



Future Ruapehu LONG TERM PLAN 2015-25



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Overview

The Long Term Plan (LTP) covers what Council is going to do over the next ten years and how it is going to pay for it.

All councils are required by law to set a ten year budget and review it every three years.

The LTP covers activities such as roading, community property, wastewater, water, stormwater assets and delivery of regulatory services.

Council has put a plan in place that balances the investment needed to keep core infrastructure in good shape while keeping debt and rates at reasonable levels.

Important pieces of information supporting this LTP and reflected in it are:

- Asset Management Plans (AMPs).
- Financial and funding policies.
- The Significance and Engagement Policy.

Purpose of Local Government

The Local Government Act 2002 (“LGA”) sets out what is expected of Local Government. Its purpose is:

- (a) To enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

In the LGA “good quality” means infrastructure, services and performance that are efficient, effective and appropriate to present and anticipated future circumstances.

The role of Council therefore is to lead and represent the community and to meet the needs of people now and in the future, by providing public and regulatory services. As well, Council is obliged, under the LGA, to listen to its communities and encourage community engagement in decision-making.

This is a broad brief. To define its role further, Community Outcomes are set out. Outcomes explain, at a high level, what Council wants to achieve. This, in turn, influences the activities, projects or issues that are undertaken.

By previously identifying Outcomes, the community has had an opportunity to comment on Council direction and to indicate priorities for the District.

All Council activities should contribute to meeting the Outcomes and purpose of Local Government in some way.

Provision of regulatory services is fairly well defined under legislation such as the Building Act, Health Act and Resource Management Act.

Provision of local core infrastructure includes water and wastewater networks, stormwater management and the local roading network.

Other public services provided include provision of parks and reserves, cemeteries, public halls, libraries, swimming pools and social housing.

The LGA recognises that different organisations, individuals and Council must work together to achieve Outcomes. This LTP provides information to the community on what Council is doing to promote the achievement of those Outcomes that it can influence.

Development of the Plan and Outcomes from Community Consultation

This Long Term Plan (LTP) is the culmination of months of work. The Plan relies on detailed underlying information which is included in Asset Management Plans (AMPs) for all asset classes and activity groups, financial policies (which set parameters for rating), borrowing and fees and charges and growth assumptions, which are used to inform the AMPs and financial forecasts.

The development of the AMPs and the LTP involves community consultation at various stages and with different degrees of formality. Focus groups, workshops and discussions with Community Boards, Department of Conservation, Te Kaunihera Maori Rohe o Ruapehu, community and other interest groups (such as Federated Farmers) occur regularly on issues of mutual interest and throughout the development phase.

Formal consultation, as required under the Local Government Act 2002, occurred before the plan was finalised. Council published a consultation document on the LTP on 11 March 2015. It provided summaries of the main issues and posed questions for submitters to respond to. Submitters were also able to comment on any other issue of importance to them. The draft LTP, AMPs and strategies, which provided the detailed supporting information, were also publicly available.

By publishing the consultation document only, Council obtained community feedback on proposed actions and strategies. By using this process, a long term vision is developed and agreed with the community that is sustainable over time.

Consultation ran from 11 March to 17 April 2015. Public meetings were held in Ohura, Taumarunui, National Park, Ohakune and Owango. Presentations and discussions were held with Taumarunui Rotary, Enterprising Taumarunui Incorporated, Mountain Clubs and Youth Council.

The major consultation issues highlighted in the LTP concerned issues in the following areas:

- Land transport (bridges and forestry differential).
- Water (drinking, waste and storm).
- Property (urban commercial area development).
- Economic development (where to focus?).
- Council income (rates, debt and other sources).
- Representation (iwi representation and Community Boards).

Council received 138 written submissions on a total of 64 main topic groups. There were public hearings over 2.5 days. 48 submitters spoke to Council about their concerns. The largest number of submissions received were on economic development. Township renewal also made up a large number, as did ideas on what to do with the Taumarunui Memorial Hall and ex-Library building on Hakiha Street in Taumarunui. Maori representation, Development Contributions and the proposed Forestry Rating Differential for local roads were also topics that raised considerable comment. In addition to these issues, there was a raft of other submissions covering a wide variety of topics including bilingual signs, road sealing, waste minimisation and genetic engineering.

Key decisions as a result of public submissions on the LTP included:

- Changing some existing budgets to prioritise current needs.
- Changing some of the proposals relating to rates and charges.
- Assigning funding to community projects.

The financial changes to the LTP 2015-25 as a result of the deliberations meeting were:

- 1 \$200,000 from existing budgets for Economic Development. This is included in a new budget line called Provision for Economic Development Facilitation.
- 2 \$20,000 from the Support budget to be allocated to Te Kaunihera Maori a Rohe o Ruapehu budget.
- 3 \$40,000 from delaying property projects was allocated to a solution for the space issues at the Ohakune Office.
- 4 Seal Extension of Kaha Street, Rangataua, with community input and Development Contributions Funding, will be moved forward from 2018.
- 5 \$15,000 capital expenditure for the Roy Turner Memorial Playground in National Park.
- 6 \$5,000 for Neighbourhood Support (yearly).
- 7 \$4,000 for Youth (from 2016/17).
- 8 \$30,000 for town renewal investigation.

Development of the Plan and Outcomes from Community Consultation

Several changes to the rating system that were made and are reflected in the financials are:

- 1 The introduction of a Forestry Differential was deferred until 1 July 2016, so further work could be done on the methodology to determine who the rate will apply to.
- 2 Owhango Water Rate increases will be smoothed over three years.
- 3 Pan Charges (National Park) will be introduced in two stages (over two years).

A number of other items were discussed during deliberations which have long term consequences but do not have immediate funding implications or needs. This includes the future of the ex-Taumarunui Library, Railway Station and i-SITE, Taumarunui Memorial Hall and the bigger issue of town renewal. A process for developing options and a consultation plan on what this will include, together with further information, will be brought to Council in 2015/16.

Staff are to look at options for a policy on visitor accommodation (levy and payment of commercial rates) and other methods of levying visitors.

Improvements to National Park footpaths will be consulted on in the next Exceptions Annual Plan as a project that could be funded using the accelerated and enhanced development rate.

Other issues to be discussed further include:

- 1 Review of basis of Elections.
- 2 The Economic Development Strategy.
- 3 The various Policies that were requested during the submissions process.

Council's Vision

*Ruapehu is the District of choice,
where adventure begins and life is enhanced.*

Council's Mission

*Building a vibrant community
based on efficient leadership and service delivery.*

Strategic Goals

- Provide a safe environment for residents and visitors.
- Provide a modern and consistent environment for learning and enjoyment.
- Provide an efficient visitor information service.
- Facilitate effective consultation processes to seek community input into decision-making and advocacy on key issues.
- Provide a sustainable environment for residents and visitors.
- Act as a steward for property that is of social, cultural or environmental benefit to the community.
- Council-owned buildings are structurally sound and safe and Council occupants and tenants in administration buildings and social housing feel safe.
- Parks, reserves and community facilities are accessible, attractive and meet the needs and expectations of residents, visitors and youth, wherever and whenever possible.
- Urban streetscapes, parks, playgrounds and public toilets are clean and residents and visitors feel that they are safe places to be in.
- District roads provide continuous all weather travel that is safe and accessible.
- Managing the land transport network with a strong focus on safety to avoid or mitigate significant hazards.
- Provide and maintain an appropriate level of infrastructure for water, wastewater and stormwater services.
- Towards waste minimisation and a sustainable environment.
- That the impact of waste on our environment is minimised.

Outcomes

Strong Voice

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, accountable and takes an active, consultative approach to finding solutions.

Safe, Healthy Communities and People

Caring for our People and Providing Safe Living

- Quality regulation, regulatory services and infrastructure supports healthy communities.
- The impact of waste on our environment is minimised.
- Core infrastructure (water, wastewater, waste management and minimisation and roading) 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.

Thriving and Prosperous Economy and Lifestyles

Providing Opportunities

- Regulatory services and reliable infrastructure help the economy prosper and support a range of quality retail, entertainment, educational, healthcare, businesses and services.
- 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.
- That planning and regulatory functions balance economic growth and environmental protection.

Vibrant and Diverse Living

Providing for Diversity

- That the traditions, values and history of all ethnic groups are respected.
- That activities, facilities and opportunities for youth are provided and supported.
- That excellence and achievement in sport, arts/cultural pursuits, community service and business is supported through provision of community facilities such as libraries, pools, halls and parks and reserves.
- Events and festivals are encouraged and supported.

Our Places – Natural and Beautiful

Caring for our Environment

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

How Outcomes were Identified

The development of Outcomes has been an evolutionary process. They have evolved with changes to circumstances and legal requirements.

2004/05

In 2004/05 Council undertook an extensive consultation process to identify Community Outcomes. The process involved a series of discussion groups from which 42 Community Outcomes were identified. These were confirmed and prioritised by the community through a self-completion survey distributed throughout the District.

2011/12

In 2010, the requirements of the LGA for the separate process (such as that undertaken in 2004/05) to define Community Outcomes, was repealed. Outcomes are now developed as part of the LTP process. This was intended to create clearer links between the Outcomes the local authority is seeking for the community and how it proposes to achieve and pay for them.

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

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

2014/15

In 2014, Community Outcomes were further refined. The Outcomes have been modified to reflect changes to the purpose of Local Government. The Outcomes are more closely linked to matters that Council can influence through service provision, advocacy, or collaboration with other organisations.

The changes to the 2012-22 Community Outcomes for this LTP were:

- (a) References to cultural, social, economic, cultural and environmental wellbeing have been deleted.
- (b) Outcomes were simplified and the number has been reduced.

- (c) Health and safety related Outcomes have been amalgamated.
- (d) There is a specific Outcome relating to leadership to reflect the importance of advocacy, transparency, accountable leadership and community engagement and the Mayor's role to lead Councillors and the people of the District (LGA, Section 41A)

The 2012-22 Outcomes that were deleted outright are:

- (a) Zero tolerance to crime and violence.
- (b) That employment opportunities for school leavers are encouraged and supported.
- (c) That alternative means of energy generation are promoted and available.
- (d) That there is a wide range of employment opportunities to encourage growth and provide career progression.

Deleting these Outcomes does not mean they are unimportant. What it does mean is that, through the activities it plans to undertake in the 2015-25 period, Council would have difficulty making them happen. Council will continue to advocate on behalf of the community for adequate law enforcement and other services (reflected in the Leadership Outcome) and focus on encouraging economic development which, down the track, should lead to more job opportunities.

The changes to the Outcomes are not a major deviation from those in the 2012-22 LTP. They do not signal a big shift in Council strategy or in the activities proposed to be undertaken over the next ten-years.

Relationship to Activities

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

Developing Maori Capacity

Council has established communication and consultation protocols to encourage greater participation by Māori in the decision-making process by establishing *Te Kaunihera Māori a Rohe o Ruapehu*, Ruapehu District Māori Council.

Who is Te Kaunihera Māori?

The group is a collective of nine representatives - three members representing the three main iwi within the Ruapehu District:

- Tuwharetoa (3)
- Maniapoto (3)
- Southern Iwi (3)

The group currently has eight respective Members. Tuwharetoa currently has one vacancy.

What is Te Kaunihera Māori?

The Group was appointed by resolution of Council at its meeting on 28 April 2009 and a Memorandum of Understanding (MoU) was signed on 15 February 2013 at Morero Marae. The MoU sealed a partnership between Te Kaunihera Māori and Council. This partnership establishes and provides a clear understanding of conduct between each party.

Why do we have a Māori Council?

The purpose of Te Kaunihera Māori is to establish and maintain processes that provide opportunities for iwi to contribute to decision-making. This will enhance Council's capacity to build relationships and to consult with iwi. Engagement through Te Kaunihera Māori has also provided a knowledge base of information sharing and an understanding of Council's role as a local authority.

When does Te Kaunihera Māori meet?

Te Kaunihera Māori meetings are held on a six weekly cycle on a Friday in the Council Chamber, Taumarunui. In the near future, Te Kaunihera Māori will be organising meetings to be held at their respective marae. Every meeting provides an opportunity for discussion with the general public. Te Kaunihera Māori welcomes all iwi and the wider community to attend its hui.

Working Parties

- (a) **Rates** – assists with information sharing and to establish a communication network with wider family groups.
- (b) **Resource Consents** – assists with identifying local boundaries for their respective iwi/hapu/marae representation.
- (c) **King Tawhiao Sign Project** (northern entrance to Taumarunui) – influenced public discussions with local iwi and the wider community.
- (d) **Para Kore Project** – setting up initiatives to encourage iwi/hapu to work towards zero waste on Marae.
- (e) **MoU** – partnership between Te Kaunihera Māori and Ruapehu District Council which has provided an understanding of the basis and ongoing conduct required by each party to set objectives in accordance with the LGA 2002.

Te Kaunihera Māori is involved in a broad range of issues. During 2014/15, there has been involvement and information sharing in the following activities:

- KiwiRail Ongarue Optimised 7 (OO7) project.
- Resource Consents Consultation and Process.
- District Plan Review.
- Rating of Māori Land, Māori Schools and Preschools.
- Māori Freehold Land Rates Remission Policy.
- Rates Remissions Policy.
- Abandoned Land Properties.
- Extensions of Urupa.
- Food Safety on Marae.
- Alcohol Licensing Regulations.
- Wastewater and Water Treatment Plants.
- Roading Issues.
- Cycleway Tracks.
- Civil Defence Emergency Management Planning.
- Whanganui River Channel Management Proposal at Kakahi.
- Local Government Act 2002 Overview.
- Annual and Long Term Plan Process.

Developing Maori Capacity

- Discreet Remedies Process.
- Iwi Management/Strategic Plans.
- Manunui Stock Effluent Disposal Facility Proposal.
- Xtreme Zero Waste.

Future Direction (from the Chairperson)

Te Kaunihera Māori aims to put in place systems for information sharing, which will aid in removing the mystique around the activities of Council and improve communication between Iwi and Council. This will benefit the wider community as a whole.

It is the fervent wish and desire of Te Kaunihera Māori to be seated at the table with Council as equals.

It is important that the wider community understands that Te Kaunihera Māori is not in any way selective in its approach on any issue from Iwi or the community, but remains steadfast to address matters of concern and, if appropriate, in tandem with like mannered groups. Te Kaunihera Māori welcome iwi/hapu/marae who are not represented on Te Kaunihera Māori to become actively involved in this process.

Along with iwi and the wider community, Council will be reviewing how best Māori participation in decision-making can continue and will be looking at a wide number of options, including Te Kaunihera and Māori Electoral Wards.

Iwi Partnership Role – Te Awa Tupua

The legislative framework for Te Awa Tupua (an indivisible and living whole, comprising the Whanganui River from the mountains to the sea, incorporating its tributaries and all its physical and metaphysical elements) gives recognition to its status as a legal person. Council will, over the next ten years, need to partner with Te Pou Tupua (the representative body for Te Awa Tupua) and undertake the activities in relation to Te Awa Tupua that will be required from time to time.

This might include the exercise of functions in relation to granting consents relating to the Whanganui River or activities in the Whanganui River catchment that affect the Whanganui River and carrying out environmental protection works including flood protection in relation to the Whanganui River. It could also include entering into relationship/partnership agreements

Introduction to Activities

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

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

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



Introduction to Activities

Community Services

The Community Services activities promote Outcomes that mainly target people. These activities are closely associated with the social and cultural aspects of community life, although there is some crossover, as most activities have some impact on the social, cultural, environmental or economic welfare of the community.

Facilities and Assets

The Community Facilities and Assets activities promote Outcomes that mainly target physical assets. These activities all add to the economic and environmental wellbeing of the District. They also help safeguard people's health and safety.

How the Activity Sections Work

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

Each individual activity section contains the following information:

- Introduction and rationale for Council involvement.
- Any negative effects associated with the activity and how they will be mitigated.
- Additional asset capacity.
- Relationships to planning assumptions, sustainability, Outcomes and climate change.
- SGs and how they will be achieved over time.
- LoS statements and the performance monitoring framework.
- Key components of the work programme over the life of this LTP, including major projects to be undertaken.

The financial impact of each activity's ten year plan is shown in each activity section. These financial forecasts contain inflation and are based on a ten year view of the District covered by this LTP. Inflation and other

assumptions that define Council's view of the District towards 2025 are contained in the Planning Assumptions section.

Levels of Service

Each group of activities is linked to, and contributes towards, a range of Outcomes and has a set of Strategic Goals that have been developed after consideration of these Outcomes, Council's legislative requirements and overall strategic direction.

LoS statements describe what the community can expect to receive in terms of quality and quantity of service provided. The LoS for the majority of Council activities were developed through a desktop review that took into consideration a number of consultations and ongoing dialogue with the community, including:

- River Valley meetings.
- Dialogue with community groups.
- Three yearly Customer Satisfaction Surveys.
- Previous submissions to LTPs and EAPs.
- Previous Consultations (Waste Management and Minimisation, Veolia Water, Public Toilet surveys, etc).
- Customer Request for Service System (RFS).
- General communication with customers in person and by letter, email and telephone.
- Out of District Ratepayer Surveys.

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

Assets

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

Asset Management

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

Introduction to Activities

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

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

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

Operations and Maintenance

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

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

Asset Development

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

activity. All major works are subject to Council's Procurement Policy. Consulting engineers and Council staff monitor standards of work.

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

Additional Asset Capacity

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

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

Estimated Expenses and Significant Forecasts for Each Group of Activities

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

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

Community Services

Why Council Provides Community Services

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

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

Assets Relating to Community Services

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

The Leadership, Regulation and most Community Support activities are not based on the management of assets and, therefore, for the most part, do not have a corresponding AMP. However, the Community Support activity does have some associated assets, eg, administration buildings and social housing units. Management of these assets is discussed in the Community Property AMP.

Community Support

Introduction

Community Support includes Community Development (Grants, Youth Development and Agency Services), Economic Development, Emergency Management, Library Services, Regional Tourism Organisation (RTO) and i-SITE Visitor Information Centres (i-SITES). Each activity is outlined in more detail below.

Community and Economic Development are activities that can demand a lot of resources. Council's approach, given the limited resources available, is to influence, facilitate and advocate for change. Council will achieve and accomplish its goals by working with the community, iwi, business, developers and providers to improve economic opportunities.

Due to the small size of Council and its ratepayer base, a low level of resourcing is put toward these activities. There is also heavy reliance on smart achievement of Outcomes by partnerships with the community.

Community Development

Grants

Ring-fenced grant funding is set aside for facilities that are important for communities. The funds are ring-fenced to:

- Continue the current level of support for community halls and libraries.
- Increase community involvement in recreation.
- Improve the standard of community facilities and amenities, outside of normal ongoing maintenance, through partnerships between Council and community groups.

A contestable fund is no longer available to the general public. Contestable grant funding maybe available in some years. This is decided annually through the EAP/LTP process. The criteria for grants funding is set out in Council's Community Grants Policy.

Agency Services

The Community Development activity also provides agency services (such as New Zealand Post, New Zealand Transport Agency (NZTA) and Registrar General of Births, Deaths and Marriages) to the Waimarino area.

This provides ongoing support to the area that was significantly impacted by the successive withdrawal of Government support services in the 1980s. It is a self-funded activity, delivered by Council staff as part of their wider duties.

Youth Development

Council actively supports youth development through facilitation, co-ordination, applying for funding and 'in kind' support. There are two groups of 14-24 year olds (Taumarunui and Waimarino Youth) in the District, who are active in promoting opportunities for youth, building capability and leadership skills and organising and steering local initiatives.

Economic Development

Economic Development refers to actions of policymakers, individuals and communities that promote and improve the social health, business and other opportunities in our District. The overall aim of this function is to help realise the potential that Ruapehu District has to offer as a prosperous rural community that:

- Capitalises on the agricultural, business, tourism sectors while maintaining the beautiful rural environment.
- Provides better and more varied employment opportunities for our communities.

Council's role in economic development is twofold. It ensures its own house is in order, by ensuring that processes and policies are user and business friendly and infrastructure is sound. Council also has a role in influencing, facilitating and co-ordinating activities by working with the community, iwi, business, developers and providers and advocating for change.

Council has developed an Economic Development Strategy "Growing Ruapehu" and action plan to direct its efforts. Key initiatives will be:

- Produce and adopt a business friendly policy to enhance Council's culture.
- Support new investment that stimulates employment opportunity by providing a one stop shop for economic research and data about the District.

Community Support

- Investigate creation of a Regional Identity and brand story.
- Create a destination management planning approach to infrastructure that supports business and integrates destination marketing with economic development activity.
- Advocate for improved delivery of high speed rural broadband and investigate delivery of free WiFi to selected towns.
- Enhance partnerships with our community representative groups working on Town Centre Destination Management Planning.

Council retains a budget to enable it to invest in worthy projects as they arise and has significant partnerships. In addition, Council works closely with business associations throughout the District, with the aim of facilitating economic development. It does not have a dedicated staff member for this position. Actions and projects are undertaken by staff across the business units.

Council was also involved with facilitating local input into a 2014 independent evaluation of the constraints that are limiting Ruapehu's economic potential. The evaluation is part of a larger Manawatu-Wanganui Regional Growth Study Programme being facilitated by Horizons Regional Council with a mandate from the Ministry of Business, Innovation and Employment and the Ministry of Primary Industries. The Regional Growth Study aims to identify and prioritise the big economic opportunities open to the various business sectors in the region, with the goal of increasing investment, employment and incomes. Council is fully supportive of this approach.

Emergency Management

Civil Defence

Council is an active member of the Manawatu-Wanganui Civil Defence Emergency Management (CDEM) Group, as required by the CDEM Act 2002. The Group is a consortium of the local authorities in the region with the vision to build a resilient and safer region with communities understanding and managing their hazards and risks. The Group maintains a Plan that considers all phases of emergency: reduction, readiness, response and recovery. A business plan is also managed by the Group, with each of the member Councils contributing to achieving the

goals of the Group. The Group has adopted a philosophy of centralised co-ordination and local delivery and works closely with emergency services, welfare agencies and other strategic partners for effective and comprehensive emergency management.

Council staff are trained at various levels of competency in readiness for any Civil Defence Emergency within the District. 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.

Storm events, the potential for increases in the occurrence and intensity of rural fires during hotter, drier summers and other climate-related natural disasters, will impact on the Emergency Management function. Council will continue to resource this function to cope with future events and achieve legislative compliance.

Rural Fire

Council is a registered Rural Fire Authority under the Forest and Rural Fires Act 1977. This means that it is responsible for permits and fire suppression in any rural area within the District not covered by the NZ Fire Service, Ministry of Defence or the Department of Conservation. Volunteer rural fire personnel provide the trained expertise required for rural fire suppression activity.

Library Service

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

Regional Tourism Organisation (RTO) and Visitor Information Centres (i-SITES)

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

The RTO supports the tourism infrastructure of Ruapehu. Council considers the RTO and i-SITES to be an essential part of its economic and community development

Community Support

strategy, particularly promotion of Ruapehu as a visitor destination, both for the domestic and international markets, in partnership with operators/providers.

Council contracts out the RTO function as it thinks people who have worked in the industry can deliver the services better and more efficiently than Council could.

Council resumed control and the daily operation of the i-SITES in December 2013 and decided to keep them in-house in 2014. Improvements have been made with staffing and there has been an upward trend in bookings and sales. Council is looking at various ways to improve both the customer experience, knowledge of staff and sales.

A strong connection between i-SITES and the RTO needs to be built. The i-SITES are also looking at building relationships with the Department of Conservation and the multitude of tourist operators within the region, to ensure i-SITES are able to support the economic development of the region.

Rationale for Delivery

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.

Provision of agency services, libraries, visitor services and co-ordinating youth and economic development initiatives with the community, central government and business partners involve activities for which there are unlikely to be private providers of the same services.

Community and economic development was also strongly supported by the community in consultations before and after the 2013 election and during the LTP consultation 2015-25.

Relationship to Outcomes

The Community Support activity targets the following outcomes:

- Preparation, planning and timely responses protect people and property from natural hazards.

- Economic diversity and core economic strengths are encouraged in partnership with others.
- Activities, facilities and opportunities for youth are provided.
- That excellence and achievement in sport, arts/cultural pursuits, community service and business is supported through provision of community facilities such as libraries, pools, halls and parks and reserves.
- Events and festivals are encouraged and supported.
- That the promotion of our District includes our natural rivers, bush and mountains, as well as the built heritage, agriculture and railways.

Relationship to Planning Assumptions

This activity is being planned using the same growth assumptions as adopted for the AMPs. District-wide population growth will remain static. Tourism is still growing steadily, with increases forecast in day and overnight visitors. This places pressure on Council's infrastructure. Holiday homes are forecast to grow at 1.33% or by 25 each year.

This activity directly relates to improving the growth and sustainability of the community.

Relationship to Sustainability

Economic and social sustainability are important facets of this activity. Community and Economic Development is about building and strengthening communities, arresting decline in the usually resident population and increasing visitor numbers. To achieve community sustainability, the Community Support activity must work towards the long term goal of promoting a self-reliant and resilient community in which there are opportunities, especially for youth.

Relationship to Climate Change/ External Impacts

Climate change will influence the frequency and intensity of hazards such as fire and flooding. This has the potential to impact on the emergency management function. Council is committed to enhance the level of readiness and response by improving capability and community preparedness for adverse events.

Community Support

Changes in global and local economic conditions can also affect tourism, both numbers of visitors and their disposable income. This can affect, for example, achievement of RTO and i-SITE performance targets. Tourism numbers have been growing steadily and are expected to continue to grow. However, the sensitivity of the sector to changes in global and local economic conditions is recognised.

Visitor numbers, especially to the Tongariro Alpine Crossing and ski fields, can also be affected by other natural events such as volcanic activity and adverse weather conditions, which have flow-on effects to businesses and some community support activities.

Negative Effects

| Effect | Mitigation |
|---|---|
| <p>Adverse effects, particularly of increased visitor numbers, can be caused by:</p> <ul style="list-style-type: none"> ➤ Tourism and economic development, including increased volumes of refuse and other waste. ➤ Increased use of roads, leading to increased need for maintenance. ➤ Incorrect disposal of waste. ➤ Potential congestion in some areas. ➤ Development pressures on sensitive environmental areas to cater for tourism and growth. <p>These effects cannot be directly attributed to Council's activities in Community and Economic Development.</p> | <p>Council's District Plan aims to achieve a balance between growth and protection of sensitive environmental areas.</p> <p>In terms of impacts of visitor numbers on services such as Waste Management and Minimisation, Council frequently refreshes its approach to Transfer Station hours, collection days in tourism seasons, approach to fly tipping and other aspects of service provision.</p> <p>The improvement of road infrastructure targeted at tourism on Mt Ruapehu is being addressed by regular meetings of all parties with interests on Mt Ruapehu. This helps the community to cope with an expected higher influx of visitors.</p> |

Key Challenges

- The key challenge for the Emergency Management activity is increasing community preparedness and resilience for any Civil Defence emergency. Serious contamination of the Raetihi water supply in 2013, demonstrated that there is plenty of room to improve the preparedness of communities for emergencies.
- Providing basic training of Council staff in Civil Defence response preparedness.
- Uncertainties of climate on tourism activities and the possible risk of natural disasters affecting trade.
- Delivery of RTO services into the future.
- Rural Fire readiness volunteers are hard to find.
- Peak demands on infrastructure driven by tourism.
- i-SITES: Fluctuation in visitor numbers resulting in over or under site resourcing.

PART 2: ACTIVITIES

Community Support

Levels of Service

| | |
|-----------------------------------|---|
| Activity | Emergency Management |
| Outcome(s) | <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. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ Provide a safe environment for residents and visitors. |
| 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 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|--|-----------------------|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Percentage of staff who are adequately trained in Co-ordinated Incident Management Systems (CIMS). | 78% | 70% | 70% | 70% | 70% | 70% | 70% |
| The number of public education presentations given each year to schools, staff and community groups throughout the District. | 22 | >20 | >20 | >20 | >20 | >20 | >20 |
| As the Rural Fire Authority for the District, respond to all rural vegetation fires within one hour at all times. | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

| | |
|-----------------------------------|---|
| Activity | Library Users |
| Outcome(s) | <ul style="list-style-type: none"> ➤ That the traditions, values and history of all ethnic groups are respected. ➤ That activities, facilities and opportunities for youth are provided and supported. ➤ That excellence and achievement in sport, arts/cultural pursuits, community service and business is supported through provision of community facilities such as libraries, pools, halls and parks and reserves. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ Provide a modern and consistent environment for learning and enjoyment. |
| 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 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|--|-----------------------|---------------------|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| % of users who are satisfied with the service provided | 63% | 75% | 75% | 75% | 75% | 75% | 75% |
| Increase in number of active library members (new measure 2015/16) | New Measure 2015/16 | New Measure 2015/16 | +1% on prior year's membership | +1% | +1% | +1% Per Year | +1% Per Year |

| | |
|-----------------------------------|--|
| Activity | Regional Tourism Organisation and Visitor Information Centres (i-SITES) |
| Outcome(s) | <ul style="list-style-type: none"> ➤ That the promotion of our District includes our natural rivers, bush and mountains, as well as the built heritage, agriculture and railways. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ Provide an efficient visitor information service. |
| Level of Service | <ul style="list-style-type: none"> ➤ i-SITES are open 40 hours minimum per week. |

| Key Performance Indicator(s) | Actual 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|-------------------------------------|--------------------------|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Tourism numbers increase | 429,242 | +1% | +2% | +2% | +2% | +3% | +3% |
| Door numbers at i-SITES | 55,122 (Taumarunui only) | +1% | +1% | +1% | +1% | +1% | +1% |

PART 2: ACTIVITIES

Community Support

Forecast Funding Impact Statement

| | Annual | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Plan | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 941 | 1,158 | 1,221 | 1,267 | 1,304 | 1,338 | 1,371 | 1,410 | 1,450 | 1,494 | 1,539 |
| Targeted rates | 266 | 320 | 277 | 284 | 292 | 300 | 309 | 319 | 329 | 340 | 353 |
| Subsidies and grants for operating purposes | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 489 | 521 | 534 | 547 | 562 | 578 | 595 | 614 | 634 | 656 | 680 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 1,696 | 1,999 | 2,032 | 2,098 | 2,158 | 2,216 | 2,275 | 2,343 | 2,413 | 2,490 | 2,572 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 949 | 1,245 | 1,279 | 1,310 | 1,343 | 1,383 | 1,419 | 1,464 | 1,509 | 1,559 | 1,612 |
| Finance Costs | 2 | 2 | 5 | 9 | 13 | 16 | 20 | 24 | 28 | 32 | 37 |
| Internal charges and overheads applied | 715 | 717 | 741 | 773 | 794 | 810 | 825 | 844 | 866 | 889 | 915 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 1,666 | 1,964 | 2,025 | 2,092 | 2,150 | 2,209 | 2,264 | 2,332 | 2,403 | 2,480 | 2,564 |
| Surplus (deficit) of operating funding (A-B) | 30 | 35 | 7 | 6 | 8 | 7 | 11 | 11 | 10 | 10 | 8 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 10 | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | 55 | 37 | 54 | 65 | 50 | 66 | 56 | 68 | 55 | 74 | 66 |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total sources of capital funding (C) | 65 | 37 | 54 | 65 | 50 | 66 | 56 | 68 | 55 | 74 | 66 |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | |
| - to meet additional demand | - | - | - | - | - | - | - | - | - | - | - |
| - to improve the level of service | 65 | 13 | 2 | 15 | 2 | 14 | 2 | - | 2 | - | 3 |
| - to replace existing assets | 30 | 59 | 59 | 56 | 56 | 59 | 65 | 79 | 63 | 84 | 71 |
| Increase (decrease) in reserves | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) of investments | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of capital funding (D) | 95 | 72 | 61 | 71 | 58 | 73 | 67 | 79 | 65 | 84 | 74 |
| Surplus (deficit) of capital funding (C-D) | (30) | (35) | (7) | (6) | (8) | (7) | (11) | (11) | (10) | (10) | (8) |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | - | - | - | - | - | - |

Leadership

Introduction

The Leadership Group of Activities provides for:

- Council's governance at a District and local level.
- Administration of elections.
- Council's advocacy on issues that impact on the Outcomes.
- Development of plans, policies and bylaws.
- Guiding strategic direction and strategic financial decisions and consulting.
- Supporting Te Kaunihera Maori a Rohe o Ruapehu.

Rationale for Delivery

Council's Leadership is guided by the role and principles of local government, as stated Part 2 of the LGA and governance and management principles in Part 4 of the LGA. The following principles guide Council. It 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 Maori to contribute in decision-making.
- Collaborate with other organisations to meet desired Outcomes.
- Ensure prudent financial and asset stewardship in accordance with sound business practice, including periodically assessing the expected returns from any commercial activity and assessing risk.
- Provide for the present and future needs of the District by considering social, economic, cultural interests of the community and the need to maintain the environment for present and future generations.

Relationship to Outcomes

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

Relationship to Planning Assumptions

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

Relationship to Sustainability

The Leadership activity has a responsibility to make decisions on behalf, and in the best interests, of present and future generations. This means that the activity must take into account the future social, economic and cultural needs, interests and challenges of the community in its decision-making and the need to maintain and enhance the quality of the environment. Long term sustainability and affordability are important factors for the decision-making.

Relationship to Climate Change/ External Impacts

The Leadership activity has an obligation to take into account the effects of future climate change in its current decision-making. In particular, indirect impacts from central government action on climate change are likely to change the legislative and operating environment for Council and for the community. An example of this is the implementation of the Emissions Trading Scheme (ETS) and its future impact on many key industries (such as agriculture and forestry) and on affordability for the whole community. Council plays an important role in providing leadership and advocacy for the District on future challenges.

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

Local authorities will feel the indirect effects of the ETS as the costs of greenhouse gas emissions are passed through the economy, eg, through increased electricity and fossil fuel prices. Council will minimise the impact of these price increases on its operations, demonstrate

Leadership

commitment to addressing climate change and influence change in the community by reducing greenhouse gas emissions from Council operations.

The current economic conditions are not thought to have a great effect on this activity, although it has been taken into consideration.

Negative Effects

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

Key Challenges

- The key challenge for Leadership is to maintain a well-balanced and functional organisation which is responsive to local economic conditions and changes and to maintaining and improving community engagement.
- A major focus, over the next 12-18 months will be a review of representation arrangements ahead of the 2016 election. This will include consideration of the role of Community Boards.
- Looking out to 2019, there will be a review of how iwi is best represented in the District.

Levels of Service

| Activity | Leadership |
|----------------------------|--|
| Outcome(s) | <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, accountable and takes an active, consultative approach to finding solutions. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ To facilitate effective consultation processes to seek community input into decision-making and advocacy on key issues. |
| Level of Service | <ul style="list-style-type: none"> ➤ Consultation material will be made publicly available from all Council offices and on its website. ➤ Council meets regularly with Iwi. ➤ 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 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|---|----------------|-------------|----------------|----------------|----------------|----------------|----------------|
| % of respondents who are satisfied or very satisfied with consultations | Not measured | 80% | 80% | 80% | 80% | 80% | 80% |
| Number of meetings with Ruapehu District Maori Council per year | 6 | >6 | >6 | >6 | >6 | >6 | >6 |
| Number of Public Forums per year | 48 | >10 | >40 | >40 | >40 | >40 | >40 |
| % of respondents who are satisfied with Council's leadership | 51.4% | 60% | 60% | 60% | 60% | 60% | 60% |

PART 2: ACTIVITIES

Leadership

Forecast Funding Impact Statement

| | Annual | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Plan | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 1,320 | 1,374 | 1,440 | 1,463 | 1,501 | 1,534 | 1,565 | 1,604 | 1,646 | 1,691 | 1,740 |
| Targeted rates | - | - | - | - | - | - | - | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | (10) | (10) | 26 | (10) | (10) | (11) | (11) | (11) | (12) | (12) | (13) |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 1,310 | 1,364 | 1,466 | 1,453 | 1,491 | 1,523 | 1,554 | 1,593 | 1,634 | 1,679 | 1,727 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 427 | 472 | 544 | 492 | 505 | 516 | 529 | 544 | 558 | 575 | 591 |
| Finance Costs | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads applied | 883 | 885 | 915 | 954 | 979 | 1,000 | 1,018 | 1,042 | 1,069 | 1,097 | 1,129 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 1,310 | 1,357 | 1,459 | 1,446 | 1,484 | 1,516 | 1,547 | 1,586 | 1,627 | 1,672 | 1,720 |
| Surplus (deficit) of operating funding (A-B) | - | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | - | (7) | (7) | (7) | (7) | (7) | (7) | (7) | (7) | (7) | (7) |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total sources of capital funding (C) | - | (7) | (7) | (7) | (7) | (7) | (7) | (7) | (7) | (7) | (7) |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure | - | - | - | - | - | - | - | - | - | - | - |
| - to meet additional demand | - | - | - | - | - | - | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | - | - | - | - | - | - | - |
| - to replace existing assets | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in reserves | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) of investments | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of capital funding (D) | - | - | - | - | - | - | - | - | - | - | - |
| Surplus (deficit) of capital funding (C-D) | - | (7) | (7) | (7) | (7) | (7) | (7) | (7) | (7) | (7) | (7) |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | - | - | - | - | - | - |

Regulation

Introduction

The Regulation Group of Activities works towards the goal of effectively and efficiently providing a safe and sustainable environment through the administration and enforcement of Central Government legislation, including its responsibilities for the sustainable management and use of natural resources under the Resource Management Act 1991 (RMA) and District Bylaws.

Building Services

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

Compliance

The Compliance Team's role is to ensure compliance with Council's Bylaws, the District Plan and legislation such as the Dog Control Act 1996. The work covered is incredibly varied and includes Animal Control, Resource Consent monitoring, Parking, Noise Control and Bylaws. Compliance Officers ensure that the amenities of the District are maintained to be enjoyed by all.

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

Resource Management

Resource Management involves both the issuing of resource consents and monitoring of conditions of these consents, in line with relevant legislation and the District Plan.

The revised Ruapehu District Plan became fully operative on 24 December 2014. The District Plan is one of Council's key planning documents that sets out the rules and policies that guide development in the district. There were 17 valid appeals to the proposed District Plan policies, all of which were successfully mediated out of Court.

Legislation requires the District Plan to be reviewed every ten years. In future, it is unlikely that Council will undertake a complete 'head to toe' review of the District Plan, instead undertaking a 'rolling review' of discrete sections as required to satisfy the prescribed review process.

Environmental Health and Alcohol Licensing

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

The Sale and Supply of Alcohol Act 2012 came into force on 18 December 2012. It replaced the Sale of Liquor Act 1989, in response to a review by the Law Commission in 2010. Changes were implemented in 2013/14 to the way alcohol licences are issued and a Local Alcohol Policy was put in place. No major changes are expected in the law or service delivery in the next few years.

The Food Act 2014 will come into force in March 2016. Its aim is to make it easier and less costly for many food businesses to comply with legislation, while ensuring the food produced is safe and suitable for sale. Prior to 2016, Government will be consulting on new regulations to support the regime. The Food Act will provide a consistent approach across the country to food safety through the use of Food Control Plans. These plans, which are based on the national standards, ensure food retailers deliver consistent, safe food to their customers. Council will audit operators' compliance with plans. In preparation for the changes and to protect public health, a Food Premises Grading System Bylaw will be developed and consulted on in 2015/16.

Regulation

Rationale for Delivery

Council is required to provide Regulation services under a number of Acts of Parliament including, but not limited to, the LGA, RMA, Dog Control Act 1996, Building Act 2004, Health Act 1956, Sale and Supply of Alcohol Act 2012 and Food Act 2014. In addition, Council has to enforce its own Bylaws.

Although there are legislative drivers, the activity also has strong links to community outcomes that provide for community safety and a healthy environment.

Relationship to Outcomes

This activity targets the following Outcomes:

- That the impact of waste on our environment is minimised.
- Excellent standards of safety and welfare are promoted and respected.
- Quality regulation, regulatory services and infrastructure support healthy communities.
- That Council plans for and works with the community to ensure that our environment is accessible, clean and safe, and that our water, soil and air meets acceptable, affordable standards.

Relationship to Planning Assumptions

District wide population growth is forecast to remain static over the planning period. Tourism is likely to grow steadily, with increases forecast in day and overnight visitors. Holiday homes are forecast to grow at 1.33% or by 25 each year. This, along with cycleway development, might encourage more accommodation and food and beverage businesses to set up.

Resource Consent services are mainly associated with growth and development. Between 1997 and 2008, there was a big increase in consents, particularly subdivisions. These high growth rates plateaued in 2009/10. Low growth in subdivision numbers is forecast for the next ten years. Council monitors this activity to ensure sustainable management of resources, that consents are delivered in legal timeframes and to improve the processes involved.

Building consents are expected to remain at similar levels to 2012–15, given low growth forecasts.

Relationship to Sustainability

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

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

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

Relationship to Climate Change/ External Impacts

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

Regulation

Negative Effects

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

Key Challenges

- Central Government has been reviewing parts of both the Building Act and the RMA over the last few years:
 - The Building Act - to improve standards and reduce risks from earthquake prone buildings.
 - The RMA – to simplify and streamline processes.
 - It is likely that there will be ongoing changes to these Acts, of which Council will need to keep abreast.
- Changes from the Food Act 2014 and regulations (which are still under development) may have potential implications in terms of the way services are delivered and type of services provided.
- Balancing development pressure with environmental protection.
- Enabling iwi participation in RMA processes.
- Balancing the rights of individuals and the community.

Levels of Service

| Activity | Building Services, Compliance and Inspections |
|----------------------------|--|
| Outcome(s) | <ul style="list-style-type: none"> ➤ Quality regulation, regulatory services and infrastructure support healthy communities. ➤ Excellent standards of safety and welfare are promoted and respected. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ Provide a safe environment for residents and visitors. |
| 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. |

| Key Performance Indicator(s) | Actual 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|---|---------------------|---------------------|----------------|----------------|----------------|----------------|----------------|
| Building Consents processed within 20 working days | 100% | 90% | 90% | 90% | 90% | 90% | 90% |
| Urgent LIMs processed in five working days (Note 1, Note 2) | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Non-Urgent LIMs processed in ten working days | 100% | 95% | 95% | 95% | 95% | 95% | 95% |
| Urgent Request for Service calls responded to within eight working hours | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Animal Control: % of all registered dogs that are microchipped (Note 3) | New Measure 2015/16 | New Measure 2015/16 | 75% | 75% | 75% | 75% | 75% |
| Respond to dog attacks within two hours | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Note 1: Urgent is defined by a request under urgency in the Fees and Charges Manual.

Note 2: LIM = Land Information Memorandum.

Note 3: Microchipping is a legal requirement. However, there are exemptions, eg, based on the age of the dog. Therefore a target of 100% compliance is not appropriate.

PART 2: ACTIVITIES

Regulation

| | |
|-----------------------------------|--|
| Activity | Environmental Health and Alcohol Licensing |
| Outcome(s) | <ul style="list-style-type: none"> ➤ Excellent standards of safety and welfare promoted and respected. ➤ Quality regulation, regulatory services and infrastructure support healthy communities. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ Provide a healthy environment for residents and visitors. |
| Level of Service | <ul style="list-style-type: none"> ➤ 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. |

| Key Performance Indicator(s) | Actual 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|--|---|-------------|----------------|----------------|----------------|----------------|----------------|
| Environmental Health: Health-related food hygiene complaints are responded to within 24 hours and actioned within five days. | 100% | 95% | 95% | 95% | 95% | 95% | 95% |
| Environmental Health: % of food premises complying with requirements at second inspection. | 90% | 90% | 90% | 90% | 90% | 90% | 90% |
| Alcohol Licensing: % of alcohol licences that comply with statutory and licence conditions on first inspection. | 95% | 90% | 90% | 90% | 90% | 90% | 90% |
| Noise: Percentage of noise complaints resolved at first contact. | 100% General Noise 50% Health- Related Noise | 95% | 95% | 95% | 95% | 95% | 95% |

| | |
|-----------------------------------|---|
| Activity | Resource Management |
| Outcome(s) | <ul style="list-style-type: none"> ➤ That Council plans for and works with the community to ensure that our environment is accessible, clean and safe and that our water, soil and air meet acceptable, affordable standards. ➤ Council is proactive, transparent, accountable and takes an active, consultative approach to finding solutions. ➤ The impact of waste on our environment is minimised. ➤ Core infrastructure (water, wastewater, stormwater, waste management and minimisation and roading) endeavours to keep pace with changing demand. ➤ Excellent standards of safety and welfare are promoted and respected. ➤ Regulatory services and reliable infrastructure help the economy prosper and support a range of quality retail, entertainment, educational, healthcare, businesses and services. ➤ Economic diversity and core economic strengths are encouraged in partnership with others. ➤ That planning and regulatory functions balance economic growth and environmental protection. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ To provide a sustainable environment for residents and visitors. |
| Level of Service | <ul style="list-style-type: none"> ➤ 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 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|--|----------------|-------------|----------------|----------------|----------------|----------------|----------------|
| Land Use consents processed within the legal timeframes | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Subdivision consents processed within the legal timeframes | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| % of pre-application meetings to number of applications received | 34.5% | >10% | >10% | >10% | >10% | >10% | >10% |

PART 2: ACTIVITIES

Regulation

Forecast Funding Impact Statement

| | Annual | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Plan | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 697 | 737 | 876 | 848 | 871 | 886 | 896 | 913 | 932 | 953 | 976 |
| Targeted rates | - | - | - | - | - | - | - | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 869 | 809 | 841 | 862 | 886 | 911 | 938 | 968 | 1,000 | 1,035 | 1,072 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 1,566 | 1,546 | 1,717 | 1,710 | 1,757 | 1,797 | 1,834 | 1,881 | 1,932 | 1,988 | 2,048 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 348 | 325 | 455 | 394 | 406 | 417 | 430 | 443 | 458 | 474 | 491 |
| Finance Costs | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads applied | 1,218 | 1,221 | 1,262 | 1,316 | 1,351 | 1,380 | 1,404 | 1,438 | 1,474 | 1,514 | 1,557 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 1,566 | 1,546 | 1,717 | 1,710 | 1,757 | 1,797 | 1,834 | 1,881 | 1,932 | 1,988 | 2,048 |
| Surplus (deficit) of operating funding (A-B) | - | - | - | - | - | - | - | - | - | - | - |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | 8 | - | - | - | - | - | - | - | - | - | - |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total sources of capital funding (C) | 8 | - | - | - | - | - | - | - | - | - | - |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | |
| - to meet additional demand | - | - | - | - | - | - | - | - | - | - | - |
| - to improve the level of service | 8 | - | - | - | - | - | - | - | - | - | - |
| - to replace existing assets | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in reserves | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) of investments | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of capital funding (D) | 8 | - | - | - | - | - | - | - | - | - | - |
| Surplus (deficit) of capital funding (C-D) | - | - | - | - | - | - | - | - | - | - | - |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | - | - | - | - | - | - |

Facilities and Assets

Why Council Provides Facilities and Assets

This group of activities promotes Outcomes that mainly target environmental, social and economic objectives. These activities all 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 Community Facilities, Land Transport, Wastewater, Water Supply, Stormwater and Flood Protection and Waste Management and Minimisation.

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

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

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

Assets Relating to Facilities and Assets

Assets relating to the Community Facilities and Assets group are those directly associated with the provision of each of the individual activities that make up this group. For example, the provision of a wastewater system requires pipework and treatment plants. To ensure the provision of adequate and appropriate assets, AMPs are

developed by Council for each activity. The following AMPs directly relate to Facilities and Assets activities:

- Community Property.
- Recreation and Community Facilities.
- Land Transport (Roading).
- Stormwater and Flood Protection.
- Water Supply.
- Wastewater (Sewerage).
- Waste Management and Minimisation.

Detailed information on the assets and operational LoS relating to those assets are contained in the respective AMPs.

Enhanced Levels of Service

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

Competing Community Priorities

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

Sustainability involves the allocation of resources towards activities and Outcomes that often do not bring instant results. It involves developing medium to long term plans that take into consideration a "whole of District" approach and implementing those plans using a "whole of Council" approach. This ensures that the delivery of Outcomes aligns with Council's capacity to deliver at its current resourcing level. More resources would be needed to be able to deliver the range of

Facilities and Assets

desired Outcomes and to ensure that initiatives are built on a strong foundation, so that Outcomes are achievable in the short term and are sustainable over the longer term.

Legislative Framework

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

Government has initiated reform in freshwater management to address:

- Deteriorating water quality in some areas.
- Demand outstripping supply in some areas.
- The need to balance different interests and values in water, as not all values and expectations can be met in all places at all times.
- The interests of iwi/Māori in fresh water.
- The need for more robust information on what we are putting into our water and how much water is available to use.

The reforms started in 2009. Government's long term vision for reform is outlined in its March 2013 proposals paper 'Freshwater Reform 2013 and Beyond'.

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

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

Asset Conditions and Funding

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

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

Land Transport represents a significant portion of Council's overall funding requirement, representing around 43% of Council's annual expenditure. It is important that transport systems are maintained at a safe and effective level. Any proposed changes to the subsidy level are significant and can jeopardise levels of investment. The setting of new Funding Assistance Rates (FAR) that each council will receive for local road works, brings to an end a comprehensive NZTA review of both the approach to setting FAR levels, the decision methodology and a period of funding uncertainty. Ruapehu's base rate subsidy will increase from its current 60% to 72% by 2023. The Ohakune Mountain Road (OMR) and Bruce Road on Mt Ruapehu will both retain Special Purpose Road status until 2017 and, along with that, their 100% funding rate for this period. These two years will enable Council and the Department of Conservation (DOC) to undertake renewal works.

Funding risk remains though, eg, the impact in changes to road classifications could mean a reduction in the number of roads that receive subsidies.

Community Facilities

Introduction

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

The purpose of the Recreation and Community Facilities activity is to provide efficient services, facilities and an environment that attracts people to the area and encourages good health and education for all residents. The value of the Recreation and Community Facilities portfolio is currently estimated to be \$10.6 million. The portfolio includes parks, reserves, playgrounds, walkways, swimming pools, community halls, public toilets and cemeteries.

The purpose of the Community Property activity is to act as a steward for property that is of social, cultural or environmental benefit to the community and maintain these properties to a high standard. The value of the Community Property portfolio is currently estimated to be \$17.3 million. The portfolio includes Council administration buildings and libraries, social housing rental units, some small forestry plantations and a number of miscellaneous properties.

The Facilities Group of Activities is made up of seven activities.

Cemeteries

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

Community Halls

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

Community Buildings and Property

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

Parks and Reserves

The purpose of Parks and Reserves assets is to:

- Provide space for people to pursue active and passive recreational activities for their social, spiritual, mental and physical wellbeing.
- Provide the landscape setting for towns.
- Ensure the protection and maintenance of history (ecological and human) and character of the area.
- Ensure 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 and Reserves.
- Playgrounds.
- Camping Grounds – Taumarunui, Raetihi and Ohakune Holiday Parks.

Community Facilities

- Walkways.
- Miscellaneous structures, for example, the Taumarunui Grandstand.

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.

Social Housing

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

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

Swimming Pools

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

The purpose of swimming pools is to provide efficient and effective facilities for swimming for the people of the District. The three swimming pool complexes owned by Council are considered to be significant assets.

Rationale for Delivery

Under the LGA, Council is required to meet the current and future needs of communities for good-quality local infrastructure and local public services in a way that is most cost-effective for households and businesses. In performing its role, Council must have particular regard to the contribution that core services (including libraries, reserves, and other recreational facilities and community amenities) make to its communities.

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

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

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

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

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

Council provides a number of building and property assets that house services that may not exist without Council assistance such as the Taumarunui Aerodrome, Taumarunui Saleyards and Ohakune Railway Station.

Community Facilities

Relationship to Outcomes

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

The following are the main Outcomes targeted:

- Quality regulation, regulatory services and infrastructure support healthy communities.
- Excellent standards of safety and welfare are promoted and respected.
- Regulatory services and reliable infrastructure help the economy prosper and support a range of quality retail, entertainment, educational, healthcare, businesses and services.
- That the traditions, values and history of all ethnic groups are respected.
- That activities, facilities and opportunities for youth are provided and supported.
- That excellence and achievement in sport, arts/cultural pursuits, community service and business is supported through provision of community facilities such as libraries, pools, halls and parks and reserves.
- That Council plans for and works with the community to ensure that our environment is accessible, clean and safe and that our water, soil and air meet acceptable, affordable standards.

Additional Asset Capacity

This Group of Activities has many assets associated with it. These are detailed in the Recreation and Community Facilities and Community Property AMPs.

Overall, limited new development in this area is planned. However, new playground equipment that will directly benefit children and youth may be invested in, particularly where Council can partner with local communities. There is a major playground project under way by the community for National Park Village.

In Ohakune there is a community project under way for upgrading the Skate Park.

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

Relationship to Planning Assumptions

Growth is predicted in Ohakune and, to a lesser extent, National Park. However, the permanent resident populations are expected to decrease, while growth in holiday homes and visitor numbers continues.

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

Relationship to Sustainability

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

Maintenance has been deferred on most halls because of lack of available funding from either the community or Council. Some halls appear to be retained because of emotive reasons, rather than need.

Community Facilities

Taumarunui War Memorial Hall has been assessed as an earthquake prone building and consultation will be undertaken on the options for strengthening, demolition or rebuild in this planning period.

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

The Taumarunui Library was incorporated into the Administration building in October 2014. Decisions will need to be made about the old Library building's future.

Some community property buildings will reach their expected 50 year life span within the next ten years and component renewals will be included in asset management planning to ensure that the overall life of community property buildings exceeds their 50 year life span.

Overall there will be no significant LoS increases over this time. However, this will be reassessed as improvements to the economic climate occur.

Relationship to Climate Change/ External Impacts

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

The predicted changes in weather patterns may impact on many esplanade reserves. Erosion to river banks has been severe in some places throughout the District over the past decade and this is likely to increase. There are numerous esplanade reserves or esplanade strips vested in Council as part of old urban subdivision consents. If these are completely eroded, residential dwellings may become at risk from river flooding or erosion. In most instances, the cost of river work to mitigate this potential erosion is unaffordable.

Planting near waterways must take into consideration flood management concerns.

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

Overall there will be no significant LoS increases over the next ten years. However, this will be reassessed as improvements to the economic climate occur.

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

Negative Effects

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

Key Challenges

The key challenges facing the Community Facilities activity are:

- Ownership of properties used by a very small percentage of the community eg, Taumarunui Aerodrome, Taumarunui Saleyards. Options for use, retention or disposal will be assessed at each trigger point, eg, at the end of a lease period.

Community Facilities

- Risk Management of properties and buildings occupied by staff, tenants and the public. Risk management for property is focused on health and safety and meeting the many compliance requirements placed upon buildings and operations. Property compliance, such as the Building Act 2004, is simply setting out the right way to do things to ensure buildings are safe and have been constructed correctly. It is also about identifying critical assets and ensuring they are kept in good working order. A good example is the generator supplying the main Council building and CDEM Centre.
- Legislative requirements are increasing, particularly regarding transparency and environmental and economic sustainability. Managing these increased requirements can incur additional cost.
- Earthquake Risk and Prone buildings, including managing the future of Taumarunui Memorial Hall.
- Most facilities (including Halls and Swimming Pools) do not meet current Building Code for disabled facilities.
- Increasing community expectations with regard to quantity and quality of playground equipment, public toilet facilities and urban streetscapes, the standard and size of units in social housing accommodation and the provision of improved access for disabled users, along with additional needs for services associated with an aging population.
- Aging community halls and swimming pool complexes. Despite relatively low usage, community expectation is that Council should increase its level of support for outstanding maintenance or renewal on these aging assets, many of which were built using voluntary community labour.
- Age of building structures, eg, all social housing units are now of an age where some major components such as roofs, bathrooms and kitchens are reaching the end of their useful life. Some buildings (such as the Ohakune Railway Station) are old and past their useful life span, but have historical value to the community. The Ohakune Railway Station has now been listed as a Heritage building in the District Plan. It may become expensive to keep maintaining such buildings.
- Keeping social housing units warm in winter. Provision for better insulation and heat pumps in all social housing rental units over time to replace old inefficient heaters and under-rated insulation is a targeted outcome in this ten year plan period.
- The cost of maintaining facilities is borne by all ratepayers. However, many of these facilities are used by a relatively small percentage of the residents and ratepayers, in particular, community halls and swimming pools.

Levels of Service

| Activity | Community Property |
|----------------------------|--|
| Outcome(s) | <ul style="list-style-type: none"> ➤ Excellent standards of safety and welfare are promoted and respected. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ To act as a steward for property that is of social, cultural or environmental benefit to the community. ➤ Council-owned buildings are structurally sound and safe and Council occupants and tenants in administration buildings and social housing feel safe. |
| Level of Service | <ul style="list-style-type: none"> ➤ Libraries, public meeting venues, administration buildings and the Ohakune Railway Station will be retained and well maintained. ➤ Housing units are maintained to a satisfactory standard and provide a safe environment for tenants. |

| Key Performance Indicator(s) | Actual 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|---|---------------------|---------------------|----------------|----------------|----------------|----------------|----------------|
| Buildings Council public buildings (including administration, library and information centres) have the required building compliance in place. (All BWOFs renewed before expiry date, annually) | New Measure 2015/16 | New Measure 2015/16 | 100% | 100% | 100% | 100% | 100% |
| Library Library users are satisfied or highly satisfied with public library buildings (Annual Survey Monkey) | 63% | 75% | 75% | 75% | 75% | 75% | 75% |

PART 2: ACTIVITIES

Community Facilities

| Key Performance Indicator(s) | Actual 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|--|----------------|-------------|----------------|----------------|----------------|----------------|----------------|
| Social Housing % of residents who feel safe in their homes (Annual Resident Survey) | 97% | 95% | 95% | 95% | 95% | 95% | 95% |
| Social Housing % of residents are satisfied or very satisfied with LoS (Annual Survey) | 80% | 75% | 75% | 75% | 75% | 75% | 75% |

| Activity | Recreation and Community Facilities |
|-----------------------------------|--|
| Outcome(s) | <ul style="list-style-type: none"> ➤ Excellent standards of safety and welfare are promoted and respected. ➤ Council is proactive, transparent, accountable and takes an active, consultative approach to finding solutions. ➤ That activities, facilities and opportunities for youth are provided and supported. ➤ That excellence and achievement in sport, arts/cultural pursuits, community service and businesses is supported through provision of community facilities such as libraries, pools, halls and parks and reserves. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ Parks, reserves and community facilities are accessible, attractive and meet the needs and expectations of residents, visitors and youth, wherever and whenever possible. ➤ Urban streetscapes, parks, playgrounds and public toilets are clean and residents and visitors feel that they are safe places to be in. |
| 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. |

| Key Performance Indicator(s) | Actual 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|--|---------------------|---------------------|----------------|----------------|----------------|----------------|----------------|
| Council-Owned Swimming Pools Achieve NZ Water Pool standards for all Pools (water quality certificates are achieved). | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Cemeteries Number of customer complaints on the maintenance of the district cemeteries (Ozone RFS system) | New Measure 2015/16 | New Measure 2015/16 | <3/annum | <3/annum | <3/annum | <3/annum | <3/annum |
| Community Halls Council managed halls have the required building compliance and emergency procedures in place (Compliance Programme and trial Emergency Evacuations) | New Measure 2015/16 | New Measure 2015/16 | 100% | 100% | 100% | 100% | 100% |
| Playgrounds Compliance with NZ standards as measured by annual engineer safety audit | 96% | 95% | 98% | 98% | 98% | 98% | 98% |
| Parks and Reserves Users feel safe and are satisfied with the quantity of green space and facilities available (Annual Survey Monkey) | 66% | 85% | 85% | 85% | 85% | 85% | 85% |
| Public Toilets Emergency requests for service responded to within 24 hours. Urgent requests are responded to within 48 hours. | 33% | 95% | 95% | 95% | 95% | 95% | 95% |

Community Facilities

Major Capital Projects

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

| Year | Total Cost (\$) | Description | Growth/LoS/Renewal |
|---------|-----------------|--|--------------------|
| 2016/17 | 153,750 | Taumarunui Iconic i-SITE | LoS |
| 2016/17 | 76,725 | Taumarunui Hakiha Street Toilets Refresh | LoS |
| 2018/19 | 53,740 | Owhango Toilets | LoS |
| 2019/20 | 110,380 | Raetihi Holiday Park Ablutions Block Upgrade | Renewal |
| 2021/22 | 35,000 | Raetihi Cemetery Extension (New Location) | Growth |
| 2024/25 | 559,575 | Taumarunui Memorial Hall Earthquake Upgrade | Renewal |

PART 2: ACTIVITIES

Community Facilities

Forecast Funding Impact Statement

| | Annual | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Plan | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 2,238 | 2,386 | 2,506 | 2,643 | 2,926 | 2,999 | 3,071 | 3,154 | 3,243 | 3,336 | 3,457 |
| Targeted rates | - | - | - | - | - | - | - | - | - | - | - |
| Subsidies and grants for operating purposes | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 |
| Fees and charges | 401 | 406 | 416 | 427 | 438 | 450 | 463 | 477 | 493 | 509 | 527 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 2,642 | 2,796 | 2,926 | 3,074 | 3,368 | 3,453 | 3,538 | 3,635 | 3,740 | 3,850 | 3,989 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 1,816 | 1,825 | 1,901 | 1,984 | 2,036 | 2,091 | 2,152 | 2,218 | 2,289 | 2,364 | 2,446 |
| Finance Costs | 33 | 23 | 52 | 80 | 97 | 102 | 106 | 111 | 115 | 118 | 140 |
| Internal charges and overheads applied | 813 | 815 | 843 | 879 | 902 | 922 | 938 | 960 | 984 | 1,011 | 1,040 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 2,662 | 2,663 | 2,796 | 2,943 | 3,035 | 3,115 | 3,196 | 3,289 | 3,388 | 3,493 | 3,626 |
| Surplus (deficit) of operating funding (A-B) | (20) | 133 | 130 | 131 | 333 | 338 | 342 | 346 | 352 | 357 | 363 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 2 | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | 14 | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | 572 | 339 | 548 | 357 | 139 | 56 | 103 | 87 | 59 | 55 | 639 |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total sources of capital funding (C) | 588 | 339 | 548 | 357 | 139 | 56 | 103 | 87 | 59 | 55 | 639 |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | |
| - to meet additional demand | 11 | 8 | - | - | - | - | - | 35 | 6 | - | - |
| - to improve the level of service | 307 | 106 | 311 | 153 | 155 | 76 | 101 | 74 | 77 | 79 | 82 |
| - to replace existing assets | 126 | 91 | 223 | 101 | 219 | 164 | 157 | 73 | 118 | 59 | 643 |
| Increase (decrease) in reserves | 124 | 267 | 144 | 234 | 98 | 154 | 187 | 251 | 210 | 274 | 277 |
| Increase (decrease) of investments | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of capital funding (D) | 568 | 472 | 678 | 488 | 472 | 394 | 445 | 433 | 411 | 412 | 1,002 |
| Surplus (deficit) of capital funding (C-D) | 20 | (133) | (130) | (131) | (333) | (338) | (342) | (346) | (352) | (357) | (363) |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | - | - | - | - | - | - |

Land Transport (Roading)

Introduction

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

The District Land Transport network consists of:

- 488km of sealed roads.
- 851km of unsealed road.
- 342 bridges and large culverts.
- 69km of footpaths (mostly concrete).
- 1,445 street lights, most of which are modern high-pressure sodium lights and mercury vapour lights.

Rationale for Delivery

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

Relationship to Outcomes

The Land Transport Group of Activities targets the following Outcomes by providing core services and managing the roading network to keep pace with development, as well as ensuring that roads and footpaths are safe, reliable and well maintained. The relevant objectives are:

- Council is proactive, transparent, accountable and takes an active, consultative approach to finding solutions.
- Core infrastructure (water, wastewater, stormwater, waste management and minimisation and roading) endeavours to keep pace with changing demand.
- Excellent standards of safety and welfare are promoted and respected.

- Regulatory services and reliable infrastructure help the economy prosper and support a range of quality retail, entertainment, educational, healthcare, businesses and services.
- Our transportation network is reliable, safe and endeavours to meet the needs of users.

Relationship to Planning Assumptions

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

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

Relationship to Sustainability

Sustainability in this activity is provided by maintaining a transport infrastructure network that allows for the safe, reliable, efficient and effective movement of vehicles and people. Road and rail networks are essential infrastructure for community and economic development. Asset management and long term renewal of transport infrastructure demonstrate a commitment to sustaining the current network with minor growth in response to development. These aspects of the Land Transport activity specifically require Council to take a long term view and consider both present and future needs.

The affordability of any proposed rates increase is a real concern over the next two years and this has resulted in some hard decisions by Council in this LTP. Council intends to proceed with a 'business as usual' approach in most areas. As a result, overall there will be no significant LoS change in the near future. Note that a significant part of the capital expenditure is defined as 'LoS'. This relates to capital improvements (eg, bridge capacity increases or increase in road widths.) LoS improvements can often be undertaken at the same time as renewal works. Maintenance levels of service remain unchanged.

Land Transport (Roading)

Relationship to Climate Change/External Impacts

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

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

Key Issues for Land Transport

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

- Our vehicular network is old and was not originally built to handle the heavy traffic that uses it today. These roads can be maintenance liabilities incurring excessive costs to maintain.
- Our sealed road network is very rough with 14% considered unacceptably rough for reasonable safety and comfort of travel, as measured in the Network Roughness Survey 2013/14.
- Many of the roads are windy, narrow and time consuming to negotiate. This creates safety issues with visibility around sharp bends and steep drop-offs.
- Some sealed and unsealed roads only access one or two properties and have very low traffic volumes. However some of the roads service profitable primary industries which generate revenue for the District and the nation. Network reduction is one option through either conversion of low volume sealed roads to unsealed or divesting very low volume unsealed roads to the adjacent land owners. These options will be considered on a case-by-case basis.

- Implementation of the One Network Road Classification (ONRC) system will occur in the period 2015-18. Performance measures within this may impact on the LoS currently provided. Significant changes will become part of the LTP review 2018.
- Bridge renewals are critical to maintain overall integrity and access across the network.
- Council has 41 timber bridges that are reaching the end of their design life over the next ten years and a number of other bridges and large culverts will also require renewal over this period.
- Council has a limited pool of money for minor improvements. It is using the River Valley engagement model to communicate with residents and will focus the limited money it has on improving the highest priority areas.
- Council's intention is to reseal roads every 13 years and rehabilitate 7km annually as required, maintaining the current targets.
- Forestry will continue to have a major impact on roads throughout this planning period and the impact will need to be assessed and financial provisions put in place as required. Increases are expected in the size and frequency of heavy logging vehicles. This will increase maintenance requirements of the road and impact on the rate of pavement deterioration. Council does not intend to strengthen roads in advance of forest harvests and will respond to pavement impacts by increased maintenance and renewal if required at completion of harvest. Where forest owners want to partner with Council to maintain or strengthen forest harvest roads, Council will consider its investment in each road on a case-by-case basis.
- A programme of pavement renewal is budgeted for the Ohakune Mountain Road. An increase in cycle and pedestrian traffic on the road means that pavement designs need to accommodate changing demand to improve its ability to cater for all user types.
- Cycle Trails have been established over formed and unformed rural roads as part of New Zealand's National Cycle Trail network. This cycling network integrates with low volume rural roads to form an exciting addition to national cycle trails. Opportunities to provide connecting routes between trails, using local roads, will be investigated as they arise.

Land Transport (Roading)

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

- Bridge renewals - 41 timber bridges are predicted to reach end of design life over the next ten years. Addressing these bridges will require additional funding.
- Continue doing 'just in time' pavement repairs and maintenance. The low volumes of traffic on most unsealed roads means that there is little government funding available for the sealing of such roads. Council will maintain the current LoS across the District and does not expect to extend the sealed network unless external investment partners can be found. Any such extensions would be focused on urban periphery roads or on critical routes. Some uneconomic sealed roads may be considered for reversion to unsealed pavement on a case-by-case basis.
- Maintaining and improving a road network able to cater for increasing tourism in remote areas through minor improvement works such as minor straightening, widening sealing, bridge approaches and improving sightlines.
- Ensuring all road users on roads associated with the cycle trails are safe.
- Maintaining and renewing existing footpaths, facility roads and Council car parks.

Negative Effects

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

Key Challenges

- The key challenge for the Land Transport activity over the life of the LTP will be managing roading costs, driven by contract cost adjustment and inflation.
- Funding of footpath renewals and other unsubsidised work has often been reduced to minimise cost increases. For footpath renewals, budgets reductions need to be avoided if the backlog of deferred renewals and an adequate LoS is to be achieved.
- Longer term funding for bridge renewals.
- The funding provided by NZTA constitutes around two thirds of all the money available for the activity. This can be increased or decreased at the behest of Government policy. Any increase mitigates Council's risk. Conversely, decreases increase the burden on the ratepayer. Influencing this external input is a key challenge for Council.

PART 2: ACTIVITIES

Land Transport (Roading)

Levels of Service

| | |
|-----------------------------------|--|
| Activity | Land Transport |
| Outcome(s) | <ul style="list-style-type: none"> ➤ Core infrastructure (water, wastewater, waste management and minimisation, power and roading) endeavours to keep pace with changing demand. ➤ Excellent standards of safety and welfare are promoted and respected. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ District roads provide continuous all weather travel that is safe and accessible. ➤ Managing the network with a strong focus on safety to avoid or mitigate significant hazards. |
| 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. ➤ 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) (Note 1) | Actual 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018/19 | Target 2019-25 |
|---|---|-------------------------|---|---|---|---|---|
| ➤ The change from the previous financial year in the number of fatalities and serious injuries on the local road network, expressed as a number | No of serious injuries and fatalities = 12 New measure | New Measure 2015/16 | 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 = 0 | Target for reducing the number of serious injuries and fatalities = 0 |
| ➤ The average quality of ride on a sealed local road network, measured by smooth travel exposure | Urban 83% Both 87% Rural 86% New measure | New Measure 2015/16 | Target level of smooth travel exposure ≥87% | Target level of smooth travel exposure ≥87% | Target level of smooth travel exposure ≥87% | Target level of smooth travel exposure ≥87% | Target level of smooth travel exposure ≥87% |
| ➤ The percentage of the sealed local road network that is resurfaced | 25km reseal and 7.7km rehabilitation New measure | New Measure 2015/16 | 7.5% 37km out of 485km | 7.5% 37km out of 485km | 7.5% 37km out of 485km | 7.5% 37km out of 485km | 7.5% 37km out of 485km |
| ➤ Maintain the sealed roads to a standard that allows <5.5 defects/km/quarter | Average 5.02 defects/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 | <5.5 defects/km/quarter |
| ➤ Maintain the unsealed roads to a standard that allows <5.5 defects/km/quarter | Average 3.60 defects/quarter | <4 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 that fall within the level of service for the surface condition of footpaths as per the AMP (Note 2) | New Measure 2015/16 | New Measure 2015/16 | 75% of network to be in average condition or greater and not more than 10% of network in Poor condition | 75% of network to be in average condition or greater and not more than 10% of network in Poor condition | 75% of network to be in average condition or greater and not more than 10% of network in Poor condition | 75% of network to be in average condition or greater and not more than 10% of network in Poor condition | 75% of network to be in average condition or greater and not more than 10% 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 (Note 3) | New Measure 2015/16 | New Measure 2015/16 | 95% | 95% | 95% | 95% | 95% |

PART 2: ACTIVITIES

Land Transport (Roading)

Note 1: In 2010, the LGA 2002 was amended to enable Central Government to make rules specifying non-financial performance measures for local authorities to use when reporting to their communities. The mandatory performance measure will do this through providing better information about the LoS for five groups of activities carried out by local authorities - stormwater drainage, wastewater and the disposal of wastewater, flood protection and control works, water supply and the provision of footpaths and roads. Requirements to report against the performance standards are mandatory from 2015. All the KPIs for Land Transport are new for this reason.

Note 2: Footpath Performance Measures – 2015/16 will be the first time this Level of Service will be measured. As there is no base line, target may be re-assessed depending on results of initial condition rating.

Note 3: The Request for Service targets are:

| | Subtype | Category | Schedule by | Complete by |
|----|---|-----------|-------------|-------------|
| 1 | Bridge | Routine | 2 days | 15 days |
| 2 | Building relocation road inspections | Routine | 1 day | 5 days |
| 3 | Contract / Engineer required | Routine | 1 day | 5 days |
| 4 | Corrugations | Routine | 2 days | 15 days |
| 5 | Culvert | Urgent | 4 hours | 3 days |
| 5 | Culvert | Routine | 2 days | 15 days |
| 6 | Flooding | Urgent | 4 hours | 3 days |
| 7 | Footpath Issues | Routine | 2 days | 15 days |
| 8 | Kerb or Channel Issues | Routine | 2 days | 15 days |
| 9 | Litter | Routine | 2 days | 15 days |
| 10 | Mowing / Vegetation Control | Routine | 2 days | 60 days |
| 11 | Potholes | Routine | 1 day | 15 days |
| 12 | Rapid Number plates | Routine | 1 day | 10 days |
| 13 | Roading Team to Investigate | Routine | 1 day | 5 days |
| 14 | Signs / Sight rails / markings | Urgent | 1 day | 3 days |
| 14 | Signs / Sight rails / markings | Routine | 2 days | 15 days |
| 15 | Slips | Emergency | 30 minutes | 2 days |
| 16 | Streetlights | Urgent | 4 hours | 2 days |
| 16 | Streetlights | Routine | 4 days | 30 days |
| 17 | Surface - Frost / Grit / Oil / Accident | Urgent | 1 day | 5 days |
| 18 | Trees - Fallen or standing | Urgent | 1 day | 5 days |
| 18 | Trees - Fallen or standing | Routine | 2 days | 15 days |
| 19 | Underslip | Emergency | 30 minutes | 2 days |
| 20 | Water channel issues (rural) | Urgent | 1 day | 3 days |
| 21 | Water channel issues (rural) | Routine | 2 days | 15 days |

Major Capital Projects

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

| Year | Total Cost | Description | Growth / LOS / Renewal |
|---------|------------|--|------------------------|
| 2015/16 | 69,028 | Upokonui Stream Culvert Renewal (B353) | LOS |
| 2015/16 | 391,161 | Upokonui Stream Culvert Renewal (B353) | Renewal |
| 2015/16 | 49,982 | Waitewhena Rail Over Bridge Renewal (B152) | LOS |
| 2015/16 | 283,229 | Waitewhena Rail Over Bridge Renewal (B152) | Renewal |
| 2015/23 | 444,957 | Seal Extensions (District) | Growth |
| 2015/25 | 747,435 | Drainage Renewals (LR) | LOS |
| 2015/25 | 4,235,473 | Drainage Renewals (LR) | Renewal |
| 2015/25 | 2,010,805 | Footpath Renewals (District) | Renewal |
| 2015/25 | 7,718,798 | Minor Improvements (LR) | LOS |
| 2015/25 | 1,929,698 | Minor Improvements (LR) | Renewal |
| 2015/25 | 3,387,255 | Pavement Rehabilitation (LR) | LOS |
| 2015/25 | 19,194,480 | Pavement Rehabilitation (LR) | Renewal |
| 2015/25 | 10,836,602 | Sealed Road Surfacing (LR) | Renewal |
| 2015/25 | 1,052,270 | Structures Components Replacements (LR) | LOS |
| 2015/25 | 5,962,851 | Structures Components Replacements (LR) | Renewal |
| 2015/25 | 3,870,218 | Traffic Services Renewals (LR) | Renewal |
| 2015/25 | 10,836,602 | Unsealed Road Metalling (LR) | Renewal |
| 2017/18 | 62,752 | Mangateitei Rail Over Bridge Renewal (B292) | LOS |
| 2017/18 | 355,593 | Mangateitei Rail Over Bridge Renewal (B292) | Renewal |
| 2017/18 | 71,531 | Ruapehu Rail Over Bridge Renewal (B404) | LOS |
| 2017/18 | 405,342 | Ruapehu Rail Over Bridge Renewal (B404) | Renewal |
| 2020/25 | 993,275 | Bridge Renewals (District) | LOS |
| 2020/25 | 175,284 | Bridge Renewals (District) | Renewal |
| 2021/23 | 364,943 | Old Station Road Bridge Safety Improvements (B317) | LOS |
| 2021/23 | 364,943 | Old Station Road Bridge Safety Improvements (B317) | Renewal |

(LR) = Local Roads

PART 2: ACTIVITIES

Land Transport (Roading)

Forecast Funding Impact Statement

| | Annual | | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Plan | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 6,642 | 6,981 | 7,266 | 7,423 | 7,708 | 7,892 | 8,065 | 8,269 | 8,524 | 8,720 | 8,979 |
| Targeted rates | 170 | 70 | 71 | 72 | 34 | 35 | 36 | 37 | 38 | - | - |
| Subsidies and grants for operating purposes | 5,019 | 4,960 | 4,983 | 5,163 | 5,285 | 5,418 | 5,565 | 5,722 | 5,893 | 6,080 | 6,276 |
| Fees and charges | 99 | 96 | 97 | 100 | 102 | 105 | 108 | 111 | 114 | 118 | 121 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 230 | 148 | 150 | 152 | 155 | 158 | 161 | 165 | 169 | 138 | 142 |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 12,160 | 12,255 | 12,567 | 12,910 | 13,284 | 13,608 | 13,935 | 14,304 | 14,738 | 15,056 | 15,518 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 6,957 | 7,238 | 7,399 | 7,562 | 7,742 | 7,937 | 8,152 | 8,382 | 8,632 | 8,906 | 9,193 |
| Finance Costs | 563 | 586 | 635 | 654 | 759 | 765 | 763 | 767 | 802 | 831 | 838 |
| Internal charges and overheads applied | 2,288 | 2,294 | 2,372 | 2,472 | 2,539 | 2,593 | 2,639 | 2,701 | 2,770 | 2,844 | 2,926 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 9,808 | 10,118 | 10,406 | 10,688 | 11,040 | 11,295 | 11,554 | 11,850 | 12,204 | 12,581 | 12,957 |
| Surplus (deficit) of operating funding (A-B) | 2,352 | 2,137 | 2,161 | 2,222 | 2,244 | 2,313 | 2,381 | 2,454 | 2,534 | 2,475 | 2,561 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 4,152 | 5,269 | 4,929 | 5,611 | 5,242 | 5,017 | 5,093 | 5,809 | 5,771 | 5,400 | 6,000 |
| Development and financial contributions | 172 | 50 | 51 | 52 | 53 | 54 | 56 | 57 | 59 | 61 | 63 |
| Increase (decrease) in debt | 941 | 828 | 782 | 1,028 | 717 | 733 | 576 | 646 | 1,125 | 683 | 675 |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total sources of capital funding (C) | 5,265 | 6,147 | 5,762 | 6,691 | 6,012 | 5,804 | 5,725 | 6,512 | 6,955 | 6,144 | 6,738 |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | |
| - to meet additional demand | 844 | 63 | - | - | 145 | - | - | - | 237 | - | - |
| - to improve the level of service | 520 | 1,662 | 1,873 | 1,917 | 1,744 | 1,714 | 1,898 | 2,206 | 2,311 | 1,873 | 1,990 |
| - to replace existing assets | 5,703 | 6,559 | 6,050 | 6,996 | 6,367 | 6,403 | 6,208 | 6,760 | 6,941 | 6,746 | 7,309 |
| Increase (decrease) in reserves | 550 | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) of investments | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of capital funding (D) | 7,617 | 8,284 | 7,923 | 8,913 | 8,256 | 8,117 | 8,106 | 8,966 | 9,489 | 8,619 | 9,299 |
| Surplus (deficit) of capital funding (C-D) | (2,352) | (2,137) | (2,161) | (2,222) | (2,244) | (2,313) | (2,381) | (2,454) | (2,534) | (2,475) | (2,561) |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | - | - | - | - | - | - |

Stormwater/Flood Protection

Introduction

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

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

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

Council's stormwater network includes 50km of piped drains, approximately 19km of open drains and 32km of natural watercourses within the urban boundary.

Rationale for Delivery

The Stormwater/Flood Protection activity aims to mitigate problems of flooding in urban areas that pose hazards to people, roads and the urban economy. Under the LGA, Council is required to assess water and other sanitary services available to the community, including stormwater drainage.

Relationship to Outcomes

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

- Core infrastructure (water, wastewater, stormwater, waste management and minimisation and roading) endeavours to keep pace with changing demand.
- That Council plans for and works with the community to ensure that our environment is accessible, clean and safe and that our water, soil and air meet acceptable, affordable standards.

Relationship to Planning Assumptions

Growth in the District, especially in new developments, will result in more impermeable surfaces and the effects of stormwater on the environment will grow, unless managed effectively by Council. Part of this management will be that new developments will contribute to the cost of improving stormwater systems, through the Development Contributions or Financial Contributions Policies. Developers of new subdivisions will be required to put retention systems in place to assist in managing stormwater.

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

Relationship to Sustainability

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

Stormwater/Flood Protection

Relationship to Climate Change/ External Impacts

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

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

Additional Asset Capacity

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

Negative Effects

| Effect | Mitigation |
|--|---|
| The stormwater and flood protection runoff naturally contains debris and chemicals that are present in the catchment area. | Stormwater and flooding runoff is monitored by Horizons Regional Council for water quality and other effects. |

| Effect | Mitigation |
|---|--|
| Due to the presence of these chemicals and other debris, the disposal of stormwater and flooding into natural watercourses may have negative effects on the quality of the receiving aquatic environment. | Council maintains its stormwater and flood protection system to reduce the level of flooding within the District. Council will undertake a public awareness campaign including labelling of drains. |

Key Challenges

- Stormwater works have had minimum investment in new capital over the past ten years. There is a significant volume of aging pipe, which forms part of a rolling replacement programme. Finding the right balance between risk and affordability will be challenging.
- Efforts have gone into clearing the channels and improving flow capacity within townships. Alongside this capital clean and maintenance there has been data gathered around our larger sites to develop flood models for Ohakune and Taumarunui. This information will be used to assist with prioritising improvements, eg, flood mitigation programmes, culvert renewal, pipe replacement.
- The RMA obliges Council to address the cause and effects of flooding within the District and avoid, remedy or mitigate the hazard. Flooding along the banks of the Mangawhero and Makotuku Rivers have highlighted the risk to infrastructure, both public and private. This must be addressed. The key to open watercourse capacity is the removal of vegetation and other obstructions from the water channel. Waterway vegetation is particularly prevalent in Ohakune and Taumarunui and emphasis will be placed in these areas over this LTP period. This will be achieved through education, spraying and vegetation removal programmes.
- The historic poor practices and large network of urban drains and watercourses have left a considerable burden which will take years to rectify. These practices are particularly prevalent in Ohakune township, which has the majority of open water courses.

Stormwater/Flood Protection

- Taumarunui internal drains do not have the capacity to release water through the stopbank in storm events which do not coincide with the Whanganui River in full flood. This LTP period will focus on improving this situation.
- A Stormwater and Flood Protection Strategy will be developed for key urban areas.

Levels of Service

| Activity | Stormwater/Flood Protection |
|----------------------------|--|
| Outcome(s) | <ul style="list-style-type: none"> ➤ Quality regulation, regulatory services and infrastructure support healthy communities. ➤ The impact of waste on our environment is minimised. ➤ Core infrastructure (water, wastewater, stormwater, waste management and minimisation and roading) 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. ➤ Regulatory services and reliable infrastructure help the economy prosper and support a range of quality retail, entertainment, educational, healthcare, businesses and services. ➤ That Council plans for and works with the community to ensure that our environment is accessible, clean and safe and that our water, soil and air meet acceptable, affordable standards. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ To provide and maintain an appropriate level of infrastructure. |
| 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) (Note 1) | Actual 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|--|------------------------|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| The number of flooding events that occur in a territorial authority district | New Measure 2015/16 | New Measure 2015/16 | ≤3 | ≤3 | ≤3 | ≤3 | ≤3 |
| For each event, number of habitable floors affected (per 1,000 properties connected to system) | New Measure 2015/16 | New Measure 2015/16 | ≤3 | ≤3 | ≤3 | ≤3 | ≤3 |
| Compliance with resource consents for discharges from the stormwater system as measured by number of abatement notices | New Measure 2015/16 | New Measure 2015/16 | ≤2 | ≤2 | ≤2 | ≤2 | ≤2 |
| Compliance with resource consents for discharges from the stormwater system as measured by number of infringement notices received | New Measure 2015/16 | New Measure 2015/16 | ≤1 | ≤1 | ≤1 | ≤1 | ≤1 |
| Compliance with resource consents for discharges from the stormwater system as measured by number of enforcement orders received | New Measure 2015/16 | New Measure 2015/16 | ≤1 | ≤1 | ≤1 | ≤1 | ≤1 |
| Compliance with resource consents for discharges from the stormwater system as measured by number of convictions | New Measure 2015/16 | New Measure 2015/16 | 0 | 0 | 0 | 0 | 0 |
| Median response time to attend a flooding event | New Measure 2015/16 | New Measure 2015/16 | 2 hours | 2 hours | 2 hours | 2 hours | 2 hours |
| The number of complaints received about the performance of the stormwater system (per 1,000 properties connected to system) | New Measure 2015/16 | New Measure 2015/16 | ≤15 | ≤15 | ≤15 | ≤15 | ≤15 |

Note 1: There are now mandatory Non-Financial Performance Measures, against which all stormwater infrastructure in New Zealand will be measured.

PART 2: ACTIVITIES

Stormwater/Flood Protection

Major Capital Projects

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

| Year | Total Cost (\$) | Description | Growth/LoS/Renewal |
|---------|-----------------|---|--------------------|
| 2015/25 | 737,597 | Taumarunui Stormwater Networks | Renewal |
| 2016/20 | 395,673 | Ohakune Stormwater: Channel B Flood Control | LoS |
| 2018/23 | 292,423 | Taumarunui Stormwater: Taupo Road Flood Control | LoS |
| 2023/25 | 241,463 | Taumarunui Stormwater: Tuku Street Flood Control | LoS |
| 2023/25 | 194,961 | Taumarunui Stormwater: Turaki and Maata Streets Flood Control | LoS |

PART 2: ACTIVITIES

Stormwater/Flood Protection

Forecast Funding Impact Statement

| | Annual | | | | | | | | | | |
|--|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Plan 2014/15 \$000 | Forecast 2015/16 \$000 | Forecast 2016/17 \$000 | Forecast 2017/18 \$000 | Forecast 2018/19 \$000 | Forecast 2019/20 \$000 | Forecast 2020/21 \$000 | Forecast 2021/22 \$000 | Forecast 2022/23 \$000 | Forecast 2023/24 \$000 | Forecast 2024/25 \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 416 | 391 | 412 | 421 | 439 | 456 | 474 | 492 | 510 | 529 | 552 |
| Targeted rates | 416 | 391 | 412 | 421 | 439 | 456 | 474 | 492 | 510 | 529 | 552 |
| Subsidies and grants for operating purposes | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 2 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 834 | 786 | 828 | 846 | 882 | 916 | 953 | 989 | 1,025 | 1,063 | 1,109 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 319 | 295 | 319 | 315 | 325 | 335 | 348 | 360 | 374 | 388 | 405 |
| Finance Costs | 42 | 36 | 44 | 51 | 65 | 75 | 85 | 94 | 100 | 108 | 118 |
| Internal charges and overheads applied | 114 | 115 | 119 | 124 | 127 | 130 | 132 | 135 | 139 | 142 | 146 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 475 | 446 | 482 | 490 | 517 | 540 | 565 | 589 | 613 | 638 | 669 |
| Surplus (deficit) of operating funding (A-B) | 359 | 340 | 346 | 356 | 365 | 376 | 388 | 400 | 412 | 425 | 440 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | 2 | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | 97 | 88 | 173 | 150 | 205 | 205 | 201 | 141 | 104 | 207 | 187 |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total sources of capital funding (C) | 99 | 88 | 173 | 150 | 205 | 205 | 201 | 141 | 104 | 207 | 187 |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | |
| - to meet additional demand | 23 | 23 | 44 | 24 | 25 | 26 | 27 | 28 | 4 | 4 | 4 |
| - to improve the level of service | 106 | 96 | 163 | 167 | 227 | 234 | 238 | 185 | 177 | 285 | 273 |
| - to replace existing assets | 101 | 188 | 114 | 162 | 114 | 117 | 126 | 190 | 234 | 146 | 172 |
| Increase (decrease) in reserves | 228 | 121 | 198 | 153 | 204 | 204 | 198 | 138 | 101 | 197 | 178 |
| Increase (decrease) of investments | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of capital funding (D) | 458 | 428 | 519 | 506 | 570 | 581 | 589 | 541 | 516 | 632 | 627 |
| Surplus (deficit) of capital funding (C-D) | (359) | (340) | (346) | (356) | (365) | (376) | (388) | (400) | (412) | (425) | (440) |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | - | - | - | - | - | - |

Wastewater (Sewerage)

Introduction

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

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

Council is committed to treating wastewater in such a way as to improve, promote and protect public health and the environment. Council aims to ensure that this activity is provided in the most cost-effective and efficient manner in accordance with the agreed AMP.

Council's wastewater assets consist of six wastewater treatment plants, 109 km of pipes, 18 pump stations, 1418 manholes and 4,674 rateable service connections.

Rationale for Delivery

Under the LGA, 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.

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

Relationship to Outcomes

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

- That the impact of waste on the environment is minimised.
- Quality regulation, regulatory services and infrastructure support healthy communities.
- Core infrastructure (water, wastewater, stormwater, waste management and minimisation and roading) endeavours to keep pace with changing demand.
- Regulatory services and reliable infrastructure help the economy prosper and support a range of quality retail, entertainment, educational, healthcare, businesses and services that Council plans for and works with the community to ensure that our environment is accessible, clean and safe and that our water, soil and air meet acceptable, affordable standards.

Relationship to Planning Assumptions

New development and growth in subdivisions in parts of the District will create demand for additional wastewater infrastructure over time. Renewal of resource consents for Ohakune, Raetihi and National Park will see upgrades to these plants. Investigating options for these projects is in progress and will continue during the first part of this LTP period. Further consultation will be undertaken with the community at a later date.

Relationship to Sustainability

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

Wastewater (Sewerage)

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

Relationship to Climate Change/ External Impacts

Climate change may have a serious effect on this activity. If the predicted rise in rain events occurs, there will be issues with stormwater infiltration into the wastewater system. This will cause the wastewater system to be ineffective for periods of time and could cause overflows that may pollute the environment and increase the public health risk. Council will continue to monitor the effectiveness of its wastewater system over the life of this LTP and make provision for improvements in future plans as it updates and improves its understanding of the effectiveness and limitations of the present system. Septic tanks also may not be an environmentally ideal solution under such conditions.

Economic conditions may affect the timing of some projects. The affordability of any proposed rates increases is a real concern and over the next two years Council intends to proceed with 'business as usual' in an attempt to keep costs down.

Additional Asset Capacity

Increasing environmental standards required by both the community and legislation are causing the need to upgrade wastewater assets. Development works are planned in order to ensure compliance with these standards and to obtain resource consents.

Taumarunui and Rangataua Wastewater Treatment Plants (WWTP) should have achieved resource consents in 2014. These are still awaiting final conditions. Ohakune, Raetihi and National Park WWTPs will require new resource consents in November 2015. Council is in the process of reviewing these plants and assessing them against legislation, environmental effects, community

aspirations and affordability of solutions before Council applies for new resource consents.

The consent applications are currently being prepared. The approach taken is to firstly understand the effects of the treatment plant discharges on river values (ecological, recreational and cultural), the level of treatment achieved by the plants and the legislative and planning requirements. The effect on values helps define what, if any, upgrade may be required to reduce effects. Engineering designs and costs are then considered (including the impact on rates). This is to ensure that options considered are affordable to the community. This process will be iterative.

Council is working with consultants, iwi, Horizons Regional Council and other stakeholders throughout this process. Public meetings were held in June 2015.

Until the resource consent process is complete, uncertainty will remain around what plant upgrades will be required and the costs. Given the uncertainty, the approach used to determine the capital spend for this LTP has been to include costs of efficiency improvements needed to maintain and/or improve the operational efficiency and levels of service of the wastewater treatment plants. These plants all have adequate service potential with planned repairs and maintenance to last for at least ten years.

There are ongoing reticulation upgrades in all townships as pipes age and as some towns grow. Approximately 33% of the network reticulation will need to be replaced, with 16.9% constructed earlier than 1959. Renewal work is prioritised and programmed in accordance with criteria such as criticality, usage, public safety and financial risk of deferring work. In Ohakune, there will also be a need to provide additional asset capacity as the town grows.

The majority of the network (67%) is less than 40 years old. However, 33% of the network is nearing or requires replacement, with:

- 17% constructed pre-1959.
- 15% constructed during the 1960-69 period.

Wastewater (Sewerage)

Negative Effects

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

Key Challenges

- Renewal of three large wastewater resource consents for the townships of Raetihi, Ohakune and National Park. New standards are likely to mean that upgrades or changes to the discharge points may be required. This will be a significant cost to ratepayers and will increase Council's debt as it finances these changes.
- Ohakune and Raetihi WWTPs have a major river along one boundary and will require stopbanks to prevent flooding of these plants.
- Renewal of aging pipes and assessment of the hydraulic capacity within each community's wastewater network.
- Increasing demand on Wastewater infrastructure from growth over the next 20 years, particularly in the south of the District.

Levels of Service

| Activity | Wastewater |
|----------------------------|--|
| Outcome(s) | <ul style="list-style-type: none"> ➤ That the impact of waste on our environment is minimised. ➤ Quality regulation, regulatory services and infrastructure support healthy communities. ➤ Core infrastructure (water, wastewater, stormwater, waste management and minimisation and roading) endeavours to keep pace with changing demand. ➤ Regulatory services and reliable infrastructure help the economy prosper and support a range of quality retail, entertainment, educational, healthcare, businesses and services. ➤ That Council plans for and works with the community to ensure that our environment is accessible, clean and safe and that our water, soil and air meet acceptable, affordable standards. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ To provide and maintain an appropriate level of infrastructure. |
| 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) (Note 1) | Actual 2013/14 | LTP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|--|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Number of dry weather wastewater overflows from system, expressed per 1,000 connections to that system. | New Measure 2015/16 | New Measure 2015/16 | <7 | <7 | <7 | <7 | <7 |
| Compliance with resource consents for discharges from the wastewater system as measured by number of abatement notices | New Measure 2015/16 | New Measure 2015/16 | ≤2 | ≤2 | ≤2 | ≤2 | ≤2 |
| Compliance with resource consents for discharges from the stormwater system as measured by number of infringement notices received | New Measure 2015/16 | New Measure 2015/16 | ≤1 | ≤1 | ≤1 | ≤1 | ≤1 |

PART 2: ACTIVITIES

Wastewater (Sewerage)

| Key Performance Indicator(s) (Note 1) | Actual 2013/14 | LTP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|--|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Compliance with resource consents for discharges from the stormwater system as measured by number of enforcement orders received | New Measure 2015/16 | New Measure 2015/16 | ≤1 | ≤1 | ≤1 | ≤1 | ≤1 |
| Compliance with resource consents for discharges from the stormwater system as measured by number of convictions | New Measure 2015/16 | New Measure 2015/16 | 0 | 0 | 0 | 0 | 0 |
| Median time to attend to wastewater overflows resulting from a blockage or other fault. | New Measure 2015/16 | New Measure 2015/16 | 2 hours | 2 hours | 2 hours | 2 hours | 2 hours |
| Median time to resolve sewerage overflows resulting from a blockage or other fault. | New Measure 2015/16 | New Measure 2015/16 | 6 hours | 6 hours | 6 hours | 6 hours | 6 hours |
| Total number of complaints received about any of the following (expressed by 1000 connections to the territorial authority's wastewater system): (a) Wastewater odour (b) Wastewater system faults (c) Wastewater system blockages (d) The territorial authorities response to issues with its Wastewater system | New Measure 2015/16 | New Measure 2015/16 | <25 | <25 | <25 | <25 | <25 |

Note 1: There are now mandatory Non-Financial Performance Measures, against which all stormwater infrastructure in New Zealand will be measured.

Major Capital Projects

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

| Year | Total Cost (\$) | Description | Growth/LoS/Renewal |
|---------|-----------------|---|--------------------|
| 2018/21 | 1,619,487 | Ohakune WWTP Upgrade: Screens Grip Tap | LoS |
| 2016/18 | 1,159,986 | National Park WWTP: Upgrade | LoS |
| 2016/19 | 769,502 | Raetihi WWTP: Upgrade | LoS |
| 2017/25 | 717,219 | Taumarunui Wastewater Above Ground Renewals | Renewal |
| 2017/25 | 2,419,958 | Taumarunui Wastewater Networks: Wastewater Main Refurbishment | Renewal |
| 2017/25 | 432,402 | Ohakune Wastewater Above Ground Renewals | Renewal |
| 2022/25 | 1,774,882 | Owhango Wastewater Scheme | LoS |

PART 2: ACTIVITIES

Wastewater (Sewerage)

Forecast Funding Impact Statement

| | Annual | | | | | | | | | | |
|---|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Plan 2014/15 | Forecast 2015/16 | Forecast 2016/17 | Forecast 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties (see note below) | (108) | (12) | (32) | (30) | (30) | (47) | (47) | (49) | (51) | 33 | 34 |
| Targeted rates | 2,349 | 2,186 | 2,379 | 2,583 | 2,725 | 2,833 | 2,944 | 3,054 | 3,143 | 3,199 | 3,345 |
| Subsidies and grants for operating purposes | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 63 | 77 | 80 | 84 | 87 | 89 | 93 | 96 | 100 | 104 | 108 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 2,304 | 2,251 | 2,427 | 2,637 | 2,782 | 2,875 | 2,990 | 3,101 | 3,192 | 3,336 | 3,487 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 997 | 939 | 1,025 | 1,141 | 1,180 | 1,218 | 1,261 | 1,308 | 1,358 | 1,413 | 1,469 |
| Finance Costs | 214 | 202 | 255 | 300 | 366 | 399 | 435 | 454 | 461 | 490 | 527 |
| Internal charges and overheads applied | 392 | 393 | 407 | 424 | 435 | 445 | 452 | 463 | 475 | 488 | 502 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 1,603 | 1,534 | 1,687 | 1,865 | 1,981 | 2,062 | 2,148 | 2,225 | 2,294 | 2,391 | 2,498 |
| Surplus (deficit) of operating funding (A-B) | 701 | 717 | 740 | 772 | 801 | 813 | 842 | 876 | 898 | 945 | 989 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | 9 | 30 | 31 | 32 | 33 | 34 | 35 | 37 | 38 | 40 | 41 |
| Increase (decrease) in debt | 287 | 728 | 1,045 | 854 | 808 | 705 | 909 | 136 | 405 | 819 | 685 |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total sources of capital funding (C) | 296 | 758 | 1,076 | 886 | 841 | 739 | 944 | 173 | 443 | 859 | 726 |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | |
| - to meet additional demand | 94 | 1 | 1 | 7 | 8 | 8 | 31 | 25 | 51 | 53 | 56 |
| - to improve the level of service | 302 | 892 | 1,238 | 1,083 | 1,067 | 913 | 1,139 | 389 | 645 | 1,111 | 678 |
| - to replace existing assets | 264 | 165 | 167 | 867 | 401 | 538 | 338 | 1,132 | 910 | 507 | 1,000 |
| Increase (decrease) in reserves | 337 | 417 | 410 | (299) | 166 | 93 | 278 | (497) | (265) | 133 | (19) |
| Increase (decrease) of investments | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of capital funding (D) | 997 | 1,475 | 1,816 | 1,658 | 1,642 | 1,552 | 1,786 | 1,049 | 1,341 | 1,804 | 1,715 |
| Surplus (deficit) of capital funding (C-D) | (701) | (717) | (740) | (772) | (801) | (813) | (842) | (876) | (898) | (945) | (989) |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | - | - | - | - | - | - |

***Note:**

The Wastewater users of National Park are currently repaying the general ratepayer for an historical subsidy by the District. This shows as increased Targeted Rates and negative General Rates in this Forecast Funding Impact Statement.

Water Supply

Introduction

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

Council's water supply service consists of six treatment plants, 16 reservoirs, over 187km of pipelines, four pump stations and approximately 5,374 service connections.

Rationale for Delivery

Water supply is perceived by communities to be one of the essential services Council supplies and should remain a core activity.

Council is required under the LGA to assess the need and provision of water services, including water supply (Sections 124 to 126), to retain its water supplies (Section 130) and has a duty under Section 23 of the Health Act 1956 to improve, promote and protect Public Health. Water supplies can be closed or transferred with the agreement of local communities.

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

Relationship to Outcomes

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

- Quality regulation, regulatory services and infrastructure support healthy communities.
- Core infrastructure (water, wastewater, stormwater, waste management and minimisation and roading) endeavours to keep pace with changing demand.
- Regulatory services and reliable infrastructure help the economy prosper and support a range of quality retail, entertainment, educational, healthcare, businesses and services.

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

Relationship to Planning Assumptions

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

Relationship to Sustainability

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

In addition, more metering will be required if Council is to gain an understanding of water consumption by type, reticulation delivery and water loss, as required by new Government measures. This may result in changes to how these are rated in the future, moving from a 'rate' to a 'water charge'.

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

Water Supply

Relationship to Climate Change/ External Impacts

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

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

Economic conditions may affect the timing of some projects. The affordability of any proposed rates increases is a real concern and over the next two years Council intends to proceed with 'business as usual' in an attempt to keep costs down. Overall, there will be some level of service increases associated with regulations and Central Government legislation.

Additional Asset Capacity

Council continues its asset development programme to ensure that water supplies in the District are upgraded to comply with legislative changes, Drinking Water Standards and to allow for increasing tourism demand. E.coli compliance is currently achieved in all-weather events. The ability to achieve low turbidity levels during high rainfall events is a struggle. No supply meets the protozoa compliance standards. Continued growth in the south, and regulatory compliance issues, present challenges for water supply quantity and quality. This means some uncertainty exists around future capital investment requirements.

Council has already undertaken preliminary investigations through the Waimarino Water Supply Options Studies to assess long term options and GNS Science Assessment Report for a new water supply to service the Waimarino Plains. It is important to debate

the continuation of the supply versus the installation of a new supply for Raetihi in this LTP period.

Council is undertaking further analysis aimed at clarifying credible options for the future of the Raetihi and Ohakune drinking water supplies. This continues the work done in 2010 (the Waimarino Water Supply Options study) and 2014 (GNS Science Consultancy report). Once options are clearer there will be full consultation with the community. The consultation will include a proposed preferred approach, how much it will cost and possible financing arrangements.

Negative Effects

| Effect | Mitigation |
|--|---|
| The provision of water supply services unintentionally results in negative environmental and cultural impacts on waterways which are often the source of supply of drinking water. Council 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. In addition, Council's contractor has prepared a Health and Safety Risk Assessment to assist Council to prioritise, plan, and implement mitigation measures. This report is available to view at Council Offices. |

Key Challenges

- Compliance with NZ Drinking Water Standards (NZDWS 2005, updated in 2008) is one of the key issues for the District. This requires that all Council's public water supplies meet specified standards by 2015. None of the water supplies meet NZDWS 2005 for protozoa removal and deactivation. The National Park and Taumarunui water supplies will meet the standards for protozoa in 2016. Additional treatment to achieve protozoa compliance, using costs and benefit analysis, has historically not been a sustainable goal for small communities and is currently not achieved by any Council plants. Without being able to access Government funding for other townships, compliance is unaffordable for small communities. The Health Act 1956 requires every drinking water supplier to take all practicable steps

Water Supply

to ensure that the drinking water supplied complies with the drinking water standards. Affordability is recognised in the definition of a practicable step. Therefore Council does not intend to deliver protozoa compliance in the small towns of Ohura and Owango during this ten year LTP. Raetihi and Ohakune protozoa compliance will be considered as part of the Waimarino Plains Water Supply decisions to be made on the future supply of water for both Ohakune and Raetihi.

- Consumption – good practice in terms of water consumption is between 250 and 300 litres per person per day. However, water consumption in the District is significantly above this level. This is both inefficient, in terms of the use and treatment of a physical resource, but also has significant cost
- A Resource Consent for the continued abstraction of water for the Raetihi community is required during 2015. This consent will be assessed with the three wastewater consents (Raetihi, Ohakune and National Park Wastewater Treatment Plant discharges), also requiring new consents in 2015.

implications as inefficient water usage can bring forward the need for new/enlarged Water Treatment Plants. Conversely, reducing water consumption can delay the need for significant works, eg, the need for a new Waimarino Water Treatment Plant could be delayed, with significant savings to ratepayers. Water meters will be progressively introduced over the next ten years, to address issues associated with water consumption and to meet mandatory performance targets.

Levels of Service

| Activity | Water Supply |
|----------------------------|--|
| Outcome(s) | <ul style="list-style-type: none"> ➤ Excellent standards of safety and welfare are promoted and respected. ➤ Quality regulation, regulatory services and infrastructure support healthy communities. ➤ Core infrastructure (water, wastewater, stormwater, waste management and minimisation and roading) endeavours to keep pace with changing demand. ➤ Regulatory services and reliable infrastructure help the economy prosper and support a range of quality retail, entertainment, educational, healthcare, businesses and services. ➤ That Council plans for and works with the community to ensure that our environment is accessible, clean and safe and that our water, soil and air meet acceptable, affordable standards. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ To provide and maintain an appropriate level of infrastructure to the communities defined to be supplied potable water by Council. |
| 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) (Note 1) | Actual 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|--|---------------------|---------------------|--|--|--|--|--|
| Extent to which drinking water supplies comply with Part 4 (bacteria compliance criteria) of the DWS. | New Measure 2015/16 | New Measure 2015/16 | Ohura =Y Taumarunui =Y Owango =Y National Park =Y Raetihi =Y Ohakune =Y | Ohura =Y Taumarunui =Y Owango =Y National Park =Y Raetihi =Y Ohakune =Y | Ohura =Y Taumarunui =Y Owango =Y National Park =Y Raetihi =Y Ohakune =Y | Ohura =Y Taumarunui =Y Owango =Y National Park =Y Raetihi =Y Ohakune =Y | Ohura =Y Taumarunui =Y Owango =Y National Park =Y Raetihi =Y Ohakune =Y |
| Extent to which drinking water supplies comply with Part 5 (protozoal compliance criteria) of the DWS. | New Measure 2015/16 | New Measure 2015/16 | Ohura =N Taumarunui =N Owango =N National Park =N Village =N Raetihi =N Ohakune =N | Ohura =N Taumarunui =Y Owango =N National Park =Y Village =N Raetihi =N Ohakune =N | Ohura =N Taumarunui =Y Owango =N National Park =Y Village =N Raetihi =N Ohakune =N | Ohura =N Taumarunui =Y Owango =N National Park =Y Village =N Raetihi =N Ohakune =N | Ohura =N Taumarunui =Y Owango =N National Park =Y Village =N Raetihi =N Ohakune =N |
| Percentage of real water loss from the networked reticulation system | New Measure 2015/16 | New Measure 2015/16 | <25% all supplies | <25% all supplies | <25% all supplies | <25% all supplies | <25% all supplies |
| Median time to attend to an urgent callout (ie, loss of water supply) | New Measure 2015/16 | New Measure 2015/16 | 2 hours | 2 hours | 2 hours | 2 hours | 2 hours |

PART 2: ACTIVITIES

Water Supply

| Key Performance Indicator(s) (Note 1) | Actual 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|---|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Median time to resolve an urgent callouts (ie, loss of water supply) | New Measure 2015/16 | New Measure 2015/16 | 6 hours | 6 hours | 6 hours | 6 hours | 6 hours |
| Median time to attend non-urgent callouts (ie, no loss of water supply) | New Measure 2015/16 | New Measure 2015/16 | 36 hours | 36 hours | 36 hours | 36 hours | 36 hours |
| Median time to resolve non-urgent callouts (ie, no loss of water supply) | New Measure 2015/16 | New Measure 2015/16 | 72 hours | 72 hours | 72 hours | 72 hours | 72 hours |
| Total number of complaints received, District wide, about drinking water clarity, odour, taste, pressure and flow, continuity of supply and response times expressed per 1,000 connections to the networked reticulation systems. | New Measure 2015/16 | New Measure 2015/16 | <25 | <25 | <25 | <25 | <25 |
| The normal demand for drinking water (litres/day/person) | New Measure 2015/16 | New Measure 2015/16 | 500 | 500 | 500 | 400 | 350 |

Note: The above are now mandatory non-financial Performance Measures, against which all water supply infrastructure in New Zealand will be measured from 2015. For this reason, all are new measures.

Major Capital Projects

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

| Year | Total Cost (\$) | Description | Growth/LoS/Renewal |
|---------|-----------------|--|--------------------|
| 2015/22 | 710,160 | Raetihi Intake and WTP: Waimarino Water Supply Option Construction and Commissioning | LoS |
| 2015/24 | 544,173 | Raetihi Water Main Replacement | Renewal |
| 2015/25 | 819,619 | Taumarunui Water Mains Replacement | Renewal |
| 2015/25 | 1,053,346 | Taumarunui Above Ground Asset Renewals | Renewal |
| 2016/22 | 470,604 | Ohakune Water Networks: Water Main Replacement | Renewal |
| 2016/25 | 1,527,704 | Raetihi Renewal of Raw Water Mains | Renewal |
| 2016/25 | 2,035,774 | Water Meter Installation x 2 | LoS |
| 2018/23 | 635,615 | Owhango WTP (Clarification) | LoS |

PART 2: ACTIVITIES

Water Supply

Forecast Funding Impact Statement

| | Annual | | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Plan | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties (see note below) | 4 | 22 | (30) | (31) | (42) | (43) | (44) | (46) | (48) | - | - |
| Targeted rates | 2,981 | 3,011 | 3,245 | 3,276 | 3,420 | 3,523 | 3,629 | 3,748 | 3,874 | 3,948 | 4,071 |
| Subsidies and grants for operating purposes | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 317 | 339 | 350 | 362 | 374 | 386 | 399 | 414 | 430 | 447 | 466 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 3,302 | 3,372 | 3,565 | 3,607 | 3,752 | 3,866 | 3,984 | 4,116 | 4,256 | 4,395 | 4,537 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 1,351 | 1,414 | 1,551 | 1,540 | 1,590 | 1,642 | 1,701 | 1,765 | 1,832 | 1,902 | 1,983 |
| Finance Costs | 388 | 337 | 357 | 364 | 428 | 448 | 467 | 490 | 514 | 527 | 537 |
| Internal charges and overheads applied | 523 | 524 | 542 | 565 | 580 | 593 | 603 | 617 | 633 | 650 | 669 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 2,262 | 2,275 | 2,450 | 2,469 | 2,598 | 2,683 | 2,771 | 2,872 | 2,979 | 3,079 | 3,189 |
| Surplus (deficit) of operating funding (A-B) | 1,040 | 1,097 | 1,115 | 1,138 | 1,154 | 1,183 | 1,213 | 1,244 | 1,277 | 1,316 | 1,348 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 32 | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | 4 | 30 | 31 | 32 | 33 | 34 | 35 | 37 | 38 | 40 | 41 |
| Increase (decrease) in debt | 18 | 290 | 575 | 582 | 714 | 797 | 769 | 775 | 537 | 476 | 531 |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total sources of capital funding (C) | 54 | 320 | 606 | 614 | 747 | 831 | 804 | 812 | 575 | 516 | 572 |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | |
| - to meet additional demand | 22 | 3 | 3 | 31 | 32 | 33 | 34 | 25 | 26 | 27 | 28 |
| - to improve the level of service | 273 | 589 | 726 | 801 | 1,000 | 946 | 932 | 890 | 512 | 617 | 680 |
| - to replace existing assets | 339 | 809 | 682 | 633 | 475 | 621 | 635 | 747 | 1,176 | 1,131 | 1,160 |
| Increase (decrease) in reserves | 460 | 16 | 310 | 287 | 394 | 414 | 416 | 394 | 138 | 57 | 52 |
| Increase (decrease) of investments | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of capital funding (D) | 1,094 | 1,417 | 1,721 | 1,752 | 1,901 | 2,014 | 2,017 | 2,056 | 1,852 | 1,832 | 1,920 |
| Surplus (deficit) of capital funding (C-D) | (1,040) | (1,097) | (1,115) | (1,138) | (1,154) | (1,183) | (1,213) | (1,244) | (1,277) | (1,316) | (1,348) |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | - | - | - | - | - | - |

Note:

The Water Supply users of National Park are currently repaying the general ratepayer for an historical subsidy by the District. This shows as increased Targeted Rates and negative General Rates in this Forecast Funding Impact Statement.

Waste Management and Minimisation

Introduction

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

If solid waste is not managed in a suitable manner, it may pose serious public health and environmental concerns. In addition, landfill waste can result in significant environmental effects, eg, leachate can contaminate surrounding soil and water, while landfill gases (methane and carbon dioxide) contribute towards climate change. The disposal of waste to landfill has a significant cost associated with it. This cost is likely to increase with the closing of the District landfill in 2020. The Emissions Trading Scheme (ETS) may also have an impact as prices in carbon markets change. 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.

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

A weighbridge was installed at Taumarunui in 2014. The weighbridge enables Council to monitor accurately all quantities of waste and recyclable materials that are deposited at transfer stations and are disposed of at the district landfill. Previously, measurements for calculating payments were by volume with a conversion factor used to gain weight equivalents.

Rationale for Delivery

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

- The Waste Minimisation Act 2008 requires councils to promote effective and efficient waste management.
- Council confirmed minimisation of waste as an outcome in 2014 reflecting the ongoing importance of this to the community.

Relationship to Outcomes

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

- That the impact of waste on our environment is minimised.
- Excellent standards of safety and welfare are promoted and respected.
- Core infrastructure (water, wastewater, stormwater, waste management and minimisation and roading) endeavours to keep pace with changing demand.
- That Council plans for and works with the community to ensure that our environment is accessible, clean and safe and that our water, soil and air meet acceptable, affordable standards.

Relationship to Planning Assumptions

Council continuously and systematically records the amount of solid waste produced by residents and visitors in the District and is looking at ways to mitigate its impact. As a result of this monitoring Council can, and does, respond to changes in the activity due to growth. The pressure that the expanding ski, tourism and industry place on recycling and waste facilities means that opening hours and general facility provision in Waimarino and National Park are regularly being monitored and reviewed. Initiatives to expand the collection of commercial recycling are in response to growth in the District.

Waste Management and Minimisation

Relationship to Sustainability

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

- Council's focus on waste management and minimisation aims to reduce both the amount of waste generated and the use of natural resources. By promoting a reduction in waste and by increasing the amount of materials that are recycled and reused, less virgin natural materials are used to produce new goods and less waste is sent to landfill.
- The activity is designed to lessen the impact of residual waste on the environment through effective sustainable management of the landfill and other waste facilities. The AMP maps the direction for improving sustainability through this activity.

Relationship to Climate Change/ External Impacts

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

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

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

The landfill became part of the ETS, in full, in January 2013. The costs of operating a landfill and disposing of waste will increase, with most of the cost being passed on to users of the landfill. To address this, Council is

actively working to minimise waste. The approach is set out in the Waste Management and Minimisation Asset Plan 2015-25.

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

Additional Asset Capacity

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

There are plans to expand and further develop the National Park and Waimarino transfer stations. Transfer stations are expensive to operate and consideration is being given to reducing the number of transfer stations from six to three over this LTP period. This could be phased in, for example, by progressively reducing opening hours in the run up to 2020.

Council operated an E-waste scheme in 2014. The scheme collected electronic waste (eg, old computer screens and TVs) and was part-funded by Central Government. Opportunities to continue E-waste Collections will continue.

Council will undertake a major drive on educating the public about ETS, composting and waste.

It is a major endeavour for Ruapehu to continue towards waste minimisation. This will require buy-in from the whole community to make significant progress. There

Waste Management and Minimisation

are a number of initiatives that have been introduced and others that will be investigated over the next three years:

- Already introduced:
 - E-Waste (old computers).
 - Some composting (including worm farms) of organic waste.
 - Cloth nappy promotion.
 - Re-usable shopping bag promotion.
 - Increased public recycling bins (eg, Raetihi).
- For further investigation:
 - Food waste collection.
 - Further methods for processing organic waste.
 - Converting the district landfill for clean waste.

- Affordability of recycling - recycling is currently provided at no cost to residential customers. The cost of the service is paid for through income from waste disposal and through the sale of recycled materials. However, the markets for recycled materials are increasingly being saturated, which drives the price down. In addition, as landfill waste volumes reduce, the funding from waste disposal will reduce. A recycling charge may need to be applied to address increasing costs.
- Closure of the District Landfill by 2020 – the Landfill Management Plan was updated in 2014 and will provide some guidance for depositing waste over a five year period to achieve the desired final profile.
- Identification of Least Cost and Sustainable Destinations for Waste Post Landfill Closure - Once the landfill is closed all waste will be transported out of the District and deposited in compliant landfills elsewhere.
- Building Infrastructure at Taumarunui for Shipment of Waste out of District - a depot for domestic, business and waste from transfer station to be conveniently deposited into bins and subsequently transported to landfill will need to be constructed.
- Financial Managing of the Increased Cost of Transporting Waste out of the District - closure of the landfill will inevitably increase the cost of waste disposal within the District. This not only applies to the additional cost of transportation but also landfill charges that will be only partially offset by a reduction in current landfill operational costs. Rates and charges will inevitably have to increase.
- Removal of Food Waste from the Waste Stream - as indicated by waste audits, some 40-50% of domestic waste comprises food waste. It is therefore important to find ways of getting this out of the general waste stream and reducing post landfill closure costs implemented in the District.
- Rationalising the Cost-Benefit of Small Transfer Stations - the operation of the smaller rural transfer stations incurs ratepayers with substantial costs in terms of staffing, picking up and transporting waste and recyclables and general maintenance. There are various alternatives that could be considered, including replacing with a kerbside collection service (Owhango) or some form of community management of the transfer station (Ongarue).
- Finding an Alternative e-waste Recycler.

Negative Effects

| Effect | Mitigation |
|--|---|
| <p>The Ruapehu community produces a significant amount of refuse. The uncontrolled dumping of this refuse would have considerable adverse effects on the environment and the standard of living for the community.</p> <p>The Waste Management and Minimisation activity collects refuse from around the District and deposits this at the District Landfill. The buildup 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.</p> | <p>Gathering the refuse in a controlled way significantly reduces the effects.</p> <p>The provision of a single landfill limits the area of possible contamination to one location. A single site allows landfill management resources to be concentrated on the mitigation of environmental effects. Performance of the District's landfill and closed landfills is monitored by Horizons Regional Council to ensure they comply with resource consent conditions.</p> |

Key Challenges

- Lowering the volume of waste - the decrease in the volume of waste produced in the District has been significant, but is still less than target levels. New initiatives are required to reduce effectively the volume of waste created in the District. Changes in waste volumes will have a considerable effect on operations and financial planning.

PART 2: ACTIVITIES

Waste Management and Minimisation

Levels of Service

| Activity | Waste Management/Minimisation |
|----------------------------|--|
| Outcome(s) | <ul style="list-style-type: none"> ➤ Excellent standards of safety and welfare are promoted and respected. ➤ Core infrastructure (water, wastewater, stormwater, waste management and minimisation and roading) endeavours to keep pace with changing demand. ➤ That Council plans for and works with the community to ensure that our environment is accessible, clean and safe and that our water, soil and air meet acceptable, affordable standards. ➤ That the impact of waste on our environment is minimised. |
| Links to Strategic Goal(s) | <ul style="list-style-type: none"> ➤ Towards waste minimisation and a sustainable environment. ➤ That the impact of waste on our environment is minimised. ➤ To provide and maintain an appropriate level of infrastructure and people are informed about, and participate in, waste minimisation. |
| 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 2013/14 | EAP 2014/15 | Target 2015/16 | Target 2016/17 | Target 2017/18 | Target 2018-22 | Target 2022-25 |
|--|--|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| The portion of waste recycled increases by 0.5% each year. | -0.8% -2.2% Glass +3.0% Paper and cardboard +38% Plastics | +1% | +0.5% Overall | +0.5% Overall | +0.5% Overall | +0.5% Overall | +0.5% Overall |
| An annual waste audit is conducted to identify opportunities to increase recycling | New Measure 2015/16 | New Measure 2015/16 | 1 | 1 | 1 | 1 | 1 |
| Recycling facilities are improved and/or expanded at two locations annually | New Measure 2015/16 | New Measure 2015/16 | 2 | 2 | 2 | 2 | 2 |
| Waste Minimisation initiatives promoted District wide | New Measure 2015/16 | New Measure 2015/16 | 2 | 2 | 2 | 2 | 2 |
| Annual resource consent breaches | <3 | <3 | <3 | <3 | <3 | <3 | <3 |
| Number of multimedia communications to the public on the Waste Hierarchy. | 5 | >3 | >3 | >3 | >3 | >3 | >3 |
| Two industry stewardship schemes promoted annually | New Measure 2015/16 | New Measure 2015/16 | 2 | 2 | 2 | 2 | 2 |
| Percentage of schools visited annually that express a desire to participate in Zero Waste Education programme. | 75% | 90% | 75% | 75% | 75% | 75% | 75% |
| Percentage of community satisfied with the overall LoS. | 73.5% | 75% | 70% | 70% | 70% | 70% | 70% |
| Number of requests for service that indicate poor service provision is less than 156 per year (approximately three per week) | New Measure 2015/16 | New Measure 2015/16 | <156 | <156 | <156 | <156 | <156 |

Waste Management and Minimisation

Major Capital Projects

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

| Year | Total Cost (\$) | Description | Growth/LoS/Renewal |
|---------|-----------------|---|--------------------|
| 2018/21 | 290,000 | Sorting facility for shipping waste out | Growth/LoS |

PART 2: ACTIVITIES

Waste Management and Minimisation

Forecast Funding Impact Statement

| | Annual | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Plan | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 368 | 395 | 416 | 428 | 446 | 469 | 483 | 498 | 512 | 528 | 545 |
| Targeted rates | 1,075 | 1,087 | 1,136 | 1,175 | 1,220 | 1,272 | 1,311 | 1,354 | 1,399 | 1,447 | 1,500 |
| Subsidies and grants for operating purposes | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 767 | 705 | 732 | 754 | 778 | 804 | 832 | 862 | 896 | 931 | 970 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 2,210 | 2,187 | 2,284 | 2,357 | 2,444 | 2,545 | 2,626 | 2,714 | 2,807 | 2,906 | 3,015 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 1,530 | 1,511 | 1,569 | 1,616 | 1,669 | 1,723 | 1,783 | 1,850 | 1,921 | 1,997 | 2,079 |
| Finance Costs | 38 | 41 | 48 | 47 | 62 | 74 | 75 | 74 | 73 | 72 | 71 |
| Internal charges and overheads applied | 515 | 516 | 534 | 556 | 571 | 583 | 594 | 608 | 623 | 640 | 658 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 2,083 | 2,068 | 2,151 | 2,219 | 2,302 | 2,380 | 2,452 | 2,532 | 2,617 | 2,709 | 2,808 |
| Surplus (deficit) of operating funding (A-B) | 127 | 119 | 133 | 138 | 142 | 165 | 174 | 182 | 190 | 197 | 207 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | 21 | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | 109 | 234 | 22 | 35 | 370 | 80 | 55 | 1 | 25 | 9 | 8 |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total sources of capital funding (C) | 130 | 234 | 22 | 35 | 370 | 80 | 55 | 1 | 25 | 9 | 8 |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | |
| - to meet additional demand | 77 | 134 | 29 | 48 | 209 | 79 | 59 | 26 | 51 | 42 | 28 |
| - to improve the level of service | 60 | 131 | 33 | 29 | 204 | 60 | 59 | 41 | 42 | 36 | 52 |
| - to replace existing assets | 24 | 45 | 14 | 23 | 34 | 47 | 16 | 16 | 32 | 18 | 62 |
| Increase (decrease) in reserves | 96 | 43 | 79 | 73 | 65 | 59 | 95 | 100 | 90 | 110 | 73 |
| Increase (decrease) of investments | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of capital funding (D) | 257 | 353 | 155 | 173 | 512 | 245 | 229 | 183 | 215 | 206 | 215 |
| Surplus (deficit) of capital funding (C-D) | (127) | (119) | (133) | (138) | (142) | (165) | (174) | (182) | (190) | (197) | (207) |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | - | - | - | - | - | - |

Financial Strategy

1.0 Introduction

1.1 Council Direction

1.1.1 The Financial Strategy outlines the way Council intends to manage its finances over the next ten years.

1.1.2 The sustainability and affordability of the District is of the utmost importance to Council, which has to balance this with the maintenance and renewal of its infrastructure. Some of Council's infrastructural assets are nearing the end of their lives, making renewal important. Council uses the opportunity, when doing renewals, to increase Levels of Service (LOS) where necessary or desired. Increases in LOS are often dictated by legislation and regulations.

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

1.2 What is Driving the LTP Capital Expenditure?

1.2.1 Growth

Growth in demand for services or capacity is a small part of the capital expenditure and this is mainly funded through development contributions and subsidies, with the intention that those who are driving growth pay for the growth part of the infrastructure.

1.2.2 Renewals

Renewals are where we replace assets (or parts of assets) as they start to age and fail. This is funded through depreciation funding. Council is planning to do \$91m of renewals over the ten year period. This will maintain our current infrastructure. Renewals are the largest part of the capital expenditure and enable Council to keep its infrastructure and services to the current level, but does not allow for improvements.

1.2.3 Levels of Service

LOS is the most problematic area for Council. Community expectations and the expectations of visitors and residents, have driven changes to LOS. The effects of the growing tourism industry have put pressure on some infrastructure (notably Water Supply in the Waimarino area), the disposal of refuse and recycling and increased needs for carparks (cycleways) and public toilets. Council debt funds increases in LoS and applying for subsidies when they become available. The Planning Assumptions in Part 4 of the LTP talks about the anticipated declining population challenges facing our communities. In keeping these assumptions, Council chooses not to fund depreciation on some assets that are unlikely to be replaced.

1.3 Local Government Act

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

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

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

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

Financial Strategy

1.4 Statement of Intent

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

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

1.5 Funding Sources

1.5.1 Council uses the following funding sources:

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

1.5.2 Council funds some activities on a District-wide basis and some on a community basis.

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

1.6 Local Government Cost Index (LGCI)

1.6.1 The LGCI is forecast by BERL Economics for all of Local Government. It is well proven that costs to Local Government move at a different rate to the standard Consumer Price Index so the Society of Local Government Managers (SOLGM) commission BERL to provide well researched economic indicators of the price increases Council is likely to face over the coming ten years. BERL’s predictions for the Annual Average increase in prices are shown below.

| Year Ending | Annual Average % pa | | |
|-------------|---------------------|-------|-------|
| | Capex | Opex | LGCI |
| June 2015 | 2.08% | 1.95% | 2.00% |
| June 2016 | 2.34% | 2.16% | 2.24% |
| June 2017 | 2.61% | 2.33% | 2.45% |
| June 2018 | 2.64% | 2.43% | 2.53% |
| June 2019 | 2.67% | 2.57% | 2.61% |
| June 2020 | 2.80% | 2.71% | 2.75% |
| June 2021 | 2.96% | 2.85% | 2.90% |
| June 2022 | 3.11% | 2.99% | 3.04% |
| June 2023 | 3.27% | 3.13% | 3.19% |
| June 2024 | 3.48% | 3.27% | 3.36% |
| June 2025 | 3.67% | 3.41% | 3.53% |

Capex = Capital Expenditure
 Opex = Operating Expenditure
 LGCI = Combined Local Government Cost Index.

1.7 Rates

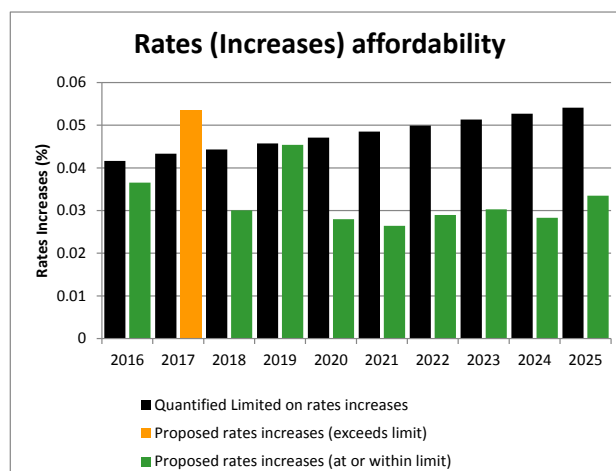
1.7.1 Rates and the incidence of rates are set out in the Revenue and Financing Policy.

1.7.2 Council has set a limit for the maximum rates increase year on year at the Local Government Cost Index (LGCI) plus 2%.

1.8 Rates (Increases) Affordability

1.8.1 This gives Council a benchmark to measure its rates increases against which Council is required to report on each year in its Annual Report. Council will have met its benchmark if its planned rates increase are equal or less than the quantified limit on rates increases.

1.8.2 Council’s ten year budgets give the following planned results for the rates increases affordability benchmark.

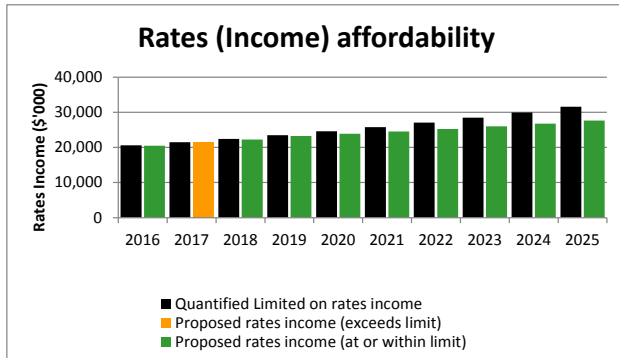


Note that 2017 rates increases are likely to be subject to an Annual Plan.

Financial Strategy

1.9 Rates (Income) Affordability

1.9.1 Council is also required to set a quantified limit on the rates income for which it plans to rate. This is the rates income for the whole of Council. Council has set this benchmark at a maximum increase, year on year, of no more than LGCI plus 2%.

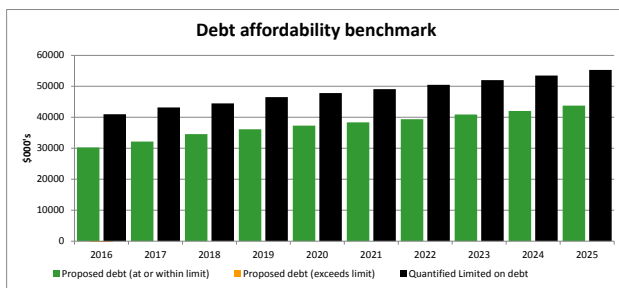


Note that 2017 rates increases are likely to be subject to an Annual Plan.

1.10 Debt Affordability Benchmark

1.10.1 Council has set a limit on borrowing with the maximum debt to be no more than twice the rates income.

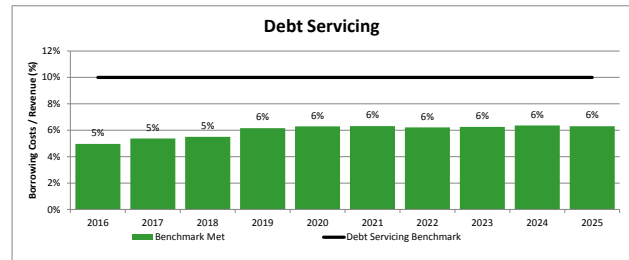
1.10.2 The graph below shows the planned debt measured against double the planned rates.



1.11 Debt Servicing Benchmark

1.11.1 Council has chosen to use the Debt Servicing Benchmark as defined in the Local Government (Financial Reporting and Prudence) Regulations 2014. The graph below 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 the Council's population will grow more slowly than the national population is projected to grow, Council will meet the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



1.12 Asset and Capital Development

1.12.1 Council currently has investment properties and infrastructure assets worth \$396 million and, during the next ten years, is planning to undertake additional capital development of approximately \$132 million to renew, develop or build assets.

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

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

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

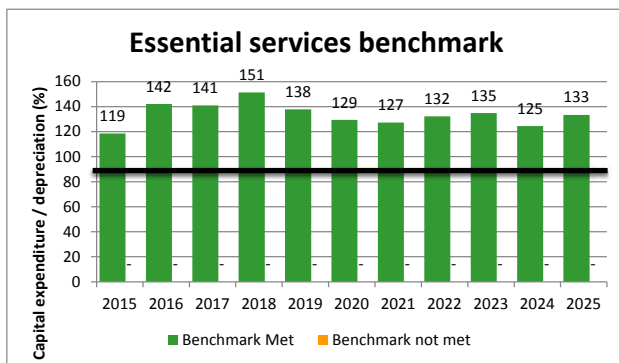
1.12.5 Renewals are generally funded from rates through the Depreciation calculation. Level of service and growth expenditure is usually funded from debt, subsidies, development contributions and/or reserves.

Financial Strategy

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

1.13 Essential Services Benchmark

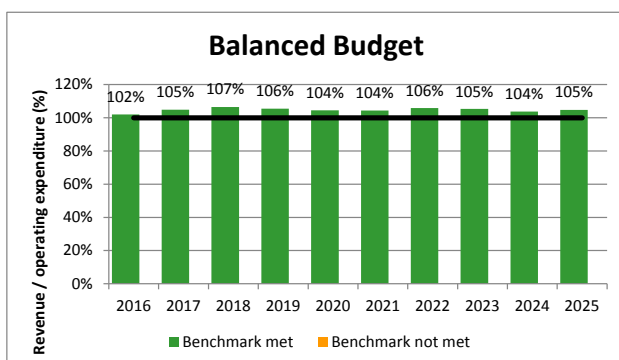
1.13.1 The following graph displays Council’s planned capital expenditure on network services as a proportion of expected depreciation of network services. Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation of network services.



1.14 Balanced Budget Benchmark

1.14.1 Section 100 of the LGA 2002, and its amendments requires Council to balance its budget. The Benchmark measures this.

1.14.2 The 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.

2.0 Consultation

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

3.0 Challenges

3.1 Growth and Demographic Change

3.1.1 Over the next decade Council’s long term growth projections suggest the usual resident population of Ruapehu will continue to decline. Over the same period, the number of holiday home owners is expected to grow by approximately 1.3% each year. To provide services to this growing community, Council has assumed that the cost of providing its services will increase.

3.1.2 The number of visitors also challenges and puts pressure on Council’s assets. See the Growth Assumptions for more information. Council needs to take into account the visitor industry when setting its levels of service and assets development.

3.2 Natural Disasters

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

Financial Strategy

4.0 Financial Policies

4.1 Council's objectives for holding and managing financial investments are outlined in the Investment Policy.

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

4.3 Council uses operational surpluses to repay debt and then draws down debt to fund capital expenditure. These operational surpluses are budgeted for by funding depreciation. This creates cash surpluses which are then used to pay down debt. When an asset is replaced, new debt is drawn down to fund replacement of the asset. This is, effectively, enabling Council to roll over debt.

4.4 Council does not fund depreciation on all assets. While depreciation is a mechanism to ensure current and future generations pay an equitable share of the cost of assets, Council has some assets which are unlikely to be replaced, such as community halls and pensioner housing.

4.4.1 In some financial years, Council's asset values experience a sharp increase, often driven by the international marketplace for commodities such as oil. The flow-on effect of these sharp increases in valuation is a sharp increase in depreciation, which would cause a sharp increase in some rates. These increases are unpalatable to our ratepayers. In years when Council experiences a sharp increase that is caused by international factors or exchange rate impacts that Council believes is temporary, Council chooses not to fund all of the depreciation increases. Similarly, when valuations decreased markedly, rates are held at higher levels and debt is repaid.

4.4.2 There is risk around Council making assumptions that these valuation increases are temporary and unlikely to reverse in future years.

4.4.3 The lower depreciation that is funded by rates means there is less cash available for debt repayment.

4.5 Council operates an internal accounting system that maintains loans and reserve balances by activity and, in the case of activities that are rated by area, by location within that activity. Interest is charged and paid to these activities, based on the carrying balances. This is designed to support the Revenue and Financing Policies benefit and exacerbator principles.

4.6 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:
 - » Revenue and Financing Policy.
- Available on Council's website, or on request:
 - » Investment Policy.
 - » Liability Management Policy.
 - » Rates Remissions Policies.
 - » Rates Postponement Policy.
 - » Rates Remission (Maori Freehold Land Policy).
 - » Development Contributions Policy.

5.0 Summary of Key Limits

| Measure | Limits |
|--------------------|--|
| Rate Charges | Rates increase less than LGCI Opex plus 2% over ten years Limits reviewed every three years. |
| Rates Income | Rates income not to increase by more than LGCI Opex plus 2% from the previous year. |
| Debt | Less than twice the annual rates bill. |
| Debt Affordability | Council's borrowing costs to be less than 10% of planned revenue (see definition above). |
| Essential Services | Council's investment in renewal of capital assets is equal to or exceeds depreciation. |
| Balanced Budget | Council's revenue exceeds operating expenditure as defined in the Local Government (Financial Report and Prudence) Regulations 2014. |

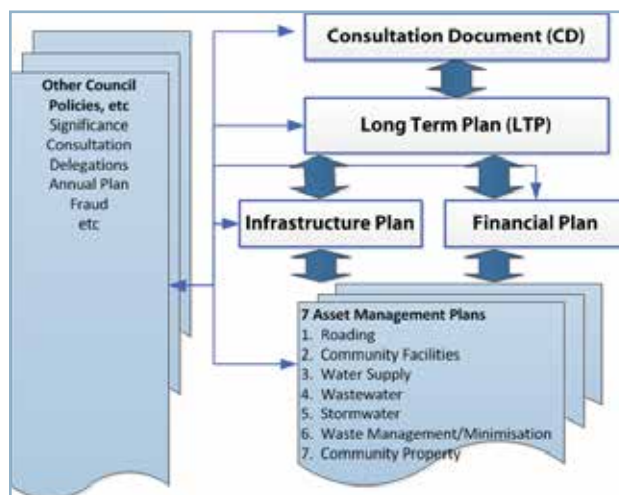
Infrastructure Strategy

1.0 Introduction

1.1 This Infrastructure Strategy is an overview of the way that Ruapehu District expects to manage its Infrastructure over the next ten years. Council has also taken a 30 year view of the Infrastructure to make sure that it has not taken any short term decisions which will compromise the situation in the longer term.

1.2 The document is part of a suite of documents including a Financial Strategy, Consultation Document, Long Term Plan, seven Asset Management Plans and a raft of associated Policies.

1.3 Over the last ten years, Council has been gradually reviewing and improving the state of its infrastructure. This has involved capital expenditure of approximately \$9m per annum. It is expected that this level of capital expenditure can be maintained and that the quality of infrastructure will be sustained and gradually improve, as it has in recent years.



1.4 There are significant risks associated with this business as usual approach. The principal risks are:

- (a) The amount of money that has to be spent to reach acceptable water and wastewater treatment standards.
- (b) Weather and other natural events.
- (c) Government policies as they affect local bodies.
- (d) A significant unplanned project which may become desirable (eg, a water supply scheme for the entire Waimarino).
- (e) A significant new industry (eg, mining).

1.5 The overall picture is that, in real (inflation adjusted) terms, it is possible to provide the existing services at projected rating levels without an increase in real levels of debt. Any large changes are likely to require more income and more debt.

1.6 In order to think about the way that Infrastructure is provided, several terms are used throughout this document which require some explanation. These are:

- (a) **Capital** – Works designed to last longer than a year.

Examples: sealing roads, mechanising screen cleaners.

- (b) **Capital - Renewals** – The replacement of assets with modern equivalent asset designed to do the same job.

Examples: resealing sealed roads so they last another 30 years, replacing pipes.

- (c) **Capital - Level of Service (LOS)** – The improvement of the service provided by the capital plant.

Examples: Sealing a previously unsealed road which will be sealed because a sealed road with a high traffic density (more than 100 vehicles/day) provides a better service and is cheaper to maintain than an unsealed road, improvement of water treatment to a higher standard of clarity or taste.

Infrastructure Strategy

- (d) **Capital – Growth** - New Infrastructure required to cope with extra demand on our services.
Examples: new roads, new pipes extending an area served by the water system.
- (e) **Operations** - Works that last less than a year.
Examples: grading roads, dosing water supply.
- (f) **Inflation** - All dollar numbers in this Strategy have been inflated in line with other Council Planning documents.

2.0 Context

2.1 Historic and Strategic

- 2.1.1 Ruapehu District Council was established on 1 November 1989 from the former Taumarunui Borough Council, Taumarunui County Council, Waimarino County, Ohakune Borough and part of the Rangitikei County Council. Historically, the Taumarunui County included the Ohura Town Board, Ohura County and Kaitieke Councils. Waimarino included Raetihi Borough. Ruapehu is consequently diverse.
- 2.1.2 The strategy embodied in this document is to maintain the best of our legacy assets. There is little appetite in Ruapehu for new infrastructure and over 95% of our capital expenditure is spent on renewing existing assets. The few places where this is not true are detailed in Section 5 and the Asset Management Plans.
- 2.1.3 The Infrastructure Strategy is intended to be a high level strategic overview of the issues involved with providing current services for the next 30 years. It should be read in conjunction with the Financial Plan and feeds into the Long Term Plan and its Consultation Document. The Asset Management Plans are detailed documents that form the basis of this overall Strategy.
- 2.1.4 The Infrastructure Strategy has been reviewed in the light of feedback from Long Term Plan consultation undertaken early in 2015.

2.2 Geographic

2.2.1 Statistics

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, with the latter rising to 2,797m above sea level.

Within the District there are two large National Parks - the Tongariro National Park (which has dual World Heritage status for culture and landscape) and the Whanganui National Park. Pureora Forest Park, Kara Forest, Tongariro Forest and Waitaanga Forest are also significant areas of indigenous vegetation.

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

2.2.2 National Parks

The National Parks, rivers and more than 150 other varied reserves in the area provide recreational opportunities that enhance the quality of life for residents and draw visitors to the District.

Infrastructure Strategy

In comparison to most parts of the country, the District has a relatively large area of indigenous natural habitats remaining under Conservation management. This includes around 20% of land being protected by the Department of Conservation under several different types of protected areas.

The District has relatively plentiful water sources. The overall water quality in the rivers and waterways is still good but must be protected to ensure it does not become degraded over time. The middle and lower reaches of some rivers are affected by human activities such as wastewater, industrial discharge and land use practices.

2.2.3 Towns

The largest township is Taumarunui, which sits at the north of the District at the confluence of the Whanganui and Ongarue Rivers. Taumarunui has a rich history of Iwi settlement, farming, sawmilling, railway and river and remains a rural service centre. In recent years, the town's economy is being boosted by River tourism and the nearby Central North Island Rail Trail.

To the south lies Ohakune, a resort town at the southern gateway to Tongariro National Park. Raetihi which has positioned itself as a gateway to tourism around the Whanganui River and nearby Mountain to the Sea Cycleway and Waiouru, the southern-most town which borders the NZ Defence Force lands.

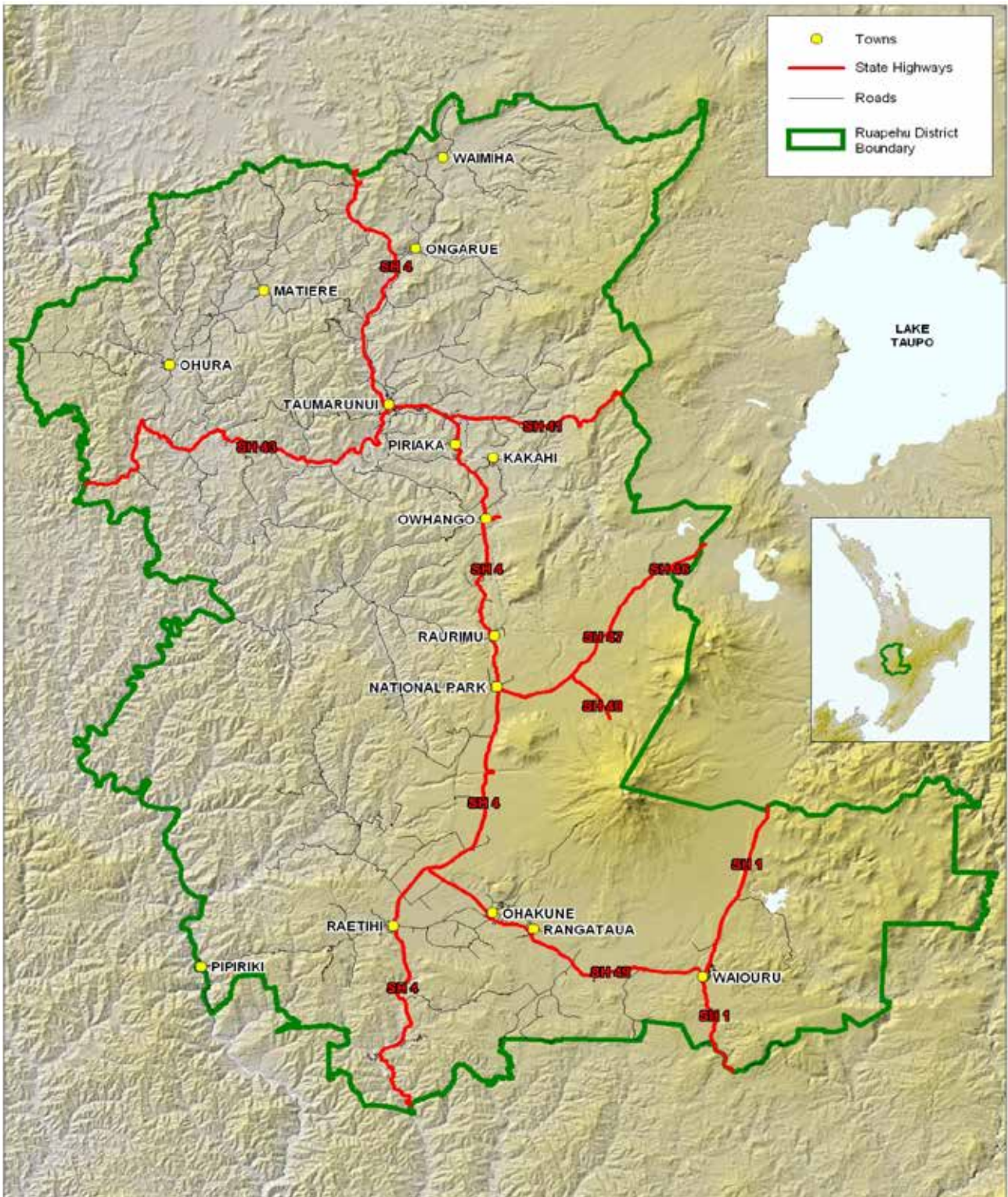


Our Towns

- | | |
|-------------|--|
| Top Row: | Taumarunui Ohakune National Park Village |
| Bottom Row: | Raetihi Waiouru |

Infrastructure Strategy

Map of Ruapehu District



Infrastructure Strategy

2.3 Demographic

- 2.3.1 The usually resident population of the District was 16,743 in 1996. Since then, it has shown a marked decline to 11,838, (in 2013) or 29.2%. This decline is set to continue for the foreseeable future.
- 2.3.2 Some of the smaller rural townships such as Ohura, Matiere, Tokirima and Ruatiti are “closing down”. Waiouru has also reduced in size, with the scaling back of the military base, although it still remains a major employer in the District.
- 2.3.3 These declines are balanced by growing peak populations in the holiday areas. Ruapehu District attracts approximately 1million visitors yearly. The main holiday towns are National Park, Ohakune, Raetihi and Rangataua.
- 2.3.4 It is forecast that Ruapehu District will have approximately 1,008,646 day and night visitors for the 2014/15 year (559,099 day and 449,548 night) and an increase of summer visitors from the previous year’s tally of summertime tourists.
- 2.3.5 The net effect of declining permanent population, increasing holiday home populations, flight to the cities for education and cheap retirement homes gives an unusual age profile in our demographic. The “missing cohort” is the 20 to 40 year age group, which provides the economic powerhouse for most communities.
- 2.3.6 Taking into account the total usually resident population, holiday home occupants, day and night visitors, as well as the “big three” tourist attractions (RAL, Tongariro Alpine Crossing and Mardi Gras) one arrives at an approximate peak population figure for the District which is used as a baseline indicator for Council’s Asset Management Plans and growth forecasts for the next ten years.
- 2.3.7 Looking beyond the ten year period, the expectation is that the usually resident population will continue to show a steady decline. The Department of Statistics medium growth population projection puts the population at 8,180 in 2043 and annual average decline of -1.4%. At the same time, the District will see an increase in the number of holiday homes, day and night visitors and, on a smaller scale, some growth in subdivisions and rateable assessments. This profile creates challenges as the balance between residents and non-resident ratepayers and holidaymakers changes.
- 2.3.8 While tourism has a big impact on urban infrastructure, the District remains economically dependent on agriculture, horticulture and forestry. The sector provides 24% of the total employment.
- 2.3.9 Economic indicators such as median personal income and average hourly earnings in the District remain below the national averages. This reflects the situation of resident families, but around 40% of the District is owned by non-resident ratepayers, with a very different socio-economic profile.

Table 1: Peak Population 10 year Forecast (Low Estimate)

| Year | Usual Resident | Holiday Home | | Peak |
|------------------------------------|----------------|--------------|----------|-----------|
| | Population | Occupancy | Visitors | (per day) |
| 2013/ 14 | 11,838 | 7,561 | 2,689 | 22,161 |
| 2014/ 15 | 11,630 | 7,635 | 2,763 | 22,122 |
| 2015/ 16 | 11,430 | 7,728 | 2,825 | 22,077 |
| 2016/ 17 | 11,237 | 7,821 | 2,889 | 22,041 |
| 2017/ 18 | 11,052 | 7,915 | 2,954 | 22,014 |
| 2018/ 19 | 10,873 | 8,008 | 3,021 | 21,996 |
| 2019/ 20 | 10,701 | 8,101 | 3,090 | 21,986 |
| 2020/ 21 | 10,534 | 8,195 | 3,161 | 21,983 |
| 2021/ 22 | 10,373 | 8,288 | 3,234 | 21,988 |
| 2022/ 23 | 10,217 | 8,381 | 3,309 | 22,000 |
| 2023/ 24 | 10,066 | 8,474 | 3,386 | 22,020 |
| 2024/ 25 | 9,919 | 8,568 | 3,466 | 21,952 |
| % Increase/Decrease 2013-25 | -16.2% | 13.3% | 24.51% | -0.76% |

Infrastructure Strategy

- 2.3.10 The recent emergence of Cycleways as a major summer tourism attraction has meant that it is likely that these figures will be revised upwards in the near future. During the summer months the existing infrastructure has been significantly under-used and it is not expected that this trend will have a huge impact on our facilities.
- 2.3.11 The overall effect of these demographic changes is that the existing infrastructure needs to be preserved and renewed. This is very much a document about the status quo. Our best estimate of usage is that it will remain constant over the planning period. The Levels of Service will stay the same.

2.4 Infrastructure Overview and Key Assumptions

- 2.4.1 The key assumptions are that service levels (LOS) will not change markedly and that the area of each town will not expand or contract. Visitors will “take up the slack” left by departing permanent residents.
- 2.4.2 Details of the assets of Council are contained in each individual Asset Management Plan (AMP). As a brief overview this strategy document covers the following Infrastructure operated by Ruapehu District Council:

| | |
|--------------------|---|
| Land Transport | 851km unsealed roads 488km sealed roads 1,445 street lights 342 bridges and large culverts 69km footpaths |
| Water Supply | 6 water treatment plants 16 reservoirs 186km of water pipes |
| Wastewater | 6 wastewater treatment plants 96km of wastewater pipes 19 pump stations |
| Stormwater | 50km piped drains 32km open drains |
| Community Property | 81 social housing units 9 cemeteries 3 swimming pools 3 substantial administrative buildings 15 community halls |

The total value of the Property, Plant and Equipment assets was \$378m at 30 June 2014, of which \$349m was infrastructural assets.

- 2.4.3 The maintenance of these assets cost about \$11m a year and \$9m is spent on capital projects every year. Less than \$1m a year of this is spent on new works to provide improved levels of service or increased capacity. The only significant area where Levels of Service must be improved is in Water and Wastewater Treatment.
- 2.4.4 The approach to lifecycle management is specified in each individual AMP.
- 2.4.5 Levels of Service envisaged in this Strategy are those that are currently afforded by Council. Details of these can be found in the individual AMPs.
- 2.4.6 Key Assumptions, Life Cycle Assumptions can be found in each AMP. Some keys assumptions are:

| Activity | Asset | Life Time Years) |
|----------------|---------------|------------------|
| Roading | Pavements | 100 |
| | Seals | 20 |
| | Bridges | 50-100 |
| | Street Lights | 10-15 |
| | Footpaths | 100 |

Infrastructure Strategy

| Activity | Asset | Life Time Years) |
|--------------|-----------------------|------------------|
| Water Supply | Pipes | 40-80 |
| | Pumps | 10-60 |
| | Valves and Hydrants | 25-50 |
| | Tanks | 25-100 |
| Wastewater | Pipes | 50-80 |
| | Manholes and Cesspits | 50 |
| | Treatment Plants | 10-100 |
| Stormwater | Pipes | 50-60 |
| | Manholes | 50 |

3.0 Significant Issues

3.1 Risks/Flexibility/Uncertainty

3.1.1 In compiling a 30 year programme of capital works, uncertainty is the major issue. These uncertainties include:

- (a) Volcanic eruption/lahars – Three events in the last 30 years.
- (b) Floods.
- (c) Subsidy schemes.
- (d) Financial uncertainty.
- (e) Legislative changes.
- (f) Water and wastewater treatment standard changes and their implications.
- (g) Resource Consent uncertainties.

3.1.2 The first three uncertainties have a significant effect on roads and water infrastructure.

3.1.3 The best way to accommodate this uncertainty is to retain the ability to borrow. Our overall debt position is detailed in the Financial Strategy. However, a brief summary would be that Council has a debt/income ratio near the average of rural small local bodies in New Zealand. This should enable sufficient debt to be raised to accommodate the future contingent demands that are covered in this document.

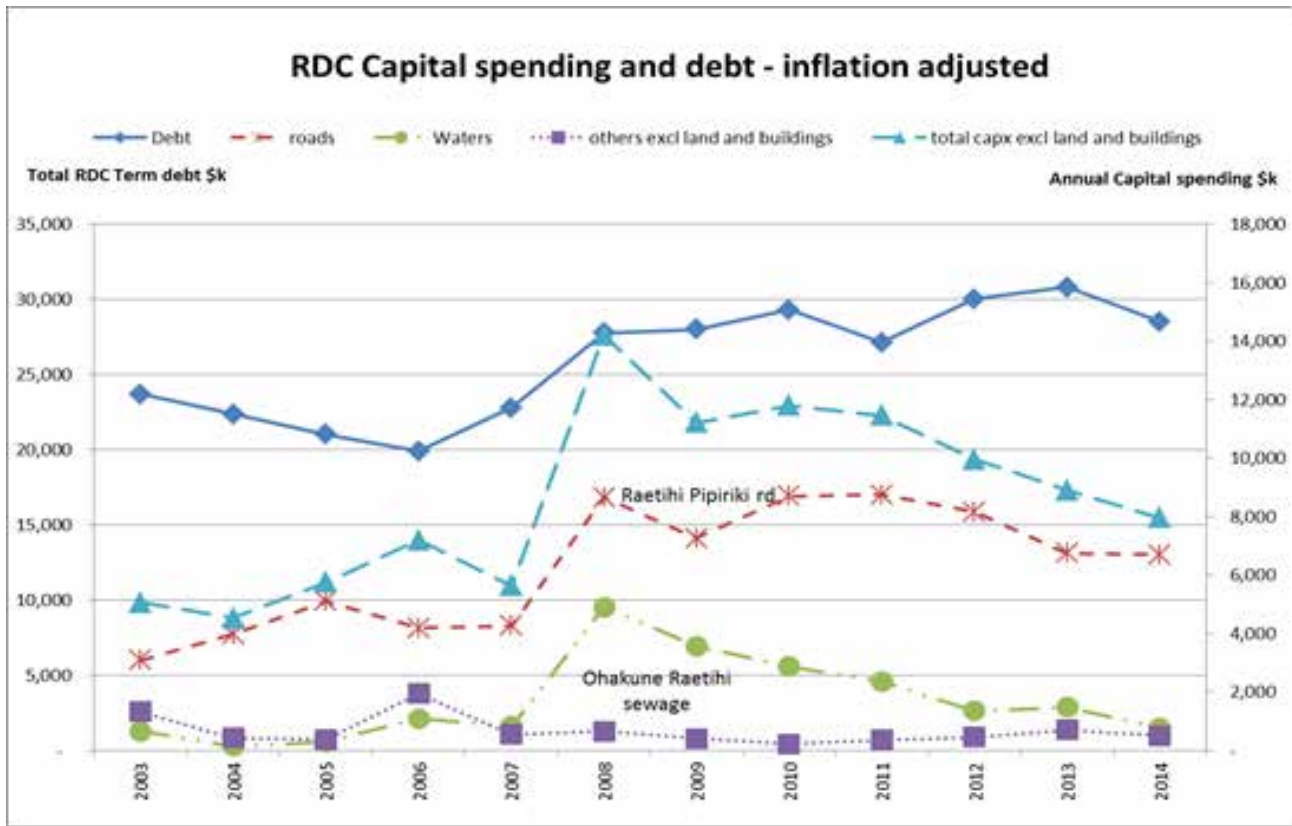
3.1.4 The graph below shows a consistent overall Council debt position with substantial capital works in progress.

3.1.5 Future Councils will need to be responsive to the real needs of the ratepayers, including non-resident ratepayers, who are usually under-represented on Council.

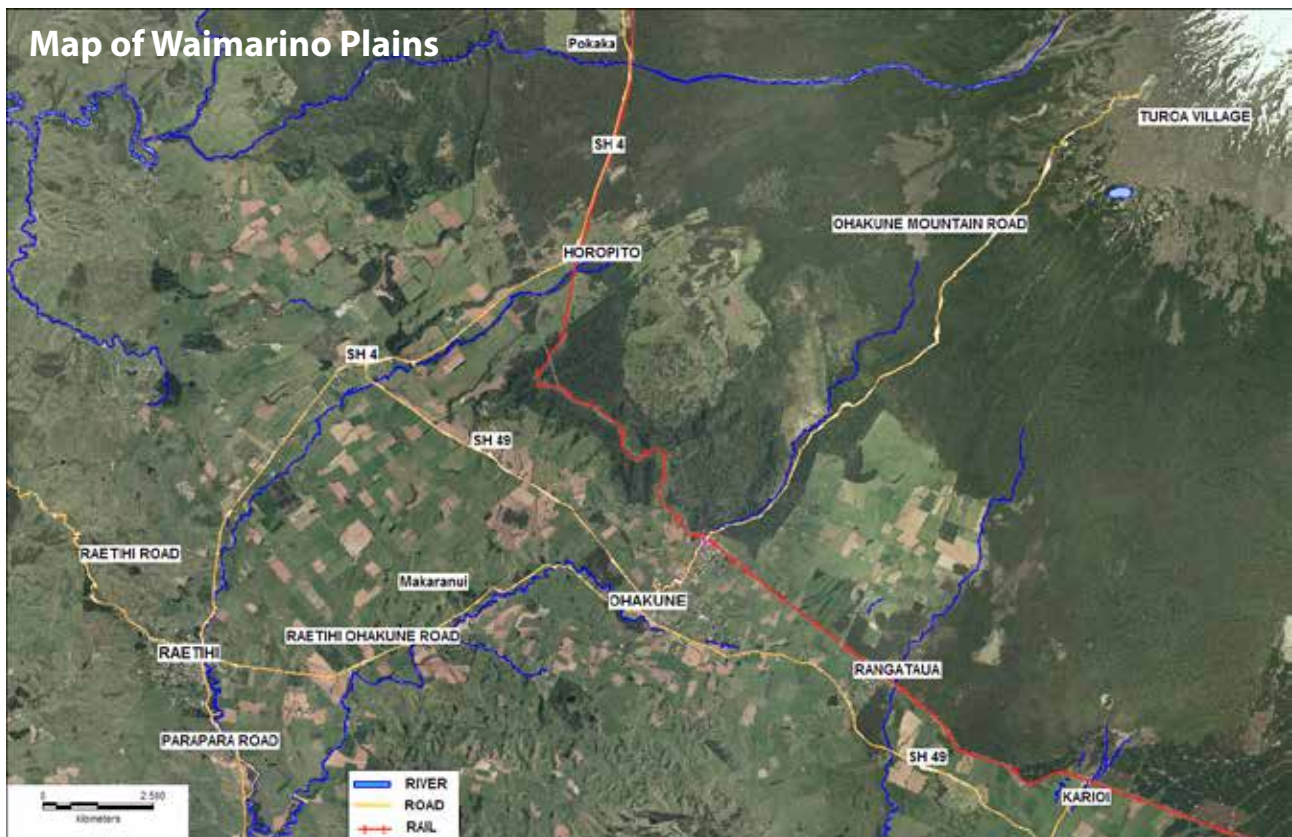
3.1.6 Resource Consents are another significant factor in our overall infrastructure planning. The expense of obtaining the consents is significant and the results uncertain. This means that Council does not know exactly what the outcomes will be and hence the cost of building the infrastructure that is needed in the future.

3.1.7 The budgets included in this Strategy include an allowance for the plant, equipment and operations that are most likely to result from the Resource Consent process.

Infrastructure Strategy



Infrastructure Strategy



3.2 Waimarino Water

- 3.2.1 The Waimarino Plains is blessed with a climate that encourages intensive agriculture. Consistent rainfall, flat topography, winter frosts and fertile soils have combined to make Ohakune the Carrot Capital of NZ.
- 3.2.2 Further agricultural intensification will depend on making the water supply even more reliable. This may lead to a water scheme with storage that spreads over the whole of the plains area between Waiouru, Raetihi and Horopito.
- 3.2.3 This is the most significant opportunity for the District in the next 30 years.
- 3.2.4 There are four towns on the Plain - Ohakune, Raetihi, Rangataua and Waiouru.
- 3.2.5 If the scheme goes ahead, it will have to stand on its own financial viability. Consequently, it has not been included in the modelling for this Infrastructure Strategy as financial planning for this project is incomplete.

3.3 NZTA Subsidy Changes

- 3.3.1 NZTA has published many documents outlining changes to subsidy rates. It has been confirmed that Council's base FAR rate will rise. However, there are still questions over the classification of roads and the way money will be appropriated for each class. The exact detail of the effect of these changes on Ruapehu is consequently currently unknown but it may result in an effective subsidy reduction. This means that there will be pressure to reduce investment in roading infrastructure. The flow-on effect in ability to transport the District's agricultural product to market is one of the most significant issues in the Long Term Plan.
- 3.3.2 Put another way, Levels of Service may reduce as a result of a national approach to allowing for maintenance of roads. Instead of having roads that can take "any large road legal truck", many roads may have restrictions placed on them.

Infrastructure Strategy

3.4 Bigger Trucks

3.4.1 One of the most significant profit opportunities for District ratepayers is the introduction of larger truck and trailer units on local roads. This will marginally increase the need for maintenance on local roads. Significantly, it will increase the loading on bridges. Many of these will require upgrades.

3.5 50 Year Old Bridges

3.5.1 Many of the District's bridges were built in the 1950s and 1960s. They are now coming to the end of their design life. Some of them can be given a new lease of life by having critical structural components replaced. Others will require new structures. This work has been allowed for in the plan.

3.6 50 Year Old Water and Wastewater Schemes

3.6.1 Many of the schemes in the District are now 50 years old. This has two consequences:

- (a) Pipes are leaking more and more as years go by. This means wastewater gets into the ground water, rainwater overpowers the wastewater treatment plants and treated drinking water is wasted. Pipe replacements have been allowed for.
- (b) Treatment standards have changed over time and society now expects a much improved performance. This leads to more expensive plants and may well predicate centralisation wherever communities are within 10km of each other.

3.7 Risks and Critical Assets

3.7.1 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. This was proven in the Raetihi Diesel Spill emergency.

3.7.2 Critical assets are defined in Council's lifelines and Civil Defence documents. In brief, 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 a standby crew including heavy machinery and road controlling staff.

3.7.3 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.

3.7.4 There are no significant concentrated centres of population within the District and hence it is likely that there is a significant ability for the population to sustain itself for a significant period following an emergency.

3.7.5 The best way to accommodate uncertainties is to retain the ability to borrow. At the present time, Council has unused borrowing capacity of \$3m. This should be sufficient to accommodate future contingent demands that are not covered in this document.

Infrastructure Strategy

4.1 Overview

4.1.1 Over the last five years Council has achieved an expenditure pattern which has enabled:

- (a) Reasonable Levels of Service (ie, operational expenditure, which results in reducing requests for service).
- (b) A capital works programme making modest inroads into deferred maintenance.
- (c) Stable debt in real terms ie debt increasing at about the rate of inflation.

4.2 Sustainability

4.2.1 A stable budget is a useful definition of sustainability of a local body.

- (a) There have been robust discussions about the expenditure that this requires. Some ratepayers are of the view that Council should undertake more expenditure and some are of the view that there should be less expenditure.
- (b) An example of pressures upon Council is Parks and Reserves.
- (c) Ruapehu is blessed by more parks per ratepayer than any other District in NZ. In addition, it has three National Parks, including a World Heritage area. This enables a wide variety of outdoor experience including mountain biking, canoeing and skiing. All of these require some infrastructure.
- (d) The burden of maintenance of much of this infrastructure falls on a relatively small number of ratepayers. Council's response has been to encourage others to invest and make its own (ratepayers) commitment very modest indeed.
- (e) The overall result of this Plan, as it relates to sustainability, is:
 - (i) At current expenditure levels with rate rises between 2% and 5%, Council plans to keep its essential infrastructure renewed (ie, fully fund depreciation) and spend the money on replacements, either directly or via loans.
 - (ii) To this end, works have been scheduled and contingent plans made.

4.3 *Link to Financial and Funding Strategies*

4.3.1 The Financial Strategy contains the details of financial impacts on the proposed Long Term Plan. This sets the scene for the Revenue and Finance Policy that determines the rates to be struck and the rationale behind identifying who pays and why.

4.4 Deferred Works and Mitigations

4.4.1 In 2013, Council suffered from a significant leak of diesel oil into the catchment of the Raetihi water supply. The immediate effect was that reticulated water was unavailable for drinking for a month. A flow-on effect was the deferral of nearly \$2m of scheduled capital works, mainly renewals.

4.4.2 The diesel event was followed by a very significant rainfall event later in the same month. As a result, our Civil Defence system was activated and significant resources brought to bear to restore normal services.

4.4.3 Apart from the very obvious effects, no other loss of service occurred and other Levels of Service were maintained. Council's basic services are very resilient to these perturbations. The capital works programme will be back on track within 18 months.

4.4.4 In the future, it is likely that details of the works carried out will differ to some extent from those planned, because of similar unexpected happenings. The mitigation of this is that routine works are re-prioritised and deferred on an ongoing basis. Overall, this has been accomplished with no reduction of services. Continued deferral of works results in the likelihood of asset failures.

Infrastructure Strategy

5.0 Capital Expenditure Highlights

5.1 Introduction

- 5.1.1 Overall, this Plan is very much a 'steady as we go' infrastructure replacement programme. Council's infrastructure assets will be replaced 'just in time' to provide the LoS which are currently acceptable. There will be some minor improvements to cope with new legislation and changing sizes of trucks. There are no individual projects planned that involve more than \$3million expenditure in any one year.
- 5.1.2 The annual capital value of all works is approximately \$9million in 2014 dollars. This represents about 30% of Council's income, which is typical of New Zealand local bodies.
- 5.1.3 The major items which have not been included in the modelling are:
- (a) A possible water scheme for the whole of Waimarino.
 - (b) Unreasonable changes in the way we treat our water and wastewater.
- 5.1.4 A table of all projects costing is appended (Appendix 1 and 2). For the Land Transport and Water activities, all expenditure of more than \$1m is included. For other activities, projects costing more than \$100,000, that are of specific public interest, are included.
- 5.1.5 See the individual Asset Management Plans for detailed lists of projects.

Infrastructure Strategy

5.2 Wastewater Treatment

5.2.1 The most significant contingent items are those connected with water and wastewater plant upgrades. The actual expenditure that will be required is unknown. Plants at all Council's small settlements are currently undergoing the Resource Consent process. This includes National Park, Rangataua, Raetihi, Ohakune and Taumarunui.

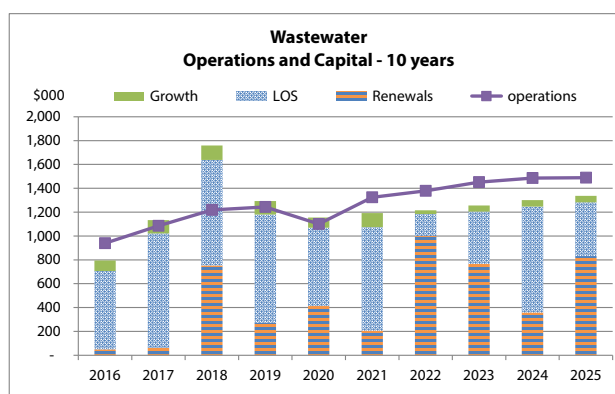
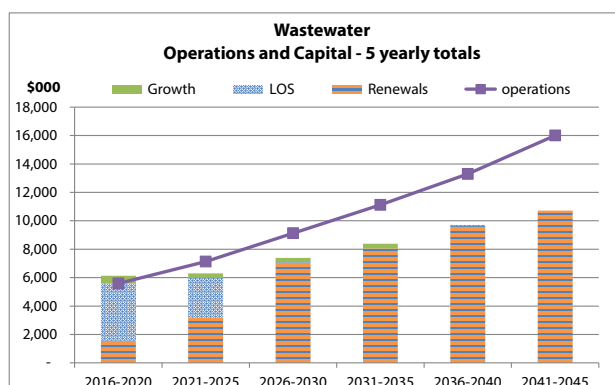
5.2.2 Depending on the final requirements, the amounts at each plant could be anywhere between no further expenditure (unlikely) and \$5m per plant (again unlikely). The resulting rates rise under current allocation policies would be between 0% and 50% in the relevant wastewater rate.

5.2.3 Allowance has been made for the expected plant upgrade.

5.2.4 See table below for summary of Wastewater Treatment Plants.

5.2.5 Expenditure Overview

The graphs opposite show the expenditure overview.



Summary of Wastewater Treatment Plants

| Scheme | Type | Outfall | Issues | Notes |
|---------------|----------------------------------|--------------|---|------------------|
| Taumarunui | Pond/aeration/UV/wetland | Slotted pipe | Resource Consent expiring | Upgrade likely |
| Raetihi | 3 Ponds | Rock outfall | Flooding | Upgrade likely |
| Ohakune | 2 Ponds/aeration/rock trickle/UV | Rock outfall | Resource Consent expiring. Loading/capacity | Upgrade likely |
| Pipiriki | Septic tanks/sand filter | To earth | Rates levels | |
| Rangataua | 2 Ponds | Ditch | | Upgrade likely |
| National Park | Pond/ aeration/wetland | Ditch | Resource Consent expiring | Upgrade possible |
| Waiouru | NZ Army Supply | | High RC standards, intermittent use | Owned by NZ Army |

Infrastructure Strategy

5.3 Land Transport

5.3.1 7km a year of major sealed road renewal works is being carried out on the most important local roads. In the last eight years, 61km has been completed and there remains another 100km of key roads to complete. This involves around \$2m of expenditure per annum.

5.3.2 From 2015/16, major road reconstruction will be reduced to allow for bridge renewals. Bridge renewals will then dominate major road renewal expenditure for the remaining of the planning period.

5.3.3 Of the 350 bridges in the District, 90 will fall due for replacement in the planning period at a cost of \$10.7m. Others are due for replacement of significant parts of the structure (eg, decks, beams, rails, foundations, etc) at a cost of \$7.5m. These maintenance works should also accommodate the national drive to even larger trucks.

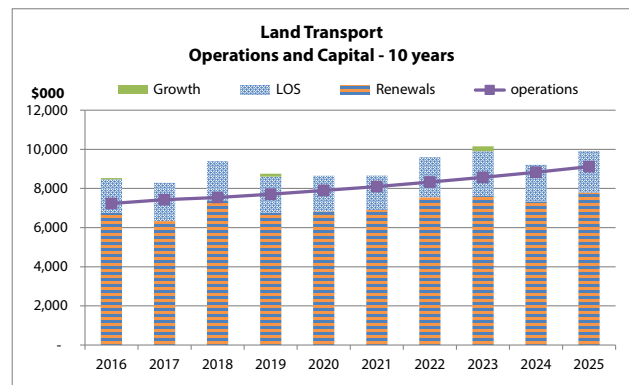
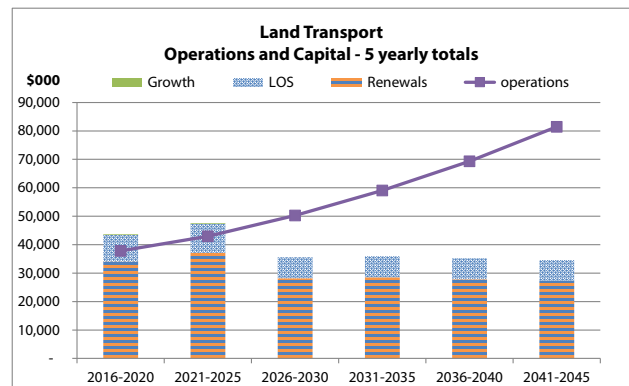
5.3.4 The other major thrust of roading capital works is easing corners and bridge approaches because 98km of roads cannot take trucks and trailers. This is because the corners are too tight or the roads are not wide enough. This can be solved by judicious upgrades.

5.3.5 Maintenance costs will rise as forest plantations come to harvest. This harvest cost has been allowed for in the financial model. The Revenue and Financing Policy has discussion on possible forestry differentials to reduce the impact on others (ie, reduce the impact on non-forestry ratepayers).

5.3.6 The overall summary of the road works required is that they can be accommodated within the current expenditure levels. The funding of these levels will be affected by changes to the NZTA subsidy regime. This is something of an unknown at this stage and is discussed separately.

5.3.7 Expenditure Overview

The graphs opposite show the expenditure overview.



Infrastructure Strategy

5.4 Water Supply

5.4.1 With the possible exception of the Waimarino Scheme, all other major water supply works are expected to be of an evolutionary, rather than a revolutionary, type.

5.4.2 See table below for a summary of Water Treatment Plants.

5.4.3 All of the future upgrades needed have the potential to cost several hundreds of thousand dollars. This will be new capital works that will drive up rates requirements over time. This expenditure has been modelled in the financial section of this report.

5.4.4 All of the schemes have piped networks that are in need of renewals. The actual level of renewals is established from year to year, based on maintenance required and leakage analysis. In overall terms, pipe replacements will be required at the current level for the foreseeable future. The cost of this will probably tend to rise slightly faster than the Consumer Price Index (CPI) inflation.

5.4.5 There are several possible new infrastructure projects that could be initiated with a 30 year planning horizon. For example, it is possible a Waimarino Plains water scheme would provide water supply to Ohakune, Raetihi, Rangataua and growers. If this scheme proceeds, it will involve more than 1,000 new ratepayers and a significant amount of capital construction.

5.4.6 If Council decides to investigate this matter further, detailed financial analysis will be required.

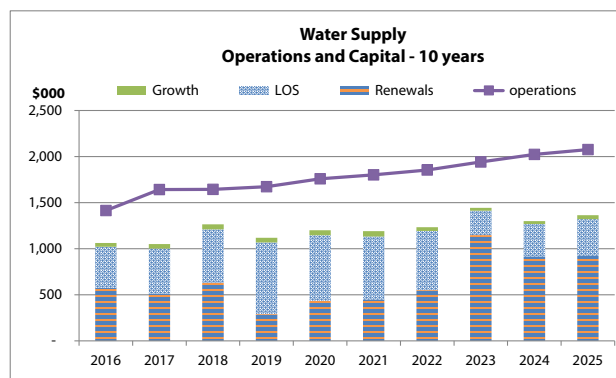
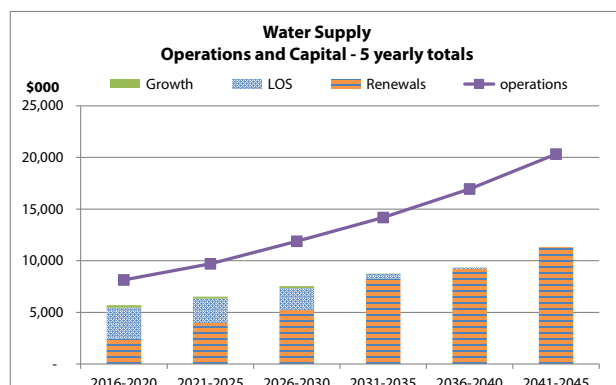


Table 4 - Summary of Water Treatment Plants

| Scheme | Filters | Disinfection | Issues | Notes/Future |
|---------------|---------|-------------------|-------------------|---|
| Taumarunui | 2 stage | Chlorination | UV | OK |
| Ohura | 1 stage | Chlorination | Cost /Rates | Further study needed |
| Owhango | none | Chlorination | | May need filtration |
| Raetihi | none | Chlorination | Taste | Needs filtration |
| Waiouru | 1 stage | Chlorination | | Owned by NZ Army |
| Ohakune | 1 stage | Chlorination & UV | Increasing demand | Probable second stage filter and more storage |
| National Park | 1 stage | Chlorination | | OK |

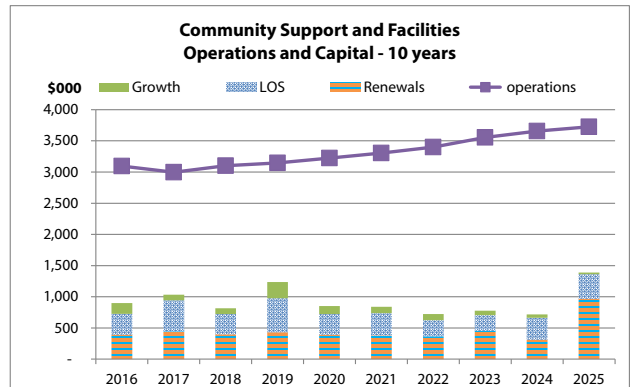
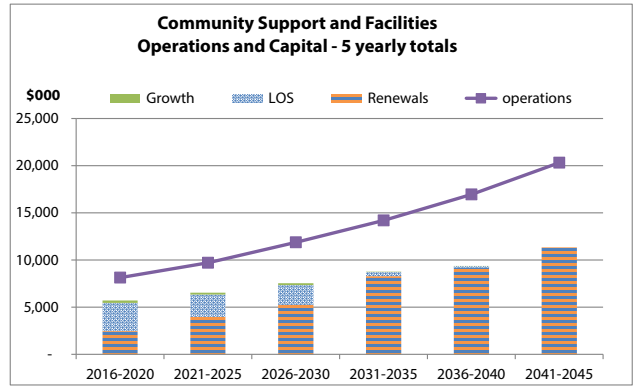
Infrastructure Strategy

5.5 Parks Reserves and Other Infrastructure

- 5.5.1 No allocation of renewal funds has been made for community halls. Council is likely to consider each hall on a case-by-case basis over the 30-year period. Some will be closed and some upgraded. The Taumarunui War Memorial Hall requires upgrading to meet the earthquake standards that are likely to be promulgated next year. A modest allowance has been budgeted for this work.
- 5.5.2 Council owns over 50 flats that are rented out to older people. Maintenance and minor renewals have been allowed for in the budgeting. New units have not been allowed for.
- 5.5.3 Public toilets will be renewed as occasion demands and this has been budgeted.

5.5.4 Expenditure Overview

The graphs opposite show the expenditure overview.

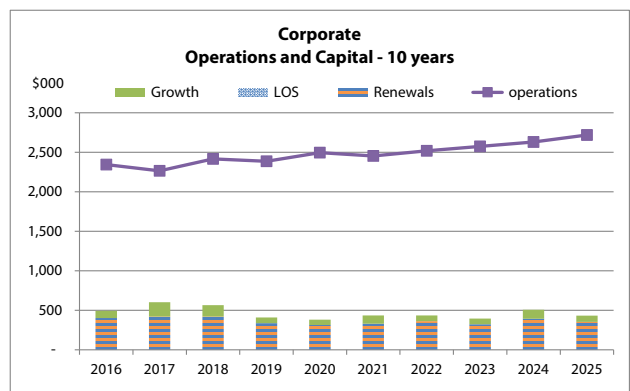
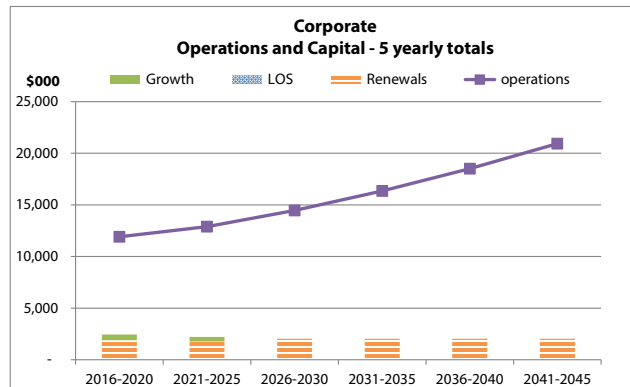


5.6 Overheads (including Land, Buildings, Computer Support and Vehicles)

- 5.6.1 Council's significant internal infrastructure (ie, its office buildings, etc) are of a good standard and not likely to require major expenditure in the planning period.
- 5.6.2 Allowances have been made for routine renewals.
- 5.6.3 It is likely that strategic purchases of land will be made as occasion presents over the 30 year planning period but this has not been allowed for in the budgeting.
- 5.6.4 Computer support has historically been a significant expenditure. Prices have been falling and the assumption has been made that expenditure marginally below recent levels will enable a reasonable service to be delivered to the ratepayer.

5.6.5 Expenditure Overview

The graphs opposite show the expenditure overview.



Infrastructure Strategy

6.0 Operational Costs

6.1 Costs

6.1.1 Operational costs will mirror capital costs in that they should not rise dramatically. The Levels of Service that this will provide are those that are enjoyed today. There are unlikely to be any significant changes to the services provided.

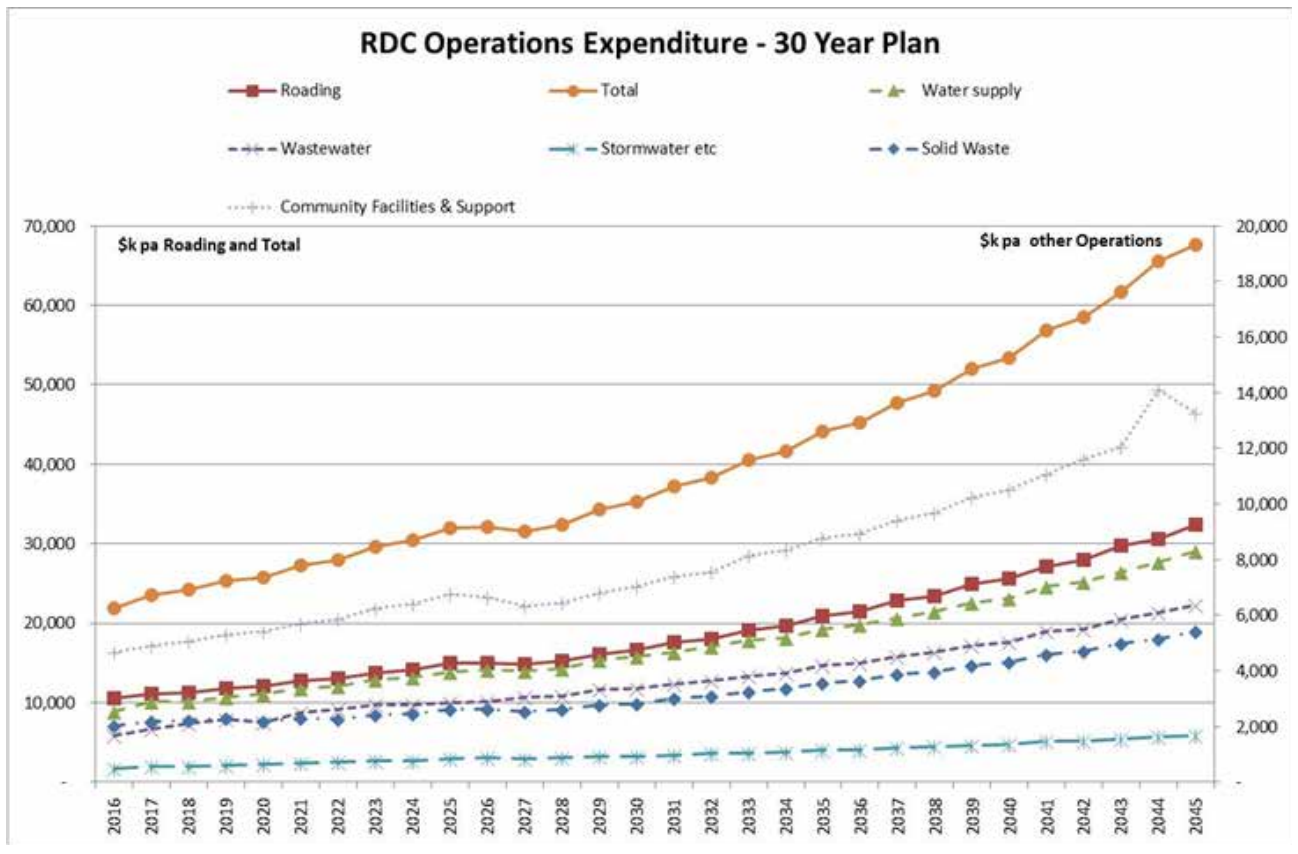
6.2 Risks

6.2.1 Overall, the risks mirror those of the capital costs.

6.2.2 The major risk that must be reiterated is the cost of conditions associated with Wastewater Resource Consents. If treatment methods are specified that require major use of non-biodegradable chemicals, then disposal costs rise alarmingly. These costs could be in the order of many hundreds of thousands of dollars a year and have not been allowed for in the associated budgets.

6.3 Budgets

6.3.1 The budgets of operational costs have been appended to this Strategy Document.



Infrastructure Strategy

7.0 Conclusion

7.1 Options

- 7.1.1 For a rural Council providing a basic level of infrastructure, the way that the infrastructure is provided is largely constrained by legislation and regulation. Council will conform to an “acceptable practice” approach using the common body of conservative engineering knowledge available in each discipline. None of the projects are large in a national context and hence it is unlikely that ground breaking engineering techniques will be used.
- 7.1.2 Council’s Delegation Manual and Significance and Engagement Policy determine how decisions are made within a Council context.
- 7.1.3 Whether to retain or close down some of the smaller water and wastewater schemes will continue to be an issue over the planning period.

7.2 Public Health and Environmental Outcomes

- 7.2.1 One of the major reasons for the provision of public infrastructure is to provide a healthy environment for the public. To the extent that Council achieves this at the present time, then it will be able to continue doing so.
- 7.2.2 There are pressures coming on Council which bring this into question. For example, population pressures (largely from tourism) have brought higher peak loading into our wastewater treatment systems and they are likely to have to be upgraded because of this. If these works are not carried out, public health may well suffer.
- 7.2.3 Each Asset Management Plan (particularly those related to waters) contains more detailed planning for upgrades of systems to enable acceptable environmental outcomes.
- 7.2.4 It is noteworthy that a significant part of Ruapehu’s population is at such a low density that water services are not provided by any form of reticulated system.

7.3 Summary

- 7.3.1 This document is intended to be a brief overview of the infrastructure strategies embodied in Ruapehu District Council’s planning documents from 2015 to 2045. It is necessarily focused on the larger and more predictable issues.
- 7.3.2 The overall picture is that, in real (inflation adjusted) terms, it will be possible to provide the existing services at current rating levels with moderate increases in debt. Any large changes are likely to require more income and more debt.

Infrastructure Strategy

Appendix 1 Major Capital Projects

This appendix is a list of the major projects that Council will be involved in over the next 30 years. Note that individual activity lists cover only a ten year horizon. Therefore the two lists are not directly comparable.

In general, only projects costing more than \$300,000 over 30 years have been included.

The Community Facilities projects listed involve a lot less money, but are included because of public interest in this type of project. Similarly, the Corporate Services projects are likely to be of more interest to the public.

| Activity | ProjectName | Estimate | Growth | Inc LOS | Renewals | Years |
|----------------------|---|------------|--------|---------|----------|-------|
| Community Facilities | Taumarunui Memorial Hall Earthquake Upgrade | 450,000 | 0% | 0% | 100% | 10 |
| Community Facilities | Waiouru Toilet Refurbishment | 257,250 | 0% | 0% | 100% | 1 |
| Community Facilities | Ohakune _250m walkway per annum | 200,000 | 0% | 100% | 0% | 1-30 |
| Community Facilities | Taumarunui -250m Walkway per annum | 180,000 | 0% | 100% | 0% | 1-30 |
| Community Facilities | Taumarunui Iconic i-Site | 150,000 | 0% | 100% | 0% | 2 |
| Community Facilities | District Wide playground Equipment | 150,000 | 0% | 0% | 100% | 1-30 |
| Community Facilities | Raetihi Holiday Park Ablutions Block Upgrade | 100,000 | 0% | 0% | 100% | 5 |
| Corporate Services | Replacement Vehicles | 6,240,000 | 0% | 0% | 100% | 1-30 |
| Corporate Services | Replace / PCs, Desktops, Notebooks & Thin Clients | 200,000 | 0% | 0% | 100% | 1-10 |
| Corporate Services | Replace / Aerial Mapping | 150,000 | 0% | 0% | 100% | 1-10 |
| Corporate Services | Replace / SharePoint EDMS | 133,396 | 0% | 0% | 100% | 1-2 |
| Corporate Services | Implement / Go-Get | 100,000 | 100% | 0% | 0% | 2 |
| Land Transport | Pavement Rehabilitation (sealed road rebuids) | 62,567,498 | 0% | 15% | 85% | 1-30 |
| Land Transport | Unsealed Road Metalling | 23,322,150 | 0% | 0% | 100% | 1-30 |
| Land Transport | Sealed Road Surfacing (reseals) | 23,322,150 | 0% | 0% | 100% | 1-30 |
| Land Transport | Minor & Associated Improvements | 20,059,776 | 0% | 80% | 20% | 1-30 |
| Land Transport | Structures Components Replacements (Bridges) | 13,224,797 | 0% | 15% | 85% | 1-30 |
| Land Transport | Drainage Renewals | 9,851,459 | 0% | 15% | 85% | 9-30 |
| Land Transport | Traffic Services Renewals | 7,173,392 | 0% | 0% | 100% | 9-30 |
| Land Transport | Footpath Renewals | 5,463,662 | 0% | 0% | 100% | 1-30 |
| Land Transport | Minor & Assoc Improvements SPR | 4,236,155 | 0% | 80% | 20% | 9-30 |
| Land Transport | OMR Capacity Improvement | 3,188,883 | 0% | 60% | 40% | 1-30 |
| Land Transport | Sealed Road Surfacing SPR | 2,965,002 | 0% | 0% | 100% | 9-30 |
| Land Transport | Pavement Rehabilitation SPR | 2,196,851 | 0% | 15% | 85% | 10-30 |
| Land Transport | Kerb and Channel Development | 1,355,033 | 0% | 100% | 0% | 1-30 |
| Solid Waste | Sorting Facility for Shipping Waste out - District | 260,000 | 60% | 40% | 0% | 4-6 |
| Stormwater | Taumarunui Stormwater Networks: Main Replacement | 5,450,306 | 0% | 0% | 100% | 1-30 |
| Stormwater | Taumarunui Stormwater Networks: Main Replacement | 5,450,306 | 0% | 0% | 100% | 1-30 |
| Stormwater | Ohakune Stormwater: Channel B Flood Control | 363,800 | 15% | 85% | 0% | 2-5 |
| Stormwater | Waste Water Treatment Plant Stop Bank | 253,900 | 0% | 100% | 0% | 11-12 |
| Stormwater | Taumarunui Stormwater: Taupo Road Flood Control | 247,100 | 0% | 100% | 0% | 4-8 |
| Stormwater | Taumarunui Stormwater: Turaki Street & Maata Street | 191,500 | 0% | 100% | 0% | 9-11 |
| Stormwater | Taumarunui Stormwater: Tuku Street Flood Control | 179,100 | 0% | 100% | 0% | 9-10 |
| Stormwater | Raetihi Stormwater: Piping of Open Channel Systems | 161,100 | 0% | 100% | 0% | 15-24 |
| Stormwater | Taumarunui Stormwater: Turaki Street & Maata Street | 125,104 | 0% | 100% | 0% | 30 |

Infrastructure Strategy

| Activity | ProjectName | Estimate | Growth | Inc LOS | Renewals | Years |
|------------|---|-----------|--------|---------|----------|-------|
| Wastewater | Taumarunui Wastewater Main Refurbishment | 7,382,986 | 0% | 0% | 100% | 1-30 |
| Wastewater | Ohakune Wastewater Main Refurbishment | 5,404,100 | 0% | 0% | 100% | 11-30 |
| Wastewater | Taumarunui (Hikumutu) Wastewater Above Ground Assets | 3,746,200 | 0% | 0% | 100% | 3-30 |
| Wastewater | Raetihi Wastewater Networks: Wastewater Main Relining | 2,707,440 | 0% | 0% | 100% | 3-30 |
| Wastewater | Ohakune Wastewater Above Ground Assets: Renewals | 2,510,100 | 0% | 0% | 100% | 3-30 |
| Wastewater | Ohakune WWTP: Upgrade | 1,580,318 | 15% | 85% | 0% | 1-30 |
| Wastewater | Owhango Wastewater Scheme: Installation | 1,342,700 | 0% | 100% | 0% | 1-30 |
| Wastewater | National Park WWTP: Upgrade | 1,233,127 | 15% | 85% | 0% | 1-30 |
| Water | Taumarunui Water Above Ground Assets: Renewals | 7,770,487 | 0% | 0% | 100% | 1-30 |
| Water | Taumarunui Water Networks: Water Main Replacement | 5,646,315 | 0% | 0% | 100% | 1-30 |
| Water | Raetihi: Renewal of raw water mains | 3,200,000 | 0% | 0% | 100% | 2-21 |
| Water | Water Meter Installation | 1,289,000 | 0% | 100% | 0% | 3-8 |
| Water | Ohakune Water Above Ground Assets: Renewals | 1,104,600 | 0% | 0% | 100% | 1-30 |
| Water | Ohakune Water Networks: Water Main Replacement | 1,041,700 | 0% | 0% | 100% | 2-8 |

PART 3: POLICIES AND STRATEGIES

Infrastructure Strategy

Appendix 2 - Operational Costs

| | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget |
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2021/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 |
| Activity | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Community Facilities | 3,425 | 3,622 | 3,763 | 3,731 | 3,796 | 3,858 | 3,963 | 4,021 | 4,028 | 3,983 | 3,914 | 3,959 | 3,943 | 4,025 | 4,158 |
| Community Support | 1,857 | 1,679 | 1,713 | 1,741 | 1,777 | 1,813 | 1,854 | 1,898 | 1,941 | 1,991 | 2,038 | 2,095 | 2,124 | 2,183 | 2,233 |
| Land Transport | 14,494 | 15,204 | 15,643 | 16,135 | 16,663 | 17,191 | 17,763 | 18,374 | 19,066 | 19,761 | 20,485 | 21,215 | 20,608 | 22,837 | 23,644 |
| Solid Waste | 2,068 | 2,193 | 2,223 | 2,175 | 2,108 | 2,093 | 2,087 | 2,145 | 2,208 | 2,277 | 2,350 | 2,403 | 2,392 | 2,521 | 2,581 |
| Stormwater | 806 | 904 | 935 | 972 | 1,031 | 1,066 | 1,108 | 1,171 | 1,202 | 1,258 | 1,335 | 1,369 | 1,360 | 1,484 | 1,509 |
| Wastewater | 2,335 | 2,648 | 2,903 | 3,041 | 3,006 | 3,315 | 3,473 | 3,608 | 3,724 | 3,838 | 4,020 | 4,276 | 4,201 | 4,588 | 4,714 |
| Water | 3,507 | 3,920 | 4,014 | 4,127 | 4,314 | 4,454 | 4,580 | 4,757 | 4,916 | 4,999 | 4,976 | 5,050 | 4,983 | 5,406 | 5,596 |

| | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget | Budget |
| | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/25 | 2025/36 | 2036/37 | 2037/38 | 2038/39 | 2039/40 | 2040/41 | 2041/42 | 2042/43 | 2043/44 | 2044/45 |
| Activity | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Community Facilities | 4,216 | 4,322 | 4,529 | 4,655 | 4,764 | 4,839 | 4,929 | 5,091 | 5,238 | 5,342 | 5,480 | 5,787 | 5,794 | 7,077 | 6,244 |
| Community Support | 2,286 | 2,340 | 2,396 | 2,453 | 2,512 | 2,573 | 2,635 | 2,698 | 2,764 | 2,831 | 2,900 | 2,971 | 3,043 | 3,118 | 3,194 |
| Land Transport | 24,484 | 25,358 | 26,251 | 27,170 | 28,118 | 29,093 | 30,105 | 31,148 | 32,223 | 33,332 | 34,496 | 35,683 | 36,913 | 38,183 | 39,486 |
| Solid Waste | 2,643 | 2,708 | 2,775 | 2,844 | 2,916 | 2,990 | 3,067 | 3,146 | 3,227 | 3,312 | 3,399 | 3,488 | 3,578 | 3,664 | 3,762 |
| Stormwater | 1,557 | 1,630 | 1,661 | 1,716 | 1,800 | 1,837 | 1,901 | 1,995 | 2,037 | 2,108 | 2,210 | 2,254 | 2,332 | 2,447 | 2,497 |
| Wastewater | 4,850 | 5,029 | 5,163 | 5,333 | 5,569 | 5,702 | 5,884 | 6,112 | 5,627 | 5,512 | 5,642 | 5,800 | 5,995 | 6,108 | 6,264 |
| Water | 5,727 | 5,967 | 6,128 | 6,297 | 6,526 | 6,734 | 6,911 | 7,209 | 7,337 | 7,400 | 7,687 | 7,733 | 7,645 | 7,995 | 8,225 |

Revenue and Financing Policy

Policy Objectives

- 1.1 The purpose of the Revenue and Financing Policy is to:
- (a) Demonstrate how and why Council funds each of its significant 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 a Revenue and Financing Policy and incorporate it into the LTP.

Definitions

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

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

Background

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

Policy Statement

1 *Rating Methods and Other Funding Sources*

1.1 *General Rate*

1.1.1 The General Rate is set under Section 13(2)(a) of the LGRA.

1.1.2 The General Rate is a rate in the dollar on capital value applied to all properties in the District with the exception of Defence Land which is rated on land value to comply with Section 22 of the LGRA.

1.1.3 The General Rate is set at 70% of the rate requirement (not including targeted rates for Water and Wastewater).

1.1.2 A General Rate is used when:

- (a) Council considers that a capital value rate is fairer than the use of other existing rating tools for the service funded.
- (b) Council considers that the community as a whole should meet costs of the activity or function.
- (c) Council is unable to achieve its user charge targets and must fund expenditure.

1.2 *Uniform Annual General Charge (UAGC)*

1.2.1 The UAGC is set under Section 15 of the LGRA to part fund the activities of Council and forms part of the General Rate.

1.2.2 The UAGC is a fixed rate used to fund general council activities.

1.2.3 Rate revenue from the UAGC and targeted rates set on a uniform basis (Targeted Uniform Annual Charge - TUAC) (other than for water and wastewater), will be 30% of the total rates.

1.3 *Targeted Rate*

1.3.1 A targeted rate is set under Sections 16 or 19 of the LGRA for one or more activities or groups of activities or services. A targeted rate is used,when:

- (a) Council considers that a targeted rate would enable a higher level of transparency in funding allocation; or

Revenue and Financing Policy

- (b) Council considers that a targeted rate is fairer than the use of other existing rating tools for the activity or service funded, in consideration of the benefit derived from the service; or
 - (c) There is not equal benefit to all District ratepayers.
- 1.3.2 A targeted rate may be set uniformly (TUAC) if Council considers there is an equal benefit to district ratepayers or specific beneficiary groups.
- 1.3.3 A TUAC is set at a fixed amount per rating unit.
- 1.4 **Differential Rates**
 - 1.4.1 A differential may be applied to a General or Targeted Rate under Section 13 and 14 of the LGRA based on the categories set out in Schedule 2 of the LGRA.
 - 1.4.2 Differential rates mean that some ratepayers may pay more or less than others with the same value property.
 - 1.4.3 General and targeted rates are differentiated for hydro-electric properties worth in excess of \$50 million. This is because Council considers that the rate that would be charged, by a differential rate, would be unreasonable. These properties will be charged 60% of the full general rate (or a factor of 0.6) and 60% of the targeted rate for Land Transport (or a factor of 0.6).
 - 1.4.4 A differential may 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. The differential rating factor will be set at 150% of the land transport targeted rate (or a factor of 1.5).
- 1.5 **Fees and Charges**
 - 1.5.1 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.
- 1.6 **Financial Contributions**
 - 1.6.1 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.
- 1.7 **Development Contributions**
 - 1.7.1 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.
- 1.8 **Grants and Subsidies**
 - 1.8.1 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.
- 1.9 **Other Funding**
 - 1.9.1 Council also uses the following funding methods:
 - (a) Extra income, petrol tax, interest and dividends - Council receives limited interest and dividends.
 - (b) Proceeds from asset sales - Used to offset debt first.
 - (c) Loan Funding.
 - 1.9.2 Council may receive additional minor funding from other sources, including Fees and Charges, across all activities.

Revenue and Financing Policy

2 Sources of Funding Capital Expenditure

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

- (a) Firstly, apply subsidies (eg, Land Transport), Development Contributions.
- (b) Secondly, loans.
- (c) Lastly, rate funding.

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

3 Sources of Funding Operating Expenditure

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

3.2 Operating expenses are funded annually using a mix of sources described in sections 1, 4 and 5 of this policy.

3.3 Borrowing is not generally used to fund operating expenses.

4 Policy Considerations when Deciding Funding Sources

4.1 Key Funding Considerations

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

4.1.2 Funding sources for each activity are summarised in the table in Section 5 below.

4.2 Intergenerational Equity

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

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

- (a) Solid Waste disposal.
- (b) Wastewater collection and treatment.
- (c) Stormwater.
- (d) Water extraction, treatment and distribution.
- (e) Land Transport.
- (f) Community Facilities.
- (g) Other capital projects.

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

4.3 Decline in Service Potential (DISP)

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

- (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.

Revenue and Financing Policy

4.4 Outcomes Considered During Policy Development (Section 101(3)(a)(i) LGA)

4.4.1 Council considered what Outcomes the Revenue and Finance Policy and activities targeted. The selection of revenue and financing mechanisms should reflect desired Council Outcomes including:

- (a) Council is proactive, transparent, accountable and takes an active, consultative approach to finding solutions.
- (b) Core infrastructure, water, wastewater, solid waste, and roading endeavours to keep pace with changing demand.
- (c) That economic diversity and core economic strengths are encouraged in partnership with others.
- (d) That Council plans for and works with the community to ensure that our environment is accessible, clean and safe and that our water, soil and air meets acceptable, affordable standards.

4.5 The Benefit Principle (Section 101(3)(a)(ii) LGA)

4.5.1 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.

4.5.2 Council considered the benefits of each of its activities and sub activities, as to 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 Council will try and collect from that source or sources for each activity. The following benefit categories were seen as the best fit.

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

- (a) Leadership.
- (b) Public Toilets.
- (c) Emergency Management.
- (d) Grants.
- (e) Economic Development.
- (f) Visitor Information Centres.

4.5.4 The following activities are funded by the user, as the benefit is considered to be solely to the user.

- (a) Water Supply.
- (b) Wastewater.
- (c) Kerbside Collection.

4.5.5 The following activities are funded by a mix of Fees and Charges and General Rates/UAGC, as the benefit is to both the community and to the user and they have components of any groups whose action or inactions contribute to the activity.

- (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).

4.5.6 Land Transport is funded by a mix of subsidies and targeted rates as Council considers there are benefits to the community and users. Council

Revenue and Financing Policy

considers a targeted rate enables a higher level of transparency in funding allocation for this activity.

4.5.7 The following activities are funded by a mixture of capital value rates on commercial and industrial properties and a Targeted Uniform Annual Charge 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.

(a) Regional Tourism.

4.5.8 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 Flooding.

4.6 The Exacerbator Principle

4.6.1 Council considered Section 101(3) (iv) and charges fees, charges and fines when there is an exacerbator or direct beneficiary.

4.7 Costs and Benefits (s101(3)(v) LGA)

4.7.1 Council considered the costs and benefits of rating for its activities separately. Council considers that each activity and, in some cases, sub activities, should be rated separately as this is the most 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. Council believes that the benefit of this rating method outweighs the costs.

5.0 Summary of Funding

5.1 Assessment of the policy considerations, especially who benefits, has resulted in the funding methods listed on next page being set for each activity. The percentages for each funding method are targets.

Delegations

Refer to Council's Delegations Manual.

PART 3: POLICIES AND STRATEGIES

Revenue and Financing Policy

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

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

Significance and Engagement Policy (Summary)

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.

The degree of importance or significance of issues, proposals, decisions or other matters varies from low, or not important to critical. This continuum is illustrated below (*NZ Society of Local Government Managers, Significance and Engagement Policies, August 2014, page 7*)

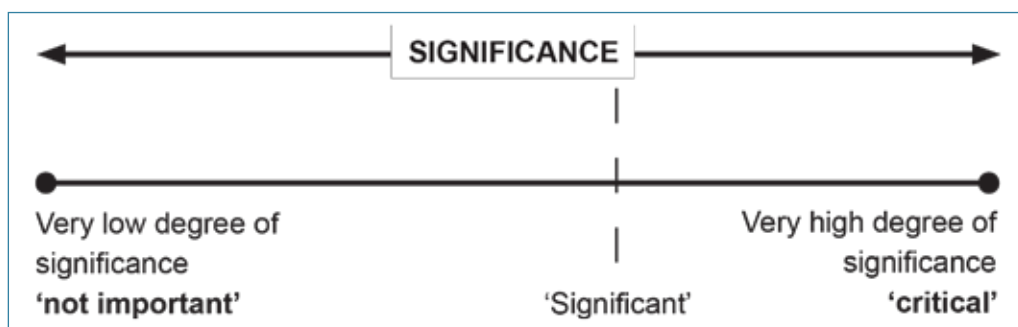
In considering the degree of significance of any issue, proposal or decision or other matter (in other words, where the issue sits on the continuum of significance in the Figure below). Council will be guided by the following:

- (a) The likely impact or consequence of the issue, proposal, decision or other matter, on the community.
- (b) The parties who are likely to be affected by or interested in the issue, proposal, decision or other matter and the likely impact or consequences from the perspective of those parties.
- (c) Whether the issue, proposal, decision or other matter, or something similar to it, has a history of being controversial and generating wide public interest in the District, or a part of the District.
- (d) The degree to which the decision is reversible.
- (e) The financial and non-financial costs and implications of the issue, proposal, decision.

- (f) Whether it will severely affect the capacity (including financial capacity) of Council to carry out any significant activity.

Specific criteria are also important to determining the degree of significance. The criterion Council applies are:

- (a) Has cost implications for the community, in terms of a possible increase in funding requirement in excess of:
 - (i) 20% of the total asset class value, or
 - (ii) 20% of total Council operating budget costs, or
 - (iii) Capital expenditure in excess of 2.5% of the total value of Council's assets.
- (b) May lead to a significant change to levels of service, or service provision, to Ruapehu communities, or District-wide, in terms of:
 - (i) Potential reduction in levels of service below any level of service standards agreed on through the LTP by Council, including change to service delivery points.
 - (ii) Increases in levels of service that invoke cost implications as outlined under (a).
 - (iii) Involves the sale, transfer of ownership or management control of Council's shareholding in any Council Controlled Organisation.
 - (iv) Involves Council's entry into any partnership, transfer of ownership or management control to be exercised over an entire Activity.
- (c) Results in the construction, replacement or abandonment of a strategic asset, defined as:



Significance and Engagement Policy (Summary)

- (i) Road network, in entirety.
- (ii) Wastewater treatment plants and reticulation network, in entirety.
- (iii) Water treatment plants and reticulation network in entirety.
- (iv) Stormwater reticulation, in entirety.
- (v) Solid waste disposal network, in entirety.
- (vi) Cemeteries.
- (vii) District libraries, in entirety.
- (viii) Information Centres, in entirety.
- (ix) Community Halls.
- (x) Community housing, in entirety.
- (xi) Recreation reserves and facilities, in entirety.

Council will engage communities and stakeholders on issues, decisions, proposals or other matters to a degree that is consistent with the level of significance of that issue. In general, the higher the degree of significance the greater the community engagement and consultation.

The full Significance and Engagement Policy can be found on Council's website www.ruapehudc.govt.nz.

Core Business Costs

Introduction

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

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

What Council Wants to Achieve

The community wants Council to achieve the range of Outcomes outlined in Part 1 of this LTP efficiently and effectively. The following outlines this strategic goal further:

To resource the achievement of Council's SGs to target Outcomes efficiently and effectively.

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

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

Economic

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

Political

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

Demographic

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

Community Demand

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

Technological

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

Market Driven

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

Financial Strategy

Capital Funding

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

Core Business Costs

Operating Funding

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

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

Cost of Support Statement

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

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

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

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

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

Inflation

As discussed earlier in this LTP, there is a legislative requirement for Council to include inflation in its forecast budgets. Council has applied the following inflation factors to the budgets prepared for the purposes of this LTP. These are the rates issued by BERL to Society of Local Government members who subscribe to this service.

Inflation Factors: % Change Per Annum

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Land Transport | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| Water | 1.0 | 1.1 | 1.1 | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 | 1.4 | 1.5 |
| Wastewater | 1.0 | 1.1 | 1.1 | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 | 1.4 | 1.5 |
| Stormwater | 1.0 | 1.1 | 1.1 | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 | 1.4 | 1.5 |
| Community | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| Community Support | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| Dog Registrations | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| Building Consents Income | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| RMA Consents Income | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| Environmental Health Licences | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| Power | 1.0 | 1.1 | 1.1 | 1.2 | 1.2 | 1.3 | 1.3 | 1.4 | 1.4 | 1.5 |
| Property | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.3 | 1.3 |
| Solid Waste | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.3 | 1.3 |
| CPI | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| Staff Costs | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |

*rounded to 1 decimal place

PART 4: FINANCIAL

Cost of Support Statement

| | Annual | | | | | | | | | | |
|--|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Plan 2014/15 \$000 | Forecast 2015/16 \$000 | Forecast 2016/17 \$000 | Forecast 2017/18 \$000 | Forecast 2018/19 \$000 | Forecast 2019/20 \$000 | Forecast 2020/21 \$000 | Forecast 2021/22 \$000 | Forecast 2022/23 \$000 | Forecast 2023/24 \$000 | Forecast 2024/25 \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - | - | - | - | - | - | - |
| Targeted rates | - | - | - | - | - | - | - | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 31 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | 20 | 21 | 21 | 22 | 22 | 23 | 24 | 24 | 25 | 26 |
| Internal charges and overheads recovered | 8,883 | 8,907 | 9,210 | 9,598 | 9,858 | 10,067 | 10,246 | 10,488 | 10,755 | 11,042 | 11,361 |
| Total Operating Funding (A) | 8,914 | 8,928 | 9,232 | 9,620 | 9,881 | 10,090 | 10,270 | 10,513 | 10,780 | 11,068 | 11,388 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 7,238 | 7,020 | 7,237 | 7,501 | 7,673 | 7,857 | 8,052 | 8,267 | 8,493 | 8,738 | 9,001 |
| Finance Costs | 465 | 456 | 477 | 498 | 507 | 507 | 508 | 511 | 513 | 517 | 521 |
| Internal charges and overheads applied | 711 | 713 | 737 | 768 | 789 | 806 | 820 | 839 | 861 | 884 | 909 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 8,414 | 8,189 | 8,451 | 8,767 | 8,969 | 9,170 | 9,380 | 9,617 | 9,867 | 10,139 | 10,431 |
| Surplus (deficit) of operating funding (A-B) | 500 | 739 | 781 | 853 | 912 | 920 | 890 | 896 | 913 | 929 | 957 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | (1,978) | (1,085) | (1,268) | (682) | (1,424) | (1,456) | (1,621) | (835) | (781) | (1,177) | (1,052) |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total sources of capital funding (C) | (1,978) | (1,085) | (1,268) | (682) | (1,424) | (1,456) | (1,621) | (835) | (781) | (1,177) | (1,052) |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | |
| - to meet additional demand | 50 | 89 | 175 | 138 | 69 | 64 | 101 | 68 | 70 | 111 | 75 |
| - to improve the level of service | 120 | 12 | 21 | - | - | - | - | - | - | - | 20 |
| - to replace existing assets | 148 | 417 | 458 | 480 | 346 | 324 | 341 | 379 | 336 | 412 | 371 |
| Increase (decrease) in reserves | (1,796) | (864) | (1,141) | (447) | (927) | (924) | (1,173) | (386) | (274) | (771) | (561) |
| Increase (decrease) of investments | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of capital funding (D) | (1,478) | (346) | (487) | 171 | (512) | (536) | (731) | 61 | 132 | (248) | (95) |
| Surplus (deficit) of capital funding (C-D) | (500) | (739) | (781) | (853) | (912) | (920) | (890) | (896) | (913) | (929) | (957) |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | - | - | - | - | - | - |

Funding Impact Statement

Introduction

Council is required under Schedule 10 (5) of the LGA to adopt a Funding Impact Statement. This Statement provides a summary of Council's funding sources over the ten year period, as well as the detailed rates requirement for the 2015/16 financial year. The Statement represents the fiscal outcome from the Revenue and Financing Policy. The Revenue and Financing Policy is located in Part 3 of the LTP.

Rates are levied under the LG(R)A on all rateable rating units on the basis of values supplied by Quotable Value New Zealand Limited. A revaluation was carried out in September 2014. The revaluations did affect rates going forward. The following outlines Council's goals in the setting of rates.

Objectives and Measures

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

Rates Remission and Postponement

Remissions

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

- Charges on Contiguous Properties.
- Charges on Non-Contiguous Properties.
- Uninhabitable dwellings or properties affected by natural disasters.

- Remissions for Clubs and Societies.
- Remissions for Community Organisations.
- Remissions for New Subdivisions.
- Remissions of Rates on Land-Locked Land.
- Remission of Penalties.

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

| Category of Rate Remission | Value of Remission (including GST) \$000 |
|------------------------------|--|
| Service Charge - Water | 139 |
| Service Charge - Wastewater | 52 |
| Service Charge - Solid Waste | 1 |
| General Rates | 44 |
| UAGC | 402 |
| Other | 34 |
| Total | 672 |

Postponements

Council has a Rates Postponement Policy developed under Section 110 of the LGA and Section 87 of the LG(R)A. This can be viewed on Council's website 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.

Rates and Charges

1. General Rates

1.1 General Rate District Capital Value (CV)

The General Rate District Capital Value is assessed as a rate in the dollar based on capital values across the District. The rationale for use is contained in the Revenue and Financing Policy (Part 3 of the LTP). This rate is set at 70% of the total rates, (not including targeted rates).

The Revenue and Financing Policy (Part 3 of the LTP) also provides details on how each activity is funded, for example, libraries are funded through General Rates, Uniform Annual General Charges and through Fees and Charges.

1.1.1 Differential Rate (CV)

The General Rate District Capital Value is assessed as a rate in the dollar based on capital value across the District, with the exception

Funding Impact Statement

of hydro-electric properties worth in excess of \$50million. The rates for hydro-electric properties worth in excess of \$50million are set differentially at 60%.

1.1.2 Defence Land (CV)

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

1.2 Uniform Annual General Charge (UAGC)

Council sets a UAGC on all separately used or inhabited portions of rating units (SUIP) across the District under Section 15(1)(b) of the LG(R)A. The rationale for use of the UAGC is contained in the Revenue and Financing Policy (Part 3 of the LTP). The UAGC contribute 30% of the total rates (not including targeted rates).

1.2.1 Definition of SUIPS for all Rates

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

Uniform charges will be applied according to the following principles:

- (a) Where a rating unit contains both a commercial operation and residential accommodation, two separately used parts of a rating unit are identified and will attract two sets of uniform charges.
- (b) A farming unit with one dwelling will be treated as one SUIP, with each additional dwelling counting as an additional used part of the SUIP. Each additional dwelling will attract uniform charges.
- (c) Where a single rating unit contains a number of shops or offices, each separately used or inhabited office or shop will be counted as one SUIP. Each office or shop will attract uniform charges.

(d) Where a single rating unit contains a number of separately used or inhabited residential parts (block of flats), each separate unit will be counted as one SUIP. Each unit or flat will attract uniform charges.

(e) A motel/hotel complex will not be treated on the basis of the number of rooms, but on the basis of a motel/hotel being a commercial operation. The motel/hotel complex will attract one set of uniform charges. However, should a residential occupancy be contained within the complex, that would constitute an additional use. Each residential occupancy in the motel/hotel complex will attract uniform charges.

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

1.3 Land Transport

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

1.3.1 Differential Rate (CV)

The General Rate District Capital Value is assessed as a rate in the dollar based on capital value across the District, with the exception of hydro-electric properties worth in excess of \$50million. The rates for hydro-electric properties worth in excess of \$50million are set differentially at 60%.

2. Targeted Rates

Council will receive lump sum contributions to the Targeted Rate.

Targeted rates fall into three categories:

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

Funding Impact Statement

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

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

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

(a) On Land Use and Area

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

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

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

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

(b) On Location

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

- Accelerated and Enhanced Development.
- RTO (General).
- Stormwater and Flood Protection (Urban).
- How rates will be set for each of these activities is set out below.

(c) On Service Provision

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

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

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

2.2 Targeted Rate Values

(a) Accelerated and Enhanced Development (CV)

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

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

Rating areas are categorised as follows:

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

| Rating Area | Description |
|---------------|--|
| Ohura | All rating units situated within the pre-October 2004 Ohura Ward representation boundary, as indicated on RDC Plan 040504. This rate is not being set for Ohura in 2015/16 as it does not have capital works above the current level of service. |
| Taumarunui | All rating units situated within the pre-October 2004 Taumarunui Ward boundary, as indicated on RDC Plan 040504. |
| National Park | All rating units situated within the pre-October 2004 National Park Ward representation boundary, as indicated on RDC Plan 040504. |
| Waimarino | All rating units situated within the pre-October 2004 Waimarino Ward boundaries as indicated on RDC Plan 040504. |

Funding Impact Statement

| Rating Area | Description |
|-------------|--|
| Waiouru | All rating units situated within the pre-October 2004 Waiouru Ward boundaries as indicated on RDC Plan 040504. This rate is not being set for Waiouru in 2015/16 as it does not have capital works above the current level of service. |

(b) Main Street Northern/Southern (CV)

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

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

The areas for the Main Street rates are defined as follows:

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

(c) Sanitary Services (TUAC)

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

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

- In the past, Council has raised rates funding from ratepayers to pay rates to itself under the Revenue and Financing Policy method.

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

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

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

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

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

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

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

| | |
|---|---|
| Taumarunui, Ohakune, Raetihi, Owhango, National Park, Rangataua, Waiouru, Kakahi. | Any property within these communities that can be connected to a water supply (including those on water by meter) and/or wastewater network and/or kerbside collection. |
|---|---|

All Urban Ratepayers (see table above) will contribute a set value towards stormwater and flood protection works. The rate will be set on the number of separately used or inhabited parts of the rating unit (Schedule 3(7) LG(R)A).

(g) Solid Waste Management

This is a District-wide TUAC that is charged per SUIP and is to cover the cost of landfills, transfer stations and general recycling costs, plus all other refuse not included in the service charge for kerbside collection charged to individual households.

Funding Impact Statement

3.0 Service Charges

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

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

| | |
|------------------------|--|
| Water | Capable of connection - The rating unit is within 100m of water main and practicably serviceable in the opinion of Council. |
| Wastewater | Capable of connection - The rating unit is within 30m of sewer main and practicably serviceable in the opinion of Council. |
| Solid Waste Collection | Capable of collection - The rating unit is in townships, from which Council is prepared to collect as identified in the Waste Management and Minimisation Asset Plan, and is one from which Council is able and prepared to collect from. Council operates kerbside collection in Taumarunui (extending to Piriaka and Kakahi), Ohakune, Raetihi and Rangataua townships. |

(a) Water Supply (TUAC)

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

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

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

| User Category | Description |
|---|---|
| Ordinary (SUIP) (Users connected or able to be connected to the relevant water reticulation systems). | <ul style="list-style-type: none"> ➤ Ohura Supply ➤ Taumarunui Supply ➤ Owango Supply ➤ National Park Supply ➤ Raetihi Supply ➤ Ohakune Supply ➤ Waiouru Supply |
| Extraordinary (per SUIP) (Users who are connected or able to be connected to the related water reticulation schemes and are not metered. Users are deemed extraordinary by land use, by Council’s Water Bylaw or by agreement with Council, and charged accordingly). | <ul style="list-style-type: none"> ➤ Owango Supply Lifestyle Blocks <25ha ➤ National Park Supply ➤ Raetihi Supply |
| Metered (Users who are metered will be charged the ordinary charge, in conjunction with their usage charges for water consumed.) | <ul style="list-style-type: none"> ➤ Taumarunui >75m³ ➤ Owango Supply 75 – 832m³ > 832m³ ➤ Ohakune Supply 75 - 500m³ 500 –1,500m³ ➤ Ohakune Supply > 1,500m³ ➤ Carrot Washers ➤ Waiouru Supply >75m³ |

(b) Solid Waste Kerbside Collection (TUAC)

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

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

Funding Impact Statement

(c) Wastewater (TUAC)

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

- Use – these are divided into three categories:
 - Category 1: One to two pans (water closets or urinals). Each separately rateable property used exclusively or principally as the residence of not more than one household (defined in terms of their residential valuation land use code), is deemed to have not more than one pan for charging purposes.
 - Category 2: Three plus pans (water closets or urinals). Commercial land uses (as defined by land use category) with more than one pan.
 - Category 3: Primary and Secondary Schools.
- Location.
- Category 1 - the annual charge is levied on every SUIP of a rating unit that is connected or capable of being connected to a Council wastewater reticulation network.
- Category 2 - charge is levied on the number of pans.
- Category 3 - charge is levied on the number of pans.

4.0 Due Dates for Payment of Rates (excludes volumetric charges)

| | |
|-----------------|------------------|
| Instalment No 1 | 20 August 2015 |
| Instalment No 2 | 20 November 2015 |
| Instalment No 3 | 22 February 2016 |
| Instalment No 4 | 20 May 2016 |

4.1 Discount for Prompt Payment (excludes volumetric charges)

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 2016 are paid in full by 20 August 2015, on condition that no rates remain unpaid from previous years.

4.2 Penalties (excludes volumetric charges)

- (a) An additional charge of 10% per instalment will be added to all rates assessed in the 2015/16 financial year which remain unpaid after the above due dates.
- (b) A further additional charge of 10% per instalment will be added to all rates and penalties charged in previous years and still outstanding as at 9 July 2015 and 8 January 2016.
- (c) Council delegates authority to the Group Manager Corporate Services to apply penalties on unpaid rates. Remission of penalties will be considered according to Council's Remission of Penalties Policy, which can be found on Council's website: www.ruapehudc.govt.nz.

5.0 Metered Water Supply

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

5.2 Any consumption over the minimum of 75m³ per quarter is billed separately per m³ and subject to the following payment/penalty regime.

5.3 Due Dates for Payment of Metered Water

| | |
|-----------------|-----------------|
| Instalment No 1 | 31 July 2015 |
| Instalment No 2 | 30 October 2015 |
| Instalment No 3 | 29 January 2016 |
| Instalment No 4 | 29 April 2016 |

5.4 Discount for Prompt Payment

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

5.5 Penalties for Volumetric Charges (Metered Water)

A charge of 10% of the amount of any volumetric water charge in the 2015/16 financial year remaining unpaid after the above due dates, to be added on the next working day following due dates.

Funding Impact Statement

| | \$ or rate in \$ (excluding GST) | Total Requirement 2015/16 \$000 (excluding GST) |
|---|-------------------------------------|---|
| General Rates | | |
| General Rate (CV) | 0.00130363 | \$ 4,204 |
| Hydro Electrical (CV) | 0.00078218 | \$ 224 |
| Defence Land (CV) | | |
| Section 22 LG(R)A | 0.00055456 | \$ 109 |
| Uniform Annual General Charge (UAGC) | | |
| UAGC | \$ 463.58 | \$ 4,009 |
| Targeted Rate | | |
| Land Transport | | |
| Land Transport (CV) | 0.00143870 | \$ 4,639 |
| Hydro Electric (CV) | 0.00086322 | \$ 248 |
| Accelerated and Enhanced Development (CV) | | |
| Taumarunui | 0.00002628 | \$ 19 |
| National Park | 0.00000930 | \$ 5 |
| Waimarino | 0.00001065 | \$ 13 |
| Main Street Northern/Southern (CV) | | |
| Northern | 0.00017641 | \$ 11 |
| Southern | 0.00028329 | \$ 21 |
| Sanitary Services (TUAC) | | |
| Council Water Supplies | \$404 | \$ 2 |
| Council Wastewater Schemes | \$404 | \$ 2 |
| Council Stormwater Systems | \$404 | \$ 2 |
| Solid Waste Management | | |
| Solid Waste Charge | \$46 | \$ 395 |
| Regional Tourism Organisation (RTO) (General) | | |
| General Targeted Uniform Annual Charge | \$ 22 | \$ 192 |
| Commercial Targeted Rate for RTO Function (CV) | | |
| RTO Commercial Property Targeted Rate (QV Property Use Codes C and I) | 0.00055932 | \$ 128 |
| Stormwater and Flood Protection - Urban | | |
| Urban | \$70 | \$ 391 |

Funding Impact Statement

| | \$ or rate in \$ (excluding GST) | Total Requirement 2015/16 \$000 (excluding GST) |
|--|-------------------------------------|---|
| Service Charges | | |
| Water Supply | | |
| Ordinary - Ohura | \$1,540 | \$ 231 |
| Ordinary - Taumarunui | \$538 | \$ 1,307 |
| Ordinary - Owhango | \$559 | \$ 72 |
| Ordinary - National Park | \$881 | \$ 260 |
| Ordinary - Raetihi | \$634 | \$ 365 |
| Ordinary - Ohakune | \$449 | \$ 686 |
| Ordinary - Waiouru | \$734 | \$ 52 |
| Extraordinary - Owhango Supply Lifestyle Blocks (<25 ha) | \$660 | \$ 9 |
| Extraordinary - National Park | \$1,126 | \$ 25 |
| Extraordinary - Raetihi | \$633 | \$ 4 |
| Metered Taumarunui | \$538 | \$ 93 |
| Metered Owhango | \$559 | \$ 33 |
| Metered Ohakune | \$449 | \$ 26 |
| Metered Waiouru | \$734 | \$ 15 |
| Metered - Taumarunui >75m ³ | 0.75/m ³ | \$ 44 |
| Metered - Owhango 75m ³ - 832m ³ | 1.29/m ³ | \$ 23 |
| Metered - Owhango > 832m ³ | 0.68/m ³ | \$ 16 |
| Ohakune (75m ³ - 500m ³) | 0.65/m ³ | \$ 11 |
| Ohakune (500 - 1500m ³) | 1.08/m ³ | \$ 9 |
| Ohakune (>1500m ³) | 1.07/m ³ | \$ 13 |
| Ohakune - Carrot Washers | 0.69/m ³ | \$ 3 |
| Waiouru > 75m ³ | 1.54/m ³ | \$ 20 |
| Solid Waste Kerbside Collection (TUAC) | | |
| Commercial | \$ 109.03 | \$ 62 |
| Residential | \$ 155.70 | \$ 630 |
| Wastewater (TUAC) | | |
| Category 1 – Taumarunui | \$ 393 | \$ 819 |
| Category 1 - National Park | \$ 520 | \$ 146 |
| Category 1 - Ohakune | \$ 356 | \$ 486 |
| Category 1 - Raetihi | \$ 493 | \$ 247 |
| Category 1 - Pipiriki | \$ 884 | \$ 18 |
| Category 1 - Rangataua | \$ 456 | \$ 83 |
| Category 1 - Waiouru | \$ 295 | \$ 22 |
| Category 2 - Taumarunui | \$ 203 | \$ 125 |
| Category 2 - National Park | \$ 264 | \$ 63 |
| Category 2 – Ohakune | \$ 212 | \$ 101 |
| Category 2 – Raetihi | \$ 291 | \$ 27 |
| Category 2 – Pipiriki | \$ 529 | \$ 2 |
| Category 2 – Waiouru | \$ 192 | \$ 13 |
| Category 3 - Taumarunui | \$ 124 | \$ 19 |
| Category 3 - National Park | \$ 175 | \$ 1 |
| Category 3 - Ohakune | \$ 116 | \$ 6 |
| Category 3 - Raetihi | \$ 228 | \$ 8 |
| Category 3 - Pipiriki | nil | nil |

PART 4: FINANCIAL

Prospective Funding Impact Statement

| | Annual | | | | | | | | | | |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Plan 2014/15 | Forecast 2015/16 | Forecast 2016/17 | Forecast 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 12,519 | 13,432 | 14,075 | 14,432 | 15,124 | 15,485 | 15,833 | 16,244 | 16,718 | 17,283 | 17,822 |
| Targeted rates | 7,256 | 7,065 | 7,520 | 7,811 | 8,130 | 8,420 | 8,703 | 9,004 | 9,293 | 9,464 | 9,821 |
| Subsidies and grants for operating purposes | 5,022 | 4,963 | 4,987 | 5,167 | 5,289 | 5,422 | 5,569 | 5,726 | 5,898 | 6,084 | 6,281 |
| Fees and charges | 3,029 | 2,947 | 3,081 | 3,131 | 3,222 | 3,318 | 3,423 | 3,538 | 3,661 | 3,794 | 3,938 |
| Interest and dividends from investments | 35 | 55 | 56 | 56 | 57 | 57 | 58 | 59 | 59 | 25 | 26 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 195 | 113 | 115 | 117 | 120 | 123 | 126 | 130 | 134 | 138 | 142 |
| Total Operating Funding (A) | 28,056 | 28,575 | 29,834 | 30,714 | 31,942 | 32,825 | 33,712 | 34,701 | 35,763 | 36,788 | 38,030 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 21,221 | 21,570 | 22,542 | 23,093 | 23,681 | 24,317 | 25,009 | 25,759 | 26,563 | 27,432 | 28,365 |
| Finance Costs | 1,746 | 1,683 | 1,873 | 2,002 | 2,297 | 2,387 | 2,459 | 2,526 | 2,608 | 2,694 | 2,788 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of operating funding (B) | 22,967 | 23,253 | 24,415 | 25,095 | 25,978 | 26,704 | 27,468 | 28,285 | 29,171 | 30,126 | 31,153 |
| Surplus (deficit) of operating funding (A-B) | 5,089 | 5,322 | 5,419 | 5,619 | 5,964 | 6,121 | 6,244 | 6,416 | 6,592 | 6,662 | 6,877 |
| Sources of capital funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 4,196 | 5,269 | 4,929 | 5,611 | 5,242 | 5,017 | 5,093 | 5,809 | 5,771 | 5,400 | 6,000 |
| Development and financial contributions | 221 | 110 | 113 | 116 | 119 | 123 | 127 | 131 | 135 | 140 | 146 |
| increase (decrease) in debt | 110 | 1,452 | 1,923 | 2,382 | 1,573 | 1,178 | 1,041 | 1,012 | 1,522 | 1,138 | 1,733 |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total sources of capital funding (C) | 4,527 | 6,831 | 6,965 | 8,109 | 6,934 | 6,318 | 6,261 | 6,952 | 7,428 | 6,678 | 7,879 |
| Applications of capital funding | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | |
| - to meet additional demand | 1,121 | 320 | 252 | 248 | 489 | 210 | 252 | 207 | 445 | 237 | 190 |
| - to improve the level of service | 1,761 | 3,501 | 4,365 | 4,164 | 4,398 | 3,957 | 4,368 | 3,785 | 3,766 | 4,000 | 3,777 |
| - to replace existing assets | 6,734 | 8,332 | 7,767 | 9,316 | 8,011 | 8,272 | 7,885 | 9,376 | 9,809 | 9,103 | 10,789 |
| Increase (decrease) in reserves | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) of investments | - | - | - | - | - | - | - | - | - | - | - |
| Total applications of capital funding (D) | 9,616 | 12,153 | 12,384 | 13,728 | 12,898 | 12,439 | 12,505 | 13,368 | 14,020 | 13,340 | 14,756 |
| Surplus (deficit) of capital funding (C-D) | (5,089) | (5,322) | (5,419) | (5,619) | (5,964) | (6,121) | (6,244) | (6,416) | (6,592) | (6,662) | (6,877) |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | - | - | - | - | - | - |

Rating Examples

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

The overall Rate Requirement increase for 2015/16 is 3.65%.

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

| Urban | Capital Value | CV Change | % CV Change | % Change in Rates | \$ Change |
|-----------------------------------|----------------|--------------|-------------|-------------------|-----------|
| Ohura Urban | \$ 59,000 | \$ - | 0% | 15% | \$ 296 |
| Pipiriki Urban | \$ 84,000 | -\$ 15,000 | -18% | -1% | -\$ 9 |
| Kakahi Urban | \$ 85,000 | \$ - | 0% | 4% | \$ 36 |
| Rangataua Urban | \$ 89,000 | -\$ 10,000 | -11% | -7% | -\$ 108 |
| Taumarunui Urban | \$ 92,000 | -\$ 9,000 | -10% | -1% | -\$ 13 |
| Rangataua Urban | \$ 120,000 | -\$ 65,000 | -54% | -11% | -\$ 341 |
| Waiouru Urban | \$ 128,000 | -\$ 23,000 | -18% | -11% | -\$ 245 |
| Taumarunui Urban | \$ 147,000 | \$ - | 0% | 1% | \$ 14 |
| Ohakune Urban | \$ 150,000 | -\$ 10,000 | -7% | 0% | -\$ 5 |
| National Park Urban | \$ 160,000 | -\$ 20,000 | -13% | -3% | -\$ 83 |
| Owhango Urban | \$ 195,000 | \$ - | 0% | 9% | \$ 137 |
| Raetihi Urban | \$ 207,000 | -\$ 23,000 | -11% | -2% | -\$ 43 |
| Raetihi Urban | \$ 65,000 | -\$ 48,000 | -74% | -6% | -\$ 121 |
| Rural | | | | | |
| Pipiriki Rural | \$ 129,000 | -\$ 6,000 | -5% | -2% | -\$ 6 |
| Ohura Rural | \$ 180,000 | \$ - | 0% | 6% | \$ 58 |
| Owhango Rural | \$ 285,000 | \$ - | 0% | 8% | \$ 141 |
| Taumarunui Rural | \$ 983,000 | \$ 78,000 | 8% | 10% | \$ 305 |
| Ohura Rural | \$ 1,123,000 | \$ 98,000 | 9% | 13% | \$ 411 |
| Ohakune Rural | \$ 1,175,000 | \$ 75,000 | 6% | 10% | \$ 336 |
| Raetihi Rural | \$ 1,330,000 | \$ 105,000 | 8% | 11% | \$ 428 |
| Ohakune Rural | \$ 1,380,000 | \$ 119,000 | 9% | 12% | \$ 470 |
| Owhango Rural | \$ 1,420,000 | \$ 120,000 | 8% | 12% | \$ 529 |
| Taumarunui Rural | \$ 1,530,000 | \$ 130,000 | 8% | 13% | \$ 536 |
| National Park Rural | \$ 2,100,000 | \$ 175,000 | 8% | 12% | \$ 683 |
| Ohakune Rural | \$ 2,150,000 | \$ 175,000 | 8% | 11% | \$ 666 |
| Raetihi Rural | \$ 2,990,000 | \$ 285,000 | 10% | 13% | \$ 1,084 |
| Waiouru Rural | \$ 3,410,000 | \$ 305,000 | 9% | 14% | \$ 1,185 |
| Taumarunui Rural | \$ 3,450,000 | \$ 340,000 | 10% | 13% | \$ 1,191 |
| Ohakune Rural | \$ 5,200,000 | \$ 475,000 | 9% | 14% | \$ 1,813 |
| Commercial | | | | | |
| Raetihi Commercial | \$ 122,000 | -\$ 19,000 | -16% | -4% | -\$ 85 |
| Taumarunui Commercial | \$ 370,000 | -\$ 45,000 | -12% | -5% | -\$ 139 |
| Ohakune Commercial | \$ 415,000 | -\$ 20,000 | -5% | -4% | -\$ 116 |
| Taumarunui Commercial | \$ 710,000 | -\$ 200,000 | -28% | -15% | -\$ 1,146 |
| Ohura Exotic Forestry | \$ 810,000 | \$ - | 0% | 5% | \$ 121 |
| National Park Commercial | \$ 820,000 | -\$ 110,000 | -13% | 5% | \$ 324 |
| Ohakune Commercial | \$ 840,000 | -\$ 40,000 | -5% | -3% | -\$ 258 |
| Taumarunui School | \$ 1,380,000 | \$ 30,000 | 2% | 12% | \$ 253 |
| Waimarino Waiouru Exotic Forestry | \$ 3,200,000 | \$ - | 0% | 3% | \$ 300 |
| Taumarunui Motel | \$ 1,620,000 | -\$ 255,000 | -16% | -15% | -\$ 1,146 |
| Genesis Hydro | \$ 104,275,000 | \$ 3,015,000 | 3% | -3% | -\$ 4,743 |
| Genesis Hydro | \$ 182,600,000 | \$ 5,220,000 | 3% | -2% | -\$ 5,703 |

Planning Assumptions

Introduction

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

The assumptions relate to key indicators or drivers that show the level of growth or demand for Council services in future years. Two main sets of data are used to estimate forecasts. The first is Peak Population Growth, which includes three components Usual Resident Population (URP), Non-resident Home Owners and Visitor Industry Growth. The second is District Growth, which includes rateable units and subdivisions.

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

A Growth Assumptions Report includes the data used to inform Council's AMPs and the LTP 2015-25. This data is obtained from a variety of sources including New Zealand Statistics, Council's Out of District Ratepayers' Survey results, a variety of Tourism Indicators and statistics on night visitors from Ministry of Business, Innovation and Employment. The data was most recently updated in April 2015 for night visitor statistics, which are available monthly.

Looking at the future of the Ruapehu District it is clear that, even though the URP shows a steady decline, the District will see a significant increase in the number of Holiday Homes and Day and Night visitors. On a smaller scale we will see growth in Subdivisions and the number of Rateable Assessments in the District.

Methodology

The following datasets are analysed:

- Rateable Units (Source: Quotable Value).
- The number of nights that guests stay in accommodation, occupancy rate and day visitor numbers (Source: Ministry of Economic Development Tourism Strategy Group and Commercial Accommodation Monitor).
- Council's Resource Management Datasets (Subdivisions).
- Council's Out of District Ratepayers Survey 2013.
- Census 2013.

Overall Growth Assumptions

From the data gathered, the following overall growth assumptions were used to inform Asset Management Plans and the LTP 2015-25.

| | |
|--|---|
| URP | Decline by 1.3% per year. Ruapehu is expecting the URP to decline over the ten years though at a slowing rate. |
| Holiday Homes | Forecast to grow 1.33% or 25 per year with assumed average occupancy of 4.4 people. |
| Visitors | Day visitors increase 1.25%; night visitors increase 3.7%. This will have an effect on demand for infrastructure in some communities. |
| Peak Population | Static. |
| Growth | 0.5% per year. Ruapehu is expecting that rateable assessments will increase by 0.5% per year and that growth in subdivisions is static. This will have a small but determinable effect on infrastructure in some areas. |
| Overall Demographics (Age, Ethnicity, etc) | Static. |

Council's Response

A discussion of how Council will respond to the growth assumptions is included in the introductions to each individual activity in Part 2.

Planning Assumptions

Peak Population Growth

To get to an approximate peak population figure for the District, the following statistics are taken into account:

- Usual Resident Population (URP).
- Occupied and Unoccupied Dwellings.
- Holiday Home occupancy rates.
- Visitors to the Tongariro Alpine Crossing (TAC), Ruapehu Alpine Lifts (RAL) ski fields and Mardi Gras.
- Total forecast day and night visitors

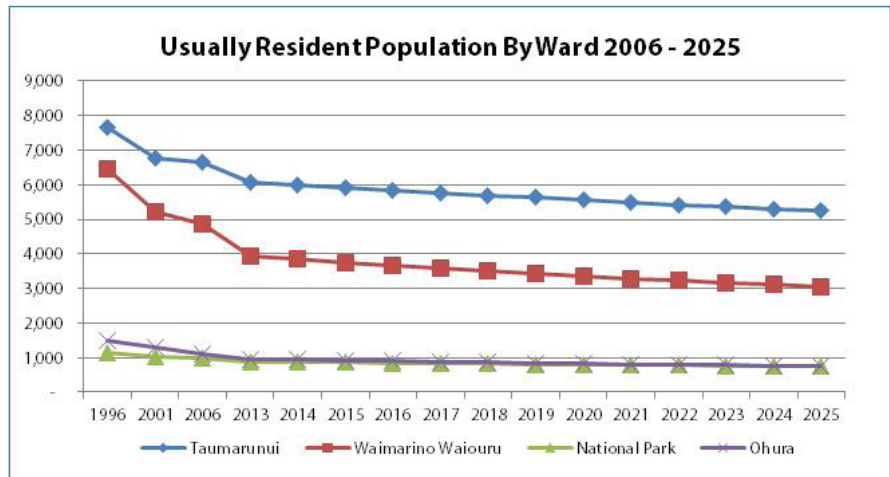
Peak population forecasts shows the average maximum number of people who are in the District at peak times, in each quarter. There is a 90% increase over the URP in the September peak.

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

Resident Population

The Usually Resident Population (URP) of the District was estimated to be 16,743 in 1996. Since then, it has shown a marked decline to 11,838 (census 2013), a drop of 29.2%.

Statistics New Zealand has predicted that the population of Ruapehu District will continue to decline, estimating a resident population of 10,750 in 2028 and 8,180 in 2043. The prediction uses as a base the estimated resident population as at March 2013 adjusted for net census undercount, births, deaths and net migration, and a medium growth profile.

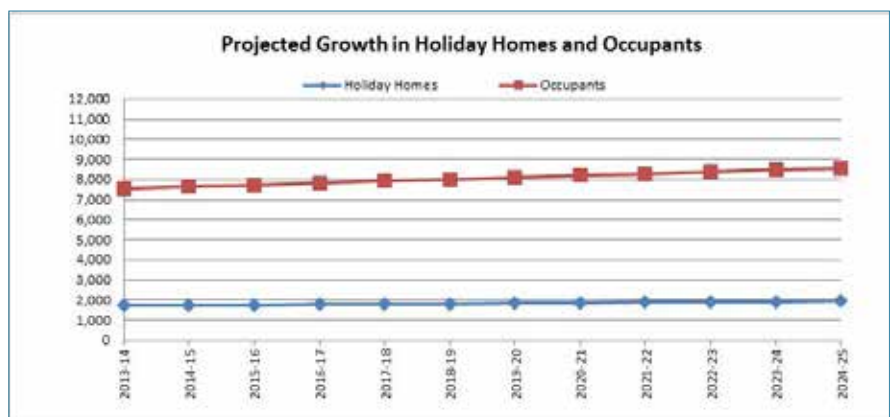


While the predicted decline in the resident population by Statistics NZ is acknowledged, Council does not use this forecast alone. There have been a number of events which have occurred that are unlikely to be repeated going forward eg closure of the prison in Ohura and changes at Waiouru Military base, and there is contrary information that supports growth in several parts of the District. Council is therefore modelling an assumption of stable to slightly positive growth based on a number of other indicators, as well as the URP and Statistics NZ population estimates

Non-Resident Home Owners

One of the main contributors to growth is the significant increase in absentee ratepayers who own second or holiday homes in the District. In 2010 and 2013 Council conducted a survey of non-resident ratepayers to gain an understanding of the impact this group has on the District.

This provided valuable data on the visiting trends of these ratepayers



PART 4: FINANCIAL

who are not accounted for in either resident population estimates or visitor statistics. Information provided by respondents included the frequency and length of time spent at holiday homes and the number of people who occupy these homes.

The number of holiday homes used in growth projections is based on actual growth rates between 2008 and 2013. Based on analysis of this data the assumed projected growth in holiday homes is 25 homes per year district-wide or 1.33% increase.

The number of holiday home occupants is based on an average occupancy rate 4.4 people (based on analysis of the 2010 and 2013 survey).

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

The concentration of holiday homes varies across the District. This has been accounted for in projections by pro rata based on the split of actual numbers of holiday homes in 2010.

Visitor Industry Growth

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



Ruapehu District attracts almost a million visitors yearly and these tourists visit some of its biggest attractions, including the Ruapehu Alpine Lift (RAL) ski fields, Mardi Gras and the Tongariro Alpine Crossing (TAC). In recent years, there has been a decline in number of visitors to these attractions with peak numbers at the ski fields dropping between 18% and 35% between 2011 and 2013. Tourist growth numbers to the TAC have also slowed down over the last five years.

Information on the number of visitors shows that the population swells during the ski season, with a high in the July to September quarter.

Day and Night Visitors

The Commercial Accommodation Monitor indicates that the District had 429,242 overnight visitors in the year ending 30 June 2014. This is a 16% increase on the previous year. It takes the forecast of Day and Night visitors to approximately 981,331 for the 2013/14 year (552,089 day and 429,242 night).

Looking at recent visitor and tourist trends in the Ruapehu District, summer visitor numbers are, for the first time, showing an upward movement, surpassing the increase in winter tourist numbers. In the January to March quarter 2014 overnight visitors increased by 20,047 or 19% over the March quarter 2013. This trend is expected to continue with the growth in cycleways, trekking and river tourism.

Peak Population Summary

The overall growth in peak population is assumed to be static. The zero projected growth in peak population for the period 2015-25 takes into account estimates of the URP, Holiday Home occupants, Day and Night visitors as well as the

Planning Assumptions

“big three” tourist attractions (RAL, TAC and Mardi Gras).

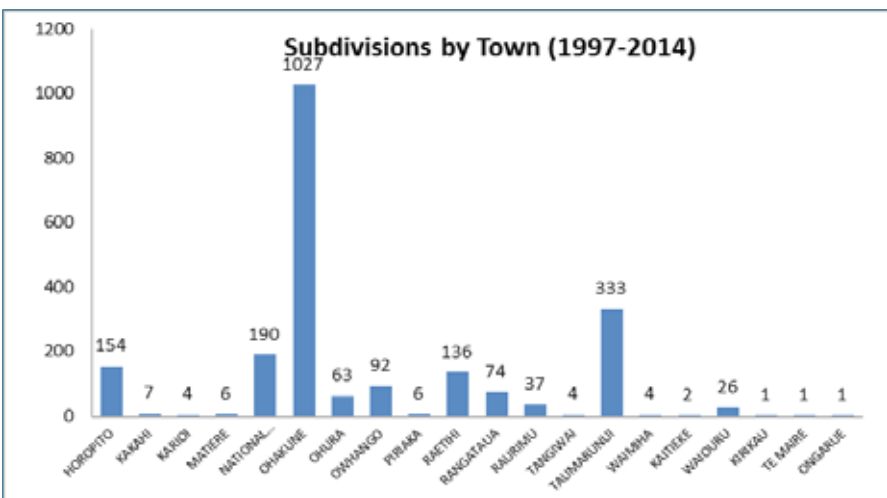
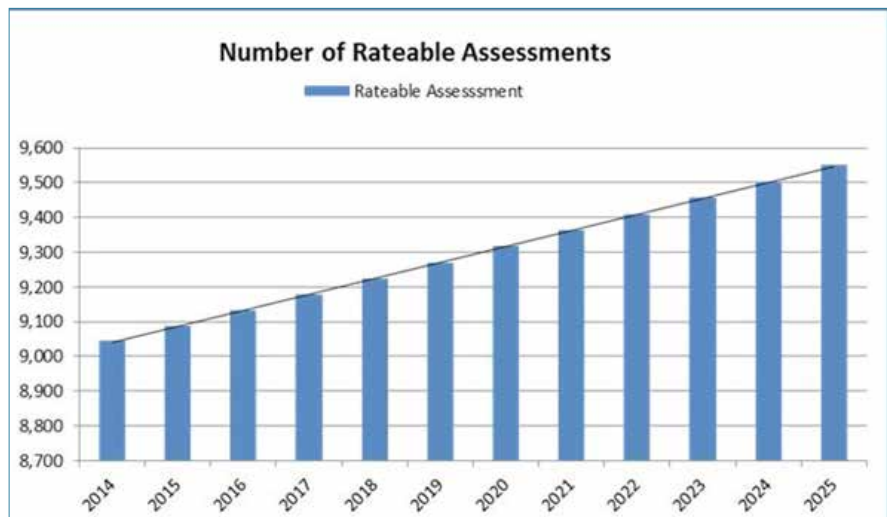
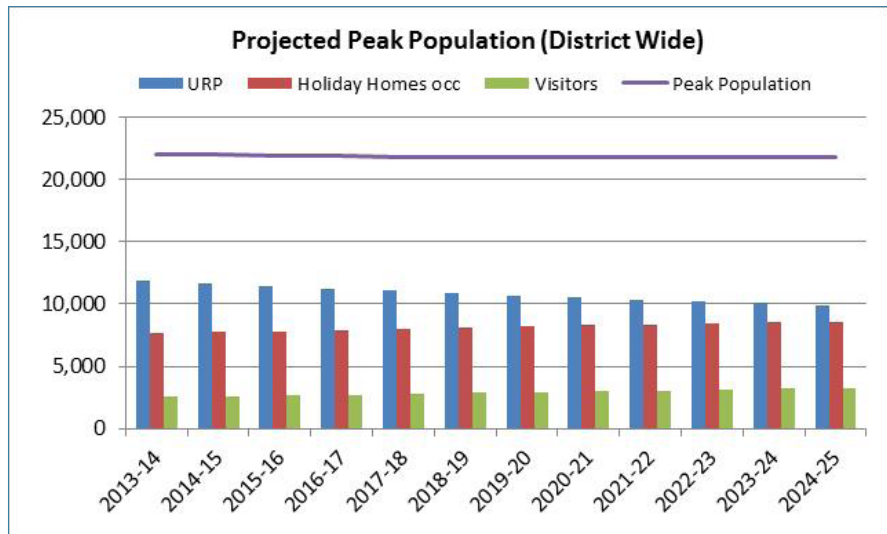
Looking at the future of Ruapehu District it is clear that even though the URP shows a steady decline, the District will see a significant increase in the number of Holiday Homes and Day and Night visitors.

Due to the distribution of the visitor industry and holiday homes the projected peak population growth is not uniform District-wide. Both National Park and the Ohakune areas are showing increases in peak populations. In Ohakune the total peak population is estimated to grow by approximately 11.7% over the planning period, National Park will grow by 11.4% and Raetihi by 6.1%. The Peak Population for the remainder of the District is forecast to decline.

District Growth - Assessments

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

The ten year growth rate between 2004 and 2014 stabilised at 5%. In keeping with this trend, the forecast increase for the next ten years is 5.08% which averages 0.5% per year.



Planning Assumptions

District Growth - Subdivisions

Closely related to rateable units is the number of new subdivisions. Subdivisions in the District have had a steady increase from 1997 through to 2008, when a sharp downwards trend set in. Between 1997 and 2008, a few growth peaks occurred, with 2005/06 showing a 4.19%

growth rate. There was a sharp decline in 2009/10 with only 0.28% growth in subdivisions. 2012/13 continued this downward trend with 0.14% growth and 2013/14 grew only 0.07%. Subdivision numbers have grown from 8,118 to 10,192 since 1997.

Planning Assumptions

Overall Risk Analysis for Growth Assumptions

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

Political Environment

| Assumption | Risk | Level of Uncertainty | Reasons and Financial Effect of Uncertainty |
|---|--|----------------------|--|
| Council Policies | | | |
| There are no significant changes to Council policies agreed in this LTP. | New legislation from Central Government. | Low | Few changes to policies will be required as Central Government has made significant amendments in 2012 and 2014 to the LGA. Further major reform is not anticipated. |
| | New Council. | Low | Significant changes to policy would be assessed in terms of impact on Council's financial position. |
| Governance | | | |
| That the structure of elected representation of Council will change for the 2016 elections. | Change in structure could affect priorities and costs. | Low | Representation review scheduled for 2015. |

Operating Environment

| Assumption | Risk | Level of Uncertainty | Reasons and Financial Effect of Uncertainty |
|--|--|----------------------|--|
| Resource Consents | | | |
| Council has assumed that all resource consents will be renewed but in many cases, with increasing environmental standards. The expected time to obtain resource consents is factored into project timelines and the increased standards. | Conditions of Resource Consents will change without significant warning. | Low | Council is aware of this happening Community expectations regarding Council performance change. |
| | Changes due to Horizons' One Plan take effect. | Medium | One Plan was operative December 2014. Council is aware of the Proposed One Plan but implications on different water and wastewater plants is uncertain. |
| Natural Disasters | | | |
| Small natural disasters can be funded out of budgetary provisions. Council will require financial and other assistance from Central Government for large-scale events or disasters. | There will be a natural disaster requiring emergency work that cannot be funded from normal budget provisions. | Low to Medium | The potential effect of a natural disaster on Council's financial position is dependent on the scale, duration and location of the event. |
| Human Resources | | | |
| Council is fully resourced for developing and delivering on work programmes. | Council will not be able to attract suitable candidates to fill key positions. | Medium | The District continues to find it difficult to attract suitably qualified staff, Council may not, as a result, be able to deliver on work programme, increasing costs over time. |
| External Factors | | | |
| Council's operating environment will not change significantly. | There are unexpected changes that alter services provided by Council. | Low | Most changes to legislation are known in advance. |

Significant Financial Assumptions

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

Council's financial statements will be produced in accordance with current International Public Sector Accounting Standards (IPSAS) as they apply to New Zealand Public Benefit entities. No significant changes are expected to Council's accounting treatment other than that required by IPSAS.

Inflation

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

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

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

Interest

The interest rates used are based on an estimate of what will occur in the future combined with known rates that are currently fixed under current borrowings. Council assumes that all borrowings will be renewed under similar terms and conditions except that interest rates applied to replacement and new borrowings annually will be 6.5%.

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

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

Funding Sources and Borrowings

Capital Development

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

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

Borrowing is managed by the provisions of Council's Liability Management Policy. The Prospective Financial Statements provide a forecast of public debt levels associated with the borrowings.

Operational

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

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

Council will make use of a mix of revenue sources to meet operating expenses. These mechanisms are outlined in the Revenue and Financing Policy.

Significant Financial Assumptions

Other Financial Assumptions

| Assumption Area | Assumption Made | Risks |
|-----------------------------------|--|--|
| Assets and Asset Lives | <p>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.</p> <p>The revaluations are based on the BERL inflation rates. The revaluation impact is broadly equivalent to the increase in the Local Government Cost Index.</p> <p>Depreciation rates on planned asset acquisitions are based on an average percentage of their components.</p> | <p>If the actual revaluation factors are significantly higher than anticipated, the depreciation costs for Council will increase. This will potentially impact on rates that the Council needs to charge.</p> <p>There is no certainty that asset components will last their expected design lives. If they do not, it may result in deferral of other discretionary capital expenditure.</p> <p>Depreciation rates on actual acquisitions could be different from the average rates used.</p> |
| External Funding for Roads | <p>Funding provided by NZTA for Land Transport activities is assumed to be:</p> <ul style="list-style-type: none"> ➤ Maintenance: <ul style="list-style-type: none"> • 2015/16 - 64%. • Thereafter - increasing 1% pa to 72% in 2023/24. ➤ Construction <ul style="list-style-type: none"> • 2015/16 - 64% • Thereafter - increasing 1% pa to 72% in 2023/24. ➤ Special Purpose Roads Maintenance and Renewal <ul style="list-style-type: none"> • 2014/15- 2017/18 - 100% • 2019/20 Onwards - reducing 5% pa to 72% in 2023/24. • Emergency Works Elevated Rate (new in 2015/16) - 20% of above base rate. | <p>NZTA's focus on roads of national significance creates a risk that there may be a funding cut. Any decrease in funding would require modification to planned projects and subsequent delay in planned road work programmes. Where it is not possible to decrease funding, there is the potential to impact on borrowings and rates.</p> |
| Rates Receivables (Debtors) | <p>It has been assumed that rates receivables as a percentage of rates will decrease by 0.5% per annum, as a result of additional emphasis being placed on collection and enforcement.</p> | <p>There is a risk that the rates receivables are significantly higher than that forecast due to a number of reasons, including economic issues. This would impact on cash flow requirements, increasing borrowings to support working capital and increase borrowing costs.</p> |
| Vested Assets | <p>It is assumed that Council will receive vested assets in proportion to the growth of the District.</p> | <p>No risks.</p> |
| Surplus Land Sales/ Redevelopment | <p>No sales of non-strategic assets are planned to fund new asset development programs.</p> | <p>No risks.</p> |
| Development Contributions | <p>These have been included based on an estimated growth forecast as detailed in Growth Assumptions. The funds obtained will be used to provide growth in asset development projects.</p> | <p>There is a risk that growth will not reach assumed levels and this would potentially impact debt borrowing required to complete projects and rates.</p> |
| Price of Oil | <p>Fuel price increases are included based on the inflation rates established by the BERL analysis.</p> | <p>Increased international oil prices impact upon the cost of plant associated with works and the cost of bitumen. Continued unrest in the Middle East impact on the cost of tenders, especially reseals, with fluctuations of up to 15% (up or down).</p> <p>Fuel prices also impact on the cost of general goods, services and transport. It also significantly impacts on Council contracts such as transporting recyclables out of the District for processing.</p> |

Significant Financial Assumptions

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

Statement of Accounting Policies

Notes to the Financial Statements

Reporting Entity

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

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

The prospective financial statements are for Ruapehu District Council only.

Statement of Compliance and Basis of Preparation

The reporting period for these prospective financial statements is for the years 2016 to 2025 ending 30 June of each year.

The prospective financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

Measurement Base

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

Functional and Presentation Currency

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

Accounting Standards

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

Summary of Significant Accounting Policies

Basis of Consolidation

These prospective financial statements are for Ruapehu District Council only.

Subsidiaries

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

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

Associates

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

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

Statement of Accounting Policies

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

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

Revenue

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

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

Exchange Transactions

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

Non-Exchange Transactions

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

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

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

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

Specific accounting policies for major categories of revenue are listed below

Rates Revenue

Rates are set annually by a resolution of Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been

set. Rates revenue is recognised in the period in which it is invoiced, with respect to the matching principle within the particular period.

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges 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 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.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Other Revenue

- Water billing revenue is recognised on an accruals basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- New Zealand Transport Agency roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.
- Subsidy revenue is recognised when expenditure has been incurred and the claim for the subsidy processed. This includes grants from petrol tax that are received from the Government, subsidising part of its costs in maintaining the local roading infrastructure.
- Fees and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence.
- Rental revenue from property owned by Council is accounted for on a straight line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned.
- Revenue from providing services is recognised based on the actual service provided as a percentage of the total services provided.

Statement of Accounting Policies

- Other grants and bequests and assets vested in Council are recognised as revenue when control over the assets is obtained, unless there are liabilities and/or conditions on the asset, in which case the revenue will only be recognised when the liabilities are removed and the conditions are met.
- 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.
- Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The Council recognises revenue at an amount based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2 year period.
- Interest income is recognised as it accrues, using the effective interest method. (The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. This rate is applied to the principal outstanding to determine interest income each period.)
- Dividend revenue is recognised when the right to receive payment has been established.
- Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution is charged. Otherwise, development and financial contributions are recognised as liabilities until such time Council provides or is able to provide, the service.

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.

Grants Expenditure

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

the grant application and are recognised as expenditure when a successful applicant has been notified of RDC's decision.

Income Tax

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

Leases

Finance Leases

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

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

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

Operating Leases

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

Cash and Cash Equivalents

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

Statement of Accounting Policies

Debtors and Other Receivables

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

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

Other Financial Assets

Financial assets are initially recognised at fair value.

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

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

- Fair value through surplus or deficit.
- Loans and receivables.
- Held-to-maturity investments.
- Fair value through other comprehensive 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. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

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

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

Loans and Receivables

Loans and receivables are non-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.

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

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

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

These investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit. On de-recognition

Statement of Accounting Policies

the cumulative gain or loss previously recognised in other comprehensive income 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 considered 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. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written-off against the allowance account. 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 considered 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.

Inventories

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.

Property, Plant and Equipment and Infrastructural Assets

Property, Plant and Equipment consists of:

- Operational Assets are land, buildings (including cultural assets, community and leisure facilities), improvements, non-restricted parks and gardens, plant and equipment, vehicles, sports areas and library books.
- Restricted Assets are parks and reserves owned by RDC that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.
- Infrastructural Assets are the fixed utility systems owned by RDC. Each asset type includes all items that are required for the network to function. Property, Plant and Equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land and buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued by independent qualified valuers with sufficient regularity to ensure that the carrying value does not

Statement of Accounting Policies

differ materially from that which would be determined using fair value at balance date. Revaluation takes place at least every three years.

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where the result is a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

All other asset classes are carried at depreciated historical cost.

Additions

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

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

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

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of

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

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.

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

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

| | Measure-ment Basis (*1) | Estimated Life (Years) | Depreciation Rate |
|---|-------------------------|------------------------|-------------------|
| Property, Plant and Equipment | | | |
| Buildings (excluding investment property) | RAD | 10 – 100 | 1 - 10% SL |
| Other Improvements | CAD | 10 – 100 | 1 - 10% SL |
| Computer Equipment | CAD | | 40% DV |
| Office Equipment, Furniture and Fittings | CAD | | 20% DV |
| Library Books | CAD | 12.5 | 8% SL |
| Other Plant and Vehicles | CAD | 3.33– 10 | 10 – 30% SL |
| Roads | | | |
| Top Surface (seal) | RAD | 20 | 5% SL |
| Pavement (basecourse) | RAD | 100 | 1% SL |
| Culverts | RAD | 60 – 100 | 1 – 1.67% SL |
| Footpaths | RAD | 80 – 100 | 1 – 1.25% SL |
| Kerbs | RAD | 80 – 100 | 1 – 1.25% SL |
| Signs | RAD | 10 – 15 | 6.67 – 10% SL |
| Street Lights | RAD | 10 – 15 | 6.67 – 10% SL |
| Bridges | RAD | 40 – 100 | 1 – 2.5% SL |

Statement of Accounting Policies

| | Measurement Basis (*1) | Estimated Life (Years) | Depreciation Rate |
|--|------------------------|------------------------|-------------------|
| Water Reticulation | | | |
| Pipes | RAD | 30 – 50 | 2 - 3.33% SL |
| Valves & Hydrants | RAD | 25 – 50 | 2 – 4% SL |
| Pump Stations | RAD | 10 – 60 | 1.67 – 10% SL |
| Tanks | RAD | 25 – 100 | 1 – 4% SL |
| Water Treatment | | | |
| Treatment Plants | RAD | 5 - 80 | 1.25% - 20% SL |
| Wastewater Reticulation | | | |
| Pipes | RAD | 30 - 50 | 2 - 3.33% SL |
| Manholes & Cesspits | | 30 - 50 | 2 - 3.33% SL |
| Wastewater Treatment | | | |
| Treatment Plants | RAD | 10 - 100 | 1 - 10% SL |
| Stormwater Systems | | | |
| Pipes | RAD | 30 - 50 | 2 - 3.33% SL |
| Manholes & Cesspits | RAD | 50 | 2% LS |
| Solid Waste | | | |
| Various | RAD | 20 - 70 | 1.43 - 5% SL |
| Other (Not Depreciated) | | | |
| Land | REV | | |
| Formation Costs for Rooding | COST | | |
| Stopbanks | REV | | |
| Investment Property | REV | | |
| Work in Progress and Assets Under Construction | COST | | |

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

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

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

Intangible Assets

Software Acquisition and Development

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

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the

production of identifiable and unique software products controlled by RDC, and that will generate economic benefits exceeding costs beyond one year are recognised as intangible assets.

Amortisation

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

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

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

Easements

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

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Free carbon units received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Impairment of Non-Financial Assets

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

Statement of Accounting Policies

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

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

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

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

Investment Properties

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

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

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

Creditors and Other Payables

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

Borrowings

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

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

Employee Entitlements

Short-Term Entitlements

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

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

Long Term Entitlements

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

Superannuation Schemes

Defined Contribution Schemes

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

Statement of Accounting Policies

Provisions

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

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

Landfill Aftercare Provision

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

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

Equity

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

The components of equity are:

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

Asset Revaluation Reserve

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

Restricted Reserves

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

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

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

Fair Value through Other Comprehensive Income Reserves

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

Goods and Services Tax (GST)

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

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

Cost Allocation

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

Statement of Accounting Policies

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

Critical Accounting Estimates and Assumptions

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

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed in the Infrastructure Strategy in Part 3 of this document.

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

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

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

The Council is a territorial local authority, as defined in the Local Government Act 2002. RDC's principal activities are outlined within this document.
- (b) Purpose for which the prospective financial statements are prepared.

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

(c) Bases for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as the future events which RDC expects to take place. RDC has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Annual Plan.

(d) Cautionary Note

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

(e) Other Disclosures

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

Critical Judgments in Applying Accounting Policies

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

Classification of Property

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

Statement of Accounting Policies

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

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

PART 4: FINANCIAL

Prospective Statement of Comprehensive Revenue and Expense

| | Annual | | | | | | | | | | |
|---|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Plan 2014/15 | Forecast 2015/16 | Forecast 2016/17 | Forecast 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Revenue | | | | | | | | | | | |
| Rates Revenue | 19,775 | 20,497 | 21,594 | 22,243 | 23,253 | 23,904 | 24,536 | 25,247 | 26,011 | 26,747 | 27,643 |
| Grants & Subsidies | 9,218 | 10,232 | 9,916 | 10,778 | 10,531 | 10,439 | 10,662 | 11,535 | 11,668 | 11,484 | 12,281 |
| Dividend & interest Revenue | 35 | 55 | 56 | 56 | 57 | 57 | 58 | 59 | 59 | 25 | 26 |
| Fees & Charges | 3,029 | 2,947 | 3,081 | 3,131 | 3,222 | 3,318 | 3,423 | 3,538 | 3,661 | 3,794 | 3,938 |
| Other Revenue | 416 | 223 | 228 | 233 | 239 | 246 | 253 | 261 | 269 | 278 | 288 |
| Investment Gains | - | 34 | 85 | 90 | 103 | 113 | 124 | 143 | 156 | 178 | 198 |
| Total Revenue | 32,473 | 33,988 | 34,960 | 36,531 | 37,405 | 38,077 | 39,056 | 40,783 | 41,824 | 42,506 | 44,374 |
| Expenditure | | | | | | | | | | | |
| Personnel Costs | 5,259 | 5,533 | 5,839 | 5,959 | 6,084 | 6,221 | 6,364 | 6,519 | 6,685 | 6,863 | 7,052 |
| Finance Costs | 1,746 | 1,683 | 1,873 | 2,002 | 2,297 | 2,387 | 2,459 | 2,526 | 2,608 | 2,694 | 2,788 |
| Depreciation and Amortisation | 8,107 | 8,551 | 8,787 | 9,072 | 9,352 | 9,616 | 9,831 | 10,106 | 10,393 | 10,711 | 11,058 |
| Other Expenses | 15,961 | 16,038 | 16,708 | 17,142 | 17,605 | 18,105 | 18,656 | 19,250 | 19,892 | 20,583 | 21,327 |
| Total Expenditure | 31,073 | 31,805 | 33,207 | 34,175 | 35,338 | 36,329 | 37,310 | 38,401 | 39,578 | 40,851 | 42,225 |
| Net Surplus | 1,400 | 2,183 | 1,753 | 2,356 | 2,067 | 1,748 | 1,746 | 2,382 | 2,246 | 1,655 | 2,149 |
| Other Comprehensive Income | | | | | | | | | | | |
| Revaluation of Assets | - | 9,150 | 10,206 | 10,631 | 11,098 | 11,976 | 13,003 | 14,025 | 15,155 | 16,586 | 17,949 |
| Total Other Comprehensive Income | - | 9,150 | 10,206 | 10,631 | 11,098 | 11,976 | 13,003 | 14,025 | 15,155 | 16,586 | 17,949 |
| Total Comprehensive Income | 1,400 | 11,333 | 11,959 | 12,987 | 13,165 | 13,724 | 14,749 | 16,407 | 17,401 | 18,241 | 20,098 |

Prospective Statement of Changes in Equity

| | Annual | | | | | | | | | | |
|------------------------------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Plan 2014/15 | Forecast 2015/16 | Forecast 2016/17 | Forecast 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Equity balance at 1 July | 362,913 | 355,482 | 366,814 | 378,772 | 391,758 | 404,923 | 418,647 | 433,395 | 449,803 | 467,205 | 485,446 |
| Comprehensive income for year | 1,400 | 11,333 | 11,959 | 12,987 | 13,165 | 13,724 | 14,749 | 16,407 | 17,401 | 18,241 | 20,098 |
| Equity Balance 30 June | 364,313 | 366,815 | 378,773 | 391,759 | 404,923 | 418,647 | 433,396 | 449,802 | 467,204 | 485,446 | 505,544 |
| Components of Equity | | | | | | | | | | | |
| Retained Earnings at 1 July | 262,304 | 259,523 | 261,704 | 263,457 | 265,812 | 267,879 | 269,627 | 271,372 | 273,755 | 276,002 | 277,657 |
| Net Surplus/(Deficit) | 1,400 | 2,183 | 1,753 | 2,356 | 2,067 | 1,748 | 1,746 | 2,382 | 2,246 | 1,655 | 2,149 |
| Retained earnings 30 June | 263,704 | 261,706 | 263,457 | 265,813 | 267,879 | 269,627 | 271,373 | 273,754 | 276,001 | 277,657 | 279,806 |
| Revaluation Reserves 30 June | 100,192 | 104,699 | 114,906 | 125,536 | 136,634 | 148,610 | 161,613 | 175,638 | 190,793 | 207,379 | 225,328 |
| Council Created Reserves at 1 July | 417 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 |
| Equity at 30 June | 364,313 | 366,815 | 378,773 | 391,759 | 404,923 | 418,647 | 433,396 | 449,802 | 467,204 | 485,446 | 505,544 |

PART 4: FINANCIAL

Prospective Statement of Financial Position

| | Annual | | | | | | | | | | |
|--------------------------------------|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Plan 2014/15 \$000 | Forecast 2015/16 \$000 | Forecast 2016/17 \$000 | Forecast 2017/18 \$000 | Forecast 2018/19 \$000 | Forecast 2019/20 \$000 | Forecast 2020/21 \$000 | Forecast 2021/22 \$000 | Forecast 2022/23 \$000 | Forecast 2023/24 \$000 | Forecast 2024/25 \$000 |
| ASSETS | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | |
| Cash & Cash Equivalents | 294 | (23) | (4) | (92) | (162) | (210) | (233) | (230) | (197) | (134) | (28) |
| Debtors & Other Receivables | 4,954 | 5,029 | 5,105 | 5,185 | 5,242 | 5,275 | 5,285 | 5,269 | 5,222 | 5,140 | 5,019 |
| Inventories | 8 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 |
| Total Current Assets | 5,256 | 5,107 | 5,202 | 5,194 | 5,181 | 5,166 | 5,153 | 5,140 | 5,126 | 5,107 | 5,092 |
| Non-Current Assets | | | | | | | | | | | |
| Investment Property | 3,310 | 3,047 | 3,124 | 3,205 | 3,297 | 3,399 | 3,510 | 3,639 | 3,779 | 3,939 | 4,117 |
| Biological Asset | - | 344 | 353 | 362 | 372 | 384 | 396 | 411 | 427 | 445 | 465 |
| Other Financial Assets | 418 | 182 | 182 | 182 | 182 | 182 | 182 | 182 | 182 | 182 | 182 |
| Property Plant & Equipment | 26,604 | 27,398 | 27,708 | 27,671 | 27,505 | 27,240 | 27,130 | 27,019 | 26,921 | 26,963 | 27,581 |
| Infrastructural Assets | 365,430 | 364,951 | 378,445 | 393,768 | 408,528 | 423,542 | 439,329 | 456,680 | 475,559 | 494,733 | 515,763 |
| Intangible Assets | - | 273 | 273 | 273 | 273 | 273 | 273 | 273 | 273 | 273 | 273 |
| Total Non-Current Assets | 395,762 | 396,195 | 410,085 | 425,461 | 440,157 | 455,020 | 470,820 | 488,204 | 507,141 | 526,535 | 548,381 |
| TOTAL ASSETS | 401,018 | 401,302 | 415,287 | 430,655 | 445,338 | 460,186 | 475,973 | 493,344 | 512,267 | 531,642 | 553,473 |
| LIABILITIES | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | |
| Trade & Other Payables | 4,800 | 2,858 | 2,964 | 2,968 | 2,965 | 2,967 | 2,967 | 2,973 | 2,977 | 2,977 | 2,983 |
| Income in Advance | 900 | 735 | 724 | 713 | 699 | 685 | 670 | 653 | 635 | 616 | 595 |
| Borrowings | 8,000 | 6,000 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 |
| Employee Benefit Liabilities | 250 | 197 | 205 | 214 | 224 | 234 | 245 | 257 | 269 | 283 | 297 |
| Total Current Liabilities | 13,950 | 9,790 | 9,393 | 9,395 | 9,388 | 9,386 | 9,382 | 9,383 | 9,381 | 9,376 | 9,375 |
| Non-Current Liabilities | | | | | | | | | | | |
| Borrowings | 22,258 | 24,252 | 26,675 | 29,057 | 30,630 | 31,807 | 32,848 | 33,860 | 35,383 | 36,521 | 38,254 |
| Employee Benefit Liabilities | 4 | - | - | - | - | - | 1 | 1 | 1 | 1 | 1 |
| Provisions | 493 | 445 | 445 | 445 | 395 | 345 | 345 | 298 | 298 | 298 | 298 |
| Total Non-Current Liabilities | 22,755 | 24,697 | 27,120 | 29,502 | 31,025 | 32,152 | 33,194 | 34,159 | 35,682 | 36,820 | 38,553 |
| TOTAL LIABILITIES | 36,705 | 34,487 | 36,513 | 38,897 | 40,413 | 41,538 | 42,576 | 43,542 | 45,063 | 46,196 | 47,928 |
| EQUITY | | | | | | | | | | | |
| RatePayers Equity | 263,704 | 261,706 | 263,457 | 265,813 | 267,879 | 269,627 | 271,373 | 273,754 | 276,001 | 277,657 | 279,806 |
| Revaluation Reserves | 100,192 | 104,699 | 114,906 | 125,536 | 136,634 | 148,610 | 161,613 | 175,638 | 190,793 | 207,379 | 225,328 |
| Council Created Reserves | 417 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 |
| Trust Funds | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL EQUITY | 364,313 | 366,815 | 378,773 | 391,759 | 404,923 | 418,647 | 433,396 | 449,802 | 467,204 | 485,446 | 505,544 |

PART 4: FINANCIAL

Prospective Cash Flow Statement

| | Annual | | | | | | | | | | |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Plan 2014/15 | Forecast 2015/16 | Forecast 2016/17 | Forecast 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Cashflow from Operating Activities | | | | | | | | | | | |
| Cash was provided from: | | | | | | | | | | | |
| Rates Revenue | 18,536 | 20,492 | 21,512 | 22,157 | 23,191 | 23,866 | 24,521 | 25,258 | 26,053 | 26,824 | 27,759 |
| Dividend & interest Revenue | 46 | 55 | 56 | 56 | 57 | 57 | 58 | 59 | 59 | 25 | 26 |
| Fees & Charges | 12,736 | 13,402 | 13,225 | 14,142 | 13,992 | 14,003 | 14,338 | 15,334 | 15,599 | 15,556 | 16,507 |
| | 31,318 | 33,949 | 34,793 | 36,355 | 37,240 | 37,926 | 38,917 | 40,651 | 41,711 | 42,405 | 44,292 |
| Cash was disbursed to: | | | | | | | | | | | |
| Payments Staff & Suppliers | 19,871 | 21,845 | 22,445 | 23,099 | 23,692 | 24,330 | 25,021 | 25,771 | 26,577 | 27,451 | 28,380 |
| Finance Costs | 1,864 | 1,683 | 1,873 | 2,002 | 2,297 | 2,387 | 2,459 | 2,526 | 2,608 | 2,694 | 2,788 |
| | 21,735 | 23,528 | 24,318 | 25,101 | 25,989 | 26,717 | 27,480 | 28,297 | 29,185 | 30,145 | 31,168 |
| Net Cashflow from Operating Activity | 9,583 | 10,421 | 10,475 | 11,254 | 11,251 | 11,209 | 11,437 | 12,354 | 12,526 | 12,260 | 13,124 |
| Cashflow from Investing Activities | | | | | | | | | | | |
| Cash was provided from: | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - |
| Cash was disbursed to: | | | | | | | | | | | |
| Purchase of Assets | 10,309 | 12,153 | 12,384 | 13,728 | 12,898 | 12,439 | 12,505 | 13,368 | 14,020 | 13,340 | 14,756 |
| | 10,309 | 12,153 | 12,384 | 13,728 | 12,898 | 12,439 | 12,505 | 13,368 | 14,020 | 13,340 | 14,756 |
| Net Cashflow from Investing Activity | (10,309) | (12,153) | (12,384) | (13,728) | (12,898) | (12,439) | (12,505) | (13,368) | (14,020) | (13,340) | (14,756) |
| Cashflow from Financing Activities | | | | | | | | | | | |
| Cash was provided from: | | | | | | | | | | | |
| Loans Raised | 4,728 | 2,415 | 7,928 | 7,886 | 7,077 | 6,682 | 6,545 | 6,517 | 7,027 | 6,643 | 7,238 |
| | 4,728 | 2,415 | 7,928 | 7,886 | 7,077 | 6,682 | 6,545 | 6,517 | 7,027 | 6,643 | 7,238 |
| Cash was disbursed to: | | | | | | | | | | | |
| Loan Repayments | 4,000 | 1,000 | 6,000 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 |
| | 4,000 | 1,000 | 6,000 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 |
| Net Cashflow from Financing Activity | 728 | 1,415 | 1,928 | 2,386 | 1,577 | 1,182 | 1,045 | 1,017 | 1,527 | 1,143 | 1,738 |
| Net Increase (Decrease) in Cash Held | 2 | (317) | 19 | (88) | (70) | (48) | (23) | 3 | 33 | 63 | 106 |
| Add Opening Cash bought forward | 68 | 294 | (23) | (4) | (92) | (162) | (210) | (233) | (230) | (197) | (134) |
| Closing Cash Balance | 294 | (23) | (4) | (92) | (162) | (210) | (233) | (230) | (197) | (134) | (28) |
| Closing Balance made up of Cash and Cash Equivalents | 294 | (23) | (4) | (92) | (162) | (210) | (233) | (230) | (197) | (134) | (28) |

PART 4: FINANCIAL

Reconciliation of Funding Impact Statement to Comprehensive Income

| | Annual | | | | | | | | | | | |
|--|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--|
| | Plan 2014/15 \$000 | Forecast 2015/16 \$000 | Forecast 2016/17 \$000 | Forecast 2017/18 \$000 | Forecast 2018/19 \$000 | Forecast 2019/20 \$000 | Forecast 2020/21 \$000 | Forecast 2021/22 \$000 | Forecast 2022/23 \$000 | Forecast 2023/24 \$000 | Forecast 2024/25 \$000 | |
| Income | | | | | | | | | | | | |
| Prospective Statement of Comprehensive Income | 32,473 | 33,988 | 34,960 | 36,531 | 37,405 | 38,077 | 39,056 | 40,783 | 41,824 | 42,506 | 44,374 | |
| Summary Funding Impact Statement | | | | | | | | | | | | |
| Total Operating Funding | 28,056 | 28,575 | 29,834 | 30,714 | 31,942 | 32,825 | 33,712 | 34,701 | 35,763 | 36,788 | 38,030 | |
| Add Sources of Capital Funding | | | | | | | | | | | | |
| Sources of capital funding | 4,196 | 5,269 | 4,928 | 5,611 | 5,241 | 5,016 | 5,093 | 5,808 | 5,770 | 5,400 | 6,000 | |
| Development and financial contributions | 221 | 110 | 113 | 116 | 119 | 123 | 127 | 131 | 135 | 140 | 146 | |
| Investment (Gains)/Losses | - | 34 | 85 | 90 | 103 | 113 | 124 | 143 | 156 | 178 | 198 | |
| Total Revenue | 32,473 | 33,988 | 34,960 | 36,531 | 37,405 | 38,077 | 39,056 | 40,783 | 41,824 | 42,506 | 44,374 | |
| Expenditure | | | | | | | | | | | | |
| Prospective Statement of Comprehensive Income | | | | | | | | | | | | |
| Operating Expenditure | 31,073 | 31,805 | 33,207 | 34,175 | 35,338 | 36,329 | 37,310 | 38,401 | 39,578 | 40,851 | 42,225 | |
| Summary Funding Impact Statement | | | | | | | | | | | | |
| Total applications of operating funding | 22,966 | 23,254 | 24,420 | 25,103 | 25,986 | 26,713 | 27,479 | 28,295 | 29,185 | 30,140 | 31,167 | |
| Add Depreciation and Amortisation Expense | 8,107 | 8,551 | 8,787 | 9,072 | 9,352 | 9,616 | 9,831 | 10,106 | 10,393 | 10,711 | 11,058 | |
| Total Expenditure | 31,073 | 31,805 | 33,207 | 34,175 | 35,338 | 36,329 | 37,310 | 38,401 | 39,578 | 40,851 | 42,225 | |

Reserve Funds

Purpose of Each Reserve Fund

TBC Land Subdivision Reserve

The fund is to be used within the former Taumarunui Borough Council area, generally for the purpose of improving or developing any land held as public reserves. \$ 73,000

OBC Reserve Contributions

The fund is to be used within the former Ohakune Borough Council area, generally for the purpose of improving or developing any land held as public reserves. \$ 11,216

Waimarino Reserves

The fund is to be used within the former Waimarino District Council area, generally for the purpose of improving or developing any land held as public reserves. \$ 6,373

Property Disposition Reserves

The Property Disposition Reserve was created following the sale of the Owhango Pensioner Flats in early 2000. This was a book entry, which showed what proceeds were available following that sale. The Property Disposition Reserve is held for the purposes of buying more property in the future, anywhere in the Ruapehu District. \$ 149,741

Ohura Mayoral Relief Fund

The fund is to provide aid to the inhabitants of Ohura and National Park who were affected by the flood of 1998. \$ 79,000

OBC Roading Contributions

This fund was established as a contingency to help fund emergency works that may occur in the former Ohakune Borough Council area. \$ 4,106

ECNZ Stratford-Huntly Amenities

The fund was established to provide "public" amenities, being amenities owned or administered by the Crown or Council for recreational, cultural or social purposes. \$ 84,823

ECNZ Whanganui River Amenities

The ECNZ Whanganui River Amenities Fund was established for the purpose of maintaining or developing amenities in the Taumarunui urban area. \$ 11,000

Planned Use of Funds

Council has no definite plans for these Reserve Funds at the time of adoption of this Long Term Plan.

To the reader:

Independent auditor's report on Ruapehu District Council's 2015-2025 Long-Term Plan

I am the Auditor-General's appointed auditor for Ruapehu District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long term plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 30 June 2015.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and coordination 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 69 to 71 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the District Council's audited information.

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 complete accuracy of the information in the plan.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.¹

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 audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit 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 over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;

¹ The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and The International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

- the Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within 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 within 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.

I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

We have followed the independence requirements of the Auditor-General, which incorporates those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council.



David Walker
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand