and permits on bridges. Decision required by Council – Bridge permitting is part of ongoing network management.	✓ Current budgets are known (about \$50k pa for Council staff to manage)	✓ Current budgets are known (about \$50k pa for Council staff to manage)	✓ Current budgets are known (about \$50k pa for Council staff to manage)	H
	2. Invest and undertake bridge strengthening and renewal programme.	<ul style="list-style-type: none"> Bridge failure or damage if works are not undertaken. Further restrictions are imposed to traffic using the bridge. Loss of accessibility to the network due to restrictions. 	Option 2 is the preferred as the most likely scenario – undertake bridge strengthening programmes. Decision required by Council – The capital bridge strengthening programme to be approved by Council as part of the 2021 Long Term Plan process.	✓ Programmes still to be agreed and upgrade costs may be significant (cost estimate at \$13.4m over ten years)	✓ Upgrade costs may be significant (indicative cost estimate at \$0.5m over ten years)	✓ Upgrade costs may be significant (indicative cost estimate at \$0.5m over ten years)	H
	3. Work with communities to prioritise works.	<ul style="list-style-type: none"> Need to understand where the demand/need is greatest within the network. 		✓ Current budgets are known (about \$30k pa for Council staff to liaise with communities)	✓ Current budgets are known (about \$30k pa for Council staff to liaise with communities)	✓ Current budgets are known (about \$30k pa for Council staff to liaise with communities)	H
	4. Improve register of HPMV and restricted bridges (refer to Land Transport Activity Plan Appendix D).	<ul style="list-style-type: none"> Safe routes are unclear leading to breaches in bridges restrictions and permits. Risks and consequences are not fully understood and therefore not managed appropriately. 		✓ Current budgets are known (about \$20k pa for Council staff to manage register)	✓ Current budgets are known (about \$20k pa for Council staff to manage register)	✓ Current budgets are known (about \$20k pa for Council staff to manage register)	H

Significant issues	Principal options for managing the issue	Implications of the Issues	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
	5. Lobby central government.	<ul style="list-style-type: none"> RDC has a small rate-based population compared to the size of the network (and assets within it) and need assistance in funding to maintain what they have. 		<p>✓</p> <p>Current budgets are known (about \$30k pa for Council staff to lobby)</p>	<p>✓</p> <p>Current budgets are known (about \$30k pa for Council staff to lobby)</p>	<p>✓</p> <p>Current budgets are known (about \$30k pa for Council staff to lobby)</p>	H
Needs and expectations - road users (local, freight, events and tourists) expectations are increasing investment level to improve the form and function of the roading network.	1. Continue pavement maintenance and renewal programmes and address alignment/widening/cornering in conjunctions.	<ul style="list-style-type: none"> Level of expectation not met. Roads that access the ski fields are not available during the ski season (e.g. Ohakune Mountain Rd, Bruce Rd) 	<p>Option 1 is the preferred as the most likely scenario – continue to address issues with alignment/widening & cornering. Decision required by Council – This is current practice and is shown for completeness and therefore no formal Council decision is required.</p>	<p>✓</p> <p>Current budgets are known (Renewal projects at about \$8m to \$9m pa over 10 years)</p>	<p>✓</p> <p>Current budgets are known (Renewal projects at about \$8m to \$9m pa over 10 years)</p>	<p>✓</p> <p>Current budgets are known (Renewal projects at about \$8m to \$9m pa over 10 years)</p>	L/M
	2. Utilise Low-Cost Low-Risk programme to address minor safety issues.	<ul style="list-style-type: none"> Works would otherwise need to be funded out of other categorises. 		<p>✓</p> <p>Current budgets are known (Low-Cost Low-Risk programme about \$1m pa; varies each year)</p>	<p>✓</p> <p>Current budgets are known (Low-Cost Low-Risk programme about \$1m pa; varies each year)</p>	<p>✓</p> <p>Current budgets are known (Low-Cost Low-Risk programme about \$1m pa; varies each year)</p>	L/M
	3. Liaise with communities to prioritise works and spend. Continue advocacy role with ski operators.	<ul style="list-style-type: none"> Level of expectation not met. 	<p>Option 3 is the preferred as the most likely scenario – continue to liaise with communities to prioritise programmes. Decision required by Council – This is current practice and is shown for completeness and therefore no formal Council decision is required.</p>	<p>✓</p> <p>Current budgets are known (about \$50k pa for Council staff to liaise with communities)</p>	<p>✓</p> <p>Current budgets are known (about \$50k pa for Council staff to liaise with communities)</p>	<p>✓</p> <p>Current budgets are known (about \$50k pa for Council staff to liaise with communities)</p>	L/M
	4. Develop policy for assessing footpath development and renewal requirements.	<ul style="list-style-type: none"> Consistency in delivery of footpath assets in the network 		<p>✓</p> <p>Current budgets are known (about</p>	-	-	L/M

Significant issues	Principal options for managing the issue	Implications of the Issues	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
				\$50k to develop policy then ongoing implementation)			
	5. Unsubsidised seal extension programme.	<ul style="list-style-type: none"> Customer complaints. 		✓ <i>(indicative cost estimate at \$0.53m pa)</i>	✓ <i>(indicative cost estimate at \$0.53m pa)</i>	✓ <i>(indicative cost estimate at \$0.53m pa)</i>	L/M
Safety – vulnerable road users at risk due to increasing and changing activity and environmental conditions to the transport network.	1. Continue with Ruapehu Road Safety Action Plan.	<ul style="list-style-type: none"> Fatal and serious crash numbers are likely to increase with associated costs and impacts on the health system. 		✓ Current budgets are known (about \$50k pa for Council staff for ongoing implementation)	✓ Current budgets are known (about \$50k pa for Council staff for ongoing implementation)	✓ Current budgets are known (about \$50k pa for Council staff for ongoing implementation)	H
	2. Utilise Low-Cost Low-Risk programme to address minor safety issues.	<ul style="list-style-type: none"> Known risks/hazards are not removed or minimised. Crash statistics don't improve. 	Option 2 is the preferred as the most likely scenario – use Low-Cost Low-Risk funding to address safety issues where applicable. Decision required by Council – Revising the Road Safety Programme is part of the ongoing network management.	✓ Current budgets are known (Low-Cost Low-Risk programme about \$1.2m pa; varies each year)	✓ Current budgets are known (Low-Cost Low-Risk programme about \$1m pa; varies each year)	✓ Current budgets are known (Low-Cost Low-Risk programme about \$1m pa; varies each year)	H
	3. Undertake safety audits and inspections and all serious and fatal crashes are investigated with respect to road conditions.	<ul style="list-style-type: none"> Road /hazards risks are not identified and therefore cannot be managed appropriately. Safety is not at the forefront of our actions. 	Option 3 is the preferred as the most likely scenario – Focus on safety. Decision required by Council – Revising the Road Safety Programme is part of the ongoing network management.	✓ Current budgets are known (about \$50k pa for Council staff for ongoing implementation)	✓ Current budgets are known (about \$50k pa for Council staff for ongoing implementation)	✓ Current budgets are known (about \$50k pa for Council staff for ongoing implementation)	H
	4. Reset action plan to align with Road to Zero strategy	<ul style="list-style-type: none"> Not meeting key strategic direction set by the GPS. Negative perception of RLC and its road management. 	Option 4 is the preferred as the most likely scenario – alignment with Road to Zero strategy. Decision required by Council - Revising the Road Safety Programme is	✓ Current budgets are known (about \$100k pa for Council staff to implement)	✓ Current budgets are known (about \$100k pa for Council staff to implement)	✓ Current budgets are known (about \$100k pa for Council staff to implement)	H

Significant issues	Principal options for managing the issue	Implications of the Issues	Most likely scenario for managing the issue	Years 1-10	Years 11-20	Years 21-30	Risk (H/M/L)
			part of the ongoing network management.				
Climate, topography and geology – the effects of climate change on the network assets and performance.	1. Continue proactive drainage maintenance and build resilience and capacity during renewals. New assets built with Climate Change consideration, not just like for like replacements (e.g. culverts and bridges).	<ul style="list-style-type: none"> Lack of investment in resilience programmes will make the network more vulnerable to both high and low probability events. New assets just compound the issues instead of help – new assets designed and built to future requirements. 	<p>Option 1 is the preferred as the most likely scenario – to proactively build resilience into the network during renewals.</p> <p>Decision required by Council – This is conditional on budget being adopted as part of the 2021 Long Term Plan process then maintenance and renewal programmes can be implemented.</p>	<p>✓</p> <p>Current budgets are known (\$950k pa for drainage maintenance and renewal at \$530k pa)</p>	<p>✓</p> <p>Current budgets are known (\$950k pa for drainage maintenance and renewal at \$530k pa)</p>	<p>✓</p> <p>Current budgets are known (\$950k pa for drainage maintenance and renewal at \$530k pa)</p>	M
	2. Respond reactively to climate change and take direction from Central Government (Business Continuity Plans and Emergency Response Plans)	<ul style="list-style-type: none"> Increased delays in the ability for the network, businesses and communities to recover from events. 	<p>Option 2 is the preferred as the most likely scenario – follow direction on climate change from central government.</p> <p>Decision required by Council - This is conditional on budget being adopted as part of the 2021 Long Term Plan process for known capacity projects. Council approval is required as new information becomes available and management response to this.</p>	<p>✓</p> <p>Current budgets are part of service level improvements (\$29m over ten years inflated)</p>	<p>✓</p> <p>Current budgets are part of service level improvements (\$33.6m over ten years inflated)</p>	<p>✓</p> <p>Current budgets are part of service level improvements (\$46.3m over ten years inflated)</p>	M
	3. Develop hazard identification register	<ul style="list-style-type: none"> Risks and consequences are not understood and therefore not managed accordingly. 		<p>✓</p> <p>About \$50k to develop register then ongoing implementation about \$20k pa</p>	<p>✓</p> <p>Ongoing implementation about \$20k pa</p>	<p>✓</p> <p>Ongoing implementation about \$20k pa</p>	M

FINANCIAL SUMMARY

DECISIONS WE EXPECT TO MAKE

We will need to make a number of key decisions over the duration of our strategy. Some of these decisions will be significant to the district and some will not. We consider our decision on three waters service delivery the most significant decision we will have to make.

Other key decisions and actions that will need to be made by elected members over the next 30 years include:

- All activities:
 - Deliver much larger capital programmes particularly for water supply and wastewater, meaning debt levels will exceed the benchmarks in some years
 - We will continue with our maintenance and renewal programmes that targets interventions at appropriate levels consistent with good industry practice and meeting agreed levels of service.
 - Provide core infrastructure to enable growth in Ohakune and Taumarunui.
- Three waters:
 - Accelerate the three waters capital programme
 - Identify a preferred three waters management option for the Manawatu-Whanganui Region.
 - Co-management with iwi, Regional Council and stakeholder groups as the platform for a holistic and integrated wastewater management approach.
- Land transport activity:
 - We will implement the Road to Zero Strategy to prioritise safety risks across the network holistically.
 - Replacement of aging bridge stock.
 - Collaborate with the forestry industry in use and timing of logging activities impact on the roading network.

KEY FINANCIAL ASSUMPTIONS

The financial assumptions for the most likely scenario for the district are as follows:

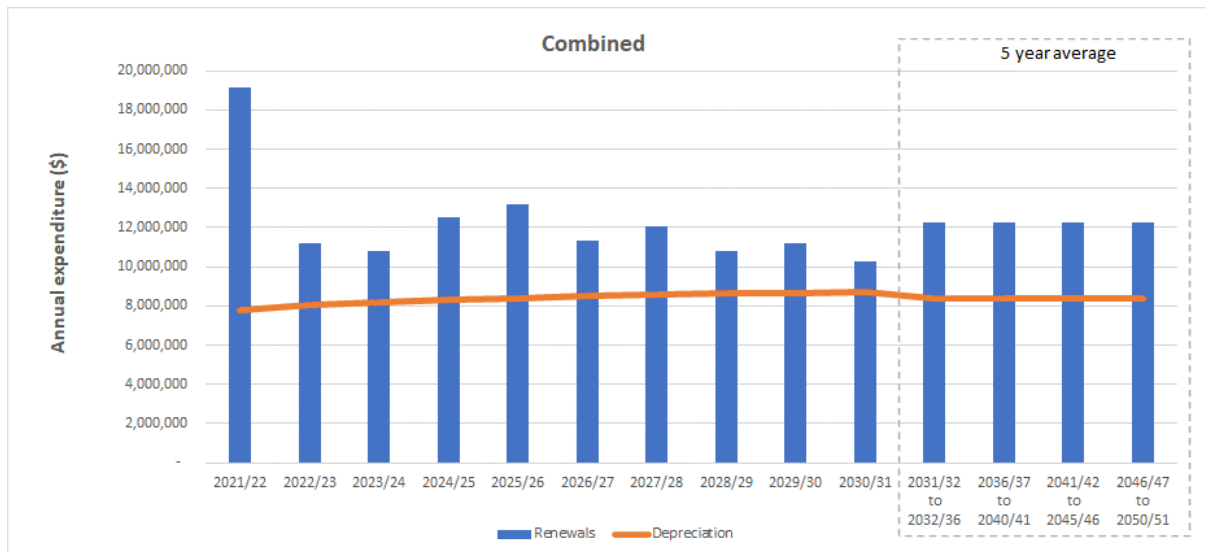
- We will upgrade water supply treatment plants (National Park, Ohura and Owhango) so that they can comply fully with the Drinking Water Standards. However, there is a level of uncertainty with successfully gaining the full amount from the Government's three waters stimulus grant.
- There will need to be significant expenditure in the long term to meet higher environmental standards for wastewater discharges
- There will need to be significant expenditure in the long term to meet requirements for the management of three waters and implement water reform requirements
- We will maximise the useful and economic lives of our assets
- We will use risk management practices to maximise assets and the management of risk of a critical asset failing
- Climate change impacts will increase requiring better management of assets
- There will be increased costs for the acquisition, implementation compliance and monitoring of resource consents.
- Waka Kotahi will continue to provide subsidised funding to the Council for the road network over the next 30 years.
- All financial information presented in our strategy includes inflation, except for the graphs which present the renewal and depreciation expenses.

RENEWAL DEPRECIATION COMPARISON

The Figure below shows the annual renewal of \$12 million (average) versus annual depreciation of \$8 million. This shows that the forecast of renewals expenditure is higher than the depreciation over the 30-year period.

This is mainly due to the higher renewal investment in land transport than funded depreciation, and that gap is funded by Waka Kotahi. Three water capital works are classified levels of service due to legislative and environmental requirements. Most projects are a combination of levels of service and renewals (i.e. like for like scenario).

Combined renewal and depreciation (uninflated) 2021-2051



Source: Council's LTP budget (as at June 2021)

FINANCIAL FORECASTS

The table below shows the total expected capital and operations expenditure for each infrastructure activity over a 30-year period (2022-2052). The breakdown of the capital expenditure between renewals, growth and level of service highlights that growth makes up only 2.9% of the total capital expenditure.

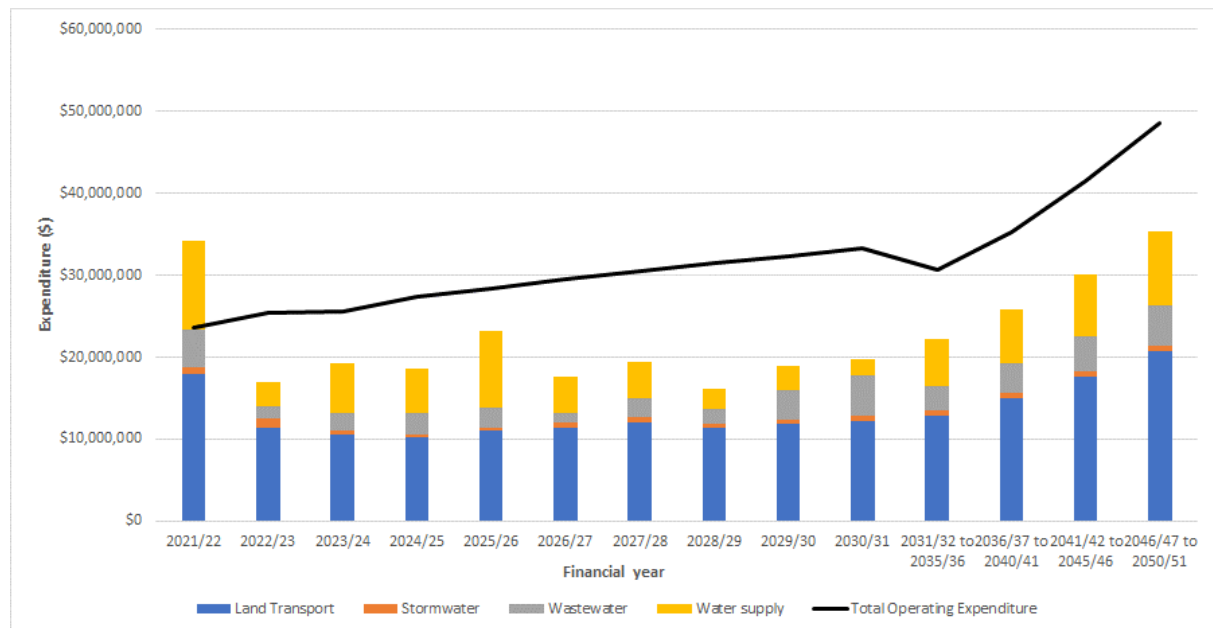
Expected total operating and capital expenditure (inflated)

Activity	Capital Expenditure (30 year total)			Operational Expenditure (30 year totals)
	Renewals	Growth	Levels of Service	Operating
Water Supply	\$113,363,409	\$7,583,482	\$73,739,476	\$211,576,385
Waste Water	\$62,310,489	\$9,007,844	\$33,943,726	\$127,985,933
Stormwater	\$10,816,331	\$2,398,700	\$9,723,614	\$47,353,183
Land Transport	\$338,819,031	\$3,507,736	\$108,507,561	\$688,361,818
Sub Total	\$525,309,260	\$22,497,762	\$225,914,378	\$1,075,277,318
Total	\$1,848,998,718			

Source: Council's LTP budget (as at June 2021)

The Figure below shows the most likely scenario for total operating and capital expenditure for the combined assets.

Combined infrastructure operational and capital forecast (inflated) 2021-2051



Source: Council's draft LTP budget (as at June 2021)

Over the next 30-years it is expected that:

- Renewal expenditure across all the infrastructure activities is generally constant, water supply and wastewater have high capital programmes in 2021/22
- Limited provision for growth across the portfolio at present but as we gather better information, it is likely that there will be greater investment in growth, particularly to service Ohakune
- Significant level of service investment in water supply treatment plants to comply with the Drinking Water Standards in the initial years than larger investment in wastewater to meet higher environmental standards
- Land transport focus is on maintaining and strengthening resilience of existing assets.

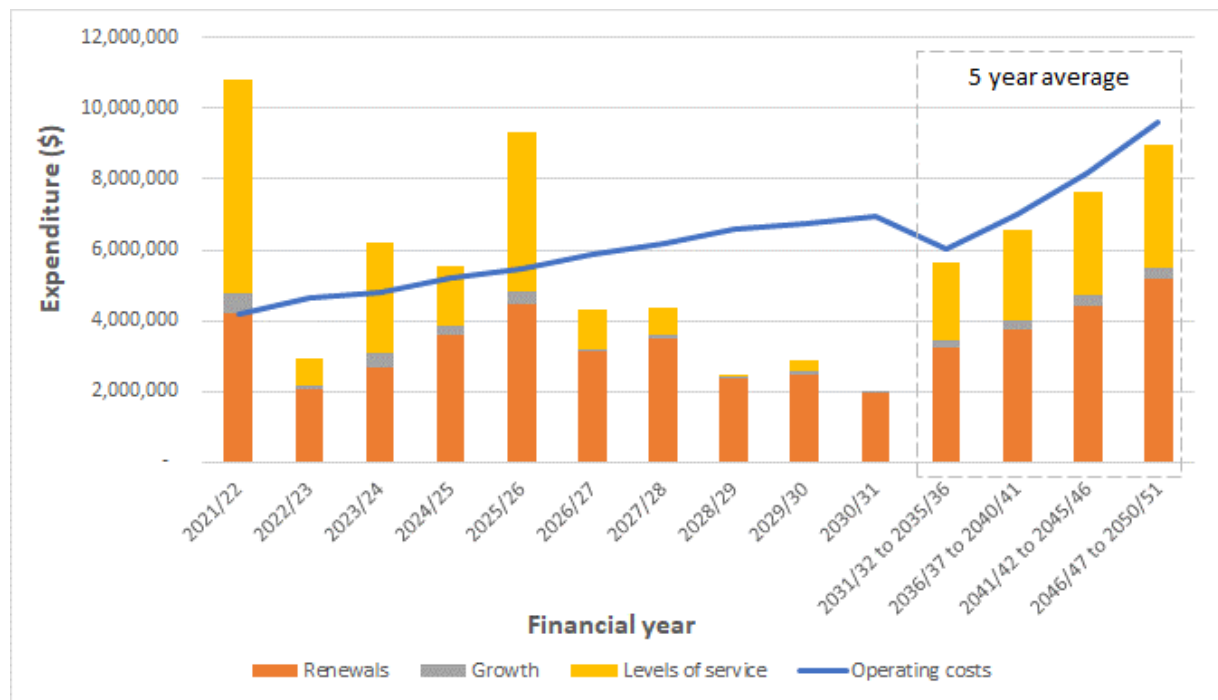
ACTIVITY EXPENDITURE HIGHLIGHTS

WATER SUPPLY EXPENDITURE FORECASTS

The Figure below presents the expenditure forecast for water supply which are based on the following assumptions:

- National Park, Ohakune Ohura and Owhango Water Supply Treatment Plants will be upgraded in first five years so that all plants are fully compliant with Drinking Water Standards (part of the accelerated capital programme)
- Undertake new water source assessment for Raetihi and Taumarunui
- Renew resource consents for National Park, Ohakune, Ohura
- Existing service levels will be maintained with significant investment required to ensure these are provided, particularly providing safe drinking water
- Legislation with the three waters reform will have a significant impact on this activity and at a rapid pace
- We will provide services at the levels forecast in our Water Supply Asset Management Plan and 2021 Long Term Plan.

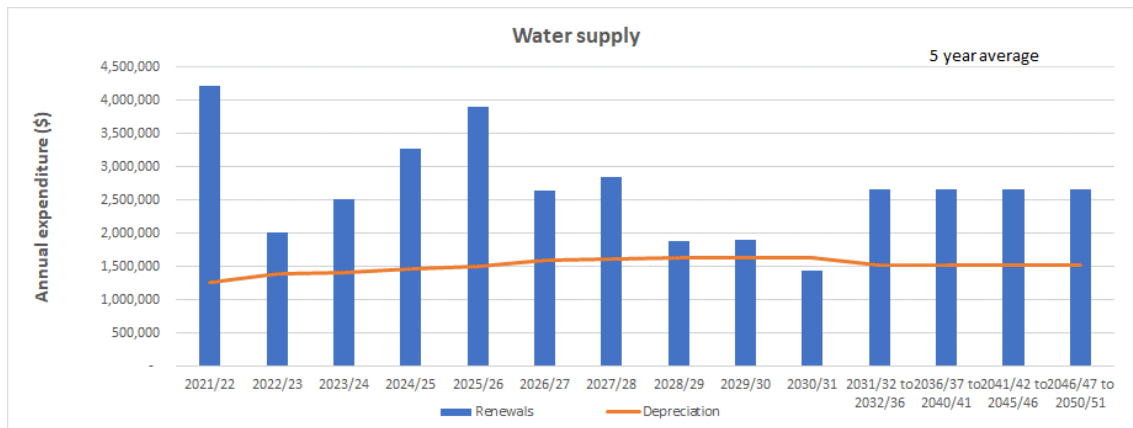
Water supply expenditure forecast (inflated)



Source: Council's LTP budget (as at June 2021)

The Figure below shows that the forecast for renewals is above the annual depreciation. This is mainly due to the classification of capital projects as noted earlier (i.e. combination of levels of service and renewals).

Water supply renewals versus depreciation (uninflated)



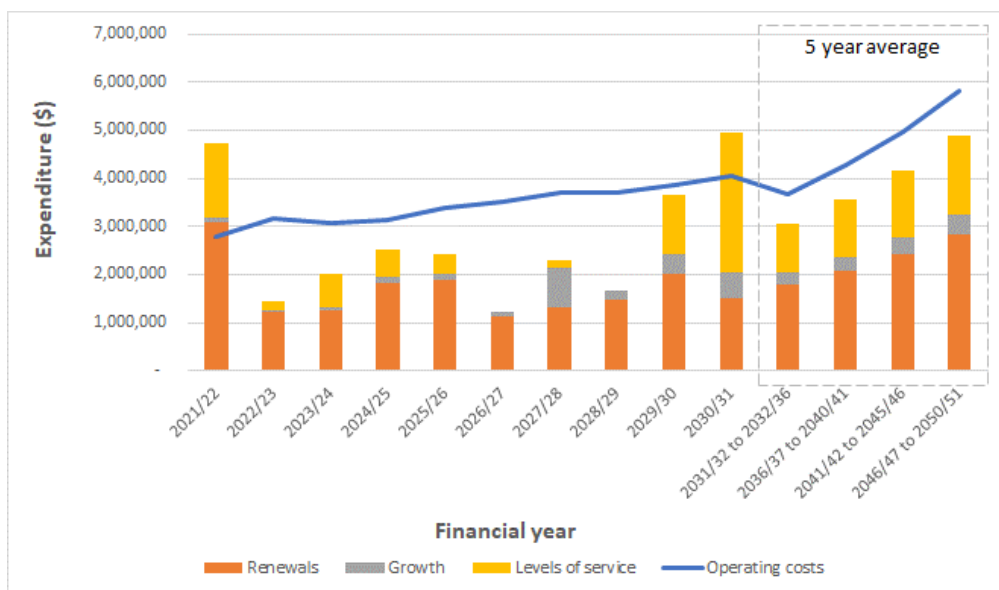
Source: Council's LTP budget (as at June 2021)

WASTEWATER EXPENDITURE FORECASTS

The figure below presents the expenditure for wastewater which are based on the following assumptions:

- The Government's freshwater reforms to improve ecological health will require a higher environmental standard
- The conditions and cost implications of the future resource consents for the wastewater treatment plants are uncertain
- A new wastewater treatment plant proposed to service Ohakune and Raetihi townships to cater for growth, improve non-compliance issues and strengthen resilience
- Wastewater treatment plant upgrades for National Park, Rangataua and Taumarunui
- Existing service levels will be maintained
- Legislation with the three waters reform will have a significant impact on this activity and at a rapid pace
- We will provide services at the levels forecast in our Wastewater Asset Management Plan and 2021 Long Term Plan.

