

WHAKATANE DISTRICT COUNCIL ANNUAL PLAN

2008/09



Whakatane District Council





MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE



This Annual Plan represents the third and final year working under the Council's 2006-16 Long Term Council Community Plan (LTCCP). During the upcoming year we will be preparing for and consulting on the content of the next long-term plan – the 2009-19 LTCCP. The LTCCP sets out the Council's strategic direction and priorities for the next ten years and forms the primary basis for priority setting and decision making. During 2008/09, consultation will take place on key issues, assumptions and priorities affecting this community. We encourage everyone to take an interest and contribute to the process to guide the future of Whakatane.

The 2008/09 Annual Plan is based on the 2006-16 LTCCP. However there are differences. This is largely a result of a greater amount of data and information being available to the Council, and our responses to changes in circumstances and priorities. The Council has also made changes from the draft Annual Plan 2008/09 as a result of submissions received on the draft plan. Important changes from the LTCCP 2006-16 are set out in the groups of activities section of the plan.

Natural hazards continue to be a key theme of the Council's work in 2008/09. We will be identifying, planning for and mitigating potential natural disasters across the District. Our natural hazard identification project will involve a review of the information we currently hold on hazards in the District and will then fill in any gaps we have in our knowledge. This is an important project to put us in a position where we are able to prepare and plan for all reasonably foreseeable hazards.

With those major hazards that we are already aware of, work is well underway or completed to mitigate most of them. There has been good progress with the design of the mitigation works for Matata and, subject to the resolution of Environment Court appeals, work will be

completed in Matata during 2008/09. This will be the end of a long process which started in 2005 with the natural disaster, and will provide the residents of Matata with an excellent level of protection. Design work for the flood protection works in Edgecumbe has come a long way and consultation with affected parties is anticipated to be completed by the beginning of the 2008/09 year. This should see the physical works being completed during 2008/09.

During 2007/08 the Council undertook a review of the Hazard Mitigation Policy (for clarity it has been called the Disaster Mitigation Funding Policy). The draft policy was open for consultation along with the draft Annual Plan. As a result of submissions on the draft policy the Council has changed its funding policy. The cost of disaster mitigation will now be spread 50% over the community where the works are to take place and 50% over the district as a whole.

The average increase in rates for 2008/09 is 8.9%. The increase is made up by a combination of factors, including the fact that we no longer have significant operating reserves to offset rates. Increase in interest rates and an increase in our funding of depreciation, account for most of the increase in rates. The remainder is due to inflation and an increase in our investment in essential corporate information systems. The development of the next LTCCP will allow us, along with the community, to reprioritise projects over the next three years and ensure that we strike the right balance between the outcomes desired by the community and the affordability of the work required.

A key change that has helped with minimising the rates increase has been a shift in our assumption regarding fully funding depreciation. Previously we had indicated that we would move to fully funding depreciation

by 2008/09. On the basis of better asset information being available, we have moved to funding depreciation based on the anticipated asset renewal requirement over the next 25 years. This is more accurately aligned with our requirements and can be refined further each year on the basis of our improving asset information.

As part of preparations for the next LTCCP we will be undertaking a full rates review during the year. This will take into account the recommendations arising from the Central Government's Commission of Inquiry into Rates as well as addressing key issues specific to the Whakatane District.

We will be continuing our work on the Proposed Whakatane District Plan and anticipate having the majority of the plan operative by the end of 2008/09. This will involve work on our coastal hazards variation along with the introduction of measures to protect sites of significant indigenous biodiversity. In addition we will be working on the implications of the rural residential subdivision review that is currently underway, and may be seeing changes to the District Plan as a result of that. We are looking forward to the completion of our studies on residential, industrial and retail pressures and demands in the District and will be using this information in 2008/09 to inform our debate with the community about the future direction of Whakatane District.

Another initiative currently underway and due to be completed in 2008/09 is our review of the Council's Development Contribution Policy. The review is taking an in-depth look at every aspect of the policy, from its basic philosophy, through to the mechanisms that are used to administer the policy. Along the way we are looking at each individual project which we are collecting development contributions for to test our rationale and ensure equity for all involved.

As well as these major initiatives we will continue to improve the capability and capacity of the Council across all its functions. We have been involved in a major catchup exercise for about two years now and very good progress has been made.

The 2008/09 year will be an important one for the Council and for the community of the Whakatane District. There are a number of significant initiatives being worked on by the Council to improve the present and the future of the District. It is an important year for the community to engage with the Council and to participate in planning for and shaping the future. We will be seeking your input and we hope that each and every one of you is able to find the time to work with us to move this District forward in a positive direction.



Colin Holmes
MAYOR



Diane Turner
CHIEF EXECUTIVE



WHAKATANE DISTRICT COUNCIL

PURPOSE AND VISION

PURPOSE

Great services, excellent delivery

- *We provide governance, leadership and advocacy for the people of the District;*
- *We provide quality infrastructure including community facilities, roads, sewerage, water and stormwater systems;*
- *We deliver regulatory services focused on public health, safety and wellbeing;*
- *We develop long-term plans and strategies to provide a framework for change and sustainable development in our community.*

VISION

To be respected by our community for the provision and delivery of excellent services which ensure that both present and future generations have;

- *A quality environment in which to enjoy our great climate;*
- *A respect for and pride in our history;*
- *A community that is friendly and caring;*
- *A place that is known to be the best to live, work and play in and where people want to come.*



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PLANNING CONTEXT

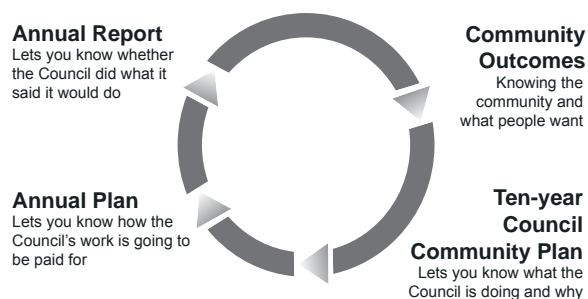


PLANNING CONTEXT

INTRODUCTION

This section explains the Council's planning cycle, what the Annual Plan is and how this Annual Plan relates to the Council's Ten-year Council Community Plan. Also included in this section is information about the community outcomes. The Council has to show how it is contributing to the outcomes desired by the community. It should be noted that achievement is also dependent on input from other organisations.

COUNCIL'S PLANNING CYCLE



THE TEN-YEAR COUNCIL COMMUNITY PLAN

The overall strategic direction of the Council is set out in the Council's Ten-year Council Community Plan 2006-2016 (or Long-term Council Community Plan). The Ten-year Council Community Plan sets out the Council's priorities over the ten year period. The plan is formally reviewed every three years, and a new plan will be produced for 2009-19.

Copies of the Council's Ten-year Council Community Plan are available from Council offices, libraries and on the website at www.whakatane.govt.nz.

THE ANNUAL PLAN

The Annual Plan states what the Council wants to achieve over the next financial year, how much it will cost, and how that cost will be funded (including the setting of rates). The starting point for the Annual Plan is the projections included in the Council's Ten-year Council Community Plan for 2008/09 and the focus of this document is on the changes from those projections.

Ability to vary from the Ten-year Council Community Plan

The Council does have the ability to vary from the projections and policies set out in the Ten-year Council Community Plan 2006-2016. Where the changes are relatively minor, the reason for the change and the impact is highlighted in this document¹. However, when the changes proposed are significant, the Council is required to amend the Ten-year Council Community Plan.

The following are considered to be significant changes that would require amendments to the Ten-year Council Community Plan:

- A decision to significantly alter the intended levels of service provision for any significant activity;
- A decision to transfer ownership or control of a strategic asset from any local authority;
- A decision to construct, replace or abandon a strategic asset; and
- A decision that will, directly or indirectly, significantly alter either the cost of any activity identified in the Ten-year Council Community Plan, or the capacity of the local authority to deliver the activity.

In addition, the Council's funding and financial policies, as set out in Volume Two of the Ten-year Council Community Plan, may only be changed as an amendment to the Ten-year Council Community Plan.

The Council has not made an amendment to the Ten-year Council Community Plan through this Annual Plan process

¹ Changes of a very minor nature have not been documented.

COMMUNITY OUTCOMES

What are community outcomes?

Community outcomes are a desired state or ideal that the community identifies and believes is important for its present and future wellbeing. Under the Local Government Act 2002, councils are required to facilitate a process to identify the desired community outcomes and priorities for their communities once every six years.

The Council's role in the community outcomes process is to:

- Facilitate the process;
- Promote or achieve the outcomes (being one of the parties that is capable of doing so and to the extent that the elected Council deems appropriate); and
- Monitor and report on progress towards the achievement of community outcomes (every three years).

Community outcomes are a judgement of the community and therefore belong to the community. The Council does not adopt or approve the outcomes in the sense that it adopts the Annual Plan.

More information about the community outcomes is available in the Council's Ten-year Council Community Plan.

Reporting on community outcomes






The Whakatane District Council has been working with other local and central government agencies to monitor and report on community outcomes.



The Council has recently produced the first community outcomes report for the Whakatane District. This document reports back to the Whakatane Community on progress being made towards achievement of the nine community outcomes listed below. The community outcomes report is available on the Council's website and from Council offices.

Whakatane District's community outcomes

In 2005 the Council facilitated a process to determine community outcomes. The following nine outcomes were identified for the Whakatane District:

	<p>Clean protected environment</p>	<p>Where:</p> <ul style="list-style-type: none"> • The environment is clean and natural resources are protected and conserved • The community is educated and involved in environmental care • Natural and cultural heritage places are recognised and protected • Waste is well managed.
	<p>Environmentally responsible development</p>	<p>Where:</p> <ul style="list-style-type: none"> • Development is planned, managed and controlled sustainably • Economic growth is balanced with cultural, social and environmental responsibility • Environmental laws are actively enforced • Sustainable energy use is encouraged • There is a sense of pride and enjoyment about how attractive the district is.

	<p>Prosperous economy</p>	<p>Where:</p> <ul style="list-style-type: none"> • The economy is prosperous in both urban and rural areas • Business builds on the district's assets to support the economy • Māori economic development is supported • New businesses are attracted to the area and all businesses are encouraged • Employment opportunities are available for all.
	<p>High-quality affordable infrastructure</p>	<p>Where:</p> <ul style="list-style-type: none"> • High quality affordable infrastructure supports growth (e.g. transport, water, energy, waste) • Transport links to the district are maintained and enhanced • Roading is safe, convenient, and appropriate to all users • People, infrastructure and the environment are protected from natural disasters • Improvements in communication technology are available throughout the district (e.g. Mobile coverage and fast internet access).
	<p>Strong, transparent and open leadership</p>	<p>Where:</p> <ul style="list-style-type: none"> • Leaders are visible, strong, have a clear vision and listen to all sectors of the community • Decision making processes are transparent, open and inclusive • Council, the community and Māori work in partnership • Council costs are appropriate for the services provided.
	<p>Education and training opportunities for all</p>	<p>Where:</p> <ul style="list-style-type: none"> • Affordable quality education and training accessible to all • Education and training supports economic growth • Participation in education is encouraged and supported, especially for youth • Education values and promotes cultural heritage.
	<p>Safe caring Community</p>	<p>Where:</p> <ul style="list-style-type: none"> • Communities help themselves and care about each other • Drug, alcohol and gambling abuse is diminished • Homes and neighbourhoods are free from fear of violence or crime • Youth development is supported and youth gain from and contribute to our community.

	<p>Healthy people and quality housing</p>	<p>Where:</p> <ul style="list-style-type: none"> • Affordable, quality housing is available for all • Initiatives are in place to encourage self sufficiency in housing • Quality primary and secondary health care and facilities accessible to all • Information and support for preventative health issues is made available to all • Appropriate support is available for disadvantaged, disabled and those in need.
	<p>Diverse, creative and active community</p>	<p>Where:</p> <ul style="list-style-type: none"> • Facilities and venues are in place to accommodate a wide range activities for all • Activities and events support and celebrate culture, creativity and recreation • Parks, reserves and recreational facilities are enhanced and increased • Māori culture is valued, celebrated, promoted and protected • Diversity is valued and different cultures, genders and ages are respected • All forms of art are catered for.

How the community outcomes relate to other plans and processes

Community outcomes provide the foundations for the planning processes of the Council and other organisations who can contribute to achieving them.

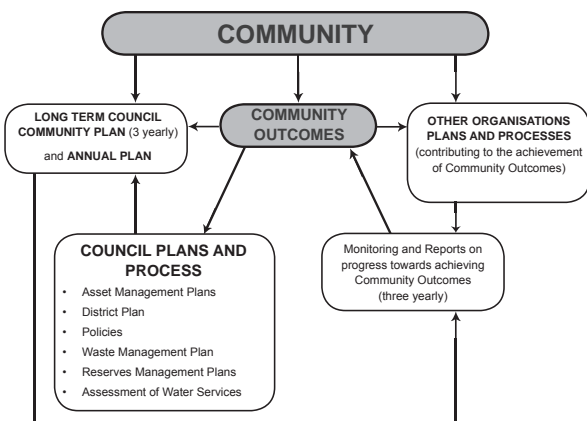
Throughout this document, the symbols have been used to note an activity’s relation to the community outcome.

For example: (see page 64)

Recreation and community facilities contribute to:

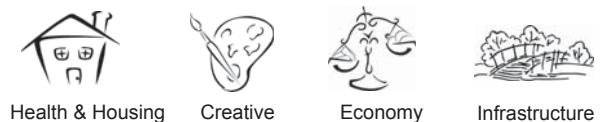
- Healthy people and quality housing
- A diverse, creative and active community
- A prosperous economy
- High quality affordable infrastructure

Therefore it will be accompanied by the following symbols:



Community outcomes symbols

For continuity and consistency each community outcome has been given a symbol - as shown above.





KEY ISSUES



KEY ISSUES

INTRODUCTION

The following paragraphs highlight what the Council considers to be important projects and issues for the 2008/09 financial year.

KEY ISSUES 2008/09

1. Natural hazard mitigation works

Following natural disasters in the District, the Council has planned a range of flood, landslide and debris flow mitigation projects. The cost of these works is significant but necessary to protect communities within the District.

What is planned

- **Matata**

On 18 May 2005, heavy rain caused a series of debris flows and flooding in Matata. Following the event, risk mitigation options to protect the Matata community against the risk of future debris flows were investigated. The mitigation works were divided into six projects.

The budgeted costs for these projects were spread over three financial years. The 2006/07 and the 2007/08 financial years focused on the planning, design and the resource consent processes.

The Council has received appeals on the decision for the Awatarariki Stream and Te Awa o te Atua Lagoon restoration works and the Waitepuru Stream Debris and Flood Control Works. These work will not be able to proceed until a decision is received from the Environment Court. Subject to outcome of appeals the 2008/09 year will be when the majority of the construction work is completed. The following physical works are to be completed in the 2008/09 financial year:

- Awatarariki Stream and Te Awa o te Atua Lagoon (Western Lagoon) restoration works, downstream of the State Highway Bridge (Moore's Bridge)

- Awatarariki debris detention structure
- Waitepuru Stream debris and stream management works
- Ohinekoao (Matata straight, State Highway 2); and
- Waimea Stream debris and stream management works.

The cost of the project remains unchanged from the Ten-year Council Community Plan for 2008/09, at \$3.94m (including \$1.88m of government funding).

- **Edgecumbe**

The town has suffered numerous floods including the July 2004 flood when homes were extensively damaged. In addition there was concern relating to the integrity of the stopbanks surrounding Edgecumbe. During the event the stopbanks were breached on the eastern side of the township.

The Council is responsible for stormwater management within the boundaries of the Edgecumbe township. Environment Bay of Plenty maintains the drainage system outside the township. The Council has partnered with Environment Bay of Plenty to investigate options to protect the community from further flooding.

The 2007/08 financial year focused on the investigation, consultation, design and planning. The process of consultation with affected parties, the lodgement of a resource consent application, and the detailed design will be completed at the beginning of the financial year. Therefore the physical works that were originally scheduled for 2007-09 are now expected to be carried out in the 2008/09 financial year.

The cost of the project remains unchanged from the Ten-year Council Community Plan for 2008/09, with \$2.96m budgeted (including \$987,000 of government funding).

2. Community Funding Policy

The Council administers grants to the community to assist in community projects. To date, funds have been administered through various programmes including the Annual Grants fund and applications to the Annual Plan.

What is planned

The Council is currently in the process of reviewing its policies on the funding of community groups and organisations. The review will ensure that funding assistance is provided in a transparent, equitable and consistent manner. The focus of the review is to look at the effectiveness of the community funding mechanisms and fund management processes that are used by the Council. A number of steps are currently being implemented that will improve the application process and administering of those funds over the 2008/09 year. The full review and publication of a new Community Funding Policy will take place alongside the preparation of the 2009-19 Long Term Council Community Plan. For more information and an application form for the Annual Grants fund refer to the Council's website www.whakatane.govt.nz or call 306 0500.

3. Hazard Mitigation Policy

During the 2007/08 financial year the Council reviewed its policy on how it will fund disaster mitigation works in Otarawairere, Matata, Edgecumbe and Awatapu, as well as any future disaster mitigation works. The results of this review, as well as a draft policy, were consulted with the community alongside the draft Annual Plan 2008/09. A revised policy has been implemented through the rates set in this Annual Plan.



Hazard Mitigation Works at Otarawairere

What is planned

The Council agreed to adopt changes to the Disaster Mitigation Funding Policy (previously entitled "Hazard Mitigation Policy") following submissions received as part of the draft Annual Plan consultation process.

The revised policy now spreads the capital costs of funding disaster mitigation works over the community where the works are to take place and the District as a whole. Costs to the community will be to a maximum of 50% and the remaining 50% of costs will be spread over the whole District. For the disaster mitigation works in Otarawairere, the policy now splits costs as 85% disaster mitigation works and the remaining 15% as private costs to properties connected to the stormwater and wastewater scheme (to reflect improved levels of service). The Council has opted to fund the District portion through a Uniform Annual Charge.

The Funding Impact Statement included in this Annual Plan details the disaster mitigation rates that apply under the new Disaster Mitigation Funding Policy for 2008/09.

Copies of the Disaster Mitigation Funding Policy are available from the Council's website and in the Council office.

4. Transport networks

The Council has responsibility for:

- *developing and maintaining safe and efficient roading networks;*
- *promoting pedestrian and cycle ways;*
- *providing public transport infrastructure;*
- *provision of aerodrome services.*

What is planned

- The Council recently consulted on a walking and cycling strategy. During 2008/09 the Council is carrying out some major infrastructure developments to increase the walking and cycling facilities in the District. These projects are eligible for LTNZ subsidy and the Council funded portion of the cost is included in brackets:

- Warren Cole pedestrian and cycle facilities are scheduled at a cost of \$553,000 (\$324,000 to Council)
 - Ohope Road pedestrian and cycle facilities to compliment the recent seal widening and safety improvements. These new facilities are budgeted at \$384,000 (\$184,500 to Council).
 - The walking and cycling strategy will also include further implementation in 2008/09 at a cost of \$286,000 (\$143,000 to Council).
 - The Council is in the process of completing the transportation study for the District and it will be open for public consultation during 2008/09. This will include a study of alternative routes for the State Highway including a proposed investigation into a second bridge option for Whakatane Town.
 - The Council will carry out investigations into the long-term roading network plan for Whakatane. The total cost of this project is \$250,000 with a cost to Council of \$110,000 during 2008/09.
 - The Eastern Bay of Plenty including the Whakatane District, has road crash statistics and traffic offences that exceed the national average. The Council recognises that there must be strong community awareness and inputs for road safety delivery to be effective. The Annual Plan indicates the Council's commitment to this by being the lead agency behind the Eastern Bay Road Safety Committee. The projects to be delivered through the Eastern Bay Road Safety Committee are detailed in the committees Eastern Bay Wide Road Safety Action Plan.

The Council is also planning to review and action the strategic District Road Safety Plan as needed and update the District Road Safety Strategy.
 - The Council is not funding any undergrounding of power lines this year (a saving of \$61,500) but instead will advocate for increased funding from Eastern Bay Energy Trust.
 - The Council has recently created an Airport Advisory Board. The purpose of the Airport Advisory Board is:
 - To review the existing Transportation Asset Management Plan pertinent to the Whakatane and Galatea airports
 - To investigate means to provide a profitable, functional and safe airport for the long term benefit of the community
 - To provide advice and recommendations to the Council on the draft Strategic Plan for the Whakatane Airport
 - To consider the needs of the commercial and recreational users of the Whakatane airport to ensure the present level of facility is maintained and increased wherever practicable and economic
 - To evaluate and make recommendations to the Council to improve and increase the number and frequency of air services to the community
 - To consult with the Council's Joint Venture Partner as required.
- There have been six people appointed to the Advisory Board for this triennium.

5. Water Related Services

Numerous projects are planned for 2008/09 to improve the provision of service in the areas of water supply, waste water and stormwater. Compliance with standards including the New Zealand Drinking Water Standards 2005 will increase the costs of water related services.

What is planned

Water Supply

- The Council has applied for funding from the Government's Drinking Water Assistance Programme to improve the water quality and monitoring in Waimana, Matata, Ruatoki, Taneatua, Te Mahoe and Murupara water supplies. Further funding applications will be lodged to improve these water supplies. Public consultations will be carried out to discuss issues in these supplies.

- A project to address the arsenic issue in the Plains water supply has been deferred until 2009/10. The scope of the project will depend on the outcome of ongoing options investigations and the outcome of public consultation on the issue. During 2008/09 the Council will undertake testing of Paul Road Bores at a cost of \$306,000.
- A project will be carried out to improve the water supply to Awakeri extension, budgeted at \$160,000.
- Bulk water supply zones will be created in Whakatane water scheme to better manage the pressure and flow. This will result in the reduction of leaks in the system. This project is budgeted at \$175,000.
- The Council will undertake investigations during 2008/09 to address the salinity issues in the Whakatane water supply. This will include investigations into a suitable location for a pilot bore and intake investigations and designs.

Waste Water

- A project is planned to construct a waste water reticulation system in Matata. The budget for the full project is \$4.40m. The final cost of the project will become known when the design works are completed. Public consultation will be carried out to ascertain the community's opinion on the project.
- One pump station in Edgecumbe will be upgraded to overcome waste water discharge issues. The expected cost is approximately \$152,000.
- A network model has been developed for the Whakatane waste water system. This model will be used to identify the system upgrades required to achieve the level of service defined in the Asset Management Plan. Initial designs and costing will be carried out for different options identified in the modelling study and will be included in the next Long Term Council Community Plan.
- Investigations into options for disposal of waste water in Ohope will continue

in 2008/09. The present waste water discharge consent for Ohope waste water will expire in 2010. A waste water network model will be developed for Ohope.

Stormwater

Investigations to mitigate the flood hazard to the Whakatane town from the Wainui Te Whara Stream during large rainfall events will continue. A sum of \$341,000 has been budgeted in 2008/09 for the project. The implementation and the scope of the project will depend on the outcome of the ongoing investigations.

6. Solid waste

Space in the Whakatane landfill is becoming limited and the consent to operate is due to expire in December 2009. It is becoming more costly for councils to operate small landfills due to the cost of complying with increasingly high environmental standards.

What is planned

The construction of the Transfer Station was scheduled for 2007/08, but has since been delayed until 2009/10. The Council will progress with building consent approval and building design in 2008/09 at a cost of \$153,000. Through the LTCCP a budget of \$981,600 has been included for the construction of a Transfer Station, to sort and store waste to be transported out of our District. The Transfer station was planned on the Te Tahi Street site in conjunction with the Recycling Park commissioned in July 2006. The Transfer station is being constructed in response to the closure of the Whakatane landfill at Burma Road in December 2009. Due to the increasing pressure on landfills regionally, the Council will also continue to consider other options for the minimisation and disposal of waste.

7. Town vision

The Central Business Area and periphery of Whakatane has been subject to changing demands and requirements to meet the needs of a growing provincial town. The changing nature of the way people live, work, travel and recreate in and around this area has

prompted the Council to consider the long term future of the area in a strategic way to ensure considered and planned improvements.

Over recent years the Whakatane District Council has also reassessed the future of land held by the Council through Whakatane Harbour Board ownership. The majority of the Council's holdings are in long-term perpetual ground leases held as an endowment. The Council considers that any future divestment should take place in a planned and measured way. Freeholding of specific sites may be considered as a mechanism to progress the Town Vision Plan.

What is planned

The Council has been working towards the development of a Town Vision Plan and strategies for the Central Business area of Whakatane (in consultation with stakeholders, local Iwi and the community). The Town Vision provides an overall plan towards which individual Council property decisions, transactions and other plans, policies and development, can be targeted. Following the recent adoption of the Town Vision, the Council may choose to use its property interests and community/infrastructure works (e.g. the planned development of reserve areas or Council facilities) to influence the development of the Whakatane Central Business Area in line with that vision. The Town Vision Plan will assist the Council with future decision making in regard to harbour leases. A sum of \$1.14m has been budgeted in 2008/09 for property purchases and implementation costs.

Having adopted the Town Vision Plan the Council may:

- divest up to 15% of harbour endowment land
- appropriately manage the divestment to ensure that any approved developments preserve the special character of the Whakatane township
- reinforce the Council's cultural, economic, social and environmental stewardship of the area in keeping with the adopted Town Vision Plan
- use the proceeds of any capital realisation for harbour purposes, provided that any divestment realises a financial return.

These decisions are yet to be made. If there was a proposal to divest land, the requirements of the Local Government Act 2002 would be followed, this includes the Council notifying its intention to sell or exchange property in its Ten-year Council Community Plan along with a statement detailing the use to which the proceeds of the sale of exchange will be put.

8. Port development

The harbour is widely recognised as the town's main attraction and the ongoing development of the port and associated public facilities is provided in the Annual Plan.



Whakatane Boat ramp

What is planned

The Annual Plan includes projects such as continued improvement to the wharf area to provide more berthage and public utility. Funds will be carried over from the 2007/08 year for the expansion and ongoing development of public amenity along the port area. This will include property purchases, the development of facilities on the ex-Army Hall property, improvements to the north of the Whakatane Heads car park and completion of the eastern infill. The relocation of the swimming area away from ramps and wharfs is a project that is continuing.

The adoption of the Port Safety Plan may require the review of some operational activities of the Ports. The range and method of delivery of current services continues to be reviewed, including the future requirements and methods of maintaining a navigable channel. The retention of various harbour assets will also be considered and exploration of options for the functioning of the harbour will continue.

The Council has recently created a Harbour Advisory Board. The purpose of the Harbour Advisory Board is to;

- review the Port Management Plans
- investigate means to provide a functional, safe and sustainable harbour for the long term benefit of the community
- evaluate and make recommendations to the Council on efficiencies to maintain the harbour in a workable condition
- provide the Council with advice on long term strategic direction and facilities required for the harbour.

Community representatives have been appointed to this Board for the 2007-10 triennium.

9. Options for future development

The Council will complete studies of residential and business growth in Whakatane and Ohope. The studies will help decide where new areas for residential, retail and industrial growth should be located. Consideration will be given to the cost of new development and other constraints, such as natural hazards, land tenure, cultural heritage sites and the value of high quality soils. The findings of the residential, industrial, and retail growth studies and the transportation study will be integrated into one coherent vision for Whakatane and Ohope. There will be extensive consultation before deciding the best option. The Council is also considering implementation of the Town Entranceway Project.

What is planned

After extensive consultation with potentially affected landowners and the general public, preferred option(s) will be identified for future development arising from residential, retail and industrial studies. The findings of these studies will be used to contribute to a debate about the future growth of the district as a whole. The Council adopted in principle a concept plan for the Town Entranceway and is now working towards the second stage of the project which will involve planning for implementation.

10. Variation 6 (Coastal Hazards) to the proposed Whakatane District Plan

The Council will complete a change (Variation 6) to the Proposed Whakatane District Plan to manage the risk of coastal hazards.

What is planned

Managing building and subdivision in areas that are predicted to be subject to coastal erosion and inundation (flooding) over the next 100 years will be implemented by way of a Variation to the District Plan. The Variation has been publicly notified for submissions and a hearing will be held late in 2008. See the Council's website: www.whakatane.govt.nz for further details. The Council will then hear from submitters and finalise the Variation. This process will be undertaken under the provisions of the Resource Management Act. The cost of completing this process is budgeted at \$40,000.

11. Natural hazards

A project to research natural hazard risks in the District will continue.

What is planned

A gap analysis will be undertaken to determine where there is a lack of information and knowledge about natural hazards that could affect the District. The priorities for investigating those hazards will then be determined. Research will be carried out into those hazards and the measures that need to be taken as a result of the identification. \$66,000 is budgeted to complete this project.

12. Rural Review Monitoring Project Study

A monitoring project is underway to review the positive and negative effects, including the cumulative effects, of rural-residential subdivisions in the District.

What is planned

An analysis of rural-residential subdivision was undertaken in the district through key case study areas in the 2007/08 financial year. It compared identified effects against

the anticipated environmental effects in the Proposed District Plan and aims to set thresholds for effects. The next step of this project is to consider the study's recommendations. This could possibly lead to preparing a Variation to the District Plan to avoid or mitigate those effects.



Whakatane Rural Landscape

13. Development Contributions Policy Review

The Council will undertake a review of its Development Contributions Policy and its Financial Contributions framework.

What is planned

The Council is undertaking a combined review of its Development and Financial Contributions mechanisms in light of the fact that these contribution mechanisms are complex and closely inter-related. This will provide clarity to the Council's stakeholders, reduce the overhead of administering the contribution mechanisms, and will eliminate any potential gaps and overlaps between the two mechanisms. All projects attracting development contributions will be reviewed, ensuring that contributions are set at correct levels.

14. Crematorium

The Council is progressing the development of a crematorium facility as indicated in the Ten-year Council Community Plan.

What is planned

The Council has been granted a resource consent to build a crematorium at the Hillcrest Cemetery in Whakatane. The facility will also include a 50 seat venue for service.

The crematorium will assist with the long term goal of the sustainable use of land

resources in the district. The construction of the crematorium has been delayed and is scheduled to be completed in early 2009. The revised cost of the project will be \$1.26m.

15. Future ownership of Council-owned property in Port Ohope and Piripai

The Council continually reviews its ownership of property throughout the District. Two main locations currently under consideration are harbour reserve land around Port Ohope and Council owned land at Piripai.

What is planned

The Council has considered the future options for harbour land located at and around Port Ohope Wharf. This includes the properties at 325, 333 and 335 Harbour Road, Ohope (residential block land). The Port Ohope concept plan identifies areas for future reserve protection and areas for further community or commercial uses. The concept plan has been adopted by the Council and consideration as to how the plan will be provided for under District Plan provisions will be reviewed in 2008/09.

The Council investigated options for the development of the Council-owned residentially zoned land at Piripai. Proposals from the private sector to participate in development of the land were considered and the Council has decided to facilitate development of the land by Property Ventures. This may involve the company applying for a new resource consent over the site.

16. Sale of non-operational Council assets

The Council is the owner of non-operational assets on behalf of the community. Where the Council decides to sell such assets, it may use discretion as to how to allocate any surplus funds or balances in accordance with the Local Government Act 2002.

What is planned

The Council has adopted a policy on utilising the proceeds from the sale of non-operational assets. The policy states that:

1. If there was debt attributable to the asset, payment of that debt is the first call upon any proceeds of sale (that is the cash value less costs relating to the sale).
2. The proceeds of sale (that is the cash value less any costs relating to the sale) following the retirement of any debt will be used for the purposes of:
 - a. The retirement of debt in relation to assets; or
 - b. The funding of the purchase of new assets (as scheduled within a relevant Asset Management Plan); or
 - c. The purchase of strategic assets; or
 - d. Transferred to an appropriate reserve; or
 - e. The funding of one off operational expenses.
3. The proceeds will not be used to fund general operational expenditure.

The key benefit of the policy is that it will provide transparency around the decision-making process.

17. Service delivery options for Council maintenance of infrastructure and amenity assets

The Council needs to invest in systems and processes in order to provide the service required by the community. One key area this applies, is to improve the management and maintenance of infrastructure amenity assets. This service is undertaken by the Council's Operations Business Unit and capital investment in this unit is required.

What is planned

Substantial capital investment in systems and tools is required in the Council's Operations Business Unit to improve service delivery. The Council invested in the Operations Business Unit during 2007/08 and during 2008/09 the improvement works will continue.

18. Overheads from support functions

There are internal Council support functions such as Information Technology, Customer Services, Finance and Human Resources that

assist in the delivery of the activities identified in this Annual Plan. The cost of these support functions is allocated through overheads. New projects as well as a reallocation of budgets has led to additional overhead costs.

What is planned

A range of projects are planned to continue infrastructure, systems, and information management development. After many years of core system underinvestment, the past two years of increased Information and Communications Technology funding have facilitated many improvements, and continued work and investment will build on these successes. Highlights of planned projects include:

- Ongoing replacement of personal and mobile computers, and addition of field durable mobile computers for Compliance staff
- the second stage of the Electronic Content Management System and associated staff training
- Storage Area Network system expansion, to support the Electronic Content Management System
- continued website expansion and development, in line with central government's 2010 e-Government guidelines on use of technology to provide information and services
- further development of the Ozone enterprise resource planning and management system, in particular expanded financial reporting and increased Building Inspection and Resource Consents functionality
- analysis and implementation of a Disaster Recovery system (duplication of all Council systems and data at a remote site)
- continued improvements to the security of our internal and external network
- analysis of Asset Management System requirements, and associated project planning.

19. Increased Broadband Capacity

Central Government has highlighted the importance of broadband to communities for both economic and social wellbeing.

What is planned

The Council currently participates in the BayBroadBand initiative, investing both staff time and a financial contribution to help develop the initiative. During 2008/09, BayBroadBand is planning to expand the broadband infrastructure in the Bay of Plenty, actively developing facilities through a number of initiatives. The Council is showing its commitment to these initiatives by increasing policy, communication and technology, to ensure awareness throughout the community of the benefits of fast internet access. The Council is also facilitating the regulatory process and coordinating infrastructure works, to increase the broadband capacity throughout the district and minimise cost.

20. Funding of Depreciation

The annual depreciation or decline in service potential is the amount the asset declines in value over a year as a result of the remaining life of the asset reducing.

What is planned

Provision needs to be made for funding depreciation so as to make suitable allowance for the future replacement or renewal of assets (refer to the Council's Revenue and Financing Policy in the Ten-year Council Community Plan). The Council has amended its assumption on fully funding depreciation costs. Depreciation has been funded on the average of the next 25 years renewal requirement. This renewal profile over which it is averaged will be reviewed annually and the period will be increased as better Asset Management Plan information becomes available.

21. Financial costs and use of reserves

The Council is in the process of undertaking a full rates review. This project will be completed in 2008/09.

The Council has used accumulated balances and reserve funds to offset rates over the last two years. Limited reserves are available to offset rates during 2008/09.

The interest rate assumptions from previous years have been adjusted based on judgements of future trends.

What is planned

During 2008/09 the Council will undertake a full rates review. This process will take account of the findings of Central Government's Commission of Inquiry into Rates. This process will involve consultation with the community and will be completed in time to coincide with the next Long Term Council Community Plan 2009-19.

The Council made the decision during the Ten-year Council Community Plan 2006-16 that reserves identified would be returned to ratepayers equally over the 2006/07 and 2007/08 financial years. For 2007/08 a total of \$1.22m was applied to offset rates. As limited reserves are available for 2008/09, the impact on rates as a direct result of having few reserves available this year will be an increase from last year of 4.2%.

The anticipated interest rates calculated in the Ten-year Council Community Plan in 2006 were 6.75%. However the assumptions contained within this Annual Plan have increased to 8.4% for new loans, to take account of advice on likely interest rate costs.

22. Key Changes to Fees and Charges Schedule

Volume Two of the Annual Plan contains the Fees and Charges for various Council Activities. The Council charges fees where a service is being offered or supplied and a private benefit can clearly be identified for an individual or group.

What is planned

Each year the Council adjusts the price of various fees in line with inflation and costs. This year the Council has increased the amount that is charged for Resource Consents and Building Consents. This is a result of reviewing the public/private benefit of these activities. The Council notes that this change is a variation to the figures contained within the Council's Revenue and Financing Policy (contained in the Ten-year Council Community Plan).

The Council has also restructured the fees charged for the libraries, including removing the annual service fee. More detail regarding the changes can be found in volume two of the Annual Plan entitled "Fees and Charges Schedule 2008/09".

RATING INFORMATION

The following pages set out information about Whakatane District Council's estimated income from rates and indicative rates for various properties around the District.

Values for 2008/09 are as at 20 June 2008.

2007/08			2008/09	
Rateable Capital Value (\$)	Number of Rateable Rating Units		Rateable Capital Value (\$)	Number of Rateable Rating Units
1,287,395,000	5,530	Whakatane Urban	1,894,113,000	5,591
269,792,000	461	Whakatane Commercial	353,975,500	446
82,958,000	628	Edgecumbe	146,814,000	638
60,755,500	334	Matata	95,821,000	333
20,990,500	774	Murupara	51,950,000	774
24,967,300	276	Te Teko	36,072,000	278
23,341,000	36	Otarawairere	29,935,000	36
922,667,000	1,749	Ohope	1,093,794,000	1,787
14,858,000	270	Taneatua	25,991,000	269
2,532,934,150	4,956	Rural	3,324,891,300	5,041
399,856,000	31	District Wide \$10m Plus (for exclusions see note 1. below)	554,010,000	32
5,640,514,450	15,045	Total	7,607,366,800	15,225

Notes:

1. District wide \$10m plus excludes farming, forestry, horticultural properties which are included in each area above.
2. There are some property owners who own and use two or more rating units as a single property. Legislation requires Council to treat these as a single rating unit for rating purposes.
3. Properties are valued every three years. The properties in Whakatane were revalued in September 2007.

Definition:

Capital Value of land means, the sum that the owner's estate or interest in the land, if unencumbered by any mortgage or other charge, might be expected to realise at the time of valuation if offered for sale on such reasonable terms and conditions as a bona fide seller might be expected to require.

Rate requirement summary

2008/09 LTCCP	2008/09					2007/08					Net Change
	Gross Requirement	Use of reserves and credit balances	Gross Requirement	Net Requirement	Rates required Including GST	Gross Requirement	Use of reserves and credit balances	Net Requirement	Rates required Including GST		
6,864,000		6,005,456		6,005,456	6,756,138	5,407,661	(1,344,168)	4,063,493	4,571,430	2,184,708	47.8%
5,377,000	Works and Facilities Rate	5,589,266	(170,000)	5,419,266	6,096,674	5,414,065	(77,168)	5,336,897	6,004,009	92,665	1.5%
366,000	Community Board Rates	355,881		355,881	400,366	332,104	-	332,104	373,617	26,749	7.2%
139,000	Swimming Pool Rate	119,607		119,607	134,558	118,189	-	118,189	132,963	1,596	1.2%
6,605,000	Roading Rate	6,703,776		6,703,776	7,541,748	7,248,385	375,000	7,623,385	8,576,308	(1,034,560)	-12.1%
1,397,000	Refuse Removal Rate	1,576,641		1,576,641	1,773,721	1,708,886	-	1,708,886	1,922,497	(148,776)	-7.7%
669,000	District Wide Parks Rate	650,147		650,147	731,415	631,104	-	631,104	709,992	21,423	3.0%
172,000	Promotion and Development Rate	176,478		176,478	198,538	155,075	-	155,075	174,459	24,079	13.8%
	Sewerage Rates										
1,049,000	Whakalane Sewerage	1,161,473		1,161,473	1,306,657	1,018,680	57,380	1,076,060	1,210,568	96,090	7.9%
475,000	Hohe Sewerage	422,414		422,414	475,216	450,854	(53,061)	397,793	447,517	27,699	6.2%
244,000	Edgecumbe Sewerage	328,393		328,393	369,442	229,756	(137,319)	92,437	103,992	265,451	255.3%
78,000	Taneatua Sewerage	91,773		91,773	103,245	75,702	(22,427)	53,275	59,934	43,310	72.3%
101,000	Murupara Sewerage	102,029		102,029	114,783	86,399	(38,964)	47,435	53,364	61,418	115.1%
30,000	Te Mahoe Sewerage	14,500		14,500	16,313	18,509	-	18,509	20,823	(4,510)	-21.7%
	Water Supplies Rates										
1,866,000	Whakalane Water	2,227,136		2,227,136	2,505,528	1,804,742	96,508	1,901,250	2,138,906	366,622	17.1%
359,000	Hohe Water	354,155		354,155	398,424	304,098	42,038	346,136	389,403	9,021	2.3%
199,000	Edgecumbe Water	180,474		180,474	203,033	171,048	(9,925)	161,123	181,263	21,770	12.0%
113,000	Matata Water	132,139		132,139	148,656	100,011	(2,248)	97,763	109,983	38,673	35.2%
97,000	Taneatua Water	110,902		110,902	124,765	80,102	(6,680)	73,422	82,600	42,165	51.0%
106,000	Murupara Water	140,998		140,998	158,623	93,646	(79,336)	14,310	16,099	142,524	885.3%
76,000	Ruatoki Water	61,250		61,250	68,906	73,962	(49,998)	23,964	26,960	41,947	155.6%
34,000	Waimana Water	26,391		26,391	29,690	26,026	939	26,965	30,336	(646)	-2.1%
677,000	Plains Water	829,065		829,065	932,698	625,216	26,238	651,454	732,886	199,812	27.3%
34,000	Te Mahoe Water	15,585		15,585	17,533	18,593	-	18,593	20,917	(3,384)	-16.2%
2,000	Ruatuhuna Water	767		767	863	1,069	-	1,069	1,203	(340)	-28.3%
1,389,000	Disaster Mitigation Rate	416,931		416,931	469,047	391,098		391,098	439,985	29,062	6.6%
58,521,000		27,793,627	(170,000)	27,623,627	31,076,581	26,584,980	(1,223,191)	25,361,789	28,532,013	2,544,568	8.9%

Indicative rating examples for 2007/08

2007/08 (Capital valuations as at September 2005)												
	Whakatane Urban	Whakatane Commercial (less than \$10m)	Edgecumbe	Matata	Murupara Urban	Murupara Lifestyle	Te Teko	Otarawairere	Ohope	Taneatua	Rural	District Wide - Commercial/Industrial \$10m Plus
Land Value												
	232,802	585,232	132,099	181,903	24,888	126,471	90,461	648,361	527,540	55,030	511,084	12,898,581
Capital value												
	29.01	72.93	16.46	22.67	3.10	15.76	11.27	80.79	65.74	6.86	63.69	964.38
Uniform Annual General Charge	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00
Roading rates												
Capital value	347.15	872.68	196.98	271.25	37.11	188.59	134.89	966.82	786.65	82.06	762.11	11,540.38
Uniform Annual Charge	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
District Wide Parks Rate Charge	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25
Community Boards UAC	29.59	29.59	22.88	22.88	28.93	28.93	22.88	23.29	23.29	25.02	22.88	29.59
Works and Facilities Rates												
Uniform Annual Charge	25.00	25.00	50.00	50.00	150.00	150.00	50.00	100.00	100.00	150.00	50.00	25.00
Capital value	465.84	2,576.33	209.91	41.54	190.49	185.61	20.66	204.85	166.68	225.37	116.70	25,810.32
Water	339.92	339.92	255.04	353.26	14.35	100.00	100.00	61.98	61.98	206.77	99.62	339.92
Sewerage	159.82	159.82	166.79		77.28			276.33	276.33	213.76		159.82
Rates Disaster Mitigation	7.85	19.73	4.45	6.13	0.84	4.26	3.05	21.86	17.78	1.85	17.23	434.79
Catchment Rates Disaster Mitigation	11.52	11.52	61.12	461.54				440.00				
Community Rates Disaster Mitigation	5.76	5.76	30.56	125.45				7.79	7.79			
Promotion and Economic Development Charge		325.48										325.48
Refuse Removal charge	182.67	134.72	182.67	182.67	182.67	134.72	182.67	182.67	182.67	182.67	134.72	134.72
Swimming Pool charge					72.68						21.95	
	1,979.37	4,948.73	1,572.12	1,912.63	1,060.04	1,155.81	900.67	2,465.30	2,064.16	1,469.62	1,664.16	40,139.66

Indicative rating examples for 2008/09

2008/09 (Capital valuations as at September 2007)												
	Whakatane Urban	Whakatane Commercial (less than \$10m)	Edgcombe	Matata	Murupara Urban	Murupara Lifestyle	Te Teko	Otararairere	Ohope	Taneatua	Rural	District Wide - Commercial/Industrial \$10m Plus
Land Value												
Change in Land value					8,189	185,000						
					786.60%	927.78%						
Capital value												
Change in Capital value	338,779	794,361	227,526	287,751	62,968	237,375	129,755	831,528	612,084	96,621	659,570	16,845,152
	45.52%	35.73%	72.24%	58.19%	153.00%	87.69%	43.44%	28.25%	16.03%	75.58%	29.05%	30.60%
General Rates												
Capital value Rate	96.49	226.25	64.80	81.96	17.93	67.61	36.96	236.83	174.33	27.52	187.86	2,878.69
Uniform Annual General Charge	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00
Roading rates												
Capital value Rate	317.78	745.13	213.42	269.92	59.07	222.66	121.71	779.99	574.15	90.63	618.69	9,480.66
Uniform Annual Charge	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
District Wide Parks Rate Charge	51.09	51.09	51.09	51.09	51.09	51.09	51.09	51.09	51.09	51.09	51.09	51.09
Community Boards UAC	31.47	31.47	24.82	24.82	30.94	30.94	24.82	25.21	25.21	22.09	24.82	31.47
Works and Facilities Rates												
Uniform Annual Charge	25.00	25.00	50.00	50.00	150.00	150.00	50.00	100.00	100.00	150.00	50.00	25.00
Capital value rate	495.18	2,554.37	143.05	49.62	65.99	74.54	22.37	267.45	196.87	184.96	113.74	24,621.72
Water	371.75	371.75	262.62	456.05	146.91	130.00	130.00	59.07	59.07	310.00	109.58	371.75
Sewerage	171.59	171.59	422.46	16.22	140.06	16.22	16.22	253.11	253.11	312.55	171.59	171.59
Rates Disaster Mitigation	16.22	16.22	16.22	16.22	16.22	16.22	16.22	16.22	16.22	16.22	16.22	16.22
Community Rates Disaster Mitigation	5.42	5.42	73.17	210.73				43.41	43.41			
Olararairere/Cliff/Brown Road								557.45				0.00
Promotion and Economic Development Charge												366.98
Refuse Removal charge	149.96	105.71	149.96	149.96	149.96	105.71	149.96	149.96	149.96	149.96	105.71	105.71
Swimming Pool charge						75.41					21.99	
Change \$	\$2,106.95	\$5,045.99	\$1,846.62	\$1,735.36	\$1,203.17	\$1,169.18	\$978.14	\$2,914.80	\$2,018.43	\$1,690.01	\$1,674.70	\$38,495.89
	\$127.58	\$97.25	\$274.50	-\$177.27	\$143.14	\$13.37	\$77.46	\$449.51	-\$45.73	\$220.40	\$10.53	-\$1,643.77
Percentage Change	6.45%	1.97%	17.46%	-9.27%	13.50%	1.16%	8.60%	18.23%	-2.22%	15.00%	0.63%	-4.10%



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GROUPS OF ACTIVITIES



GROUPS OF ACTIVITIES

INTRODUCTION

The Council contributes to community outcomes in 42 activities. These activities are included in the following 12 groups:

- Community Leadership and Governance
- Transport Network and Systems (including information about the Council's Land Transport Programme)
- Water-related Services
- Solid Waste Management
- Promotion and Economic Development
- Environmental Planning
- Environmental Controls
- Libraries and Museum
- Recreation and Community Facilities
- Parks, Reserves and Cemeteries
- Environmental Protection
- Community Safety

The beginning of this chapter outlines the overall cost of service of all the Council's activities. It also provides an indication of the overhead costs borne by all activities.

Groups of activities

There is a separate section for each of the groups of activities. The information outlined for each group is summarised below.

Contribution to community outcomes

Symbols are included to represent the main community outcomes to which the group of activities contributes. Details on the symbols used and the community outcomes to which they relate are provided in the section entitled "Planning Context".

What we do

A brief summary of the Council's role in the group of activities.

Activities in group

The activities contributing to each of the groups are identified.

Why we do it

The specific reason why the Council is undertaking the activities within the group is provided. Note most activities are provided because of either a statutory requirement or public demand.

What we are going to do in 2008/09

In this section major projects that are planned over 2008/09 are summarised. Note this section does not include every project that the Council plans to undertake.

Key changes from the Ten-year Council Community Plan

This section identifies key changes from the Ten-year Council Community Plan for the period 2008/09 and explains why these variations are expected.

How we will measure our achievements

Outlines the service levels, performance measures and associated targets that are relevant for the 2008/09 financial year. These measures and targets were set through the Ten-year Council Community Plan. They provide an indication of the service the Council will provide, and the extent to which activities provided by the Council achieve the desired community outcomes.

Explanation of the summary of estimated cost of services

An explanation of the terms used in the cost of service statements is included at the end of this section after page 76.

Summary cost of service statement for all activities

The table below provides an overview of the cost of service for all the activities the Council undertakes. This is a combination of each group of activity cost of service statement and provides an overview of the Council.

An explanation of the terms used in this financial statement is included at the end of this section after page 76

2007/08 Annual Plan \$			2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
	Expenditure				
25,969,099	Operations (Note 1)		26,940,755	28,353,249	1,412,494
1,992,260	Interest		2,453,285	2,244,212	(209,073)
8,007,201	Depreciation (Note 2)		8,368,463	11,191,047	2,822,584
35,968,560	Total Expenditure		37,762,503	41,788,508	4,026,005
	Income				
(150,000)	Interest Income		(210,000)	(126,200)	83,800
(1,577,519)	Development Contributions		(1,614,493)	(1,751,549)	(137,056)
(4,063,493)	General Rates		(6,864,019)	(6,005,456)	858,563
(21,298,293)	Targeted Rates		(21,656,420)	(21,618,171)	38,249
(5,171,486)	User Fees & Charges (Note 3)		(4,778,793)	(7,353,937)	(2,575,144)
(8,624,746)	Subsidies		(11,525,963)	(11,744,936)	(218,973)
(1,210,699)	Sundry Income		(1,347,658)	(1,592,820)	(245,162)
(42,096,236)	Total Income		(47,997,346)	(50,193,069)	(2,195,723)
(6,127,676)	Net Cost /(Surplus) of Operations		(10,234,843)	(8,404,561)	1,830,282
	Funding provided from:				
(1,536,440)	Non Funded Depreciation (Note 4)		0	(3,539,678)	(3,539,678)
(5,160,651)	Depreciation Reserves		(5,290,291)	(5,484,402)	(194,111)
(908,942)	Development Contributions		(3,228,388)	(1,288,824)	1,939,564
(7,164,279)	Operational Reserves		(4,443,448)	(2,901,725)	1,541,723
(9,940,308)	Loans Raised		(10,312,091)	(8,377,069)	1,935,022
(24,710,620)	Total Funding Provided		(23,274,218)	(21,591,698)	1,682,520
	Funding applied to:				
26,072,362	Capital Expenditure (Note 5)		27,894,457	25,072,902	(2,821,555)
2,021,236	Loan Repayments		2,284,556	1,850,006	(434,550)
2,744,698	Payments to Reserves		3,330,048	3,073,351	(256,697)
30,838,296	Total Funding Applied		33,509,061	29,996,259	(3,512,802)
6,127,676	Net Funds Applied/(Provided)		10,234,843	8,404,561	(1,830,282)
0	Net Funds Available		0	0	0

Summary cost of service statement

Notes:

1. Operations

Operational costs have increased for several of the groups of activities. Increased costs have generally been triggered by actual inflation exceeding budgeted inflation and increased planned maintenance costs associated with the implementation of the Asset Management Plans. Further explanations are available within each of the groups of activities.

2. Depreciation

An increase in the valuation of Council's assets has triggered an increase in depreciation expenditure for 2008/09.

3. User Fees & charges

User fees and charges revenue is expected to increase through a combination of the increased demand for services, particularly in the Environmental Controls group of activities and from the provision of additional services, such as the crematorium.

4. Non Funded Depreciation

Council has changed an assumption around the funding of depreciation. Depreciation is now funded on the basis of a 25 year average renewals requirement, reviewed on an annual basis.

5. Capital Expenditure

Capital expenditure has increased, primarily in the Transport Network and Systems group of activities. A substantial portion of this increased expenditure is offset with subsidies received from Land Transport New Zealand.



Whakatane District Council



Key Capital Projects

Below is a summary of the major capital projects that the Council will carry out during 2008/09. This list only provides a summary of the larger projects Council is undertaking. Further information is provided within this chapter, under each group of activities. Please note that the figures contained within this table relate only to the 2008/09 financial year and are not total costs for the projects. For a more comprehensive list of the capital projects that the Council will carry out in 2008/09 and how these projects will be funded, please see the table in the Financials section entitled Capital Expenditure Summary 2008/09.

Project	2008/09 Budget
Community Leadership and Governance	
Debris detention structure, Awatarariki flood hazard mitigation (Matata). (Council contribution)	\$2.54m
Edgecumbe/Rangitaiki Plains flood mitigation works to strengthen stopbanks and improve the capacity of the floodway system (Council contribution).	\$917,000
Transport Networks and Systems	
Warren Cole pedestrian/cycle facilities (including subsidies)	\$553,000
Airport Master Plan implementation and property purchase.	\$410,000
Water-Related Services	
Wastewater reticulation scheme for Matata (including 83% subsidy expected through the Sanitary Works Subsidy Scheme from Government)	\$2.37m
Hinemoa drain construction, Whakatane	\$236,000
Solid Waste	
Design for Transfer Station construction	\$153,000
Libraries and Museum	
Arts and Culture Centre Development Project	\$282,500
Recreation and Community Facilities	
Develop wharf along Quay St	\$917,000
Town Vision implementation and property purchase	\$1.14m
Parks, Reserves and Cemeteries	
Whakatane District Crematorium	\$1.26m
Investigating options for sports field development	\$63,000

CORPORATE & DISTRICT ACTIVITIES

Although Corporate and District Activities do not fall within one of the groups of activities, they are an activity of Council and therefore contain their own cost of service statement.

The Council raises corporate loans to fund corporate capital expenditure, with the interest allocated over each of the groups of activities. The principal repayment is paid for through the general rate. In addition, the Council receives income from petrol tax, interest, commissions and sundry income which is applied to reduce the general rate.

Corporate and District Overheads

The Council funds some corporate activities by charging overheads on other activities. This section explains the key changes that are planned in Corporate and District Activities.

Among the key areas funded through overheads are the Council's Information Technology systems. The Council has been investing in these systems to support improvements in the services provided to the community. During 2008/09 the Council is intending to update its Information Systems Strategic Plan, develop Enterprise and Information Architectures and review the security of its systems. The Council will also purchase software licences and support necessary for its systems. Overall these costs are anticipated to be in the order of \$207,000.

The Council's internal systems are also subject to depreciation and that cost will be impacted by the Council's decision to fund Depreciation on the average of the next 25 years renewal requirement (at a budgeted cost of \$352,000). Depreciation costs have also increased on the Council's corporate property assets, including vehicles, resulting in an increased expected expenditure of \$192,000 on corporate property.

There are some variations to costs expected in the area of Finance and Rating. These variations include a decrease in audit fees (\$15,000), and an increase in bad debts provision and provisions for rates remissions (\$180,000). A new project included in the Annual Plan for the Finance section is the development of a Financial Strategy, which will support the development of the Long-term Council Community Plan in the 2008/09 financial year.

In the 2007/08 Annual Plan the Council identified that capital investment was necessary in the systems and resources of the Council's Operations Business Unit (OBU). \$425,000 of the cost of this investment was budgeted in 2007/08 however \$422,000 of the 2007/08 budgeted will be carried forward to 2008/09. (see Key Issues, section 17).

Summary of estimated cost of services¹

Corporate & District Activities

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
	Expenditure			
0	Operations	355,938	16,000	(339,938)
0	Interest	0	0	0
0	Depreciation	0	0	0
0	Total Expenditure	355,938	16,000	(339,938)
	Income			
(150,000)	Interest Income	(210,000)	(126,200)	83,800
0	Development Contributions	0	0	0
0	General Rates	0	(73,487)	(73,487)
0	Targeted Rates	0	0	0
0	User Fees & Charges	0	(16,000)	(16,000)
0	Subsidies	0	0	0
(844,000)	Sundry Income	(580,000)	(820,000)	(240,000)
(994,000)	Total Income	(790,000)	(1,035,687)	(245,687)
(994,000)	Net Cost /(Surplus) of Operations	(434,062)	(1,019,687)	(585,625)
	Funding provided from:			
0	Non Funded Depreciation	0	0	0
(423,649)	Depreciation Reserves	(286,261)	(823,225)	(536,964)
0	Development Contributions	0	0	0
(466,925)	Operational Reserves	(74,701)	(300,291)	(225,590)
(952,460)	Loans Raised	0	(1,484,696)	(1,484,696)
(1,843,034)	Total Funding Provided	(360,962)	(2,608,212)	(2,247,250)
	Funding applied to:			
1,824,844	Capital Expenditure	344,561	2,444,145	2,099,584
18,190	Loan Repayments	16,401	82,502	66,101
0	Payments to Reserves	0	0	0
1,843,034	Total Funding Applied	360,962	2,526,647	2,165,685
0	Net Funds Applied/(Provided)	0	(81,565)	(81,565)
(994,000)	Net Funds Applied to Rates	(434,062)	(1,101,252)	(667,190)
595,467	Renewals	269,860	905,670	635,810
1,229,377	Capital Improvements	74,701	1,538,475	1,463,774

1 An explanation of the terms used in this financial statement is included at the end of this section after page 76

COMMUNITY LEADERSHIP AND GOVERNANCE

Contribution to community outcomes



Leadership

What we do

Within this group of activities, the Council provides leadership, community representation, advocacy, consultation, monitoring, planning, stewardship and accountability to the residents and ratepayers of the Whakatane District. In addition, the Council is responsible for the provision and allocation of community grants. The Council also develops formal policies, the Ten-year Council Community Plan and Annual Plan.

Activities in group

- Democratic services
- Council initiatives
- Disaster mitigation
- Strategic policy

Why we do it

• Democratic services

The Council undertakes the Democratic Services activity because of statutory obligation. The requirement for elected representation and the democratic decision-making process is included in the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987 and the Local Electoral Act 2001.

• Council initiatives

The Council initiatives activity is typically undertaken because of public demand. However, this activity also deals with specific issues that arise unexpectedly and those matters that do not sit specifically with any particular functional area.

• Disaster mitigation

Natural hazard mitigation works are proposed following the two natural disasters in the District in July 2004 and May 2005. The Council will continue with the projects to protect the community from the risk of future natural hazards.

• Strategic policy

The requirement for Council to have a Ten-year Council Community Plan and an Annual Plan is set out in legislation. Strategies and policies are used by the Council to set out the general direction for the Council and to respond efficiently and consistently to the community.

What we are going to do²

Project	2008/09 Cost
Edgecumbe/Rangitaiki Plains flood mitigation works to strengthen stopbanks and improve the capacity of the floodway system	\$917,000
Debris detention structure - Awatarariki flood hazard mitigation (Matata).	\$2.54m
Prepare Ten-year Council Community Plans for adoption in 2009	\$110,000
Grant from the Harbour Fund to the Whakatane Surf Life Saving Club for clubroom renovations	\$130,000
Provision for Annual Grants of \$50,000 and Annual Grants from the Harbour Fund of \$60,000	\$110,000
Community Funding Policy	Operating cost
Undertake initiatives to develop the capacity of Māori to contribute to decision-making through the Iwi Liaison Committee (annually)	Operating cost
Develop strategic partnerships with key community and regional organisations (annually)	Operating cost
Improve decision making models with respect to communication and the provision of information to and for the public (annually)	Operating cost

² Note the costs of disaster mitigation works listed in the table above are the cost to Council.

Key changes from the Ten-year Council Community Plan

Operational expenditure and income

- During 2008/09 the Council will undertake a rates review to coincide with the LTCCP 2009-19. The review will include the results of Central Government's Commission of Inquiry into Rates.
- The Council has been reviewing its policy on the funding of community organisations. This review was originally planned for 2006/07. This work is now expected to include a two staged review, with stage one undertaken during 2007/08 and stage two will be completed during 2008/09.
- A Grant of \$130,000 will be made to the Whakatane Surf Life Saving Club. This is a continuation of the Council's commitment to support the club's upgrade of their club house.
- 2008/09 will be the third year that Community Boards have requested the Council to rate on their behalf to provide discretionary funds for allocation to projects in their areas. For 2008/09, the following discretionary funds will be provided from rates:
 - Whakatane Community Board \$50,000
 - Edgecumbe - Tarawera Community Board \$10,000
 - Ohope Beach Community Board \$20,000
 - Murupara Community Board \$10,000

The Boards each set their own criteria and fund community projects such as events, facilities, community development, and beautification. Further information on the fund criteria is available on the Council's website: www.whakatane.govt.nz

- The Iwi Liaison Committee has also been allocated \$10,000 for discretionary funding in 2008/09

Capital expenditure

- The Council made provision to undertake a project to reticulate stormwater and wastewater at Otawairere/Cliff and Brown Road to minimise the affect on private property owners of landslips. The project was commenced following the landslips in 2004 and was scheduled for the 2006-09 period. The project was completed during the 2007/08 financial year, ahead of project timeframes.



Works at Otawairere

How we will measure our achievements

Service Levels	Measures	Target
Ensure democratic procedures and triennial election processes meet all statutory requirements for elections in 2007, 2010, and 2013.	All procedural requirements are met in accordance with the Local Government Act 2002, Local Government Official Information and Meetings Act 1987, Standing Orders, Local Electoral Act 2001 and other appropriate legislation.	Complaints not upheld by the Ombudsman
		No breaches of the appropriate legislation
Ensure the Council advocates effectively on behalf of the people of the Whakatane District with Central Government and other organisations through a formal process that identifies external policies and proposals that affect the District.	Public feedback is sought and considered on local and Central Government issues as and when required.	Submissions sent to Central Government are publicly available
	Submissions are prepared and sent to Central Government as required.	100%
Ensure the Council is visible in providing strong leadership in the community and that its decision making processes are open, transparent and inclusive.	The Council communicates its vision and policies to the public in a "user friendly" manner and actively seeks input from the people of the District on their concerns and ideas for the well-being of the District.	Consultation processes developed for all significant processes
	The public are kept informed of Council activities through publications of Byways.	Information provided in the Byways tabloid four times per year
The Council will communicate its vision and policies to the public. It will actively seek input from the people of the District on their concerns and ideas for the well-being of the District.	Consultation is carried out with the public and feedback is considered by the Council.	Consult with the public on significant policy issues and others as determined by the Council
Ensure compliance with the Local Government Act requirements to prepare a Ten-year Council Community Plan and Annual Plans.	Audit approval of the Ten-year Council Community Plan.	Audit approved
The Council will work closely with other organisations, agencies and community groups locally, regionally and nationally to further progress towards the community outcomes.	Involvement in the Bay of Plenty Community Outcomes Working Group and similar projects.	Continued membership of project



Summary of estimated cost of services³

Community Leadership & Governance

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
	Expenditure			
2,661,804	Operations	3,022,813	3,105,577	82,764
409,597	Interest	545,491	513,795	(31,696)
84,712	Depreciation	0	174,127	174,127
3,156,113	Total Expenditure	3,568,304	3,793,499	225,195
	Revenue			
(2,379,163)	General Rates	(2,690,015)	(2,920,824)	(230,809)
(723,202)	Targeted Rates	(1,198,400)	(772,812)	425,588
(1,024)	User Fees & Charges	(1,048)	(1,048)	0
(2,691,666)	Subsidies	(2,153,533)	(2,570,200)	83,333
(2,048)	Sundry Income	(2,096)	(2,096)	0
(5,797,103)	Total Revenue	(6,045,092)	(5,266,980)	278,112
(2,640,990)	Net Cost (Surplus) of Operations	(2,476,788)	(2,473,481)	503,307
	Funding provided from:			
(539,477)	Funding from Operational Reserves	0	(291,503)	(291,503)
(6,421,709)	Loans Raised	(3,587,767)	(2,961,100)	126,667
(6,961,186)	Total Funding provided from:	(3,587,767)	(3,252,603)	(164,836)
	Funds applied to:			
9,113,375	Capital Expenditure*	5,741,300	5,531,300	(210,000)
488,801	Loan Repayments	323,255	194,784	(128,471)
9,602,176	Total Funds applied to:	6,064,555	5,726,084	(338,471)
2,640,990	Net Funds Applied to (Provided from):	2,476,788	2,473,481	(503,307)
0	Net Funds Applied/(Provided)	0	0	0
*Capital Expenditure:				
0	Renewals	0	0	0
9,113,375	Capital Improvements	5,741,300	5,531,300	(210,000)

³ An explanation of the terms used in this financial statement is included at the end of this section after page 76

TRANSPORT NETWORKS AND SYSTEMS

Contribution to community outcomes



Economy



Infrastructure

What we do

Within this group of activities, the Council:

- Provides roading, airports, pedestrian and parking facilities, and public transport infrastructure for the sustainable, safe, convenient, comfortable and cost effective movement of people, goods and vehicles throughout the District, as well as to destinations outside the District;
- Fosters an integrated approach to road safety that includes a range of education, engineering and enforcement initiatives designed to enhance the safety of the environment, the vehicle, the road user, cyclists and pedestrians by improved environmental and vehicle safety. The Council will be involved in the Eastern Bay in such endeavours; and
- Monitors, enforces and administers the Council's Parking Bylaw, as well as vehicle defects such as Warrants of Fitness and Registration.

Activities in group

- Roothing
- Road safety
- Parking enforcement
- Airports

Why we do it

Generally, the activities are provided by Council in response to needs and aspirations of the community to achieve services that will, where necessary, conform to national funding criteria, prudent use of resources and expectations of safety, sustainability, changed travel behaviour and comfort.

• Roothing

There are a large number of legislative requirements related to the provision of roading and pedestrian-ways where a territorial authority must prepare programmes, and it is appropriate for a territorial authority to provide the service on behalf of the communities within a district.

The Regional Land Transport Plan requires that councils in the region prepare a pedestrian and cycling strategy. National funding for roading is contingent on the Council showing how these travel modes are, or will be, provided.

• Road safety

The Land Transport Management Act requires Council to prepare and adopt safe sustainable outputs as part of the Annual Transport programme. Land Transport New Zealand funding contribution requires Council to provide safe sustainable transport networks and educational programmes that address road safety issues identified through Police records, Land Transport New Zealand Crash Analysis System and our Ten-year Council Community Plan. We want to achieve The New Zealand Road Safety to 2010 Strategy targets as a minimum for the District.

• Parking enforcement

This activity is undertaken to regulate the use of defined public parking areas in specific parts of the Whakatane District. Parking provisions are specified in the Parking and Roads chapter of the Consolidated Whakatane District Bylaw.

• Airports

The Council holds public aerodrome licences for the Whakatane and Galatea airports. The Whakatane Airport is a Council-Controlled Organisation (CCO). Further information on the CCO is contained in the section entitled "Council-Controlled Organisations".

What we are going to do

Project	2008/09 Cost
Implement walking and cycling strategy	\$286,000*
Warren Cole pedestrian/cycle facilities	\$553,000*
Seal extension Ruatahuna Road, Manawahe road and local roads	\$820,400*
Ohope Road pedestrian/cycle facilities	\$384,000*
Airport runway resurfacing	\$90,000
Implementation and property purchase of the Airport Master Plan	\$410,000
Pavement smoothing on MacDonald Road	\$142,500*
New footpaths - Matata and rural	\$45,600*
Mimiha seal widening	\$85,500*
Herepuru Road pavement rehabilitation	\$141,800*
Station Road rehabilitation	\$198,000*
Awaiti North pavement rehabilitation	\$178,200*
Investigations into long-term roading network plan for Whakatane	\$250,000*
Tarawera River NW road formation	\$75,000
Mill Road upgrade and widening	\$175,000*
Kirkbride Road bridge replacement	\$347,500*
Review and action Strategic District Road Safety Plan as needed and update the District Road Safety Strategy.	\$252,900*

Figures marked with * include subsidies

Key changes from the Ten-year Council Community Plan

Operational expenditure and income

- Land Transport New Zealand introduced changes to the activity classes of the Land Transport Programme in 2007. This has required the Council to restate the financials as they appeared in the Ten-year Council Community Plan. Due to changes in activity classes the

split between capital expenditure and operational expenditure has changed. Capital expenditure has increased with a corresponding decrease in operational expenditure. Operational costs have however also increased as explained below.

- Professional fees for managing the Council's road network and capital improvement programme have increased by \$410,000. This reflects the actual cost of the professional services for managing the road maintenance and capital works programme.
- An additional \$ 1.02m has been included in the budget to reflect the roading programme and the level of service agreed with the community. The Council's expected rating income to fund roading has been falling behind what is actually required on an ongoing basis. The figures for the 2008/09 year were understated in the Ten-year Council Community Plan. The proper funding of this activity has now been addressed.
- Inclusion of a project to develop an Airport Strategy to protect future capacity and development of the Whakatane Airport through to 2050

Capital expenditure

- The Warren Cole pedestrian/cycle path was included in the Ten-year Council Community Plan under Parks Reserves and Cemeteries, however it is now included under Transportation Networks and Systems due to its eligibility for LTNZ subsidies. The budget has subsequently been adjusted to reflect the 55% subsidy
- A re-assessment of Edgecumbe Soldiers Road, Galatea Road and Onepu Spring Road revealed the reconstruction of sections of the pavement was not required. Onepu Springs Road was resealed in 2006/07, pavement repairs were done on Galatea Road in 2006/07 and will be resealed in 2008/09 and Soldiers Road will be resealed at a future date. These projects have been substituted with similar projects on

- Hereperu Road, Station Road, and Awaiti North Road which has been carried over from 2007/08.
- Following a re-assessment of bridges, Titoki bridge widening has been deferred and Kirkbride Road bridge has been advanced from subsequent year's budgets.
 - Landing Road intersection and capacity improvements project has been deferred until 2009/10 following investigations into the long-term roading network plan. This investigation will take place during 2008/09 at a cost of \$250,000 (\$110,000 cost to the Council)
 - The Council is intending to spend \$23,000 on footpaths in rural areas and \$23,000 for footpaths in Matata. The budgets has been increased from \$10,000 to reflect the 55% subsidies from LTNZ.
 - Major drainage projects have increased to \$425,500 due to an increase in maintenance contract costs.
 - An annual Road Safety Programme required by Land Transport New Zealand has been added.
 - The Te Teko roundabout project has been deferred until 2009/10.
 - The Department of Conservation have requested that a vested road be formed alongside the Tarawera River at it's North-Western end.
 - The Council is proposing not to fund any undergrounding of power lines this year (a saving of \$61,500) but instead is proposing to advocate for increased funding from Eastern Bay Energy Trust
 - Implementation of the Airport Master plan, including variations to the District Plan and designation of land, as well as property purchase, will take place during 2008/09 at a cost of \$410,000
 - Mill Road upgrade and seal widening has increased by \$140,000 to include requirements from further development

How we will measure our achievements

Service Levels	Measures	Target
Provide quality network services compliant with all statutory and regulatory requirements and Council policies, procedures and standards.	Number of resource consent infringement and abatement notices received from the regional council.	0
	Council Transport Standards and Policies remain relevant and current.	10% reviewed
Provide a roading network that meets the reasonable needs of the wider community.	Number of service requests regarding deficiencies in the road network.	Annual downward trend
	No increase in the length of pavement considered rough (rough is defined at more than 150 NAASRA counts). Currently there are 32 km of rough pavements.	32km of rough pavements (roads)
	Road network does not suffer unreasonable levels of congestion.	Arterial intersections operate on average at 95% capacity during normal operating conditions
	Route security issues identified and improvements assessed.	100% issues identified by 2009
	At least 3kms of seal extensions completed per year.	3kms

Service Levels	Measures	Target
New roading systems for growth are planned and provided effectively.	Transport network linking all major nodes shall be provided for users (vehicle, pedestrian, cyclists) based on a transport needs review.	Deficiencies identified through model included in budget forecasts within three years
	Percentage of car parks occupied at peak times.	100%
An affordable public transport system exists throughout the District.	Subsidising of public transport in line with Council policy and contribute to infrastructure to support the District Public Transport System.	100% of approved funds
Public satisfaction about how the Council is planning for and implementing road safety.	% satisfaction from attendees at six-monthly focus groups and two public meetings.	>85% satisfied per meeting
Assist with the campaign to reduce the overall number of road fatalities and casualties for the District.	Number of fatal road crashes per year	< 4
	Number of crashes involving injuries per year.	< 70
Restricted areas in Whakatane and Kopeopeo have regular parking surveillance.	Patrols are carried out in Whakatane and in Kopeopeo.	3 times per day, 3-4 times a week.
Quality Airport facilities comply with all Civil Aviation Regulations and Council policies, procedures and standards.	Number of non-compliance notices received.	0
	Number of Council non-compliances identified from inspections.	0
All airport operations will be managed in a safe and environmentally friendly manner.	Maintain compliance with the Whakatane and Galatea Airport Aviation Services Operational Plans.	95%
	Manage and operate the airport amenities and equipment with a minimum number of environmentally related complaints.	5
Assets are well maintained throughout all airport facilities.	Proportion of Whakatane Airport assets (by replacement cost value) in a moderate, good or very good condition.	90%
Assets are well maintained throughout all airport facilities.	Spot inspections of runway components completed.	Monthly
	Emergency works identified actioned.	Within 24 hours
	Health and safety works actioned.	Within 24 hours

Summary of estimated cost of services⁴

Transport Network & Systems

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
	Expenditure			
5,737,366	Operations	5,693,294	6,161,975	468,681
434,056	Interest	415,534	310,714	(104,820)
3,850,457	Depreciation	4,011,480	4,774,658	763,178
10,021,879	Total Expenditure	10,120,308	11,247,347	1,127,039
	Revenue			
(307,275)	Development Contributions	(314,477)	(314,477)	0
(7,248,386)	Targeted Rates	(6,145,549)	(6,703,776)	(558,227)
(269,312)	User Fees & Charges	(275,624)	(351,120)	(75,496)
(5,558,750)	Subsidies	(5,484,570)	(6,812,958)	(1,328,388)
(29,448)	Sundry Income	(2,096)	(219,819)	(217,723)
(13,413,17)	Total Revenue	(12,222,31)	(14,402,150)	(2,179,834)
(3,391,292)	Net Cost (Surplus) of Operations	(2,102,008)	(3,154,803)	(1,052,795)
	Funding provided from:			
(764,091)	Non Funded Depreciation	0	(1,416,446)	(1,416,446)
(2,958,200)	Funding from Depreciation Reserves	(2,382,740)	(3,021,970)	(639,230)
0	Funding from Development Contributions	(118,125)	(87,500)	30,625
(389,130)	Funding from Operational Reserves	(1,835,927)	(187,200)	1,648,727
(405,150)	Loans Raised	(375,188)	(610,300)	(235,112)
(4,516,571)	Total Funding provided from:	(4,711,980)	(5,323,416)	(611,436)
	Funds applied to:			
7,228,975	Capital Expenditure*	5,968,035	7,835,110	1,867,075
371,613	Loan Repayments	421,576	323,545	(98,031)
307,275	Payments to Reserves	424,377	319,564	(104,813)
7,907,863	Total Funds applied to:	6,813,988	8,478,219	1,664,231
3,391,292	Net Funds Applied to (Provided from):	2,102,008	3,154,803	1,052,795
0	Net Funds Applied/(Provided)	0	0	0

*** Capital Expenditure:**

6,823,825	Renewals	5,474,722	5,465,200	(9,522)
405,150	Capital Improvements	493,313	2,369,910	1,876,597

⁴ An explanation of the terms used in this financial statement is included at the end of this section after page 76

LAND TRANSPORT PROGRAMME

Introduction

Under the Land Transport Management Act 2003 the Council is required to prepare a Land Transport Programme each financial year. This Land Transport Programme outlines the funding request the Council has made to Land Transport New Zealand (LTNZ).

This section provides the information required by Schedule 1 of the Land Transport Management Act for the contents of a Land Transport Programme.

Outstanding payments

It is not anticipated that there will be any outstanding payments from LTNZ at the commencement of 2008/09.

Activities and safety administration outputs

See the expenditure summary table (page 42) for further information on the activity classes where payment is sought in the 2008/09 financial year from LTNZ.

Note that the information in the table is not listed in priority order. These are all considered to be high priority and funding is included by Whakatane District Council in the Annual Plan and Ten-year Council Community Plan.

In regard to safety administration outputs, a Community Road Safety Plan is delivered in conjunction with Kawerau District Council and Opotiki District Council. Key community organisations including Environment Bay of Plenty, Accident Compensation Corporation and Toi Te Ora Public Health are active stakeholders. The Whakatane District Council also employs a Road Safety Coordinator for the Eastern Bay.

Expenditure funded by tolling revenue

Nil

Steps for developing options and alternatives

Each of the capital works projects has been through a feasibility assessment process and

investigation. During this process, options and alternatives were considered in order to ensure that services are delivered at least cost.

Objectives of activities, how they contribute to the Land Transport Management Act and assessment of activities

The table on page 41 summarises the objectives of each activity and how the activity contributes to the outcomes of the Land Transport Management Act, the National Land Transport Strategy, National Energy Efficiency and Conservation Strategy, and Regional Land Transport Strategy. All of the activities contribute to the purpose of the Land Transport Management Act which is "an integrated, safe, responsive and sustainable land transport system".

Consultation

Copies of the Annual Plan were sent to the following organisations for comment:

- Transit New Zealand
- Environment Bay of Plenty
- Adjoining local authorities (Kawerau, Opotiki, Wairoa, Gisborne, Taupo, Rotorua and Western Bay of Plenty District Councils)
- Bay of Plenty District Health Board
- Accident Compensation Corporation
- New Zealand Historic Places Trust
- Commissioner of Police
- Maori, through the Council's Iwi Liaison Committee

The public were also invited to make submissions.

Long-term financial forecast

The expenditure summary table (see page 42) also provides an indication of the long-term financial forecasts of the work for which the Council receives financial assistance. Note that the information in this table does not include a specific allowance for inflation.

Objectives of activities

Activity	Objectives	LTMA Section 12 (3)					LTMA Section 12 (5)		
		Assists economic development	Assists safety & personal security	Improves access and mobility	Protects and promotes public health	Ensures environmental sustainability	National land transport strategy	National energy Efficiency and Conservation Strategy	Regional land transport strategy
MAINTENANCE AND OPERATIONS									
Sealed pavement maintenance	Maintenance of asset, safety of road users		•	•			•	•	•
Unsealed pavement maintenance	Maintenance of asset, safety of road users		•	•			•	•	•
Routine drainage maintenance	Maintenance of asset, safety of road users					•	•	•	•
Structures maintenance	Maintenance of asset, safety of road users		•	•	•	•	•	•	•
Environmental maintenance	Maintenance of asset, safety of road users		•		•	•	•	•	•
Traffic services maintenance	Maintenance of asset, safety of road users		•	•		•	•	•	•
Cycle path maintenance	Maintenance of asset, safety of road users		•	•	•		•	•	•
Level Crossing Warning Devices	Maintenance of asset, safety of road users		•				•		•
Network and Asset management	Maintenance of asset, safety of road users	•	•	•	•	•	•	•	•
RENEWALS									
Unsealed road metalling	Renewal of asset, safety of road users	•		•			•	•	•
Sealed road resurfacing	Renewal of asset, safety of road users	•		•			•	•	•
Drainage renewals	Renewal and protection of asset	•	•	•		•	•	•	•
Pavement rehabilitation	Renewal of asset	•		•			•	•	•
Structures components replacements	Renewal of asset	•	•	•	•	•	•	•	•
Traffic services renewals	Renewal of asset, safety of road users	•	•	•		•	•	•	•
Associated improvements	Safety of road users	•	•	•			•	•	•
Preventative maintenance	Protection of asset			•		•	•	•	•
IMPROVEMENTS / NEW WORKS									
Bridge Replacements	Improvement of asset, safety of road users	•	•	•	•	•	•	•	•
Road reconstruction	Improvement of asset, safety of road users	•		•			•	•	•
Seal extension	Creation of asset, safety of road users	•	•	•			•	•	•
Minor Improvements	Creation of asset, safety of road users	•	•	•	•	•	•	•	•
System use studies	Safety of road users	•	•	•	•	•	•	•	•
Community coordination	Safety of road users	•	•	•	•		•	•	•
Community programmes	Safety of road users	•	•	•	•		•	•	•
Community advertising	Safety of road users	•	•	•	•		•	•	•
Pedestrian facilities	Creation of asset, safety of road users	•	•	•	•		•	•	•
Cycle facilities	Creation of asset, safety of road users	•	•	•	•		•	•	•

Land Transport Programme expenditure summary

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
LOCAL ROADS												
MAINTENANCE AND OPERATIONS												
Sealed Pavement Maintenance	1,048,600	1,048,600	1,048,600	1,048,600	1,048,600	1,048,600	1,048,600	1,048,600	1,048,600	1,048,600	10,486,000	45%
Unsealed Pavement Maintenance	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	850,000	45%
Routine Drainage Maintenance	227,300	227,300	227,300	227,300	227,300	227,300	227,300	227,300	227,300	227,300	2,273,000	45%
Structures Maintenance	74,800	74,800	74,800	74,800	74,800	74,800	74,800	74,800	74,800	74,800	748,000	45%
Environmental Maintenance	537,600	537,600	537,600	537,600	537,600	537,600	537,600	537,600	537,600	537,600	5,376,000	45%
Traffic Services Maintenance	483,200	483,200	483,200	483,200	483,200	483,200	483,200	483,200	483,200	483,200	4,832,000	45%
Operational Traffic Management	0	0	0	0	0	0	0	0	0	0	0	45%
Cycle Path Maintenance	10,000	12,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	134,000	45%
Level Crossing Warning Devices	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000	100%
Emergency Reinstatement	568,000	0	0	0	0	0	0	0	0	0	568,000	47%
Network and Asset Management	917,500	849,900	849,900	894,000	894,000	894,000	894,000	894,000	894,000	894,000	8,875,300	45%
Total	3,954,000	3,320,400	3,322,400	3,366,500	3,366,500	3,366,500	3,366,500	3,366,500	3,366,500	3,366,500	34,162,300	15,395,395
RENEWALS												
Unsealed Road Metalling	252,900	252,900	252,900	252,900	252,900	252,900	252,900	252,900	252,900	252,900	2,529,000	45%
Sealed road Resurfacing	2,452,500	2,452,500	2,452,500	2,452,500	2,452,500	2,452,500	2,452,500	2,452,500	2,452,500	2,452,500	24,525,000	45%
Drainage Renewals	877,900	775,400	526,300	478,200	478,200	465,900	465,900	465,900	465,900	465,900	5,465,500	45%
Pavement Rehabilitation	446,200	1,032,200	719,900	651,300	651,300	661,500	653,300	653,300	653,300	653,300	6,775,600	45%
Structures Components Replacements	97,300	97,300	97,300	97,300	97,300	97,300	97,300	97,300	97,300	97,300	973,000	45%
Environmental Renewals	0	0	0	0	0	0	0	0	0	0	0	45%
Traffic Services Renewals	265,200	265,200	265,200	265,200	265,200	265,200	265,200	265,200	265,200	265,200	2,652,000	45%
Associated Improvements	301,200	824,400	185,300	302,100	302,100	258,000	237,600	237,600	237,600	237,600	3,006,700	45%
Preventative Maintenance	0	0	0	0	0	0	0	0	0	0	0	45%
Total	4,693,200	5,699,900	4,499,400	4,382,700	4,499,500	4,453,300	4,424,700	4,424,700	4,424,700	4,424,700	45,926,800	20,667,060
IMPROVEMENTS / NEW WORKS												
Road Studies	250,000	20,000	0	0	0	0	20,000	0	0	0	290,000	55%
Bridge Replacements	347,500	237,600	304,000	353,000	167,000	352,000	248,000	254,000	236,000	205,000	2,704,100	55%
New Roads and Bridges	0	0	10,000,000	9,600,000	0	0	0	1,500,000	0	0	21,100,000	55%
Road Reconstruction	281,850	789,300	679,200	188,400	188,400	235,500	580,000	200,000	200,000	500,000	3,842,650	55%

Land Transport Programme expenditure summary, cont ...

LOCAL ROADS	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL	(\$)
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Seal Extension	342,600	0	0	0	0	0	0	0	0	0	342,600	55%
Advance Property Purchases	0	1,500,000	0	0	1,500,000	0	0	1,500,000	0	0	4,500,000	55%
Minor Improvements	691,776	721,624	625,744	619,936	629,280	625,584	623,296	623,296	623,296	623,296	6,407,128	55%
Total	1,913,726	3,268,524	11,608,944	10,761,336	2,484,680	1,213,084	1,471,296	4,077,296	1,059,296	1,328,296	39,186,478	21,552,563
USE OF LAND TRANSPORT SYSTEM												
Road Safety:												
Community Co-ordination	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	1,070,000	75%
Community Programmes	163,565	163,565	163,565	163,565	163,565	163,565	163,565	163,565	163,565	163,565	1,635,650	75%
Community Advertising	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	340,000	75%
Other:	0	0	0	0	0	0	0	0	0	0	0	
System Use Studies	0	0	0	0	0	0	0	0	0	0	0	Various
Pedestrian Facilities	514,500	238,800	189,500	189,500	189,500	189,500	189,500	189,500	187,600	187,600	2,265,500	55%
Cycle Facilities	468,900	283,200	143,800	156,800	233,800	143,800	143,800	233,800	142,000	150,000	2,099,900	55%
Total	1,287,965	826,565	637,865	650,865	727,865	637,865	637,865	727,865	634,165	642,165	7,411,050	4,685,208
TOTAL ALL WORKS	11,848,891	13,115,389	20,068,609	19,161,401	11,078,545	9,670,749	9,900,361	12,596,361	9,484,661	9,761,661	126,686,628	62,300,225
ADMINISTRATION SUPPORT												
TOTAL FINANCIAL ASSISTANCE											Total x	2.25%
												63,701,980
SPECIAL PURPOSE ROADS (S.P.)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2016/17	TOTAL	LAND TRANSPORT FINANCIAL ASSISTANCE (\$)
MAINTENANCE AND OPERATIONS												
MAINTENANCE AND OPERATIONS												
Sealed Pavement Maintenance	239,300	242,000	244,700	244,700	244,700	244,700	244,700	244,700	244,700	244,700	2,438,900	100%
Unsealed Pavement Maintenance	44,400	43,800	43,200	45,100	45,100	45,100	45,100	45,100	45,100	45,100	447,100	100%
Routine Drainage Maintenance	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600	246,000	100%
Structures Maintenance	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	72,000	100%
Environmental Maintenance	115,700	115,700	115,700	115,700	115,700	115,700	115,700	115,700	115,700	115,700	1,157,000	100%
Traffic Services Maintenance	67,600	67,600	67,600	67,600	67,600	67,600	67,600	67,600	67,600	67,600	676,000	100%
Operational Traffic Management	0	0	0	0	0	0	0	0	0	0	0	0
Emergency Reinstatement	0	0	0	0	0	0	0	0	0	0	0	0

Land Transport Programme expenditure summary, cont ...

Network and Asset Management	65,500 (\$)	65,500 (\$)	66,600 (\$)	66,600 (\$)	66,600 (\$)	66,600 (\$)	66,600 (\$)	66,600 (\$)	66,600 (\$)	66,600 (\$)	66,600 (\$)	663,800 (\$)	100%
Total	564,300	566,400	571,500	571,500	571,500	571,500	571,500	571,500	571,500	571,500	571,500	5,700,800	5,700,800
RENEWALS													
Unsealed Road Metalling	195,500	192,400	188,300	205,800	205,800	205,800	205,800	205,800	205,800	205,800	205,800	2,016,800	100%
Sealed Road Resurfacing	0	165,900	224,300	173,700	103,700	50,000	50,000	50,000	50,000	50,000	50,000	961,900	100%
Drainage Renewals	169,000	169,000	169,000	169,000	169,000	169,000	169,000	169,000	169,000	169,000	169,000	1,690,000	100%
Pavement Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	0	0
Structures Components Replacements	0	185,500	185,500	0	46,000	46,000	0	0	0	0	0	463,000	100%
Environmental Renewals	0	0	0	0	0	0	0	0	0	0	0	0	0
Traffic Services Renewals	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	174,000	100%
Associated Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0
Preventative Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	381,900	730,200	784,500	565,900	541,900	442,200	442,200	442,200	442,200	442,200	442,200	5,305,700	5,305,700
IMPROVEMENTS / NEW WORKS													
Bridge Replacements	0	0	0	0	0	0	0	0	0	0	0	0	75%
Road Reconstruction	0	0	0	0	0	0	0	0	0	0	0	0	75%
Seal Extension	405,300	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,105,300	75%
Minor Improvements	75,700	103,700	108,300	91,000	89,100	88,300	81,100	81,100	81,100	81,100	81,100	880,500	100%
TOTAL	481,000	403,700	408,300	391,000	389,100	388,300	381,100	381,100	381,100	381,100	381,100	3,985,800	3,209,475
TOTAL ALL WORKS	1,427,200	1,700,300	1,762,400	1,528,400	1,502,500	1,492,300	1,394,800	1,394,800	1,394,800	1,394,800	1,394,800	14,992,300	14,215,975
ADMINISTRATION SUPPORT													
TOTAL FINANCIAL ASSISTANCE												Total x	2.25%
													319,859
													14,535,834
ALL ROADS													
GRANDTOTAL EXPENDITURE	13,276,091	14,815,689	21,831,009	20,689,801	12,581,045	11,163,049	11,295,161	10,879,461	10,879,461	11,156,461	11,156,461	141,678,928	76,516,200
GRANDTOTAL ADMIN SUPPORT												Total x	2.25%
GRANDTOTAL FINANCIAL ASSISTANCE													1,721,615
													78,237,815

WATER-RELATED SERVICES

Contribution to community outcomes



Environment



Infrastructure

What we do

This group of activities is undertaken to provide and maintain efficient, reliable and safe water, wastewater, stormwater and trade waste services.

Activities in group

- Water supply
- Wastewater services
- Stormwater services
- Trade waste

Why we do it

- **Water supply, wastewater and stormwater services**

The Council undertakes these activities because of statutory obligations and public demand. Under section 130(2) of the Local Government Act 2002, the Council must continue to provide these water services to those communities that have been serviced. Delivery of these network services by non-Council operators has, to date, proved unfeasible to the market or unacceptable to the community.

- **Trade waste**

The Council undertakes this activity because of statutory obligations. The main objectives are to protect the environment, people and community assets required for essential services.

What we are going to do

Project	2008/09 Cost
Water Supply	
Water treatment plant renewals and upgrades in Whakatane	\$129,000
Renewal and upgrading water reticulation in Whakatane	\$140,000
Investigations into pilot bore to address salinity in Whakatane water supply	\$130,000
Paul Road production wells and associated works	\$306,000
Creating bulk zones and pressure management	\$175,000
Whakatane water reservoir upgrade	\$175,000
Coastland extensions - Stage 2	\$200,000
Pipe replacements - Whakatane	\$100,000
Whakatane water treatment plant improvements	\$120,000
Water flow upgrades - East end of Ohope	\$250,000
Improvements to water supply in Awakeri	\$160,000
MoH Capital Assistance Programme projects in Matata / Edgecumbe / Murupara / Ruatoki / Taneatua / Te Mahoe /Waimana	\$175,000
Wastewater	
Upgrading of Edgecumbe pump station	\$152,000
Renewal and upgrading Whakatane sewer reticulation	\$104,000
Wastewater reticulation scheme for Matata (including 83% subsidy expected through the Sanitary Works Subsidy Scheme from Government)	\$2.37m
Ohope sewer modelling	\$70,000
Edgecumbe sewer studies	\$60,000
Ohope waste water treatment investigations	\$125,000
Storm water	
Hinemoa drain construction, Whakatane	\$236,000
Wainui Te Whara dam construction	\$341,000

Key changes from the Ten-year Council Community Plan

Capital expenditure

- Water treatment plant renewals and upgrades in Whakatane have been reduced by \$85,000 as the structure modifications planned have been deferred until 2009/10.
- Whakatane West water mains upgrade has been deferred until 2009/10.
- A project to create bulk zones and pressure management has been added to address the increased water leaking problems in Whakatane.
- Reservoir condition assessment carried out recently identified immediate capital works required for Whakatane reservoirs.
- Increased development demand in Piripai requires water pipe extensions as stage 2 of the Coastland's extension.
- Condition assessment of the Whakatane water pipes identified pipes needing to be replaced in the immediate future.
- Whakatane water treatment plant improvement study identified immediate works to be carried out to the treatment plant.
- Investigations to find a suitable location for a pilot bore closer to the Whakatane water supply to address water salinity. This will include intake investigations and designs at a cost of \$130,000 for 2008/09
- Water modelling identified a need to increase water flow in East end of Harbour Road, Ohope. This will ensure Level of Service targets are achieved and enhance public safety.
- Lack of water pressure is a significant issue in Awakeri and improvement works are required in 2008/09.
- Project to address arsenic in the Plains water supply has been deferred until 2009/10, while testing of Paul Road bores in 2008/09 will take place at a cost of \$306,000.
- Council plans to apply funding assistance from the Government to upgrade the small water supplies in the District. The Council has to bear 5% of the total project costs and the consultant's fees. This sum is set aside to cover the Council's contribution towards the Ministry of Health's (MoH) Capital Assistance Programme projects.
- Since the demand from new developments in Ohope is high it is necessary to develop a waste water network model to identify required sewer system upgrades.
- Studies are now required in Edgecumbe to address the problem of pump stations experiencing overflows during extreme wet weather conditions.
- Investigations into Ohope waste water treatment are required, to identify suitable disposal option from the waste water treatment plant in 2010, when the existing sea discharge consent is expired.
- The design of Hinemoa drain construction has changed. The total cost of the project is now \$1.05m, with \$236,000 to be spent in 2008/09.
- The Strand Canal construction at a cost of \$1.3m has been deferred until 2009/10.
- Investigations into the Matata sewerage scheme are planned to be funded through reserves for 2008/09 until a decision has been made whether to progress with the works. If the community decide the works should continue, they will be appropriately rated for in 2009/10 once the scheme is identified.



Water Services

How we will measure our achievements

Service Levels	Measures	Target																				
Provide quality water related service systems compliant with all statutory and regulatory requirements and compliant with Council policies, procedures and standards.	Whakatane and Ohope Water Supply complies with current Drinking Water Standards for NZ.	100%																				
	Number and level of water supply gradings received (The Ministry of Health grades water quality between A & E for water source and water reticulation between a & e. A indicates the highest standard and e lowest. U stands for ungraded.)	<table border="0"> <tr> <td>Whakatane</td> <td>Aa</td> </tr> <tr> <td>Ohope</td> <td>Aa</td> </tr> <tr> <td>Edgecumbe</td> <td>U</td> </tr> <tr> <td>Matata</td> <td>Ca</td> </tr> <tr> <td>Murupara</td> <td>U</td> </tr> <tr> <td>Taneatua</td> <td>Ca</td> </tr> <tr> <td>Ruatoki</td> <td>Ca</td> </tr> <tr> <td>Waimana</td> <td>Cb</td> </tr> <tr> <td>Plains</td> <td>U</td> </tr> <tr> <td>Te Mahoe</td> <td>U</td> </tr> </table>	Whakatane	Aa	Ohope	Aa	Edgecumbe	U	Matata	Ca	Murupara	U	Taneatua	Ca	Ruatoki	Ca	Waimana	Cb	Plains	U	Te Mahoe	U
	Whakatane	Aa																				
Ohope	Aa																					
Edgecumbe	U																					
Matata	Ca																					
Murupara	U																					
Taneatua	Ca																					
Ruatoki	Ca																					
Waimana	Cb																					
Plains	U																					
Te Mahoe	U																					
Number of resource consent infringement and abatement notices from the regional council.	0																					
Provide potable water, and efficient reliable wastewater and stormwater systems to meet the reasonable needs of urban and commercial customers.	Continuous monitoring through water supply pressure loggers shows minimum pressure of 200 KPA (except during outages).	100%																				
	Frequency of unplanned interruptions to water supply per 1000 customers.	<3																				
	Frequency of wastewater system failures due to blockages or overflows during dry weather flow conditions per 100km of sewer for each scheme.	<20																				
	Stormwater system designed and built to meet one in 10 year rainfall event without damage to public and private property.	100%																				
Carry out required trade waste inspections and accurately record results.	50% of all premises registered are inspected annually.	50% inspected																				
Ensure quality customer communication, consultation and service provided.	Minimum 48 hours notification given of planned interruptions to water supply.	>95%																				
	Faults responded to within 24hrs for wastewater.	>90%																				
	Emergencies responded to within three hours for each activity.	>90%																				

Summary of estimated Cost of Services⁵ Water Related Services

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
	Expenditure			
4,031,739	Operations	4,390,662	4,868,137	477,475
605,123	Interest	831,595	621,220	(210,375)
2,289,838	Depreciation	2,349,214	2,782,027	432,813
6,926,700	Total Expenditure	7,571,471	8,271,384	699,913
	Revenue			
(417,376)	Development Contributions	(427,158)	(564,214)	(137,056)
(6,274,448)	Targeted Rates	(7,537,949)	(7,409,783)	128,166
(136,686)	User Fees & Charges	(147,226)	(149,790)	(2,564)
0	Subsidies	(3,505,455)	(2,013,242)	1,492,213
(66,774)	Sundry Income	(53,088)	(69,953)	(16,865)
(6,895,284)	Total Revenue	(11,670,87)	(10,206,982)	1,463,894
31,416	Net Cost (Surplus) of Operations	(4,099,405)	(1,935,598)	2,163,807
	Funding provided from:			
(451,639)	Non Funded Depreciation	0	(993,226)	(993,226)
(1,457,880)	Funding from Depreciation Reserves	(1,460,615)	(915,142)	545,473
(387,094)	Funding from Development Contributions	(651,619)	(200,000)	451,619
(262,031)	Funding from Operational Reserves	(140,950)	(103,079)	37,871
(1,801,615)	Loans Raised	(3,374,048)	(2,999,284)	374,764
(4,360,259)	Total Funding provided from:	(5,627,232)	(5,210,731)	416,501
	Funds applied to:			
3,289,704	Capital Expenditure*	8,151,738	5,974,965	(2,176,773)
618,914	Loan Repayments	899,455	607,150	(292,305)
420,225	Payments to Reserves	675,444	564,214	(111,230)
4,328,843	Total Funds applied to:	9,726,637	7,146,329	(2,580,308)
(31,416)	Net Funds Applied to (Provided from):	4,099,405	1,935,598	(2,163,807)
0	Net Funds Applied/(Provided)	0	0	0

* Capital Expenditure:

1,690,623	Renewals	880,883	821,843	(59,040)
1,599,081	Capital Improvements	7,270,855	5,153,121	(2,117,734)

⁵ An explanation of the terms used in this financial statement is included at the end of this section after page 76

SOLID WASTE MANAGEMENT

Contribution to community outcomes



Environment



Infrastructure

What we do

Within this group of activities, the Council provides a weekly refuse and recycling collection in serviced areas of the District, through a contractor. The areas serviced are based on customer demand and capabilities of the contractor's resources. The Council is implementing its zero waste policy.

Activities in group

- Refuse collection
- Refuse disposal
- Refuse recycling

Why we do it

The Council undertakes these activities in response to the needs and aspirations of the people of the District for aesthetic and health reasons. The key requirements for each of the activities in the group are:

- **Refuse collection**

With regard to the Council's Waste Management Plan and section 25 of the Public Health Act 1956, the Council provides collection services to mitigate possible adverse health risks to the District's residents. The particular services are provided in response to the needs of the community and have been designed to maximise benefit to the community.

- **Refuse disposal**

With the opening of the Recycling Park, in April 2006, the Council provides one landfill for the management and disposal of collection service refuse, bulk industrial/commercial waste and waste disposal from the recycling centre.

- **Refuse recycling**

Residents of the greater Whakatane area use the collection service and Recycling Park for waste disposal, and the collection contractor continues to have access to the Burma Road landfill. Residents in the south of the District have access to the transfer station at Murupara.

- **Greenwaste collection**

The Council will continue to provide a greenwaste collection within the urban settlements. This service is only paid for by those who receive it.

What we are going to do

Project	2008/09 Cost
Whakatane gas management, final cover and other construction works	\$122,000
Solid waste disposal initiatives	\$92,000
Waste management education programmes	\$40,000
Design for Transfer Station construction	\$153,000

Key changes from the Ten-year Council Community Plan

Operational expenditure and income

- Increased costs associated with this activity are attributed to escalations in contract costs and fees associated with the provision of professional services.

Capital expenditure

- Whakatane landfill final cover project has been carried over from 2007/08.
- Work carried out in Murupara has extended the life of the landfill. Therefore, the project to decommission Murupara landfill at a cost of \$122,000 has been deferred until 2009/10.

- The Regional Council has agreed that the current capping on the Taneatua Landfill is sufficient. Therefore the \$92,000 budgeted for decommissioning the landfill will be transferred to other waste disposal initiatives.
- The construction of the Transfer Station had been scheduled for 2007/08, but has been delayed until 2009/10. However, the Council will progress with building consent approval and building design in 2008/09 at a cost of \$153,000. Through the LTCCP a budget of \$981,600 has been included for the construction of a Transfer Station on the Te Tahi Street site in conjunction with the Recycling Park commissioned in July 2006. The Transfer station is being constructed in response to the closure of the Whakatane landfill at Burma Road in December 2009.
- Remediation works on the landfill in Matata were planned for 2008/09 at a cost of \$85,000. However, the 2005 disaster in Matata resulted in the landfill being covered over. Therefore the remediation works are no longer required.



Whakatane Recycling Park

How we will measure our achievements

Service Levels	Measures	Targets
Provide quality solid waste services compliant with all statutory and regulatory requirements in addition to all Council policies, procedures and standards.	Number of resource consent infringement and abatement notices from the regional council.	0
	Number of Council non-compliances identified from audit of projects.	0
	Council standards and policies remain relevant and current.	One third reviewed
Provide efficient reliable solid waste management system to service solid waste for customers within budget.	Ensure the number of missed refuse and recycling collections per year are less than 0.1% of annual lifts	<0.1%
	Provide access to community based recycling facilities.	95% of the community
	Divert greenwaste from landfill to beneficial reuse.	60% of greenwaste diverted
	More than 95% of sewage sludge currently disposed of to landfill will be composted, beneficially reused or appropriately treated to minimize the production of methane and leachate.	95%
	There will be a reduction of construction and demolition waste to landfills of 50% of December 2005 levels measured by weight.	50% reduction
	Reduce residual waste to landfill/transfer station through recycling	15,000 Ton to landfill in 2008/09

Summary of estimated cost of services⁶

Solid Waste Management

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
	Expenditure			
2,890,991	Operations	2,557,181	3,282,907	725,726
286,329	Interest	302,381	239,551	(62,830)
63,839	Depreciation	87,891	122,453	34,562
3,241,159	Total Expenditure	2,947,453	3,644,911	697,458
	Revenue			
(15,076)	Development Contributions	(15,431)	(15,431)	0
(3,138,639)	Targeted Rates	(2,550,077)	(2,573,021)	(22,944)
(268,312)	User Fees & Charges	(185,680)	(1,047,932)	(862,252)
0	Subsidies	0	0	0
(2,048)	Sundry Income	(211,696)	(211,696)	0
(3,424,075)	Total Revenue	(2,962,884)	(3,848,080)	(885,196)
(182,916)	Net Cost (Surplus) of Operations	(15,431)	(203,169)	(187,738)
	Funding provided from:			
(11,414)	Non Funded Depreciation	0	0	0
(18,907)	Funding from Depreciation Reserves	(438,483)	(122,250)	316,233
(63,450)	Funding from Development Contributions	0	(76,687)	(76,687)
0	Funding from Operational Reserves	0	0	0
(359,374)	Loans Raised	(246,677)	(95,026)	151,651
(453,145)	Total Funding provided from:	(685,160)	(293,963)	391,197
	Funds applied to:			
441,731	Capital Expenditure*	467,387	293,963	(173,424)
179,254	Loan Repayments	217,773	187,738	(30,035)
15,076	Payments to Reserves	15,431	15,431	0
636,061	Total Funds applied to:	700,591	497,132	(203,459)
182,916	Net Funds Applied to (Provided from):	15,431	203,169	187,738
0	Net Funds Applied/(Provided)	0	0	0

* Capital Expenditure

82,356	Renewals	220,710	122,250	(98,460)
359,375	Capital Improvements	246,677	171,713	(74,964)

⁶ An explanation of the terms used in this financial statement is included at the end of this section after page 76

PROMOTION AND ECONOMIC DEVELOPMENT

Contribution to community outcomes



What we do

This group of activities is undertaken to provide a framework for the sustainable growth and development of the District. These activities aim to attract businesses and people to the District and to support the growth and development of existing businesses within the District.

The Council is a member of the Eastern Bay of Plenty Regional Economic Development Agency (Toi-EDA). The Agency is an association of Eastern Bay of Plenty territorial authorities and the Mataatua Iwi Forum and was formed to develop and implement a regional development strategy.

The Council is merging the activities of Eastern Bay of Plenty Development Board with Toi EDA. This includes the governance and management for the promotion and development activity. Activities include print and TV advertising, editorial promotions, visitor guides, trade shows and managing government contracts for business management training.

Activities in group

- Promotion and economic development
- Visitor information

Why we do it

- **Promotion and economic development**

The Council undertakes this activity because of public demand for Council to take a leadership role.

- **Visitor information**

The Council undertakes this activity because of public demand to represent and promote tourism and business operators, and encourage tourism and business activity.

What we are going to do

Project
Support Toi EDA to implement the regional economic development strategy
Toi EDA will develop marketing and events plans annually, and coordinate the production of marketing resources
Toi EDA will deliver business management training and support (annually)
Toi EDA will provide visitor information services (annually)

Key changes from the Ten-year Council Community Plan

Operational expenditure and income

- Income from commissions increased by \$11,000 due to actual figures experienced in 2007/08

How we will measure our achievements

Performance Objectives	Measures	Targets
Attract more people to visit and live in the District.	Increase in visitor numbers.	5% increase on previous year
Grow existing events.	Results measured by economic impact analysis	>Two per year
Support existing businesses and encourage strengthening and expansion.	Enterprise Training Programme provided throughout the Eastern Bay of Plenty.	>200 businesses
	Provide BIZ enquiry assistance.	>40 enquiries monthly
	Facilitate mentor matches for the Business in the Community Mentor Programme.	>15
Grow website use by increased participation and linkage.	Increase in website use.	>3500 visitors per month
Ensure quality customer communication, consultation and service provided at the Visitor Information Centre.	% satisfaction with the quality of information provided from Information Centre.	>85%
The Visitor Information Centre is available when it is needed.	Provide access to visitor information 24 hours a day, seven days a week.	364 day operation



Whakatane Visitor Information Centre



Summary of estimated cost of services⁷

Promotion & Economic Development

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
	Expenditure			
858,347	Operations	903,322	883,091	(20,231)
9,686	Interest	0	10,770	10,770
17,132	Depreciation	0	41,529	41,529
885,165	Total Expenditure	903,322	935,390	32,068
	Revenue			
(442,632)	General Rates	(447,927)	(473,248)	(25,321)
(155,075)	Targeted Rates	(155,912)	(176,478)	(20,566)
(67,948)	User Fees & Charges	(58,154)	(99,875)	(41,721)
(201,227)	Subsidies	(230,560)	(170,500)	60,060
(18,283)	Sundry Income	(10,769)	(15,289)	(4,520)
(885,165)	Total Revenue	(903,322)	(935,390)	(32,068)
0	Net Cost (Surplus) of Operations	0	0	0



New Zealand Surf lifesaving Championships - Ohope, March 2008

⁷ An explanation of the terms used in this financial statement is included at the end of this section after page 76

ENVIRONMENTAL PLANNING

Contribution to community outcomes



Environment



Development



Economy

What we do

Within this group of activities, the Council:

- Is involved in resource management planning (development and monitoring of the District Plan and associated strategies and policy);
- Assesses the state of the environment;
- Processes resource consent applications to use, develop and subdivide land; and
- Monitors compliance with the conditions of consent to ensure effects on the environment are avoided, remedied or mitigated.

Activities in group

- Planning policy
- Planning implementation and monitoring

Why we do it

• Planning policy

The Council has a statutory obligation under the Resource Management Act 1991 to have a District Plan, through which natural and physical resources are sustainably managed. It includes objectives, policies and methods to enable future growth and development of the District whilst managing the environmental effects of activities. The Council has a statutory obligation to monitor the efficiency and effectiveness of its District Plan policies, rules and other methods.

• Planning implementation and monitoring

The Council has a statutory obligation under the Resource Management Act 1991 to implement the District Plan rules, and other methods in respect to the subdivision, use and development of land. It also has a statutory obligation to process and decide resource consent applications, and to monitor compliance with conditions of resource consents.

What we are going to do

Project	2008/09 Cost
Coastal hazards plan change	\$40,000
Integrated Growth Strategy (Implementation)	\$35,000
Indigenous Bio-diversity (change to District Plan)	\$30,000
Undertake natural hazard planning	\$66,000
Rural Review Monitoring (implementation)	\$20,000
Review of Development and Financial Contribution Policies	\$20,000

Key changes from the Ten-year Council Community Plan

Operational expenditure and income

- Work on a number of Strategies and Policies that were started in 2007/08 will be completed in 2008/09.
- An increase in income from user charges of \$510,000 is expected due to an increase in charges for this activity (see Key Issues section).
- An extra \$271,000 is budgeted to increase resources to deal with processing resource consents. This is expected to result in overall cost reduction due to a reduction in consultant's fees.
- The Council will be undertaking a review of its Development Contributions and Financial Contributions policies, and preparing a variation to the District Plan to incorporate the new Financial Contributions Policy



- The Council has removed the funding allocation for the Preservation Incentive Fund for the 2008/09 year.

How we will measure our achievements

Service Levels	Measures	Targets
Planning policy supports growth.	Demographic and economic indicators are monitored and reported on.	By 30 th September
Decision making is fair, Council is consistent, and the policies and plans are reasonable and appropriate.	Statutory processes are followed to receive and hear submissions to proposals.	No judgement is made to substantiate a claim that the Council has failed to comply with statutory processes
Resource consent applications will be processed in a timely and effective manner.	Applications will be processed within the statutory timeframes under the Resource Management Act 1991.	100%
Compliance with consent conditions will be monitored and enforced.	Land use consents (excluding consents to remove trees) granted in the previous financial year are monitored for compliance with conditions or consent by 30 June each year.	100% of consents
Ensure quality customer communication, consultation and service provided.	Customer perception surveys – feedback questionnaire for all applicants.	>75% of responses are satisfied overall



Whakatane Rural Landscape

Summary of estimated cost of services⁸

Environmental Planning

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
	Expenditure			
1,525,971	Operations	1,524,418	1,668,402	143,984
14,677	Interest	0	15,463	15,463
32,151	Depreciation	0	74,736	74,736
1,572,799	Total Expenditure	1,524,418	1,758,601	234,183
	Revenue			
(770,145)	General Rates	(793,231)	(732,441)	60,790
(506,932)	User Fees & Charges	(413,119)	(923,540)	(510,421)
0	Subsidies	0	0	0
(295,722)	Sundry Income	(318,068)	(102,620)	215,448
(1,572,799)	Total Revenue	(1,524,418)	(1,758,601)	(234,183)
0	Net Cost (Surplus) of Operations	0	0	0

⁸ An explanation of the terms used in this financial statement is included at the end of this section after page 76

ENVIRONMENTAL CONTROLS

Contribution to community outcomes



Community



Health & Housing

What we do

Within this group of activities, the Council:

- Processes building consents and inspects building work for compliance with the New Zealand building code. Building warrants of fitness covering specialist safety systems in buildings are monitored and an advisory service is provided;
- Issues liquor licences and monitors the use of these licences. Information and advisory services are provided; and
- Issues licences to all registered premises (food, camping grounds, hairdressers, mortuaries, offensive trades) and monitors those who hold licences. Investigation and monitoring of private water supplies, environmental noise and contaminated land is also carried out. An advocacy, advisory and complaints service is provided.

Activities in group

- Building inspection
- Licensing (liquor and gambling)
- Environmental health

Why we do it

Building inspection

The Council is a registered Building Control Authority. The Council's statutory responsibilities for buildings are detailed in the Building Act 2004 and its regulations. Through consenting and monitoring processes the Council is charged with the responsibility of ensuring

that buildings are safely constructed and are safe to use. The Council also has an educational and advisory role to those involved in the building industry.

Licensing (liquor and gambling)

The Council has a statutory obligation to undertake this activity. Under the provisions of the Sale of Liquor Act 1989 the Council takes on the role of the District Licensing Agency. The Gambling Act requires the Council to develop and administer policies for Class four Venues (Gaming machine venues excluding casinos) and Board Venues (TABs).

Environmental health

The Council has a statutory obligation to undertake this activity. The Council's authority comes from the Health Act 1956, the Food Act 1981 and associated regulations and bylaws.

What we are going to do

Project

Implement a quality assurance programme that satisfies the requirements of AS/NZS 17020: 2000 (or other alternative quality system approved by the Department of Building and Housing). Continue to monitor the Weathertight Homes Resolution Service's adjudication decisions and adjust its operating processes and procedures to reflect best practice and any changes in statutory liability exposure that arise as a consequence of the decisions.

Work in partnership with clubs to raise awareness of responsible drinking; monitor the social and economic impact of gambling and sale of liquor on the community (ongoing)

Continue to facilitate provision of food safety courses to members of the community (ongoing)

The Health (Drinking Water) Amendment Act 2007 will come into force from 1 July 2008. The Council's role is likely to change with the introduction of this legislation. The Council will continue to monitor the progress and content of the Bill and respond accordingly (ongoing).

Develop and maintain strong relationships with owners of known contaminated sites; monitor land use activities on contaminated sites in conjunction with the Bay of Plenty Regional Council; monitor national and international research on contaminated site remediation methodologies (ongoing)

Implement stages 1 and 2 of the earthquake prone buildings policy (\$20,000)

Key changes from the Ten-year Council Community Plan

Operational expenditure and income

- Budgeted income from building inspection fees has increased from \$909,000 to \$1.22m. This is financed through an increase in fees and charges (see Key Issues section) and will help contribute towards funding for the building consent authority accreditation process.
- The Council's Earthquake Prone Buildings policy outlines procedures relating to the survey of buildings by the Council, requiring budget provision of \$20,000 for 2008/09

How we will measure our achievements

Service Levels	Measures	Targets
Building consent applications will be processed in a timely and effective manner.	Building consent applications not requiring additional information are processed within 18 days.	95% of the time
Council is acting legally in administration of the laws.	Determination decisions from the Department of Building and Housing support the Council's decisions.	100% of the time
Audit of swimming pools listed on Council's register on a three year cycle.	Number of pools inspected where: a) Pool fencing complies with the Fencing of Swimming Pools Act b) Pools comply with the New Zealand building code c) Enforcement actions are implemented against non-complying owners	a) 33% b) 33% c) 100% annually
The Council consistently delivers an effective and efficient building control service.	Council building control systems, processes and procedures satisfy the requirements of AS/NZS17020 or other approved Quality Standard.	100% of the time
Licensing registration applications will be processed in a timely and effective manner.	Number of new and renewed manager's certificates issued within one month of receipt.	>90%
	Number of new and renewed On- Off- and Club licenses issued within three months of receipt.	>90%
Carry out inspections of all licensed premises and accurately record results.	Inspections completed by 1 December annually.	Completed by 1 December
Council is proactive in re-licensing premises.	Licensees advised on licence renewals three months prior to licence expiry.	100% of the time
Compliance with appropriate legislation for all businesses required to be registered under the Food Hygiene Regulations 1974 and the Food Act 1981, the Camping Ground Regulations 1985, and the Health (Hairdressers) Regulations 1980.	Number of premises compliant.	100% annually
	Enforcement actions are implemented against non-complying building owners.	100% annually
Compliance of public and school swimming pools with the New Zealand Standard for Public Pools	Number of public and school pools compliant annually, or with a development programme in place	100% annually



Summary of estimated cost of services⁹

Environmental Controls

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
Expenditure				
1,372,908	Operations	1,456,406	1,659,781	203,375
18,613	Interest	0	19,464	19,464
40,183	Depreciation	0	110,134	110,134
1,431,704	Total Expenditure	1,456,406	1,789,379	332,973
Revenue				
(389,897)	General Rates	(643,040)	(257,993)	385,047
(975,783)	User Fees & Charges	(731,622)	(1,367,543)	(635,921)
(66,024)	Sundry Income	(81,744)	(163,843)	(82,099)
(1,431,704)	Total Revenue	(1,456,406)	(1,789,379)	(332,973)
0	Net Cost (Surplus) of Operations	0	0	0



Framing Inspection

⁹ An explanation of the terms used in this financial statement is included at the end of this section after page 78

LIBRARIES AND MUSEUM

Contribution to community outcomes



Creative



Education

What we do

Within this group of activities, the Council provides:

- Libraries, located in Whakatane, Murupara, Edgecumbe and Ohope that provide a collection of print, audio, visual, full text online databases and internet access; and
- A Museum & Gallery that accommodates a collection, displays, and genealogical and general archival research. The gallery offers communal space for a changing range of arts and crafts. Activities include acquisition and collection management, developing and maintaining archives, public programmes and provision of information.

Activities in group

- Library services
- Museum & Gallery

Why we do it

• Library services

The Council provides this service because of public advocacy and demand, and endorses the educational, leisure and community value of libraries. Many individuals cannot afford to buy books and source other information and recreational material. Nationally, the most widely used format is council ownership.

• Museum & Gallery

The Council is the local organisation currently in the best position to provide these services. The Council responds to public advocacy and demand, and endorses the educational, leisure and community value of these facilities. The Council provides guardianship and stewardship of local and national treasures including taonga on behalf of the entire community.

What we are going to do

Project	2008/09 Cost
Purchase library books	\$151,000 average per annum
Arts and Culture Centre Development Project	\$282,500
Explore more grant funding from sources such as the Ministry of Education (ongoing)	
Develop business information support service; make qualified staff available at all libraries; develop homework learning programme support; develop information technology; investigate improving sharing of services with other libraries; strengthen partnerships with businesses and education to develop shared services (ongoing)	

Key changes from the Ten-year Council Community Plan

- The Council has completed a review of the structure of the library and Museum & Gallery and restructuring into a single business unit has occurred. Further organisational and operational improvements within the Museum & Gallery and Library Services will also take place on an on-going basis to support the Ten-year Council Community Plan going forward.

Capital expenditure

- Funding for the Museum & Gallery, and Library extensions/ building renewal has been reduced in 2008/09 from \$4.4m. \$400,000 has been advanced to 2007/08 to undertake initial stages of the project. \$282,500 has remained in 2008/09 to develop concept designs for the new Arts and Culture Centre in the CBD. The remainder of the cost has been deferred to 2009/10 pending the results of the design development.



Misty frequencies exhibition at the Whakatane Museum & Gallery

How we will measure our achievements

Service Levels	Measures	Targets
The Museum & Gallery will comply with national standards for the management of the facility.	Overall standard achieved against the National Services Standards Scheme.	>70% of criteria met for 2006/2009
Information from the Museum is able to be retrieved in a timely way.	Number of complaints about retrieval of information.	<30
An environment is created for people to experience the collections in a way that is relevant for them.	% of users are satisfied about their experience at the Museum & Gallery.	>75%
Level of appeal of the collections.	Number of Museum & Gallery admissions.	>14,500
	% of users think that the Museum & Gallery collections are relevant and high quality.	>75%
The District Libraries provide a wide range of educational information, and recreational and cultural enrichment opportunities.	% of population holding membership.	>45%
	Library visits per capita (including electronic visits to the Library's website).	5 in 2008/09
	Number of issues per capita.	>8
The quality and relevance of library stock.	Rate of purchase of library items (2004/05 is approximately 8.3%).	>9%
	Average age of the collection (2004/05 is 9.96 years).	<9 years

Summary of estimated cost of services¹⁰

Libraries and Museum

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
Expenditure				
1,270,337	Operations	1,242,335	1,653,987	411,652
23,274	Interest	93,051	43,984	(49,067)
204,935	Depreciation	142,276	272,385	130,109
1,498,546	Total Expenditure	1,477,662	1,970,356	492,694
Revenue				
(162,291)	Development Contributions	(166,094)	(166,094)	0
(435,960)	General Rates	(486,865)	(626,801)	(139,936)
(921,956)	Targeted Rates	(1,014,730)	(1,154,664)	(139,934)
(36,376)	User Fees & Charges	(38,252)	(32,432)	5,820
0	Subsidies	0	(21,719)	(21,719)
(79,880)	Sundry Income	(81,752)	(140,793)	(59,041)
(1,636,463)	Total Revenue	(1,787,693)	(2,142,503)	(354,810)
(137,917)	Net Cost (Surplus) of Operations	(310,031)	(172,147)	137,884
Funding provided from:				
(24,374)	Non Funded Depreciation	0	0	0
(102,077)	Funding from Depreciation Reserves	(121,210)	(121,240)	(30)
0	Funding from Development Contributions	(1,683,137)	(282,500)	1,400,637
(110,043)	Funding from Operational Reserves	0	(233,335)	(233,335)
0	Loans Raised	(2,728,411)	0	2,728,411
(236,494)	Total Funding provided from:	(4,532,758)	(637,075)	3,895,683
Funds applied to:				
212,120	Capital Expenditure*	4,538,841	409,793	(4,129,048)
0	Loan Repayments	137,854	233,335	95,481
162,291	Payments to Reserves	166,094	166,094	0
374,411	Total Funds applied to:	4,842,789	809,222	(4,033,567)
137,917	Net Funds Applied to (Provided from):	310,031	172,147	(137,884)
0	Net Funds Applied/(Provided)	0	0	0

* Capital Expenditure

212,120	Renewals	127,293	399,173	271,880
0	Capital Improvements	4,411,548	10,620	(4,400,928)

¹⁰ An explanation of the terms used in this financial statement is included at the end of this section after page 78

RECREATION AND COMMUNITY FACILITIES

Contribution to community outcomes



Health & Housing



Creative



Economy



Infrastructure

What we do

Within this group of activities, the Council provides:

- A range of programmes and supports regional initiatives which encourage active living;
- Halls, public conveniences, pensioner housing and “other” community use property that includes sports pavilions, swimming pools, the Youth Centre and the Rugby Park grandstand;
- Strategic and investment property that is managed by the Council to provide an acceptable financial return or community advantage;
- Harbour lease property including harbour land and commercial properties; and
- Port activities include harbour operational activities and facilities, asset management and maintenance services.

Activities in group

- Recreation
- Swimming pools
- Halls
- Public conveniences
- Pensioner housing
- Strategic and investment property
- Harbour lease properties
- Port facilities

Why we do it

• Recreation and swimming pools

The Council undertakes these activities because of public advocacy and demand. Recreation facilities contribute to the health and vitality of the District by enhancing individual health and well being, including personal development and quality of life. These facilities enable competitive sporting competition within the District. The activity increases social cohesion and people’s sense of belonging and promotes healthy communities. Recreation facilities also attract visitors and therefore provide economic benefits to the District, enhancing the District’s environment.

• Halls

The Council provides and administers urban and community based halls in consideration of public advocacy and demand. The halls are community facilities that provide public venues for recreational, cultural and social purposes. Council-owned halls are located in Whakatane, Edgecumbe, Murupara, Ohope, Manawahe, Galatea, Te Teko, Waimana, Otakiri, Awakeri and Taneatua.

• Public conveniences

Provision of public conveniences is a statutory responsibility. The Council provides public convenience facilities in strategic locations throughout the District.

• Pensioner housing

The Council contributes to the stock of rental accommodation for the District’s pensioners in consideration of public advocacy and demand. The accommodation owned provides an affordable, safe and well maintained independent living environment for the elderly in Whakatane and Murupara.

• Strategic and investment property

The Council holds strategic and investment property to provide an acceptable financial return or community advantage to the Council.

- **Harbour lease properties**

Part of the Council's property portfolio includes harbour lease properties which are either sited on reclaimed land or land purchased using harbour generated funds. The port income supports navigational channel maintenance, waterfront enhancement and the maintenance of harbour facilities and assets.

- **Ports**

The Council undertakes this activity in consideration of public advocacy and demand as well as statutory responsibilities. Port facilities include wharves, jetties, launching ramps and navigational aids at Whakatane, a wharf, slipway and launching ramp at Ohiwa Harbour, wharf and jetty at Thornton. These facilities provide commercial berthage and access to the sea for recreational opportunities and fishing.

Key changes from the Ten-year Council Community Plan

Capital expenditure

- Provision of new public conveniences in Piripai at a cost of \$110,000 has been deferred until 2009/10.
- Edgecumbe Domain public toilets planned for 2007/08 will be continued in 2008/09. The project has increased by \$76,000 for 2008/09 with a total project cost of \$190,000
- Provision of new toilet facilities at Landing Road (\$130,000) have been included as a result of submissions to the Annual Plan 2007/08.
- New ramp access for recreational users (Waka Ama, rowing and kayaking) has been included as a result of submissions to the Annual Plan 2007/08 and consultation undertaken with users.
- Implementation of the Town Vision and associated property purchase at a cost of \$1.14m.

What we are going to do

Project	2008/09 Cost
Develop wharf along Quay St	\$917,000
Western Training Wall. Construction dates pending on resource consent process.	\$365,000
Waterfront beautification associated with the greenway concept plan	\$105,000
Edgecumbe Domain public toilets	\$190,000
New toilet facilities at Landing Road	\$130,000
New ramp access for recreational users at Landing Road	\$40,000
Town Vision implementation and property purchase	\$1.14m



Waterfront Edge - Quay Street



How we will measure our achievements

Service Levels	Measures	Targets
Provide quality recreation and community facilities that are compliant with all statutory and regulatory requirements in addition to all Council policies, procedures and standards.	Number of resource consent infringement or abatement notices received from the regional council.	0
	Playgrounds built and maintained in accordance with New Zealand Playground safety standard NZAS 1487 2001.	100%
	Swimming pool water tests will be compliant with NZS 5826 1998	95% of the time
Sufficient recreation facilities to meet community demand.	One playground per 1,000 people (on Council owned land and in accordance with Council policy for the provision of playgrounds in rural areas where there is no Council owned land).	100%
	Number of regional skate parks and regional playgrounds for children of all abilities	One regional playground and one regional skate park
	% of indoor sporting codes being catered for, at a District Indoor Events Centre by 2016.	90% by 2016
Affordable pensioner housing provided to people who meet the Whakatane District Council eligibility criteria.	Pensioner housing is kept to a standard of repair that is in keeping with the Whakatane District Council Property Standards.	90% of the time
	Number of units overdue for refurbishment based on seven year cycle or between tenancies	<15% at any one time
	Number of qualifying applications wait-listed.	<20 (12 month average)
	Occupancy rate.	95% at any one time
	Number or units provided per capita.	One unit per 50 people over 65 yrs
	% of tenants with payment arrears (of \$100 or more).	3.5 % or less
Adequate public conveniences will be provided where the community need them.	Number of public conveniences located in each major recreational area, each town centre and each main beach location.	At least one
	Cold showers and fresh water drinking facilities will be provided in association with public conveniences on major recreational areas or beach reserves.	100% by 2016
Buildings and associated facilities support disabled access requirements.	Buildings with disabled access in accordance with national standards including parking, entry, toilet and other facilities by 2016.	100% by 2016
Property is well maintained.	Proportion of assets (by replacement cost value) in a moderate, good or very good condition.	80% (90% for indoor recreation and park facilities)
	Works identified actioned.	Within seven days
	Health and safety works actioned.	Within 24 hours
The facilities provided to the community will provide safe access to rivers and coastal water within the general vicinity of the Whakatane CBD, Ohiwa Harbour and Thornton domain for boat launching and berthage/mooring (Whakatane and Ohiwa only).	Boat ramp lanes provided in each community located within 5 km of the sea.	One lane per 3500 people
All port operations will be managed in a safe and environmentally friendly manner.	Manage and operate the port amenities and equipment with a minimum number of environmentally related complaints.	< Five

Summary of estimated cost of services¹¹

Recreation & Community Facilities

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
	Expenditure			
2,573,184	Operations	2,715,851	2,830,415	114,564
210,209	Interest	187,299	197,340	10,041
775,033	Depreciation	1,243,981	1,014,244	(229,737)
3,558,426	Total Expenditure	4,147,131	4,041,999	(105,132)
	Revenue			
(336,689)	Development Contributions	(344,580)	(344,580)	0
(1,204,042)	General Rates	(1,469,980)	(1,112,356)	357,624
(799,094)	Targeted Rates	(961,662)	(830,481)	131,181
(1,901,398)	User Fees & Charges	(2,143,221)	(2,332,178)	(188,957)
(74,752)	Subsidies	(76,504)	(76,504)	0
(5,548)	Sundry Income	(5,764)	(16,663)	(10,899)
(4,321,523)	Total Revenue	(5,001,711)	(4,712,762)	288,949
(763,097)	Net Cost (Surplus) of Operations	(854,580)	(670,763)	183,817
	Funding provided from:			
(151,862)	Non Funded Depreciation	0	(608,505)	(608,505)
(159,714)	Funding from Depreciation Reserves	(329,064)	(337,128)	(8,064)
0	Funding from Development Contributions	(109,836)	0	109,836
(4,229,352)	Funding from Operational Reserves	(2,391,870)	(1,786,317)	605,553
0	Loans Raised	0	(216,093)	(216,093)
(4,540,928)	Total Funding provided from:	(2,830,770)	(2,948,043)	(117,273)
	Funds applied to:			
3,615,890	Capital Expenditure*	1,780,997	1,771,522	(9,475)
189,415	Loan Repayments	202,404	185,989	(16,415)
1,498,720	Payments to Reserves	1,701,949	1,661,295	(40,654)
5,304,025	Total Funds applied to:	3,685,350	3,618,806	(66,544)
763,097	Net Funds Applied to (Provided from):	854,580	670,763	(183,817)
0	Net Funds Applied/(Provided)	0	0	0

* Capital Expenditure

474,826	Renewals	476,534	300,430	(176,104)
3,141,064	Capital Improvements	1,304,463	1,471,093	166,630

¹¹ An explanation of the terms used in this financial statement is included at the end of this section after page 78.

PARKS, RESERVES AND CEMETERIES

Contribution to community outcomes



Environment



Development



Creative

What we do

Within this group of activities, the Council:

- Provides, maintains, manages and develops parks, reserves and public gardens, sports fields, walking tracks; historic reserves, scenic reserves, coastal reserves, special collection/feature gardens, streetscapes and street trees; and
- Administers cemeteries at Hillcrest (Whakatane), Galatea/Murupara, Taneatua and Waimana.

Activities in group

- Parks, reserves and gardens
- Sports fields
- Cemeteries

Why we do it

The Council undertakes these activities because of public advocacy and demand and legislative requirement.

- **Parks, reserves, gardens and sports fields**

Active and passive reserves contribute to the health and vitality of the District by enhancing individual health and well being, including personal development and quality of life, increasing social cohesion and people's sense of belonging and promoting healthy communities. Recreation facilities also attract visitors and therefore provide economic benefits to the District, enhancing the District's environment.

- **Cemeteries**

The provision of cemeteries by local authorities is provided for by the Burials and Cremations Act 1964.

What we are going to do

Project	2008/09 Cost
Whakatane gardens – pathway network and landscaping	\$55,000
Coastal land acquisition	\$200,000
Investigating options for sports field development	\$63,000
Whakatane District Crematorium	\$1.26m
Hillcrest Cemetery expansion investigations	\$40,000
Maraetotara skate park development	\$50,000
Edgecumbe playground development	\$30,000
Carpark at Mitchell Park, Taneatua	\$50,000
Ohope Playground (Waterways)	\$40,000

Key changes from the Ten-year Council Community Plan

Operational expenditure and income

- Increase in contract costs for mowing and spraying costs for parks, reserves and gardens.

Capital expenditure

- Work on Sullivan Lake's pathway, boardwalk and edging at a cost of \$51,000 has been deferred until 2009/10
- Development of stage two of Rex Morpeth car park (\$106,000) has been deferred for reassessment in 2009/10
- Hillcrest cemetery expansion (\$221,000) has been deferred until 2010/11
- Pacific Park playground (\$51,000) was deferred in 2007/08 and is now deferred until 2009/10
- Awatapu Bridge (\$134,000) has been deferred and will be reassessed in 2009/10.

- Warren Cole Cycleway was included under Parks, Reserves and Cemeteries in the Ten-year Council Community Plan however it is now included under Transport Networks and Systems due to its eligibility for LTNZ subsidies.
- Creation of a carpark in Mair Street in Ohope originally planned at \$41,000 is on hold pending the development of an apartment block in the vicinity. This project will be reassessed in 2009/10.
- A submission to the Annual Plan 2007/08 has resulted in the inclusion of a playground in Waterways, Ohope. The land was given to the Council for a playground by the developer.
- A submission to the Annual Plan 2008/09 has resulted in the inclusion of an informal carpark at Mitchell Park, Taneatua at a cost of \$50,000.
- Budget of \$50,000 for 2008/09 for the provision of a skateboard park at Maraetotara Reserve. The funding for the facility will be matched on a \$1 for \$1 basis by the community up to an amount of \$50,000.



Whakatane Market - Peace Park

How we will measure our achievements

Service Levels	Measures	Targets
Parks, reserves and cemeteries compliant with all statutory and regulatory requirements, in addition to all Council policies, procedures and standards.	Number of resource consent infringement notices received from the regional council.	0
	Reserves managed in accordance with their designation under the Reserves Act 1977.	100% of the time
Sports fields are provided to meet the needs of users.	Feedback indicates a high level of satisfaction.	80% satisfied
Sports fields should be kept to a high standard by regular mowing, herbicide applications, and specialised turf grass treatments.	Compliance with the New Zealand Turf Grass Institute assessment of turf grass fields recommendations.	80% compliance
Adequate sports grounds and reserves provided.	Active recreation space provided per 1000 persons.	1.5 hectares
	Mowed open space provided per 1000 persons.	2.4 hectares
Assets are well maintained throughout all parks facilities to provide a high standard of appearance and functionality.	Proportion of assets (by replacement cost value) in a moderate, good or very good condition.	90%
Cemetery facilities and sexton services available at Hillcrest cemetery, Galatea, Taneatua, Waimana and Awakaponga.	Burial plots available.	Sufficient sites to meet 120 burials at any one time
	Interment services available (as per the Whakatane District Council Consolidated Bylaw).	Six days per week

Summary of estimated cost of services¹²

Parks, Reserves & Cemeteries

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
	Expenditure			
1,901,598	Operations	2,018,130	2,170,894	152,764
92,753	Interest	77,934	62,901	(15,033)
521,262	Depreciation	533,621	837,165	303,544
2,515,613	Total Expenditure	2,629,685	3,070,960	441,275
	Revenue			
(338,812)	Development Contributions	(346,753)	(346,753)	0
(93,395)	General Rates	(157,978)	(2,636)	155,342
(2,008,680)	Targeted Rates	(2,186,465)	(2,167,156)	19,309
(318,804)	User Fees & Charges	(292,440)	(398,580)	(106,140)
(11,000)	Subsidies	(11,528)	(11,000)	528
(11,000)	Sundry Income	(11,214)	(21,000)	(9,786)
(2,781,691)	Total Revenue	(3,006,378)	(2,947,125)	59,253
(266,078)	Net Cost (Surplus) of Operations	(376,693)	123,835	500,528
	Funding provided from:			
(101,060)	Non Funded Depreciation	0	(521,501)	(521,501)
(40,224)	Funding from Depreciation Reserves	(271,918)	(143,447)	128,471
(458,398)	Funding from Development Contributions	(665,671)	(642,137)	23,534
0	Funding from Operational Reserves	0	0	0
0	Loans Raised	0	(10,570)	(10,570)
(599,682)	Total Funding provided from:	(937,589)	(1,317,655)	(380,066)
	Funds applied to:			
464,572	Capital Expenditure*	901,598	812,104	(89,494)
62,376	Loan Repayments	65,931	34,963	(30,968)
338,812	Payments to Reserves	346,753	346,753	0
865,760	Total Funds applied to:	1,314,282	1,193,820	(120,462)
266,078	Net Funds Applied to (Provided from):	376,693	(123,835)	(500,528)
0	Net Funds Applied/(Provided)	0	0	0
	* Capital Expenditure			
6,174	Renewals	235,927	134,397	(101,530)
458,398	Capital Improvements	665,671	677,707	12,036

¹² An explanation of the terms used in this financial statement is included at the end of this section after page 76

ENVIRONMENTAL PROTECTION

Contribution to community outcomes



Environment



Community

What we do

Within this group of activities, the Council:

- Administers Hazardous Substances and New Organisms (HASNO) legislation through responding to complaints and emergencies;
- Prepares and responds to rural fires, and trains the Rural Fire Crew. The Council also enforces forest and rural fire legislation and promotes public awareness of fire danger. Declares restricted or prohibited fire seasons as fire risk escalates, and investigates causes of fires; and
- Responds to litter, rubbish, fire, long grass and abandoned vehicle complaints; removes obstructions from public places (e.g. overgrown trees on footpaths); licenses street stalls and considers applications for parades; prohibits urban fires during periods of high risk; removes illegally parked vehicles; educates the public to encourage compliance with legislation and bylaws.

Activities in group

- Hazardous substances
- Rural fire control
- General inspections

Why we do it

• Hazardous substances

The Council is required under section 97 of the HASNO Act to enforce the provisions of the Act in public places and residential properties. The Council is involved in attendance, when notified, at incidents involving hazardous substances in a liaison/advisory capacity to the New Zealand Fire Service and the Police.

• Rural fire control

The Council has a statutory obligation with respect to Rural Fire Control. The Council provides a rural fire fighting service in accordance with the Forest and Rural Fires Act 1977 and under the guidance of the Forest and Rural Fire Regulations 2005.

• General inspections

Bylaws have been developed generally in response to public demand to deal with issues of nuisance, public health and safety and offensive behaviour. The Council also has statutory obligations under the provisions of the Local Government Acts 1974 and 2002 and the Litter Act 1979.

What we are going to do

Project

Obtain subsidies for fire equipment from the National Rural Fire Authority and charitable trusts (ongoing)

Maintain rural fire training and equipment (ongoing)

Update the qualifications of the Urban Search and Rescue crew (ongoing)

Key changes from the Ten-year Council Community Plan

Operational expenditure and income

- The hazardous substances budget has seen a decreasing level of activity due to legislative changes. This budget has been incorporated into rural fire and general inspections.
- Recoverable expenses of \$15,000 for rural fire are expected based on actual recoveries from the last few year. This results in a decrease in user charges.



Hazardous Waste Collection

How we will measure our achievements

Service Levels	Measures	Targets
The public is aware of how to dispose of hazardous substances.	A public education programme is developed and implemented.	100%
Public safety and comfort is protected from hazardous substances and rural fires.	Emergency response is initiated for hazardous substances.	Within one hour
	Rural fires are suppressed.	100% of fires
	A rural fire crew is assembled when Northern Communication Centre request assistance.	Within 15 minutes of request
Readiness for a rural fire emergency.	Equipment is inspected and maintained during Restricted Fire Season.	Weekly
The Rural Fire team has all of the skills and knowledge to undertake an emergency response.	Rural fire personnel are certified to the required standard.	90% of personnel
Rural Fire responses are timely.	Initial contact is made with the Northern Communication Centre within five minutes of notification of a rural fire.	95% of the time
Council will respond to complaints about general inspection issues.	Number of complaints investigations initiated within 24 hours.	100% of the time

Summary of estimated cost of services¹³

Environmental Protection

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
	Expenditure			
245,558	Operations	235,696	251,471	15,775
2,541	Interest	0	2,836	2,836
4,503	Depreciation	0	21,026	21,026
252,602	Total Expenditure	235,696	275,333	39,637
	Revenue			
(241,578)	General Rates	(212,636)	(258,285)	(45,649)
0	User Fees & Charges	(1,052)	(1,000)	52
(11,024)	Sundry Income	(22,008)	(16,048)	5,960
(252,602)	Total Revenue	(235,696)	(275,333)	(39,637)
0	Net Cost (Surplus) of Operations	0	0	0

¹³ An explanation of the terms used in this financial statement is included at the end of this section after page 76

COMMUNITY SAFETY

Contribution to community outcomes



What we do

Within this group of activities, the Council:

- Maintains preparedness for civil defence emergencies, responds to events, assists with the recovery and educates the community;
- Provides a cost effective and professional dog control service through enforcement and education. This includes registration, street patrols, enforcement and educational activities, as well as responding to complaints;
- Provides a district-wide response to complaints about stock nuisance or danger, and ensures compliance of the Council's Stock Control Bylaws and the Stock Impounding Act;
- Targets crime prevention. Local programmes and initiatives have been developed within the framework of national strategies; and
- Provides and receives advice on issues and protocol of relevance to Māori

Activities in group

- Civil defence
- Dog control
- Stock control
- Community development

Why we do it

• Civil defence

The Council has a statutory responsibility pursuant to the Civil Defence Emergency Management Act 2002 to plan and provide for local civil defence emergency management within the District. The planning and preparation for emergencies, response and recovery in the event of a regional emergency is a Bay of Plenty regional collective responsibility.

• Dog control

The Council has statutory responsibilities under the Dog Control Act 1996.

• Stock control

The Council has statutory responsibilities under the Stock Impounding Act 1955.

• Community Development

Safer Communities - This activity is undertaken by the Council because of public demand and the need for community safety.

What we are going to do

Project

Implement the statutory requirements of the Dog Control Act 1996, Dog Control Amendment Act 2003 and Dog and Stock Control Bylaws (ongoing)

Continue to offer dog education programmes to schools and community groups (ongoing)

Implement and give effect to the responsibilities under the Civil Defence Emergency Management Group Plan for the Bay of Plenty Region, and its ultimate implementation, maintenance and evaluation (ongoing)

Revise Civil Defence standard operating procedures and community response plans (ongoing)

Assist Neighbourhood Support to develop the number of support groups through the safer communities activity (ongoing)

Develop a programme to emphasise honesty, with extensive community involvement through the Safer Communities activity (ongoing)

Key changes from the Ten-year Council Community Plan

Operational expenditure and income

- In 2007/08 the functions of Māori Liaison and Safer Communities were merged into a Community Development cost centre.

Capital expenditure

- The dog pound extension planned for 2008/09 at a cost of \$67,000 has been put on hold. The extension will continue pending the development of a strategic plan for the recycling park, located on the same site in Te Tahī Street.



Animal Control Officer

How we will measure our achievements

Service Levels	Measures	Targets
Council will undertake its statutory responsibilities.	Council has an Emergency Management Plan which is up-to-date.	Plan updated
Readiness for a Civil Defence emergency.	Civil Defence equipment is inspected and maintained.	Inspected and maintained
The emergency management team has all of the skills and knowledge to undertake an emergency response.	Training courses are attended.	One course attended
	A simulated or desktop exercise is held.	One event held
Civil Defence emergency declarations are timely.	Declarations are made as soon as any emergency service is overburdened with the size and intensity of the disaster.	100% of the time
	An Emergency Operations Centre is assembled within 1 hour of the emergency.	100% of the time
Dog registrations will be processed in a timely and effective manner.	Registrations processed within 24 hour period.	100% of forms received
Public safety and comfort is protected.	Response to aggressive dog complaints, attacks and menacing.	Within one hour
	Respond to all complaints about wandering stock on public roads.	Within 30 minutes
Deliver projects funded by the Crime Prevention Unit in accordance with the approved project plan.	Reports to Crime Prevention Unit, including individual crime figures and expenditure.	6-monthly report completed within timeframes
The Crossroads Programme which offer a chance for youth offenders to make a positive change in their lives.	Number of candidates on the programme.	>4
	% reduction in the total number of crimes committed by candidates while they are on the programme.	>80%



Summary of estimated cost of services¹⁴

Community Safety

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$	Variance \$
	Expenditure			
876,552	Operations	824,721	893,054	68,333
10,083	Interest	0	10,174	10,174
21,213	Depreciation	0	70,121	70,121
907,848	Total Expenditure	824,721	973,349	148,628
	Revenue			
(444,848)	General Rates	(396,409)	(478,637)	(82,228)
(372,625)	User Fees & Charges	(361,355)	(422,899)	(61,544)
(87,351)	Subsidies	(63,813)	(68,813)	(5,000)
(3,024)	Sundry Income	(3,144)	(3,000)	144
(907,848)	Total Revenue	(824,721)	(973,349)	(148,628)
0	Net Cost (Surplus) of Operations	0	0	0

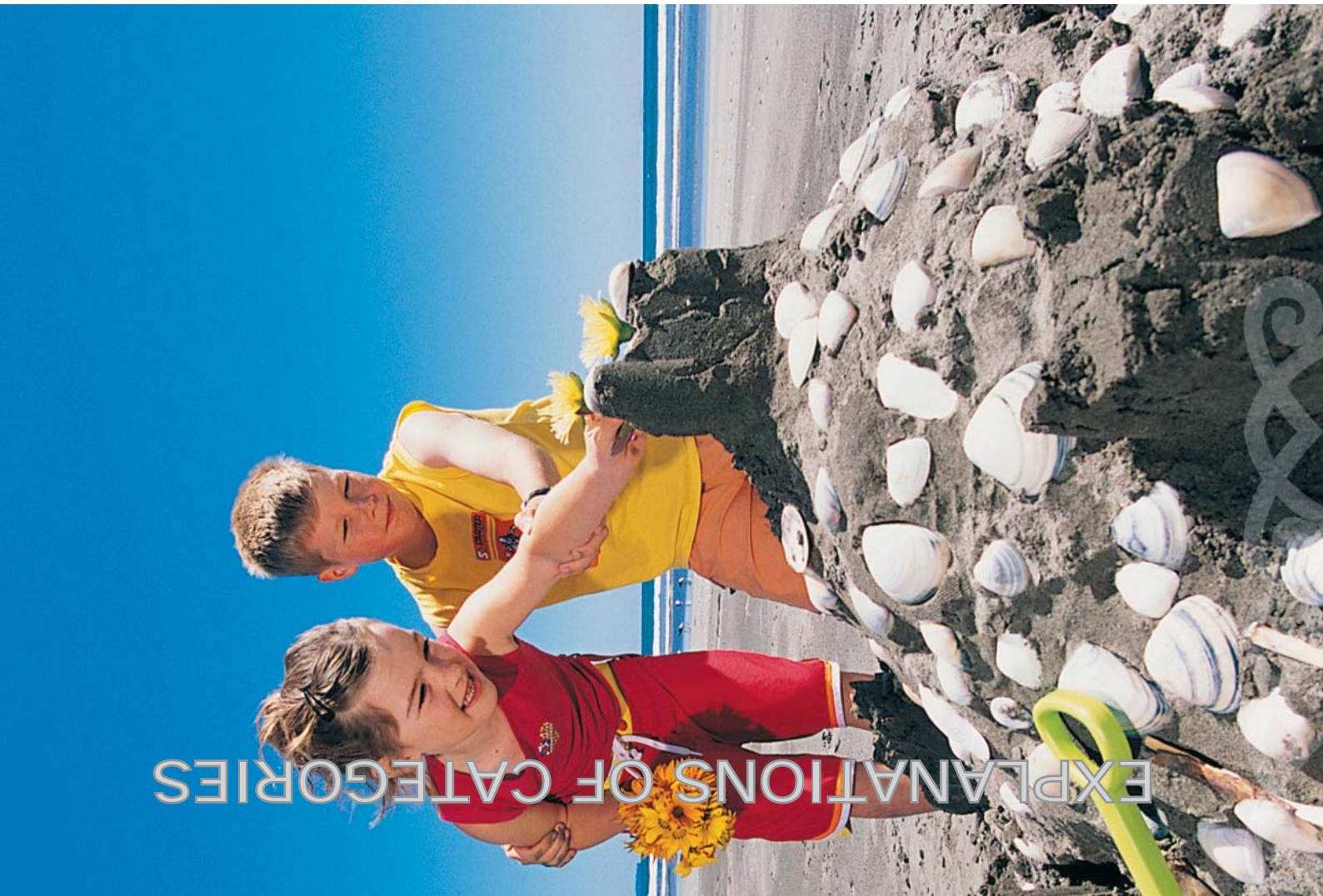
¹⁴ An explanation of the terms used in this financial statement is included at the end of this section after page 76



EXPLANATIONS OF CATEGORIES

Expenditure	
Operations	The day to day cost of running this activity e.g. salaries and wages, materials and services.
Interest	Interest on funds borrowed to build capital assets and fund projects e.g. bridges.
Depreciation	The wearing-out, consumption, or loss of value of an asset over its useful life e.g. motor vehicles.
Total Expenditure	Total costs of activity excluding capital expenditure.
Revenue	
Interest Income	Interest earned on funds invested
Development Contributions	Money paid by developers towards providing assets or extending existing assets to cater for increased demand due to growth e.g. extending sewerage systems.
General Rates	Income from general rates charged on the capital value of all properties within the district and the Uniform Annual General Charge (UAGC).
Targeted Rates	Rates where the benefit or use of a service can be assigned to specific households or communities, such as water supplies and disaster mitigation.
User Fees & Charges	Includes admission charges for Council facilities, parking fines and regulatory fees e.g. permits, dog registration
Subsidies	Mainly Land Transport NZ assistance with roading works but includes assistance towards disaster mitigation works from other agencies.
Sundry Income	Miscellaneous income from other sources generally not of a significant nature e.g. local authority petrol tax.
Total Revenue	Total revenue for this activity excluding revenue applied to capital expenditure.
Funding provided from	
Non Funded Depreciation	The portion of depreciation that the Council does not intend to fund from rates.
Funding from Depreciation Reserves	Using funds from depreciation reserves to renew existing assets.
Funding from Development Contributions	Development Contribution Reserves applied to the provision of new assets or extension of existing assets to cater for increased demand due to growth.
Funding from Operational Reserves	Utilising funds held in reserve to provide an asset or to assist with maintaining existing assets or services e.g. using reserve funds to pay for Asset Management Plans.
Loans raised	Borrowing money to pay for new assets or parts of assets e.g. building retention dams in Matata.
Funds applied to	
Capital Expenditure	Creating a completely new asset or extending an existing asset to provide a greater service than it currently provides e.g. extending a sewer pipe to increase capacity
Loan Repayments	Repaying of loans raised for capital expenditure.
Payments to Reserves	Transferring money into an account held for a special purpose. This includes transfers from Development Contribution revenue.

EXPLANATIONS OF CATEGORIES





COUNCIL - CONTROLLED ORGANISATIONS



COUNCIL - CONTROLLED ORGANISATIONS

INTRODUCTION

This page summarises the information required under the Local Government Act related to Council-Controlled Organisations (CCO). A CCO is a company or organisation in which a Council or Councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers.

The Council currently manages a CCO for the Whakatane Airport. The Council also participates in a new CCO to share services across local authorities in the Bay of Plenty.

THE WHAKATANE AIRPORT

The Whakatane Airport is deemed to be a CCO (Council-Controlled Organisation). The Whakatane District Council owns 50% of the Whakatane Airport. It is a joint venture partner with the Crown. The Whakatane Airport is seen as a valued community asset that contributes to the wellbeing of residents, and it is crucial to the economy of the District. The Council has adopted a Statement of Intent for the Airport for 2008/09.

Significant policies and objectives of the Whakatane Airport

- To promote a safe, accessible, affordable and reliable air transport system for the benefit of the economic and social development of the Eastern Bay of Plenty region.
- To ensure the present level of facility is maintained and increased wherever practicable and economic.
- To ensure that the airport is administered efficiently and effectively, to the benefit of scheduled flight operations.
- To protect the future capacity of the airport.

Nature and scope of activities provided by Whakatane Airport

- The airport is maintained as a non-certificated aerodrome in accordance with the Civil Aviation Authority Aerodrome

design for aircraft at or below 5,700 kg Maximum Combined Take-off Weight (MC TOW). Air New Zealand Link provides daily return services direct to Auckland and Wellington.

- Land surplus to the airport's present requirements is leased for grazing. Areas of the terminal building are leased for activities compatible with the operation of the airport. Lease of airport land is also available to commercial operators and associated industry.

Key performance targets for the Whakatane Airport

• **Cost performance**

- (i) Operate and maintain the airport's assets within an operational expenditure budget (excluding corporate overheads and depreciation) of:

	Budget 2007/08	LTCCP 2008/09	Budget 2008/09
Whakatane (total)	\$95,180	\$92,579	\$63,000

- (ii) Renew sealed surfaces in accordance with the Whakatane Airport Asset Management Plan:

	Budget 2007/08	LTCCP 2008/09	Budget 2008/09
Whakatane (total)	NIL	\$68,041	\$64,000

- (iii) Airport Terminal Upgrade; increase the size of the terminal waiting area:

	Budget 2007/08	LTCCP 2008/09	Budget 2008/09
Whakatane (total)	NIL	\$163,960	\$164,000

• **Function performance**

The maintenance of the airport as a non-certificated aerodrome in accordance with Civil Aviation Authority Aerodrome design for aircraft at or below 5,700 kg MC TOW.

BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES

Introduction

The Local Authorities within the boundaries of the Bay of Plenty Regional Council have for some time undertaken a number of joint activities with the purpose of reducing the cost of performing those activities to the community at large. For example, recently the local authorities have been undertaking the joint purchase of aerial photography.

The Bay of Plenty local authorities have now set up a Council Controlled Organisation (CCO) in terms of the provisions of the Local Government Act 2002 (LGA).

Description of CCO

Local Authorities of the Bay of Plenty Region have established a new CCO which will be used as an umbrella company for the future development of shared services.

The specific objectives of the CCO will be decided each year in accordance with the constitution of the CCO and the Statement of Intent to be agreed between the board of the CCO and the shareholders.

Shareholding

Each local authority has a single share in the umbrella company.

Participating Councils are able to access particular shared services by way of an agreement providing appropriate obligations and benefits relating to each of those services.

Governance

Since the activities are specifically operational the CCO is governed by a Board of Directors of the eight Chief Executives of the local authority shareholders. These directors have been appointed on the following basis:

- a. One appointed by Bay of Plenty Regional Council
- b. One appointed by Tauranga City Council
- c. One appointed by Whakatane District Council
- d. One appointed by Opotiki District Council
- e. One appointed by Kawerau District Council
- f. One appointed by Western Bay of Plenty District Council

- g. One appointed by Rotorua District Council
- h. One appointed by Taupo District Council

In addition the board may appoint up to three professional directors to supplement the expertise of the Chief Executives.

The CCO conducts itself in accordance with its constitution, its annual statement of intent agreed with the shareholders, and the provisions of the Local Government Act 2002.

Reasons for the CCO

There are a number of services provided by local authorities, particularly involving information collection and management, where improved services at lower aggregate cost can be achieved by having a number of authorities participate in purchase or development of the infrastructure for the service, and ongoing operation of it.

Historically those have been addressed by one Council developing the service and sharing it with others on an agreed basis. Aerial photography purchasing is an example of this. This has shown significant benefits to all the Councils involved and it is considered similar benefits could be obtained through the sharing of other services.

An appropriate structure is required to do this for the following reasons:

- It provides for a more transparent governance structure that involves all the local authorities in the region in deciding what the priorities should be for shared services, and in the management of shared services undertaken
- It provides an entity that can enter into commercial arrangements with suppliers and partners on behalf of the participating local authorities
- It ensures there is focus on ensuring the services do add benefit to the community through enhanced services and/or reduced costs, and that opportunities to sell processes and systems to other local authorities to reduce the cost of services to the shareholding local authorities are pursued.



FINANCIALS



FINANCIALS

INTRODUCTION

In this section of the Plan information is provided on the forecasted financial statements. The section entitled “Groups of Activities” also includes financial information that should be read in conjunction with this section.

Significant forecasting assumptions

The significant forecasting assumptions detail the key assumptions that have been made in the preparation of the forecast financial information.

Strategic management statement

The strategic management statement details the methods used by the Council to fund capital expenditure and outlines the funding methods contained within the Council’s Revenue and Financing Policy. A copy of the Council’s Revenue and Financing Policy is available in the Ten-year Council Community Plan.

Significant accounting policies

This details the significant accounting policies that apply in the preparation of the forecasted financial information.

Forecasted financial statements

The forecasted financial statements include the following financial reports:

- Statement of Prospective Financial Performance
- Statement of Prospective Movements in Equity
- Statement of Prospective Financial Position
- Statement of Prospective Cashflows
- Capital Expenditure Summary 2008/09

SIGNIFICANT FORECASTING ASSUMPTIONS

The nature of prospective financial information

The prospective financial information presented in the financial statements comprises of forecasts:

- **Forecasts** are prepared on assumptions as to future events that can reasonably be expected to occur. Information presented for the 2008/09 financial year are forecasts.

CAUTIONARY NOTE

The actual results are likely to vary from the information disclosed and such variations may be material. The prospective financial information is prepared under Section 93 of the Local Government Act 2002. This information may not be suitable for use in any other capacity. The assumptions underlying the preparation of the prospective financial information are as at 23 June 2008. No actual results have been incorporated into this prospective financial information.

GENERAL FORECASTING ASSUMPTIONS

The forecasting assumptions listed in the table below are based on those included in the Council's Ten-year Council Community Plan. Three key changes in assumptions from the Ten-year Council Community Plan are the interest rates (increased from 6.75% pa to 8.4% pa for new loans), staff costs for inflation (increased from 2.4% to 4.15%) and depreciation.

Forecasting Assumption	Risk	Level of Uncertainty														
Population growth																
<p>There will be modest growth within the Whakatane Urban/Piripai and Ohope areas. The assumption of growth in these areas has been allowed for in determining the increased future capacity requirements for both infrastructural and community assets.</p> <p>Conversely the overall District is expected to experience a decline in population. This is driven by expected population decline in some communities and rural areas.</p>	<p>That population growth is much higher than expected putting increased pressure on infrastructure such as water, wastewater and roads. The Council has also made assumptions about the level and amount of development contributions (see the Council's Development Contributions Policy).</p> <p>A lower than expected population increase would have a minor impact on assumptions of expected income from rates underlying the Plan.</p>	Medium														
Interest Rates																
<p>There are many external influences that impact on the interest rates for both investments and borrowing. Interest at 8.4% pa is assumed for all new loans, based on judgments of future trends.</p> <p>It is assumed that rollover of any significant external funding will be on similar terms during the course of the Plan.</p>	<p>The risk of interest rates being higher than expected is that additional rates are required to service loans, but this impact would be reduced through the higher than expected returns on investments. This is because it has been assumed that the margin between the borrowing and lending rates will remain reasonably constant. If interest rates are lower than expected, the opposite risks would be incurred.</p>	Low														
Inflation/ Cost Factors																
<p>Cost adjustment factors used to estimate inflation are included below. Cost adjustment factors have been allocated to values depending on their classification (e.g. Road, Property, Water etc). The original values are then inflated by the assigned factor. Income was inflation adjusted where appropriate by a factor of 2.4% per annum. That figure was calculated by averaging the Consumer Price Index over the past 3 years.</p>	<p>The risk is that rapid inflation would impact on cost estimates, interest rates and cost of services.</p>	Low														
<table border="1"> <thead> <tr> <th>Year Ending</th> <th>Road</th> <th>Property</th> <th>Water</th> <th>Energy</th> <th>Staff</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>Jun 09</td> <td>5.0</td> <td>5.7</td> <td>8.4</td> <td>8.1</td> <td>5.0</td> <td>6.2</td> </tr> </tbody> </table>			Year Ending	Road	Property	Water	Energy	Staff	Other	Jun 09	5.0	5.7	8.4	8.1	5.0	6.2
Year Ending	Road	Property	Water	Energy	Staff	Other										
Jun 09	5.0	5.7	8.4	8.1	5.0	6.2										

Forecasting Assumption	Risk	Level of Uncertainty
Revaluations		
Revaluations will be undertaken in accordance with the "Statement of Significant Accounting Policies".	Once infrastructure is revalued, there may be a significant change to the depreciation expense.	Low
Land Transport NZ Subsidies		
The Land Transport NZ subsidy on local road maintenance for Whakatane District Council from 1 July 2006 is 45%. There is also subsidy on capital works that are Land Transport NZ approved projects. This subsidy is generally 55%. If there is no subsidy the operating costs and capital projects must be funded from rates, loans or capital contributions. It is assumed that there will be ongoing revenue (subsidies) from Land Transport NZ to fund roading operating expenditure and capital projects (at the same funding levels of 45% operating expenditure and 55% for capital projects).	Any reduction in this subsidy would lead to an increase in the required rates and/or a reduction in levels of service or expenditure.	Low
Grants		
Specific community projects funding – where there is a specific project that is reliant on grants funding from another source.	There is uncertainty surrounding the level of funding to be received.	Medium
Income from rates		
The increase in total rateable value is expected to be 1% annually.	The increase in the expected income from rates may have a slight mitigating impact on rates increases. The risk of overstating the income from rates increase is that additional rates would be required from incumbent rate payers.	Low
Development Contributions		
The growth related component of infrastructure required for new developments – stormwater, wastewater, water, solid waste, roading and carparking, reserves and community infrastructure - is proposed to be paid for via development contributions collected under the Council's Development Contributions Policy. (See the Council's Ten-year Council Community Plan).	The risk is that development contributions are significantly less than what is predicted.	Medium
Vested Assets		
It is assumed that there will be asset vesting in the Council. For example, subdivisions of land lead to the vesting in Council of roads, footpaths, water and wastewater assets.	Currently the only large scale residential zoned land for subdivision is at Piripai. Although there are likely to be other smaller subdivisions which will lead to the vesting of assets, they have not been included as part of this assumption. The risk is that the number or value of the vested assets is materially different from that expected, and/or the assets require a material level of extra maintenance and renewal costs.	Medium



Forecasting Assumption	Risk	Level of Uncertainty
Depreciation Costs		
<p>Rates of depreciation and the estimated economic life of assets are included in the Statement of Significant Accounting Policies.</p> <p>The annual depreciation or decline in service potential is the amount the asset declines in value over a year as a result of the remaining life of the asset reducing.</p> <p>Depreciation is on a straight-line basis on all physical assets at rates that write off the cost of the asset to the estimated residual value at the end of its service life.</p> <p>Capital works are capitalized from the time the asset becomes operational.</p> <p>Provision needs to be made for funding this depreciation so as to make suitable allowance for the future replacement or renewal of the asset (refer to the Council's Revenue and Financing Policy in the Ten-year Council Community Plan). The Council has amended its assumption on the policy of fully funding depreciation cost. Depreciation has been funded on the average of the next 25 years renewal requirement. This renewal profile will be reviewed annually and the period will be increased as better Asset Management Plan information becomes available</p>	<p>The risk is that higher depreciation estimates would probably require a higher level of rating.</p>	<p>Low</p>
Resource Consents		
<p>Where Council is required to renew or obtain new resource consent under the Resource Management Act 1991, it has been assumed that the resource consent will be obtained and that the conditions of the consent may not be altered significantly.</p>	<p>The risk is that conditions of resource consent are altered significantly, and thereby impacting required expenditure. There are a number of old consents which when reviewed will require significant improvements.</p>	<p>Medium</p>
External Factors		
<p>There will be no unexpected changes to legislation or other external factors (e.g. local government reorganisation) that substantially impact the services and/or the cost of the services provided by Council.</p>	<p>The risk is that there are unexpected changes that substantially affect the services and/or the cost of the services provided by the Council.</p>	<p>Medium</p>

Forecasting Assumption	Risk	Level of Uncertainty
Organisational Structure/ Mode of Activity Delivery		
The assumption is that the Council will continue to engage in its present activities, and these will be delivered in their current form.	The risk is that there are changes to the delivery of activities. However the Council will only change the way services are delivered where there are clear benefits to do so. Benefits may take the form of improved services, lower costs, greater security of service or a combination of these.	Low
Asset Management Plans		
Asset Management Plans plus other processes (e.g Activity Plans, level of service reviews) have provided the underlying basis for forecasted works in infrastructure activities. The Council has also undertaken work to review and improve Asset Management Plans.	The risk is of insufficient work planned to maintain assets at optimum levels. This risk is reduced through robust Asset Management Plans.	Low
Range of Activities		
For the purpose of forecasting, it is assumed that the range of activities the Council currently undertakes will not change.	The Council may take on additional services, either through legislative requirements or through community advocacy. This would affect the overall cost of Council operations. Conversely there may also be pressure for the Council to hand the provision of some services to the market place. Most probably these would be services in which there are high private good aspects.	Low

STATEMENTS REGARDING THE FINANCIAL FORECASTS

The following statements of fact are matters that fall within the decision-making discretion of Council as opposed to assumptions underlying the financial forecasts. For this reason, they are recorded separately from the significant forecasting assumptions.

<i>Statement</i>	<i>Risk</i>	<i>Level of Uncertainty</i>
<i>Unforeseen Events</i>		
<p>The Whakatane District Council is a participant in the New Zealand Local Authority Protection Programme Disaster Fund Trust (LAPP fund). The New Zealand Government's Disaster Recovery Plan identifies a shared responsibility between Central and Local Government for qualified restoration activity after natural disasters have occurred.</p> <p>The eligibility of assistance from both Central Government and the LAPP fund is taken to be subject to the Council having taken sufficient contingency provision through:</p> <ul style="list-style-type: none"> • Proper maintenance • Reserve funding; or • Adequate insurance where practicable <p>Maintenance provisions are included in the Plan based on the Council's Asset Management Plans.</p> <p>The Council does not have in place reserve funding for disaster contingency. Where applicable and acceptable within the insurance business community in New Zealand, Council has cover for buildings and building contents including pumping equipment. The Council also has in place specific additional Civil Defence-related insurance (liability limit less excess is \$475,000).</p>	<p>The risk is that there will be a disaster event requiring emergency work that cannot be funded out of normal budgetary provisions. The potential effect of a disaster on Council's financial position is dependent on the scale, duration and location of the event. The ability to fund costs related to a disaster may change through the financial year.</p>	Low to Medium
<i>Estimates of Commitments and Contingencies</i>		
<p>No additional estimates are identified for commitments and contingencies, over and above that which has normally been included in the Council's Annual Plan.</p>	<p>The risk is that should any significant unforeseen commitment or contingency occur, expenditure and required rates may be impacted upon.</p>	Low
<i>Creation and Realisation of Investments, Reserves and Assets</i>		
<p>The plan assumes that investments and reserves will continue in accordance with the Council's current practice.</p> <p>The capital expenditure programme represents creation of assets.</p>	<p>The sale of assets would have a short term mitigating impact on rates increases if Council decided to put the proceeds of a sale towards general rates rather than debt retirement.</p>	Low

STRATEGIC MANAGEMENT STATEMENT

As detailed in the Council's Revenue and Financing Policy (contained in the Ten-year Council Community Plan) the Council uses a number of sources to fund its expenditure. The Council's expenditure primarily includes operational costs (costs of maintaining assets and providing for day to day services to the public), and capital expenditure (costs required to renew old assets, and provide new assets to maintain or improve levels of service).

The Council's Revenue and Financing Policy is based on who receives the benefits derived from the expenditure. Where there is a benefit to the general public funding is through rates charged across the District. Where benefits are to a specific catchment or user group different mechanisms are used to target the funding more toward those beneficiaries.

Capital expenditure is funded as follows:

Renewal of old assets:

Old assets that are replaced are funded through depreciation reserves and subsidies from central government. The depreciation reserves are generated through the general funding of depreciation. The Council has amended its assumption on the policy of fully funding depreciation cost. Depreciation has been funded on the average of the next 25 years renewal requirement. This renewal profile will be reviewed annually and the period will be increased as better Asset Management Plan information becomes available.

Growth related assets:

New assets are often required as a result of growth where existing assets are unable to meet the additional service requirements due to growth. Assets that are required as a result of growth are funded through loans in the short term, with repayment of loans being made through the collection of development contributions which are charged under section 106 of the Local Government Act. Refer to the Council's Development Contributions Policy in the Ten-year Council Community Plan.

Assets required as a result of changes in levels of service requirements:

Assets are sometimes required to provide an increased level of service, for example to meet a new legislative requirement or because the community, through consultation, has requested it. This type of capital expenditure is initially funded through loan funds which are then repaid through a mixture of targeted and general rates.

Loans and investments will be managed through internal funding mechanisms to ensure loans are repaid at appropriate times to keep the cost of capital as low as possible.

SIGNIFICANT ACCOUNTING POLICIES

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. The financial report consists of the financial statements of Whakatane District Council (the Council) and include the Whakatane Airport, which is a 50/50 joint equity venture between the Council and the Ministry of Transport..

Entities reporting

The financial statements are for the Council.

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

Basis of preparation

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Council is New Zealand dollars.

Statutory base

The Council is a local authority registered under the Local Government Act 2002. This Act requires compliance with New Zealand generally accepted accounting practice. The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 .

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment, investment property and biological assets subject to agricultural activity.

Critical accounting estimates

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

Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

SIGNIFICANT ACCOUNTING POLICIES CONT...

Transactions and balances Cont...

Translation differences on non monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of rebates and discounts.

Rates

Rates are recognised when levied. Penalties and discounts relating to rates are included where applicable.

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are issued.

Licences and permits

Revenue derived from licences and permits are recognised on application.

Development and financial contributions

Development contributions that impose specific and narrowly defined obligations on the Council are recognised as liabilities and released to revenue when the liability is extinguished. Other contributions are recognised when received and no longer refundable.

Sales of goods – retail

Sales of goods are recognised when the Council sells a product to the customer. Retail sales are usually in cash or by credit card. The recorded revenue is the gross amount of sale, including credit card fees payable for the transaction. Such fees are included in distribution costs. It is the Council's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale.

Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Commission sales

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission on the transaction. The Council collects rating revenue on behalf of Environment Bay of Plenty (Bay of Plenty Regional Council) on an ongoing basis. This income is not included in the Statement of Financial Performance as it does not belong to the Council. It is however, included as a receipt and payment in the Statement of Cash Flows.

Water

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

Rental revenue

Rental revenue is recognised in the period that it relates to.

SIGNIFICANT ACCOUNTING POLICIES CONT...

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Council reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue.

Grants and subsidies

Grants and subsidies received in relation to the provision of services are recognised on a percentage of completion basis. Other grants and subsidies are recognised when receivable.

Income tax

The Council is exempt from income tax except Council's interest in the Whakatane Airport as a Joint Venture which is taxable.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated inclusive of GST.

SIGNIFICANT ACCOUNTING POLICIES CONT...

Goods and Services Tax (GST) Cont...

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the Inland Revenue Department, 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.

Leases

(i) The Council is the lessee

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

(ii) The Council is the lessor

When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Assets leased to third parties under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

Impairment of assets

Items of property, plant and equipment and intangible assets with finite useful lives are reviewed at each balance sheet date to determine whether there is any indication that the asset might be impaired. Where such an indication exists, the asset is tested for impairment by comparing its carrying value to its recoverable amount. Intangible assets with indefinite useful lives, intangible assets not yet available for use and goodwill are tested for impairment annually. 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 the asset's fair value less costs to sell and its value in use. Where the future economic benefits of the asset are not primarily dependent on its ability to generate net cash inflows, and where the Council would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

SIGNIFICANT ACCOUNTING POLICIES CONT...

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 maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Inventories

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory held for distribution

Inventories held for distribution are measured at the lower of cost and current replacement cost. These assets are held for distribution at no charge in the ordinary course of the Council's operations

Non current assets (or disposal groups) held for sale

Non current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non current asset (or disposal group) is recognised at the date of derecognition.

Non current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

SIGNIFICANT ACCOUNTING POLICIES CONT...

Investments and other financial assets

(i) Financial assets at fair value through profit or loss

This category has two sub categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) 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 arise when the Council provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on tradedate the date on which the Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the income statement in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

SIGNIFICANT ACCOUNTING POLICIES CONT...

(iv) Available-for-sale financial assets Cont...

The Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, 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 profit and loss is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Council designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges). The Council documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed. Movements in the hedging reserve in shareholders' equity are shown.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss (for instance when the forecast purchase that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non financial asset (for example, plant) or a non financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability. When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

SIGNIFICANT ACCOUNTING POLICIES CONT...

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Council is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date. The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

Property, plant and equipment

Property, plant and equipment consists of:

Infrastructural assets, which are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function (for example wastewater reticulation includes reticulation piping and wastewater pump stations).

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

Operational assets, which include land, buildings, plant, library books, artefacts, equipment and motor vehicles.

Items of property, plant and equipment are initially recognised at cost, which includes purchase price plus directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue.

All property, plant and equipment is shown at cost or valuation less depreciation and impairment costs. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revalued assets are credited to other reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement. Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. Depreciation commences when the asset is available for use.

SIGNIFICANT ACCOUNTING POLICIES CONT...

The expected lives of major classes of fixed assets are as follows:

Life in Years

Operational assets: **Years**

Artefacts	To be assessed.
Land	N/A
Buildings	40-100
Vehicles	5
Plant and machinery – heavy	8-12.5
Plant and machinery – light	2-5
Furniture and fittings	10
Office equipment	4-5
<i>Intangible Assets:</i>	
Computer Software	3-10
Easements	N/A

Life in Years

Infrastructure Assets:	Years	Infrastructure Assets:	Years
Roading		Sewer:	
Land – road reserve	N/A	Sewer lines and service lines	60-80
Road formation	To be assessed	Manholes	70-80
Road pavements (structures)	40-170	Pump station – structure	60-70
Sealed roads	2-20	Pump station – contents	15-20
Unsealed roads	1-7	Ponds – structure	60
Traffic control device	50	Ponds – plant and equipment	15-20
Road signs and markers	7-15	Stormwater:	
Kerbs and channels and cesspits	50	Stormwater lines	60
Culverts	20-60	Manholes	60
Street lighting	12-40	Open drains and channels	50
Footpaths	5-60	Pump stations – structure	60-70
Bridges – concrete	100	Pump station – contents	25-30
Bridges – wooden	30	Retention dams	80-90
Car-parks	50	Floodgates	50
Water:		Refuse:	
Treatment plant – structure	70-90	Whakatane landfill	2.5
Treatment plant – contents	50	Murupara landfill	2
Pump stations – structure	50	Wharves:	
Pump stations – contents	20-25	Wharves (concrete)	50
Reservoirs – concrete and wooden	75-100		
Water lines and service lines	60-70		
Valves and hydrants	50		
Water meters	15-25		

SIGNIFICANT ACCOUNTING POLICIES CONT...

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Council policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Revaluation

Those assets that are revalued are valued on a three yearly valuation cycle. All other classes of assets are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Revaluation Infrastructural assets

Each class of asset is valued at fair value determined on a depreciated replacement cost basis by an independent valuer.

Revaluation Operational assets

Library books:

Library collections are valued at depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of NZ. Library valuations are performed by the Head Librarian and not subject to independent review because there are readily available market prices to determine fair value.

Artefacts:

Museum Collection is valued at fair value by an external valuer qualified to value artefacts. The valuation is carried out every 3 years.

SIGNIFICANT ACCOUNTING POLICIES CONT...

Investment property

Investment property is held for long term rental yields and capital appreciation and is not occupied by the Council or held to meet service delivery objectives. Properties leased to third parties under operating leases will generally be classified as investment property unless:

- the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation
- the occupants provide services that are integral to the operation of the owner's business and/or these services could not be provided efficiently and effectively by the lessee in another location
- the property is being held for future delivery of services
- the occupier uses services of the owner and those services are integral to the reasons for their occupancy of the property.

Investment property is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in the income statement as part of other income.

Intangible assets

(i) Computer software

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if the product or service is technically and commercially feasible and adequate resources are available to complete development. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost over the period of the expected benefit, which varies from 3 to 10 years.

Acquired computer software and software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 10 years.

Cost 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 the Council, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives not exceeding 10 years.

(ii) Easements

Easements are recognised at cost, being purchase price and any directly attributable costs in bringing the asset to its intended use. Easements have an indefinite useful life and consequently are not amortised, but are instead tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

SIGNIFICANT ACCOUNTING POLICIES CONT...

Biological assets

(i) Forests

Forest assets are predominantly standing trees which are managed on a sustainable yield basis. These are shown in the balance sheet at fair value less estimated point of sale costs at harvest. The costs to establish and maintain the forest assets are included in the income statement together with the change in fair value for each accounting period. The valuation of forests is based on discounted cash flow models where the fair value is calculated using cash flows from continued operations; that is, based on sustainable forest management plans taking into account growth potential. The yearly harvest from forecast tree growth is multiplied by expected wood prices and the costs associated with forest management, harvesting and distribution are then deducted to derive annual cash flows. The fair value of the forest assets is measured as the present value of cash flows from one growth cycle based on the productive forest land, taking into consideration environmental, operational and market restrictions. Forest assets are valued separately from the underlying freehold land. Changes in fair value are taken to the income statement

Trade and other payables

These amounts represent liabilities for goods and services provided to the Council prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

Grant Expenditure

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

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

Provisions

Provisions are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. 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 of the time value of money and the risks specific to the obligation. The increase in the

SIGNIFICANT ACCOUNTING POLICIES CONT...

provision due to the passage of time is recognised as an interest expense.

(i) Landfill post-closure costs

The Council, as operator of the Whakatane and Murupara landfills, has a legal obligation under the resource consent, to provide ongoing maintenance and monitoring services at the landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for postclosure costs arises. The provision is based on all the costs involved to remediate and monitor the landfill post-closure. A provision has been made for those old landfill sites now closed in Te Teko, Matata, Taneatua, Awatapu and Murupara. Provision is made for the present value of closure and postclosure costs. The calculations assume no change in the legislative requirements or technological changes for the closure and post-closure treatment. The discount rate used reflects current market assessments of the time value of money. Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits. Components of the capitalised landfill asset are depreciated over their useful lives, generally being the life of the landfill or a particular cell.

Changes in Existing Decommissioning, Restoration and Similar Liabilities, changes in the measurement of an existing decommissioning, restoration or similar liability (such as a landfill aftercare liability) that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, are required to be accounted for as follows:

- *If the related asset is measured using the cost model:* Changes in the liability shall be added to, or deducted from, the cost of the related asset in the current period. The amount deducted from the cost of the asset must not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess must be recognised immediately in profit or loss. If the adjustment results in an addition to the cost of an asset, the entity should consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable and, if it is such an indication, test the asset for impairment by estimating its recoverable amount and account for any impairment loss.
- *If the related asset is measured using the revaluation model:* Changes in the liability alter the revaluation surplus or deficit previously recognised on that asset. Thus, a decrease in the liability should be credited directly to the revaluation surplus in equity (except that it should be recognised in profit or loss to the extent that it reverses a revaluation deficit on the asset that was previously recognised in profit or loss), and an increase in the liability should be recognised in profit or loss (except that it should be debited directly to the revaluation surplus in equity to the extent of any credit balance existing in the revaluation surplus in respect of that asset). In the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess must be recognised immediately in profit or loss. A change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. If a revaluation is necessary, all assets of that class must be revalued.

Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date, are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

SIGNIFICANT ACCOUNTING POLICIES CONT...

(ii) Long service leave and gratuities

The liability for long service leave and gratuities is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Retirement benefit obligations

Current and former employees of the Council are entitled to benefits on retirement, disability or death from the Council's multi-employer benefit scheme. The Council has insufficient information and cannot follow defined benefit accounting, so the scheme is accounted for as a defined contribution plan. Contributions are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset if a cash refund or a reduction in the future payments is available.

Public equity

Public equity is the community's interest in the Council as measured by the value of total assets, less total liabilities. Public equity is segregated and classified into a number of reserves to enable clearer identification of the specified uses the Council makes of its accumulated surpluses. Reserves are a component of equity generally representing a particular use for which various parts of equity have been assigned.

- Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council, and which may not be revised by the Council without reference to the courts or a third party. Restricted reserves may be legally restricted. Transfer from these reserves may be made only for certain specified purposes or if certain specified conditions are met.
- Council-created reserves are part of the accumulated balance and are established at the will of the Council. The Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of the Council.
- Asset revaluation reserves are where land, buildings have been revalued, with the increase in asset value being credited to an asset revaluation reserve.

Internal transactions

Each significant activity is stated after the recording of internal costs and revenues. In order to present a true and fair view in the cost of services statements of Council, the support service costs have been fully allocated to the activities. This method has no effect on the operating result for the year. All significant internal transactions have been eliminated in the financial statements.

Statement of Prospective Financial Performance

2007/08 Annual Plan \$		Note	2008/09 LTCCP \$	2008/09 Annual Plan \$
INCOME				
(4,063,493)	General Rates	1	(6,864,019)	(6,005,456)
(21,298,293)	Targeted Rates	2	(21,656,420)	(21,618,171)
(8,624,746)	Subsidies & Grants		(11,525,963)	(11,744,936)
(5,171,485)	User Fees & Charges		(4,778,793)	(7,353,937)
(1,210,699)	Sundry Income		(1,347,658)	(1,592,820)
(150,000)	Interest General		(210,000)	(126,200)
(1,577,519)	Development Contributions		(1,614,493)	(1,751,549)
(465,048)	Revalued Assets		(465,048)	(465,048)
(42,561,283)	Total Income		(48,462,394)	(50,658,117)
1,015,699	Less Internal Borrowing		839,057	892,182
(41,545,584)	Net Income		(47,623,337)	(49,765,935)
EXPENDITURE				
1,498,546	Arts & Culture		1,477,662	1,970,356
3,156,113	Community Leadership & Govern		3,568,304	3,793,499
907,848	Community Safety		824,721	973,349
0	Corporate & District Activities		355,938	16,000
1,431,704	Environmental Controls		1,456,406	1,789,379
1,572,799	Environmental Planning		1,524,418	1,758,601
252,602	Environmental Protection		235,696	275,333
2,515,613	Parks Reserves & Cemeteries		2,629,685	3,070,960
885,165	Promotion & Economic Development		903,322	935,390
3,558,431	Recreation & Community Facility		4,147,125	4,041,999
3,241,159	Solid Waste Management		2,947,453	3,644,911
10,021,879	Transport & Network Systems		10,120,307	11,247,347
6,926,700	Water Related Activities		7,571,469	8,271,384
35,968,559	Total Expenditure		37,762,506	41,788,508
(1,015,699)	Less Internal Borrowing		(839,057)	(892,182)
34,952,860	Net Expenditure		36,923,449	40,896,326
(6,592,724)	Net Deficit/(Surplus)		(10,699,888)	(8,869,609)

Notes to the Statement of Prospective Financial Performance

2007/08 Annual Plan \$	NOTE 1: GENERAL RATES BY ACTIVITY	2008/09 LTCCP \$	2008/09 Annual Plan \$
(435,960)	Arts & Culture	(486,865)	(626,801)
(2,379,163)	Community Leadership & Govern	(2,690,015)	(2,920,824)
(444,848)	Community Safety	(396,309)	(478,637)
0	Corporate & District Activities	(355,938)	(73,487)
(389,897)	Environmental Controls	(643,041)	(257,993)
(770,146)	Environmental Planning	(793,230)	(732,441)
(241,578)	Environmental Protection	(212,636)	(258,285)
(93,395)	Parks Reserves & Cemeteries	(157,978)	(2,636)
(442,632)	Promotion & Economic Developmt	(447,927)	(473,248)
(1,204,043)	Recreation & Community Facil	(1,469,980)	(1,112,356)
(6,401,661)	Total General Rates	(7,653,919)	(6,936,708)
994,000	Less Corporate & District Activities Funds Applied	790,000	931,252
625,000	Less 50% Credit Balances 30/06/06	0	0
719,168	Less 75% Projected Balance 2006/07	0	0
(4,063,493)	General Rates Levied	(6,863,919)	(6,005,456)

2007/08 Annual Plan \$	NOTE 2: TARGETED RATES BY ACTIVITY	2008/09 LTCCP \$	2008/09 Annual Plan \$
(921,956)	Arts & Culture	(1,014,730)	(1,154,665)
(723,202)	Community Leadership & Govern	(1,198,400)	(772,812)
(2,008,680)	Parks Reserves & Cemeteries	(2,186,465)	(2,167,156)
(155,075)	Promotion & Economic Developmt	(155,912)	(176,478)
(799,094)	Recreation & Community Facil	(961,662)	(830,481)
(3,138,639)	Solid Waste Management	(2,550,077)	(2,573,021)
(7,248,385)	Transport & Network Systems	(6,145,547)	(6,703,776)
(6,182,288)	Water Related Activities	(7,443,627)	(7,409,783)
(21,177,318)	Total Targeted Rates	(21,656,420)	(21,788,171)
578,836	Less 50% Credit Balances 30/06/06		
(699,811)	Less 75% Projected Balance 2006/07	0	170,000
(21,298,293)	Targeted Rates Levied	(21,656,420)	(21,618,171)



Statement of Prospective Movements in Equity

2007/08 Annual Plan \$			2008/09 LTCCP \$	2008/09 Annual Plan \$
450,611,057	Equity - Beginning of Year		442,638,580	(548,357,518)
6,592,724	Net Surplus (Deficit) for period		10,699,888	(8,869,609)
11,976,771	Incr/Decr Asset Reval Reserve		11,432,869	
18,569,495	Total recognised revenue/expenses for period		22,132,757	(8,869,609)
469,180,552	Equity - End of year		464,771,337	(557,227,127)

Statement of Prospective Financial Position

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$
	Public Equity		
(445,703,781)	Accumulated Balance	(439,208,902)	(454,829,943)
(11,500,000)	Restricted Reserves	(2,152,796)	(12,301,136)
(11,976,771)	Asset Revaluation Reserves	(23,409,640)	(90,096,048)
(469,180,552)	Total Equity	(464,771,337)	(557,227,127)
	Current Assets		
5,000,000	Cash and Bank	500,000	863,000
1,000,000	Short Term Investments	0	0
4,000,000	Accounts Receivable	4,192,000	6,717,602
41,000	Prepayments	100,000	85,000
100,000	Stocks	100,000	88,000
10,141,000		4,892,000	7,753,602
	Non Current Assets		
64,915	Term Investments	4,181,715	17,830,000
46,000,000	Investment Properties	19,912,000	33,213,000
36,000,000	Restricted Assets	37,728,000	35,848,000
44,600	Forestry Assets	46,112	45,000
401,014,219	Fixed Assets	432,354,582	491,232,064
483,123,734		494,222,409	578,168,064
493,264,734	Total Assets	499,114,409	585,921,666
	Current Liabilities		
	Bank Overdraft		
(4,000,000)	Creditors and Accruals	(4,192,000)	(5,999,000)
(200,000)	GST	(200,000)	(200,000)
(425,000)	Deposits	(350,000)	(510,000)
(992,094)	Public Debt Current	(1,569,709)	(121,156)
(475,000)	Income in Advance	(475,000)	(1,393,000)
(30,000)	Provision Landfills Current	(30,000)	(30,000)
(6,122,094)		(6,816,709)	(8,253,156)
	Non Current Liabilities		
(16,034,366)	Public Debt	(25,290,363)	(17,829,979)
(1,927,723)	Provision Landfills	(2,236,000)	(2,611,404)
(17,962,089)		(27,526,363)	(20,441,383)
469,180,552	Total Assets/Less Liabilities	464,771,337	557,227,127

Statement of Prospective Cashflows

2007/08 Annual Plan \$		2008/09 LTCCP \$	2008/09 Annual Plan \$
	Cashflows From Operating Activities		
	Cash was provided from:		
(25,361,786)	Rates	(28,520,339)	(27,623,627)
(3,694,272)	Collection of Agency Rates	(3,694,272)	(4,137,585)
(8,699,835)	Subsidies	(11,480,921)	(11,744,936)
(150,000)	Interest	(210,000)	(126,200)
(7,584,615)	Other Revenue	(7,786,086)	(9,806,124)
<u>(45,490,508)</u>		<u>(51,691,618)</u>	<u>(53,438,472)</u>
	Cash was applied to:		
22,576,052	Payments to Suppliers and Employees	23,770,687	28,353,249
3,694,272	Rates paid over for Agencies	3,694,272	4,137,585
976,561	Interest paid on Term Debt	1,655,070	1,352,030
	Net GST to IRD		
<u>(18,243,623)</u>	Net Cash from Operating Activities	<u>(22,571,589)</u>	<u>(19,595,608)</u>
	Cashflows from Investing Activities		
	Cash was provided from:		
0	Disposal of Assets Held for Sale	0	(18,000,000)
	Cash applied to:		
26,391,210	Purchase and development of Fixed Assets	28,457,565	25,072,902
800,627	Purchase of Investments	3,580,461	19,049,769
<u>27,191,837</u>	Net Cash from Investing Activities	<u>32,038,026</u>	<u>26,122,671</u>
	Cashflows from Financing Activities		
	Cash was provided from		
(9,940,308)	Loans Raised	(10,743,259)	(8,377,069)
	Cash was applied to		
992,094	Repayment of Term Debt	1,276,822	1,850,006
<u>(8,948,214)</u>	Net Cashflow from Financing Activities	<u>(9,466,437)</u>	<u>(6,527,063)</u>
0	Net Increase (Decrease) in Cash held	0	0
500,000	Plus Opening Cash Balance	500,000	863,000
<u>500,000</u>	Closing Cash Balance	<u>500,000</u>	<u>863,000</u>
	Made up of		
500,000	Cash and Bank	500,000	863,000
<u>500,000</u>	Closing Cash Balance	<u>500,000</u>	<u>863,000</u>

Capital Expenditure Summary 2008/09

	2008/09		2008/09		2008/09		Funding Sources						Totals
	LTCPP	LTCPP Inflation Adj	Revised	LTCCP	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates	
Community Leadership and Governance													
Disaster Mitigation													
Mataia Urban/Rural Flood Hazard Mitigation	4,131,300	4,131,300	4,161,300			2,044,433		2,116,867					4,161,300
West End Urban/Rural Flood Hazard Mitigation	250,000	250,000	-			-		-					-
Edgecumbe Urban/Rural Flood Hazard Mitigation	1,360,000	1,360,000	1,370,000			916,667		453,333					1,370,000
	5,741,300	5,741,300	5,531,300			2,961,00		2,570,200					5,531,300
Arts & Culture													
Libraries													
Library Systems	10,000	10,620	10,620		4,567						6,053		10,620
Library Mixed Collection Renewal	107,362	114,018	114,018		114,018								114,018
	117,362	124,638	124,638		118,585						6,053		124,638
Museum													
Arts & Culture Centre Stage 2	4,154,000	4,411,548	282,500				282,500						282,500
Vernon Museum System	2,500	2,655	2,655		2,655								2,655
	4,156,500	4,414,203	285,155		2,655		282,500						285,155
	4,273,862	4,538,841	409,793		121,240		282,500				6,053		409,793
Parks, Reserves and Cemeteries													
Parks and Reserves													
Edgecumbe Domain Playground Development	29,340	31,012	30,000						30,000				30,000
Amokora Playground Development	14,670	15,506	15,506		15,506								15,506
West End Road Land Acquisition	200,000	211,400	-										-
West End Road Beach Access 08/09	14,622	15,455	15,455						15,455				15,455
Maratotara Skatepark Redevelopment	47,751	50,473	50,000		25,000				25,000				50,000
Otao South Carpark Development	71,796	75,888	-										-
Otarawairere Lookout Upgrade	27,806	29,391	29,391		29,391								29,391

Capital Expenditure Summary 2008/09, cont ...

	Funding Sources										Totals	
	2008/09 LTCCP	2008/09 LTCCP Inflation Adj	2008/09 Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees & Charges	Targeted Rates		General Rates
Rural Non Council Owned Playground Development	10,000	10,570	10,570		10,570							10,570
Whakatane Gardens pathway	52,448	55,438	55,438				55,438					55,438
Warren Cole Cycleway	129,712	137,106	137,106				137,106					137,106
Sullivan Park Footpath	48,992	51,785	-									-
Rex Morpeth Park	99,934	105,630	-									-
Drinking Fountain Installations			10,000				10,000					10,000
Sullivan Lake retaining walls assessment/ Replacement			15,000	15,000								15,000
Pikowai Camping Ground replace fencing			4,500	4,500								4,500
Pikowai Water supply upgrade (uv light)			-									-
Coastlands Piripai Coastland reserve acquisitions			200,000			200,000						200,000
Radio Ant to Otaraire Bay - Step replacements			10,000	10,000								10,000
Ohope Playground development- water ways			40,000				40,000					40,000
Pacific Park Playground (deferred from 2007-08)			-									-
Awatapu Bridge (deferred from 2007-08)			-									-
Whakaari Reserve carpark development (deferred from 2007-08)			-									-
Taneatua Carpark - Mitchell Park			50,000						50,000			50,000
	747,071	789,654	672,966	99,397	10,570	200,000	312,999	-	50,000	50,000		672,966
Sportsfields												
Investigation into other sportsfield locations	59,457	62,846	62,846				62,846					62,846
Edgecumbe Domain improvements			14,500				14,500					14,500
Major Cricket Wicket Renovation			10,000	10,000								10,000
Cricket Wicket Irrigation System - Rex Morpeth Park			5,000				5,000					5,000
	59,457	62,846	92,346	10,000	-	-	82,346	-	-	-	-	92,346

Capital Expenditure Summary 2008/09, cont ...

	2008/09	2008/09	2008/09	2008/09	Funding Sources								Totals							
					LTCCP	LTCCP Inflation Adj	Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves		Fees & Charges	Targeted Rates	General Rates				
Cemeteries																				
Whakatane Cemetery Expansion	20,450	21,616	20,450									20,450								20,450
Hillcrest Cemetery expansion Investigation	20,000	21,140	20,000									20,000								20,000
Whakatane Cemetery Berms	6,000	6,342	6,342									6,342								6,342
	46,450	49,098	46,792									46,792								46,792
	852,978	901,598	812,104	109,397	10,570	200,000						442,137								812,104
Recreation and Community Facilities																				
Swimming Pools																				
Murupara pool filtration system upgrade/replacement			18,000				18,000													18,000
Pool Equipment			20,000				20,000													20,000
			38,000				38,000													38,000
Halls																				
Edgecumbe Hall Supper Room Redecoration	7,296	7,712	7,712				7,712													7,712
Murupara Hall Roof and Interior Paintwork	22,001	23,255	23,255				23,255													23,255
Te Teko Hall Carpark Resurfacing and Miscellaneous	10,103	10,679	10,679				10,679													10,679
Te Teko Pavilion Shower Refurbishment and Paintwork	10,103	10,679	10,679				10,679													10,679
Murupara Pavilion Interior Paintwork	3,817	4,035	4,035				4,035													4,035
Galatea Hall Interior Paintwork	5,837	6,170	6,170				6,170													6,170
Galatea Hall Exterior Paintwork	4,266	4,509	4,509				4,509													4,509
Taneatua Community Hall Interior Refurbishment	11,225	11,865	11,865				11,865													11,865
Whakatane War Memorial Hall Refurbishment: Stadium Paintwork	21,182	22,389	22,389				22,389													22,389
Whakatane War Memorial Hall Refurbishment: Floodlight Renewal	6,600	6,976	6,976				6,976													6,976
Whakatane War Memorial Hall Refurbishment: Basketball Hoop Structure	4,771	5,043	5,043				5,043													5,043

Capital Expenditure Summary 2008/09, cont ...

	2008/09		2008/09		2008/09		Funding Sources							Totals
	LTCCP	LTCCP Inflation Adj	Revised	LTCCP	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates		
Whakatane War Memorial Hall Refurbishment: Little Theatre Carpet	17,960	18,984	-	-	-	-	-	-	-	-	-	-	-	-
Whakatane War Memorial Hall kitchen upgrade			25,000						25,000					25,000
Manawahe Hall carparking improvements			10,000			10,000								10,000
	125,161	132,295	148,311		113,311	10,000	-	-	25,000	-	-	-	-	148,311
Public Conveniences														
Public Conveniences Minor Capital Works	9,230	9,756	9,756		9,756									9,756
Pikowai East Toilets shower lights	3,056	3,230	3,230		3,230									3,230
Pikowai West toilets external finishes	3,423	3,618	3,618		3,618									3,618
Surf Club toilets external and internal finishes	6,113	6,461	6,461		6,461									6,461
Tennis Club toilets internal finishes	3,056	3,230	3,230		3,230									3,230
Ocean Road toilets external and internal finishes	4,157	4,394	4,394		4,394									4,394
Maratotara Toilets external finishes	1,223	1,293	1,293		1,293									1,293
Grandstand toilets external and internal finishes	4,279	4,523	4,523		4,523									4,523
James Street Exceloo internal finishes	2,934	3,101	3,101		3,101									3,101
Rigby Park toilets external finishes	3,056	3,230	3,230		3,230									3,230
Soccer Club toilets internal finishes	1,223	1,293	1,293		1,293									1,293
The Heads toilets external finishes	3,668	3,877	3,877		3,877									3,877
Warren Park Toilets external finishes	2,567	2,713	2,713		2,713									2,713
College Road toilets external finishes	1,223	1,293	-		-									-
Pitipai/Coastlands new public conveniences	103,913	109,836	-		-									-
Eve Rimmer Building internal and external finishes	2,017	2,132	2,132		2,132									2,132
Eve Rimmer Building Carpark reseal	3,912	4,135	4,135		4,135									4,135
Toilets at Landing Road bridge			130,000			130,000								130,000
Edgecumbe Domain Public Convenience Toilets			76,093			76,093								76,093
	159,050	168,116	263,080		56,987	206,093	-	-	-	-	-	-	-	263,080

Capital Expenditure Summary 2008/09, cont ...

	2008/09							2008/09							2008/09							Totals		
	LTCPP	LTCPP Inflation Adj	Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates	LTCPP	LTCPP Inflation Adj	Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees & Charges	Targeted Rates		General Rates	
Pensioner Housing																								
Disabled access improvements			20,000															20,000						20,000
Annual Internal refurbishments Pensioner Units	60,000	63,420	63,420	63,420																				63,420
Prepare Surfaces and apply global exterior finishes at 18/20 Kowhai St Murupara Pensioner flats	2,050	2,167	2,167	2,167																				2,167
Prepare surfaces and apply interior decorative finishes at Veronica pensioner Flats	25,113	26,544	26,544	26,544																				26,544
Alice Stone Flats - Roof Improvements			15,000															15,000						15,000
Carparking at Iovelock court			15,000															15,000						15,000
Port	87,163	92,131	142,131	92,131																				142,131
Western Training Wall	345,605	365,304	-																					-
Whakatane River Wharf Structures Renewal	183,375	193,827	-																					-
Whakatane River Quay Street West Wharf Extension	684,600	723,622	-																					-
Waka Ama/ rowing club ramp			40,000															40,000						40,000
Harbour Leases	1,213,580	1,282,754	40,000	-														40,000						40,000
Town Vision Consultancy			300,000																					300,000
Town Vision Implementation - Property Acquisitions			840,000															840,000						840,000
			1,140,000															1,140,000						1,140,000
	1,584,954	1,675,296	1,771,523	300,430	216,093													1,255,000						1,771,523
Solid Waste Management																								
Whakatane Landfill Final Cover and other capital Construction Works	122,250	129,830	122,250	122,250																				122,250
Murupara Landfill Final Cover and other Capital Construction Works.	122,250	129,830	-																					-

Capital Expenditure Summary 2008/09, cont ...

	2008/09		2008/09		2008/09		Funding Sources							Totals
	LTCPP	LTCPP Inflation Adj	Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates			
Mataia Landfill Remediation Works	85,575	90,881	-	-	-	-	-	-	-	-	-	-	-	-
Taneatua Landfill Final Cover and other Capital Construction Works.	91,688	97,373	-	-	-	-	-	-	-	-	-	-	-	-
Whakatane Recycle Park Minor Capital Works	12,225	12,983	12,225	-	12,225	-	-	-	-	-	-	-	-	12,225
Murupara Transfer Station Minor Capital Works	6,113	6,492	6,113	-	6,113	-	-	-	-	-	-	-	-	6,113
Transfer Station Resource Consent	-	-	153,375	122,250	76,688	76,688	-	-	-	-	-	-	-	153,375
440,101	467,387	293,963	122,250	76,688	76,688	-	-	-	-	-	-	-	-	293,963
Transport Networks and Systems														
Financially Assisted														
Shoulder Reconstruction	27,500	28,875	-	-	-	-	-	-	-	-	-	-	-	-
Xmas lights	9,441	9,913	-	-	-	-	-	-	-	-	-	-	-	-
Culvert Replacements	59,700	62,685	-	-	-	-	-	-	-	-	-	-	-	-
Onepu Springs Road 0 - 700 R	165,330	173,597	-	-	-	-	-	-	-	-	-	-	-	-
Reseal 2006/2007	1,787,000	1,876,350	-	-	-	-	-	-	-	-	-	-	-	-
Development of Walking and Cycle Tracks	60,000	63,000	-	-	-	-	-	-	-	-	-	-	-	-
Titoki Road Bridge 85 Widening	267,100	280,455	-	-	-	-	-	-	-	-	-	-	-	-
Culvert Replacements 08/09	50,200	52,710	-	-	-	-	-	-	-	-	-	-	-	-
Edgecumbe Soldiers Road 0 - 700 R	92,400	97,020	-	-	-	-	-	-	-	-	-	-	-	-
Thin Asphaltic Surfacing - Resurfacing existing intersections	330,000	346,500	-	-	-	-	-	-	-	-	-	-	-	-
Ohope Road Safety improvements & Seal Widening - Cycle/footpath	375,000	393,750	-	-	-	-	-	-	-	-	-	-	-	-
MacDonald's road Pavement smoothing 1	127,872	134,266	-	-	-	-	-	-	-	-	-	-	-	-
Mimiha Road Seal Widening	140,000	147,000	-	-	-	-	-	-	-	-	-	-	-	-
Galatea Road AWPT	288,596	303,026	-	-	-	-	-	-	-	-	-	-	-	-
Major Drainage	550,000	577,500	-	-	-	-	-	-	-	-	-	-	-	-
Minor Safety	125,000	131,250	-	-	-	-	-	-	-	-	-	-	-	-

Capital Expenditure Summary 2008/09, cont ...

	Funding Sources							Totals			
	2008/09	2008/09	2008/09	2008/09	2008/09	2008/09	2008/09				
	LTCPP	LTCPP Inflation Adj	Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates
SPR Minor Safety	77,500	81,375	-	-	-	-	-	-	-	-	-
Ruatahuna Road SPR Seal Extension	254,760	267,498	-	-	-	-	-	-	-	-	-
Unidentified Project	351,453	369,026	-	-	-	-	-	-	-	-	-
	5,138,852	5,395,795	-	-	-	-	-	-	-	-	-
Renewal of SPR roads - FA											
Unsealed road metalling - Metalling			195,500				195,500				
Drainage Renewals - Stormwater renewals			169,000				169,000				
Traffic services renewals - Traffic lighting			500				500				
Traffic services renewals - Signs			16,900				16,900				
			381,900				381,900				
Renewal of local roads - FA											
Unsealed road metalling - Metalling			252,900	139,095			113,805				
Sealed road resurfacing - Reseals			2,104,300	1,157,365			946,935				
Sealed road resurfacing - Thin Asphalt Surfacing			348,200	191,510			156,690				
Drainage renewals - Mimiha Rd widening			15,500	8,525			6,975				
Drainage renewals - Gorge road widening			-	-49,410			49,410				
Drainage renewals - Kerb & Channel renewals			315,700	173,635			142,065				
Drainage renewals - Culvert renewals			116,700	64,185			52,515				
Pavement Rehabilitation - Herepuru road pavement rehab			92,600	50,930			41,670				
Pavement Rehabilitation - Awaitei North Pavement rehab			155,500	85,525			69,975				
Pavement Rehabilitation - Station road rehabilitation			198,100	108,955			89,145				
Structures components replacements - Bridge Concrete repairs			97,300	53,515			43,785				

Capital Expenditure Summary 2008/09, cont ...

	2008/09 LTCCP	2008/09 LTCCP Inflation/Adj	2008/09 Revised	Funding Sources							Totals	
				Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees & Charges	Targeted Rates		General Rates
Traffic services renewals - Traffic signs & road markings			142,300	78,265			64,035					142,300
Traffic services renewals - Carriageway lighting			122,900	67,595			55,305					122,900
Associated improvements - Herepuru road pavement rehab			15,600	8,580			7,020					15,600
Associated improvements - Awaitei North Pavement rehab			22,700	12,485			10,215					22,700
Associated improvements - Mimiha Rd widening			70,000	-31,500			101,500					70,000
Associated improvements - Gorge road widening			-	-			-					-
Associated improvements - Mill road			35,000	19,250			15,750					35,000
Associated improvements - Shoulder reconstruction			28,900	15,895			13,005					28,900
			4,134,200	2,154,400	-	-	1,979,800					4,134,200
Improvement of local roads - FA												
Bridge Renewals - Te Kooti Culvert			-									-
Bridge Renewals - Kirkbride Road Bridge Replacement			254,000	114,300			139,700					254,000
Road Reconstruction - MacDonald road pavement smoothing			142,500	64,125			78,375					142,500
Road Reconstruction - Mill Road 1			90,000	40,500		40,500	49,500					90,000
Road Reconstruction - Mill Road 2			49,350	24,675		24,675	24,675					49,350
Integrated Transportation Strategy Study			250,000	110,000		110,000	140,000					250,000
Minor Improvements - Herepuru road pavement rehab			33,600	15,120			18,480					33,600
Minor Improvements - Gorge road widening			-									-
Minor Improvements - Minor improvements general			332,500	163,980			168,520					332,500
Minor Improvements - Ohope Road path			150,000		67,500		82,500					150,000
Land Purchase Costs - Road Legalisation			36,000				16,000				20,000	36,000
			1,337,950	357,525	175,175	67,500	717,750				20,000	1,337,950

Capital Expenditure Summary 2008/09, cont ...

	2008/09		2008/09		2008/09		2008/09		2008/09		2008/09		2008/09		2008/09		2008/09		2008/09		2008/09	
	LTCCP	LTCCP Inflation Adj	Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates	Totals										
Whakatane New Mains - Paroa	36,630	39,707	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Whakatane New service connections	27,811	30,147	30,147	-	-	-	-	-	30,147	-	-	30,147	-	-	-	-	-	-	-	-	-	30,147
Whakatane WTP Minor Plant Renewal	30,000	32,520	32,520	32,520	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,520
Whakatane WTP - Process/Computer Upgrade	30,563	33,130	33,130	33,130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,130
Whakatane WTP - Structure Modification	78,240	84,812	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Whakatane WTP Filter Covering	58,680	63,609	63,609	63,609	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,609
Whakatane Water Pump Station Components	9,780	10,602	10,602	10,602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,602
Water mains upgrade Whakatane West	173,825	188,426	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Pipe Replacement	92,986	100,797	100,797	100,797	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,797
Creating bulk zones and pressure management	-	-	175,000	-	175,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	175,000
Whakatane water reservoir upgrade	-	-	175,000	-	175,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	175,000
Coastland extensions - Stage 2 Rising Main	-	-	200,000	-	-	200,000	-	-	-	-	200,000	-	-	-	-	-	-	-	-	-	-	200,000
Pipe replacements - Whakatane	-	-	100,000	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000
Whakatane water pump replacement	-	-	42,000	42,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42,000
Whakatane water treatment plant improvements	-	-	120,000	-	120,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	120,000
Water AMP 2007-2009	40,900	43,231	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Scheme Plans 2007-09	25,562	27,019	27,019	-	27,019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,019
Salinity Issues - Investigations, Design and Test Bore	-	-	130,000	-	130,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	130,000
Ohope Water Supply	616,977	667,009	1,252,832	395,666	627,019	200,000	-	-	30,147	-	-	-	-	-	-	-	-	-	-	-	-	1,252,832
Ohope Bulk meters	10,146	10,998	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ohope - New Service Connections	12,357	13,395	13,395	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,395
Fire flow upgrades - East end of Ohope	-	-	250,000	-	250,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250,000
Edgecumbe Water Supply	22,503	24,393	263,395	-	250,000	-	-	-	13,395	-	-	-	-	-	-	-	-	-	-	-	-	263,395
Edgecumbe-New Water Connections	557	604	604	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	604
Edgecumbe Fire Hydrant Renewal	3,301	3,578	3,578	3,578	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,578
Edgecumbe - MoH Capital Assistance Programme projects	-	-	25,000	-	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000
	3,858	4,182	29,182	3,578	25,000	-	-	-	604	-	-	-	-	-	-	-	-	-	-	-	-	29,182

Capital Expenditure Summary 2008/09, cont ...

	2008/09		2008/09		2008/09		Funding Sources							Totals	
	LTCCP	LTCCP Inflation Adj	Revised	2008/09	LTCCP	Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees & Charges	Targeted Rates		General Rates
Matata Water Supply															
Matata - New Connections	2,225	2,412	2,412									2,412			2,412
Matata - MoH Capital Assistance Programme projects	-	-	25,000					25,000							25,000
Taneatua Water Supply															
Taneatua MoH Capital Assistance Programme projects	-	2,225	27,412					25,000				2,412			27,412
Murupara Water Supply															
Murupara Kopuriki Bulk Meter	1,579		-	1,712											-
Murupara pump replacement, water	70,000	75,880	75,880			75,880									75,880
Murupara MoH Capital Assistance Programme projects	-	-	25,000					25,000							25,000
Ruakoki Water Supply															
Ruakoki Pump Station Renew Controls	9,902	10,734	10,734			10,734									10,734
Ruakoki MoH Capital Assistance Programme projects	-	-	25,000					25,000							25,000
Waimana Water Supply															
Waimana WTP Renew Bulk Meter	1,579	1,712	1,712			1,712									1,712
Waimana MoH Capital Assistance Programme projects	-	-	25,000					25,000							25,000
Plains Water Supply															
New Service Connections	19,774	21,435	21,435								21,435				21,435
Pump replacement	10,000	10,840	10,840			8,672					2,168				10,840
Paul Rd Bore - Supply main	1,000,000	1,084,000	-												-
Renew Water Service Lines	19,774	21,435	21,435								21,435				21,435
Improvements to water supply in Awakeri	-	-	160,000					160,000							160,000
Paul Rd Bore - Production wells	-	-	306,000					306,000							306,000
	1,049,548	1,137,710	519,710			8,672		466,000			45,038				519,710

Capital Expenditure Summary 2008/09, cont ...

	2008/09		2008/09		2008/09		Funding Sources							Totals		
	LTCPP	LTCPP Inflation Adj	Revised	2008/09	2008/09	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates			
Te Mahoe Water Supply																
Te Mahoe Water Rising Main Upgrade	21,424	23,224	23,224	23,224	23,224	23,224										23,224
Te Mahoe Fire Hydrant Renewals	2,048	2,220	-	-	-	-										-
Te Mahoe MoH Capital Assistance Programme projects	-	-	25,000	-	-	-	25,000									25,000
Whakatane Wastewater																
Whakatane pump replacement, sewer	6,500	7,046	7,046	7,046	7,046	7,046										7,046
Renewal of pump station components, Whakatane	4,890	5,301	5,301	5,301	5,301	5,301										5,301
McAlister ST Reirculation renewal Stage 2, Whakatane	95,722	103,763	103,763	103,763	103,763	103,763										103,763
Wastewater AMP 2007-2009	61,350	64,847	20,000	20,000	20,000	20,000	20,000									20,000
Wastewater Scheme Plans 2007-2009	30,675	32,423	32,423	32,423	32,423	32,423	32,423									32,423
	199,137	213,380	168,533	168,533	168,533	116,109	52,423	-	-	-	-	-	-	-	-	168,533
Ohope Wastewater																
Ohope pump replacement, sewer	3,500	3,794	3,794	3,794	3,794	3,794										3,794
Reirculation renewal, Ohope	25,746	27,909	27,909	27,909	27,909	27,909										27,909
Ohope sewer modelling	-	-	70,000	-	70,000	-	70,000									70,000
Ohope waste water treatment investigations	-	-	125,000	-	125,000	-	125,000									125,000
	29,246	31,703	226,703	31,703	226,703	31,703	195,000	-	-	-	-	-	-	-	-	226,703
Edgecumbe Wastewater																
Edgecumbe pump replacement, sewer	11,000	11,924	11,924	11,924	11,924	477	11,447									11,924
Pump Station 9 Upgrade, Edgecumbe	140,588	152,397	152,397	152,397	152,397	152,397										152,397
Edgecumbe sewer studies	-	-	60,000	-	60,000	-	60,000									60,000
	151,588	164,321	224,321	164,321	224,321	152,874	71,447	-	-	-	-	-	-	-	-	224,321
Matata Wastewater																
Matata Sewerage Scheme	4,030,000	4,368,520	2,368,520	4,368,520	2,368,520	2,368,520	355,278		2,013,242							2,368,520
	4,030,000	4,368,520	2,368,520	4,368,520	2,368,520	-	355,278	-	2,013,242	-	-	-	-	-	-	2,368,520
	7,915,000	8,514,477	5,974,964	8,514,477	5,974,964	820,152	2,849,975	200,000	2,013,242	45,038	46,558	-	-	-	-	5,974,964
Corporate Information Management																
PC's and Peripheral Equipment	150,000	158,550	123,000	158,550	123,000	123,000										123,000
Network Hardware	30,000	31,710	43,000	31,710	43,000	43,000										43,000

Capital Expenditure Summary 2008/09, cont ...

	2008/09		2008/09		2008/09		Funding Sources							Totals
	LTCPP	LTCPP Inflation Adj	Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates			
PABX	25,000	26,425	26,425	26,425										26,425
EDMS	5,000	5,285	173,500	173,500										173,500
Aerial Photography	20,000	21,140	-	-										-
Internet Public Interface	15,000	15,855	115,000	115,000										115,000
Camera Network	2,500	2,643	32,000	32,000										32,000
GIS Software	10,000	10,570	-	-										-
Origen Development	-	-	255,000		255,000									255,000
Info Mgmt	-	-	200,000		200,000									200,000
IT Infrastructure	-	-	112,000		112,000									112,000
Asset Management System			400,000		400,000									400,000
Web Portal Development	257,500	272,178	67,000	512,925	67,000									67,000
			1,546,925		1,034,000	-	-	-	-	-	-	-	-	1,546,925
Operations Business Unit														
OBU - Vehicle Replacement			76,380		76,380									76,380
			76,380		76,380									76,380
Works & Services														
Project Management costs			374,316		374,316									374,316
			374,316		374,316									374,316
Corporate Property														
Civic Centre Stove Replacement	1,235	1,305	1,305					1,305						1,305
Civic Centre Vinyl Replacement	3,552	3,754	3,754					3,754						3,754
Civic Centre Exit Signs	4,217	4,457	4,457					4,457						4,457
Civic Centre Exterior Lighting	2,919	3,085	3,085					3,085						3,085
Civic Centre Carpark Remarking	4,915	5,195	5,195					5,195						5,195
Murupara Office Interior Paintwork and Wallpaper	17,960	18,984	18,984					18,984						18,984
Valley Road (Waterguard Depot) Reticulation Shed Exterior Paintwork	3,929	4,153	4,153					4,153						4,153
Valley Rd (Waterguard Depot) Filters Workshop Exterior Paintwork	4,490	4,746	4,746					4,746						4,746
Edgecumbe Community Building Carpet and Wallpaper	6,735	7,119	20,000					20,000						20,000
Edgecumbe Community Building Carpark Reseal	5,613	5,933	5,933											5,933

	Funding Sources										Totals	
	2008/09 LTCCP	2008/09 LTCCP Inflation Adj	2008/09 Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees & Charges	Targeted Rates		General Rates
Whakatane Museum Exterior Paintwork	15,715	16,611	16,611					16,611				16,611
Civic Centre Air-conditioning			30,000					30,000				30,000
Dog Pound paintwork - Whakatane			8,000					8,000				8,000
Dog Pound Extension			10,000					10,000				10,000
Civic Centre carpet upgrade			12,000	12,000								12,000
Civic Centre Exec furniture upgrade			25,000	25,000								25,000
Civic Centre Office chair replacements			16,000	16,000								16,000
OBU - Floor coverings			5,000	5,000								5,000
OBU - Small Plant			9,190	9,190								9,190
Vehicle Replacement	230,000	243,110	243,110	243,110								243,110
OBU - Floor coverings			5,000	5,000								5,000
OBU - Small Plant			9,190	9,190								9,190
Vehicle Replacement	230,000	243,110	243,110	243,110								243,110
	301,280	318,453	446,524	310,300				130,291			5,933	446,524
Total	27,050,818	28,457,565	25,072,903	4,995,119	8,227,759	846,688	8,482,167	2,059,666	46,558	409,013	5,933	25,072,903





FUNDING IMPACT STATEMENT



FUNDING IMPACT STATEMENT

Introduction

The revenue and financing mechanisms to be used to cover the estimated expenses of the Council are covered in the Revenue and Financing Policy (contained in the Ten-year Council Community Plan).

The 2008/09 fees and charges for activities undertaken by the Council are included in Volume Two. The fees and charges are calculated to achieve the funding mix as identified in the Revenue and Financing Policy.

Rating system

The Council has adopted the following philosophy for the apportionment of rates:

- Where services and the users of those services can be clearly defined, the users should contribute towards the cost of providing those services in proportion to their level of use; and
- Where services are provided to particular parts of the District, the cost of those services should be met through rates charged to that part of the District the services are provided to; and
- Where the users or the level of use of services cannot easily be defined then everyone should pay the same.

To implement this philosophy, the Council utilises the **Capital Value** system of rating for all valuation-based rates with the exception of the Works and Facilities rate in the Murupara Community Rating area (Land Value).

Council has adopted the Capital Value based rating system for the following reasons:

- the benefits/funding alignment for Capital Value is greater than for Land Value as improvements are included in the valuation and high capital development usually results in high levels of activity and high demand for Council services

- the valuation base is larger and therefore a bigger subset of total wealth. This larger tax base also means less distortionary impact on rate at revaluation and as the valuation base grows
- there is a two fold increase in income from rates with both subdivision and then building development contributing
- there is an improved ability to pay as under capital value low cost housing and older seaside dwellings will be comparatively better off than under Land Value
- utility companies can be rated in full
- Capital Value is probably the system best understood by ratepayers as it is the closest to market value of the property whereas Land Value is part of the property value and is sometimes adjusted to offset decline/increase in improvements value. There is also good sales evidence to support valuations.

Differential rates

To further the Council's funding philosophy, it has adopted a regime of Differential Rates. The principal reasons for this are:

- to reflect a significant difference in the levels of benefits (Council services) in one ratepayer sector compared to another
- to reflect the ability to pay of the respective ratepayer sectors
- to phase in an alternative rate or a higher level of funding
- to ameliorate an adverse impact of a District revaluation

Targeted rates

The Council also utilises Targeted Rates in the application of its funding philosophy. These targeted rates are set both as a Rate based on valuation (Works and Facilities and Roothing) and as a uniform charge for each rating unit (Community Board, Works and Facilities, Swimming Pool, Roothing, Refuse, Parks, Promotion and Development, Sewage and Water).

These targeted rates are also set on a differential basis in some cases.

The Local Government (Rating) Act 2002 requires the Council to include a statement on the following matters in its Annual Plan. These include:

- The basis of setting the general rate, i.e. land, annual or capital value (section 13).
- Any category or categories that will be used for differentiating the general rate (section 14).
- The function or functions for which a targeted rate will be set (section 16).
- Any category or categories of land that will be used to set a targeted rate on a differential basis or determine whether a property will be liable for a targeted rate (section 16).
- Any factor or factors that will be used to calculate liability for a targeted rate (section 18).
- An indication that the Council wishes to set charges for water supply by volume consumed if the Council is intending to do so (section 19).

Section 21 of the Local Government (Rating) Act 2002 provides that Council are limited to 30% of the total rates revenue collected by way of uniform Annual General charges and targeted rates set on a uniform basis.

Excluded from this restriction are rates for water supply and sewage disposal. The following table shows the Council will comply with this provision in 2008/09.

Report on 30% Cap	
2008/09	
	Incl GST
UAGC	4,653,025
Works & Facilities	758,450
Democracy	400,366
Roothing	715,850
Refuse Collection	1,355,221
District Parks	731,415
Catchment Rates Disaster Mitigation	479,807
Promotion	198,538
	9,292,672
Total Rates	31,076,581
Percentage	29.90%

The method and impact of both general and targeted rates is covered in the "Rating Policy" section, which follows.

Rating Policy

1. Introduction

This rating policy summary should be read in conjunction with the Council’s Revenue and Financing Policy (contained in the Ten-year Council Community Plan).

All figures in this policy are GST inclusive.

Definition of Separately used or inhabited parts of a rating unit

“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.”

2. General Rates (Budgeted Revenue \$6,756,138)

The Council sets a general rate on the capital value of each rating unit in the District.

The general rate is set differentially, based on land use and value as follows:

	Differential
<ul style="list-style-type: none"> Commercial/Industrial properties greater than \$10.0 million of capital value (excluding farming, forestry and horticulture) 	0.6
<ul style="list-style-type: none"> All other properties 	1.0

The rates (in cents in the dollar of capital value) for 2008/09 are:

<ul style="list-style-type: none"> Commercial/Industrial properties greater than \$10.0 million of capital value (excluding Farming, Forestry and horticulture) 	0.017089
<ul style="list-style-type: none"> All other properties 	0.028482

In addition, the Council sets a Uniform Annual General Charge on all rating units in the District. In the 2008/09 year this charge is **\$325.00** per rating unit.

3. Works and Facilities Rate (Budgeted Revenue \$6,096,674)

The Works and Facilities rate is set to fund the following activities: parks (70% of net costs), dune care, land drainage, refuse disposal, trade waste, library services, swimming pools and recreation, in each location.

The Council sets a Works and Facilities targeted rate based on a fixed amount on rating units as follows:

Uniform Annual Charge	\$
All rating units in the rural rating area	\$50.00
All rating units in the Whakatane Community rating area	\$25.00
All rating units in the Ohope Community rating area	\$100.00
All rating units in the Edgecumbe Community rating area	\$50.00
All rating units in the Taneatua Community rating area	\$150.00
All rating units in the Murupara Community rating area	\$150.00

In addition, the Council sets a targeted rate on the capital value (except for Murupara where the rate is set on land value) of each rating unit by location.

The rate in the dollar, based on capital value (except for Murupara, Land Value), is calculated after deducting the fixed charge from the total rate requirement.

The targeted rate is set differentially, based on land use and value as follows:

Rates on Capital/Land Value set Differentially (Cents in the dollar of Capital/Land Value) for 2008/09 are as follows:	Differen- tial	Rate
Whakatane Commercial/ Industrial properties up to \$10.0 million of capital value (being all rating units situated in the Whakatane urban rating area that principally undertake any commercial/industrial activity or are zoned Commercial/ Industrial excluding residential properties)	2.2	0.321563
Whakatane Commercial/ Industrial properties greater than \$10.0 million capital value (being all rating units situated in the Whakatane urban rating area that principally undertake any commercial/ industrial activity or are zoned Commercial/Industrial excluding residential properties)	1.0	0.146165
All other rating units in the Whakatane Urban rating area	1.0	0.146165
Rural Commercial/Industrial Properties greater than \$10.0 million of capital value (excluding farming, forestry and horticulture)	0.60	0.010346
All other rating units situated in the Rural rating area.	1.0	0.017244
All rating units in the Ohope Community Board rating area	1.0	0.032164
Edgecumbe Commercial/ Industrial rating units greater than \$10.0 million of capital value	0.60	0.037724
All other rating units situated in the Edgecumbe Community rating area.	1.0	0.062873
All rating units in the Taneatua Community rating area.	1.0	0.191426
Murupara lifestyle rating units (Land Value)	0.05	0.04029
All other rating units situated in the Murupara Community rating area (Land Value)	1.0	0.805867

4. Community Board Rate (Budgeted Revenue \$400,366)

The Community Board rate is set to fund the costs of the five Community Boards.

The Council sets a Community Board targeted rate on rating units within each of the following areas (locations):

Uniform Annual Charge	\$
All rating units in the Whakatane Community Board Area	31.47
All rating units in the Ohope Beach Community Board area	25.21
All rating units in the Edgecumbe/Tarawera Community Board Area	24.82
All rating units in the Taneatua Community Board Area	22.09
All rating units in the Murupara Community Board Area	30.94

5. Swimming Pool Rate (Budgeted Revenue \$134,558)

The Swimming Pool Rate is set to fund the rural portion of the costs associated with the Whakatane Aquatic Centre (13%) and the Murupara Swimming Pool (45%).

The Council sets the Swimming Pool targeted rate on rating units as follows:

Fixed Charge	\$
All rating units situated in the Murupara/ Galatea Ward area, (excluding the Murupara Community rating area)	75.41
All rating units situated in the Rural rating area, (excluding the Murupara/Galatea Ward)	21.99

6. Roothing Rate (Budgeted Revenue \$7,541,748)

The Council sets a targeted rate for roading on rating units and a rate on the capital value as follows:

(Cents in the dollar of Capital Value) for 2008/09 are as follows:	Differential	Rate
All rating units with a capital value greater than \$10 million	0.60	0.056281
All other rating units	1.0	0.093802

In addition, the Council sets a Rooding Targeted rate on all rating units in the district of **\$50.00**.

The rate in the dollar, based on Capital Value is calculated after deducting the targeted rate from the total rate requirement.

7. Refuse/recycling Removal Rate (Budgeted Revenue \$1,773,721)

The Council sets a targeted rate to fund the collection of the Council approved refuse/recycling bins. This targeted rate is set as a fixed amount per separately used or inhabited part of a rating unit for which the Council is providing a weekly refuse collection service.

Residential Properties

The fixed amount for 2008/09 is **\$149.96** per separately used or inhabited part of a rating unit with Council approved refuse/green waste/recycling bins. **For any additional refuse/recycling bins a fixed amount of \$168.21 per refuse/recycling bin applies.**

Rural/ Commercial Properties

The fixed amount for 2008/09 is **\$105.71** per separately used or inhabited part of a rating unit with Council approved refuse/recycling bins. **For any additional refuse/recycling bins a fixed amount of \$120.54 per refuse/recycling bin applies.**

8. District-wide Parks Rate (Budgeted Revenue \$731,415)

The Council sets a targeted district-wide parks rate to fund 30% of the net cost of

the parks activity. This targeted rate is set as a fixed amount on every rating unit in the district. In the 2008/09 year the charge is **\$51.09** per rating unit.

9. Promotion and Development Rate (Budgeted Revenue \$198,538)

The Council sets a targeted rate to fund 40% of the cost of the Marketing and Development.

This rate is set as a targeted rate of a fixed amount per rating unit of \$366.98 for all commercial and industrial properties within the district.

10. Sewerage Rates

The Council sets targeted rates of a fixed amount per separately used or inhabited part of a rating unit to fund sewage disposal for each of the following individual sewerage schemes in the district:

- Whakatane
- Ohope
- Edgecumbe
- Taneatua
- Murupara
- Te Mahoe

These rates are set on a differential basis (except for the Te Mahoe Sewerage Scheme) based on land use and provision of service. Land use is either residential or commercial/ industrial. Commercial/ industrial is classed as any property for which the principal undertaking is any commercial/industrial activity or zoned commercial/industrial. Residential properties are all other properties, that are not commercial/ industrial properties.

The different categories of service are:

- Connected - any rating unit that is connected directly or indirectly to a public sewerage drain
- Serviceable - any rating unit that is not

connected to a public sewerage drain but is within 30 metres of such a drain.

The rates for the 2008/09 year are shown below:

Whakatane (Budgeted Revenue \$1,306,657)	
171.59	per separately used or inhabited part of a residential rating unit connected
171.59	per water closet or urinal in each commercial/industrial rating unit connected
85.79	per separately used or inhabited part of a rating unit serviceable (capable of connection)

Ohope (Budgeted Revenue \$475,216)	
253.11	per separately used or inhabited part of a residential rating unit connected
253.11	per water closet or urinal in each commercial/industrial rating unit connected
126.56	per separately used or inhabited part of a rating unit serviceable (capable of connection)

Edgecumbe (Budgeted Revenue \$369,442)	
422.46	per separately used or inhabited part of a residential rating unit connected
422.46	per water closet or urinal in each commercial/ industrial rating unit connected
211.23	per separately used or inhabited part of a rating unit serviceable (capable of connection)

Taneatua (Budgeted Revenue \$103,245)	
312.55	per separately used or inhabited part of a residential or commercial (excluding Industrial) rating unit connected
7,135.16	per Industrial rating unit connected
156.28	per separately used or inhabited part of a rating unit serviceable (capable of connection)

Murupara (Budgeted Revenue \$114,783)	
140.06	per separately used or inhabited part of a rating unit connected
140.06	per water closet or urinal in each commercial/industrial rating unit connected
70.03	per separately used or inhabited part of a rating unit serviceable (capable of connection)

Te Mahoe (Budgeted Revenue \$16,313)	
562.50	per separately used or inhabited part of a rating unit connected

Rating units which are neither connected to the scheme nor serviceable are not liable for these rates.

11. Water Supplies (Metered and Non-metered)

The Council sets targeted rates to fund water supplies for each of the following individual water supply schemes in the district:

- Whakatane
- Ohope
- Edgecumbe
- Matata
- Taneatua
- Murupara
- Ruatoki
- Waimana
- Plains
- Awakeri Extension
- Te Mahoe
- Ruatahuna

These rates are set on a differential basis based on provision of service, land use and location.

The targeted rates are set as a fixed amount per separately used or inhabited part of a rating unit which is serviceable or connected.

Targeted rates are also set based on the volume of water supplied.

The differential categories of service for the targeted rate for water supply are:

Connected – any rating unit that is connected directly or indirectly to a Council operated waterworks.

Serviceable – any rating unit that is not connected to a Council operated waterworks but is within 100 metres of such waterworks.

The rates for the 2008/09 year are shown below:

Whakatane (Budgeted Revenue \$2,505,528)	
371.75	per separately used or inhabited part of a rating unit connected and non metered
185.88	per separately used or inhabited part of a rating unit serviceable (capable of connection)
91.94	per separately used or inhabited part of a rating unit connected and metered
1.29	per cubic metre of all water supplied to each rating unit connected and metered
Ohope (Budgeted Revenue \$398,424)	
59.07	per separately used or inhabited part of a rating unit connected and metered
29.53	per separately used or inhabited part of a rating unit serviceable (capable of connection)
1.00	per cubic metre of all water supplied to each rating unit connected and metered
Edgecumbe (Budgeted Revenue \$203,033)	
262.62	per separately used or inhabited part of a rating unit connected and non-metered
131.31	per separately used or inhabited part of a rating unit serviceable (capable of connection)
0.94	per cubic metre of all water supplied to each rating unit connected and metered , with a minimum fixed amount of \$262.62 per connection
Matata (Budgeted Revenue \$148,656)	
456.05	per separately used or inhabited part of a rating unit connected and non-metered
228.02	per separately used or inhabited part of a rating unit serviceable (capable of connection)
1.38	per cubic metre of all water supplied to each rating unit connected and metered with a minimum fixed amount of \$456.05 per connection
Taneatua (Budgeted Revenue \$124,765)	
310.00	per separately used or inhabited part of a rating unit connected and non-metered

155.00	per separately used or inhabited part of a rating unit serviceable (capable of connection)
1.02	per cubic metre of all water supplied per separately used or inhabited part of a rating unit connected and metered with a minimum fixed amount of \$310.00 per connection
1.82	per cubic metre of all water supplied to each rating unit outside the gazetted water supply area, connected and metered with a minimum fixed amount of \$427.23.

Murupara (Budgeted Revenue \$158,623)	
146.91	per separately used or inhabited part of a rating unit connected and non-metered
73.45	per separately used or inhabited part of a rating unit serviceable (capable of connection)
1.55	per cubic metre of all water supplied to each rating unit connected and metered with a minimum fixed amount of \$146.91 per connection

Ruatoki (Budgeted Revenue \$68,906)	
42.78	per separately used or inhabited part of a rating unit serviceable or connected
21.39	per separately used or inhabited part of a rating unit connected and metered
0.70	per cubic metre of all water supplied to each rating unit connected and metered

Waimana (Budgeted Revenue \$29,690)	
424.07	per separately used or inhabited part of a rating unit connected and non-metered
1.02	per cubic metre of all water supplied to each rating unit connected and metered with a minimum fixed amount of \$424.07 per connection

Plains (Budgeted Revenue \$932,698 - includes Awakeri)	
130.00	per separately used or inhabited part of a rating unit connected and metered
0.27	per cubic metre of all water supplied to each rating unit connected and metered.

	<p>The Council sets an additional targeted rate for any excess water consumed that is over and above the purchased entitlement for each property connection to these water supplies. An overuse targeted rate is set for the excess volume consumed over and above the purchased entitlement of \$1.00 per cubic metre.</p> <p>Note: where properties meet the definition of being contiguous either under legislation or Council policy, the entitlements for such properties will be aggregated prior to an imposition of the overuse penalty.</p>
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Awakeri Extension	
190.00	per separately used or inhabited part of a rating unit connected and metered
0.40	per cubic metre of all water supplied in each rating unit connected and metered .
	<p>The Council sets an additional targeted rate for any excess water consumer that is over and above the purchased entitlement for each property connection to these water supplies. An overuse targeted rate is set for the excess volume consumed over and above the purchased entitlement of \$1.00 per cubic metre.</p> <p>Note: where properties meet the definition of being contiguous either under legislation or Council policy, the entitlements for such properties will be aggregated prior to in imposition of the overuse penalty.</p>

Te Mahoe (Budgeted Revenue \$17,533)	
584.44	per separately used or inhabited part of a rating unit connected

Ruatahuna (Budgeted Revenue \$863)	
69.03	per separately used or inhabited part of a residential rating unit connected
172.58	per separately used or inhabited part of a commercial/ industrial rating unit connected .

Rating units which are neither connected to the schemes or not serviceable are not liable for these rates.

12. Disaster Mitigation Rate (Budgeted Revenue \$469,047)

The Council sets a Disaster Mitigation rate as a targeted rate on rating units as follows:

All Rating Units	
Matata Community	\$210.73
Edgecumbe Community	\$73.17
Whakatane Community	\$5.42
Ohope Community	\$43.41

In addition Council sets a Uniform Annual Charge on all rating units in the district:

District Wide UAC \$16.22

Capital costs for stormwater and wastewater, associated with increase in level of service, will be paid for by the properties connected:

Otarawairere: (Otarawairere/Cliff/Browns Roads)	\$557.45
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13. Instalment Due Dates

13.1 Rates

There will be four equal instalments for the 2008/2009 rates and the due dates are as follows:

- Instalment 1: Friday 22 August 2008
- Instalment 2: Friday 21 November 2008
- Instalment 3: Friday 20 February 2009
- Instalment 4: Friday 22 May 2009

A 10% instalment penalty will apply if any of these rates remain outstanding after each of the above instalment due dates. A further 10% additional charge will be added on 1 October 2008 to any rates that were set prior to 1 July 2008 and which are unpaid at 1 July 2008 and which remain unpaid at 30 September 2008.

13.2 Water Rates

The following dates are the due dates for water invoices:

Billing Period	
1	01/07/08 - 30/09/08
2	01/10/08 - 31/12/08
3	01/01/09 - 31/03/09
4	01/04/09 - 30/06/09
Due Dates	
Friday	24 October 2008
Friday	23 January 2009
Friday	24 April 2009
Friday	24 July 2009

A 10% penalty will apply if any water rates remain outstanding after each of the above water rates due dates.

14. Payments

All rates shall be payable at the Whakatane District Council, Civic Centre, Commerce Street, Whakatane, or Murupara Service Centre, Pine Drive, Murupara.

The payment facilities available at the Council offices are cash, cheque or EFTPOS. No credit card facility is available. Alternatively, the Council does have direct debit or automatic payment options available.

Funding Impact Statement Variance Explanations

Increases in reallocated overhead costs have affected all of the Council's activity areas. Further information on these cost increases is explained in the Groups of Activities section under Corporate and District Activities. The following explanations have also affected many of the Council's activity areas:

- Implementation of new depreciation assumption of funding depreciation based on the 25 year average renewal expenditure. This has resulted in funding requirements being reduced below levels funded in 2007/08.
- The use of reserves to off-set rates last year has created an increase in the rate requirements for 2008/09.
- A combination of inflation and increased maintenance following the implementation of Asset Management Plans has increased rate requirements for 2008/09

As a result of these variation and some additional variations listed below, the rating impact for 2008/09 was as follows:

1. General Rates

General rates will increase 47.8% from the 2007/08 requirement. Several factors have impacted and the more significant ones are as follows:

- The application in 2007/08 of \$1.34 million of reserves against the general rate.
- \$600,000 due to share of reallocated costs, including, Information Technology, plus inflation from the 2007/08 rates.

The General rate has decreased by 12.5% from the figure indicated for 2008/09 in the LTCCP.

2. Roding Rate

The rating input required for Roding has decreased by 12.1% from 2007/08. The Roding rate is comparable with that stated for 2008/09 in the LTCCP.

3. Refuse Removal Rate

The required rating input into refuse removal has decreased by 7.7% from 2007/08 due to income received from the recycling park. The rate has increased by 12.9% when compared to the 2008/09 figures in the LTCCP.

4. Whakatane Sewerage

The rate requirement for Whakatane Sewerage has increased by 7.9% from 2007/08 The rate has increased by 10.7% when compared to the 2008/09 figures in the LTCCP.

5. Edgecumbe Sewerage

The required rating input for 2008/09 has increased by 255% from 2007/08 rates. The rate has increased by 34.6% when compared to the 2008/09 figures in the LTCCP.

6. Taneatua Sewerage

The required rating input for 2008/09 has increased by 72.3% from 2007/08 rates. The rate has increased by 17.7 % when compared to the 2008/09 figures in the LTCCP.

7. Murupara Sewerage

The required rating input for 2008/09 has increased by 115% from 2007/08 The rate requirement is comparable with that stated for 2008/09 in the LTCCP.

8. Te Mahoe Sewerage

The rate requirement for 2008/09 has reduced by 21.7% from 2007/08 and by 52% when compared to the 2008/09 figures in the LTCCP.

9. Whakatane Water

The rate requirement has increased by 17.1% from 2007/08 and 19.4% when compared to the 2008/09 figures in the LTCCP.

10. Edgecumbe Water

The required rating input has increased by 12% from 2007/08.

11. Matata Water

The required rating input for 2008/09 has increased by 35.2% from 2007/08 rates. The rate has increased by 16.9% when compared to the 2008/09 figures in the LTCCP.

12. Taneatua Water

The required rating input for 2008/09 has increased by 51% from 2007/08 rates. The rate has increased by 14.3% when compared to the 2008/09 figures in the LTCCP.

13. Murupara Water

The required rating input for 2008/09 has increased by 885% from 2007/08 rates. This increase is due to the use of reserves, moving to fully funding depreciation for this area, Asset Management Plan implementation and general inflation. The rate has increased by 33% when compared to the 2008/09 figures in the LTCCP.

14. Ruatoki Water

The required rating input for 2008/09 has increased by 156% from 2007/08 rates. The rate has decreased by 19.4% when compared to the 2008/09 figures in the LTCCP.

15. Plains Water

The rate requirement has increased by 27.3% from 2007/08 and 22.5% when compared to the 2008/09 figures in the LTCCP. This is also a result of an increase in asset values and an increase in funding requirement for debt related costs.

16. Te Mahoe Water

The rate requirement for 2008/09 has reduced by 16.2% from 2007/08 and by 54.2% when compared to the 2008/09 figures in the LTCCP.

17. Disaster mitigation

The Council's decision regarding implementation of its ramping policy comes into effect in 2008/09. This is reflected in a decreased rate requirement when compared to the 2008/09 figures in the LTCCP.