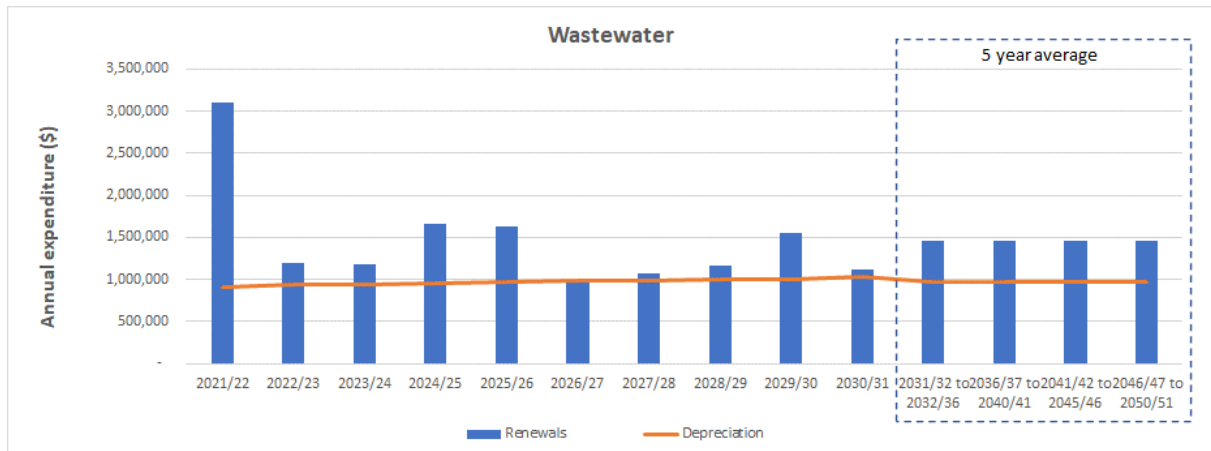
Wastewater expenditure forecast (inflated)



Source: Council's LTP budget (as at June 2021)

The Figure below shows that the forecast for renewals is about even with the annual depreciation of around \$1million, with some spikes above. The forecast for renewals is generally above the annual depreciation.

Wastewater renewals versus depreciation (uninflated)



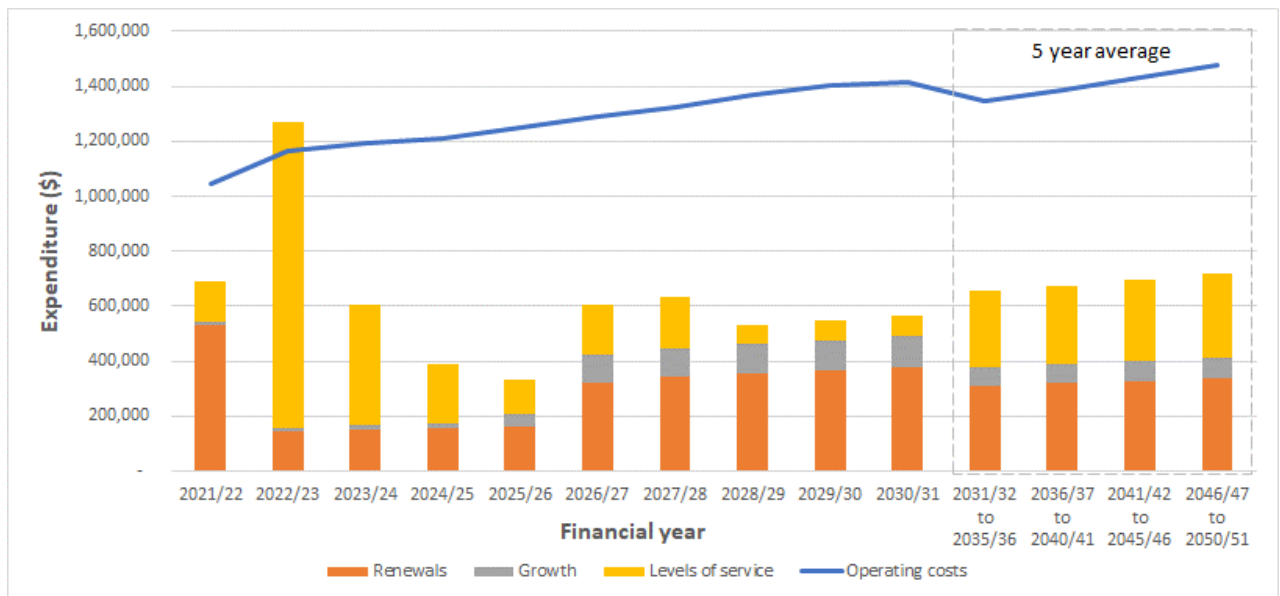
Source: Council's LTP budget (as at June 2021)

STORMWATER EXPENDITURE FORECASTS

The Figure below presents the expenditure for stormwater which are based on the following assumptions:

- Resource consents will be impacted by the new requirements of the National Policy Statement for Freshwater Management 2020 through the Regional Policy Statement
- Stormwater networks extensions in Ohakune to cater for growth
- Various flood control improvements in Taumarunui
- Legislative and regulatory changes will require stormwater treatment
- Existing service levels will be maintained
- Legislation with the three waters reform will have a significant impact on this activity and at a rapid pace
- We will provide services at the levels forecast in our Stormwater Asset Management Plan and 2021 Long Term Plan.

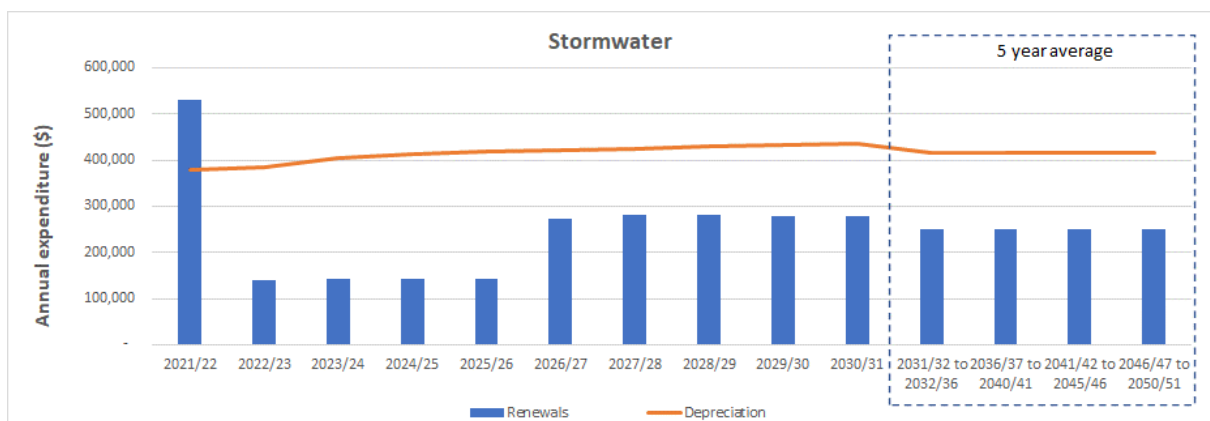
Stormwater expenditure forecast (inflated)



Source: Council's LTP budget (as at June 2021)

The Figure below shows that the forecast for renewals is well below the annual depreciation, except for in 2021/22.

Stormwater renewals versus depreciation (uninflated)



Source: Council's draft LTP budget (as at June 2021)

LAND TRANSPORT EXPENDITURE FORECASTS

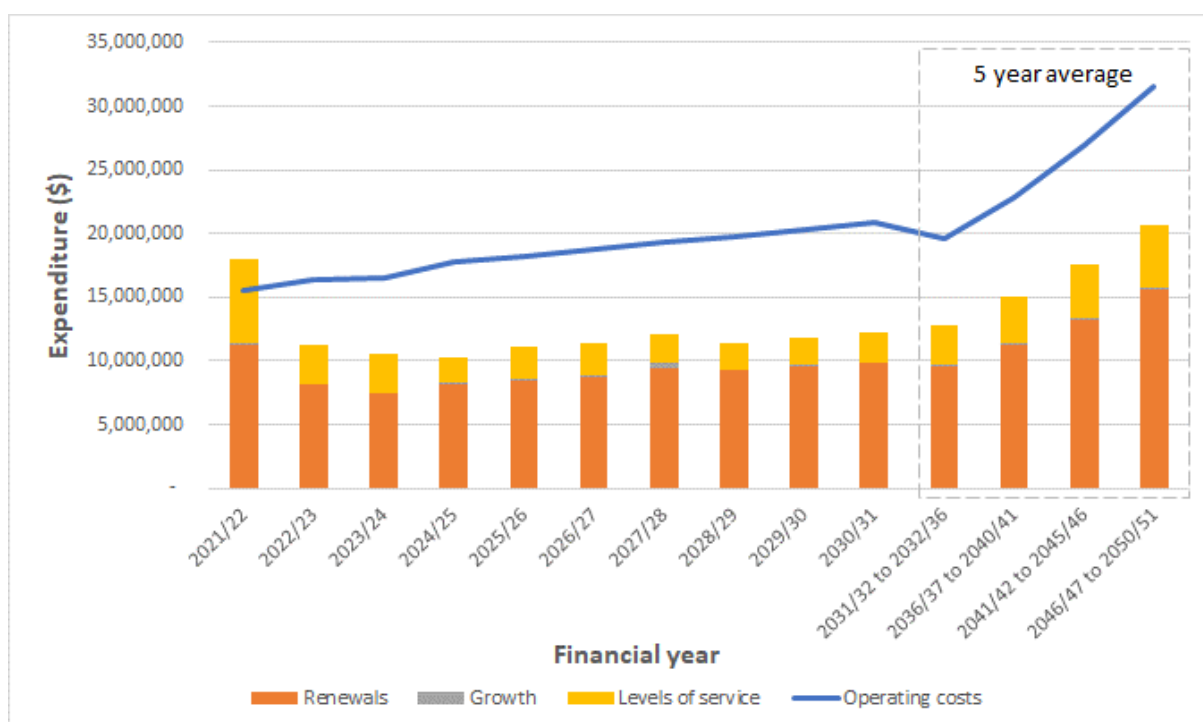
Figure 18 presents the expenditure for land transport which are based on the following assumptions:

- Waka Kotahi will continue to provide us with subsidised funding for the road network over the next 30 years
- We will continue to fund at the levels and ten year forecasts stated in our Long Term Plan
- We will provide services at the levels forecast in our Land Transport Activity Management Plan and 2021 Long Term Plan.

Over the next 30 years it is expected that Council's major capital expenditure items include:

- Bridge renewals and component replacements programme.
- Low Cost Low Risk programme to address safety issues.
- Footpaths and cycleways (Great Rides) to meet alternate transport modes.
- Network resilience (climate change & resilience).
- Programme of pavement rehabs and surfacing
- Unsubsidised seal extension programme.

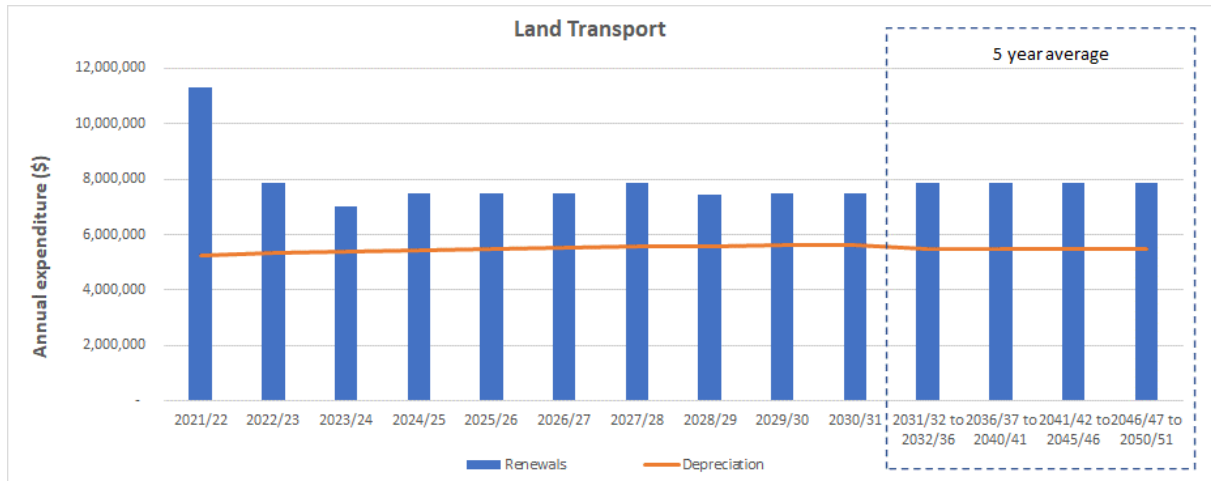
Land transport expenditure forecast (inflated)



Source: Council's draft LTP budget (as at June 2021)

The Figure below shows that the forecast for renewals is consistency above the annual depreciation. This is a result of deferring works on an ageing structures replacements and forestry harvesting accelerating the deterioration of the pavement condition.

Land transport renewals versus depreciation (uninflated)



Source: Council's draft LTP budget (as at June 2021)

Our land transport services are funded from a range of sources:

- Waka Kotahi subsidies (FAR)
- Targeted rates
- Fees and charges.

ASSUMPTIONS AND UNCERTAINTY

UNCERTAINTY AND IMPLICATIONS

In developing this strategy, we have identified a few things that we do not know. This uncertainty has a flow on effect on the identification of issues, options for dealing with issues, and how we can best respond. This impacts the Financial Strategy.

The identified areas of uncertainty are:

- The most significant area of uncertainty is Council's reliance on grants and subsidies. There is less risk with Waka Kotahi continues to provide us with subsidised funding for the land transport network over the next 30 years at current levels. This is an established and mature process and plenty of opportunities to negotiate. There is a level of uncertainty with successfully gaining the full amount from the Government's three waters stimulus grant applied for upgrading water standards and wastewater assets across the district.
- Council's ability to deliver the three waters capital programme as there has been poor achievement in the last three years (except for water supply in 2019/20). Council wishes to deliver a much larger capital programme to improve drinking water compliance.
- Finding a culturally acceptable solution for managing wastewater discharges that is affordable for our community and technically achievable with physical constraints in some locations.
- The duration of the international border closure and on the economic impact of the overseas tourist market on our District
- Council infrastructure assets are located on land that currently are part of the Treaty Settlement
- The conditions and cost implications of the future resource consents for the Wastewater Treatment Plants are uncertain.
- Legislative changes, National Policy Statements and National Environmental standards that may require significant changes to the way we plan, manage and fund the infrastructure.
- The impact of the Government's Three Waters Reform Programme and how water services will be delivered.
- The effect of climate change on Council's core infrastructure. As Council develops its understanding of the impact from climate change, the long-term response will need to be adapted for how to manage those effects on the infrastructure.
- Future stormwater consent conditions may require us to be more proactive in stormwater quality management than current practices.

RELIABILITY OF INFORMATION

Quality data is important for end users so that they can have confidence in making an analysis using that data. We continue to have sound practices with data management for the three waters with support from our Facilities Management Contractor (Veolia).

Three waters - The data for three waters assets are recorded in Council's asset management system (AssetFinda) for all asset classes. The data confidence of the three waters asset data has been classified as reliable for inventory completeness and condition (in accordance with the International Infrastructure Management Manual), and mostly reliable for age.

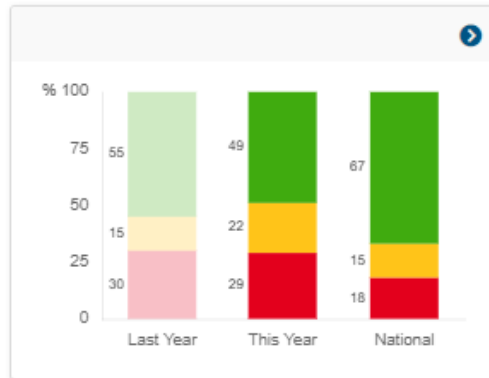
Land transport - The Performance Measure Reporting Tool (PMRT) reports annually on the condition and performance of asset data. The following figures give an overview of where we are compared nationally.

PMRT score and overall results for 2019/20 data quality

● Major Issues ● Minor Issues ● Expected Standard

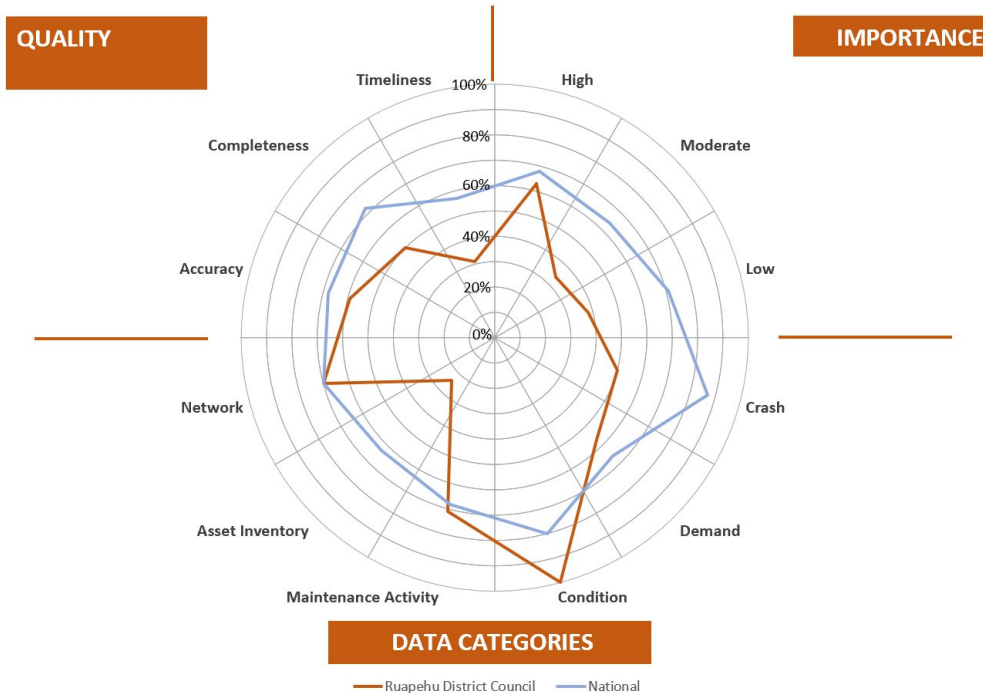


OVERALL RESULTS



Data quality results show a slight drop in our score but remain above the national average of 68 for the 2019/20 period. The low performing areas will look to be improved over the next year with the aid of MAX Quality reporting.

Spider diagram of RDC asset quality measures



KEY PLANNING ASSUMPTIONS

This strategy is based on the following assumptions:

- We will continue to proactively involve Māori participation in local government decision-making including the Ruapehu District Māori Council and Māori Electoral Wards
- Waka Kotahi will continue to provide us with subsidised funding for the land transport network over the next 30 years
- Domestic tourists will take the place of overseas visitors for the next three years

- Levels of service are defined in the Activity Management Plans for each activity, to meet legislative requirements and agreed to / accepted by the communities. Given financial pressures and the challenges faced by Council, there is no intention to alter them
- Activity Asset Management Plans will test the affordability of delivering the customer outcomes.
- Council will maximise the useful and economic lives of our assets.
- Council will use risk management practices to maximise assets and the management of risk of a critical asset failing
- Legislation with the three waters reform will have a significant impact on these activities and at a rapid pace
- Climate change will affect our District over the medium to long term in line with projections provided by the Ministry for the Environment
- Future resource consent conditions for three waters will be more restrictive and will cost more to comply with, implement and monitor
- There is new monitoring and stringent enforcement of the existing resource consents for the wastewater treatment plants and Council will expect an increase in the number of non-compliances issued by the Regional Council until new / upgraded plants are completed.

FINANCIAL STRATEGY

SUMMARY

This strategy outlines where Council currently is, where it is heading and how it is going to get there. Council believes that this Financial Strategy outlines a reasonable approach to Council's finances for the next ten years. We expect to be able to provide the finances necessary to carry out the works envisaged in the Infrastructure Strategy and provide the services the public expects whilst keeping our financial options open. Debt is forecast to exceed Council's conservative self-imposed limits, as explained in the Strategy, but other benchmarks are within acceptable limits. However this will not come without major challenges.

To date Council has taken a prudent approach to ensure that the debt levels were kept within the financial benchmarks. This ensured that the ten year investment programmes were affordable for our community. However, in doing so a number of our drinking water treatment plants have not been meeting drinking water standards, and significant investment is now also needed to improve wastewater treatment quality and minimise the impact of overflows to the environment.

Council now wishes to ensure that we are meeting our legislative, regulatory, and environmental obligations to our community and key stakeholders.

To get there, we will have to accelerate the investment programmes, mainly in water supply and wastewater, and significantly increase our projected debt levels.

It is expected that debt will rise markedly towards the end of the ten year period because of the expected need to improve water and sewage treatment plants. Without the receipt of grants from Central Government or other third parties, our debt is expected to grow to \$100M which will exceed Council's conservative self-imposed prudential borrowing limits. While the forecast debt level is affordable (but not ideal) for our community within the 10 year window of this LTP 2021-31, Council acknowledges that the *subsequent* 20 years covered by this strategy would need to be reviewed if debt continued to climb at the rate of the first 10 years. This would be further impacted by what the future of the 3 Water review would hold, and what subsidies and grants become available for investment in that space. It should be noted that the receipt of subsidies or grants from Central Government has not been modelled (with the exception of Waka Kotahi subsidy and the portion of the three waters stimulus funding for which we have a signed funding agreement in place) but would substantially reduce our future borrowing requirements.

As part of our financial strategy, Council will continue to pursue all available opportunities to receive grant funding to minimize the burden on ratepayers. Where grant funding is not forthcoming, Council will seek to actively manage the scope and timing of investment to minimize the debt burden on ratepayers, to the extent that it is able to do so while still meeting regulatory and legislative requirements. Finally, Council has a number of opportunities to review their financial position both in the Annual Planning cycle, and may need to consider revising its self-imposed debt limits at the next Long Term Planning cycle to ensure it is fit for purpose. In short, debt will not be allowed to continue climbing unabated past year 10 of the Plan, and it is anticipated that Council's efforts to obtain funding elsewhere will make the current forecasted 'worse case scenario' an unlikely outcome.

This financial strategy outlines how RDC will fund its services and activities prudently and sustainably for the benefit of both current and future residents.

The main challenges will be:

- Managing the trade-off between rates and services
- Managing the balance between debt and rates, and hence the trade-off between generations
- Securing appropriate subsidies.

We believe that our modelling has produced the best outcome that we are able to achieve within the

current environment, while still delivering our key investment priorities and maintaining levels of service for our communities. However, this result has still resulted in significant increases in our total borrowing and we are very aware that a good continued financial environment is not inevitable. It will require active management and oversight by Council and its executive team.

INTRODUCTION

RDC's financial strategy will assist to deliver on this vision while providing for an affordable and financially sustainable organisation, delivering good quality services while promoting growth.

This financial strategy summaries the overall direction of Council as proposed in the LTP budgets. These budgets have been prepared in the context of the following policies.

The following policies also form part of the overall financial direction of Council. In the LTP and available on Council's website, or on request:

- (a) Revenue and Financing Policy,
- (b) Treasury (Investment and Liability Management) Policy,
- (c) Asset Management Policy.

The following related documents are also available on Council's website, or on request:

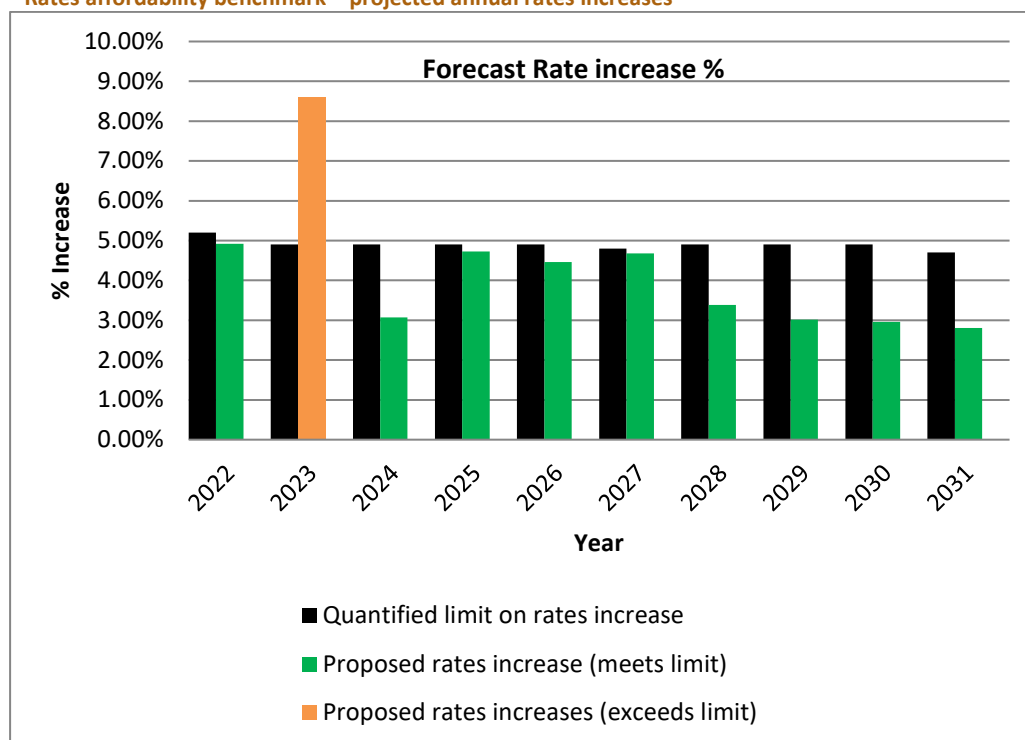
- (a) Rates Remissions Policies,
- (b) Rates Postponement Policy,
- (c) Rates Remission (Māori Freehold Land Policy),
- (d) Development Contributions Policy.

All financial information presented in our strategy includes inflation, except for the graphs which present the renewal and depreciation expenses. Inflation has been determined using the Local Government Cost Index (LGCI) preparing by BERL Economics for Taituarā – Local Government Professionals Aotearoa. A table of these inflation factors can be found in the significant forecasting assumptions section of the LTP.

RATES

After consideration of the challenges facing council, ratepayer affordability, and the trade-offs between rates and levels of service, Council has set a limit for the maximum rates increase year on year at the Local Government Cost Index (LGCI) plus 2%.

Rates affordability benchmark – projected annual rates increases



Source: Council's LTP budget (as at June 2021)

The reason that the limit is more than zero is that Council must have some flexibility in organizing its finances and that, historically, it has been called on to perform more and more functions. This demands a greater level of resource to finance.

Setting rates increases at this level ensures that we are able to continue to meet our aspirations to balance the books, and to provide the levels of service expected of us by our communities and regulators.

We are forecasting to breach our quantified limit on rates in 2022 and 2023 due to a loss of revenue from DOC deciding to manage its own wastewater treatment plant in Whakapapa (in 2021/22), increasing compliance and regulation costs, and increased debt servicing costs associated with fast tracking of three water upgrades.

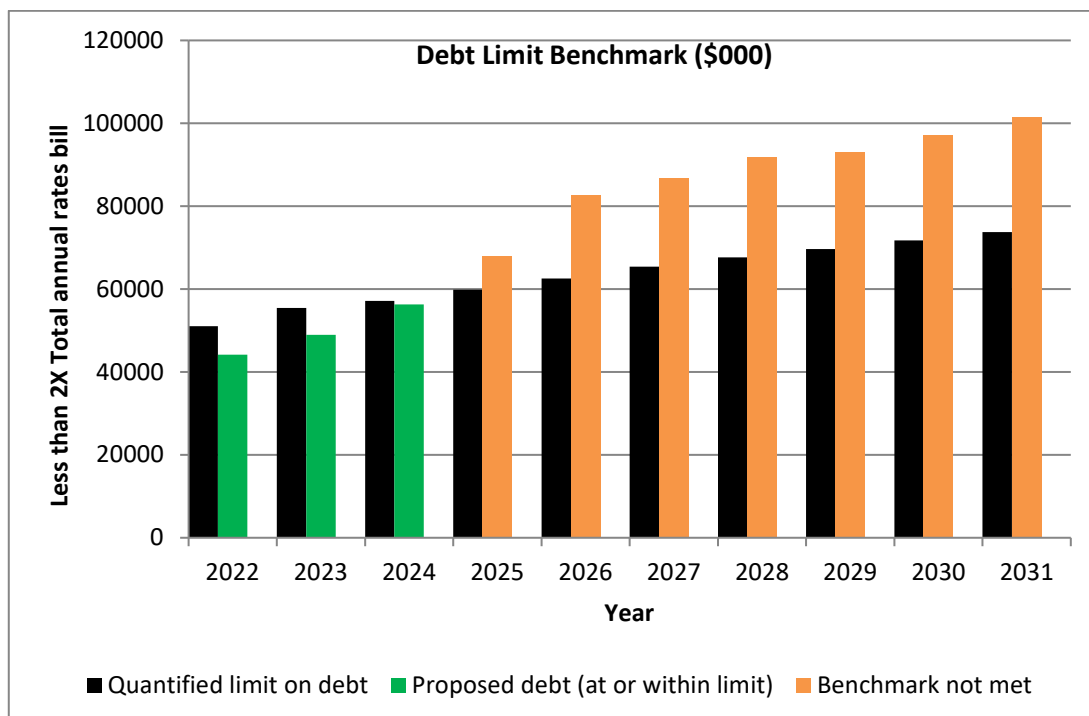
Rates and the incidence of rates are set out in the Revenue and Financing Policy.

DEBT

Council uses debt to account for intergenerational equity. This means that Council considers that future ratepayers should pay some of the cost of services and infrastructure they will use. Due to increasing level of service expectations, particularly in relation to investment in three waters infrastructure to meet new regulatory requirements, Council is planning to make much greater use of debt in this Long Term Plan than it has in the past.

After considering the role of debt for our communities, current borrowing costs and our investment needs, Council has set its limit on borrowings to be no more than twice the total annual rates bill for the long term plan period.

Quantified limit on borrowing – projected debt levels and benchmarks



Source: Council's LTP budget (as at June 2021)

Our modelling predicts an increase in debt from a current level of \$29m to \$100m over the ten years, which will see us exceed our limit on borrowings. We will however continue to remain within the financial covenants imposed by our lenders.

Much of this rise in debt is expected to be offset by government subsidies for Water and Wastewater Treatment Plants. Careful consideration will be necessary to decide what projects will then proceed, and the impact and likelihood of council receiving these grants is outlined in Grants and Subsidies Section

Council's net debt position will also vary for operational reasons, e.g.

- (a) It may be increased to spread out "rates shock" that may occur for various reasons,
- (b) It will increase markedly when large projects are built,
- (c) It may decrease as Council accumulates funds for future projects
- (d) It may decrease if council is successful in obtaining grants or subsidies from third parties (e.g. central government)
- (e) It may increase when a project is delayed,
- (f) It may increase because of natural disasters. The ability to raise debt is one of Council's mitigations against unexpected events. Council maintains a \$3m overdraft facility to this end

MANAGING BORROWING RISK

Council plans to continue to use the Local Government Funding Agency (LGFA) to reduce the cost of long term debt and reduce its vulnerability to financial shocks.

LEVELS OF SERVICE

Managing levels of debt, rates affordability, and levels of service is a careful balancing act that makes tradeoffs against each element against the other. Changes to levels of service will have a consequential impact on debt or rates, which must be carefully taken into account.

The levels of service provided by Council have been set in cooperation with the community and through various consultation processes over a number of years. We consider that the levels of service that we provide are consistent with that other local authorities of our size and scale, and therefore do not propose any increase or decrease to levels of service in this long term plan (other than increases required by legislative change).

In general, we plan to maintain existing levels of service. Additionally, this plan proposes a number of projects in which we plan to improve the levels of service that we provide to our community. These changes in Level of Service will include some of the "Spade Ready" projects and other funding for projects that RDC has received from Central Government (for example cycle ways). Council expects to improve its services in the following areas:

- (a) Urban revitalisation in the centres of its main towns.
- (b) Water and wastewater treatment plants are likely to have to be upgraded as resource consents are renewed and many must be upgraded to meet increasing regulatory enforcement and standards.
- (c) More tourist focused infrastructure such as car parking and toilets are likely to be required.
- (d) Housing

Where council invests in increasing levels of service, or providing new services, it is likely that there will also be increases to the ongoing (operating) costs to maintain these assets/service levels.

As part of RDC's strategy, we apply for operational costs along with capital costs for Government subsidised projects.

Investment in level of service enhancing assets is typically funded through debt, with council actively also seeking subsidies and grants from Central Government and other third parties.

INCREASES IN OPERATION COSTS FROM MANDATED IWI RELATIONSHIPS

RDC is aware of the financial challenges that will need to be met as RDC works towards the concepts

describe in the Local Government Act (put in act) in our relationships and engagement with iwi at both the operational and governance levels. To manage this within the rate increase limits, described in this Strategy, Council will work with Central Government on funding to achieve this.

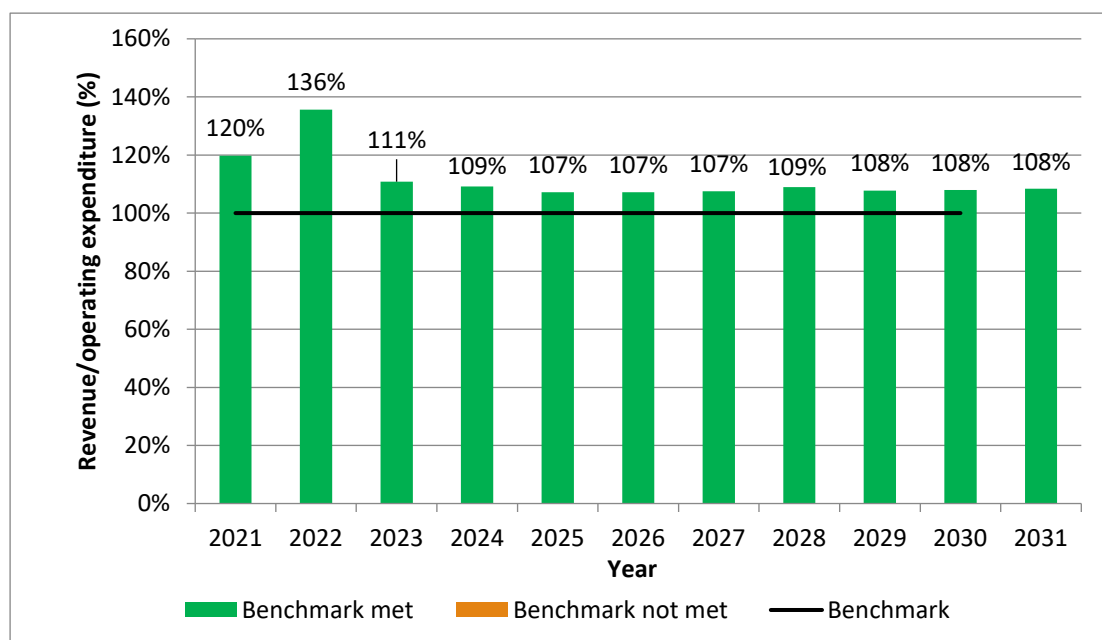
SUSTAINABILITY AND AFFORDABILITY

Ensuring a financially sustainable council requires us to ensure that we cover our normal operating expenditure with normal revenue. That means ensuring that we collect enough revenue from rates, and fees and charges, to cover our regular costs.

Balancing our budget means that we only borrow to cover investment in assets that improve levels of service or service growth.

Council plans to maintain a balanced budget throughout the period of this LTP, as shown in the chart below. This includes, where appropriate, increased operating costs associated with planned increased levels of service.

Balanced budget benchmark – total revenue divided by total operating expenditure



Source: Council's LTP budget (as at June 2021)

The sustainability and affordability of the District is of the utmost importance to Council. To achieve this, we will balance the desirable Infrastructure investment with the debt levels and rates income we can afford, while taking into account the uncertainties government subsidies for the Water and Waste Water investment necessary.

Council is confident that in the long term the economy of the Ruapehu is fundamentally sound and that it will be possible to provide services at a reasonable cost over the next 10 year period, with active management and oversight from Council.

CURRENT CHALLENGES AND UNCERTAINTIES

This LTP is being prepared at a time of significant uncertainty. The significant forecasting assumptions outline in detail all of the significant assumptions. The following summaries those assumptions that are most significant to Council's financial strategy and why.

COVID-19

During the past year New Zealand has faced the challenges of dealing with a global pandemic. New Zealand's response so far has focused on insulating the country from the virus through strict border control and intermittent restrictions on personal movement. While this has largely protected the country from the health impacts of the virus, it has had clear impacts on both domestic and international tourism (the latter being almost entirely absent).

Ruapehu District Council currently collects 70% of its operational revenue from rates, and 20% from grants. While this insulates us from the direct effects of economic downturn in the region, the impact of any recession or fall in employment in the region will have an impact on the affordability of our rates for our community. This may require consideration of potential hardship leniency from Council.

THREE WATERS

The government has embarked on a major programme or structural and regulatory reform of the delivery of three waters (drinking water, wastewater and stormwater) services, which is likely to have major impacts on the Council, and in particular:

- The establishment of Taumata Arowai, the water services regulator, and impacts of the Water Services Bill is likely to result in a significant uplift in operating costs and investment requirements in the district. In this LTP Council is fast tracking investment in three waters assets to ensure that it is able to meet the required standards.
- The potential structural reform could have significant impacts on council's income, expenditure, balance sheet, and resources. At this stage it is unclear what structural reform may look like, and it is unlikely that it will have any impact in the next three years.

CLIMATE CHANGE

Climate change is a major management issue facing all infrastructure providers and the built environment. Ruapehu District is tested further as it has physical constraints / natural hazards including the Mountain and is subject to intense weather events that need to be considered in the context of climate change impacts. It is also exposed to a variety of natural hazards including earthquakes and volcanic eruptions.

The impacts of climate change have been considered in more detail, and are embedded throughout, our Infrastructure Strategy and Asset Management Plans, which outline the ways in which planning for climate change is driving our investment needs. Responding to the effects of climate change, and managing our carbon emissions, will continue to be a driver of investment over the long term.

SUBSIDIES AND GRANTS

The most significant areas of uncertainty are Council's reliance on grants and subsidies ability to deliver our needed capital works and maintain debt at an affordable level. Our financial strategy requires us to pursue all opportunities to obtain funding from central government and other third parties, which will help to offset projected increases in debt.

There is less risk with Waka Kotahi NZ continuing to provide us with subsidised funding for the land transport network. This is an established and mature process and allows plenty of opportunities to negotiate.

However, while there is a level of uncertainty regarding Council's ability to successfully gain the full three waters stimulus grant that has been applied for from the Government for upgrading water standards and wastewater assets across the District, we are planning to undertake these upgrades regardless of the success of the funding application (a portion of this funding has already been secured through a signed funding agreement and has been included in our financial projections for year 1 of

LTP). It is untenable for Council not to comply with the Drinking Water Standards. Council will be exploring alternative funding options and will investigate opportunities to alter scope and timing to reduce this risk. We therefore expect that we likely need to consult with the community through exceptions to future Annual Plans.

A high-level assessment of the levels of uncertainty for gaining external funding and delivering the capital programmes is summarised in the following table.

Impact of reliance on grant funding

Activity	Is this require (i.e. must do)	Grant funding source	Third party investment certainty	Potential Debt impact	Chance of practical delivery	Comments
Water supply	Yes	DIA / MIBE	Moderate	High	Moderate	There is a strong chance that funding support from Central Government will be available to fast track drinking water reform changes. However, this Long Term Plan cannot include this possibility with key assumptions due to timing of any such announcements.
Wastewater	Yes	DIA / MIBE	Low	High	Moderate / low	There is also support for the idea that drinking water outcomes will be prioritised, and immanent funding support announcements for wastewaters appear a little further off.
Stormwater	Yes	DIA / MIBE	Low	Moderate / low	Moderate	Long Term Plan does not make any assumptions around possible funding opportunities in support of Storm Water. Environmental standards continue to shift the focus and outcome requirements in this space, and planning with certainty is quite challenging.
Land transport	Yes	Waka Kotahi	Very high	Limited	High	Well established supply chain and committed funding. There is potential that some bridge work not covered by Waka Kotahi will require Council to fund which it would do through debt. These are one off items in what is otherwise a very stable work programme.
Community Facilities (Town Revitalisation)	No	Varied/ both Public and private investor potential	Moderate/Low	Moderate/High	Moderate/High	LTP includes a number of Township Revitalisation outcomes that are to be debt funded to account for intergenerational equity. These would go ahead in consultation with community regardless of external funding, but Council is very open to using proposed budgets as 'seed funding' with other partners to deliver further value than forecast. However, 3rd party investment cannot be assumed in this LTP, and as such counts as 100% RDC investment. Practical delivery will have strong political and community support, and supply chain issues are somewhat lessened in this activity due to lower competition for resources from out of district or competing priorities.

GROWTH AND DEMOGRAPHIC CHANGE

Over the next decade Council's long term growth projections suggest the number of jobs in traditional occupations of the usual resident population of Ruapehu will continue to decline. Over the same period the number of tourist related jobs was expected to increase. Taking account of the effects of Covid19, this is expected to slow down, in the short term, but resume in later years. With this increase and the number of tourists, Council has assumed that the cost of providing its services will increase. These assumptions and their impact on each service is outlined in each AMP. The number of visitors also challenges and puts pressure on Council's assets. This is most obvious in the water and sewage treatment services. The amount of refuse and recycling collected is another good indicator of tourist sector growth. Council needs to consider the visitor industry when setting its levels of service and assets development.

This LTP allows for this growth with major projects that can be divided into two categories:

- The first is the need to cope with larger volumes for water supply and effluent disposal in the tourist hotspots, principally Ohakune. These are counted as growth projects.
- The second is the continuing project to revitalize our town centres, to make them the focus of growth in vibrant and diverse living spaces. Significant capital works are proposed for Town Centre Revitalisation in the next ten years.

Investment in infrastructure to service growth will be funded primarily by debt, and some development contributions.

NATURAL DISASTERS

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

The flexibility has been provided by an overdraft facility and ensuring our total borrowing remains sufficiently within the financial covenants imposed by our lenders to enable further borrowings in the event of a natural disaster.

CHANGES OF LAND USE

Council is not expecting any changes to land use over the term of this LTP in the District.

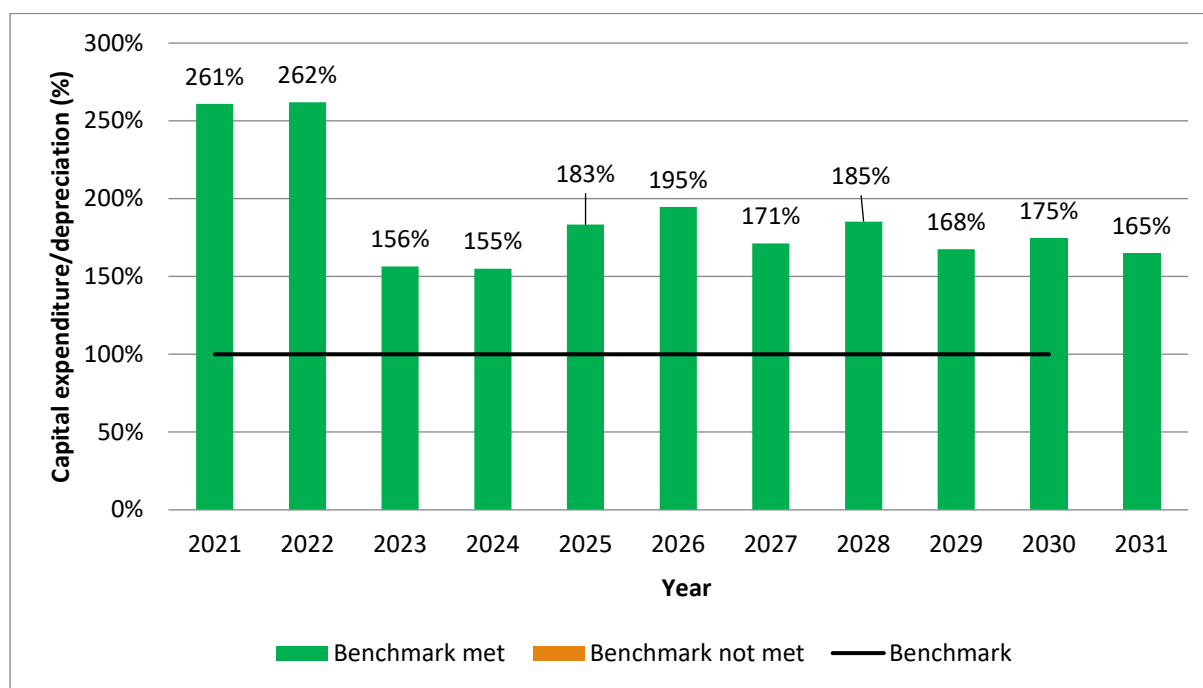
Some Council infrastructure assets are located on land that currently are part of the Treaty Settlements. There is uncertainty with this current state and a pragmatic mechanism is required for dealing with these assets. The location of these assets may need to be considered in future as they are replaced / upgraded.

LTP CAPITAL EXPENDITURE

Council's planned capital expenditure programme for the LTP period is summarised in the charts and table below and detailed in our infrastructure strategy and asset management plans.

Council plans to spend more on capital projects for infrastructure assets than its annual depreciation cost for every year of the long term plan as shown by our performance against the essential services benchmark shown below.

Essential services benchmark (capital expenditure on infrastructure assets divided by depreciation)



Source: Council's LTP budget (as at March 2021)

The majority of this investment (63%) is being applied to the renewal of our existing assets, which ensures that we are able to continue to provide existing levels of service. Level of service investment is driven predominantly by legislative and regulatory compliance in 3 Waters, and community expectations around Township Revitalisation outcomes.

Breakdown of forecast capital expenditure by activity and capital expenditure driver

	10 year Forecast CAPEX Spend (\$000)				
	Growth	Level of Service	Renewal	Total	% of total
Land Transport	935	28,944	90,381	120,260	51.4%
Water supply	2,035	18,316	30,448	50,799	21.7%
Waste Water	2,420	7,707	16,734	26,861	11.5%
Community Facilities	9,153	7,972	1,366	18,491	7.9%
Stormwater	644	2,612	2,905	6,161	2.6%
Community Support	-	403	808	1,211	0.5%
Waste Management	177	846	-	1,023	0.4%
Regulation			7	7	0.0%
Support and Overhead	-	3,343	5,701	9,044	3.9%
Total Forecast Spend	15,364	70,143	148,350	233,857	100%

Source: Council's LTP budget (as at June 2021) – inflated

RENEWALS

Renewals are where we replace assets (or parts of assets) as they start to age and fail. This is funded primarily through rates via the depreciation calculation, and grant funding from NZTA. Renewals are the largest part of the capital expenditure and enables Council to keep its infrastructure and services at the current level. It does not allow for improvements. Where renewal work exceeds funded depreciation

levels in a given year, debt may also be used. Examples of this would be bridges or 3 water plant renewals that create 'peaks' in capital work forecasts.

Depreciation provisions have been set by Industry standards rates that have remained constant for many years until recently.

	2015 – 25 LTP	2018 – 28 LTP	2021– 31 LTP
Water Supply Pipes	40 – 80 years	60-110 years	60-110 years
Wastewater Pipes	50 – 80 years	60 -92 years	60 -92 years
Storm water Pipes	50 – 60 years	70 – 92 years	70 – 92 years

Because much of our underground pipe asset is less than 50 years old this does not affect immediate Expenditure but does affect our long-term modelling.

This is discussed in more detail in the Infrastructure Strategy and the relevant AMPs.

POLICIES ON LENDING AND INVESTMENTS

Council's policies on issuing securities for borrowings and its objectives for holding and managing investments are outlined in its Treasury Policy (Investment and Liability Management) which is available via Council's website, or a hard copy will be supplied upon request, and summarised below.

POLICY ON GIVING SECURITIES

Security will be provided over rates revenue (per section 115 of the Local Government Act 2002) 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.

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.

OBJECTIVES FOR HOLDING AND MANAGING INVESTMENTS

Council is a risk adverse entity and therefore takes a prudent approach to managing its investments. Council seeks to maintain diversity in its investment portfolio to spread and minimise risk.

Council generally has three types of investments:

- (a) Strategic Investments - investments made or held in alignment to Council's strategic direction and typically retained on a long term basis. These include property investments - i.e. land and buildings (including subdivisions) – quarries, forestry and property vested in the Council.
- (b) Equity Investments - equity (ownership) participation in a private (unlisted) company (including Council Controlled Organisations) or a start-up (a company being created or newly created). Such investments may not necessarily provide a financial return to Council, and may be held for wider social, tactical and/or economic reasons. Notwithstanding, Council will continue to actively seek opportunities for a financial return from all such investments.
- (c) Treasury Investments – short to medium term financial investments that maximise financial return but ensure an appropriate level of liquidity for forecast expenditure

KEY LIMITS

Measure	Limits
Rate Charges	Rates increase less than LGCI index plus 2% over ten years Limits reviewed every three years.
Debt	Less than twice the annual rates bill.
Balanced Budget	Council's revenue exceeds operating expenditure as defined in the Local Government (Financial Report and Prudence) Regulations 2014.

Significance and Engagement Policy (Summary)

THE DECISIONS THAT THE COUNCIL MAKE AFFECT COMMUNITIES ON A DAILY BASIS. SOME DECISIONS ARE MORE SIGNIFICANT THAN OTHERS, DEPENDING ON THE ISSUE. SMALLER OPERATIONAL DECISIONS TYPICALLY REQUIRE LITTLE IF ANY ENGAGEMENT WITH THE COMMUNITY, WHEREAS OTHER DECISIONS MAY REQUIRE A ROBUST DECISION MAKING PROCESS AND EXTENSIVE COMMUNITY ENGAGEMENT.

The purpose of the Significance and Engagement Policy (SEP) is to:

- Enable Council and communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.
- Inform the community about what they can expect from Council regarding consultation and engagement.
- Outline which assets Council considers strategic.

Determining the significance of an issue is often an exercise in judgement. Council must assess how a decision may affect the community. There are both qualitative and quantitative considerations when determining the significance of a matter.

Qualitative considerations include things like the degree of impact on the community, whether the matter generates wide public interest or controversy, the impact on Council debt or rates, etc.

Quantitative considerations include major changes in funding requirements, changes to levels of service or major changes to the current state of Council's strategic assets.

Once the level of significance has been determined, the right level of engagement with the community can be determined. The range of tools available is wide, from no engagement being necessary through to the full Special Consultative Procedure as used for the development of the Long Term Plan and other large projects. There are several levels of engagement:

- Inform
- Consult
- Involve
- Collaborate

In general, the higher the degree of significance, the greater the community engagement and consultation.

REVENUE AND FINANCE POLICY

THE REVENUE AND FINANCING POLICY IS A DOCUMENT WHICH SETS OUT HOW COUNCIL PLANS TO FUND ALL OF ITS OPERATING AND CAPITAL EXPENDITURE AT AN ACTIVITY LEVEL OVER THE LIFE OF THE LONG- TERM PLAN.

POLICY OBJECTIVE

The Policy discusses all the potential revenue and funding sources available to Council and outlines how and when it will use these. In order to arrive at its chosen funding arrangements Council has, in accordance with section 101(3) of the Local Government Act 2002 (LGA) taken account of many factors, including:

- (a) the community outcomes to which each activity primarily contributes,
- (b) who benefits from the activity,
- (c) over what period of time the benefits are delivered,
- (d) whether the activity is needed in response to the action(s) (or lack of action(s)) of some person or group,
- (e) whether it would be more prudent for the activity to be funded separately or included with other activities.

Finally, the Policy discusses how Council addresses “the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.”

Every activity has been analysed using the factors discussed above in paragraph 1.1.1. This analysis has then been used to develop a set of funding decisions about the use of rates, both general and targeted, user charges, and other funding sources to arrive at what Council considers is an optimal funding arrangement for the activity.

The next step has been for Council to consider the overall effects of these separate funding proposals on the district as a whole.

The purpose of the Revenue and Financing Policy is to:

- (a) demonstrate how and why Council funds each of its activities,
- (b) make known Council’s intentions regarding funding methods for each of Council’s activities so the Ruapehu community can monitor and assess Council’s prudent financial management,
- (c) comply with Sections 101, 102 and 103 of the LGA which requires Council to develop and consult on a Revenue and Financing Policy for inclusion in the Long Term Plan.

DEFINITION

Defence Land has the same meaning as in Section 22 of the Local Government Rating Act 2002 (LGRA).

Exacerbator means a person or group of people whose actions or inactions contribute to the need to undertake an activity.

PRINCIPLES

After taking account of the factors identified above, Council has agreed the following basic principles to guide the assessment of fairness and equity in choosing funding sources.

- (a) Each generation of ratepayers should pay for the services they receive.
- (b) User charges are preferred whenever a private benefit can be identified; and it is efficient to collect the revenue.
- (c) Council will use any other funding sources before rates.
- (d) Capital expenditure to replace assets will be primarily funded from depreciation.
- (e) Capital expenditure to upgrade or build new assets will initially be funded through borrowings.
- (f) Rate increases will be within the limits set in the Financial Strategy.

(g) Borrowing will be within the limits set in the Financial Strategy.

Complying with these principles can at times be challenging. Council must apply judgment in assessing many options to determine fairness in the development of budgets or acquisition of assets along with the choice of funding sources to implement these.

POLICY STATEMENT

OPERATING COST FUNDING SOURCES

SOURCES OF FUNDING OPERATING EXPENDITURE

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

Operating expenses are funded annually using a mix of sources as described below. Borrowing is not generally used to fund operating expenses.

USER CHARGES

User charges are used for services where there is a benefit to an individual or group. The price of the service is set, taking account of a number of factors. These could include:

- (a) The cost of providing the service.
- (b) An estimate of the users' private benefit derived from using the service.
- (c) Whether there are identifiable and distinct user groups/exacerbators identified by Council's Revenue and Financing Policy.
- (d) The impact of cost to encourage/discourage behaviours.
- (e) The impact of cost on the demand for the service.
- (f) The cost and efficiency of collection mechanisms.
- (g) The impact of affordability on users.
- (h) Other matters as determined by Council.
- (i) The user charge represents the fairest method to seek a contribution from identified beneficiaries or exacerbators.

GRANTS, SPONSORSHIP AND SUBSIDIES

Grants, sponsorship and subsidies are used wherever they are available. The council expects to continue receiving substantial subsidies for road maintenance, and other Central Government grants/subsidies for waters and tourism infrastructure.

Some services can only be continued so long as funding from these sources continues.

INVESTMENT INCOME; DIVIDENDS, INTEREST

Income from dividends and interest is used to offset the overall costs of Council.

OTHER REVENUE

Council receives other operating income from:

- (a) Petrol tax
- (b) Property rentals
- (c) Other minor sources

RATES

Having exhausted all other funding sources, Council proposes to fund its remaining operating expenses from rates. For many activities, this is the main funding source reflecting Council's view that the collective benefit to the District is greater than any identifiable individual benefit.

Council recognises that there is a balance between transparency and efficiency when considering rating options. In deciding whether to introduce a new targeted rate Council must take into account the overall costs before deciding on whether to separately fund the activity.

Some activities may be best funded using user charges, such as the issue of building and resource

consents. Other activities are better funded by targeted rates such as water and sewerage services.

SEPARATE FUNDING

Distinct or separate funding enables ratepayers or payers of user charges to assess more readily whether or not the cost of the service to them represents good value. They can also more easily determine how much money is being raised for and spent on the service. This is seen to promote transparency and accountability.

One of the factors Council is required to consider when deciding whether to separately fund an activity is the costs and benefits that might be achieved by that separate funding. The intent of this requirement is to avoid incurring costs in separately accounting for an activity where there is no clear benefit in so doing.

RATES

GENERAL RATE

A General Rate set as a differentiated rate in the dollar on capital value (CV) applied to all properties in the District with the exception of Defence Land which is rated on capital value but in accordance with Section 22 LG(R)A, the rate does not exceed the amount that would have been charged if the District's rate was calculated on the basis of land value only

General Rate Differentials
All land except for hydro-electric properties worth in excess of \$50 million (CV)
Hydro-electric properties worth in excess of \$50 million (CV)

The General Rate is used when:

- (a) Council considers that a capital value rate is fairer than the use of other rating tools for the service funded,
- (b) Council considers that the community as a whole should meet costs of the activity or function,
- (c) Council is unable to achieve its user charge targets and must fund the expenditure shortfall.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

A UAGC funds a portion of Council's general costs.

The UAGC is assessed on the basis of the Separately Used or Inhabited Part (SUIP) of a Rating Unit to part fund the activities of Council. The amount of the UAGC is set at a level designed to ensure that the total of the UAGC and other targeted rates set on a uniform basis as an amount per rating unit or per SUIP of a rating unit, exclusive of those set for water supply or sewerage disposal do not exceed the allowable maximum of 30%. It forms part of the General Rate.

The total rate revenue from the UAGC together with other targeted rates set on a uniform basis as an amount per rating unit or per separately used or inhabited part of a rating unit (other than those set for water and wastewater), will not exceed 30% of the total rates.

TARGETED RATES

Council proposes to set a number of targeted rates to fund a range of services. Some of these rates are seen as proxies for user charges, particularly for services such as water and sewerage. These rates are described as "proxies" because they are generally fixed amounts payable by the different category of ratepayer, rather than an amount based on the level of usage.

An example of the difference between a proxy and a user charge is the way that Council charges for sewerage. Council charges a fixed amount to the rating unit based on the number of SUIPS and/or the number of pans. If that rate were a true user charge, Council might charge on the basis of the amount of sewerage being discharged. Setting rates on that basis is not permitted so the only legal mechanism allowing for a rate to be truly usage-based is a water by meter rate.

A targeted rate may be used when:

- (a) Council considers that a targeted rate would enable a higher level of transparency in funding allocation; or
- (b) Council considers that a targeted rate is fairer than the use of other existing rating tools for the

- (c) activity or service funded, in consideration of the benefit derived from the service; or
- (c) There is not an equal benefit to all of the district's ratepayers.

A targeted rate may be set on a number of bases:

- (a) Uniformly as a Targeted Uniform Annual Rate if Council considers there is an equal benefit to the district ratepayers or a specific beneficiary group/s, or
- (b) Differentially as a Targeted Annual Rate (TAR) if Council considers that the benefits arising from the rate varies according to the nature or location of the district ratepayers or specific beneficiary groups.

DIFFERENTIAL RATES

A differential may be applied to the General Rate under Sections 13 and 14 of the LGRA or a Targeted Rate under Sections 16 and 17 of the LGRA based on the categories set out in Schedule 2.

Differential rates mean that some ratepayers may pay more or less than others with the same value property if the rate is differentiated based on the non-value based matters in Schedule 2.

GENERAL AND TARGETED RATES

The general rate is differentiated for hydro-electric properties worth in excess of \$50 million. This is because Council considers that an undifferentiated rate on these properties would be unreasonable as a result of their extreme values. These properties will be charged a differential of 61% of the full general rate (or a factor of 0.61) and 61% of the targeted rate for Land Transport (or a factor of 0.61).

A higher differential will apply to the Land Transport targeted rate for properties where commercial forestry is the main or a significant activity. This is because Council considers that a differential rate will result in the commercial forestry sector paying a fairer share of roading costs, given the level of road pavement consumption relative to other land use categories. These properties will be charged a differential of 300% of the Land Transport targeted rate (or a factor of 3).

COUNCIL SETS THE FOLLOWING TARGETED RATES

LAND TRANSPORT

A differentiated targeted rate set on the basis of Capital Value on all rating units in the District

Land Transport Rate Differentials	
Differential	Basis
General Hydro-electric	All rating units other than the following: Rating Units used for Hydro-electric purposes with a Capital Value in excess of \$50 million
Forestry	Rating Units used for exotic forestry with a Quotable Value Property Use Code of FE

ECONOMIC DEVELOPMENT TARGETED RATE

A uniform targeted rate set on the basis of a fixed amount per SUIP on all rating units in the District.

ECONOMIC DEVELOPMENT COMMERCIAL TARGETED RATE

A targeted rate set on the basis of a rate per dollar of capital value on all rating units with QV Property Use Codes C (commercial) and I (industrial).

NON-COMMERCIAL VISITOR ACCOMMODATION TARGETED RATE

A Visitor Accommodation Rate set on the basis of a fixed amount per rating unit to fund services provided to the tourism sector. This rate will be assessed on any property that is advertised in any form as providing short term accommodation to the tourism sector. For clarity, this rate will be payable by any property (rating unit) that is advertised and used for accommodation purposes, for example Bed & Breakfast (B&B), Book-a-Bach, Air B&Bs etc. This rate will not, however, be payable by any rating unit that is currently assessed as Economic Development – Commercial Targeted Rate.

SOLID WASTE - WASTE MINIMISATION MANAGEMENT & FACILITIES

A targeted rate set on the basis of a fixed amount assessed differentially on every SUIP in the District to fund the cost of landfills, transfer stations and general recycling costs, plus all other refuse costs

not included in the service charge for curbside collection charged to individual households.

URBAN PERIPHERY ROADS

A targeted rate set on the basis of a fixed amount per rating unit for all rating units with frontage on Kaha or Tau Streets, Rangataua (excluding the three rating units with frontage on a short section of Tau Street already sealed: valuation numbers 12765 198 00; 12765 222 00; 12765 223 00).

WARM YOUR WHARE

A targeted rate set on the basis of a fixed amount per rating unit for all rating units to fund advances for insulation that join the Warm your Whare Scheme.

VERANDA REPLACEMENT

A targeted rate set on the basis of a fixed amount per rating unit for all rating units to fund advances for the ratepayer share of veranda replacements.

ENVIRONMENTAL RESILIENCE RATE

A targeted rate set on the basis of a fixed amount per rating unit for all rating units to fund advances for the implementation of central government environmental policy.

STORMWATER AND FLOOD PROTECTION (URBAN)

A targeted rate set on the basis of a fixed amount per SUIP of a rating unit within the communities of Taumarunui, Piriaka, Ohakune, Raetihi, Owhango, National Park, Rangataua, Waiouru, Kakahi to which stormwater and flood protection services are provided to fund these services. In this context, "are provided" means that the rating unit is within a water or sewerage supply area or an area serviced by curbside collection AND is liable for any of those rates.

SEWERAGE RATES

SEWERAGE SERVICE RATE

A targeted rate set on a differential basis for any land which is connected or capable of connection²³, either directly or indirectly, to any of the District's public sewerage systems as follows.

Note: Capable of connection means that rating unit is not currently connected to the sewerage reticulation but is within 30 meters of reticulation, capable of connection and Council is willing to allow it to connect.

Sewerage Differential Rate	
Differential	Description
General Use	Land other than land used for Primary and Secondary Schools
School Use	Land used for Primary and Secondary Schools.

The rate is assessed per SUIP of a rating unit for general use land and per pan for schools.

ADDITIONAL PAN RATE (WATER CLOSET OR URINAL)

A targeted rate set on any rating unit in the general use category as defined above that has more than two pans per SUIP and which is connected, either directly or indirectly, to any of the District's public sewerage systems.²⁴ The rate is assessed per pan.

²³ Capable of connection – The rating unit is within 30m of sewer main practicably serviceable in the opinion of Council

²⁴ In terms of the Local Government (Rating Act) 2002 Schedule 3(4) a rating unit used primarily as a residence for one household will be treated as having only one water closet or urinal.

WATER RATES

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

Water Differential Rate	
Differential	Description
General Use	All Rating Units/SUIPS other than those defined as Extraordinary Use
Extraordinary Use	Rating Units/SUIPS are deemed extraordinary by land use, Councils Water Supply Bylaw, or agreement with Council.

Note: Capable of connection means that rating unit is not currently connected to the water supply but is within 100 meters of reticulation, capable of connection and Council is willing to allow it to connect.

FEES AND CHARGES

Fees and charges will be sought according to Council's Revenue and Financing Policy where:

- (a) it is assessed that the 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.

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.

OTHER FUNDING

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.
- (c) loan funding.

Council may receive additional minor funding from other sources, including Fees and Charges, across all activities.

SUMMARY OF OPERATING FUNDING SOURCES

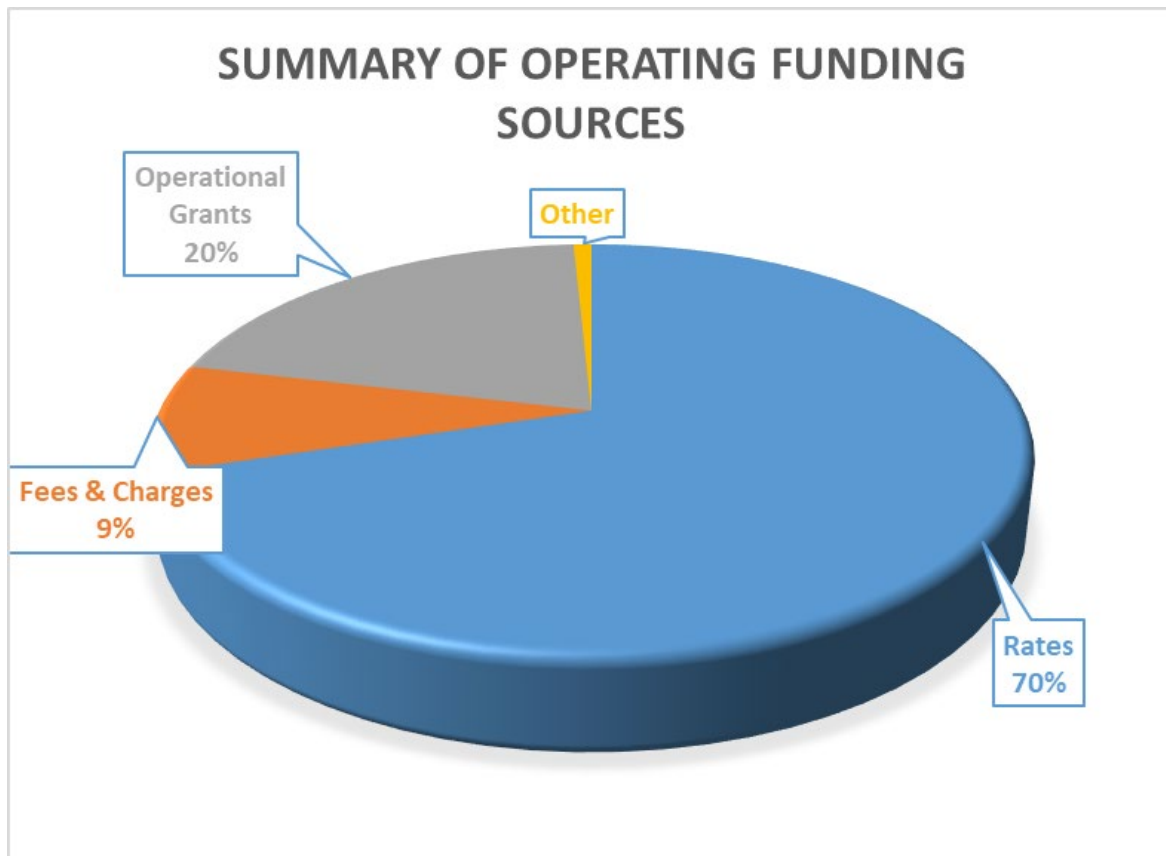


Figure 1 - Summary of Operating Income

SOURCES OF FUNDING CAPITAL EXPENDITURE

CAPITAL EXPENDITURE

Capital expenditure is the spending which Council undertakes for the purchase, development or acquisition of assets which provide the community with a service over a longer period of time than is the norm with operating expenditure.

There are a range of Capital Funding sources available to Council as set out below. Council's policy is that the funding of capital developments will be prioritised as follows:

USER CHARGES

User charges are generally not available for capital costs.

GRANTS, SUBSIDIES, AND OTHER INCOME

Contributions towards capital expenditure from other parties such as Waka Kotahi NZ Transport Agency (Waka Kotahi) (in relation to certain roading projects) and the Crown (in relation to certain projects).

FINANCIAL CONTRIBUTIONS

Financial Contributions are sought in accordance with the Financial Contributions Policy in the District Plan. Any contributions are held in separate accounts, according to the purpose for which they are raised.

Council has received limited financial contributions to date.

DEVELOPMENT CONTRIBUTIONS

Development Contributions are sought in accordance with Council's Development Contributions Policy. 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.

BORROWINGS

For larger capital costs that provide a long-term benefit to the community, Council may determine that borrowing the funds is the fairest method of allocating the costs of a project over time to users.

REVENUE COLLECTED TO COVER DEPRECIATION CHARGES

Renewal projects are primarily funded from depreciation where those funds are available. Because Council only started funding depreciation in 1999/2000 the accumulated depreciation funds often do not have sufficient reserves to replace the assets. In those cases, Council will rely on borrowings.

PROCEEDS FROM THE SALE OF ASSETS

From time to time, the Council sells assets. Council will use the proceeds from the sale of assets, after paying for the cost of sale to repay any debt attached to the asset.

Some assets have restrictions on how the proceeds may be used, for example proceeds from the sale of land that previously had a reserve status can only be used for reserve purposes.

OPERATING SURPLUSES

Operating surpluses can be used to fund capital expenditure.

RATES

Rates are primarily used to fund Council's day to day expenses. This includes funding an annual amount toward the ongoing replacement of existing assets (depreciation); and the funding of its financing costs on debt created to purchase assets.

From time to time Council may undertake specific capital works funded by borrowings, where the debt repayment is sourced from targeted rates. Usually, these are in respect of specific community projects.

COUNCIL'S S101(3) ANALYSIS FOR SOURCES OF CAPITAL EXPENDITURE BY ACTIVITY

Council will generally fund the cost of borrowing on the same basis as operating costs unless it resolves otherwise.

Generally, it is not practical to create separate funding policies for each and every capital project so Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity. Whenever Council resolves to consider a separate funding policy Council will consider the sources of funds outlined above, the Revenue and Financing Policy and complete a S101(3) assessment to determine a fair and equitable funding arrangement for the project.

Council will resolve the funding policy at the time the project is proposed in an Annual or Long-term Plan.

SUMMARY OF CAPITAL FUNDING SOURCES

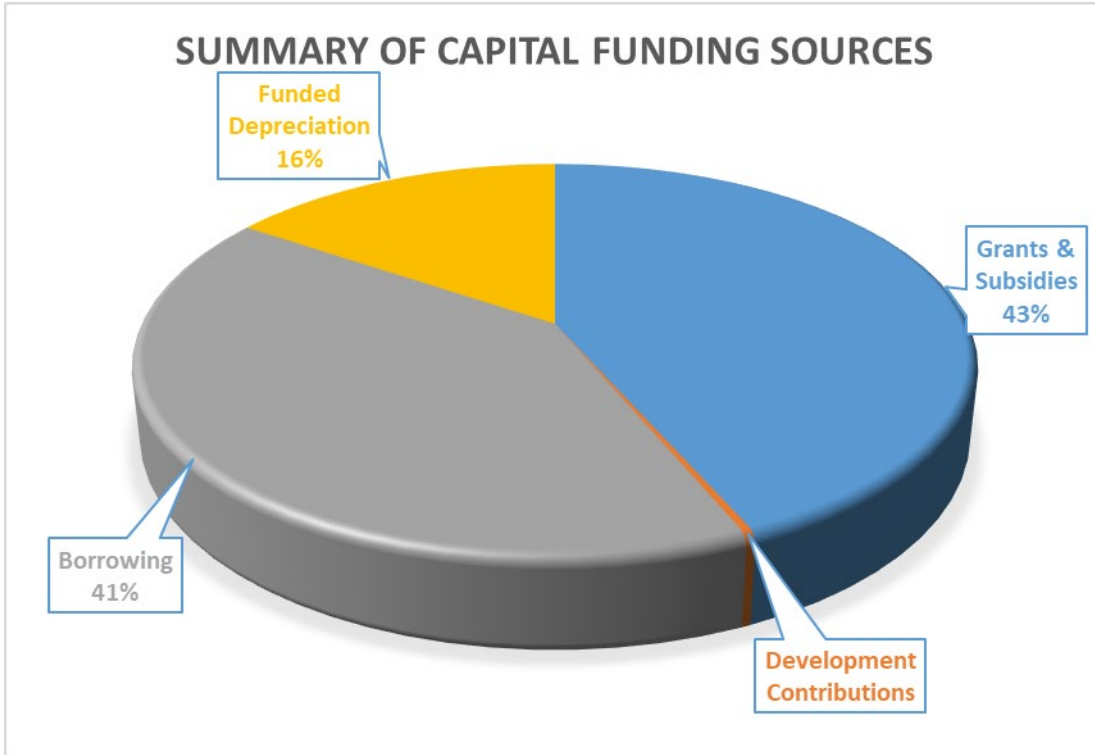


Figure 2 - Summary of Capital Funding

POLICY CONSIDERATIONS WHEN DECIDING FUNDING SOURCES

KEY FUNDING CONSIDERATIONS

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. These matters are summarised in this section.

LGA SECTION 101 ANALYSIS

Local Government Act Section 101 requires that Council develop a set of funding arrangements after considering the factors set out in LGA s101(3)(a). This section of the Policy discusses those requirements.

COMMUNITY WELL-BEING OUTCOMES (S101 (3)(A)(I))

Council considered its agreed Community Well-being Outcomes and developed a set of revenue and financing mechanisms to reflect that:

- (a) Council is proactive, transparent and accountable.
- (b) Core infrastructure, water, wastewater, solid waste, and roading endeavours to keep pace with changing demand.
- (c) Economic diversity and core economic strengths are encouraged in partnership with others,
- (d) Our environment is accessible, clean and safe and that our water, soil and air meets required standards.

THE BENEFIT PRINCIPLE (S101(3)(A)(II))

Council considered how the benefits from each activity are distributed to individuals, groups, or the community generally, using the following categories of benefit:

- (a) National benefit - benefits the nation and is public in nature.
- (b) District benefit - benefits the whole District and is public in nature.
- (c) Commercial benefit - benefits the commercial sector and has elements of both public and private benefit.
- (d) Community benefit - benefits a particular town, ward or other area and is public in nature.

- (e) User benefit - benefits an identifiable individual, group, or community segment.

Council considered the benefit of each of its activities and sub activities, to reflect the national, district, commercial, community or user component. This analysis helped Council decide an appropriate funding source or sources for each activity and the percentage of revenue that Council will try and collect from those sources for each activity.

The following benefit categories were seen as the best fit.

GENERAL RATE FUNDING

Council determined that following activities will be wholly funded by the General Rate/UAGC because the benefit is considered to be equal for the community in general, public in nature or have benefit nationally:

- (a) Leadership,
- (b) Public toilets,
- (c) Emergency management,
- (d) Grants,
- (e) i-Sites.

USER FUNDING

Council determined that following activities will be funded by the user, because the benefit is considered to be solely or primarily private.

- (a) Water supply.
- (b) Wastewater.
- (c) Curbside collection.

MIXED RATE/USER FUNDING

Council determined that following activities will be funded by a mix of Fees and Charges and General Rates/UAGC. This reflects the benefits received by both the community at large and the beneficiary/exacerbator.

- a) Resource management,
- b) Regulation,
- c) Waste management and minimisation,
- d) Recreation and community facilities (excluding public toilets),
- e) Environmental health and alcohol licensing,
- f) Community property,
- g) Community development (excluding grants).

Land Transport is funded by a mix of subsidies and targeted rates as Council considers there are benefits to the community and users. Council considers a targeted rate enables a higher level of transparency in funding allocation for this activity.

The following activities are funded by a mixture of capital value rates on commercial and industrial properties and a Targeted Uniform Annual Rate on all properties as Council considers that there is more benefit to commercial and industrial properties, but that the District as a whole also benefits (under Economic Development).

- a) Regional tourism,
- b) Economic development,
- c) Business development.

The following activity is funded by a mix of the General Rates/UAGC and Urban Targeted Rates, as Council considers that there is more benefit to urban properties, but all properties benefit to some extent.

- a) Stormwater and flood protection.

PERIOD IN OR OVER WHICH THE BENEFITS ARE EXPECTED TO OCCUR (S101(3)(A)(III))

As part of its consideration of Intergenerational Equity and Decline in Service Potential, Council considered the period over which the benefit for each activity is expected to occur.

INTERGENERATIONAL EQUITY

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, funding an asset with a life of (say) 70 years with a loan over that term may not be prudent, due to the large interest repayments. In those circumstances the term of the funding may be shorter than the life of the asset.

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) Community Facilities,
- (g) Other capital projects.

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

DECLINE IN SERVICE POTENTIAL (DISP)

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:

- (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.
- (c) 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.

THE EXACERBATOR PRINCIPLE (S101(3)(A)(IV))

Council considered whether the activity was required to mitigate the effect of an individual or group and, where appropriate, charges fees, charges and fines.

COSTS AND BENEFITS (S101(3)(A)(V) LGA)

Council considered the costs and benefits of funding its activities separately. Council considers that each activity and, in some cases, sub activities, should be accounted for separately as this is the most transparent method for funding capital and operating expenses 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.

BALANCED BUDGET STATEMENT

Section 100 of the LGA requires that Council's projected operating revenues match its projected operating expenditures. Despite this, Council may choose not to fully fund operating expenditure in any particular year if Council can show that it is financially prudent to do so and where the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when it would be beneficial to avoid significant fluctuations in rates, fees, or charges.

Council may choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year. Council will only budget for such an operating surplus if it is necessary to fund an operating deficit in the immediately preceding or following years, or to repay

debt. Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment.

Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The details of the funding apportionment are set out in the Funding Sources Summary that is included in this policy.

The LGA requires Council to produce Funding Impact Statements (FIS), which provides details of the funding mechanisms to be used for each group of activities for each year covered by the LTP. These Funding Impact Statements show how Council intends to implement the Revenue and Financing Policy. It also shows the amounts to be collected from each available source for each group and how various rates are to be applied.

SUMMARY OF OPERATING REVENUE SOURCES

Council has determined the proportion of operating expenditure to be funded from each of the sources listed below, and the method for apportioning rates and other charges. A summary of the funding sources for each of Council's primary activities is presented in figure 3 below.

As can be seen, some activities are fully funded by the general or targeted rates and others have some level of other income, usually fees and charges.

These funding arrangements have been agreed by Council following an analysis of the District's overall funding requirements.

ADDITIONAL INFORMATION

This policy is presented in a high level short format. It was prepared following a detailed funding needs analysis for each activity as required by Local Government Act 2002, Section 101(3). The results of this analysis are included in the Revenue and Financing Policy Analysis document which is attached as Appendix One.

Further information relevant to this policy is contained in the Financial Strategy, Rating Policies and Funding Impact Statement contained within the Long-term Plan.

OVERALL FUNDING CONSIDERATION

Council is required by S101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community. This is a reference to the Purpose Statement of Local Government "...to promote the social, economic, environmental and cultural well-being of communities in the present and for the future."

This brings the concept of "wellbeing" into the mix and allows Council, as a final measure, to modify the overall mix of funding in response to these considerations.

Council uses its choice of differentials and general and targeted rates, to achieve the most affordable outcomes for the community as a whole. Council recognises that the disparate nature of property values across the District result in wide variations in rating levels. For this reason, it consciously recovers a relatively high proportion of its income from the UAGC and other fixed rates.

SUMMARY OF FUNDING ARRANGEMENTS

Following an analysis of the operating activities, Council has prepared a funding strategy to share the costs between the different funding streams, these include:

- (a) General Rates,
- (b) Targeted Rates,
- (c) Subsidies and Grants,
- (d) Fees and Charges,
- (e) Other income.

Figure 3 shown below graphically indicates the agreed operational funding arrangements for each of the different activities outlined in the proposed policy, these proportions / percentages are indicative only. This is presented in more detail in Appendix B.

SUMMARY OF OPERATING FUNDING

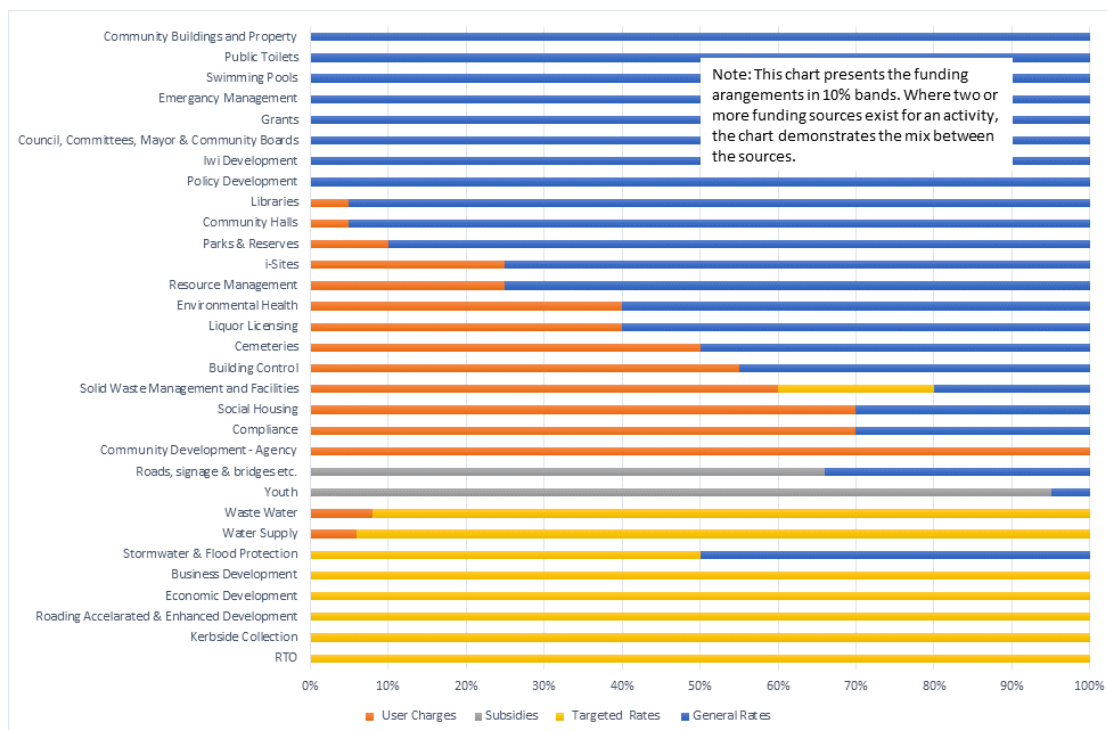


Figure 3 - Summary of Operating Funding Allocations

ADDITIONAL INFORMATION

Appendix A presents a summary of the analysis undertaken for each activity. This identifies the community outcomes to which the activity contributes, the beneficiaries and/or exacerbators for whom the activity is undertaken and the rationale underpinning the final funding methods or arrangements adopted by Council.

Appendix B presents a consolidated summary of the funding arrangements.

Annotations

Date	Description
June 2006	Policy adopted as part of LTP Process
June 2009	Policy amended and adopted as part of LTP Process
June 2012	Policy amended and adopted as part of LTP Process
June 2015	Policy amended and adopted as part of LTP Process
June 2018	Policy amended and adopted as part of the LTP process
June 2021	Policy amended and adopted as part of the LTP process

APPENDIX A - REVENUE AND FINANCING POLICY FUNDING NEEDS ANALYSIS

The purpose of this document is to set out how Council proposes to fund each of its activities. It has been prepared in accordance with the provisions of Section 101(3) of the Local Government Act 2002 (the Act).

Note: throughout this appendix references are made to legislative provisions. Unless stated otherwise, these references refer to the Local Government Act 2002.

INTRODUCTION

The Act requires all councils to adopt a Revenue and Financing Policy showing how Council proposes to fund its various operating and capital expenditures, and more importantly, who will pay these and why.

Council must decide in accordance with S101(3) how each activity will be funded taking into consideration:

- The community outcomes to which the activity primarily contributes; and
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- The period in or over which those benefits are expected to occur; and
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities And must also consider:
- The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community as shown in the table below.
-

This analysis document is designed to show how Council has considered each of these requirements and how they relate to the final Revenue and Financing Policy.

The S101(3) funding analysis included in Appendix A identifies the arrangements Council proposes to apply to be able to budget for each activity. Frequently there is a mix of funding mechanisms including both general and targeted rates together with a range of fees and charges. In many instances, the final funding mix depends on the level of activity and the ability to recover costs from user charges.

COUNCIL'S S101(3) ANALYSIS FOR CAPITAL EXPENDITURE BY ACTIVITY

Council will fund the cost of borrowing on the same basis as operating costs unless it resolves otherwise.

Generally, it is not practical to create separate funding policies for each and every capital project so Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity. Whenever Council resolves to consider a separate funding policy Council will consider the sources of funds outlined above, the Revenue and Financing Policy and complete a S101(3) assessment to determine a fair funding and equitable arrangement for the project.

Generally, Council will resolve the funding policy at the time the project is proposed in an Annual or Long-term Plan.

APPENDIX A – Section 101 (3) analysis of Operational Expenditure

Activity	Community Well-being Outcomes – Refer Appendix B	Who Benefits	Period of Benefit	Whose Actions Creates Need	Separate Funding	Rationale	Public	Private
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*Notes: 1. The funding Source relate to council’s costs only, it excludes any subsidies that may be received from NZTA, Min of Health etc.

2. The split between public and private benefit is arranged in 10% bands where necessary.

Recreation and Community Facilities

Community Buildings and Property	<ul style="list-style-type: none"> Safe, Healthy Communities and People 	User, Commercial & Community	Ongoing	Activity benefits current and future users (as buildings, if well maintained, are a long- life asset).	This activity is funded from rates with limited user funding	User charging is feasible for buildings that can be rented or where usage for private purposes is identifiable. Separate rating though is generally not appropriate as most of the properties are core to long term Council activities and the majority of the benefits are attributable to community as a whole.	100%	0%
Cemeteries	<ul style="list-style-type: none"> Safe, Healthy Communities and People 	User, Commercial & Community	Ongoing	Users, Individuals & Community	There is a significant private benefit funded by fees, but it also includes some public benefit funded from general rates.	This activity is of medium public benefit, but mainly has user benefits, fees remain low due to less use, but high maintenance costs.	50%	50%
Community Halls	<ul style="list-style-type: none"> Safe, Healthy Communities and People Vibrant and Diverse Living 	User, Commercial & Community	Ongoing	Users	This activity is primarily funded from the general rate.	Some user charges apply though Council also considers affordability issues, and broader community benefits, in allocating costs.	90% 100%	10% 0%
Parks and Reserves	<ul style="list-style-type: none"> Safe, Healthy Communities and People Vibrant and Diverse Living 	User & Community	Ongoing	Actions of individuals and groups do not contribute in significant way to the need for the activity.	This activity is primarily funded from rates with some user funding.	The activity has general public benefit as all the public can use parks and reserves. There is a small user component that can be identified and targeted. % allocation based on past actuals with reach.	90% 100%	10% 0%
Public Toilets	<ul style="list-style-type: none"> Safe, Healthy Communities and People 	User & Community	Ongoing	Users, Individuals & Community	This activity is primarily funded from the general rate.	Activity is of general public benefit to both local community and visitors and is not targeted at any specific groups. Also, it is not administratively feasible to charge user fees.	100%	0%
Social Housing	<ul style="list-style-type: none"> Safe, Healthy Communities and People 	User & Community	Ongoing	Users, Individuals	There is mainly private benefit funded by fees, but it also includes some public	Separate funding is appropriate as tenants are the primary beneficiary though affordability	20% 30%	80% 70%

APPENDIX A – Section 101 (3) analysis of Operational Expenditure								
Activity	Community Well-being Outcomes – Refer Appendix B	Who Benefits	Period of Benefit	Whose Actions Creates Need	Separate Funding	Rationale	Public	Private
					benefit funded from general rates.	needs to be considered as social housing is targeted at more vulnerable groups.		
Swimming Pools	<ul style="list-style-type: none"> • Safe, Healthy Communities and People • Vibrant and Diverse Living 	User & Community	Ongoing	Users, Individuals	Mainly benefits users of the facilities who can be identified and charged user fees though there are broader community benefits.	User fees are paid directly to the swimming pools therefore Council only contributes a balancing amount with is fully rate funded.	100%	0%
Community Support								
Community Development - Agency	<ul style="list-style-type: none"> • Vibrant and Diverse Living 	User & Community	Ongoing	Users, Individuals	There is mainly private benefit funded by fees.	These agency services are transactional and service fees are transparent so the user can be charged.	0% 10%	100% 90%
Emergency Management	<ul style="list-style-type: none"> • Safe, Healthy Communities and People 	User, Commercial & Community	Ongoing	The actions of individuals and groups have little impact on this activity	This activity is primarily funded from the general rate.	The activity benefits the community as a whole.	100%	0%
Community Development - Grants	<ul style="list-style-type: none"> • Vibrant and Diverse Living 	Community	Ongoing	The actions of individuals and groups have little impact on this activity	This activity is primarily funded from the general rate.	The activity benefits the community as a whole.	100%	0%
Regional Tourism Organisation	<ul style="list-style-type: none"> • Thriving and Prosperous Economy and Lifestyles • Vibrant and Diverse Living • Our Places – Natural and Beautiful 	Commercial & Community	Ongoing	The actions of individuals and groups have little impact on this activity	Separate funding appropriate as primary beneficiaries of activity can be identified. Rating separately encourages accountability to key beneficiaries and improves transparency.	Benefits are expected to be higher for businesses (who manage and run this activity on behalf of Council) as tourist numbers increase so a share of the costs are attributed to them. Percentage split is based on past actuals. Broader flow-on benefits to the community also reflected in allocation to the community as a whole.	60% 70%	40% 30%
i-Sites	<ul style="list-style-type: none"> • Thriving and Prosperous 	National	Ongoing	Visitors have an impact on	This activity is funded from fees and the general rate.	The activity benefits individuals and visitors so fees and commissions can be charged/recouped, and income generated from	80% 70%	20% 30%

APPENDIX A – Section 101 (3) analysis of Operational Expenditure								
Activity	Community Well-being Outcomes – Refer Appendix B	Who Benefits	Period of Benefit	Whose Actions Creates Need	Separate Funding	Rationale	Public	Private
	Economy and Lifestyles • Vibrant and Diverse Living • Our Places – Natural and Beautiful			the need for the activity		sales. But there is also a community benefit funded from rates.		
Library Services	• Vibrant and Diverse Living	User & Community	Ongoing	The actions of individuals and groups have little impact on this activity	This activity is primarily funded from the general rate with some fee income	A small amount of funding is collected from user charges recognizing the private benefits. This needs to be kept at a reasonable level so that the facility is affordable and accessible to all.	90% 100%	10% 0%
Land Transport								
Accelerated and Enhanced Development	• Safe, Healthy Communities and People	User District Community	Ongoing	Individuals or groups actions do not influence the need for the activity.	Separate funding can be used for this category of activity as it is for identifiable projects that are funded by the communities who benefit from higher level of service.	The activity occurs where communities have shown willingness to pay for higher level of service therefore, it is funded by an identifiable group defined by geographic area. Used as necessary.	0%	100%
Road, Signage & Bridges; Footpaths, Curbs and Channels & Street Furniture.	• Safe, Healthy Communities and People	User, District & Community	Ongoing	Road users create the need for the activity.	Funded from a mixture of NZTA subsidies and general rates.	The activity benefits all users of roads – locals, visitors and through traffic. As roads are open to all users the activity needs to be funded by community as a whole. Forestry sector charged at a higher rate as considered a specific exacerbator.	100% (Note: this funding relates to the Council share – funding is also provided by NZTA)	

APPENDIX A – Section 101 (3) analysis of Operational Expenditure									
Activity	Community Well-being Outcomes – Refer Appendix B	Who Benefits	Period of Benefit	Whose Actions Creates Need	Separate Funding	Rationale	Public	Private	
Leadership									
Business Development	• Thriving and Prosperous Economy and Lifestyles	Commercial & Community	Ongoing	Not applicable	This activity is primarily funded from the general rate	This is a general public good activity and has benefits for the community as a whole.	60% 70%	40% 30%	
Council, Committees, Mayor & Community Boards	• A Strong Voice	District	Ongoing	Not applicable	This activity is primarily funded from the general rate	This is a general public good activity and has benefits for the community as a whole.	100%	0%	
Economic Development	• Thriving and Prosperous Economy and Lifestyles	Commercial & Community	Ongoing	Not applicable	Separate funding appropriate as primary beneficiaries of activity can be identified. Rating separately encourages accountability to key beneficiaries and improves transparency.	Activity focuses on strategic planning and catalyst activities to promote development. Direct benefits to commercial sector, broader community, families and individuals. Benefits are expected to be higher for businesses. . Broader flow-on benefits to the community also reflected in allocation to the community as a whole.	60% 70%	40% 30%	
Iwi Development	• A Strong Voice	District	Ongoing	Not applicable	This activity is primarily funded from the general rate	This is a general public good activity and has benefits for the community as a whole.	100%	0%	
Policy Development	• A Strong Voice	District	Ongoing	Not applicable	This activity is primarily funded from the general rate	This is a general public good activity and has benefits for the community as a whole.	100%	0%	
Youth Development	• Vibrant and Diverse Living	User, & Community	Ongoing	Individuals or groups actions do not influence the need for the activity	This activity is primarily funded by subsidies but with some rate contributions	This activity attracts funding on a project by project basis for example from Central Government from the Local Government Youth Partnership fund. Council contributes through allocating staff time to co-ordination/liaison.	10% 0%	90% 100%	
Regulation									
Building Control	• Safe, Healthy Communities and People • Thriving and Prosperous Economy and Lifestyles	User, Commercial & Community	Ongoing	Applicants for Building Consents	The activity is primarily funded from fees and charges with some “public good” rate contribution.	Users should part fund their use of this activity, but as the activity has a public benefit as well which benefits the district and the country as a whole, part of this activity should be funded from rates.	40% 50%	60% 50%	
Compliance	• Safe, Healthy Communities and People	User & Community	Ongoing	Individuals or businesses not complying with Council Bylaws	The activity is primarily funded from fees and charges with some “public good” rate contribution.	Users should part fund their use of this activity, but as the activity has a public benefit as well which benefits the district and the country as a whole, part of this activity should be funded from rates.	65% 75%	35% 25%	

APPENDIX A – Section 101 (3) analysis of Operational Expenditure								
Activity	Community Well-being Outcomes – Refer Appendix B	Who Benefits	Period of Benefit	Whose Actions Creates Need	Separate Funding	Rationale	Public	Private
	<ul style="list-style-type: none"> Thriving and Prosperous Economy and Lifestyles 			and other regulations and dog owners who must comply with legislation / regulations.				
Environmental Health	<ul style="list-style-type: none"> Safe, Healthy Communities and People 	User, Commercial & Community	Ongoing	Operators of premises that must comply with food safety requirements or other regulation because they could pose a risk to public health and safety.	The activity is partly funded from fees and charges but with a significant “public good” rate contribution.	Users should part fund their use of this activity, but as the activity has a public benefit as well which benefits the district and the country as a whole, part of this activity should be funded from rates.	55% 65%	45% 35%
Liquor Licencing	<ul style="list-style-type: none"> Safe, Healthy Communities and People 	User, Commercial & Community	Ongoing	Operators of premises that must comply with sale and supply of alcohol laws.	The activity is partly funded from fees and charges but with a significant “public good” rate contribution	Users should part fund their use of this activity, but as the activity has a public benefit as well which benefits the district and the country as a whole, part of this activity should be funded from rates.	55% 65%	45% 35%
Resource Management	<ul style="list-style-type: none"> Safe, Healthy Communities and People Thriving and Prosperous Economy and Lifestyles Our Places – Natural and Beautiful 	User, Commercial & Community	Ongoing	Applicants undertaking development that could have adverse environmental effects.	The activity is partly funded from fees and charges but with a significant “public good” rate contribution.	Users should part fund their use of this activity, but as the activity has a public benefit as well which benefits the district and the country as a whole, part of this activity should be funded from rates.	70% 80%	30% 20%
Solid Waste								

APPENDIX A – Section 101 (3) analysis of Operational Expenditure								
Activity	Community Well-being Outcomes – Refer Appendix B	Who Benefits	Period of Benefit	Whose Actions Creates Need	Separate Funding	Rationale	Public	Private
Curbside Collection	<ul style="list-style-type: none"> • Safe, Healthy Communities and People • Thriving and Prosperous Economy and Lifestyles • Our Places – Natural and Beautiful 	User	Ongoing	The residents of urban communities who create refuse.	Fully funded by targeted rates.	The activity benefits the user therefore funded by targeted rates.	0%	100%
Waste Minimisation – Management and Facilities	<ul style="list-style-type: none"> • Safe, Healthy Communities and People • Thriving and Prosperous Economy and Lifestyles • Our Places – Natural and Beautiful 	User & Community	Ongoing	The residents who create refuse	Part funded by user charges but with “public good” rate contribution.	There is a moderate public benefit to the activity but the user charge acknowledges that some members of the public and businesses use the activity more than others.	30% 1 40%	70% 1 60%
Waters								
Stormwater and Flood Protection	<ul style="list-style-type: none"> • Safe, Healthy Communities and People • Thriving and Prosperous Economy and Lifestyles • Our Places – Natural and Beautiful 	User & Community	Ongoing	Individuals, households and businesses in urban areas	Part funded by local targeted rates but with “public good” General Rate contribution	While the district as a whole will benefit from stormwater and flood protection, the main beneficiaries are the ratepayers in urban centres.	45% 1 55%	55% 1 45%
Sewerage	<ul style="list-style-type: none"> • Safe, Healthy Communities and People • Thriving and Prosperous 	User, Commercial & Community	Ongoing	Users	This activity is regarded as a separate activity therefore is funded separately by targeted rates and fees. Council is proposing to treat all sewerage schemes	Separate funding is appropriate this service however Council now believes that as all properties connected to any one of the reticulated schemes receive a similar level of benefit it is appropriate that they pay similar levels of rates.	0% 1 6%	100% 1 94%

APPENDIX A – Section 101 (3) analysis of Operational Expenditure

Activity	Community Well-being Outcomes – Refer Appendix B	Who Benefits	Period of Benefit	Whose Actions Creates Need	Separate Funding	Rationale	Public	Private
	Economy and Lifestyles • Our Places – Natural and Beautiful				collectively as a single service rather than separately funding each individual area.	Some Fees and Charges apply for connections etc.		
Water Supply	• Safe, Healthy Communities and People • Thriving and Prosperous Economy and Lifestyles • Our Places – Natural and Beautiful	User, Commercial & Community	Ongoing	Users	This activity is regarded as a separate activity therefore is funded separately by targeted rates and fees. Council treats all water schemes collectively as a single service rather than separately funding each individual area.	Separate funding is appropriate this service however Council now believes that as all properties connected to any one of the reticulated schemes receive a similar level of benefit it is appropriate that they pay similar levels of rates. Some fees and charges apply for connections.	0% 1 8%	100% 1 92%

Appendix B - Detailed Activity Funding Arrangements				
Activity Group - Activity	User Charges	Subsidies	Targeted Rates	General Rates
Recreation and Community Facilities				
Community Buildings and Property	0%	0%	0%	100%
Cemeteries	50%	0%	0%	50%
Community Halls	5%	0%	0%	95%
Parks & Reserves	10%	0%	0%	90%
Public Toilets	0%	0%	0%	100%
Social Housing	70%	0%	0%	30%
Swimming Pools	0%	0%	0%	100%
Community Support				
Community Development - Agency	100%	0%	0%	0%
RTO	0%	0%	100%	0%
Emergency Management	0%	0%	0%	100%
Grants	0%	0%	0%	100%
i-Sites	25%	0%	0%	75%
Libraries	5%	0%	0%	95%
Land Transport				
Accelerated & Enhanced Development	0%	0%	100%	0%
Roads, signage & bridges etc.	0%	72%	0%	28%
Leadership				
Business Development	0%	0%	100%	0%
Council, Committees, Mayor & Community Boards	0%	0%	0%	100%
Iwi Development	0%	0%	0%	100%
Policy Development	0%	0%	0%	100%
Economic Development	0%	0%	100%	0%
Youth	0%	95%	0%	5%
Regulation				
Building Control	55%	0%	0%	45%
Resource Management	25%	0%	0%	75%
Compliance	70%	0%	0%	30%
Environmental Health	40%	0%	0%	60%
Liquor Licensing	40%	0%	0%	60%
Solid Waste				
Curbside Collection	0%	0%	100%	0%
Management and Facilities	60%	0%	20%	20%
Waters				
Stormwater & Flood Protection	0%	0%	50%	50%
Waste Water	6%	0%	94%	0%
Water Supply	8%	0%	92%	0%

PART 4: FINANCIALS



FUNDING IMPACT STATEMENT

INTRODUCTION

Council is required under Schedule 10(15) 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 2021/22 financial year. The Statement represents the fiscal outcome from the Revenue and Financing Policy, which was reviewed by Council in accordance with the provisions of the Local Government Act.

Rates are assessed in accordance with the Local Government (Rating) Act 2002 (LGRA) on all rating units in the district on the basis of values as at 30 June 2021.

OBJECTIVES AND MEASURES

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

RATES REMISSION AND POSTPONEMENT

REMISSIONS

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

- Charges on Contiguous Properties
- Charges on Non-Contiguous Properties
- Uninhabitable dwellings or properties affected by natural disasters
- Remissions for Clubs and Societies
- Remissions for Community Organisations
- Remissions for New Subdivisions
- Remissions of Rates on Land-locked Land
- Remission of Penalties
- Remission for Council Properties
- Remissions for Extreme Financial Hardship
- Remission of UAGC to Certain Separately Used or Inhabited Parts of Rating Units (SUIPS)

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

CATEGORY OF RATES REMISSION	VALUE OF REMISSION(INCLUDING GST) \$
Service Charge – Water	138,121
Service Charge – Wastewater	48,173
Service Charge – Solid Waste	35,595
General Rates	36,673
UAGC	320,996
Other	54,943
Total	634,501

POSTPONEMENT

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

LEGISLATIVE REQUIREMENTS

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

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

PROPOSED RATES FOR 2021/22

This portion of the Funding Impact Statement has been prepared in two parts. The first part outlines the rating methodologies and differentials which Council proposes to use to set the rates for the 2021-31 Long Term Plan. The second part outlines the proposed rates for the 2021/22 rating year.

Where a new rate is not proposed to be set in 2021/22 the schedule of rates will show this rate as NA.

DEFINITION OF SEPARATELY USED OR INHABITED PART OF A RATING UNIT

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

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

- Where a rating unit contains both a commercial operation and residential accommodation, two separately used parts of a rating unit are identified and each will be a SUIP.
- A farming unit with one dwelling will be treated as one SUIP, with each additional dwelling counting as an additional SUIP of the rating unit. Each additional dwelling will be a SUIP
- Where a single rating unit contains a number of shops or offices, each office or shop will be a SUIP.
- Where a single rating unit contains a number of separately used or inhabited residential parts (block of flats), each separate unit will be counted as one SUIP.
- 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 be one SUIP. However, should a residential occupancy be contained within the complex that would constitute an additional SUIP. Each residential occupancy in the motel/hotel complex will be an additional SUIP.

- Dwellings that are not fully self-contained will not be a SUIP. For a dwelling to be self-contained, it must be connected to water and wastewater services, and have facilities so that the person living or staying there does not have to share rooms such as a kitchen or bathroom. A kitchen is further defined as a room or area equipped with the intent for cooking. Any dwelling rented out separately to the main dwelling will be a SUIP.

GENERAL RATES

GENERAL RATE

A General Rate set on the basis of Capital Value (CV) to fund general activities. This rate is set on a differential basis as described below and assessed on all rateable land.

The General Rate differentials are based on the CV and land use as defined by Council's Valuation Service Provider and included in the Rating Information Database. The differentials are as set out in the following table.

(Refer Local Government (Rating) Act 2002, S13(2)(b) & S14, and Schedules 2(1&8) & 3(2))

GENERAL RATE DIFFERENTIALS	
Basis	Differential
All rating units other than hydro-electric properties with a CV in excess of \$50 million	100%
Hydro-electric properties with a CV in excess of \$50 million	61%

GENERAL RATE – DEFENCE LAND

Defence Land is rated on Capital Value but, in accordance with Section 22 LGRA, the assessed rate will not exceed the amount that would have been charged if the District's rate was calculated on the Land Value only.

(Refer Local Government (Rating) Act 2002, S22)

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

A UAGC set on the basis of one charge assessed on every separately used or inhabited part(SUIP) of a rating unit. This rate has been set at a level designed to ensure that the total of the UAGC and uniform targeted rates, exclusive of those set for water supply or sewerage disposal do not exceed the allowable maximum of 30%.

(Refer Local Government (Rating) Act 2002, S15 & 21 and Schedule 3(7))

TARGETED RATES

LAND TRANSPORT-LAND TRANSPORT DIFFERENTIAL RATE

A targeted rate set on the basis of Capital Value (CV) on all rating units in the District to fund land transport activity. This rate is set on a differential basis as described below.

The Land Transport Rate differentials are based on the CV and use as defined by Council's Valuation Service Provider and included in the Rating Information Database. The differentials are set out in the following table.

(Refer Local Government (Rating) Act 2002, S16(3)(a) and (4)(b) and Schedules 2(1&8) and Schedule 3(2))

LAND TRANSPORT RATE DIFFERENTIALS		
Differential	Basis	Basis
General	All rating units other than the following:	100%
Hydro-electric	Rating Units used for Hydro-electric purposes with a Capital Value in excess of \$50 million	61%
Forestry	Rating Units used for exotic forestry with a Quotable Value Property Use Code of FE	300%

URBAN PERIPHERY ROADS

KAHA AND TAU STREET RESEALING

A targeted rate set on the basis of a fixed amount assessed on every rating unit within the defined rating area to fund the resealing of Kaha and Tau Streets.

The defined Rating Area is as follows - All rating units with frontage on Kaha or Tau Streets, Rangataua (excluding the three rating units with frontage on a short section of Tau Street already sealed: valuation numbers 12765 198 00; 12765 222 00; 12765 223 00.
(Refer Local Government (Rating) Act 2002, S16(3)(b) and (4)(a))

ECONOMIC DEVELOPMENT RATES

ECONOMIC DEVELOPMENT TARGETED RATE

A targeted rate set on the basis of a fixed amount assessed on every SUIP in the District to fund Economic Development.
(Refer Local Government (Rating) Act 2002, S16(3)(a) and (4)(a) and Schedule 3(7))

ECONOMIC DEVELOPMENT COMMERCIAL TARGETED RATE

A targeted rate set on the basis of Capital Value (CV) assessed on every rating unit with Council’s Valuation Service Provider’s Category Codes C (Commercial) and I (Industrial) to fund Economic Development.
(Refer Local Government (Rating) Act 2002, S16(3)(b) and (4)(a), and Schedule 3(2))

NON COMMERCIAL VISITOR ACCOMMODATION TARGETED RATE

A Non Commercial Visitor Accommodation Rate set on the basis of a fixed amount per rating unit to fund services provided to the tourism sector. This rate will be assessed on any property that is advertised in any form as providing short term accommodation to the tourism sector. For clarity, this rate will be payable by any property (rating unit) that is advertised and used for short-term accommodation purposes, for example Bed & Breakfast (B&B), Book-a-Bach, Air B&Bs etc. This rate will not, however, be payable by any rating unit that is currently assessed as Economic Development – Commercial Targeted Rate.
(Refer Local Government (Rating) Act 2002, Sections 16(3)(b) and (4)(a) and schedule 3(7))

SOLID WASTE RATES

SOLID WASTE – WASTE MINIMISATION MANAGEMENT AND FACILITIES.

A targeted rate set on the basis of a fixed amount assessed on every SUIP in the District to fund the cost of landfills, transfer stations and general recycling costs, plus all other refuse costs not included in the service charge for kerbside collection charged to individual households.

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

SOLID WASTE - KERBSIDE COLLECTION

A targeted rate set on the basis of a fixed amount assessed differentially on every SUIP to which Council provides the service, to fund the cost of kerbside (refuse and recycling) collection services. Note: Vacant land and land with minor improvements are deemed not to receive the service therefore are not subject to this rate.

Note: Refuse is collected for all SUIPS, whereas recycling is only collected from residential units.

SOLID WASTE - KERBSIDE COLLECTION RATE DIFFERENTIALS		
Basis		Differential
General Differential	All rating units within the rateable areas defined AND used for “Residential” ^[1] purposes. Note: vacant land and land with minor improvements will not be liable for this rate	100%

SOLID WASTE - KERBSIDE COLLECTION RATE DIFFERENTIALS		
Basis		Differential
Commercial Differential	All rating units within the rateable areas defined AND used for any purpose other than residential. Note: vacant land and land with minor improvements will not be liable for this rate	50%

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

STORMWATER & FLOOD PROTECTION RATES

A targeted rate set on the basis of a fixed amount assessed on every SUIP within the following urban communities to which stormwater and flood protection services are provided to fund these services. In this context, “are provided” means that the rating unit is within a water or sewerage supply area and is liable for any of those rates.

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

STORMWATER RATING AREAS
Taumarunui, Piriaka, Ohakune, Raetihi, Owhango, National Park, Rangataua, Waiouru, Kakahi

SEWERAGE

SEWERAGE SERVICE RATE

Council has set a targeted rate assessed on a differential basis for any land which is connected or capable of connection¹, either directly or indirectly, to any of the District’s public sewerage systems as follows.

SEWERAGE DIFFERENTIAL RATE		
Differential	Description	Basis
General Use	Land other than land used for Primary and Secondary Schools	100%
School Use	Land used for Primary and Secondary Schools	30%

(Refer Local Government (Rating) Act 2002, Section 16(3)(b) and (4)(b) and Schedules 2(1), 2(5), 3(7)& 3(12))

The rate is assessed per SUIP of a rating unit for general use land and per pan for schools.

PAN RATE (WATER CLOSET OR URINAL)

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

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

WATER

WATER RATE

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

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

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

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

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

DIFFERENTIAL	WATER RATES DESCRIPTION	BASIS
General Use	All Rating Units other than those defined as Extraordinary Use	100%
Extraordinary Use	Rating Units are deemed extraordinary by land use, Councils Water Bylaw, or agreement with Council.	120%

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

WATER BY METER CHARGES (N.B. WATER BY METER CHARGES ARE NOT RATES PURSUANT TO THE LGRA)

Users connected to any Council water supply where the supply is recorded through a watermeter will be assessed the Water Differential Rate, as outlined above. In addition, they will be charged for any water consumed according to the prevailing Schedule of Fees and Charges.

LUMP SUM CONTRIBUTIONS

Council is not seeking any lump sum contributions in respect of any targeted rates.

(Local Government Act 2002, Schedule 10 Clause 15(4)(e)).

DUE DATES FOR PAYMENT OF RATES

Council resolved that the rates for 2021/22 are payable in four equal instalments, on the dates set out below.

DISCOUNT

A discount of 3% on all current year's rates will be granted for prompt payment if the rates for the year ending 30 June 2022 are paid in full by 20 August 2021, on condition that no rates remain unpaid from previous years.

PENALTIES

A penalty of 10% will be added to any amount of an instalment of rates remaining unpaid after the relevant due date and will be added on the dates set out in the table below:

Instalment	Due Date	Penalty Date
1	20 August 2021	25 August 2021
2	22 November 2021	25 November 2021
3	21 February 2022	24 February 2022
4	20 May 2022	25 May 2022

A further penalty of 10% will be added to any rates from previous years that remain unpaid on 1 July 2021. The penalty will be applied on 12 July 2021.

A further penalty of 10% will be added to any amount of rates to which a penalty has been added under the above paragraph that remain unpaid on 13 January 2022. The penalty will be added on 14 January 2022.

Council delegates authority to the Executive Manager Finance and Strategy, to apply penalties on unpaid rates. Remission of penalties will be considered according to Council's Remission of Penalties Policy, which can be found on Council's website: www.ruapehudc.govt.nz.

OTHER RATING POLICY STATEMENT

PROJECTED NUMBER OF RATING UNITS

Local Government Act 2002 Schedule 10 Clause 15A requires Council to state for each year covered by the Plan, the projected number of rating units within the district or region of the local authority at the end of the preceding financial year.

For the purposes of the 2021 – 2031 Long Term Plan Council has assumed that there will be some growth in the number of rating units

The following table shows the growth assumptions for each of the years covered by the plan.

YEAR	RATING UNITS
2021/22	8984
2022/23	8995
2023/24	9005
2024/25	9016
2025/26	9027
2026/27	9038
2027/28	9049
2028/29	9060
2029/30	9070
2030/31	9081



SCHEDULE OF RATES FOR 2021/22

PLEASE NOTE ALL RATES INCLUSIVE GST.

Rate	Basis of Assessment	Differential (as per LG(R)A schedule 2)	Rates 2021/22	
			Rate GST incl.	Total Rate GST incl.
GENERAL RATES				
Uniform Annual General Charge	Per SUIP ⁴	-	\$658.45	\$5,796,360
General Rate – General Differential	Capital Value	1 & 8	\$0.00175804	\$8,858,849
General Rate – Hydro Electrical Differential	Capital Value	1 & 8	\$0.00106799	\$341,745
General Rate – Defence Land	Land Value	1	\$0.00075807	\$155,450
TARGETED RATES				
Land Transport				
General	Capital Value	1	\$0.00075872	\$3,725,320
Hydro Electrical	Capital Value	1 & 8	\$0.00046100	\$147,516
Forestry	Capital Value	1	\$0.00226722	\$295,960
Kaha and Tau Street Resealing	Per rating unit		\$124.00	\$3,968
Solid Waste				
Solid Waste - Kerbside Collection				
Residential	Per SUIP	1	\$65.16	\$274,333
Commercial	Per SUIP	1	\$33.00	\$17,920
Solid Waste Charge	Per SUIP	-	\$72.99	\$642,601
Stormwater - Flood Protection				
Stormwater/Flood Protection Urban	Per SUIP		\$96.29	\$559,383
Wastewater				
District Wide Sewerage Rate				
General use (Inclusive of 2 pans)	Per SUIP	1 & 5	\$532.30	\$2,516,166
School Use	Per Pan	1 & 5	\$159.69	\$38,166
District Wide Additional Pan Rate				
General Use Per pan in excess of 2 pans per SUIP	Per Pan	-	\$266.15	\$383,520
Water				
District Wide Water Rate				
Connected or capable of connection	Per SUIP	1 & 5	\$780.34	\$4,536,139
Extra-Ordinary	Per SUIP	1 & 5	\$936.41	\$34,647
Economic Development Rates				
Economic Development Rate	Per SUIP	-	\$52.18	\$459,366
Economic Development Commercial Rate	Capital Value	-	\$0.00124967	\$410,644
Non-Commercial Visitor Accommodation Targeted Rate	Per rating unit	-	\$300.00	\$156,600

⁴ Separately Used or Inhabited Part of a rating unit

RATING EXAMPLES

Set out below are examples of the rates drawn from a range of land uses and property land values. Additionally, examples are shown for a range of residential properties drawn from a number of communities across the District.

Includes GST			2020/21 Capital Value	2021/22 Capital Value	2021/22 Rate Requirement	\$ Change	% Change
Kakahi	Commercial	Medium	72,000	92,000	1,130.13	41	3.79%
National Park	Commercial	High	255,000	405,000	3,717.95	366	10.91%
National Park	Commercial	Medium	285,000	375,000	5,265.21	165	3.23%
National Park	Commercial	Low	120,000	155,000	2,776.34	78	2.88%
Ohakune	Commercial	Medium	205,000	255,000	3,185.99	12	0.38%
Ohakune	Commercial	High	350,000	460,000	3,958.11	82	2.12%
Ohakune	Commercial	Low	111,000	190,000	2,908.17	253	9.53%
Ohura	Commercial	Medium	60,000	65,000	1,727.55	26	1.52%
Owhango	Commercial	Medium	100,000	135,000	2,168.72	81	3.90%
Owhango	Commercial	High	250,000	330,000	2,903.17	90	3.19%
Pipiriki	Commercial	Medium	179,500	249,000	3,258.51	183	5.94%
Raetihi	Commercial	Medium	149,000	225,000	3,073.00	170	5.86%
Raetihi	Commercial	High	450,000	530,000	4,910.12	-119	-2.36%
Raetihi	Commercial	Low	102,000	160,000	2,828.18	153	5.71%
Rangataua	Commercial	Medium	200,000	320,000	2,282.73	180	8.56%
Taumarunui	Commercial	Medium	142,000	185,000	2,922.34	53	1.86%
Taumarunui	Commercial	High	3,220,000	3,550,000	17,725.57	-2100	-10.59%
Taumarunui	Commercial	Low	69,000	85,000	2,545.70	30	1.19%
Waiouru	Commercial	Medium	250,000	260,000	4,567.72	-172	-3.64%
Waiouru	Commercial	High	870,000	930,000	7,621.73	-568	-6.93%
Waiouru	Commercial	Low	160,000	155,000	2,776.34	-116	-4.01%
Kakahi	Residential	Low	69,000	130,000	1,272.25	97	8.27%
Kakahi	Residential	Medium	150,000	235,000	1,536.51	106	7.41%
National Park	Residential	Medium	220,000	330,000	3,023.08	211	7.52%
National Park	Residential	High	280,000	420,000	3,549.59	349	10.89%
National Park	Residential	High	275,000	415,000	3,237.01	252	8.44%
National Park	Residential	Low	185,000	280,000	3,197.24	496	18.36%
Ohakune	Residential	Medium	215,000	355,000	3,151.16	229	7.84%
Ohakune	Residential	High	285,000	435,000	3,352.50	210	6.67%
Ohakune	Residential	Low	145,000	235,000	2,849.15	148	5.48%
Ohakune	Residential	Medium	190,000	325,000	3,375.66	332	10.93%
Ohura	Residential	Medium	75,000	103,000	1,823.19	74	4.24%
Ohura	Residential	High	110,000	146,000	1,931.41	72	3.87%
Ohura	Residential	Low	40,000	60,000	1,714.97	76	4.66%
Owhango	Residential	Medium	175,000	265,000	2,327.19	172	7.97%
Owhango	Residential	High	250,000	375,000	2,604.04	212	8.87%
Owhango	Residential	Low	144,000	215,000	2,201.36	144	6.99%
Pipiriki	Residential	Medium	96,500	163,000	1,726.15	167	10.71%
Pipiriki	Residential	High	143,500	213,000	1,851.99	145	8.47%
Pipiriki	Residential	Low	89,500	154,000	1,703.50	166	10.82%
Raetihi	Residential	Medium	115,000	235,000	2,849.15	243	9.30%
Raetihi	Residential	High	141,000	250,000	2,886.90	198	7.37%
Raetihi	Residential	Low	78,000	150,000	2,635.22	145	5.84%
Rangataua	Residential	Medium	165,000	270,000	2,156.89	165	8.26%

Includes GST			2020/21 Capital Value	2021/22 Capital Value	2021/22 Rate Requirement	\$ Change	% Change
Rangataua	Residential	High	220,000	345,000	2,345.65	180	8.31%
Rangataua	Residential	Low	110,000	205,000	1,993.30	174	9.59%
Taumarunui	Residential	Medium	115,000	190,000	2,735.90	129	4.96%
Taumarunui	Residential	High	160,000	245,000	2,874.32	126	4.58%
Taumarunui	Residential	Low	81,000	146,000	2,625.16	126	5.03%
Waiouru	Residential	Medium	149,000	230,000	2,836.57	123	4.52%
Waiouru	Residential	High	190,000	275,000	2,949.82	107	3.75%
Waiouru	Residential	Low	128,000	210,000	2,786.23	139	5.23%
Kakahi	Rural	Medium	940,000	1,155,000	3,690.48	-15	-0.40%
Kakahi	Rural	High	4,990,000	5,510,000	18,978.45	-1822	-8.76%
Kakahi	Rural	Low	870,000	1,120,000	3,602.40	118	3.39%
National Park	Rural	Medium	380,000	485,000	2,004.25	65	3.37%
National Park	Rural	High	770,000	1,010,000	2,541.93	113	4.67%
National Park	Rural	Low	119,000	155,000	1,173.72	58	5.20%
Ohakune	Rural	Medium	1,427,000	1,844,000	6,204.88	192	3.19%
Ohakune	Rural	High	2,490,000	3,220,000	8,887.60	294	3.42%
Ohakune	Rural	Low	723,000	933,000	3,131.76	111	3.68%
Ohura	Rural	Medium	920,000	1,180,000	3,753.40	111	3.06%
Ohura	Rural	High	2,880,000	3,650,000	10,753.43	189	1.79%
Ohura	Rural	Low	268,000	395,000	2,558.09	200	8.50%
Owhango	Rural	Medium	485,000	627,000	2,361.63	92	4.03%
Owhango	Rural	High	4,460,000	4,810,000	17,086.39	-1791	-9.49%
Owhango	Rural	Low	710,000	900,000	3,832.33	112	3.02%
Pipiriki	Rural	Medium	550,000	710,000	2,570.52	95	3.86%
Pipiriki	Rural	High	2,360,000	3,030,000	8,409.42	226	2.76%
Pipiriki	Rural	Low	265,000	340,000	1,639.32	63	4.01%
Raetihi	Rural	Medium	1,920,000	2,460,000	6,974.86	179	2.63%
Raetihi	Rural	High	5,300,000	6,870,000	18,073.80	617	3.54%
Raetihi	Rural	Low	371,500	471,000	1,185.40	14	1.17%
Rangataua	Rural	Medium	710,000	890,000	3,023.54	44	1.47%
Rangataua	Rural	High	1,471,000	1,910,000	6,370.98	219	3.56%
Rangataua	Rural	Low	590,000	590,000	2,268.51	-333	-12.79%
Taumarunui	Rural	Medium	581,000	745,000	2,658.61	86	3.33%
Taumarunui	Rural	High	1,680,000	2,130,000	6,144.33	105	1.74%
Taumarunui	Rural	Low	245,000	330,000	1,614.15	101	6.68%
Waiouru	Rural	Medium	750,000	915,000	3,086.46	-19	-0.62%
Waiouru	Rural	High	1,171,000	1,451,000	4,435.45	2	0.04%
Waiouru	Rural	Low	206,000	261,000	656.88	7	1.10%

RATING BASE INFORMATION

District numbers at 14 June 2021. Based on previous increases it is expected that this number will change before 30 June 2021.

NUMBER OF RATING UNITS (GROSS)	TOTAL CAPITAL VALUE OF RATING UNITS (GROSS)	TOTAL LAND VALUE OF RATING UNITS (GROSS)
9,979	6,220,275,850	3,467,030,250

BENCHMARKS

BENCHMARKS	QUANTIFIED LIMIT	PLANNED	MET
Rates affordability - Income	25,594	25,526	Yes
Rates affordability - Increase	5.20%	4.92%	Yes
Debt affordability	51,052	44,190	Yes
Balanced budget	100%	136%	Yes
Essential services	100%	262%	Yes
Debt servicing	10.00%	1.19%	Yes



Financial Statements

STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

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

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

The group consists of:

- The ultimate parent, Ruapehu District Council.
- RDC Holdings Ltd (100% owned subsidiary) which is non-trading.
- Manawatū-Wanganui LASS Ltd (14.29%) which is equity accounted (an associate).
- Visit Ruapehu Limited (100% owned Council Controlled Organisation) CCO.

All subsidiaries and associated entities are established and domiciled in New Zealand.

The prospective financial statements reflect the consolidated results for RDC and group. The only subsidiary of Council (RDC Holdings Limited) is non-active and has no revenue, expenditure, assets or liabilities.

Visit Ruapehu Limited was incorporated on 23 August 2019, as a Council Controlled Organisation (CCO) with Ruapehu District Council being the 100% owner. This new organisation replaced the Ruapehu Regional Tourism Organisation (RTO) Trust, which was operating from 2009 until it was wound up by a Trustees resolution on 17 October 2019 under a Deed of Confirmation. The assets were transferred to Visit Ruapehu Limited, free of all charges and encumbrances and all the Trusts debts and liabilities were paid.

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

The financial information contained within these documents is prospective financial information in terms of Financial Reporting Standard 42 Prospective Financial Statements (PBE). The purpose for which this has been prepared is to enable the public to participate in decision-making processes as to the services provided by Council over the next ten years and to provide broad accountability mechanism of Council to the community. The financial information in the Long term Plan may not be appropriate for purposes other than those described.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The reporting period for these prospective financial statements of Council is for the years 2021-2031 ending on 30 June each year. These prospective financial statement have been prepared on the going concern basis, and in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). Notwithstanding the above, prospective financial statements are a forecast based on best available information and assumptions at the time of preparation, and so it must be cautioned that actual results could differ materially from those presented here due to inherent future uncertainties.

Prospective financial statements are presented in New Zealand dollars with all values rounded to the nearest thousand dollars (\$000), and have been prepared in accordance with Tier 1 PBE FRS 42, and using accounting policies that are consistent with those adopted by the Council in preparing financial statements. The budget figures are those approved by the Council, and this information is intended to be used to inform the reader of Council's forecast financial activity and position over the next 10 years, and may not be suitable for purposes outside this scope. Council authorised the prospective financial statements on 23 June 2021.

Council and its management accepts responsibility for the preparation of its prospective financial statements, including appropriateness of assumptions underlying the prospective financial statements and all other

required disclosures. Actual financial results have been incorporated to the extent that they affect the opening forecast prospective statement of financial position as at 1 July 2021. Council does not intend to update the prospective financial statements subsequent to presentation.

These prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards that have been issued but are not yet effective are as follows;

FINANCIAL INSTRUMENTS

In March 2019 the XRB issued a new accounting standard, PBE IPSAS 41 *Financial Instruments*. This standard supersedes PBE IFRS 9 *Financial Instruments* and PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early adoption permitted. The main changes under PBE IPSAS 41 which will provide users of financial statements with more useful information are as follows:

- Introduces a new classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held. This could result in some instruments moving from amortised cost accounting to fair value accounting, or vice versa.
- Applies a forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing.
- Introduces an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. Entities that adopt PBE IPSAS 41 have a choice of either adopting the new hedging model of PBE IPSAS 41 or continuing to apply the hedging model of PBE IPSAS 29.

Previously there was some uncertainty about the requirements relating to the recognition of an impairment loss when an item of revalued property, plant and equipment was damaged or no longer available for use. The issue was whether the entire class of assets needed to be revalued when an impairment loss on damaged/unusable property, plant and equipment was recognised.

This standard removes the uncertainty by including revalued property, plant and equipment and revalued intangible assets in the scope of the impairment standards.

Council will apply this standard in preparing its year ending 30 June 2023 financial statements, which is the second year of the 2021-31 LTP.

Council does not intend to early adopt this new standard and it should be noted that the financial forecast for the first year of the LTP 2021-31 has been prepared under PBE IPSAS 29. Council has performed an assessment of the impact of PBE IPSAS 41 at account level and concluded that there would not be a material effect on the financial forecasts for the remaining years of the LTP and therefore, due to the immaterial value, Council has not applied the new standard to years 2 to 10 of the LTP.

Service Performance Reporting (PBE FRS 48)

This standard is mandatory for annual reporting periods beginning on or after 1 January 2021.

There has been no PBE Standard dealing solely with service performance reporting. This Standard establishes new requirements for public benefit entities (PBEs) to select and present service performance information.

Council believes the application of PBE FRS 48 will not have any significant impact on its statement of performance as Council has well established service performance reporting processes.

PRESENTATION CURRENCY AND ROUNDING

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

PLANNING ASSUMPTIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of prospective financial statements requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The significant planning and

forecasting assumptions with risks underlying the financial estimates are identified in Council's Long Term Plan 2021-31 pages 95–148.

Additionally, Council also applies a number of accounting policies and treatments to this forecast, and a summary of the significant accounting policies can be found in Council's Long Term Plan 2021-31 pages 236-277.

BASIS OF CONSOLIDATION

The consolidated prospective financial statements have been prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities of the Group on a line by line basis. All intragroup balances, transactions, revenue and expenses are eliminated on consolidation.

CCOs and subsidiaries are entities controlled by the group. Control is achieved when the group has the power to govern their financial and operating policies. In order to establish control, the controlling entity presently have exercisable power to govern decision making to be able to benefit from the activities of the other entity.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements from the date the group gains control until the date the group ceases to control the subsidiary. The accounting policies of controlled entities are consistent with the policies adopted by the controlling entity, or if not, adjustments are made to the consolidated financial statements to bring alignment of subsidiaries with the group's accounting policies. All intra-group balances, transactions, income, expenses, and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

The substantive subsidiary within the group is Visit Ruapehu Limited. Visit Ruapehu Limited was incorporated on 23 August 2019, as a Council Controlled Organisation (CCO) with Ruapehu District Council being the 100% owner. This new organisation replaced the Ruapehu Regional Tourism Organisation (RTO) Trust, which was operating from 2009 until it was wound up by a Trustees resolution on 17 October 2019 under a Deed of Confirmation. The assets were transferred to Visit Ruapehu Limited, free of all charges and encumbrances and all the Trusts debts and liabilities were paid. Its principal activities involve the development and marketing of tourism in the Ruapehu District.

The following parts of the group are exempt activities:

- RDC Holdings Ltd (100% owned subsidiary) which is non-trading.
- Manawatū-Whanganui LASS Ltd (14.29%) which, is equity accounted (an associate)
- Visit Ruapehu Limited (100% owned Council Controlled Organisation) CCO.

BASIS OF REPORTING

The New Zealand Accounting Standards Board issued these standards to incorporate the equivalent standards issued by the International Public Sector Accounting Standards Board into PBE Standards. These standards replace PBE IPSAS 6 Consolidated and Separate Financial Statements, PBE IPSAS 7 Investments in Associates and PBE IPSAS 8 Interests in Joint Ventures.

The group adopted these standards with effect from 1 July 2019. The key changes introduced by the new standards and the expected impact on the group are as follows:

- (a) Control: The new standards introduce an amended definition of control including extensive guidance on this definition, which if applicable, result in consolidation of entities that are not owned by virtue of shareholding. The adoption of new standards has not resulted in the consolidation of additional entities.
- (b) Investment entities: The standards introduce the concept of an "investment entity". They exempt investment entities from consolidating controlled entities and instead require investment entities to recognise controlled entities at fair value through surplus or deficit. These requirements do not apply to the group, as neither the council nor any of its controlled entities meet the definition of an investment entity.
- (c) Joint arrangements: PBE IPSAS 37 introduces a new classification of joint arrangements, sets out the accounting requirements for each type of arrangement (joint operations and joint ventures), and removes the option of using the proportionate consolidation method. These requirements do not apply to the group, none of the councils controlled entities meet the definition of an joint arrangement.

- (d) Disclosures of interests in other entities: The standards require PBEs to disclose information of their interests in other entities, including some additional disclosures that are not currently required under PBE IPSAS 6, 7 and 8. This will result in additional disclosures for the group regarding the group's controlled entities, associates and joint arrangements.

INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries includes the investment in CCOs. These investments are carried at cost less any accumulated impairment.

INVESTMENTS IN ASSOCIATES

Investments in associates are accounted for using the equity method in the group and the council financial statements. The investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the share of the surplus or deficit of the associate or joint venture after the date of acquisition. Distributions received reduce the carrying amount of the investment. Where necessary, adjustments are made to the financial statements of associates and joint ventures to bring their accounting policies in line with the group.

REVENUE

Revenue is measured at fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

EXCHANGE TRANSACTIONS

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

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date.

Revenue from asset management services is recognised when provided to the customer.

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

NON-EXCHANGE TRANSACTIONS

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange or where the value given or received is not able to be accurately measured. This includes transactions for activities which are subsidised through rates.

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

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

The specific accounting policies relating to significant revenue items follow.

RATES REVENUE

The following policies for rates have been applied:

- General rates and targeted rates (excluding water-by-meter), are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

NEW ZEALAND TRANSPORT AGENCY ROADING SUBSIDIES

The Council receives funding assistance from the New Zealand Transport Agency (NZTA), which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

OTHER GRANTS RECEIVED

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

BUILDING AND RESOURCE CONSENT REVENUE

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

LANDFILL FEES

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.



INFRINGEMENT FEES AND FINES

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines.

VESTED OR DONATED PHYSICAL ASSETS

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if Council expects that it will need to return or pass the asset to another party.

DONATED AND BEQUEATHED FINANCIAL ASSETS

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

LIABILITIES

INCOME IN ADVANCE

Income in Advance is predominantly made up of Central Government Grants for work that is yet to be completed and from rates and dog registrations paid in advance, these are non-exchange transactions.

BORROWING COSTS

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

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 the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

LEASES

OPERATING LEASES

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

RECEIVABLES

Receivables are recorded at their face value, less any provision for impairment.

OTHER FINANCIAL ASSETS

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council and group 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 and the Council and group has transferred substantially all 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; and
- fair value through other comprehensive revenue and expense.

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

FINANCIAL ASSETS AT FAIR VALUE THROUGH SURPLUS OR DEFICIT

Financial assets at fair value through surplus or deficit include financial assets held for trading or is designated as such on initial recognition.

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

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

LOANS AND RECEIVABLES

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

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

HELD-TO-MATURITY INVESTMENTS

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

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

FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless Council intends to dispose of, or realise, the investment within 12 months of balance date.

The Council and group includes in this category:

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

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

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

LOANS AND RECEIVABLES AND HELD-TO-MATURITY INVESTMENTS

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments, are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit. Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases, and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

INVENTORY

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value. The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

ASSETS HELD FOR SALE

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

- **Operational Assets** – These include land, buildings, parks and reserves improvements, library books, plant vehicles, computer equipment and office equipment.
- **Restricted Assets** – Restricted assets are mainly parks and reserves owned by Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- **Infrastructure Assets** – Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.
- **Land (operational and restricted)** – Is measured at fair value, and buildings (operational and restricted) and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation.

All other operational and restricted asset classes are measured at cost less accumulated depreciation and impairment losses.

REVALUATION

Land and buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued annually.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised 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 revenue and expense.

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

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

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

DISPOSALS

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the 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 the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

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.

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

The revaluation approach, useful lives and associated depreciation rates of major classes of assets have been estimated as per the next page.

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

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

The useful lives and associated depreciation rates of major classes of assets have been estimated as per the following table:



USEFUL LIVES AND DEPRECIATION RATES

Property, Plant and Equipment	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Buildings (Excluding Investment Property)	RAD	10 – 100 Years	1 - 20% SL
Other Improvements	CAD	10 – 100 Years	1 – 17.5% SL
Computer Equipment	CAD	2.5 Years	40% DV
Office Equipment, Furniture and Fittings	CAD	5 Years	20% DV
Library Books	CAD	10 Years	10% SL
Plant and Vehicles	CAD	3.33 – 10 Years	5 – 25% SL
Roads and Footpaths	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Top Surface (Seal)	RAD	15 Years	6.67% SL
Pavement (Base Course)	RAD	100 Years	1% SL
Culverts	RAD	70 – 100 Years	1 – 1.43% SL
Footpaths	RAD	20 – 80 Years	1.25 – 5% SL
Kerbs	RAD	80 – 100 Years	1 – 1.25% SL
Signs	RAD	10 Years	10 – 11.1% SL
Street Lights	RAD	20 – 25 Years	4 – 5% SL
Bridges	RAD	70 – 100 Years	1 – 2.77% SL
Water Supply	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Pipes	RAD	50 – 100 Years	1 – 2% SL
Valves and Hydrants	RAD	15 – 70 Years	1 – 6.67% SL
Pump Stations	RAD	10 – 60 Years	1.25 – 10% SL
Tanks	RAD	25 – 80 Years	1 – 6.67% SL
Treatment Plants	RAD	5 – 104 Years	0.96% – 20% SL
Wastewater	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Pipes	RAD	50 – 100 Years	1 – 2% SL
Manholes and Cesspits	RAD	50 – 75 Years	1.33 – 4% SL
Pump Stations	RAD	10 – 60 Years	0.88 – 33.3% SL
Treatment Plants	RAD	10 – 200 Years	0.5 – 33.3% SL
Stormwater	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Pipes	RAD	40 – 100 Years	1 – 50% SL
Manholes and Cesspits	RAD	75 Years	1.33 – 20% SL
Solid Waste	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Various	RAD	20 – 75 Years	1.33 - 6% SL
Other (Not Depreciated)	Measurement Basis (*1)	Estimated Life	Depreciation Rate
Land	REV		
Formation Costs for Roding	COST		
Stop Banks	REV		
Work In Progress and Assets Under Construction	COST		

*1 CAD = Cost Less Accumulated Depreciation And Impairment Losses.
 RAD = Revaluation Less Subsequent Depreciation.
 REV = Revaluation (Not Depreciated).
 COST = Cost.

INTANGIBLE ASSETS

SOFTWARE ACQUISITION AND DEVELOPMENT

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

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

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 that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit. The useful lives and amortisation rates have been estimated as follows:

Amortisation Rates Intangibles	Estimated Life	Amortisation Rate
Computer Software	3 years	33.3% SL
Pipiriki Wastewater Treatment Plant Resource Consent	22 years	5% SL

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

VALUE IN USE FOR NON-CASH-GENERATING ASSETS

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at each reporting date. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

PAYABLES

Short-term creditors and other payables are recorded at their face value.

BORROWINGS

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

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

EMPLOYMENT ENTITLEMENTS

SHORT-TERM EMPLOYEE ENTITLEMENTS

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured 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.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation.

The Council expects all employee entitlements to be settled within 12 months of balance date.

SUPERANNUATION SCHEMES

DEFINED CONTRIBUTION SCHEMES

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

PROVISIONS

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

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

EQUITY

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities.

Equity is disaggregated and classified into the following components:

- Accumulated funds;
- Restricted reserves;
- Asset revaluation reserve;
- Fair value through other comprehensive revenue and expense reserve.

RESTRICTED RESERVES

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

Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the 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. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

ASSET REVALUATION RESERVE

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

FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

GOODS AND SERVICES TAX

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

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

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

COST ALLOCATION

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

- Direct costs are those costs directly attributable to a significant activity.
- Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as staff numbers and size of budgets.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these prospective financial statements, estimates and assumptions have been made concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities over the Long Term Plan period, are discussed in the following policies and strategies which form part of this document:

- Financial Strategy
- Infrastructure Strategy
- Revenue and Financing Policy

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

CLASSIFICATION OF PROPERTY

The Council owns a number of properties held to provide social housing. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore classified as property, plant and equipment rather than as investment properties.

Parcels of land held for an undetermined future use that are classified as Investment Property may be re-classified in the future if the land use changes.

Taumarunui Airport and Ohakune Railway station are held for strategic reasons rather than for generation of revenue and are therefore classified as property, plant and equipment rather than as investment property.



STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	Annual Plan 2020/21 (\$000)	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	LTP 2023/24 (\$000)	LTP 2024/25 (\$000)	LTP 2025/26 (\$000)	LTP 2026/27 (\$000)	LTP 2027/28 (\$000)	LTP 2028/29 (\$000)	LTP 2029/30 (\$000)	LTP 2030/31 (\$000)
Revenue											
Rates	24,329	25,526	27,721	28,573	29,924	31,258	32,721	33,829	34,848	35,879	36,886
Subsidies and grants	16,573	25,036	15,704	14,964	15,112	15,494	16,024	17,177	16,971	17,497	18,131
Other Revenue	3,897	3,373	3,551	3,552	3,681	3,880	3,921	4,036	4,233	4,279	4,395
Finance revenue	31	25	26	26	27	28	29	30	31	31	32
Total operating revenue	44,830	53,960	47,002	47,115	48,744	50,660	52,695	55,072	56,083	57,686	59,444
Expenditure											
Depreciation and amortisation expense	9,052	9,558	10,171	10,517	10,782	11,057	11,396	11,527	11,686	11,796	11,960
Personnel costs	5,745	6,378	6,519	6,675	6,835	6,999	7,153	7,317	7,478	7,650	7,834
Finance costs	920	640	931	1,052	1,368	1,809	2,202	2,497	2,770	3,040	3,373
Other expenses	21,656	23,153	24,739	24,841	26,427	27,344	28,226	29,137	30,068	30,891	31,631
Total operating expenditure	37,373	39,729	42,360	43,085	45,412	47,209	48,977	50,478	52,002	53,377	54,798
Operating surplus (deficit) before tax	7,457	14,231	4,642	4,030	3,332	3,451	3,718	4,594	4,081	4,309	4,646
Income Tax Expense	-	-	-	-	-	-	-	-	-	-	-
Operating surplus (deficit) after tax	7,457	14,231	4,642	4,030	3,332	3,451	3,718	4,594	4,081	4,309	4,646
Other comprehensive revenue and expense											
<i>Items that could be reclassified to surplus(deficit)</i>											
Gain on revaluation of property, plant and equipment	7,780	8,097	14,748	15,492	16,445	16,932	17,176	18,587	19,506	20,318	20,035
Total other comprehensive revenue and expense	7,780	8,097	14,748	15,492	16,445	16,932	17,176	18,587	19,506	20,318	20,035
Total comprehensive revenue and expense	15,237	22,328	19,390	19,522	19,777	20,383	20,894	23,181	23,587	24,627	24,681

STATEMENT OF CHANGES IN NET ASSETS/ EQUITY

	Annual plan 2020/21 (\$000)	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	LTP 2023/24 (\$000)	LTP 2024/25 (\$000)	LTP 2025/26 (\$000)	LTP 2026/27 (\$000)	LTP 2027/28 (\$000)	LTP 2028/29 (\$000)	LTP 2029/30 (\$000)	LTP 2030/31 (\$000)
Equity balance at 1 July	391,532	402,907	425,235	444,625	464,147	483,924	504,307	525,201	548,382	571,969	596,596
Comprehensive income for year	15,237	22,328	19,390	19,522	19,777	20,383	20,894	23,181	23,587	24,627	24,681
Equity Balance 30 June	406,769	425,235	444,625	464,147	483,924	504,307	525,201	548,382	571,969	596,596	621,277
Components of Equity											
Retained Earnings at 1 July	274,911	279,876	294,107	298,749	302,779	306,110	309,561	313,279	317,873	321,954	326,263
Net Surplus/(Deficit)	7,457	14,231	4,642	4,030	3,332	3,451	3,718	4,594	4,081	4,309	4,646
Retained earnings 30 June	282,368	294,107	298,749	302,779	306,111	309,561	313,279	317,873	321,954	326,263	330,909
Asset Revaluation Reserves at 1 July	116,621	123,031	131,128	145,876	161,368	177,814	194,746	211,922	230,509	250,015	270,333
Revaluation Gains	7,780	8,097	14,748	15,492	16,445	16,932	17,176	18,587	19,506	20,318	20,035
Revaluation Reserves 30 June	124,401	131,128	145,876	161,368	177,813	194,746	211,922	230,509	250,015	270,333	290,368
Special Funded Reserves at 1 July	-	-	-	-	-	-	-	-	-	-	-
Transfers to / (from) reserves	-	-	-	-	-	-	-	-	-	-	-
Council created Reserves 30 June	-	-	-	-	-	-	-	-	-	-	-
Trust Funds at 1 July	-	-	-	-	-	-	-	-	-	-	-
Transfers to / (from) reserves	-	-	-	-	-	-	-	-	-	-	-
Council created Reserves 30 June	-	-	-	-	-	-	-	-	-	-	-
Equity at 30 June	406,769	425,235	444,625	464,147	483,924	504,307	525,201	548,382	571,969	596,596	621,277

STATEMENT OF FINANCIAL POSITION

	Annual Plan 2020/21 (\$'000)	LTP 2021/22 (\$'000)	LTP 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)	LTP 2026/27 (\$'000)	LTP 2027/28 (\$'000)	LTP 2028/29 (\$'000)	LTP 2029/30 (\$'000)	LTP 2030/31 (\$'000)
ASSETS											
<i>Current Assets</i>											
Cash and cash equivalents	500	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197
Debtors and other receivables	4,691	3,967	3,967	3,967	3,967	3,967	3,967	3,967	3,967	3,967	3,967
Prepayments & Accrued Income	985	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015
Inventory	338	382	382	382	382	382	382	382	382	382	382
Investment Funds	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	6,514	7,561	7,561	7,561	7,561	7,561	7,561	7,561	7,561	7,561	7,561
<i>Non-Current Assets</i>											
Plant, property and equipment	436,720	463,539	487,690	514,559	546,076	581,131	605,969	634,198	659,050	687,741	716,771
Intangible assets	222	877	877	877	877	877	877	877	877	877	877
Investment Property	3,162	3,636	3,741	3,853	3,971	4,097	4,225	4,366	4,517	4,677	4,835
Other financial assets											
Investment in CCOs and other similar entities	39	48	48	48	48	48	48	48	48	48	48
Other Financial Assets Term	712	741	741	741	741	741	741	741	741	741	741
Total Non-Current Assets	440,855	468,841	493,097	520,078	551,713	586,894	611,860	640,230	665,233	694,084	723,272
TOTAL ASSETS	447,369	476,402	500,658	527,639	559,274	594,455	619,421	647,791	672,794	701,645	730,833
LIABILITIES											
<i>Current Liabilities</i>											
Creditors and other Payables	5,467	3,541	3,540	3,539	3,540	3,540	3,539	3,540	3,539	3,541	3,540
Employee entitlements	565	403	403	403	403	403	403	403	403	403	403
Income in advance	954	2,835	2,835	2,835	2,835	2,835	2,835	2,835	2,835	2,835	2,835
Borrowings	10,800	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Total Current Liabilities	17,786	14,779	14,778	14,777	14,778	14,778	14,777	14,778	14,777	14,779	14,778
<i>Non-Current Liabilities</i>											

	Annual Plan 2020/21 (\$000)	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	LTP 2023/24 (\$000)	LTP 2024/25 (\$000)	LTP 2025/26 (\$000)	LTP 2026/27 (\$000)	LTP 2027/28 (\$000)	LTP 2028/29 (\$000)	LTP 2029/30 (\$000)	LTP 2030/31 (\$000)
Provisions	194	199	199	199	199	199	199	199	199	199	199
Borrowings	22,621	36,190	40,951	48,298	60,038	74,709	78,653	83,700	84,966	89,030	93,380
Total Non-Current Liabilities	22,815	36,389	41,150	48,497	60,237	74,908	78,852	83,899	85,165	89,229	93,579
TOTAL LIABILITIES	40,601	51,168	55,928	63,274	75,015	89,686	93,629	98,677	99,942	104,008	108,357
EQUITY											
Retained Earnings	282,368	294,107	298,749	302,779	306,111	309,561	313,279	317,873	321,954	326,263	330,909
Asset Revaluation Reserves	124,401	131,128	145,876	161,368	177,813	194,746	211,922	230,509	250,015	270,333	290,368
Special Funded Reserves	-	-	-	-	-	-	-	-	-	-	-
Trust Funds	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	406,769	425,235	444,625	464,147	483,924	504,307	525,201	548,382	571,969	596,596	621,277

PROSPECTIVE CASH FLOW STATEMENT

	Annual Plan 2020/21 (\$000)	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	LTP 2023/24 (\$000)	LTP 2024/25 (\$000)	LTP 2025/26 (\$000)	LTP 2026/27 (\$000)	LTP 2027/28 (\$000)	LTP 2028/29 (\$000)	LTP 2029/30 (\$000)	LTP 2030/31 (\$000)
Cash flows from operating activities											
Receipts from rates revenue	24,329	25,526	27,721	28,573	29,924	31,258	32,721	33,829	34,848	35,879	36,886
Receipts from other revenue	20,404	28,292	19,135	18,392	18,664	19,242	19,808	21,072	21,058	21,625	22,370
Interest received	31	25	26	26	27	28	29	30	31	31	32
Development Contributions	65	116	120	124	129	133	137	141	146	151	156
Payments to suppliers and employees	(27,400)	(29,531)	(31,257)	(31,515)	(33,261)	(34,344)	(35,380)	(36,455)	(37,547)	(38,542)	(39,466)
Interest paid	(920)	(640)	(931)	(1,052)	(1,368)	(1,809)	(2,202)	(2,497)	(2,770)	(3,040)	(3,373)
Net Cash flow from Operating Activity	16,509	23,788	14,814	14,548	14,115	14,508	15,113	16,120	15,766	16,104	16,605
Receipts from sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Receipts from sale of investments	-	-	-	-	-	-	-	-	-	-	-
Acquisition of investments	-	-	-	-	-	-	-	-	-	-	-
Purchases of property, plant and equipment	(22,238)	(38,978)	(19,575)	(21,893)	(25,853)	(29,180)	(19,058)	(21,169)	(17,031)	(20,170)	(20,955)
Net Cash flow from Investing Activity	(22,238)	(38,978)	(19,575)	(21,893)	(25,853)	(29,180)	(19,058)	(21,169)	(17,031)	(20,170)	(20,955)
Cash flow from financing activities											
Proceeds from borrowings	5,729	15,190	4,761	7,345	11,738	14,672	3,945	5,049	1,265	4,066	4,350
Repayment of borrowings	-	-	-	-	-	-	-	-	-	-	-
Net Cash flow from Financing Activity	5,729	15,190	4,761	7,345	11,738	14,672	3,945	5,049	1,265	4,066	4,350
Net Increase (Decrease) in Cash Held	-	-	-	-	-	-	-	-	-	-	-
Add Opening Cash bought forward	500	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197
Closing Cash Balance	500	2,197	2,197	2,199	2,199	2,196	2,196	2,195	2,198	2,196	2,197
Closing Balance made up of Cash and Cash Equivalents	500	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197

FUNDING IMPACT STATEMENT ALL OF COUNCIL

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform annual general charge, rates penalties	12,148	13,157	13,874	14,414	14,930	15,543	16,269	16,640	17,038	17,528	17,877
Targeted rates	12,181	12,369	13,847	14,159	14,994	15,715	16,452	17,189	17,810	18,350	19,008
Subsidies and grants for operating purposes	5,516	7,079	7,179	6,952	7,766	8,008	8,254	8,510	8,774	9,046	9,317
Fees and charges	3,690	3,110	3,280	3,272	3,391	3,582	3,613	3,719	3,905	3,941	4,046
Interest and dividends from investments	31	25	26	26	27	28	29	30	31	31	32
Local authorities fuel tax, fines, infringement fees, and other receipts	141	146	151	156	161	166	171	176	182	187	193
Total Operating Funding (A)	33,707	35,886	38,357	38,979	41,269	43,042	44,788	46,264	47,740	49,083	50,473
Applications of Operating Funding											
Payments to staff and suppliers	27,401	29,531	31,257	31,516	33,263	34,343	35,379	36,453	37,547	38,541	39,465
Finance costs	920	640	931	1,052	1,368	1,809	2,202	2,497	2,770	3,040	3,373
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	28,321	30,171	32,188	32,568	34,631	36,152	37,581	38,950	40,317	41,581	42,838
Surplus (deficit) of operating funding (A-B)	5,386	5,715	6,169	6,411	6,638	6,890	7,207	7,314	7,423	7,502	7,635
Sources of capital funding											
Subsidies and grants for capital expenditure	11,057	17,957	8,524	8,012	7,346	7,487	7,770	8,667	8,197	8,451	8,814
Development and financial contributions	65	116	120	124	129	133	137	141	146	151	156
Increase (decrease) in debt	5,729	15,190	4,761	7,347	11,740	14,671	3,944	5,047	1,266	4,065	4,350
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	16,851	33,263	13,405	15,483	19,215	22,291	11,851	13,855	9,609	12,667	13,320
Applications of capital funding											
<i>Capital expenditure</i>											
- to meet additional demand	8,155	799	346	1,188	4,338	5,081	330	1,419	429	660	778

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
- to improve the level of service	4,179	18,179	6,983	8,503	6,622	8,403	4,702	4,448	2,457	4,161	5,683
- to replace existing assets	9,903	20,000	12,245	12,203	14,893	15,697	14,026	15,302	14,146	15,348	14,494
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	22,237	38,978	19,574	21,894	25,853	29,181	19,058	21,169	17,032	20,169	20,955
Surplus (deficit) of capital funding (C-D)	(5,386)	(5,715)	(6,169)	(6,411)	(6,638)	(6,890)	(7,207)	(7,314)	(7,423)	(7,502)	(7,635)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

COST OF SUPPORT FUNDING IMPACT STATEMENT

	Annual Plan 2020/21 (\$000)	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	LTP 2023/24 (\$000)	LTP 2024/25 (\$000)	LTP 2025/26 (\$000)	LTP 2026/27 (\$000)	LTP 2027/28 (\$000)	LTP 2028/29 (\$000)	LTP 2029/30 (\$000)	LTP 2030/31 (\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	11	(2)	(18)	(37)	(56)	(76)	(102)	(127)	(155)	(186)	(219)
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	165	147	152	58	60	62	63	65	67	69	71
Internal charges and overheads recovered	4,091	4,391	4,736	5,063	5,131	5,327	5,651	5,709	5,859	6,047	6,071
Local authorities fuel tax, fines, infringement fees, and other receipts	31	25	26	26	27	28	29	30	31	31	32
Total Operating Funding (A)	4,298	4,561	4,896	5,110	5,162	5,341	5,641	5,677	5,802	5,961	5,955
Applications of Operating Funding											
Payments to staff and suppliers	3,375	3,619	3,915	4,041	4,041	4,185	4,445	4,470	4,635	4,813	4,802
Finance costs	202	85	90	78	71	62	51	35	7	(23)	(52)
Internal charges and overheads applied	130	139	141	143	146	148	151	154	158	161	165
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,707	3,843	4,146	4,262	4,258	4,395	4,647	4,659	4,800	4,951	4,915
Surplus (deficit) of operating funding (A-B)	591	718	750	848	904	946	994	1,018	1,002	1,010	1,040
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	(1,134)	(401)	(336)	(890)	(450)	(781)	(476)	(980)	(1,053)	(809)	(857)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(1,134)	(401)	(336)	(890)	(450)	(781)	(476)	(980)	(1,053)	(809)	(857)
Applications of Capital Funding											
Capital expenditure											
- to meet additional demand	208	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	117	231	912	426	381	426	611	36	37	147	136

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
- to replace existing assets	544	558	522	507	459	560	569	577	556	701	692
Increase (decrease) in reserves	(1,413)	(472)	(1,020)	(975)	(386)	(821)	(662)	(575)	(644)	(647)	(645)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(544)	317	414	(42)	454	165	518	38	(51)	201	183
Surplus (deficit) of capital funding (C-D)	(591)	(718)	(750)	(848)	(904)	(946)	(994)	(1,018)	(1,002)	(1,010)	(1,040)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

RECONCILIATION TO FINANCIAL IMPACT STATEMENT TO COMPREHENSIVE INCOME

	Annual Plan 2020/21 (\$000)	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	LTP 2023/24 (\$000)	LTP 2024/25 (\$000)	LTP 2025/26 (\$000)	LTP 2026/27 (\$000)	LTP 2027/28 (\$000)	LTP 2028/29 (\$000)	LTP 2029/30 (\$000)	LTP 2030/31 (\$000)
Income											
Prospective Statement of Comprehensive Income	44,830	53,960	47,002	47,115	48,744	50,660	52,695	55,072	56,083	57,686	59,444
Summary Funding Impact Statement											
Total Operating Funding	33,708	35,886	38,357	38,979	41,269	43,042	44,788	46,264	47,740	49,083	50,473
Add Sources of Capital Funding											
Sources of capital funding	11,057	17,958	8,525	8,012	7,346	7,485	7,770	8,667	8,197	8,452	8,815
Development and financial contributions	65	116	120	124	129	133	137	141	146	151	156
Total Revenue	44,830	53,960	47,002	47,115	48,744	50,660	52,695	55,072	56,083	57,686	59,444
Expenditure											
Prospective Statement of Comprehensive Income											
Operating Expenditure	37,373	39,729	42,360	43,085	45,412	47,209	48,977	50,478	52,002	53,377	54,798
Summary Funding Impact Statement											
Total applications of operating funding	28,321	30,171	32,189	32,568	34,630	36,152	37,581	38,951	40,316	41,581	42,838
Add Depreciation and Amortisation Expense	9,052	9,558	10,171	10,517	10,782	11,057	11,396	11,527	11,686	11,796	11,960
Total Expenditure	37,373	39,729	42,360	43,085	45,412	47,209	48,977	50,478	52,002	53,377	54,798

OTHER DISCLOSURES STATEMENT

**LONG-TERM PLAN DISCLOSURE STATEMENT FOR PERIOD COMMENCING 1 JULY 2021
PURPOSE**

The purpose of this statement is to disclose Council’s planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

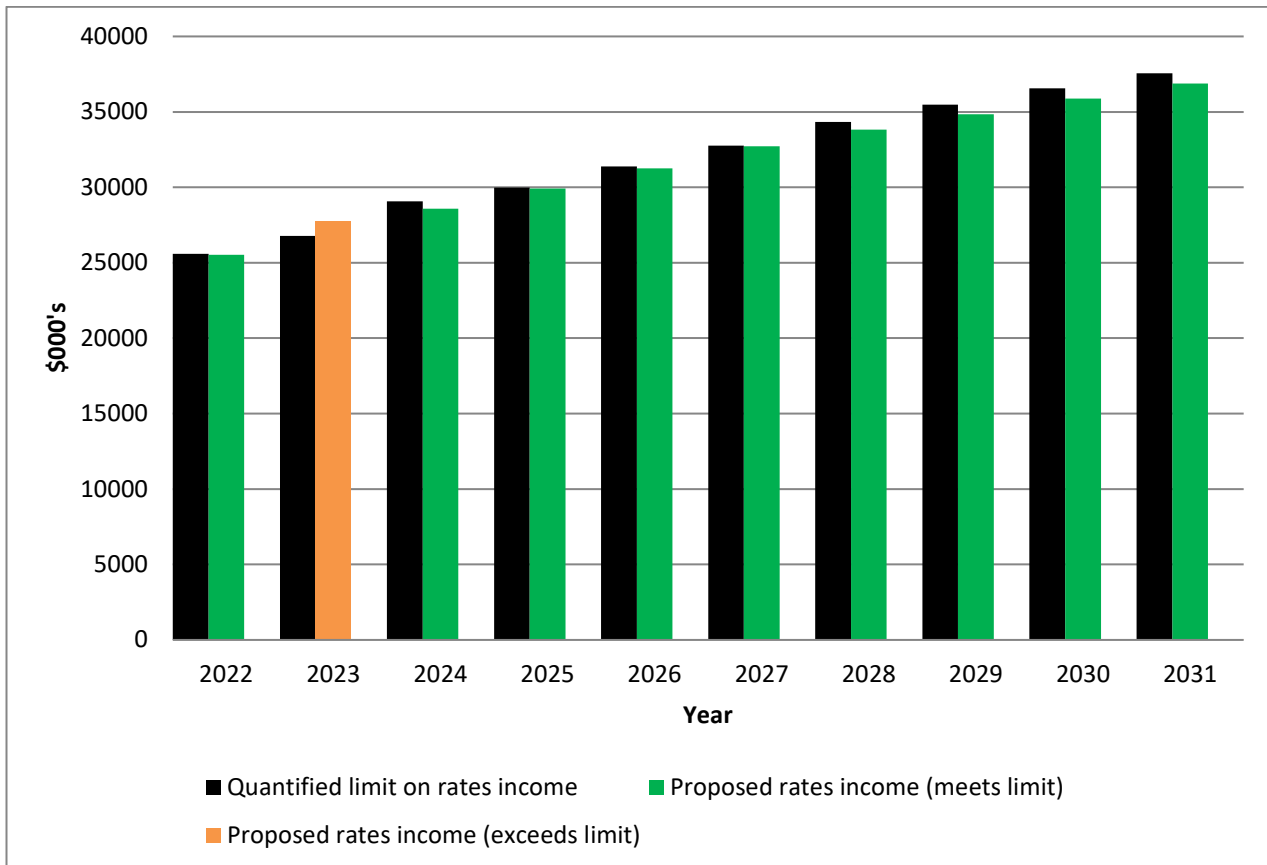
RATES AFFORDABILITY BENCHMARK

Council meets the rates affordability benchmark if—

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

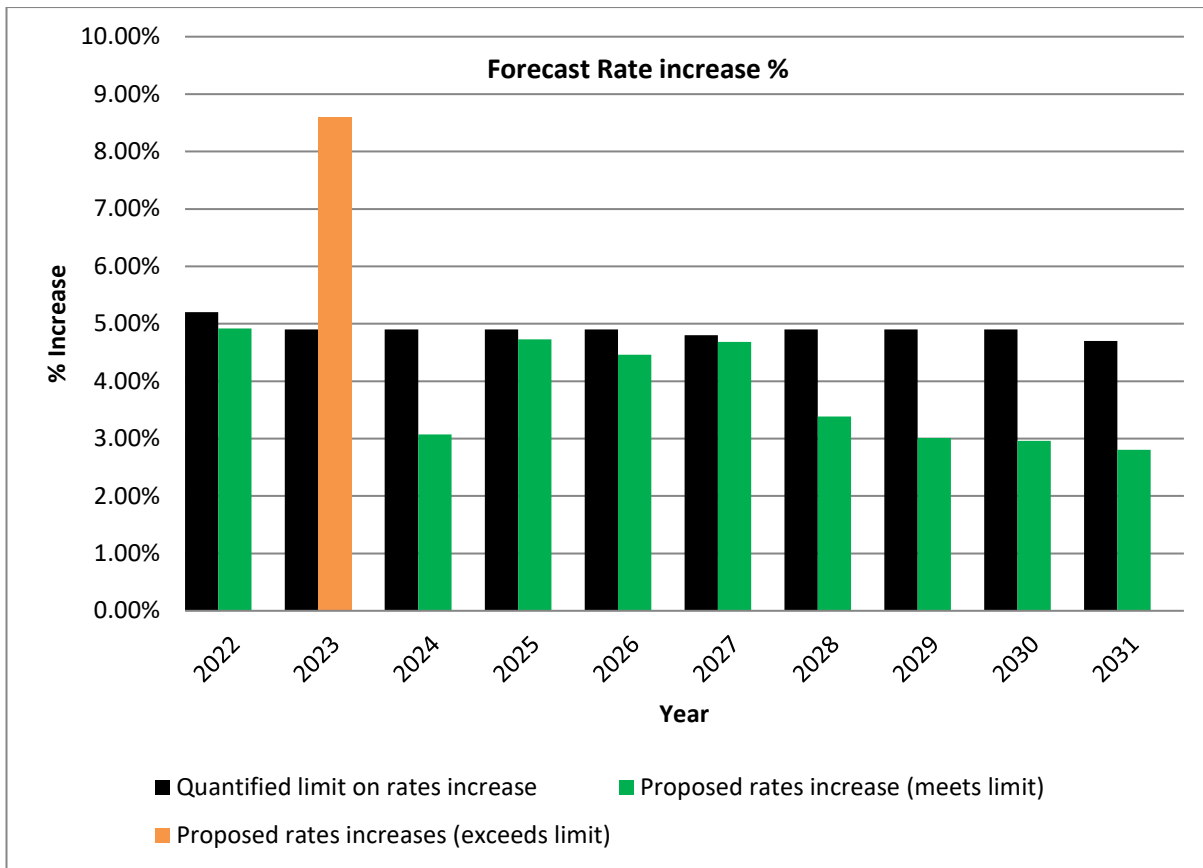
RATES (INCOME) AFFORDABILITY

The following graph compares Council’s planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is *no more than Local Government Cost Index (LGCI) plus 2% - year on year*



RATES (INCREASES) AFFORDABILITY

The following graph compares Council’s planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is *no more than Local Government Cost Index (LGCI) plus 2% - year on year*.

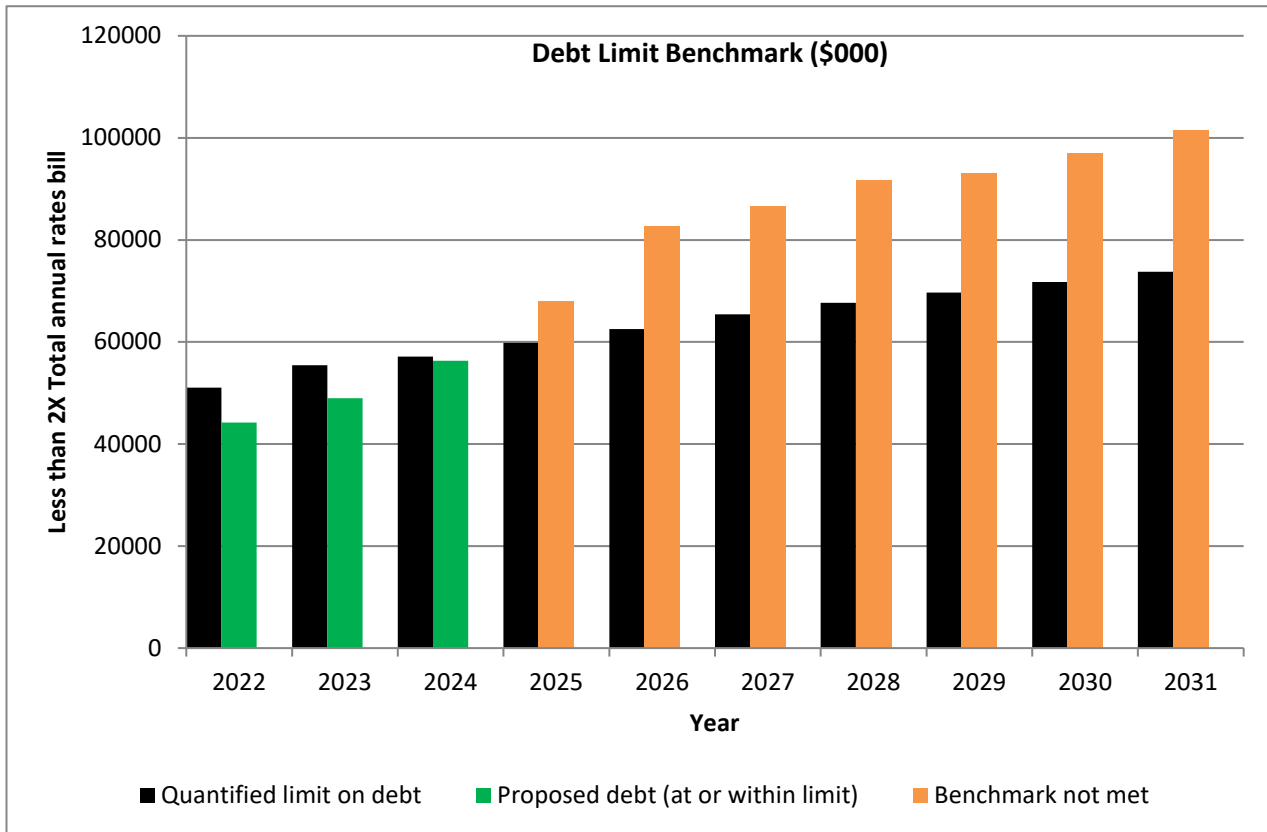


Note that after 2022 rates increases are likely to be subject to an Annual Plan.

DEBT LIMIT BENCHMARK

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. *The quantified limit is less than twice total annual rates bill.*



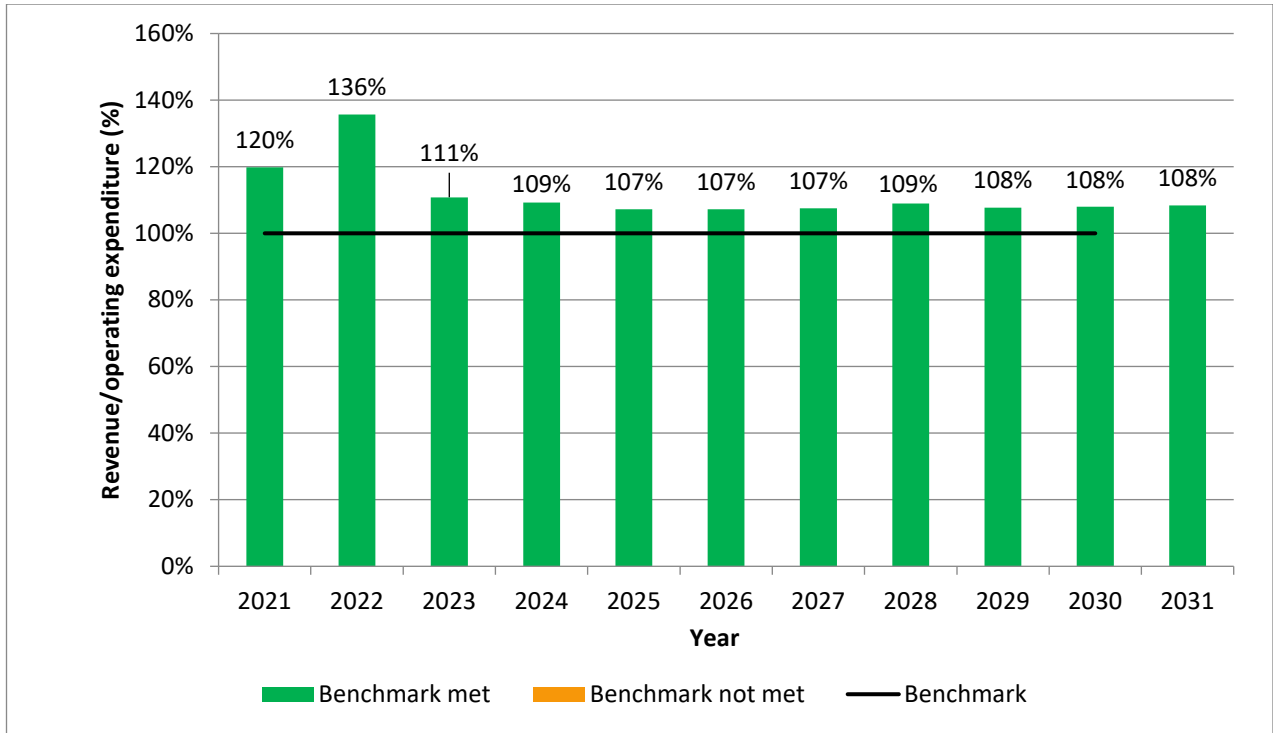
The main reason for this rise in debt is the need to carry out large projects to improve water and sewage treatment. In the final analysis, these may well attract Central Government subsidy. However, Council is not able to predict what future Governments will subsidise and so it has had to assume that subsidies will not be forthcoming. Any subsidy received would lower the debt requirement.

Council does have the ability to service this debt within its debt servicing benchmark so it may be that Council chooses to incur the debt in the future. Council's attitude to debt is set out in Section one of this strategy.

BALANCED BUDGET BENCHMARK

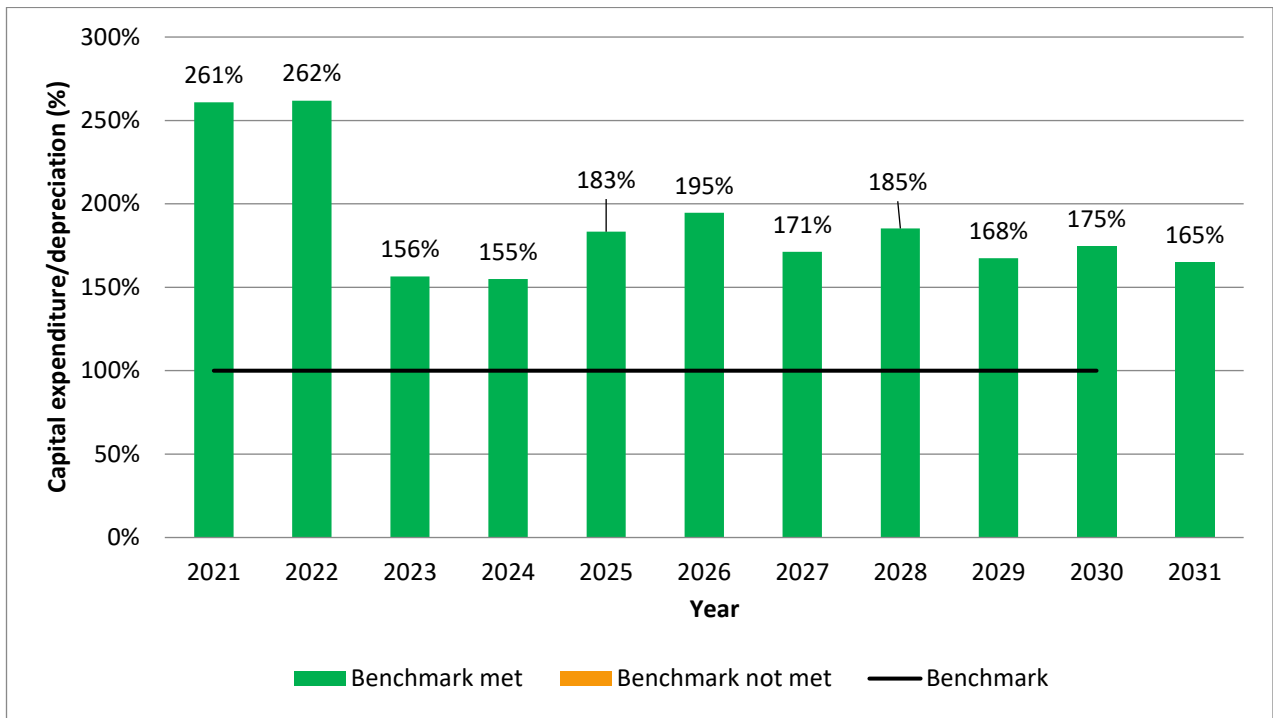
The following graph displays Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



ESSENTIAL SERVICES BENCHMARK

The following graph displays Council’s planned capital expenditure on network services as a proportion of expected depreciation on network services.

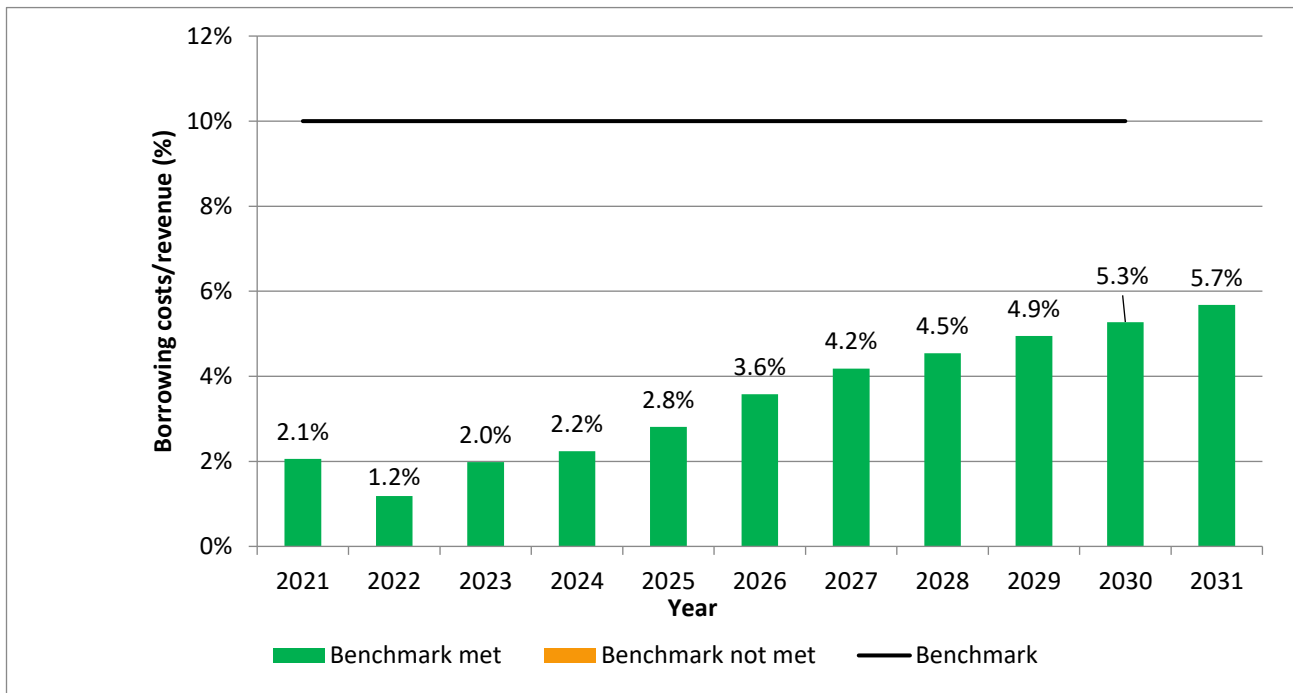


Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

DEBT SERVICING BENCHMARK

The following graph displays Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects Council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



ADDITIONAL INFORMATION OR COMMENT

[PART 1 FINANCIAL REPORTING: 5 INFORMATION TO BE DISCLOSED IN FINANCIAL STATEMENTS]

The notes to a local authority's financial statements must specify, in relation to each group of activities, the combined depreciation and amortisation expense for assets used directly in providing the group of activities. The below table shows RDC's combined depreciation forecast expense for each activity's asset base in delivering community services over the LTP 2021-31 period.

Activities of Council	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Grand Total
Community Facilities	\$867,158	\$925,474	\$944,924	\$973,434	\$1,077,834	\$1,164,234	\$1,166,634	\$1,183,034	\$1,185,434	\$1,187,834	\$10,675,994
Community Support	\$138,760	\$159,090	\$163,673	\$167,273	\$161,240	\$165,140	\$165,540	\$171,240	\$171,920	\$170,272	\$1,634,148
Land Transport (Roding)	\$526,4275	\$5,356,114	\$5,407,363	\$5,451,536	\$5,479,785	\$5,518,171	\$5,555,973	\$5,589,384	\$5,616,685	\$5,643,986	\$54,883,272
Stormwater and Flood Protection	\$380,146	\$383,322	\$405,084	\$413,547	\$417,738	\$420,658	\$425,450	\$430,242	\$433,033	\$435,824	\$4,145,044
Cost of Support	\$718,492	\$749,408	\$840,425	\$889,175	\$921,592	\$957,942	\$971,692	\$950,608	\$950,192	\$967,567	\$8,917,093
Waste Management and Minimisation	\$23,004	\$59,144	\$63,727	\$65,727	\$65,727	\$66,327	\$64,527	\$66,277	\$66,610	\$66,944	\$608,014
Wastewater (Sewerage)	\$908,450	\$940,739	\$944,527	\$958,849	\$971,094	\$980,511	\$981,765	\$997,930	\$1,000,874	\$1,025,961	\$9,710,700
Water Supply	\$125,8116	\$1,389,717	\$1,406,041	\$1,471,561	\$1,506,294	\$1,590,964	\$1,611,335	\$1,625,590	\$1,627,390	\$1,633,696	\$15,120,704
Grand Total	\$9,558,401	\$9,963,008	\$10,175,765	\$10,391,102	\$10,601,304	10,863,947	\$10,942,916	\$11,014,305	\$11,052,138	\$11,132,084	\$105,694,969

To the reader:

Independent Auditor's report on Ruapehu District Council's 2021-31 long-term plan

I am the Auditor-General's appointed auditor for Ruapehu District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 23 June 2021.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 288 to 292 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following disclosures.

Uncertainty over three waters reforms

Pages 97 and 222 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The plan was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based.

The Council's debt limit is forecast to be exceeded

Page 216 of the financial strategy outlines the Council's debt limit which it has set based on borrowings being no more than twice the total annual rates bill for the period of the plan. Forecast debt is expected to grow to \$100 million which will exceed the limit from year four of the plan. The Council notes that forecast debt is affordable (but not ideal) and that the Council has a number of opportunities to review its financial position, and may need to consider revising its debt limits in the next annual and long-term planning cycles.

Uncertainty over the delivery of the capital programme

Page 284 outlines that the Council is proposing to spend \$234 million on capital projects over the next 10 years. Although the Council is taking steps to deliver its planned capital programme, as outlined on page 171, there is uncertainty over the delivery of the programme due to a number of factors, including the significant constraints in the construction market. If the Council is unable to deliver on a planned project, it could affect intended levels of service.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;

- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council’s activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council’s intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan’s policy content.

Independence and quality control

We have complied with the Auditor-General’s:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.

A handwritten signature in blue ink, appearing to read 'Clarence Susan', written in a cursive style.

Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand