



# Annual Plan 2007/08





## MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE



Welcome to the Whakatane District Council's Annual Plan for 2007/08. The Plan sets out how the Council will operate for the next year, outlines some major projects and how they will be funded.

Some significant events mean 2007/08 promises to be a big year for the Council. This includes local body elections, a rates review and the establishment of a Bay of Plenty Local Authority Shared Services Council-Controlled Organisation. On top of these events, we will continue with our process of improving our assets and services to meet the requirements and expectations of the people of our District.

The Council is focusing on investing in the future. There are a number of projects planned that will provide much improved foundations for effective and efficient management of the Council's functions and assets. These include information technology projects and the development of comprehensive asset management plans. Through this latter initiative we will ensure that we are actively and sustainably managing the assets that every person in the District relies upon on a daily basis. It will provide a robust register of every asset held by the Council on your behalf and will ensure that our maintenance and upgrade programmes are appropriately targeted. While this has a large initial cost, it will ensure that future expenditure on assets is cost effective and appropriate.

This Annual Plan covers improvements to the District's physical infrastructure, including hazard mitigation projects, water supply upgrades and continued improvement of the Whakatane Port to provide more berthage and amenities. Roading also continues to be a major expenditure item for the Council, and one of the key projects for 2007/08 is the completion of stage three of the seal widening and safety improvements on Ohope Road. These infrastructure projects ensure that the Council meets the infrastructure needs of current ratepayers and provides for growth.

Over the last few years we have experienced natural disasters in Matata, West End and Edgecumbe. Subsequently the Council has worked hard to plan for and implement a series of mitigation projects to reduce the risk of these disasters recurring. During 2007/08 we will start to construct the physical works required in Matata and Otarawairere/West End. This has come about after a long period of planning and consultation and it is pleasing to see the physical work finally underway. Although planning is still continuing for Edgecumbe, we intend to start the Edgecumbe works later during the year. In addition to the mitigation works in Matata, Edgecumbe, Whakatane and Ohope, we are also working to identify any other natural hazards that could affect the District. Detailed research on this will start in 2007/08 and will provide crucial information for the future development of the District.

The Plan also details the project to establish a transfer station to transport solid waste to a new disposal site. The Council will also continue the fortnightly greenwaste collection service, following a very successful trial of the service.

Obviously these initiatives do have a cost. To offset this we have reviewed the funds that we hold for various purposes to ensure that best use is being made of them. As a result of this the Council has applied \$1.80m of accumulated balances and reserve funds to cover one-off extraordinary costs; capital items that would otherwise be funded from rates, or loan funded. These are principally the projects for the Council's internal systems. The decision to use funds in this manner will not impact upon rates in future years, due to the one-off nature of the expenditure. In addition the Council has used operating surpluses from previous years, to reduce the required input from rates by \$1.20m. In short the Council is doing whatever it reasonably can to ensure that your money stays with you, while at the same time putting much needed investment into infrastructure and systems.



In order to focus on the future development of Council policies and plans, and to guide our investment in infrastructure, the Council has been working on a series of strategies and studies. These include a retail strategy, residential growth strategy, industrial land strategy, transportation study and the Whakatane Town Vision. These will be finalised in 2007/08 and we will start the detailed work on the ensuing projects and plans. This is an exciting time for the District as we define a vision of our future development and plan for how to get there and how to support our growth.

In summary, there is an element of catch-up for some of our internal systems and some much needed long-term planning all happening together. The rates will increase on average by 11.60%. This is consistent with the rate consulted on through the draft Annual Plan but slightly higher than forecast in the Ten-year Council Community Plan (10.66%). This rates increase is not uniform across the District. Individual rates will differ depending upon where you live and what services you receive. In order to make this clear, we have included indicative rates for various properties across the District in this Annual Plan.

The Council has also been through a process to review its purpose and vision statements. These new statements reflect the Council's belief in making changes to ensure great services and excellent delivery. The new purpose and vision statements are included on the following page.

Community response to the draft Annual Plan was encouraging with nearly 300 submissions received. The Council heard 70 presentations from submitters, over two days and debated the issues raised in the submissions over five days.

Key changes to the Plan following submissions were:

- Works to address arsenic in the Plains Water Supply have been deferred for a year due to community response, however this remains a key issue for the District.
- The Iwi Liaison Committee have been granted a discretionary fund of \$10,000.

- The sum of \$60,000 has been allocated from the Harbour Fund for grants related to water activities.
- The Whakatane Surf Lifesaving Club has been granted \$50,000 in 2007/08, from the Harbour Fund, towards the cost of Stage 1 of the renovations of the clubrooms.
- The Council has resolved to undertake an airport strategy at a cost of \$60,000.
- Work on Landing Road intersection and capacity improvements costing \$513,000, has been deferred to 2008/09. It was not possible to register this project with Land Transport New Zealand for 2007/08.
- The Council received many submissions on the review into the Council's Operations Business Unit and having considered submissions, resolved to not undertake any investigations. Instead it has decided to provide funding to improve service.
- The Council also received many submissions regarding the works and funding policy for Otarawairere/West End. The Council have resolved to continue the proposed works and funding for 2007/08, but has undertaken to review the funding policy before 2008/09.

On behalf of the Council we would like to thank everyone who put forward their views and comments in submission to the draft Annual Plan and we welcome your ongoing involvement and views.

Colin Holmes  
**MAYOR**

Diane Turner  
**CHIEF EXECUTIVE**

## 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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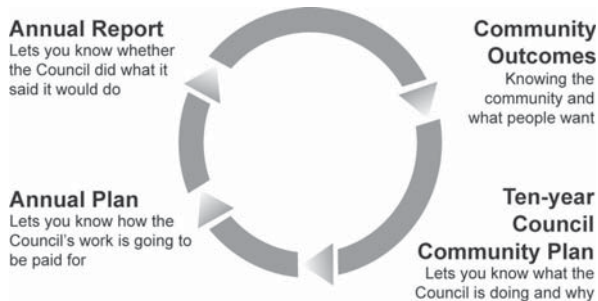
## Planning Context

## 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 community outcomes. The Council has to show how it is contributing to the outcomes desired by the community. It should be noted that achievement of outcomes is also dependent on input from other organisations.

### COUNCIL'S PLANNING CYCLE



### 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 2007/08 and the focus of this document is on changes from those projections.

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.

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](http://www.whakatane.govt.nz).

### 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 document<sup>1</sup>. However, when the changes proposed are significant, the Council is required to amend the Ten-year Council Community Plan.

The following are examples of changes requiring 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.

<sup>1</sup> Changes of a very minor nature have not been documented.



## Amendments to the Ten-year Council Community Plan

During the process of preparing this Annual Plan, the Council has made changes to:

- The Development Contributions Policy:
  - For visitor accommodation; and
  - To include the cost of additional capacity for development in the Otarawairere/West End stormwater/ wastewater disposal project; and
- A definition of “separately used or inhabited parts of a rating unit” has been included in the Funding Impact Statement of the Ten-year Council Community Plan.

These changes required amendments to the Ten-year Council Community Plan. Although the draft amendments were consulted on in conjunction with the draft Annual Plan, the adopted amendments are included in the document entitled “Amendments to the Ten-year Council Community Plan”. Copies of this document are available at Council offices, libraries and on the website at: [www.whakatane.govt.nz](http://www.whakatane.govt.nz).



Enjoying outdoor activities is a feature of the Whakatane District.

## 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 desired community outcomes and priorities for their communities once every six years.

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

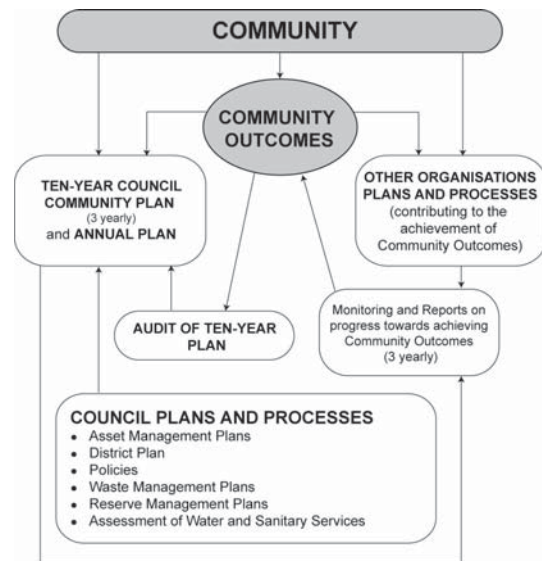
- Facilitate the process;
- Promote or achieve the outcomes (being one of the parties that is capable of doing so and to the extent that the elected Council deems appropriate); and
- Monitor and report on progress towards the achievement of community outcomes (every three years).

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

### 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.



### Community outcomes symbols

For continuity and consistency each community outcome has been given a symbol - as you will see over the page.

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

For example: (see page 60)

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:



Health & Housing



Creative



Economy












Infrastructure



## Community outcomes

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

	<p><b>Clean protected environment</b></p>	<p><b>Where:</b></p> <ul style="list-style-type: none"> <li>• The environment is clean and natural resources are protected and conserved</li> <li>• The community is educated and involved in environmental care</li> <li>• Natural and cultural heritage places are recognised and protected</li> <li>• Waste is well managed.</li> </ul>
	<p><b>Environmentally responsible development</b></p>	<p><b>Where:</b></p> <ul style="list-style-type: none"> <li>• Development is planned, managed and controlled sustainably</li> <li>• Economic growth is balanced with cultural, social and environmental responsibility</li> <li>• Environmental laws are actively enforced</li> <li>• Sustainable energy use is encouraged</li> <li>• There is a sense of pride and enjoyment about how attractive the district is.</li> </ul>
	<p><b>Prosperous economy</b></p>	<p><b>Where:</b></p> <ul style="list-style-type: none"> <li>• The economy is prosperous in both urban and rural areas</li> <li>• Business builds on the district's assets to support the economy</li> <li>• Māori economic development is supported</li> <li>• New businesses are attracted to the area and all businesses are encouraged</li> <li>• Employment opportunities are available for all.</li> </ul>
	<p><b>High-quality affordable infrastructure</b></p>	<p><b>Where:</b></p> <ul style="list-style-type: none"> <li>• High quality affordable infrastructure supports growth (e.g. transport, water, energy, waste)</li> <li>• Transport links to the district are maintained and enhanced</li> <li>• Roothing is safe, convenient, and appropriate to all users</li> <li>• People, infrastructure and the environment are protected from natural disasters</li> <li>• Improvements in communication technology are available throughout the district (e.g. Mobile coverage and fast internet access).</li> </ul>
	<p><b>Strong, transparent and open leadership</b></p>	<p><b>Where:</b></p> <ul style="list-style-type: none"> <li>• Leaders are visible, strong, have a clear vision and listen to all sectors of the community</li> <li>• Decision making processes are transparent, open and inclusive</li> <li>• Council, the community and Māori work in partnership</li> <li>• Council costs are appropriate for the services provided.</li> </ul>

	<p><b>Education and training opportunities for all</b></p>	<p><b>Where:</b></p> <ul style="list-style-type: none"> <li>• Affordable quality education and training accessible to all</li> <li>• Education and training supports economic growth</li> <li>• Participation in education is encouraged and supported, especially for youth</li> <li>• Education values and promotes cultural heritage.</li> </ul>
	<p><b>Safe caring Community</b></p>	<p><b>Where:</b></p> <ul style="list-style-type: none"> <li>• Communities help themselves and care about each other</li> <li>• Drug, alcohol and gambling abuse is diminished</li> <li>• Homes and neighbourhoods are free from fear of violence or crime</li> <li>• Youth development is supported and youth gain from and contribute to our community.</li> </ul>
	<p><b>Healthy people and quality housing</b></p>	<p><b>Where:</b></p> <ul style="list-style-type: none"> <li>• Affordable, quality housing is available for all</li> <li>• Initiatives are in place to encourage self sufficiency in housing</li> <li>• Quality primary and secondary health care and facilities accessible to all</li> <li>• Information and support for preventative health issues is made available to all</li> <li>• Appropriate support is available for disadvantaged, disabled and those in need.</li> </ul>
	<p><b>Diverse, creative and active community</b></p>	<p><b>Where:</b></p> <ul style="list-style-type: none"> <li>• Facilities and venues are in place to accommodate a wide range activities for all</li> <li>• Activities and events support and celebrate culture, creativity and recreation</li> <li>• Parks, reserves and recreational facilities are enhanced and increased</li> <li>• Māori culture is valued, celebrated, promoted and protected</li> <li>• Diversity is valued and different cultures, genders and ages are respected</li> <li>• All forms of art are catered for.</li> </ul>





## Key Issues



## KEY ISSUES

### INTRODUCTION

The following paragraphs highlight the important projects and issues for the 2007/08 financial year.

### KEY ISSUES 2007/08

#### 1. Natural hazard mitigation works

*Following recent natural disasters in the District, the Council is planning a range of flood, landslip 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 financial year focused on the planning and design work and the 2007/08 year will be when the majority of the construction work is completed. The following physical works are to be completed in the 2007/08 financial year:

- Awatarariki Stream and Te Awa o te Atua Lagoon (Western Lagoon) restoration works, downstream of the State Highway Bridge (Moore's Bridge)
- Waitepuru Stream debris and stream management works
- Ohinekoao (Matata straight, State Highway 2); and
- Waimea Stream debris and stream management works.

The construction of the Awatarariki debris detention structure will also commence

in the 2007/08 financial year. However, it is expected that the works will not be completed until the beginning of the 2008/09 financial year.

The cost of the project remains unchanged from the Ten-year Council Community Plan for 2007/08, at \$3.94m (including \$1.88m of Government funding).

- **Otarawairere/West End wastewater/stormwater disposal scheme**

Heavy rain beginning on 15 July 2004 caused an estimated 15 landslips on the West End escarpment. It has been identified that the discharge of water onto the escarpment was an important contributing factor to many of the landslips.

A project is underway to reticulate stormwater and wastewater away from the developed areas on top of the West End escarpment. Conveying the stormwater and wastewater away from the escarpment will reduce, but not totally eliminate, the risk of landslips in the future.

The scheme was estimated to cost \$2.00m at the concept stage of the project, and the Council expected to collect \$667,000 of this cost from other sources. This cost was identified in the Ten-year Council Community Plan 2006-2016. The overall costs have now risen to \$2.99m (with \$2.74m budgeted in 2007/08). This cost increase can be attributed directly to the rise in the cost of construction, a more detailed budget for planning costs and a decision by the Council to include extra capacity in the scheme to accommodate future development in the area.

The Council has now been advised that there is uncertainty in the funding from Central Government for the Otawairere project. Therefore, the Council will rate for the full cost of the project (being \$2.74m for 2007/08 without subsidy) but will continue to pursue a government contribution towards this project.

The physical works are not scheduled to commence until September/October 2007.



Therefore, funding will not be required for the full 2007/08 financial year. The Council will rate for 50% of the interest and principle cost in 2007/08. This reduces the hazard mitigation rates for this project to around half of that originally proposed in the draft Annual Plan (see the Funding Impact Statement for further details). The Council will also review the Hazard Mitigation Policy during 2007/08.

A portion of the project will be funded from development contributions. Further information on the decision to fund additional capacity from development contributions is included in the document entitled "Amendments to the Ten-year Council Community Plan".

- **Edgecumbe**

The town has experienced ongoing problems with stormwater, the most notable being the floods in July 2004 when homes were extensively damaged. In addition there was concern relating to the integrity of the stopbanks surrounding Edgecumbe. During the 2004 event the stopbanks were breached on the eastern side of the township.

The Whakatane District 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 investigation has now identified preferred options.

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.

The tender process will take place in 2007/08 and the physical works will be scheduled for the 2007/08 and 2008/09 financial years.

The cost of the project remains unchanged from the Ten-year Council Community Plan for 2007/08, with \$1.50m budgeted including \$500,000 in funding from other sources.

- **Hazard Mitigation Policy Review**

The Council received a number of submissions to the draft Annual Plan regarding the apportionment of costs for the Otawairere/West End works. A key theme was that residents within the catchment area, as identified through the Hazard Mitigation Policy, felt that an undue amount of the cost burden was falling on part of the catchment.

The Council has decided to review the policy in the 2007/08 year. The initial focus will be on the policy as it applies to Otawairere/West End. Reviews are also planned in regard to the other areas. Over the 2007/08 financial year, the natural hazard mitigation works will be funded as per the current Hazard Mitigation Policy.

## 2. Transport networks

The Council has responsibility for:

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

### What is planned

- The Council plans to complete stage three of the seal widening and safety improvements on Ohope Road during 2007/08 at a cost of \$1.50m.
- The Annual Plan makes provision for seal extension work throughout the District based on the reviewed seal extension priority list. Seal extensions are budgeted at \$824,000 for the 2007/08 financial year. The Council is also planning to review the criteria of the policy that establishes the seal extension priority list.
- The Annual Plan for 2007/08 shows an increase in the targeted roading rate requirement of \$1.33m. This is due to a number of factors of which the most substantial is that the Council's expected rating income to fund roading has been falling behind what is actually required on an ongoing basis. In October 2006 the Council addressed the shortfall by borrowing sufficiently to cover until 30 June 2007. Unfortunately the figures in the Ten-year Council Community Plan for the 2007/08 year were understated at the time. The proper funding of this activity has now been addressed in this Annual Plan.
- 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 Plan indicates the Council's commitment to this by preparing an Eastern Bay wide Road Safety Action Plan and through a continuation of support to the Eastern

Bay Road Safety Committee and its programmes.

## 3. Water supply

*Compliance with the New Zealand Drinking Water Standards 2005 will increase the costs of water supply.*

### What is planned

- The Council has a programme to improve the performance of the Whakatane water treatment plant. The programme is reviewed periodically in order to meet changing demands and to meet new drinking water standards. \$305,000 has been budgeted in 2007/08 for a water treatment plant improvement project.
- \$1.74m was budgeted in the draft Annual Plan for 2007/08 to implement the first stage of the new water source project, which will address the arsenic issue in the Plains Water Supply. Following consultation, the Council has agreed to defer this expenditure until 2008/09 and to review the project when the requirements of the Health Amendment Bill are established. \$50,000 has been included in the budget to continue investigations on the Paul Road bores.

## 4. Solid waste

*Space in the Whakatane landfill is becoming limited. 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 Annual Plan includes a project to establish a transfer station to transport solid waste to a new disposal site. \$791,000 was previously included in the Ten-year Council Community Plan for the acquisition of land and to establish a transfer station. The cost has been reduced in this Annual Plan to \$139,000 to establish a transfer station on existing Council property adjacent to the Recycling Park.



## 5. Greenwaste collection service

*Based on the success of the greenwaste collection service since its introduction last year, the Council will continue the fortnightly collection service.*

### What is planned

The Ten-year Council Community Plan indicated that the Council would provide a fortnightly greenwaste service on a one-year trial basis. Following a review of the service, indicating that participation is very high and quality compliance for greenwaste is good, the Council will continue the service at a cost of \$372,000 per annum.

The introduction by the Council of the greenwaste service was underpinned by the Council's objective of waste minimisation and maximising diversion volumes from the landfill. From June 2006 to December 2006, the new crate recycling service and fortnightly greenwaste service has diverted 3,754 tonnes of material from the landfill (2,267 tonnes from greenwaste alone).

## 6. Town vision

*The Central Business Area 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.*

### What is planned

The Council is working towards the development of a town vision plan for the Central Business area of Whakatane (in consultation with stakeholders, local Iwi and the community). The town vision will provide

an overall plan towards which individual Council property decisions, transactions and other plans, policies and development, can be targeted. Following the adoption of a 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 area in line with that vision. The town vision plan will assist the Council with future decision making in regard to harbour leases. The cost of the project is budgeted for \$20,000 in 2007/08 and a proportion of the budget from 2006/07 will also be carried over.

After adoption of a town vision plan the Council may (subject to consultation with local Iwi):

- 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; and
- 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 have to be followed, this includes the special consultative procedure.

## 7. 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 for in the Annual Plan.*

### What is planned

The Annual Plan includes projects such as the continued improvement to the wharf area to provide more berthage and public utility (at a cost totalling \$1.69m across two separate projects). It also includes funding for the

expansion and ongoing development of public amenity along the port area. This includes property purchase, development of facilities on the ex-Army Hall property and improvements to the north of the Whakatane Heads carpark. Relocation of the swimming area away from ramps and wharfs is planned in consultation with users at a cost of \$80,000.

The development and adoption of the Port Safety Plan may require the review of some operational activity for 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.

**8. Options for future development**

*The Council will complete and start to implement strategies to cater for residential and business growth in Whakatane and Ohope. The strategies 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. There is a need to integrate the findings of the residential, industrial, and retail growth strategies and the transportation study into one coherent vision for Whakatane and Ohope. There will be extensive consultation before deciding the best option.*

**What is planned**

Choosing the preferred option(s) for future development arising from the residential, retail and industrial Strategies will be completed by October 2007 and will include extensive consultation with potentially affected landowners, and the wider public.

The implementation stage is likely to require changes to the District Plan to rezone land to residential or industrial, and to plan for providing infrastructure to serve new areas with roads and utilities. Decisions about how these services will be funded will also be made. The provision of additional industrial zoning is likely

to include joint initiatives with the Kawerau District Council.

The retail strategy was completed in August 2005. It is being implemented by the preparation and notification of a change to the District Plan to rezone the land principally occupied by The Hub development to reflect its use for large floor retailing.

The cost of implementing these strategies in 2007/08 is \$94,000.

**9. 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 will be open for submissions and further submissions. The Council will then hear from submitters and finalise the Variation. The cost of completing this process will be \$40,000.

**10. Natural hazards**

*A project to research natural hazard risks in the District will be started.*

**What is planned**

Following a gap analysis 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 be determined. Research will then commence into those hazards. The cost of this project for 2007/08 is \$66,000. This project will be completed in partnership with Environment Bay of Plenty.



## 11. Monitoring rural-residential subdivisions

*A monitoring project is underway to review the positive and negative effects, including the cumulative effects, of rural-residential subdivisions over the last 8 years in specific areas of the District.*

### What is planned

An analysis of rural-residential subdivisions created since the District Plan was reviewed in 1998 is underway to determine what positive and negative effects this form of subdivision has had on the environment. In particular, the cumulative effects of subdivisions will be assessed. This work will consider the impact on roads from more traffic movements, the impact on services such as rubbish disposal and wastewater, impact on the farming economy from fragmentation, and on landscape values. If the effects are considered to be significant, the Council will prepare a Variation to the District Plan to avoid or mitigate those effects. The cost of this project is \$50,000.

## 12. Delivery of marketing and economic development services

*The Ten-year Council Community Plan indicated that there is a possibility of a change in the way marketing and economic development services were to be delivered in the 2006/07 financial year. This did not eventuate.*

### What is planned

The councils of the eastern Bay of Plenty with Environment Bay of Plenty have now embarked on a joint initiative to review the existing arrangements for the delivery of marketing and economic development services in the eastern Bay of Plenty. There are currently a number of different arrangements across the individual councils, as well as the organisation Toi-EDA, which was specifically set up by the four councils and the Mataatua Iwi Forum. With anticipated changes in Government policy and the need to ensure councils are providing the most effective and efficient service, some rationalisation is anticipated. Subject to Council approval,

changes will occur in the 2007/08 financial year.

## 13. Building controls

*The Building Act 2004 introduced a number of Government initiatives aimed at improving the quality of buildings for New Zealanders now and in the future. A key initiative is to strengthen the decision-making processes at the critical building consent and inspection stages of the building process. This will require those responsible for regulatory controls of buildings to be accredited to a cascading quality standard over six years with compliance with the first stage to be achieved by 30 November 2007.*

*A Lakes-Coast Regional Building Control Cluster Group has been formed of six local authorities: Taupo District Council, Rotorua District Council, South Waikato District Council, Kawerau District Council, Opotiki District Council and Whakatane District Council. The purposes of the Cluster Group include regional standardisation, facilitating accreditation for participating members, and minimising compliance costs by multiple stakeholder input.*

### What is planned

To achieve accreditation, the Council will need to satisfy the accreditation criteria set out in the Building (Accreditation of Building Consent Authority) Regulations 2006 via independent audit. Preparatory work will include:

- Developing and documenting all policies procedures and systems for performing building control functions;
- Documenting the means by which the Council will effectively implement those policies, procedures and systems;
- Documenting decisions, including the reasons for and the outcomes of those decisions;
- Developing information for applicants on the building consent process;
- Ensuring that organisational capability and capacity exists through a combination of in-house and external providers;
- Ensuring work is carried out by competent employees and/or contractors;

- Committing to formal training programmes for those employees that perform the building control functions; and
- Ensuring adequate technical leaders exist with appropriate delegations to enable them to provide that leadership.

The cost of this project for 2007/08 is \$55,000.

#### **14. Weathertightness claim determinations**

*The Council has been specifically budgeting for weathertightness claims in anticipation of legal expenses. This was budgeted to have cost the Council \$75,000 for 2007/08.*

##### **What is planned**

The Council will no longer specifically fund for weathertightness claim determinations against it. The Council has been involved in the resolution of several determinations in the past, at very little cost to Council. While a similar outcome for future claims cannot be guaranteed, it is considered more appropriate for funding decisions to be made on a case by case basis.

#### **15. 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 applied for resource consent to build a crematorium at the Hillcrest Cemetery in Whakatane. Subject to the outcome of the resource consent process, the Council will construct a 50 seat venue within a budget of \$708,000. The Council may wish to consider expansion to a 100 seat venue in the future. The crematorium is expected to be open in late 2007.

#### **16. Future ownership of Council-owned property in Port Ohope and Piripai**

*The Council has recently reviewed its ownership of property throughout the District. The two main locations 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 which was the subject of a special consultative procedure has now been adopted by the Council as the basis of future use, decisions and improvements. The Council is now considering if it is appropriate to provide for the concept plan through the District Plan and if so how this should be progressed.

The Council is investigating 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 are being considered. The Council will make decisions about the project in this financial year.

#### **17. Establishment of a BOP Local Authority Shared Services Council-controlled Organisation**

*The Council intends to become a shareholder in a Local Authority Shared Services Council-controlled Organisation.*

##### **What is planned**

The Council intends to participate in the Bay of Plenty Local Authority Shared Services Council-controlled Organisation. This will be used as an umbrella company for the future development of shared services between local authorities in the Bay of Plenty.



During 2007/08, local authorities will work together to establish a shared services entity, develop a business plan and program the first shared service arrangements.

## 18. Asset management plans

*Asset Management Plans are required as part of responsible stewardship of infrastructure assets by the Council. Asset management planning is taking a long term view of how the Council manages assets, from when they are brought or installed, through their life, and when they need replacing. This means planning for the maintenance, replacement and upgrading of assets, so as to ensure certain services are provided, while taking into account growth, feedback from the community, and the ability of the community to pay.*

### What is planned

A number of reports have been prepared over the past 12 months outlining key areas for improvement in the Council's Asset Management Plans and the risks of not undertaking the identified improvements. These reports have highlighted a need for considerable work to bring the Asset Management Plans up to the standard expected by industry and the Local Government Act 2002.

The Council is undertaking an Asset Management Plan project at a cost of \$705,000 from financial reserves, to enhance Asset Management Plans and practices. The total cost of this project will be spread over the cost of all Council infrastructure assets. This project may result in some changes to the projects included in the Ten-year Council Community Plan. Consultation may be required in 2008/09 if potential changes to levels of service are proposed as a consequence of this project.

## 19. 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 extra overhead costs. The cost of investment in the Operations Business Unit is also covered in the overhead costs, these are explained in more detail under the following Key Issue (20). The overhead costs are outlined under each group of activity in the Groups of Activities chapter.*

### What is planned

Some of the key projects planned in the support functions are in the area of information management improvements. The Council's Information and Communications Technology (ICT) infrastructure and core information systems have suffered from a lack of investment over the last 15 years. This has major implications for the Council's ability to deliver efficient and cost effective services. To recover from years of underinvestment, expenditure of \$932,000 in information technology capital works and the subsequent increases in operational costs are planned.

A number of projects have been highlighted to bring the ICT infrastructure up to date. These projects are required to support effective delivery of services and to meet e-Government best practice. These include:

- Enhancement and customisation of the new corporate financial and regulatory software;
- Development of a web portal and asset management systems;
- Improved IT infrastructure including remote access and backup facilities;
- A move to new geographical information systems (GIS) in line with other Councils;
- Aerial photography for the GIS mapping systems; and
- An electronic documents and records management system.



## 20. Investment in service delivery for Council maintenance of infrastructure and amenity assets.

*The Council has identified that investment in systems and processes is required in order to deliver on the service requirements of the community. This is predominantly focused on the Operations Business Unit who provide the management and maintenance of infrastructure assets.*

### What is planned

Capital investment is required in the systems and resources of the Council's Operations Business Unit (OBU) to improve service delivery. This will include the replacement of three specialist vehicles, the consolidation of the OBU facilities into a new venue and the development of systems and data collection. Operational expenditure will also increase, including three new staff to expand resources to carry out the provision of services. The total cost of this investment for 2007/08 is \$180,000. This is spread over a range of activities and is included in the overhead costs explained under the previous Key Issue (19).

## 21. Financial policies and assumptions

*The Council is in the process of fully funding depreciation over a five year period, which has an impact on the rates requirement of the Council. The Council is also required to adopt International Financial Reporting Standards for this Annual Plan.*

### What is planned

The Council has a policy to move to fund depreciation of assets over a five year period from 2004/05 to 2008/09. In 2007/08, the Council is funding 80% of the depreciation charged. The remaining 20% will be treated as non-funded. Depreciation reserves ensure that the Council can maintain assets at optimum levels.

All New Zealand reporting entities are required to present their financial statements in accordance with Generally Accepted Accounting Policies (GAAP). These include:

- Approved financial reporting standards; and
- Accounting policies that are appropriate and have authoritative support within the accounting profession in New Zealand.

The Accounting Standards Review Board and the Financial Reporting Standards Board recommended to central Government that New Zealand adopt International Financial Reporting Standards.

Consequently New Zealand has adopted International Financial Reporting Standards for all reporting periods commencing on or after 1 January 2007. This has impacted upon the way in which the Council must produce financial reporting and staff have been significantly involved over the past twelve months in preparing the Council for compliance with the new standards. The most noticeable aspect of the new standards on this Annual Plan for 2007/08 is in the Accounting Policies which are included in the section entitled "Financials".

At the time of finalising the Ten-year Council Community Plan, the borrowing assumptions were based on an interest rate of 6.75%. The draft Annual Plan included the expectation that interest rates would be 7.25% pa. The latest information available to the Council indicates that interest rates should be adjusted to 8.10%. This change has been included in the budget and is reflected in the rates.

## 22. Financial costs and use of reserves

*The Council will use accumulated balances and reserve funds to offset rates for 2007/08. The Council will also undertake a full rates review during 2007/08.*

### What is planned

The Council will apply prior year's credit balances from general and targeted rates totalling \$1.20m, which reduces the required input from rates. This is in accordance with the policy adopted in 2006 where credit balances identified as at 30 June 2006 were to be returned to ratepayers equally over the 2006/07 and 2007/08 financial years.



Prior to finalising the Annual Plan, the Council reviewed the credit balances in separate rates account areas. The Council will use 75% of the projected balances for the year ended 30 June 2007 (with the exception of Te Mahoe Water and Sewerage deficit balances).

In addition, the Council will apply a further \$1.80m of accumulated balances and reserve funds in respect of “one off” extraordinary operating costs, capital items that were intended to be funded from rates, and capital items that were intended to be loan funded. The decision to utilise reserves in this manner will not impact upon future year’s rating requirements.

During 2007/08 the Council will undertake a full rates review. This process will start after the results of central government’s Commission of Enquiry into Rates are known. This will involve consultation with the community and will be completed in time to coincide with the next Ten-year Council Community Plan.

## 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 are as at 24 May 2007.

	Rateable Capital Value (\$)	Number of Rateable Rating Units
Whakatane Urban	1,287,395,000	5,530
Whakatane Commercial	269,792,000	461
Edgecumbe	82,958,000	628
Matata	60,755,500	334
Murupara	20,990,500	774
Te Teko	24,967,300	276
Otarawairere	23,341,000	36
Ohope	922,667,000	1,749
Taneatua	14,858,000	270
Rural	2,532,934,150	4,956
District Wide \$10m Plus (for exclusions see note 1.)	399,856,000	10
<b>Total</b>	<b>5,640,514,450</b>	<b>15,024</b>

### 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.

### 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 next revaluation is due in September 2007.



## Rate requirement summary

Rate Requirement Summary 2007/2008	2007/2008 Funding	Less Cr Balance 6/30/2006	Less 75% 2006/2007 Projected	2007/2008 (Rates to Levy)			2006/07 Current/Levied	Increase (Decrease)	%
				(Net Required)	(GST)	(Rates to Levy)			
General Rates	5,407,661	(625,000)	(719,168)	4,063,493	507,937	4,571,429	6,517,912	(1,946,482)	-29.86%
Works and Facilities	5,414,065	(266,969)	189,801	5,336,896	667,112	6,004,008	4,510,685	1,493,323	33.11%
Community Board Rates	332,104			332,104	41,513	373,617	353,874	19,743	5.58%
Swimming Pool Rates	118,189			118,189	14,774	132,963	134,328	(1,366)	-1.02%
Roading Rate	7,246,385		375,000	7,623,385	952,923	8,576,308	6,382,261	2,194,047	34.38%
Refuse Removal Rate	1,708,886			1,708,886	213,611	1,922,497	1,443,634	478,863	33.17%
District Wide Parks Rate	631,104			631,104	78,888	709,992	646,596	63,396	9.80%
Promotion and Development Rate	155,075			155,075	19,384	174,459	166,304	8,155	4.90%
<b>Sewerage Rates</b>									
Whakatake	1,018,680	(17,933)	75,313	1,076,059	134,507	1,210,567	989,206	221,361	22.38%
Ohope	450,854	(88,220)	35,159	397,793	49,724	447,517	419,938	27,579	6.57%
Edgcombe	229,756	(52,822)	(84,497)	92,437	11,555	103,992	165,126	(61,134)	-37.02%
Tanealua	75,702	(24,353)	1,926	53,275	6,659	59,934	72,422	(12,487)	-17.24%
Murupara	86,399	(43,341)	4,377	47,434	5,929	53,363	80,934	(27,571)	-34.07%
Te Mahoe	18,509			18,509	2,314	20,823	18,850	1,973	10.46%
<b>Water Supplies</b>									
Whakatake	1,804,742		96,508	1,901,250	237,656	2,138,906	1,771,427	367,479	20.74%
Ohope	304,098	(17,348)	59,386	346,136	43,267	389,403	416,606	(27,203)	-6.53%
Edgcombe	171,048		(9,925)	161,123	20,140	181,264	237,620	(56,357)	-23.72%
Matata	100,011		(2,248)	97,763	12,220	109,984	140,024	(30,041)	-21.45%
Tanealua	80,102		(6,680)	73,422	9,178	82,600	86,661	(4,061)	-4.69%
Murupara	93,646	(40,787)	(38,549)	14,311	1,789	16,100	102,575	(86,475)	-84.30%
Ruatoki	73,962	(19,980)	(30,018)	23,964	2,995	26,959	73,437	(46,478)	-63.29%
Waimana	26,026	(7,082)	8,021	26,965	3,371	30,335	22,955	7,381	32.15%
Plains	625,216		26,238	651,454	81,432	732,886	712,972	19,914	2.79%
Te Mahoe	18,593			18,593	2,324	20,917	22,260	(1,343)	-6.03%
Ruatahuna	1,069			1,069	134	1,203	1,788	(585)	-32.72%
Flood Mitigation Works	26,193,882	(1,203,836)	(19,358)	24,970,688	3,121,336	28,092,024	25,490,394	2,601,630	10.21%
	391,098			391,098	48,887	439,985	74,981	365,004	
	26,584,980	(1,203,836)	(19,358)	25,361,786	3,170,223	28,532,009	25,565,375	2,966,634	11.60%

## Indicative rating examples for 2007/08

Address	Location	Land Value	Capital Value	5.94% overall increase				11.60% overall increase			
				Rates 2005/06	Rates 2006/07	Diff	% Diff	Rates 2006/07	Rates 2007/08	Diff	% Diff
Muriwai Drive	Whakaitane	870,000	1,240,000	4,600	4,386	-214	-4.66%	4,386	5,207	821	18.71%
James Street	Whakatane	73,000	149,000	1,103	1,145	42	3.82%	1,145	1,364	220	19.19%
John Laughton Place	Whakatane	89,000	185,000	1,218	1,252	34	2.76%	1,252	1,491	240	19.13%
Melville Drive	Whakatane	160,000	350,000	1,747	1,742	-5	-0.29%	1,742	2,072	330	18.97%
Panorama Place	Coastlands	220,000	395,000	1,891	1,876	-16	-0.83%	1,876	2,231	355	18.94%
Bunyan Road	Coastlands	900,000	1,330,000	4,899	4,646	-252	-5.15%	4,646	5,497	851	18.31%
Commerce Street	(Commercial)	190,000	440,000	3,622	3,442	-180	-4.96%	3,442	4,278	836	24.29%
Fenton Mill Rd	(Forestry)	52,500,000	62,300,000	76,148	72,984	-3,164	-4.15%	72,984	72,305	-679	-0.93%
Sisam Valley Rd	(Rural)	27,400,000	31,000,000	38,161	36,606	-1,555	-4.08%	36,606	36,217	-389	-1.06%
King St	(Commercial)	1,150,000	5,010,000	28,608	25,242	-3,366	-11.77%	25,242	31,423	6,181	24.49%
The Strand	(Commercial)	950,000	4,900,000	29,346	26,441	-2,906	-9.90%	26,441	33,199	6,758	25.56%
Awakeri Rd	(Commercial)	500,000	57,000,000	110,680	109,199	-1,482	-1.34%	109,199	116,657	7,458	6.83%
Mill Rd	(Commercial)	1,100,000	29,500,000	81,028	71,409	-9,619	-11.87%	71,409	87,125	15,716	22.01%
Gow Road	(Rural)	1,975,000	2,450,000	4,373	4,403	30	0.69%	4,403	4,756	354	8.03%
Galatea	(Rural)	760,000	800,000	1,761	1,784	23	1.32%	1,784	1,870	86	4.82%
Troutbeck Road	(Rural)	2,085,000	2,870,000	5,299	5,318	19	0.36%	5,318	5,817	500	9.40%
Rualoki Road	(Rural)	3,000	29,000	628	638	11	1.68%	638	540	-98	-15.36%
Te Rahu Road	(Rural)	200,000	520,000	1,427	1,429	2	0.12%	1,429	1,515	86	5.99%
Manawaha Road	(Rural)	495,000	511,000	1,303	1,325	22	1.69%	1,325	1,364	39	2.95%
Otarawaitere Road	Otarawaitere	375,000	700,000	1,709	2,075	366	21.44%	2,075	2,585	510	24.56%
Otarawaitere Road	Otarawaitere	400,000	685,000	1,794	1,906	113	6.28%	1,906	2,387	481	25.25%
Huia Crescent	Te Teko	5,000	49,000	682	716	35	5.10%	716	738	22	3.09%
West End Road	Ohope	1,400,000	1,430,000	3,321	3,497	176	5.31%	3,497	4,041	544	15.56%
Pohutukawa Ave	Ohope	445,000	610,000	1,951	2,039	89	4.54%	2,039	2,148	109	5.33%
Hoterini Street	Ohope	275,000	345,000	1,508	1,576	68	4.52%	1,576	1,661	85	5.40%
Ocean Road	Ohope	240,000	340,000	1,500	1,568	68	4.55%	1,568	1,652	84	5.37%
Ocean Road	Ohope	690,000	850,000	2,352	2,458	107	4.54%	2,458	2,589	131	5.31%
Pohutukawa Ave	Ohope	1,040,000	1,500,000	3,438	3,593	156	4.53%	3,593	3,783	190	5.28%
College Road	Edgescumbe	40,000	235,000	1,752	1,794	42	2.39%	1,794	1,875	81	4.51%
Ngaio Place	Edgescumbe	12,000	60,000	1,532	1,565	33	2.14%	1,565	1,608	43	2.76%
Pakeha Street	Maitai	149,000	180,000	1,175	1,374	199	16.92%	1,374	1,446	73	5.29%
Pakeha Street	Maitai	60,000	117,000	1,075	1,284	209	19.40%	1,284	1,643	359	27.97%
Morrison Street	Taneatua	7,000	61,000	1,284	1,453	169	13.14%	1,453	1,496	44	3.00%
Amokura Road	Taneatua	3,500	53,000	1,264	1,421	157	12.40%	1,421	1,451	30	2.13%
Ferguson Street	Taneatua	1,500	51,000	1,259	1,413	154	12.22%	1,413	1,440	27	1.91%
Oregon Drive	Murupara	300	23,000	1,015	1,040	25	2.48%	1,040	925	-115	-11.02%
Kopuriki Road	Murupara	18,000	20,000	880	954	74	8.43%	954	785	-169	-17.75%
Pioneer Place	Awataraki	109,000	220,000	1,238	1,460	221	17.89%	1,460	1,914	454	31.10%
Heale Street	Waitepuru	93,000	165,000	1,151	1,360	209	18.13%	1,360	1,727	367	26.97%
Wanbrick Terrace	Waimea	165,000	270,000	1,317	1,760	443	33.60%	1,760	2,284	524	29.79%
Awatapu Drive	Awatapu	57,000	255,000	1,552	1,460	-93	-5.97%	1,460	1,738	278	19.05%





## 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

### 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 2007/08

In this section major projects that are planned over 2007/08 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 2007/08 and explains why these variations are planned. Note that changes to:

- The Development Contributions Policy; and
- The Council's Rating Policy included in the Funding Impact Statement

were consulted through the draft Annual Plan as amendments to the Ten-year Council Community Plan. The adopted amendments have been included in the document entitled "Amendments to the Ten-year Council Community Plan".

### How we will measure our achievements

Outlines the service levels, performance measures and associated targets that are relevant for the 2007/08 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 expenses

An explanation of the terms used in the financial statements is included at the end of this section after page 72.





## 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

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

#### • 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 do<sup>1</sup>

Project	Cost
Waitepuru Stream flood hazard mitigation (Matata). Partial flow restoration of the stream back through the town watercourse with flood flows being directed to the western lagoon in a flood flow channel past Fairfield Lane	\$367,000
Waitepuru debris flood hazard mitigation (Matata). Construct a 5m high debris containment bund on the fanhead	\$600,000
Ohinekoao flood hazard mitigation (Matata Straights SH2). Re-align culverts and bridges to provide a better debris flow path	\$90,000
Awatarariki flood hazard mitigation (Matata). Debris detention structure in catchment and debris flood channel on fanhead beside existing Awatarariki Stream watercourse and double span railway bridge	\$1.00m
Waimea debris and stream management works (Matata). Replacement of culverts, construction of bunds and clearing of stream channels (carried over from 2006/07)	\$290,000
Otarawairere/West End stormwater/wastewater disposal scheme (disaster mitigation works).	\$2.74m

<sup>1</sup> Note the costs of disaster mitigation works listed in the table above are the cost to Council.

Project	Cost
Urban/rural Edgecumbe flood hazard mitigation	\$1.00m
Review of Bylaws completed by 1 July 2008	\$55,000
Undertake a poll of electors in conjunction with the 2007 Local Body Elections to determine whether to introduce separate Maori representation in the 2010 and 2013 elections	\$115,000
Grant from the Harbour Fund to the Whakatane Surf Life Saving Club for clubroom renovations	\$50,000
Provision for Annual Grants of \$50,000 and Annual Grants from the Harbour Fund of \$60,000	\$110,000
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
Continue to work with local authorities across the Bay of Plenty to establish a shared services Council Controlled Organisation	Operating cost

## Key changes from the Ten-year Council Community Plan

### Operational expenditure and income

- Increase in overhead allocation of \$3,700. This is explained in the section "Key Issues".
- Personnel costs from this activity have reduced by \$200,000 as this year these costs have been reallocated to the corporate information cost centre.
- There will be a rates review by the Council, which will start once the results of central government's Commission of Inquiry into Rates are known.
- The Council intends to review its policies on the funding of community organisations. This review was originally planned for 2006/07, with consultation intended to coincide with this Annual Plan. This work is now expected to be completed in 2007/08.
- The Council will review and consult with the community further on the policy for funding natural hazard mitigation. The initial focus will be on the policy as it applies to Otarawairere/West End. Reviews are also planned in regard to other areas.
- 2007/08 will be the second year that Community Boards have requested the Council to rate on their behalf to provide discretionary funds for allocation to projects in their areas<sup>2</sup>. For 2007/08, the following discretionary funds will be provided from rates:
  - Whakatane Community Board \$50,000
  - Edgecumbe - Tarawera Community Board \$10,000
  - Ohope Beach Community Board \$5,000
  - Taneatua Community Board \$5,000
  - Murupara Community Board \$10,000
- The Iwi Liaison Committee have also been allocated \$10,000 for discretionary funding in 2007/08.
- Annual grants from the Harbour Fund have been increased from \$43,700 to \$60,000.
- Grant of \$50,000 from the Harbour Fund to the Whakatane Surf Life Saving Club.
- Local authorities across the Bay of Plenty are working together to establish a shared service entity, proceeding to the second stage in 2007/08 - establishing a legal entity, developing a business plan and programming the first shared services arrangements.

### Capital expenditure

- An increase in the cost of the Otarawaire/West End stormwater/wastewater disposal scheme works from \$2.00m to \$2.74m for 2007/08 (and an increase in overall project costs over 2006-2008 to \$2.99m).

<sup>2</sup> Note this is the first year Murupara Community Board has requested discretionary funds.



The Council will also rate for the total cost of the project (being \$2.74m for 2007/08 without subsidy) but will continue to pursue a government contribution towards this project. A portion of this increased project cost will be funded through Development Contributions. The Council will rate for 50% of the interest and principle cost in 2007/08. This reduces

the hazard mitigation rates for this project to around half of that originally proposed in the draft Annual Plan. This is explained in the section "Key Issues".

- Works on the Awatapu flood pump station were progressed in 2006/07 ahead of schedule and will be completed early in 2007/08.

## 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 expenses<sup>1</sup>

2006/07 LTCCP	COMMUNITY LEADERSHIP AND GOVERNANCE	2007/08 LTCCP	2007/08 Annual Plan	Difference
3,184,277	Operating Expenses	3,223,250	3,156,113	(67,138)
1,084,205	Operating Revenue	3,910,781	3,417,940	(492,841)
2,100,072	Net Cost of Service	(687,531)	(261,827)	425,704
	<b>Expenditure</b>			
1,611,337	Overheads	1,676,801	1,680,459	3,658
1,509,220	Direct Costs	1,299,092	1,088,880	(210,212)
63,720	Interest	247,357	386,774	139,417
	Depreciation			
<b>3,184,277</b>	<b>Total Operating Expenditure</b>	<b>3,223,250</b>	<b>3,156,113</b>	<b>(67,138)</b>
	Renewals			
1,940,000	Capital Improvements	7,869,000	9,113,375	1,244,375
24,800	Loan Principal	478,352	488,801	10,449
<b>5,149,077</b>	<b>Total Expenditure</b>	<b>11,570,603</b>	<b>12,758,289</b>	<b>1,187,686</b>
	<b>Funded By</b>			
2,500,877	General Rates	2,982,488	2,379,163	(603,325)
381,205	Targeted Rates	716,043	723,202	7,159
3,000	User Charges	3,072	3,072	
700,000	Subsidies	3,191,666	2,691,666	(500,000)
	Sundry Income			
	Development Contributions received			
	Contributions transferred to Reserves			
	Development Contributions applied			
	Loan Principal from Depreciation Reserves			
	Renewals from Depreciation Reserves			
	Utilising Other Reserves		539,477	539,477
1,563,995	New Loans raised	4,677,334	6,421,709	1,744,375
	Non Funded Depreciation			
	Other Reserve transfers			
<b>5,149,077</b>	<b>Total Funding</b>	<b>11,570,603</b>	<b>12,758,289</b>	<b>1,187,686</b>

<sup>1</sup> An explanation of the terms used in this financial statement is included at the end of this section after page 74.



## 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 Warrants of Fitness and Registration.

### Activities in group

- Roding
- 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.

#### • Roding

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 licenses 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	Cost
Stage Three - Ohope Road, seal widening, intersection improvements and pedestrian/cycle facilities	\$1.50m
Seal widening - Wano Road	\$60,000
Seal extensions - Ruatahuna Road, Paekoa Road and Burt Road	\$824,000
Burma Road bridge	\$87,000
Putiki Road bridge widening	\$127,000
New footpaths - rural	\$10,000
New footpaths - Matata	\$10,000
Investigate non-Council owned bridges on road reserves	\$60,000
Te Teko Roundabout (carried over from 2006/07)	\$95,000
Prepare and deliver an annual Road Safety programme in agreement with Land Transport New Zealand	\$210,000
Preparation of an Airport Strategy	\$60,000
Review the criteria of the policy that establishes the seal extension priority list	Operating cost

## Key changes from the Ten-year Council Community Plan

### Operational expenditure and income

- Land Transport New Zealand has introduced changes to the activity classes of the Land Transport Programme. 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 subsequent decrease in operational expenditure. For example, renewals (capital expenditure) have increased by \$1.53m. Operational costs have however also increased as explained below.
- An additional \$690,000 has been included in the budget to reflect the roading programme and level of service agreed with the community. This is explained in the section entitled "Key Issues".
- Professional fees for managing the Council's road network and capital improvement programme have increased by \$300,000. This reflects the actual cost of the professional services for managing the road maintenance and capital works programme.
- Inclusion of a project at a cost of \$60,000 to develop an Airport Strategy to provide for the future use and development of the Whakatane Airport through to 2050.
- Increase in overhead allocations of \$116,000. This is explained under the section entitled "Key Issues".
- Targeted rates for this group of activities are proposed to increase by \$1.33m to meet the additional operating costs.
- An investigation into private bridges on Council road reserves will be carried out to ensure safety standards, at a cost of \$60,000.

### Capital expenditure

- Following an assessment of the bridge on Burma Road, the project has changed from a full replacement to a modification, reducing the cost from \$150,000 to \$87,000.
- Following a re-assessment of costs of the seal widening on Wano Road, this project has reduced to \$60,000.
- The Landing Road intersection and capacity improvements project has been deferred to 2008/09. The scoping of the Landing Road project can only be finalised once the Transportation Study is completed. It was therefore not possible to register this project with Land Transport New Zealand for 2007/08.
- Awaiti North Road pavement smoothing at a cost of \$177,000 has been held over until 2008/09.
- 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 this vicinity.



- An Asset Management Plan project is included at a cost of \$88,000. This is explained in the section entitled “Key Issues”.
- The Council is intending to spend \$10,000 on footpaths in rural areas and \$10,000 for footpaths in Matata.
- Reseals have increased by \$222,000 to accommodate an increase in the price of oil.
- Major drainage projects have increased by \$52,000 due to an increase in maintenance contract costs.

**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
	At least 3kms of seal extensions completed per year.	3kms
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.	95%
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	< 5
	Number of crashes involving injuries per year.	< 78
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.



Service Levels	Measures	Target
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%
	Spot inspections of runway components completed.	Monthly
	Emergency works identified actioned.	Within 24 hours
	Health and safety works actioned.	Within 24 hours



Ohope Road rehabilitation project.





## Summary of estimated expenses<sup>2</sup>

2006/07 LTCCP	TRANSPORT NETWORKS AND SYSTEMS	2007/08 LTCCP	2007/08 Annual Plan	Difference
9,502,575	Operating Expenses	9,825,552	10,021,879	196,327
11,899,062	Operating Revenue	11,854,095	13,413,170	1,559,075
(2,396,487)	Net Cost of Service	(2,028,543)	(3,391,291)	(1,362,748)
	<b>Expenditure</b>			
659,450	Overheads	657,792	773,911	116,119
4,725,578	Direct Costs	4,852,818	5,006,495	153,677
297,090	Interest	356,248	421,016	64,768
3,820,457	Depreciation	3,958,694	3,820,457	(138,237)
<b>9,502,575</b>	<b>Total Operating Expenditure</b>	<b>9,825,552</b>	<b>10,021,879</b>	<b>196,327</b>
6,074,926	Renewals	5,290,919	6,823,825	1,532,906
1,158,565	Capital Improvements	313,708	405,150	91,442
343,038	Loan Principal	382,435	371,613	(10,823)
<b>17,079,104</b>	<b>Total Expenditure</b>	<b>15,812,614</b>	<b>17,622,466</b>	<b>1,809,853</b>
	<b>Funded By</b>			
	General Rates			
5,673,121	Targeted Rates	5,916,491	7,248,385	1,331,894
265,000	User Charges	271,360	271,360	
5,660,868	Subsidies	5,358,969	5,558,750	199,781
	Sundry Income		27,400	27,400
300,073	Development Contributions received	307,275	307,275	
(300,073)	Contributions transferred to Reserves	(307,275)	(307,275)	
390,086	Development Contributions applied	43,605		(43,605)
	Loan Principal from Depreciation Reserves			
2,292,275	Renewals from Depreciation Reserves	2,479,334	2,958,200	478,866
1,102,257	Utilising Other Reserves	66,594	363,975	297,381
768,479	New Loans raised	270,103	405,150	135,047
1,528,182	Non Funded Depreciation	791,737	764,091	(27,646)
(3,672,094)	Other Reserve transfers	(2,130,570)	(3,476,495)	(1,345,925)
3,070,930	Renewals from Subsidy	2,744,991	3,501,650	756,659
<b>17,079,104</b>	<b>Total Funding</b>	<b>15,812,614</b>	<b>17,622,466</b>	<b>1,809,853</b>

<sup>2</sup> An explanation of the terms used in this financial statement is included at the end of this section after page 74.

## 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 2007/08.

### Activities and safety administration outputs

See the expenditure summary table (page 39) for further information on the activity classes where payment is sought in the 2007/08 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 draft Annual Plan and Ten-year Council Community Plan.

In regard to safety administration outputs, a Community Road Safety Programme is delivered in conjunction with Environment Bay of Plenty, Kawerau District Council, Opotiki District Council and key community stakeholders. The Whakatane District Council also employs a Road Safety Coordinator.

### 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 38 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".

### Long-term financial forecast

The expenditure summary table (see page 39) 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.

### Consultation

Copies of the draft Annual Plan including the Land Transport Programme 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
- Iwi Liaison Committee

The public were also invited to make submissions.



## 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
<b>MAINTENANCE AND OPERATIONS</b>									
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	.	.	.	.	.	.	.	.
<b>RENEWALS</b>									
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			.		.	.	.	.
<b>IMPROVEMENTS / NEW WORKS</b>									
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 (including financial assistance)

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	TOTAL	LAND TRANSPORT FINANCIAL ASSISTANCE
<b>LOCAL ROADS</b>												
<b>MAINTENANCE AND OPERATIONS</b>												
Sealed pavement maintenance	701,702	1,024,000	1,024,000	1,024,000	1,024,000	1,024,000	1,024,000	1,024,000	1,024,000	1,024,000	9,917,702	45%
Unsealed pavement maintenance	176,960	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	923,960	45%
Routine drainage maintenance	194,898	222,000	222,000	222,000	222,000	222,000	222,000	222,000	222,000	222,000	2,192,898	45%
Structures maintenance	141,200	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	798,200	45%
Environmental maintenance	615,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	5,340,000	45%
Traffic services maintenance	461,305	423,000	423,000	423,000	423,000	423,000	423,000	423,000	423,000	423,000	4,268,305	45%
Cycle path maintenance		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000	45%
Level Crossing Warning Devices	5,800	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	23,800	100%
Network and Asset management	380,700	873,000	873,000	873,000	873,000	873,000	873,000	873,000	873,000	873,000	8,237,700	45%
<b>Total</b>	<b>2,677,565</b>	<b>3,230,000</b>	<b>3,230,000</b>	<b>3,230,000</b>	<b>3,230,000</b>	<b>3,230,000</b>	<b>3,230,000</b>	<b>3,230,000</b>	<b>3,230,000</b>	<b>3,230,000</b>	<b>31,747,565</b>	<b>14,299,494</b>
<b>RENEWALS</b>												
Unsealed road metalling	326,925	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000	2,549,925	45%
Sealed road resurfacing	2,179,500	2,395,000	2,395,000	2,395,000	2,395,000	2,395,000	2,395,000	2,395,000	2,395,000	2,395,000	23,734,500	45%
Drainage renewals	794,976	741,000	741,000	650,000	514,000	467,000	467,000	455,000	455,000	455,000	5,739,976	45%
Pavement rehabilitation	742,703	608,000	675,000	1,008,000	703,000	636,000	636,000	646,000	638,000	638,000	6,930,703	45%
Structures components replacements		172,000	95,000	95,000	95,000	13,000	13,000	13,000	13,000	13,000	522,000	45%
Traffic services renewals	186,355	259,000	259,000	259,000	259,000	259,000	259,000	259,000	259,000	259,000	2,517,355	45%
Associated improvements	107,895	284,000	168,000	168,000	181,000	181,000	295,000	252,000	232,000	232,000	2,100,895	45%
Preventative maintenance	9,784										9,784	45%
<b>Total</b>	<b>4,348,138</b>	<b>4,706,000</b>	<b>4,580,000</b>	<b>4,822,000</b>	<b>4,394,000</b>	<b>4,198,000</b>	<b>4,312,000</b>	<b>4,267,000</b>	<b>4,239,000</b>	<b>4,239,000</b>	<b>44,105,138</b>	<b>19,847,312</b>
<b>IMPROVEMENTS / NEW WORKS</b>												
Bridge Replacements	368,300	127,000	384,000	315,000	367,000	320,000	210,000	300,000	145,000	240,000	2,776,300	55%
Road reconstruction	1,205,600		513,000		175,000	184,000	184,000	230,000	186,000	184,000	2,861,600	55%
Seal extension		407,000									407,000	55%
Minor improvements	562,056	635,000	625,000	644,000	610,000	594,000	603,000	600,000	598,000	598,000	6,069,056	55%
<b>Total</b>	<b>2,135,956</b>	<b>1,169,000</b>	<b>1,522,000</b>	<b>959,000</b>	<b>1,152,000</b>	<b>1,098,000</b>	<b>997,000</b>	<b>1,130,000</b>	<b>929,000</b>	<b>1,022,000</b>	<b>12,113,956</b>	<b>6,662,676</b>
<b>USE OF LAND TRANSPORT SYSTEM</b>												
<b>Road Safety:</b>												
Community coordination		110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	990,000	75%
Community programmes		108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	972,000	75%
Community advertising		29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	261,000	75%
<b>Other:</b>												
System use studies	150,000										150,000	Various
Pedestrian facilities		80,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	320,000	55%
Cycle facilities		80,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	320,000	55%
<b>Total</b>	<b>150,000</b>	<b>407,000</b>	<b>307,000</b>	<b>307,000</b>	<b>307,000</b>	<b>307,000</b>	<b>307,000</b>	<b>307,000</b>	<b>307,000</b>	<b>307,000</b>	<b>3,013,000</b>	
<b>TOTAL ALL WORKS</b>	<b>9,311,659</b>	<b>9,512,000</b>	<b>9,639,000</b>	<b>9,318,000</b>	<b>9,083,000</b>	<b>8,833,000</b>	<b>8,846,000</b>	<b>8,934,000</b>	<b>8,705,000</b>	<b>8,798,000</b>	<b>90,979,659</b>	<b>42,944,232</b>



Land Transport Programme expenditure summary, cont ...

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	TOTAL	LAND TRANSPORT FINANCIAL ASSISTANCE
<b>ADMINISTRATION SUPPORT</b>											Total x	966,245
<b>TOTAL FINANCIAL ASSISTANCE</b>												43,910,478
<b>SPECIAL PURPOSE ROADS (S.P.)</b>												
<b>MAINTENANCE AND OPERATIONS</b>												
Sealed pavement maintenance	80,280	231,000	231,000	231,000	231,000	231,000	231,000	231,000	231,000	231,000	2,159,280	100%
Unsealed pavement maintenance	360,195	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	756,195	100%
Routine drainage maintenance	67,230	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	283,230	100%
Structures maintenance		7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	63,000	100%
Environmental maintenance	75,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	1,092,000	100%
Traffic services maintenance		66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	594,000	100%
Network and Asset management	66,200	64,000	64,000	64,000	65,000	65,000	65,000	65,000	65,000	65,000	648,200	100%
<b>Total</b>	<b>648,905</b>	<b>549,000</b>	<b>549,000</b>	<b>549,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>5,595,905</b>	
<b>RENEWALS</b>												
Unsealed road metalling	148,336	201,000	201,000	201,000	201,000	201,000	201,000	201,000	201,000	201,000	1,957,336	100%
Sealed road resurfacing				57,000							57,000	100%
Drainage renewals	11,659	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	1,496,659	100%
Traffic services renewals	80,900	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	233,900	100%
<b>Total</b>	<b>240,895</b>	<b>383,000</b>	<b>383,000</b>	<b>440,000</b>	<b>383,000</b>	<b>383,000</b>	<b>383,000</b>	<b>383,000</b>	<b>383,000</b>	<b>383,000</b>	<b>3,744,895</b>	
<b>IMPROVEMENTS / NEW WORKS</b>												
Seal extension	257,400	260,000	260,000	260,000	208,000	167,000	324,000	215,000	252,000	231,000	2,434,400	75%
Minor Improvements	71,184	75,000	75,000	79,000	75,000	75,000	75,000	75,000	75,000	75,000	750,184	100%
<b>TOTAL</b>	<b>328,584</b>	<b>335,000</b>	<b>335,000</b>	<b>339,000</b>	<b>283,000</b>	<b>242,000</b>	<b>399,000</b>	<b>290,000</b>	<b>327,000</b>	<b>306,000</b>	<b>3,184,584</b>	
<b>TOTAL ALL WORKS</b>	<b>1,218,384</b>	<b>1,267,000</b>	<b>1,267,000</b>	<b>1,328,000</b>	<b>1,216,000</b>	<b>1,175,000</b>	<b>1,332,000</b>	<b>1,223,000</b>	<b>1,260,000</b>	<b>1,239,000</b>	<b>12,525,384</b>	
<b>ADMINISTRATION SUPPORT</b>											Total x	268,128
<b>TOTAL FINANCIAL ASSISTANCE</b>												12,184,912
<b>ALL ROADS</b>												
<b>GRANDTOTAL EXPENDITURE</b>	<b>10,530,043</b>	<b>10,779,000</b>	<b>10,906,000</b>	<b>10,646,000</b>	<b>10,299,000</b>	<b>10,008,000</b>	<b>10,178,000</b>	<b>10,157,000</b>	<b>9,965,000</b>	<b>10,037,000</b>	<b>103,505,043</b>	
<b>GRANDTOTAL ADMIN SUPPORT</b>											Total x	2,234,373
<b>GRANDTOTAL FINANCIAL ASSISTANCE</b>												56,095,389

## 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	Cost
<b>Water Supply</b>	
Whakatane water treatment plant improvements and replacements	\$305,000
Plains water new/upgrade water. Ongoing investigations of the Paul Road bores in preparation for the Plains Water Supply upgrade	\$50,000
<b>Wastewater</b>	
Upgrading of Edgecumbe pump station	\$157,000
McAlister Street wastewater reticulation renewal - stage 1	\$90,000
Improvements to Whakatane wastewater treatment plant	\$543,000
<b>Storm water</b>	
Whakatane pump replacement	\$202,000
St Josephs pump station	\$132,000
Hinemoa drain construction	\$375,000
Upgrade Riverside Drive pump station	\$172,000

### Key changes from the Ten-year Council Community Plan

#### Capital expenditure

- The Council has agreed to defer \$1.74m in capital expenditure on the Plains Water Supply upgrade project. This project is required to address traces of arsenic in the water supply. \$50,000 has been introduced for ongoing investigations in 2007/08. The project will be reviewed when the requirements of the Health Amendment Bill are established.
- Increase in the cost of water mains renewal in Taneatua from \$10,000 to \$18,000.
- An Asset Management Plan project across water, wastewater and stormwater activities is included at a cost of \$330,000, instead of the \$153,000 proposed in the Ten-year Council Community Plan. This is explained in the section entitled "Key Issues".
- Increase in the cost of the Hinemoa stormwater drain construction from \$197,000 to \$375,000.



- Matata water mains renewals have increased from \$8,200 to \$15,000 due to a revised work programme.
- Murupara wastewater flow measuring works were included at \$24,000, but due to further investigation work, these are no longer required.
- An increase in capital improvements is the result of a reassessment of what is defined as new capital and has resulted in a decrease in the cost of renewals.

### 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.)	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 expenses<sup>3</sup>

2006/07 LTCCP	WATER-RELATED SERVICES	2007/08 LTCCP	2007/08 Annual Plan	Difference
6,696,816	Operating Expenses	6,967,323	6,926,700	(40,624)
6,442,257	Operating Revenue	7,137,348	6,895,286	(242,062)
254,559	Net Cost of Service	(170,025)	31,414	201,438
	<b>Expenditure</b>			
1,838,950	Overheads	1,874,493	1,815,464	(59,029)
2,281,140	Direct Costs	2,257,449	2,261,443	3,994
412,982	Interest	577,189	591,600	14,411
2,163,744	Depreciation	2,258,193	2,258,193	(0)
<b>6,696,816</b>	<b>Total Operating Expenditure</b>	<b>6,967,323</b>	<b>6,926,700</b>	<b>(40,624)</b>
1,242,985	Renewals	3,051,547	2,108,501	(943,046)
1,271,688	Capital Improvements	1,385,716	1,599,081	213,365
588,248	Loan Principal	719,625	618,914	(100,710)
<b>9,799,737</b>	<b>Total Expenditure</b>	<b>12,124,212</b>	<b>11,253,196</b>	<b>(871,016)</b>
	<b>Funded By</b>			
	General Rates			
5,602,968	Targeted Rates	6,270,293	6,182,288	(88,005)
228,358	User Charges	236,911	236,911	
160,000	Subsidies			
43,337	Sundry Income	212,768	58,711	(154,057)
407,594	Development Contributions received	417,376	417,376	
(407,594)	Contributions transferred to Reserves	(417,376)	(417,376)	
82,332	Development Contributions applied	232,050	258,769	26,719
588,248	Loan Principal from Depreciation Reserves	719,625	618,914	(100,710)
972,287	Renewals from Depreciation Reserves	821,313	838,963	17,650
437,698	Utilising Other Reserves	611,196	862,553	251,357
1,022,356	New Loans raised	3,004,755	1,801,615	(1,203,140)
865,490	Non Funded Depreciation	451,630	451,639	9
(203,337)	Other Reserve transfers	(436,328)	(57,166)	379,162
<b>9,799,737</b>	<b>Total Funding</b>	<b>12,124,212</b>	<b>11,253,196</b>	<b>(871,016)</b>

<sup>3</sup> An explanation of the terms used in this financial statement is included at the end of this section after page 74.





## 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.

### What we are going to do

Project	Cost
Decommission Murupara landfill	\$126,000
Decommission Taneatua landfill	\$95,000
Transfer station building and installation	\$139,000
Continue the greenwaste collection service	\$372,000
Waste management education programmes	\$18,000

### Key changes from the Ten-year Council Community Plan

#### Operational expenditure and income

- The Ten-year Council Community Plan indicated that the greenwaste collection service would be on a one-year trial basis. The Council will continue this collection service at an annual cost of \$372,000. This service is only paid for by those who receive it.
- Increase in contract fees of \$200,000 for management of contracts associated with refuse.
- A portion of the project costs for gas management in the Burma Road landfill (\$91,000) will be carried over to the 2007/08 financial year.

## Capital expenditure

- Whakatane landfill final cover project carried over until 2008/09.
- \$791,000 was originally included for the acquisition of land and to establish a transfer station. The cost has been reduced to \$139,000 for 2007/08 to establish a transfer station on existing Council property adjacent to the Recycling Park.
- Matata landfill remedial works at a cost of \$88,000 are no longer required because the landfill was covered in the Matata disaster in May 2005.
- An Asset Management Plan project is included at a cost of \$63,000. This is explained in the section entitled "Key Issues".

## 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	16,000 Ton to landfill in 2007/08



## Summary of estimated expenses<sup>4</sup>

2006/07 LTCCP	SOLID WASTE MANAGEMENT	2007/08 LTCCP	2007/08 Annual Plan	Difference
2,970,569	Operating Expenses	2,763,649	3,241,159	477,510
2,967,488	Operating Revenue	2,767,312	3,424,076	656,764
3,081	Net Cost of Service	(3,663)	(182,916)	(179,253)
	<b>Expenditure</b>			
293,165	Overheads	301,719	214,349	(87,369)
2,437,313	Direct Costs	2,150,150	2,686,076	535,926
195,578	Interest	254,709	283,664	28,955
44,513	Depreciation	57,070	57,070	
<b>2,970,569</b>	<b>Total Operating Expenditure</b>	<b>2,763,649</b>	<b>3,241,159</b>	<b>477,512</b>
32,209	Renewals	332,865	82,356	(250,508)
640,955	Capital Improvements	911,528	359,375	(552,153)
152,229	Loan Principal	188,396	179,254	(9,142)
<b>3,795,962</b>	<b>Total Expenditure</b>	<b>4,196,436</b>	<b>3,862,145</b>	<b>(334,291)</b>
	<b>Funded By</b>			
	General Rates			
2,573,588	Targeted Rates	2,363,959	3,138,639	774,680
179,176	User Charges	183,476	270,360	86,884
	Subsidies			
200,000	Sundry Income	204,800		(204,800)
14,724	Development Contributions received	15,076	15,076	
(14,724)	Contributions transferred to Reserves	(15,076)	(15,076)	
32,209	Development Contributions applied	118,597	63,450	(55,147)
152,229	Loan Principal from Depreciation Reserves	188,396		(188,396)
	Renewals from Depreciation Reserves	214,266	18,907	(195,359)
	Utilising Other Reserves			
640,955	New Loans raised	911,528	359,374	(552,154)
17,805	Non Funded Depreciation	11,414	11,414	
	Other Reserve transfers			
<b>3,795,962</b>	<b>Total Funding</b>	<b>4,196,436</b>	<b>3,862,145</b>	<b>(334,291)</b>

<sup>4</sup> An explanation of the terms used in this financial statement is included at the end of this section after page 74.

## PROMOTION AND ECONOMIC DEVELOPMENT

### Contribution to community outcomes



*Economy*



*Creative*

### 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 Eastern Bay of Plenty Development Board covers the Whakatane District and provides governance and management for the promotion and development activity. It was established by the Council to carry out economic development, marketing, event promotion and visitor services. These activities include print and TV advertising, editorial promotions, visitor guides, trade shows and managing government contracts for business management training.

The Council is also 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, Environment Bay of Plenty and the Mataatua Iwi Forum and was formed to develop and implement a regional development strategy.

### Activities in group

- Promotion and economic development
- Visitor information
- Events

### 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
Develop and implement the Eastern Bay of Plenty Development Board's economic development, marketing, events and communications plans (annually)
Coordinate the production of marketing resources including a website (annually)
Deliver business management training and support (annually)
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 2006/07.
- Increase in overhead allocations of \$21,000. This is explained in the section "Key Issues".
- The councils in the Eastern Bay of Plenty have embarked on a review of the existing arrangements for the delivery of economic development services in the Eastern Bay of Plenty. This is explained in the section entitled "Key Issues".



## 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



Visitor Information Centre.

## Summary of estimated expenses<sup>5</sup>

2006/07 LTCCP	PROMOTION AND ECONOMIC DEVELOPMENT	2007/08 LTCCP	2007/08 Annual Plan	Difference
852,815	Operating Expenses	875,709	885,165	9,456
433,592	Operating Revenue	444,021	442,533	(1,488)
419,223	Net Cost of Service	431,689	442,632	10,944
	<b>Expenditure</b>			
207,720	Overheads	212,277	233,417	21,140
645,095	Direct Costs	663,432	651,748	(11,684)
	Interest			
	Depreciation			
<b>852,815</b>	<b>Total Operating Expenditure</b>	<b>875,709</b>	<b>885,165</b>	<b>9,456</b>
	Renewals			
	Capital Improvements			
	Loan Principal			
<b>852,815</b>	<b>Total Expenditure</b>	<b>875,709</b>	<b>885,165</b>	<b>9,456</b>
	<b>Funded By</b>			
419,223	General Rates	431,689	442,632	10,944
147,826	Targeted Rates	151,396	155,075	3,678
33,126	User Charges	33,921	41,681	7,760
220,000	Subsidies	225,280	201,227	(24,053)
32,640	Sundry Income	33,423	44,550	11,127
	Development Contributions received			
	Contributions transferred to Reserves			
	Development Contributions applied			
	Loan Principal from Depreciation Reserves			
	Renewals from Depreciation Reserves			
	Utilising Other Reserves			
	New Loans raised			
	Non Funded Depreciation			
	Other Reserve transfers			
<b>852,815</b>	<b>Total Funding</b>	<b>875,709</b>	<b>885,165</b>	<b>9,456</b>

<sup>5</sup> An explanation of the terms used in this financial statement is included at the end of this section after page 74.



## 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	Cost
Monitoring the environmental effects of the rural provisions of the proposed Whakatane District Plan	\$50,000
Undertake natural hazard planning	\$66,000
Coastal hazards plan change	\$40,000
Industrial Growth Strategy (Implementation)	\$30,000
Residential Growth Strategy (Implementation)	\$43,000
Retail Strategy (Implementation)	\$21,000
Notify a new financial contributions policy (Variation 9)	\$10,000
Conduct organisational and operational reviews of its resource consent activity, and where appropriate, initiate changes to ensure that future business practices match or exceed industry best practice.	Operating cost

### Key changes from the Ten-year Council Community Plan

#### Operational expenditure and income

- A number of strategies and policies have been carried over to the 2007/08 financial year from the 2006/07 year.
- The cost of coastal hazards plan changes has increased due to a reallocation of legal expenses to specific projects.

- An increase in income from user charges of \$88,000 is expected.
- Increase in overhead allocations of \$57,000. This is explained in the section entitled “Key Issues”.
- An extra \$47,000 is budgeted to increase resources to deal with processing resource consents, this is expected to result in a reduction in consultant’s fees.
- The cost of the industrial growth strategy has increased by \$5,000 to include legal costs.
- The budget for the Council’s Preservation Incentive Fund has been reduced from \$35,000 to \$15,000. The Preservation Incentive Fund is one method that the Council uses to achieve the objectives and policies for natural and cultural heritage in the Proposed Whakatane District Plan. The Council is making good progress with preparing options for progressing the Biodiversity chapter of the Proposed District Plan, and considers that other options will become available during the year to support the natural and cultural heritage of Whakatane District.

## 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 <sup>th</sup> 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





## Summary of estimated expenses<sup>6</sup>

2006/07 LTCCP	ENVIRONMENTAL PLANNING	2007/08 LTCCP	2007/08 Annual Plan	Difference
1,840,102	Operating Expenses	1,463,810	1,572,799	108,990
697,698	Operating Revenue	714,443	802,654	88,211
1,142,404	Net Cost of Service	749,367	770,146	20,779
	<b>Expenditure</b>			
407,008	Overheads	421,452	478,547	57,096
1,433,094	Direct Costs	1,042,358	1,094,252	51,894
	Interest			
	Depreciation			
1,840,102	Total Operating Expenditure	1,463,810	1,572,799	108,990
	Renewals			
	Capital Improvements			
	Loan Principal			
<b>1,840,102</b>	<b>Total Expenditure</b>	<b>1,463,810</b>	<b>1,572,799</b>	<b>108,990</b>
	<b>Funded By</b>			
1,142,404	General Rates	749,367	770,146	20,779
	Targeted Rates			
697,698	User Charges	714,443	802,654	88,211
	Subsidies			
	Sundry Income			
	Development Contributions received			
	Contributions transferred to Reserves			
	Development Contributions applied			
	Loan Principal from Depreciation Reserves			
	Renewals from Depreciation Reserves			
	Utilising Other Reserves			
	New Loans raised			
	Non Funded Depreciation			
	Other Reserve transfers			
<b>1,840,102</b>	<b>Total Funding</b>	<b>1,463,810</b>	<b>1,572,799</b>	<b>108,990</b>

<sup>6</sup> An explanation of the terms used in this financial statement is included at the end of this section after page 74.

## 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'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

Register as a Building Consent Authority no later than 30 November 2007 (cost to gain accreditation in 2007/08 is \$55,000)

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 proactively work with other departments, customers and agencies; audit 10% of all consents. Continue to monitor the Weathertight Homes Resolution Service's adjudication decisions and adjust operating processes and procedures to reflect best practice and any changes in statutory liability exposure that arise as a consequence of the decisions (ongoing)

The completion of an Alcohol Strategy is likely to lead to the development of Sale of Liquor Policies

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)



**Project**

The Health (Drinking Water Amendment) Bill 2006 proposes amendments to the Health Act 1956 and to strengthen provisions relating to the delivery of safe drinking-water. The future role of the Council in monitoring of private community water supplies is uncertain. 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)

**Key changes from the Ten-year Council Community Plan**

**Operational expenditure and income**

- Reflection of actual vehicle running expenses has increased the Environmental Controls budget by \$47,000.

- Increase in overhead allocations of \$49,000. This is explained under the section entitled “Key Issues”.
- Budgeted income from building inspection fees has increased. This is financed through an increase in fees and charges and will help contribute towards funding for the building consent authority accreditation process.
- The Council will not continue to specifically fund for weathertightness claim determinations against it. The Council has been involved in the resolution of several determinations in the past, at very little cost to Council. While a similar outcome for future claims can not be guaranteed, it is considered more appropriate for funding decisions to be made on a case by case basis.

## 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 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, Food Act 1981, 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 expenses<sup>7</sup>

2006/07 LTCCP	ENVIRONMENTAL CONTROLS	2007/08 LTCCP	2007/08 Annual Plan	Difference
1,404,593	Operating Expenses	1,414,507	1,431,704	17,197
762,112	Operating Revenue	794,739	1,041,807	247,068
642,481	Net Cost of Service	619,768	389,897	(229,871)
	<b>Expenditure</b>			
476,860	Overheads	495,055	543,833	48,778
927,733	Direct Costs	919,452	887,871	(31,581)
	Interest			
	Depreciation			
<b>1,404,593</b>	<b>Total Operating Expenditure</b>	<b>1,414,507</b>	<b>1,431,704</b>	<b>17,197</b>
	Renewals			
	Capital Improvements			
	Loan Principal			
<b>1,404,593</b>	<b>Total Expenditure</b>	<b>1,414,507</b>	<b>1,431,704</b>	<b>17,197</b>
	<b>Funded By</b>			
642,481	General Rates	619,768	389,897	(229,871)
	Targeted Rates			
762,112	User Charges	794,739	1,041,807	247,068
	Subsidies			
	Sundry Income			
	Development Contributions received			
	Contributions transferred to Reserves			
	Development Contributions applied			
	Loan Principal from Depreciation Reserves			
	Renewals from Depreciation Reserves			
	Utilising Other Reserves			
	New Loans raised			
	Non Funded Depreciation			
	Other Reserve transfers			
<b>1,404,593</b>	<b>Total Funding</b>	<b>1,414,507</b>	<b>1,431,704</b>	<b>17,197</b>

<sup>7</sup> An explanation of the terms used in this financial statement is included at the end of this section after page 74.

## 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 collections, 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

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. Restructuring into a single business unit occurred in late 2006/07. Further organisational and operational improvements within the Museum & Gallery and Library Services will also take place in 2007/08.

### Capital expenditure

- An Asset Management Plan project is included for both libraries and Museum & Gallery at a cost of \$71,000. This is explained in the section entitled "Key Issues".
- Increase in overhead allocations of \$45,000. This is explained in the section entitled "Key Issues".
- The cost of the Vernon database system has increased from \$2,500 to \$26,000. The original figure was an error.



## 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).	4 in 2007/08
	Number of issues per capita.	>8
The quality and relevance of library stock.	Rate of purchase of library items.	>9%
	Average age of the collection.	<9 years



The Lion in the Meadow sculpture, Margaret Mahy Courtyard.

## Summary of estimated expenses<sup>8</sup>

2006/07 LTCCP	LIBRARIES AND MUSEUM	2007/08 LTCCP	2007/08 Annual Plan	Difference
1,354,343	Operating Expenses	1,435,290	1,498,546	63,256
1,096,321	Operating Revenue	1,138,538	1,200,503	61,964
258,022	Net Cost of Service	296,752	298,043	1,292
	<b>Expenditure</b>			
508,525	Overheads	559,054	604,399	45,345
711,848	Direct Costs	738,113	772,275	34,162
	Interest			
133,970	Depreciation	138,123	121,872	(16,251)
1,354,343	Total Operating Expenditure	1,435,290	1,498,546	63,256
164,862	Renewals	118,423	212,120	93,697
	Capital Improvements			
	Loan Principal			
<b>1,519,205</b>	<b>Total Expenditure</b>	<b>1,553,713</b>	<b>1,710,666</b>	<b>156,953</b>
	<b>Funded By</b>			
448,303	General Rates	455,187	435,960	(19,227)
823,326	Targeted Rates	858,992	921,956	62,964
90,500	User Charges	92,672	92,672	
18,008	Subsidies	18,440	18,440	(0)
6,000	Sundry Income	6,144	5,144	(1,000)
158,487	Development Contributions received	162,291	162,291	
(158,487)	Contributions transferred to Reserves	(162,291)	(162,291)	
	Development Contributions applied			
	Loan Principal from Depreciation Reserves			
69,481	Renewals from Depreciation Reserves	94,654	102,077	7,423
10,000	Utilising Other Reserves		110,043	110,043
	New Loans raised			
53,587	Non Funded Depreciation	27,624	24,374	(3,250)
	Other Reserve transfers			
<b>1,519,205</b>	<b>Total Funding</b>	<b>1,553,713</b>	<b>1,710,666</b>	<b>156,953</b>

<sup>8</sup> An explanation of the terms used in this financial statement is included at the end of this section after page 74.





## 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, 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 including 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. 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 strategic advantage to the Council.

- **Harbour lease properties**

Part of the Council's property portfolio is the 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 and launching ramps, 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

### Operational expenditure and income

- Reduced expenditure of \$421,000 due to a decrease in depreciation as a result of the cost being more accurately defined.

### Capital expenditure

- An additional \$80,000 to establish a swimming area at the Whakatane Heads (funded through the Harbour Fund).
- An Asset Management Plan project is included for all activities in this group at a cost of \$78,000. This is explained in the section entitled "Key Issues".

## What we are going to do

Project	Cost
Refurbishment and renewal works at the Whakatane War Memorial Hall	\$41,000
Second year of a two year project to improve the housing standard provided for existing Pensioner Housing units	\$84,000
Whakatane River Quay St. to Wairere Stream wharf extension	\$797,000
Whakatane River Quay St. Central Wharf extension	\$900,000
Refurbish main wharf	\$684,000
Development of the Heads Reserve	\$253,000
Establish new swimming area at the Whakatane Heads	\$80,000



## 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
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.	50% by 2008
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.	50% by 2008
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



Service Levels	Measures	Targets
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



Ocean Regional Playground.



## Summary of estimated expenses<sup>9</sup>

2006/07 LTCCP	RECREATION AND COMMUNITY FACILITIES	2007/08 LTCCP	2007/08 Annual Plan	Difference
3,841,987	Operating Expenses	4,009,969	3,558,431	(451,538)
3,020,930	Operating Revenue	3,199,835	3,117,481	(82,353)
821,057	Net Cost of Service	810,134	440,950	(408,245)
	<b>Expenditure</b>			
664,062	Overheads	688,306	612,910	(75,396)
1,912,758	Direct Costs	1,959,516	1,982,473	22,957
177,199	Interest	182,338	203,739	21,401
1,087,968	Depreciation	1,179,809	759,309	(420,500)
<b>3,841,987</b>	<b>Total Operating Expenditure</b>	<b>4,009,969</b>	<b>3,558,431</b>	<b>(451,538)</b>
1,237,624	Renewals	397,276	474,826	77,550
964,222	Capital Improvements	3,141,064	3,141,064	
191,489	Loan Principal	197,042	189,415	(7,627)
<b>6,235,322</b>	<b>Total Expenditure</b>	<b>7,745,351</b>	<b>7,363,736</b>	<b>(381,615)</b>
	<b>Funded By</b>			
1,206,320	General Rates	1,311,661	1,204,043	(107,618)
807,574	Targeted Rates	882,159	799,094	(83,065)
1,811,558	User Charges	1,906,235	1,906,946	711
73,000	Subsidies	74,752	74,752	
	Sundry Income			
328,798	Development Contributions received	336,689	336,689	
(328,798)	Contributions transferred to Reserves	(336,689)	(336,689)	
	Development Contributions applied			
	Loan Principal from Depreciation Reserves			
98,995		101,866	98,818	(3,048)
111,644	Renewals from Depreciation Reserves	138,917	60,896	(78,021)
2,072,597	Utilising Other Reserves	3,391,497	3,554,994	163,497
	New Loans raised			
435,184	Non Funded Depreciation	235,960	151,862	(84,098)
(381,550)	Other Reserve transfers	(297,696)	(487,668)	(189,972)
<b>6,235,322</b>	<b>Total Funding</b>	<b>7,745,351</b>	<b>7,363,736</b>	<b>(381,615)</b>

<sup>9</sup> An explanation of the terms used in this financial statement is included at the end of this section after page 74.

## 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 as well as 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	Cost
West End – car park upgrade	\$35,000
West End Road acquisition of land to become reserve	\$206,000
Anne Street/Phillip/Hoterini Beach access	\$10,000
Whakatane Gardens pathway	\$54,000
Warren Cole cycleway/ walkway	\$76,000

### Key changes from the Ten-year Council Community Plan

#### Operational expenditure and income

- An increase in user charges for cemeteries to reflect the Council's funding policy.
- Increase in contract costs for mowing and spraying costs for parks, reserves and gardens.

#### Capital expenditure

- Pacific Park playground (\$51,000) has been deferred and will be programmed again once development has occurred in this area.
- Awatapu Bridge (\$134,000) and Sullivan Park footpath (\$52,000) have been deferred until 2008/09.
- Whakaari Reserve carpark development (\$41,000) has been deferred pending the completion of the West End escarpment stormwater/ wastewater disposal scheme works.



- 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.
- Mitchell Park development has been completed in 2006/07, ahead of schedule.
- An Asset Management Plan project is included for all activities in this group at a cost of \$48,000. This is explained in the section “Key Issues”.

### 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 expenses<sup>10</sup>

2006/07 LTCCP	PARKS RESERVES AND CEMETERIES	2007/08 LTCCP	2007/08 Annual Plan	Difference
2,448,389	Operating Expenses	2,543,077	2,515,613	(27,464)
2,508,527	Operating Revenue	2,661,443	2,688,296	26,853
(60,138)	Net Cost of Service	(118,366)	(172,682)	(54,316)
	<b>Expenditure</b>			
926,551	Overheads	935,643	908,814	(26,829)
967,162	Direct Costs	1,012,079	1,015,780	3,701
49,831	Interest	75,869	85,719	9,850
504,845	Depreciation	519,486	505,300	(14,186)
<b>2,448,389</b>	<b>Total Operating Expenditure</b>	<b>2,543,077</b>	<b>2,515,613</b>	<b>(27,464)</b>
168,995	Renewals	654,805	6,174	(648,631)
1,240,120	Capital Improvements	489,184	458,398	(30,786)
48,213	Loan Principal	64,185	62,376	(1,809)
<b>3,905,717</b>	<b>Total Expenditure</b>	<b>3,751,251</b>	<b>3,042,561</b>	<b>(708,690)</b>
	<b>Funded By</b>			
82,958	General Rates	145,696	93,395	(52,301)
1,876,910	Targeted Rates	2,014,667	2,008,680	(5,987)
284,046	User Charges	290,863	322,804	31,941
11,000	Subsidies	11,264	11,000	(264)
5,700	Sundry Income	5,837	7,000	1,163
330,871	Development Contributions received	338,812	338,812	
(330,871)	Contributions transferred to Reserves	(338,812)	(338,812)	
541,704	Development Contributions applied	489,184	458,398	(30,786)
34,050	Loan Principal from Depreciation Reserves	35,038	34,050	(987)
159,265	Renewals from Depreciation Reserves	654,805	6,174	(648,631)
	Utilising Other Reserves			
708,146	New Loans raised			
201,938	Non Funded Depreciation	103,897	101,060	(2,837)
	Other Reserve transfers			
<b>3,905,717</b>	<b>Total Funding</b>	<b>3,751,251</b>	<b>3,042,561</b>	<b>(708,690)</b>

<sup>10</sup> An explanation of the terms used in this financial statement is included at the end of this section after page 74.





## ENVIRONMENTAL PROTECTION

### Contribution to community outcomes



*Environment*



*Community*

### What we do

Within this group of activities, the Council:

- Administers Hazardous Substances and New Organisms (HSNO) 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 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 HSNO 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.
- Reflection of actual vehicle running expenses has increased the Environmental Protection budget by \$18,000.
- Recoverable expenses of \$10,000 for rural fire are expected based on actual recoveries from the last few year. This results in a decrease in user charges.

### 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 expenses<sup>11</sup>

2006/07 LTCCP	ENVIRONMENTAL PROTECTION	2007/08 LTCCP	2007/08 Annual Plan	Difference
218,067	Operating Expenses	226,132	252,602	26,471
22,000	Operating Revenue	22,532	11,024	(11,508)
196,067	Net Cost of Service	203,600	241,578	37,979
	<b>Expenditure</b>			
78,709	Overheads	82,882	75,127	(7,754)
139,358	Direct Costs	143,250	177,475	34,225
	Interest			
	Depreciation			
<b>218,067</b>	<b>Total Operating Expenditure</b>	<b>226,132</b>	<b>252,602</b>	<b>26,471</b>
9,420	Renewals			
	Capital Improvements			
	Loan Principal			
<b>227,487</b>	<b>Total Expenditure</b>	<b>226,132</b>	<b>252,602</b>	<b>26,471</b>
	<b>Funded By</b>			
196,067	General Rates	203,600	241,578	37,979
	Targeted Rates			
22,000	User Charges	22,532	11,024	(11,508)
	Subsidies			
	Sundry Income			
	Development Contributions received			
	Contributions transferred to Reserves			
	Development Contributions applied			
	Loan Principal from Depreciation Reserves			
9,420	Renewals from Depreciation Reserves			
	Utilising Other Reserves			
	New Loans raised			
	Non Funded Depreciation			
	Other Reserve transfers			
<b>227,487</b>	<b>Total Funding</b>	<b>226,132</b>	<b>252,602</b>	<b>26,471</b>

<sup>11</sup> An explanation of the terms used in this financial statement is included at the end of this section after page 74.

## COMMUNITY SAFETY

### Contribution to community outcomes



Community

### What we do

Within this group of activities, the Council:

- Maintains preparedness for civil defence emergencies, responds to events, assists with 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; and
- Targets crime prevention. Local programmes and initiatives have been developed within the framework of national strategies.

### 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 the joint responsibility of the local authorities of the Bay of Plenty.

#### • 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

Dog pound extensions - \$52,000

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

Continue to offer dog-related 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

- An additional \$25,000 is included to implement the Council's youth policy. This may include the employment or contracting of a Youth Co-ordinator. This position is subject to the Council receiving external funding support.
- The functions of Māori Liaison and Safer Communities have been merged into a Community Development cost centre.

- Reallocation of vehicle running expenses has increased the Community Development budget by \$39,000.

### Capital expenditure

- An extra \$29,000 has been budgeted for a dog pound extension, bringing the total cost to \$52,000, to cope with an increase in dog numbers and to alleviate the risk associated with housing multiple dogs in one cage. This increase will be met by the dog control reserves account.

## 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
Support the Crossroads Programme which offers 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 expenses<sup>12</sup>

2006/07 LTCCP	COMMUNITY SAFETY	2007/08 LTCCP	2007/08 Annual Plan	Difference
761,199	Operating Expenses	807,936	907,848	99,913
408,694	Operating Revenue	418,503	463,000	44,498
352,505	Net Cost of Service	389,433	444,848	55,415
	<b>Expenditure</b>			
264,741	Overheads	278,440	278,102	(337)
496,458	Direct Costs	529,496	629,746	100,250
	Interest			
	Depreciation			
<b>761,199</b>	<b>Total Operating Expenditure</b>	<b>807,936</b>	<b>907,848</b>	<b>99,913</b>
	Renewals			
	Capital Improvements			
	Loan Principal			
<b>761,199</b>	<b>Total Expenditure</b>	<b>807,936</b>	<b>907,848</b>	<b>99,913</b>
	<b>Funded By</b>			
352,505	General Rates	389,433	444,848	55,415
	Targeted Rates			
347,804	User Charges	356,151	375,649	19,498
	Subsidies			
60,890	Sundry Income	62,351	87,351	25,000
	Development Contributions received			
	Contributions transferred to Reserves			
	Development Contributions applied			
	Loan Principal from Depreciation Reserves			
	Renewals from Depreciation Reserves			
	Utilising Other Reserves			
	New Loans raised			
	Non Funded Depreciation			
	Other Reserve transfers			
<b>761,199</b>	<b>Total Funding</b>	<b>807,936</b>	<b>907,848</b>	<b>99,913</b>

<sup>12</sup> An explanation of the terms used in this financial statement is included at the end of this section after page 74.

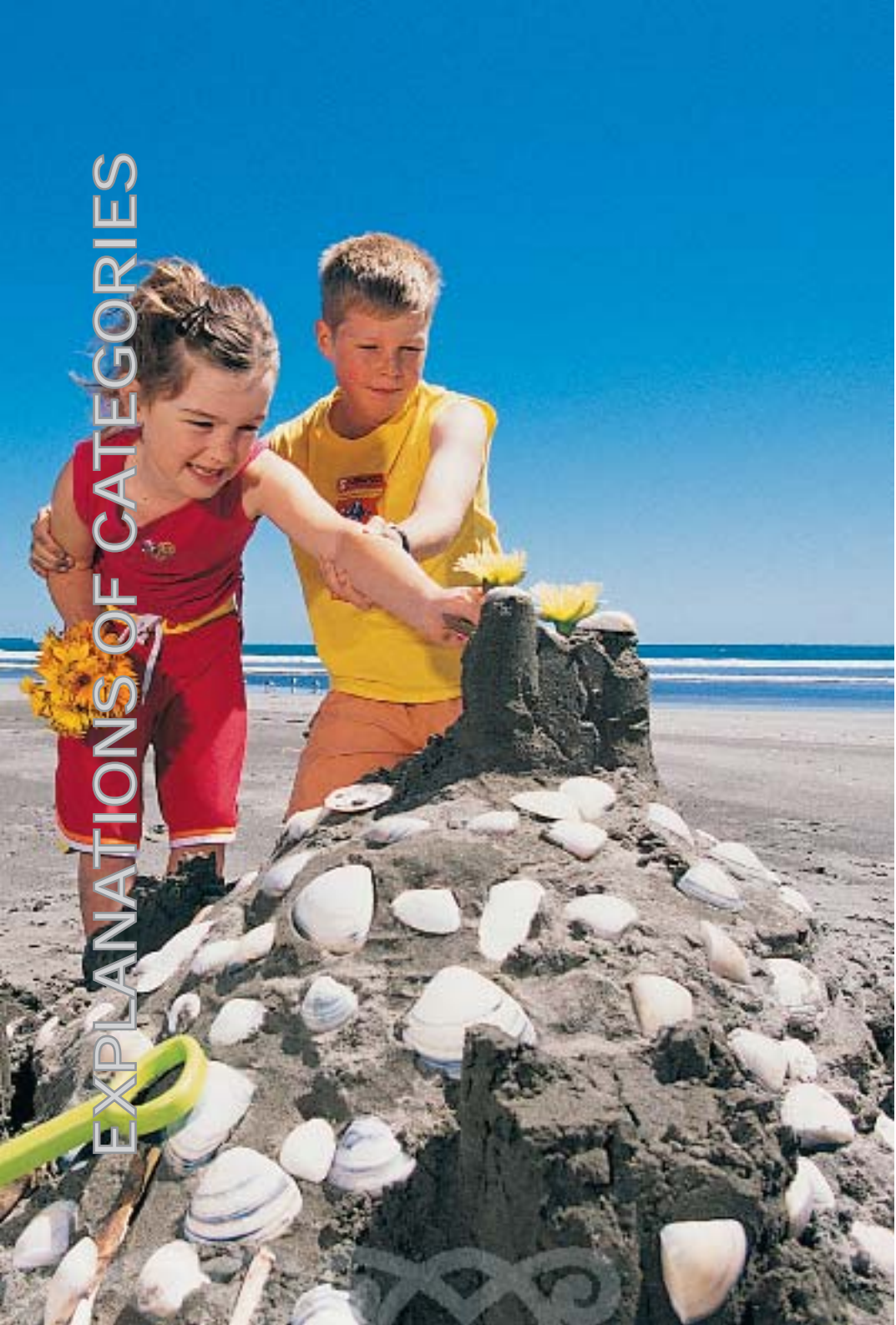




COMMUNITY LEADERSHIP and GOVERNANCE	EXPLANATIONS OF CATEGORIES
Operating Expenses	The day to day cost of running this activity e.g. salaries and wages, materials and services, depreciation on assets and interest on borrowings.
Operating Revenue	Income from all sources except general rates and the application of reserve funds e.g. user charges, targeted rates and subsidies.
<b>Net Cost of Service</b>	The dollar figure from the activity that will have to be paid for through your rates or other reserves.
<b>Expenditure</b>	
Overheads	Overheads are the component that the activity attracts from the support centres within the Council eg information management and financial services
Direct Costs	Charges from external sources providing services e.g. contractors, consultants, and for materials purchased for the activity.
Interest	Interest on funds borrowed to build capital assets e.g. bridges. Generally funds are not borrowed to fund operating expenditure.
Depreciation	The wearing-out, consumption, or loss of value of an asset over its useful life e.g. motor vehicles.
<b>Total Operating Expenditure</b>	Total costs of running this activity excluding capital expenditure.
<b>Renewals</b>	Replacing components of an existing asset to ensure that it delivers the capacity that it was designed for e.g. pumping station.
Capital Improvements	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 Principal	Repaying of loans
<b>Total Expenditure</b>	Total costs of running this activity including capital expenditure. (Total operating expenditure + capital expenditure)
<b>Funded By</b>	
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 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.
Development Contributions received	Money paid by developers towards providing assets or extending existing assets to cater for increased demand due to growth e.g. extending sewerage systems.
Contributions transferred to Reserves	Putting Development Contributions into a special account until they are required to be spent.
Development Contributions applied	Utilising funds held in reserve to provide assets that are required to cater for increased demand.
Loan Principal from Depreciation Reserves	Using funds from depreciation reserve to pay off a loan.
Renewals from Depreciation Reserves	Using funds from depreciation reserve to renew existing assets.
Utilising Other 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
New Loans raised	Borrowing money to pay for new assets or parts of assets e.g. building retention dams in Matata
Non Funded Depreciation	The portion of depreciation that the Council do not intend to fund from rates. As from 1 July 2008 all depreciation will be 100% funded.
Other Reserve transfers	Transferring money into an account held for a special purpose, or taking money from an account to pay for expenditure.
<b>Total Funding</b>	<b>The total avenues which fund the activity.</b>



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 is also planning to participate 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.

#### 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.

#### 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 to Auckland.

- 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**

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

	Budget 2006/07	LTCCP 2007/08	Budget 2007/08
Whakatane (total)	\$89,175	\$89,494	\$154,570

##### • **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.



## PROVISION OF 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 are now planning to set up a Council Controlled Organisation (CCO) in terms of the provisions of the Local Government Act 2002 (LGA).

A statement of proposal to establish a CCO was included in the draft Annual Plan. Following consultation on the proposal, the Council intending to participate in the CCO.

### Background

Local Authorities of the Bay of Plenty Region are intending to establish 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

It is intended that each local authority will have a single share in the umbrella company.

Participating Councils will be 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 will be governed by a Board of Directors of the eight Chief Executives of the local authority shareholders. These directors will be 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 will conduct 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 will provide 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 will provide an entity that can enter into commercial arrangements with suppliers and partners on behalf of the participating local authorities; and



- It will ensure 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.

**Council decision and reasons for decision**

A similar structure has been established by the local authorities in the Waikato region. After considering their advice, possible options for their structures, and consulting on options, the limited liability company structure was selected.

The main reason for this is the ease of involving different groups of participating local authorities for each type of shared services through the flexibility of this structure. Other

advantages of this option were identified as:

- Organisation will have limited liability under the Companies Act
- Organisation can add new shareholders
- Organisation can issue share capital to fund expansion
- Organisation will have perpetual succession
- Structure is well understood by third parties
- Flexibility to add new services

The other structures considered included a charitable trust, a co-operative, a stand alone business unit, and a joint venture.

Further details on the options considered were included in the draft Annual Plan 2007/08.



White Island.





## 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 2007/08

### 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 2007/08 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 29 June 2007. 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. Two key changes in assumptions from the Ten-year Council Community Plan are the interest rates (increased from 6.75% pa to 8.10% pa for new loans) and staff costs for inflation (increased from 2.5% to 3%).

Forecasting Assumption	Risk	Level of Uncertainty														
<b>Population growth</b>																
<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>	<b>Medium</b>														
<b>Interest Rates</b>																
<p>There are many external influences that impact on the interest rates for both investments and borrowing. Interest at 8.10% 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>	<b>Low</b>														
<b>Inflation/Cost Factors</b>																
<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>	<b>Low</b>														
<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 08</td> <td>2.6</td> <td>2.9</td> <td>4.2</td> <td>4.1</td> <td>3.0</td> <td>3.1</td> </tr> </tbody> </table>			Year Ending	Road	Property	Water	Energy	Staff	Other	Jun 08	2.6	2.9	4.2	4.1	3.0	3.1
Year Ending	Road	Property	Water	Energy	Staff	Other										
Jun 08	2.6	2.9	4.2	4.1	3.0	3.1										
<b>Revaluations</b>																
<p>Revaluations will be undertaken in accordance with the "Statement of Significant Accounting Policies".</p>	<p>Once infrastructure is revalued, there may be a significant change to the depreciation expense.</p>	<b>Low</b>														

Forecasting Assumption	Risk	Level of Uncertainty
<b>Land Transport NZ Subsidies</b>		
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
<b>Grants</b>		
Specific community projects funding – where there is a specific project that is reliant on grants funding from another source. It is assumed that grants will remain at the same level.	There is uncertainty surrounding the level of funding to be received.	Medium
<b>Income from rates</b>		
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
<b>Development Contributions</b>		
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 predicted.	Medium
<b>Vested Assets</b>		
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
<b>Depreciation Costs</b>		
<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 capitalised 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 is progressively moving towards fully funding its depreciation cost. In the 2007/08 year, 80% of depreciation will be funded. Depreciation will be fully funded from the 2008/09 year. Depending on the service being provided, this decision will have a low to moderate impact on the value of rates required.</p>	<p>The risk is that higher depreciation estimates would probably require a higher level of rating.</p>	<p><b>Low</b></p>
<b>Resource Consents</b>		
<p>Where Council is required to renew or obtain new resource consents under the Resource Management Act 1991, it has been assumed that the resource consents will be obtained and that the conditions of the consents may not be altered significantly.</p>	<p>The risk is that conditions of resource consents are altered significantly, and thereby impacting required expenditure. There are a number of old consents which when reviewed will require significant improvements.</p>	<p><b>Medium</b></p>
<b>External Factors</b>		
<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><b>Medium</b></p>

Forecasting Assumption	Risk	Level of Uncertainty
<b>Organisational Structure/Mode of Activity Delivery</b>		
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.	<b>Low</b>
<b>Asset Management Plans</b>		
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 also intends to undertake 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.	<b>Low</b>
<b>Range of Activities</b>		
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.	<b>Low</b>



## 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>
<b><i>Unforeseen Events</i></b>		
<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"> <li>• Proper maintenance</li> <li>• Reserve funding; or</li> <li>• Adequate insurance where practicable</li> </ul> <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>	<b>Low to Medium</b>
<b><i>Estimates of Commitments and Contingencies</i></b>		
<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>	<b>Low</b>
<b><i>Creation and Realisation of Investments, Reserves and Assets</i></b>		
<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>	<b>Low</b>
<b><i>Council Structure</i></b>		
<p>Following Council elections in 2007, Council policy is not expected to change in such a substantial manner as to impact financially on the Council.</p>	<p>The risk is that a significant change to Council policy following the elections would impact on the Council's financial position.</p>	<b>Low</b> (especially given that significant changes may trigger the requirement to vary the Ten-year Council Community Plan)

## STRATEGIC MANAGEMENT STATEMENT

As detailed in 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 adopted a policy of fully funding depreciation to ensure sufficient reserves are available to replace old assets as they reach the end of their useful lives. The Council has resolved that depreciation will be fully funded by 2008/09.

### **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.

#### *Application of NZ IFRS 1 First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards*

These financial statements are the first financial statements to be prepared in accordance with NZ IFRS. NZ IFRS 1 *First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards* has been applied in preparing these financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS statement of financial position as at 1 July 2006 for the purposes of transition to NZ IFRS.

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.

## Significant Accounting Policies, cont ...

### 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.

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 the 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.

## Significant Accounting Policies, cont ...

### 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.

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.

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.



## Significant Accounting Policies, cont ...

### 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.



## Significant Accounting Policies, cont ...

### 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.

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

<b>Life in Years</b>	
<i>Operational assets:</i>	<i>Years</i>
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

## Significant Accounting Policies, cont ...

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





## 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.

### 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.

### 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.

## Significant Accounting Policies, cont ...

### 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.

### 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.



## Significant Accounting Policies, cont ...

### 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 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.

## Significant Accounting Policies, cont ...

### 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.

#### *(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

	Note	2006/07 LTCCP	2007/08 LTCCP	2007/08 Revised
<b>Income</b>				
Targeted Rates	1	16,802,287	18,733,260	21,298,293
General Rates	2	5,793,691	6,254,831	4,063,493
Penalties		200,000	200,000	300,000
User Fees and Charges		4,724,378	4,906,375	5,376,940
Subsidies and Grants		6,842,876	8,880,370	8,699,835
Interest - General		210,000	210,000	150,000
Sundry Income		728,567	905,323	630,156
Development Contributions		1,540,547	1,577,520	1,577,519
Revalued Assets			465,048	465,048
<b>Total Revenue</b>	<b>3</b>	<b>36,842,346</b>	<b>42,132,727</b>	<b>42,561,284</b>
Less Internal Borrowing		(800,627)	(819,842)	(1,015,699)
<b>Net Revenue</b>		<b>36,041,719</b>	<b>41,312,885</b>	<b>41,545,584</b>
<b>Expenditure</b>				
Community Leadership and Governance		3,184,277	3,223,250	3,156,113
Transport Networks and Systems		9,502,575	9,825,552	10,021,879
Water Related Services		6,696,816	6,967,323	6,926,700
Solid Waste Management		2,970,569	2,763,649	3,241,159
Promotion and Economic Development		852,815	875,709	885,165
Environmental Planning		1,840,102	1,463,810	1,572,799
Environmental Controls		1,404,593	1,414,507	1,431,704
Libraries and Museum		1,354,343	1,435,290	1,498,546
Recreation and Community Facilities		3,841,987	4,009,969	3,558,431
Parks Reserves and Cemeteries		2,448,389	2,543,077	2,515,613
Environmental Protection		218,067	226,132	252,602
Community Safety		761,199	807,936	907,848
District Expenditure		267,989	355,938	
<b>Gross Cost of Council Services</b>		<b>35,343,722</b>	<b>35,912,141</b>	<b>35,968,560</b>
Less Internal Borrowing		(800,627)	(819,842)	(1,015,699)
<b>Net Expenditure</b>		<b>34,543,095</b>	<b>35,092,299</b>	<b>34,952,861</b>
<b>Net Surplus (Deficit)</b>		<b>1,498,624</b>	<b>6,220,585</b>	<b>6,592,724</b>
<b>Disclosures</b>				
External Interest Expense		416,192	914,708	976,561
Depreciation Expense		7,924,982	8,280,860	8,007,201

## Notes to the Statement of Prospective Financial Performance

2006/07 LTCCP	Targeted Rates By Activity - Note 1	2007/08 LTCCP	2007/08 Annual Plan
381,205	Community Leadership and Governance	716,044	723,202
5,673,121	Transport Networks and Systems	5,916,491	7,248,385
5,602,968	Water Related Services	6,270,293	6,182,288
2,573,588	Solid Waste Management	2,363,959	3,138,639
147,826	Promotion and Economic Development	151,396	155,075
823,326	Libraries and Museum	858,992	921,956
807,574	Recreation and Community Facilities	882,159	799,094
1,876,910	Parks Reserves and Cemeteries	2,014,667	2,008,680
<b>17,886,518</b>	<b>Total Targeted Rates</b>	<b>19,174,001</b>	<b>21,177,319</b>
(687,246)	Less 50% Credit Balances 30/6/06	(440,741)	(578,836)
(396,985)	Less 75% Projected Balance 2006/07		699,811
<b>16,802,287</b>	<b>Targeted Rates Levied</b>	<b>18,733,260</b>	<b>21,298,293</b>

2006/07 LTCCP	General Rates By Activity - Note 2	2007/08 LTCCP	2007/08 Annual Plan
2,500,877	Community Leadership and Governance	2,982,487	2,379,163
419,223	Promotion and Economic Development	431,689	442,632
1,142,404	Environmental Planning	749,367	770,146
642,481	Environmental Controls	619,768	389,897
448,303	Libraries and Museum	455,188	435,960
1,206,320	Recreation and Community Facilities	1,311,663	1,204,043
82,958	Parks Reserves and Cemeteries	145,698	93,395
196,067	Environmental Protection	203,600	241,578
352,505	Community Safety	389,433	444,848
267,989	Corporate Activities	355,938	
(790,000)	Less General Revenues	(790,000)	(994,000)
<b>6,469,127</b>	<b>Total General Rates</b>	<b>6,854,831</b>	<b>5,407,661</b>
(600,000)	Less 50% Credit Balances 30/6/06	(600,000)	(625,000)
(75,436)	Less 75% Projected Balance 2006/07		(719,168)
<b>5,793,691</b>	<b>General Rates Levied</b>	<b>6,254,831</b>	<b>4,063,493</b>



## Notes to the Statement of Prospective Financial Performance

2006/07 LTCCP	Revenue By Activity - Note 3	2007/08 LTCCP	2007/08 Annual Plan
1,084,205	Community Leadership and Governance	3,910,782	3,417,940
11,899,062	Transport Networks and Systems	11,854,095	13,413,170
6,442,257	Water Related Services	7,137,347	6,895,286
2,967,488	Solid Waste Management	2,767,312	3,424,076
433,592	Promotion and Economic Development	444,020	442,533
697,698	Environmental Planning	714,443	802,654
762,112	Environmental Controls	794,739	1,041,807
1,096,321	Libraries and Museum	1,138,538	1,200,503
3,020,930	Recreation and Community Facilities	3,199,835	3,117,481
2,508,527	Parks Reserves and Cemeteries	2,661,442	2,688,296
22,000	Environmental Protection	22,532	11,024
408,694	Community Safety	418,502	463,000
(1,084,231)	Less Credit Balances Targeted Rates	(440,741)	120,974
<b>30,258,655</b>	<b>Revenue at Activities</b>	<b>34,622,848</b>	<b>37,038,743</b>
790,000	District Wide Income	790,000	994,000
5,793,691	General Rates	6,254,831	4,063,493
	Revalued Assets	465,048	465,048
<b>36,842,346</b>	<b>Total Revenue</b>	<b>42,132,727</b>	<b>42,561,284</b>

## Statement of Prospective Movements in Equity

	2006/07 LTCCP	2007/08 LTCCP	2007/08 Revised
<b>Equity - Beginning of Year</b>	<b>422,942,599</b>	<b>424,441,224</b>	<b>450,611,057</b>
Net Surplus (Deficit) for period	1,498,625	6,220,585	6,592,724
Incr/Decr Asset Reval Reserve		11,976,771	11,976,771
Total recognised revenue/expenses for period	1,498,625	18,197,356	18,569,495
<b>Equity - End of year</b>	<b>424,441,224</b>	<b>442,638,580</b>	<b>469,180,552</b>





## Statement of Prospective Financial Position

	2006/07 LTCCP	2007/08 LTCCP	2007/08 Revised
<b>Public Equity</b>			
Accumulated Balance	418,616,432	427,578,588	445,703,781
Restricted Reserves	5,824,792	3,083,221	11,500,000
Asset Revaluation Reserves (Infrastructure)		11,976,771	11,976,771
Asset Revaluation Reserves (investments)			
	<b>424,441,224</b>	<b>442,638,580</b>	<b>469,180,552</b>
<b>Current Assets</b>			
Cash and Bank	500,000	500,000	5,000,000
Short Term Investments			1,000,000
Accounts Receivable	4,000,000	4,096,000	4,000,000
Prepayments	100,000	100,000	41,000
Stocks	100,000	100,000	100,000
GST			
	<b>4,700,000</b>	<b>4,796,000</b>	<b>10,141,000</b>
<b>Non Current Assets</b>			
Term Investments	800,627	601,254	64,915
Investment Properties	19,000,000	19,456,000	46,000,000
Restricted Assets	36,000,000	36,864,000	36,000,000
Forestry Assets	44,000	45,056	44,600
Fixed Assets	380,350,548	405,656,905	
Operational Assets			51,000,000
Infrastructural Assets			349,514,219
Work in Progress			500,000
	<b>436,195,175</b>	<b>462,623,215</b>	<b>483,123,734</b>
<b>Total Assets</b>	<b>440,895,175</b>	<b>467,419,215</b>	<b>493,264,734</b>
<b>Current Liabilities</b>			
Bank Overdraft			
Creditors and Accruals	4,000,000	4,096,000	4,000,000
GST	200,000	200,000	200,000
Deposits	350,000	350,000	425,000
Public Debt Current	847,092	1,276,822	992,094
Income in Advance	475,000	475,000	475,000
Provision Landfills Current	30,000	30,000	30,000
	5,902,092	6,427,822	6,122,094
<b>Non Current Liabilities</b>			
Public Debt	7,315,859	16,116,813	16,034,366
Provision Landfills	2,236,000	2,236,000	1,927,723
Forestry Provision	1,000,000		
	10,551,859	18,352,813	17,962,089
<b>Total Assets/Less Liabilities</b>	<b>424,441,224</b>	<b>442,638,580</b>	<b>469,180,552</b>

## Statement of Prospective Cashflows

Cashflows From Operating Activities	2006/07 LTCCP	2007/08 LTCCP	2007/08 Revised
<b>Cash was provided from:</b>			
Rates	22,595,978	24,988,091	25,361,786
Collection of Agency Rates	3,694,272	3,694,272	3,694,272
Subsidies	6,842,876	8,880,370	8,699,835
Interest	210,000	210,000	150,000
Other Revenue	7,193,492	7,589,218	7,584,615
	<b>40,536,618</b>	<b>45,361,951</b>	<b>45,490,508</b>
<b>Cash was applied to:</b>			
Payments to Suppliers and Employees	(24,073,338)	(24,500,918)	(22,576,052)
Rates paid over for Agencies	(3,694,272)	(3,694,272)	(3,694,272)
Interest paid on Term Debt	(416,192)	(914,708)	(976,561)
Net GST to IRD			
<b>Net Cash from Operating Activities</b>	<b>12,352,816</b>	<b>16,252,053</b>	<b>18,243,623</b>
<b>Cashflows from Investing Activities</b>			
<b>Cash was provided from:</b>			
Net purchase of and appropriation to Investments	(800,627)	(800,627)	(800,627)
Disposal of Assets			
Sinking Funds Uplifted			
<b>Cash applied to:</b>			
Sinking Fund Contributions			
Purchase and development of Fixed Assets	(16,141,140)	(24,682,110)	(26,391,210)
<b>Net Cash from Investing Activities</b>	<b>(16,941,767)</b>	<b>(25,482,737)</b>	<b>(27,191,837)</b>
<b>Cashflows from Financing Activities</b>			
<b>Cash was provided from</b>			
Loans Raised	8,544,153	10,077,776	9,940,308
Cash was applied to			
Repayment of Term Debt	(3,955,202)	(847,092)	(992,094)
<b>Net Cashflow from Financing Activities</b>	<b>4,588,951</b>	<b>9,230,684</b>	<b>8,948,215</b>
Net Increase (Decrease) in Cash held	(1,424,200)		
Plus Opening Cash Balance	1,924,200	500,000	500,000
Closing Cash Balance	500,000	500,000	500,000
<b>Made up of</b>			
Cash and Bank	500,000	500,000	500,000
Short Term Investments			
<b>Closing Cash Balance</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>



## Capital Expenditure Summary 2007/08

	2007/08		Funding Sources							Totals
	LTCCP	Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees and Charges	Targeted & General Rates	
<b>Community Leadership and Governance</b>										
<b>Disaster Mitigation</b>										
Matala Urban/Rural Flood Hazard Mitigation	3,944,000	3,944,000		2,060,667		1,883,333				3,944,000
West End Urban/Rural Flood Hazard Mitigation	1,500,000	2,744,375		2,744,375						2,744,375
Awatapu Flood Hazard Mitigation	925,000	925,000		616,667		308,333				925,000
Edgecumbe Urban/Rural Flood Hazard Mitigation	1,500,000	1,500,000		1,000,000		500,000				1,500,000
	<b>7,869,000</b>	<b>9,113,375</b>		<b>6,421,709</b>		<b>2,691,666</b>				<b>9,113,375</b>
<b>Transport Networks and Systems</b>										
<b>Financially Assisted</b>										
<b>Renewal of local roads</b>										
Metalling		247,000	135,850			111,150				247,000
Reseals	1,833,462	2,055,000	1,130,250			924,750				2,055,000
Thin Asphalt Surfacing	338,580	340,000	187,000			153,000				340,000
Culvert Replacements	51,505	52,400	28,820			23,580				52,400
Major Drainage	256,500	308,300	169,565			138,735				308,300
Stormwater renewals	61,252	61,600	33,880			27,720				61,600
Ohope road major drainage	310,000	318,700	175,285			143,415				318,700
Ohope Road AWPT	982,000	608,000	334,400			273,600				608,000
Burma Road bridge 112 Replacement	150,412	86,500	47,575			38,925				86,500
Bridge Concrete repairs		85,500	47,025			38,475				85,500
Traffic signs & road markings		139,000	76,450			62,550				139,000
Carriageway lighting		120,000	66,000			54,000				120,000
Shoulder Reconstruction	28,215	28,000	15,400			12,600				28,000
Wano Road	218,538	60,000	33,000			27,000				60,000
Ohope Road AWPT		136,000	74,800			61,200				136,000
Matala K&C		60,000	33,000			27,000				60,000
Landing Road Intersection Capacity Imp	513,000									
Awaiti North Road - Pavement Smoothing	177,293									
	<b>4,920,757</b>	<b>4,706,000</b>	<b>2,588,300</b>			<b>2,117,700</b>				<b>4,706,000</b>
<b>Renewal of SPR roads</b>										
Metalling		201,000				201,000				201,000

## Capital Expenditure Summary 2007/08, cont ...

	2007/08 LTCCP	2007/08 Revised	Funding Sources						Totals		
			Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees and Charges		Targeted & General Rates	
Stormwater renewals		165,000				165,000					165,000
Traffic signs & road markings		17,000				17,000					17,000
<b>Improvement of local roads</b>		<b>383,000</b>				<b>383,000</b>					<b>383,000</b>
Puikiki Road Bridge 41 Widening	129,789	127,000	57,150			69,850					127,000
Paekoa Road		407,000		183,150		223,850					407,000
Minor Safety	337,554	325,000	146,250			178,750					325,000
Ohope Road Safety Improvements	208,000	310,000	139,500			170,500					310,000
<b>Improvement of SPR roads</b>	<b>675,343</b>	<b>1,169,000</b>	<b>342,900</b>	<b>183,150</b>		<b>642,950</b>					<b>1,169,000</b>
Ruatahuna road	250,549	260,000		65,000		195,000					260,000
Minor improvements	79,515	75,000				75,000					75,000
<b>330,064</b>	<b>335,000</b>	<b>65,000</b>		<b>65,000</b>		<b>270,000</b>					<b>335,000</b>
<b>Use of Land Transport Systems</b>											
Walking and Cycle Tracks (50%)	61,560	30,000	13,500			16,500					30,000
Carried over from 06/07 (50%)		50,000				27,500		22,500			50,000
Walking and Cycle Tracks (50%)		30,000	13,500			16,500					30,000
Carried over from 06/07 (50%)		50,000				27,500		22,500			50,000
<b>61,560</b>	<b>160,000</b>	<b>27,000</b>				<b>88,000</b>		<b>45,000</b>			<b>160,000</b>
<b>5,987,724</b>	<b>6,753,000</b>	<b>2,958,200</b>	<b>248,150</b>			<b>3,501,650</b>		<b>45,000</b>			<b>6,753,000</b>
<b>Non Financially Assisted</b>											
Kerb & Channel	10,465	10,465						10,465			10,465
Footpath Renewal	108,619	108,619						108,619			108,619
Bus Shelters	10,260	10,260						10,260			10,260
West End Carpark	41,392										
Pyne-Louvain street carpark	15,390	15,390						15,390			15,390
Seal Extensions Rural Roads	348,840	157,000		157,000							157,000
New Footpaths	56,430	56,430						56,430			56,430
Xmas lights	9,686	9,686						9,686			9,686
New Footpaths Malala		10,000						10,000			10,000
New Footpaths Rural		10,000						10,000			10,000
Asset Management Plan		88,125						88,125			88,125



Capital Expenditure Summary 2007/08, cont ...

	2007/08		Funding Sources								Totals	
	LTCCP	Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees and Charges	Targeted & General Rates			
<b>Water Related Services</b>												
Whakatane Land Drainage												
Hinemoa drain - stage 1,2,3 Whakatane	197,446	375,000		375,000								375,000
Pump replacement	202,148	202,148		171,826	30,322							202,148
St. Joseph's Pump Station	131,761	131,761		131,761								131,761
Whakatane Stormwater - Wainui Te Whara	20,840	20,840		20,840								20,840
Whakatane Stormwater - Riverside Drive	171,930	171,930		171,930								171,930
	<b>724,125</b>	<b>901,679</b>		<b>871,357</b>	<b>30,322</b>							<b>901,679</b>
<b>Ohope Land Drainage</b>												
New reticulation pipes, Ohope	89,296	89,296						89,296				89,296
	<b>89,296</b>	<b>89,296</b>						<b>89,296</b>				<b>89,296</b>
<b>Whakatane Water</b>												
Whakatane WTP Continuous Operation	273,876	273,876		273,876								273,876
Whakatane WTP Minor Plant Renewal	31,260	31,260		31,260								31,260
Whakatane New service connections	25,114	25,114							25,114			25,114
Whakatane Pump Replacement	43,764	43,764		35,011	8,753							43,764
Whakatane Mains replacement	81,701	81,701		81,701								81,701
Whakatane New Mains - Paroa	38,170	38,170						38,170				38,170
Whakatane Renew hydrants	5,955	5,955										5,955
Rising Main - Whakatane	266,361	266,361		186,453	79,908							266,361
	<b>766,201</b>	<b>766,201</b>		<b>608,301</b>	<b>126,831</b>				<b>25,114</b>			<b>766,201</b>
<b>Ohope Water</b>												
Ohope Bulk meters	10,573	10,573						5,287				10,573
Ohope - New Service Connections	10,562	10,562							10,562			10,562
	<b>21,135</b>	<b>21,135</b>						<b>5,287</b>	<b>10,562</b>			<b>21,135</b>
<b>Edgecumbe Water</b>												
Edgecumbe-New Water Connections	579	579							579			579
Edgecumbe Water Mains Renewal	36,759	36,759		36,759								36,759
	<b>37,338</b>	<b>37,338</b>		<b>36,759</b>				<b>36,759</b>	<b>579</b>			<b>37,338</b>

## Capital Expenditure Summary 2007/08, cont ...

	2007/08 LTCCP	2007/08 Revised	Funding Sources							Totals		
			Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees and Charges	Targeted & General Rates			
<b>Mataata Water</b>												
Mataata Renew Mains	8,246	15,000	15,000									15,000
Mataata - New Connections	2,318	2,318	2,318							2,318		2,318
	<b>10,565</b>	<b>17,318</b>	<b>15,000</b>							<b>2,318</b>		<b>17,318</b>
<b>Murupara Water</b>												
Murupara Kopuriki Bulk Meter	1,645	1,645	1,645									1,645
Murupara Water Valves - Pump Station	10,127	10,127	10,127									10,127
	<b>11,773</b>	<b>11,773</b>	<b>11,773</b>									<b>11,773</b>
<b>Ruatoki Water</b>												
Ruatoki Reservoir Eastern Supply	55,005	55,005	55,005		55,005							55,005
Ruatoki New Water Main Extension	58,552	58,552	58,552		58,552							58,552
Ruatoki Watermain renewal	8,949	8,949	8,949	8,949								8,949
	<b>122,506</b>	<b>122,506</b>	<b>122,506</b>	<b>8,949</b>	<b>113,557</b>							<b>122,506</b>
<b>Taneatua Water</b>												
Taneatua Mains Renewal - Cobham	9,699	18,000	18,000	18,000								18,000
	<b>9,699</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>								<b>18,000</b>
<b>Waimana Water</b>												
Waimana WTP Renew Bulk Meter	1,645	1,645	1,645	1,645								1,645
	<b>1,645</b>	<b>1,645</b>	<b>1,645</b>	<b>1,645</b>								<b>1,645</b>
<b>Plains Water</b>												
Plains - New Service Connections	20,605	20,605	20,605					20,605				20,605
Upgrade Mains												
Plains Pump Replacement	5,210	5,210	5,210	4,168					1,042			5,210
Plains New Eastern Source WTP/Reservoir	1,741,142											
	<b>1,766,957</b>	<b>25,815</b>	<b>4,168</b>	<b>4,168</b>					<b>21,647</b>			<b>25,815</b>
<b>Ohope Wastewater</b>												
Ohope pump replacement, sewer	32,302	32,302	32,302	25,842		6,460						32,302
Renewal of pump station components, Ohope	10,191	10,191	10,191	10,191								10,191
	<b>42,493</b>	<b>42,493</b>	<b>42,493</b>	<b>36,032</b>		<b>6,460</b>						<b>42,493</b>
<b>Edgecumbe Wastewater</b>												
Edgecumbe pump replacement, sewer	5,731	5,731	5,731	573	4,585							5,731
Edgecumbe new pump station	156,683	156,683	156,683		156,683							156,683



## Capital Expenditure Summary 2007/08, cont ...

	2007/08		Funding Sources								Totals
	LTCCP	Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees and Charges	Targeted & General Rates		
Edgcombe WWTP Waveband Replacement	47,133	47,133		47,133							47,133
<b>Whakatane Wastewater</b>	<b>209,547</b>	<b>209,547</b>	<b>573</b>	<b>208,401</b>	<b>573</b>						<b>209,547</b>
McAlister SI Reticulation renewal Stage 1, Whakatane	90,315	90,000	90,000								90,000
Renewal of pump station components, Whakatane	5,095	5,095	5,095								5,095
Whakatane WWTP UV Treatment Facility	542,658	542,658	542,658								542,658
<b>Taneatua Wastewater</b>	<b>638,069</b>	<b>637,753</b>	<b>637,753</b>								<b>637,753</b>
Amokura Pump Station Upgrade, Taneatua	15,032	15,032	15,032								15,032
<b>Murupara Wastewater</b>	<b>22,929</b>	<b>22,929</b>	<b>22,929</b>								<b>22,929</b>
Desludging of ponds, Murupara	22,929	22,929	22,929								22,929
Murupara WWTP Flow measuring works	24,394										
<b>Te Mahoe Wastewater</b>	<b>47,323</b>	<b>22,929</b>	<b>22,929</b>								<b>22,929</b>
Te Mahoe WWTP Replacement of filter sand	19,108	19,108	19,108								19,108
<b>Asset Management Planning</b>	<b>19,108</b>	<b>19,108</b>	<b>19,108</b>								<b>19,108</b>
Water AMPs	30,675	98,700								98,700	98,700
Water Scheme Plans	25,562	25,562								25,562	25,562
Wastewater AMPs	49,000	105,750								105,750	105,750
Wastewater Scheme Plans	22,575	22,575								22,575	22,575
Land Drainage AMPs	25,652	77,550								77,550	77,550
	<b>153,464</b>	<b>330,137</b>								<b>330,137</b>	<b>330,137</b>
	4,686,277	3,289,706	838,963	1,801,616	258,769		351,784	38,574			3,289,706
<b>Solid Waste Management</b>											
Whakatane Landfill Final Cover	126,040										
Murupara Landfill Final Cover	126,040	126,040		126,040							126,040
Matata Landfill Remediation Works	88,228										
Taneatua Landfill Final Cover	94,530	94,530		94,530							94,530
Whakatane Recycle Park	12,604	12,604	12,604								12,604

## Capital Expenditure Summary 2007/08, cont ...

	2007/08 LTCCP	2007/08 Revised	Funding Sources							Totals	
			Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees and Charges	Targeted & General Rates		
Murupara Transfer Station	6,303	6,303	6,303								6,303
Transfer Station Building, land purchase and installation	790,648	138,804	138,804		138,804						138,804
Asset Management Plans		63,450	63,450					63,450			63,450
	<b>1,244,392</b>	<b>441,731</b>	<b>18,906</b>	<b>359,374</b>				<b>63,450</b>			<b>441,731</b>
<b>Libraries and Museum</b>											
<b>Libraries</b>											
Library Mixed Collection Renewal	105,535	105,535	92,077					13,458			105,535
Library Systems	10,310	10,310						10,310			10,310
Asset Management Plans		35,250						35,250			35,250
	115,845	151,095	92,077					59,018			151,095
<b>Museum</b>											
Vernon Museum System	2,578	25,775	10,000					15,775			25,775
Asset Management Plans		35,250						35,250			35,250
	2,578	61,025	10,000					51,025			61,025
	118,423	212,120	102,077					110,043			212,120
<b>Recreation and Community Facilities</b>											
<b>Swimming Pools</b>											
Asset Management Plans		14,100						14,100			14,100
		14,100						14,100			14,100
<b>Halls</b>											
Manawaha Hall Asphalt	11,551	11,551	11,551								11,551
Te Teko Pavilion Stove Replacement	1,317	1,317	1,317								1,317
Galatea Hall Wallpaper	7,162	7,162	7,162								7,162
Whakataane War Memorial Hall Refurbishment- Little Theatre Interior Paintwork	8,548	8,548	8,548								8,548
Whakataane War Memorial Hall Refurbishment- Stadium Paintwork	6,930	6,930	6,930								6,930
Whakataane War Memorial Hall: Stadium Stove Replacement	1,317	1,317	1,317								1,317
Whakataane War Memorial Hall: Stadium Flood Light Renewal	9,055	9,055	9,055								9,055
Whakataane War Memorial Hall Refurbishment- Ventilation Fan Replacement	15,016	15,016	15,016								15,016





## Capital Expenditure Summary 2007/08, cont ...

	2007/08		Funding Sources							Totals	
	LTCCP	Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees and Charges	Targeted & General Rates		
Asset Management Plans		14,100					14,100				14,100
<b>Public Conveniences</b>	<b>60,896</b>	<b>74,996</b>	<b>60,896</b>				<b>14,100</b>				<b>74,996</b>
Public Conveniences (Minor capital works fixtures and fittings)	2,138	2,138					2,138				2,138
Public convenience minor capital works: external finishes	1,384	1,384					1,384				1,384
Soccer Club toilets external finishes	1,887	1,887					1,887				1,887
The Heads Toilets fixtures and fittings	1,258	1,258					1,258				1,258
Aniwhenua Public Toilets and cooking shelter external finishes	1,258	1,258					1,258				1,258
Asset Management Plans		7,050					7,050				7,050
	<b>7,926</b>	<b>14,976</b>					<b>14,976</b>				<b>14,976</b>
<b>Pensioner Housing</b>											
Pensioner Housing - increase to property standards	84,378	84,378					84,378				84,378
Annual Internal refurbishments Pensioner Units	61,740	61,740					61,740				61,740
Prepare & paint remainder exterior surfaces at Alice Stone flats	10,547	10,547					10,547				10,547
Prepare surfaces and apply interior decorative finished at 18/20 Kowhai St Murupara pensioner Flats	1,794	1,794					1,794				1,794
Asset Management Plans		7,050					7,050				7,050
	<b>158,459</b>	<b>165,509</b>					<b>165,509</b>				<b>165,509</b>
<b>Port</b>											
Harbour Beautification	102,900	102,900					102,900				102,900
Whakane River Quay Street East Wharf Extension	796,537	796,537					796,537				796,537
Western Training Wall	355,628	355,628					355,628				355,628
Whakane River Wharf Structures Renewal	188,693	188,693					188,693				188,693
Whakane River Quay Street Central Wharf Extension	899,437	899,437					899,437				899,437
Whakane river Game Fishing Wharf/Boat Ramp Landing Pontoon	31,449	31,449					31,449				31,449
Development of the Heads Reserve	252,517	252,517					252,517				252,517
Returfishment of Main Wharf	683,899	683,899					683,899				683,899
Asset Management Plans		35,250					35,250				35,250
	<b>3,311,059</b>	<b>3,346,309</b>					<b>3,346,309</b>				<b>3,346,309</b>
	<b>3,538,340</b>	<b>3,615,890</b>	<b>60,896</b>				<b>3,554,994</b>				<b>3,615,890</b>

## Capital Expenditure Summary 2007/08, cont ...

	2007/08 LTCCP	2007/08 Revised	Funding Sources						Totals
			Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees and Charges	
<b>Parks Reserves and Cemeteries</b>									
<b>Parks and Gardens</b>									
Pacific Park Playground	50,702								
West End Road Land Acquisition	205,800	205,800					205,800		205,800
Whakaari Reserve Carpark Development	41,438								
Mairi Street Carpark Development	41,438								
Pohutukawa Avenue Beach Access 06/07	15,095	15,095					15,095		15,095
Anne Street/Phillip/Hoterimi Beach Access	10,363	10,363					10,363		10,363
West End Road Carpark Upgrade	34,681	34,681					34,681		34,681
Rural Non Council Owned Playground Development	20,580	20,580					20,580		20,580
Whakatane Gardens pathway	53,970	53,970					53,970		53,970
Warren Cole Cycleway	75,608	75,608					75,608		75,608
Mitchell Park Development	33,441								
Awatapu Bridge	133,992								
Sullivan Park Footpath	51,631								
Asset Management Plans		35,250					35,250		35,250
	<b>768,740</b>	<b>451,348</b>					<b>451,348</b>		<b>451,348</b>
<b>Cemeteries</b>									
Whakatane Cemetery Berms	6,174	6,174	6,174						6,174
Asset Management Plans		7,050					7,050		7,050
	<b>6,174</b>	<b>13,224</b>	<b>6,174</b>				<b>7,050</b>		<b>13,224</b>
	<b>774,914</b>	<b>464,572</b>	<b>6,174</b>				<b>458,398</b>		<b>464,572</b>
<b>Corporate Property</b>									
Provision of a Security System at the Whakatane Museum and Gallery	20,580	20,580	20,580						20,580
Civic Centre Interior Paintwork	5,776	15,613	15,613						15,613
Civic Centre Air Conditioning	34,651	34,651	34,651						34,651
Civic Centre Furniture	57,752	75,000	75,000						75,000
Murupara Office Air Conditioning Replacement	11,550	11,550	11,550						11,550
Murupara Depot Exterior Finishes	2,310	2,310	2,310						2,310
Nursery Depot Exterior Finishes	2,599	2,599	2,599						2,599
Valley Rd (Waterguard Depot) Carpet Replacement	2,887	2,887	2,887						2,887
Valley Rd (Waterguard Depot) Dog Pound Extension	23,101	52,000	52,000						52,000



Capital Expenditure Summary 2007/08, cont ...

	2007/08		Funding Sources								Totals
	LTCPP	Revised	Depreciation	Loans	Development Contributions	Subsidies Grants	Other Reserves	Fees and Charges	Targeted & General Rates		
No 282 Valley Rd Interior Finishes	5,891	5,891	5,891								5,891
Edgcombe Community Building Interior Paintwork	10,396	10,396	10,396								10,396
Whakalane Museum Minor Exterior Paintwork	2,310	2,310	2,310								2,310
Civic Centre Council Chambers - new carpet		35,000							35,000		35,000
OBU consolidation		127,000		127,000							127,000
Small Plant - Waterguard		10,000	10,000								10,000
Asset Management Plans		59,925							59,925		59,925
	<b>179,805</b>	<b>467,714</b>	<b>193,789</b>	<b>127,000</b>			<b>146,925</b>				<b>467,714</b>
<b>Corporate Information Management</b>											
PC's and Peripheral Equipment	154,350	155,000	155,000								155,000
Network Hardware	30,870	30,870	30,870								30,870
PABX	25,725	25,800	25,800								25,800
EDMS	5,145	77,175		77,175							77,175
Aerial Photography	20,580	80,000		80,000							80,000
Internet Public Interface	2,572										
Camera Network	2,572	25,725		25,725							25,725
GIS Software	12,862	144,060		44,060			100,000				144,060
IT infrastructure		157,000		57,000			100,000				157,000
Information Management		136,000		116,000			20,000				136,000
OBU - Systems Development and Data Collection		425,500		425,500							425,500
Ozone Development		100,000					100,000				100,000
	<b>254,677</b>	<b>1,357,130</b>	<b>211,670</b>	<b>825,460</b>			<b>320,000</b>				<b>1,357,130</b>
<b>Vehicle Replacements</b>											
Vehicle Replacements	236,670	200,000	100,000				100,000				200,000
	<b>236,670</b>	<b>200,000</b>	<b>100,000</b>				<b>100,000</b>				<b>200,000</b>
<b>Total</b>	<b>25,491,304</b>	<b>26,391,212</b>	<b>4,490,675</b>	<b>9,940,309</b>	<b>258,769</b>	<b>6,193,316</b>	<b>5,469,568</b>	<b>38,574</b>			<b>26,391,212</b>



## 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 2007/08 fees and charges for activities undertaken by the Council are included in Volume Two of the Annual Plan. 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 Rooding) and as a uniform charge for each rating unit (Community Board, Works and Facilities, Swimming Pool, Rooding, 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 2007/08.

Report on 30% Cap	
2007/08	
	Incl GST
UAGC	3,888,500
Works and Facilities	750,200
Democracy	373,617
Rooding	706,400
Refuse Collection	1,922,497
District Parks	709,992
Promotion	174,459
	<b>8,525,665</b>
<b>Total Rates</b>	<b>28,532,009</b>
Percentage	<b>29.88%</b>

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 \$4,571,429)

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

The rates (in cents in the dollar of capital value) for 2007/08 are:

<ul style="list-style-type: none"> <li>Commercial/Industrial properties greater than \$10.0 million of capital value (excluding Farming, Forestry and horticulture)</li> </ul>	<b>0.007477</b>
<ul style="list-style-type: none"> <li>All other properties</li> </ul>	<b>0.012461</b>

In addition, the Council sets a Uniform Annual General Charge on all rating units in the District. In the 2007/08 year this charge is **\$275.00** per rating unit.

### 3. Works and Facilities Rate (Budgeted Revenue \$6,004,008)

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 Whakatane Community rating area	<b>\$25.00</b>
All rating units in the rural rating area	<b>\$50.00</b>
All rating units in the Ohope Community rating area	<b>\$100.00</b>
All rating units in the Edgecumbe Community rating area	<b>\$50.00</b>
All rating units in the Taneatua Community rating area	<b>\$150.00</b>
All rating units in the Murupara Community rating area	<b>\$150.00</b>

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:



<b>Rates on Capital/Land Value set Differentially (Cents in the dollar of Capital/Land Value) for 2007/08 are as follows:</b>	<b>Differ-ential</b>	<b>Rate</b>
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)	<b>2.2</b>	<b>0.440224</b>
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)	<b>1.0</b>	<b>0.200102</b>
All other rating units in the Whakatane Urban rating area	<b>1.0</b>	<b>0.200102</b>
Rural Commercial/Industrial Properties greater than \$10.0 million of capital value (excluding farming, forestry and horticulture)	<b>0.60</b>	<b>0.013701</b>
All other rating units situated in the Rural rating area.	<b>1.0</b>	<b>0.022834</b>
All rating units in the Ohope Community Board rating area	<b>1.0</b>	<b>0.031598</b>
Edgecumbe Commercial/Industrial rating units greater than \$10.0 million of capital value	<b>0.60</b>	<b>0.095341</b>
All other rating units situated in the Edgecumbe Community rating area.	<b>1.0</b>	<b>0.158902</b>
All rating units in the Taneatua Community rating area.	<b>1.0</b>	<b>0.409537</b>
Murupara lifestyle rating units (Land Value)	<b>0.05</b>	<b>1.03119</b>
All other rating units situated in the Murupara Community rating area (Land Value)	<b>1.0</b>	<b>20.623795</b>

#### **4. Community Board Rate (Budgeted Revenue \$373,617)**

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):

<b>Uniform Annual Charge</b>	<b>\$</b>
All rating units in the Whakatane Community Board Area	<b>29.59</b>
All rating units in the Ohope Beach Community Board area	<b>23.29</b>
All rating units in the Edgecumbe/Tarawera Community Board Area	<b>22.88</b>
All rating units in the Taneatua Community Board Area	<b>25.02</b>
All rating units in the Murupara Community Board Area	<b>28.93</b>

#### **5. Swimming Pool Rate (Budgeted Revenue \$132,963)**

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:

<b>Fixed Charge</b>	<b>\$</b>
All rating units situated in the Murupara/Galatea Ward area, (excluding the Murupara Community rating area)	<b>72.68</b>
All rating units situated in the Rural rating area, (excluding the Murupara/Galatea Ward)	<b>21.95</b>

#### **6. Roothing Rate (Budgeted Revenue \$8,576,308)**

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 2007/08 are as follows:	Differential	Rate
All rating units with a capital value greater than \$10 million	0.60	0.089470
All other rating units	1.0	0.149117

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 Removal Rate (Budgeted Revenue \$1,922,497)

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 2007/08 is **\$182.67** 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 \$182.67 per refuse/recycling bin applies.**

##### Rural/Commercial Properties

The fixed amount for 2007/08 is **\$134.72** 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 \$134.72 per refuse/recycling bin applies.**

#### 8. District-wide Parks Rate (Budgeted Revenue \$709,992)

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 2007/08 year the charge is **\$50.25** per rating unit.

#### 9. Promotion and Development Rate (Budgeted Revenue \$174,459)

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 \$325.48 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 2007/08 year are shown below:

<b>Whakatane (Budgeted Revenue \$1,210,567)</b>	
\$209.86	per separately used or inhabited part of a <b>residential</b> rating unit <b>connected</b>
\$209.86	per <b>water closet or urinal</b> in each <b>commercial/industrial</b> rating unit <b>connected</b>
104.93	per separately used or inhabited part of a rating unit <b>serviceable</b> (capable of connection)

<b>Ohope (Budgeted Revenue \$447,517)</b>	
\$276.33	per separately used or inhabited part of a <b>residential</b> rating unit <b>connected</b>
\$276.33	per <b>water closet or urinal</b> in each <b>commercial/industrial</b> rating unit <b>connected</b>
\$138.17	per separately used or inhabited part of a rating unit <b>serviceable</b> (capable of connection)

<b>Edgecumbe (Budgeted Revenue \$103,992)</b>	
\$166.76	per separately used or inhabited part of a <b>residential</b> rating unit <b>connected</b>
\$166.76	per <b>water closet or urinal</b> in each <b>commercial/ industrial</b> rating unit <b>connected</b>
\$83.39	per separately used or inhabited part of a rating unit <b>serviceable</b> (capable of connection)

<b>Taneatua (Budgeted Revenue \$59,934)</b>	
\$213.76	per separately used or inhabited part of a <b>residential or commercial (excluding Industrial)</b> rating unit <b>connected</b>
\$4,142.01	per <b>Industrial</b> rating unit <b>connected</b>
\$106.88	per separately used or inhabited part of a rating unit <b>serviceable</b> (capable of connection)

<b>Murupara (Budgeted Revenue \$53,363)</b>	
\$77.28	per separately used or inhabited part of a rating unit <b>connected</b>
\$77.28	per <b>water closet or urinal</b> in each <b>commercial/industrial</b> rating unit <b>connected</b>
\$38.64	per separately used or inhabited part of a rating unit <b>serviceable</b> (capable of connection)

<b>Te Mahoe (Budgeted Revenue \$20,823)</b>	
\$800.39	per separately used or inhabited part of a rating unit <b>connected</b>

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 2007/08 year are shown below:

<b>Whakatane (Budgeted Revenue \$2,138,906)</b>	
\$339.92	per separately used or inhabited part of a rating unit <b>connected and non metered</b>
\$169.96	per separately used or inhabited part of a rating unit <b>serviceable</b> (capable of connection)
\$78.48	per separately used or inhabited part of a rating unit <b>connected and metered</b>
\$1.10 cents	per cubic metre of all water supplied to each rating unit <b>connected and metered</b>

<b>Ohope (Budgeted Revenue \$389,403)</b>	
\$61.98	per separately used or inhabited part of a rating unit <b>connected and metered</b>
\$30.99	per separately used or inhabited part of a rating unit <b>serviceable</b> (capable of connection)
98.0 cents	per cubic metre of all water supplied to each rating unit <b>connected and metered</b>

<b>Edgecumbe (Budgeted Revenue \$181,264)</b>	
\$255.04	per separately used or inhabited part of a rating unit <b>connected and non-metered</b>
\$127.52	per separately used or inhabited part of a rating unit <b>serviceable</b> (capable of connection)
84.0 cents	per cubic metre of all water supplied to each rating unit <b>connected and metered</b> , with a minimum fixed amount of <b>\$255.04</b> per connection

<b>Matata (Budgeted Revenue \$109,984)</b>	
\$353.26	per separately used or inhabited part of a rating unit <b>connected and non-metered</b>
\$176.63	per separately used or inhabited part of a rating unit <b>serviceable</b> (capable of connection)
\$1.02	per cubic metre of all water supplied to each rating unit <b>connected and metered</b> with a minimum fixed amount of <b>\$353.26</b> per connection

<b>Taneatua (Budgeted Revenue \$82,600)</b>	
\$206.77	per separately used or inhabited part of a rating unit <b>connected and non-metered</b>
\$103.39	per separately used or inhabited part of a rating unit <b>serviceable</b> (capable of connection)
68.0 cents	per cubic metre of all water supplied per separately used or inhabited part of a rating unit <b>connected and metered</b> with a minimum fixed amount of <b>\$206.77</b> per connection

\$1.22	per cubic metre of all water supplied to each rating unit outside the gazetted water supply area, <b>connected and metered</b> with a minimum fixed amount of <b>\$284.97</b> .
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<b>Murupara (Budgeted Revenue \$16,100)</b>	
\$14.35	per separately used or inhabited part of a rating unit <b>connected and non-metered</b>
\$7.18	per separately used or inhabited part of a rating unit <b>serviceable</b> (capable of connection)
16.0 cents	per cubic metre of all water supplied to each rating unit <b>connected and metered</b> with a minimum fixed amount of <b>\$14.35</b> per connection

<b>Ruatoki (Budgeted Revenue \$26,959)</b>	
\$17.47	per separately used or inhabited part of a rating unit <b>serviceable or connected</b>
\$8.73	per separately used or inhabited part of a rating unit <b>connected and metered</b>
28.0 cents	per cubic metre of all water supplied to each rating unit <b>connected and metered</b>

<b>Waimana (Budgeted Revenue \$30,335)</b>	
\$458.77	per separately used or inhabited part of a rating unit <b>connected and non-metered</b>
\$1.04	per cubic metre of all water supplied to each rating unit <b>connected and metered</b> with a minimum fixed amount of <b>\$458.77</b> per connection

<b>Plains (Budgeted Revenue \$732,886 - includes Awakeri)</b>	
\$100.00	per separately used or inhabited part of a rating unit <b>connected and metered</b>
25.0 cents	per cubic metre of all water supplied to each rating unit <b>connected and metered</b> .
	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 <b>50 cents</b> per cubic metre.
	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.



<b>Awakeri Extension</b>	
\$160.00	per separately used or inhabited part of a rating unit <b>connected and metered</b>
38.0 cents	per cubic metre of all water supplied in each rating unit <b>connected and metered.</b>
	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 <b>50 cents</b> per cubic metre.  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 imposition of the overuse penalty.

<b>Te Mahoe (Budgeted Revenue \$20,917)</b>	
\$767.05	per separately used or inhabited part of a rating unit <b>connected</b>

<b>Ruatahuna (Budgeted Revenue \$1,203)</b>	
\$120.26	per separately used or inhabited part of a residential rating unit <b>connected</b>
\$240.53	per separately used or inhabited part of a <b>commercial/ industrial</b> rating unit <b>connected.</b>

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

## 12. Disaster Mitigation Rate (Budgeted Revenue \$439,985)

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

<b>All Rating Units</b>	
Awatarariki Catchment	\$397.35
Waimea Catchment	\$680.63
Waitepuru Catchment	\$306.64
Matata Community	\$125.45
Edgecumbe Catchment	\$61.12
Edgecumbe Community	\$30.56
Awatapu Catchment	\$11.52
Whakatane Community	\$5.76
Otarawairere Catchment*:	
(1) Otawairere/ Cliff/ Brown Rds	\$447.80
(2) West End	\$394.56
Ohope Community	\$7.79

*In addition Council sets a targeted rate on the capital value of all rating units in the district.*

\* See the Variance Explanations on page 128

District Rate on Capital Value .0000337 cents in the dollar.

## 13. Instalment Due Dates

### 13.1 Rates

There will be four equal instalments for the 2007/08 rates and the due dates are as follows:

Instalment 1: Friday 24 August 2007

Instalment 2: Friday 23 November 2007

Instalment 3: Friday 22 February 2008

Instalment 4: Friday 23 May 2008

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 2007 to any rates that were set prior to 1 July 2007 and which are unpaid at 1 July 2007 and which remain unpaid at 30 September 2007.

### 13.2 Water Rates

The following dates are the due dates for water invoices:

Billing Period	
1	01/07/07 - 30/09/07
2	01/10/07 - 31/12/07
3	01/01/08 - 31/03/08
4	01/04/08 - 30/06/08
Due Dates	
Friday	26 October 2007
Friday	25 January 2008
Thursday	24 April 2008
Friday	25 July 2008

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 Summarised rates and revenues

Summarised Rates and Revenues	Categories	Explanation	2006/07 LTCCP	2007/08 LTCCP	2007/08 Annual Plan
<b>Actual Rates inclusive of GST</b>					
<b>Revenue collected exclusive of GST</b>					
<b>General Rates</b>			<b>5,793,691</b>	<b>6,254,831</b>	<b>4,063,493</b>
Commercial/Industrial	Greater than \$10M CV - 0.60 times	0.007477c per \$ of Capital Value			
All other Properties	1.0 times for all other Rating Units	0.012461c per \$ of Capital Value			
UAGC	All Rating Units	\$275.00 per Rating Unit			
<b>Targeted Rates</b>					
<b>Works and Facilities</b>			<b>4,440,415</b>	<b>4,731,516</b>	<b>5,336,896</b>
Whakatane Urban Rating Area	Uniform Annual Charge	\$25.00 per Rating Unit			
Commercial/Industrial Differential	Up to \$10M CV - 2.2 times	0.440224c per \$ of Capital Value			
Commercial/Industrial Differential	Greater than \$10M CV - 1.0 times	0.200102c per \$ of Capital Value			
Whakatane Urban Differential	1.0 times for all other Rating Units	0.200102c per \$ of Capital Value			
Rural	Uniform Annual Charge	\$50.00 per Rating Unit			
Rural Differential	1.0 times for all Rating Units	0.022834c per \$ of Capital Value			
Rural Commercial/Industrial	Greater than \$10M CV - 0.60 times	0.013701c per \$ of Capital Value			
Ohope Community	Uniform Annual Charge	\$100.00 per Rating Unit			
Ohope Community Differential	1.0 times for all Rating Units	0.031598c per \$ of Capital Value			
Edgecumbe Community	Uniform Annual Charge	\$50.00 per Rating Unit			
Edgecumbe Community Differential	1.0 times for all Rating Units	0.158902c per \$ of Capital Value			
Edgecumbe Commercial/Industrial	Greater than \$10M CV - 0.60 times	0.095341c per \$ of Capital Value			
Taneatua Community	Uniform Annual Charge	\$150.00 per Rating Unit			
Taneatua Community Differential	1.0 times for all Rating Units	0.409537c per \$ of Capital Value			
Murupara Community	Uniform Annual Charge	\$150.00 per Rating Unit			
Murupara Community Differential	0.05 times for Lifestyle Rating Units	1.03119c per \$ of Land Value			
Murupara Community Differential	1.0 times for all other Rating Units	20.623795c per \$ of Land Value			
<b>Community Boards</b>			<b>302,389</b>	<b>322,213</b>	<b>332,104</b>
Whakatane	Uniform Annual Charge	\$29.59 per Rating Unit in Area			
Ohope	Uniform Annual Charge	\$23.29 per Rating Unit in Area			
Edgecumbe-Tarawera	Uniform Annual Charge	\$22.88 per Rating Unit in Area			
Taneatua	Uniform Annual Charge	\$25.02 per Rating Unit in Area			
Murupara	Uniform Annual Charge	\$28.93 per Rating Unit in Area			
<b>Whakatane Water Supply</b>			<b>1,540,923</b>	<b>1,641,941</b>	<b>1,901,250</b>
Rating Units Connected and Non Met	Separately used or inhab parts of Rating Unit	\$339.92 per qualifying part or portion			
Rating Units Serviceable	Separately used or inhab parts of Rating Unit	\$169.96 per qualifying part or portion			
Rating Units Connected and Metered	Separately used or inhab parts of Rating Unit	\$78.48 per qualifying part or portion			
Rating Units Connected and Metered	All Metered Consumers	\$1.10 per cu mt			
<b>Ohope Water Supply</b>			<b>296,093</b>	<b>315,504</b>	<b>346,136</b>
Rating Units Connected and Metered	Separately used or inhab parts of Rating Unit	\$61.98 per qualifying part or portion			

## Funding Impact Statement Summarised rates and revenues - cont

Summarised Rates and Revenues	Categories	Explanation	2006/07 LTCCP	2007/08 LTCCP	2007/08 Annual Plan
Rating Units Serviceable	Separately used or inhab parts of Rating Unit	\$30.99 per qualifying part or portion			
Rating Units Connected and Metered	All Metered Consumers	\$0.98 per cu mt	164,687	175,484	161,123
<b>Edgcombe Water Supply</b>					
Rating Units Connected and Non Met	Separately used or inhab parts of Rating Unit	\$255.04 per qualifying part or portion			
Rating Units Serviceable	Separately used or inhab parts of Rating Unit	\$127.52 per qualifying part or portion			
Rating Units Connected and Metered	All Metered Consumers	\$0.84 per cu mt (Min Ch \$255.04)	93,338	99,457	97,763
<b>Matata Water Supply</b>					
Rating Units Connected and Non Met	Separately used or inhab parts of Rating Unit	\$353.26 per qualifying part or portion			
Rating Units Serviceable	Separately used or inhab parts of Rating Unit	\$176.63 per qualifying part or portion			
Rating Units Connected and Metered	All Metered Consumers	\$1.02 per cu mt (Min Ch \$353.26)	80,394	85,664	73,422
<b>Taneatua Water Supply</b>					
Rating Units Connected and Non Met	Separately used or inhab parts of Rating Unit	\$206.77 per qualifying part or portion			
Rating Units Serviceable	Separately used or inhab parts of Rating Unit	\$103.39 per qualifying part or portion			
Rating Units Connected and Metered	All Metered Consumers	\$0.68 per cu mt (Min Ch \$206.77)			
Rating Units outside Gazetted Area	Connected and Metered Consumers	\$1.22 per cu mt (Min Ch \$284.97)	87,652	93,398	14,311
<b>Murupara Water Supply</b>					
Rating Units Connected and Non Met	Separately used or inhab parts of Rating Unit	\$14.35 per qualifying part or portion			
Rating Units Serviceable	Separately used or inhab parts of Rating Unit	\$7.18 per qualifying part or portion			
Rating Units Connected and Metered	All Metered Consumers	\$0.16 per cu mt (Min Ch \$14.35)	62,753	66,867	23,964
<b>Ruatoki Water Supply</b>					
Rating Units Serviceable or Connected	Separately used or inhab parts of Rating Unit	\$17.47 per qualifying part or portion			
Rating Units Connected and Metered	Separately used or inhab parts of Rating Unit	\$8.73 per qualifying part or portion			
Rating Units Connected and Metered	All Metered Consumers	\$0.28 per cu mt			
<b>Waimana Water Supply</b>					
Rating Units Connected and Non Met	Separately used or inhab parts of Rating Unit	\$458.77 per qualifying part or portion	27,852	29,678	26,965
Rating Units Connected and Metered	All Metered Consumers	\$1.04 per cu mt (Min Ch \$458.77)			
Plains Water Supply			559,394	596,066	651,454
Rating Units Connected and Metered	Separately used or inhab parts of Rating Unit	\$100.00 per qualifying part or portion			
Rating Units Connected and Metered	All Metered Consumers	\$0.25 per cu mt			
Rating Units Connected and Metered	All Metered Consumers	\$0.50 per cu mt for overuse of entitl			
<b>Plains-Awakeri Extn</b>					
Rating Units Connected and Metered	Separately used or inhab parts of Rating Unit	\$160.00 per qualifying part or portion			
Rating Units Connected and Metered	All Metered Consumers	\$0.38 per cu mt			
Rating Units Connected and Metered	All Metered Consumers	\$0.50 per cu mt for overuse of entitl	28,481	30,348	18,593
<b>Te Mahoe Water Supply</b>					
Rating Units Connected	Separately used or inhab parts of Rating Unit	\$767.05 per qualifying part or portion	1,528	1,628	1,069
<b>Ruatuhuna Water Supply</b>					
Residential Rating Units Connected	Separately used or inhab parts of Rating Unit	\$120.26 per qualifying part or portion			
Comm/Industrial Rating Units Conn	Separately used or inhab parts of Rating Unit	\$240.53 per qualifying part or portion			



Funding Impact Statement Summarised rates and revenues - cont

Summarised Rates and Revenues	Categories	Explanation	2006/07 LTCCP	2007/08 LTCCP	2007/08 Annual Plan
<b>Whakatane Sewerage</b>			866,069	922,846	1,076,059
Residential Rating Units Connected	Separately used or inhab parts of Rating Unit	\$209.86 per qualifying part or portion			
All Rating Units Serviceable	Separately used or inhab parts of Rating Unit	\$104.93 per qualifying part or portion			
Commercial/Industrial	Each Water Closet or Urinal	\$209.86 per water closet or urinal			
<b>Ohope Sewerage</b>			392,641	418,381	397,793
Residential Rating Units Connected	Separately used or inhab parts of Rating Unit	\$276.33 per qualifying part or portion			
All Rating Units Serviceable	Separately used or inhab parts of Rating Unit	\$138.17 per qualifying part or portion			
Commercial/Industrial	Each Water Closet or Urinal	\$276.33 per water closet or urinal			
<b>Edgecumbe Sewerage</b>			201,858	215,091	92,437
Residential Rating Units Connected	Separately used or inhab parts of Rating Unit	\$166.79 per qualifying part or portion			
All Rating Units Serviceable	Separately used or inhab parts of Rating Unit	\$83.39 per qualifying part or portion			
Commercial/Industrial	Each Water Closet or Urinal	\$166.79 per water closet or urinal			
<b>Taneatua Sewerage</b>			64,388	68,610	53,275
Residential Rating Units Connected	Separately used or inhab parts of Rating Unit	\$213.76 per qualifying part or portion			
All Rating Units Serviceable	Separately used or inhab parts of Rating Unit	\$106.88 per qualifying part or portion			
Industrial	Connected Rating Units	\$4142.01 per Rating Unit			
<b>Murupara Sewerage</b>			83,179	88,632	47,434
Residential Rating Units Connected	Separately used or inhab parts of Rating Unit	\$77.28 per qualifying part or portion			
All Rating Units Serviceable	Separately used or inhab parts of Rating Unit	\$38.64 per qualifying part or portion			
Commercial/Industrial	Connected Rating Units	\$77.28 per water closet or urinal			
<b>Te Mahoe Sewerage</b>			25,090	26,734	18,509
Rating Units Connected	Separately used or inhab parts of Rating Unit	\$800.39 per qualifying part or portion			
<b>Refuse Removal</b>			1,153,729	1,229,365	1,708,886
District Wide-Residential	Separately used or inhab parts of Rating Unit	\$182.67 per part of a Rating Unit			
District Wide-Rural/Commercial	Separately used or inhab parts of Rating Unit	\$134.72 per part of a Rating Unit			
<b>Swimming Pools</b>			114,785	122,310	118,189
Murupara/Galatea Ward	Excl Murupara Comm Rating Area	Targeted Rate \$72.68 per Rating Unit			
Rural Rating Area	Excl Murupara/Galatea Ward	Targeted Rate \$21.95 per Rating Unit			
<b>Roading</b>			5,453,704	5,811,233	7,623,385
Roading Targeted Rate	All Rating Units	\$50.00 per Rating Unit			
Roading Differential	Greater than \$10M CV - 0.60 times	0.089470c per \$ of Capital Value			
Roading Differential	1.0 times for all other Rating Units	0.149117c per \$ of Capital Value			
<b>Parks</b>	<b>All Rating Units</b>	<b>\$50.25 per Rating Unit</b>	<b>552,523</b>	<b>588,744</b>	<b>631,104</b>
<b>Promotion and Development</b>	<b>Commercial/Industrial Rating Units</b>	<b>\$325.48 per Rating Unit</b>	<b>142,109</b>	<b>151,425</b>	<b>155,075</b>
Disaster Mitigation			66,650	900,483	391,098
	Awatairaiki-Catchment	\$397.35 per Rating Unit			
	Waimea-Catchment	\$680.63 per Rating Unit			
	Waitepuru-Catchment	\$306.64 per Rating Unit			
	Matata-Community	\$125.45 per Rating Unit			



## Funding Impact Statement Summarised rates and revenues - cont

Summarised Rates and Revenues	Categories	Explanation	2006/07 LTCCP	2007/08 LTCCP	2007/08 Annual Plan
	Edgecumbe-Catchment	\$61.12 per Rating Unit			
	Edgecumbe-Community	\$30.56 per Rating Unit			
	Awatapu-Catchment	\$11.52 per Rating Unit			
	Whakatane-Community	\$5.76 per Rating Unit			
	Otarawairere-Catchment				
	Otarawairere/Cliff/Brown Rds	\$447.80 per Rating Unit			
	West End only	\$394.56 per Rating Unit			
	Ohope-Community	\$7.79 per Rating Unit			
	District Wide	.0000337c per \$ of Capital Value			
<b>Total Rates Levied</b>			<b>22,596,314</b>	<b>24,988,450</b>	<b>25,361,786</b>
Rates Penalties			200,000	200,000	300,000
User Fees and Charges			4,724,378	4,906,375	5,376,940
Subsidies and Grants			6,842,876	8,880,370	8,699,835
General Interest			210,000	210,000	150,000
Sundry Income			728,567	905,323	630,156
Development Contributions			1,540,547	1,577,520	1,577,519
<b>Total Operating Revenue</b>			<b>36,842,682</b>	<b>41,668,038</b>	<b>42,096,236</b>
<b>Other Funding Sources</b>					
Loans			5,184,000	9,031,452	9,940,308
Net Reserve Transfers			9,038,412	9,921,920	11,328,762
<b>Total Source of Funds</b>			<b>51,065,094</b>	<b>60,621,410</b>	<b>63,365,306</b>
<b>Funding:</b>					
Operating Expenses			34,543,094	35,092,300	34,952,861
Capital Expenditure			16,141,000	24,682,110	26,391,210
Principal Loan Repayments			381,000	847,000	2,021,235
<b>Total Expenditure</b>			<b>51,065,094</b>	<b>60,621,410</b>	<b>63,365,306</b>



## Funding Impact Statement Variance Explanations

### (1) General Rates

General rates will decrease 29.86% from the 2006/07 requirement and 35% from the figure indicated for 2007/08 in the approved LTCCP.

Several factors have impacted and the more significant ones are as follows;

- \$323,000 of staff settlements within Council Initiatives were to be funded by rates however this will now come from reserves.
- \$356,000 of corporate activities previously charged direct to general rates has now been apportioned over all rate types.
- \$275,000 increase in building permit fees will reduce the reliance upon general rates.
- \$100,000 annual provision for doubtful debts has been deleted.
- An operating surplus from prior year of \$719,168.

### (2) Works and Facilities Rates

Works and facilities rates increase by \$605,380 over the figure forecast within the LTCCP for 2007/08.

The major change is in the activity of Solid Waste disposal where an increased input of \$336,152 is required. An operating deficit has also been applied to the Works and Facilities Rate from prior years of \$189,801.

### (3) Whakatane Water Supply

The forecast rate requirement of \$1,641,941 in the LTCCP was not a precise calculation. This was an assessment calculated on a pro-rata basis only.

The overall cost of the activity has not changed significantly from that forecast in the LTCCP and accordingly the LTCCP forecast should have been more in line with the \$1,901,250 in the 2007/08 Draft Annual Plan.

### (4) Murupara Water Supply

The required rating input for 2007/08 has been reduced as a result of applying an operating surplus of \$79,887 from prior years.

### (5) Whakatane Sewerage

The forecast rate requirement of \$922,846 in the LTCCP was not a precise calculation. The

overall cost of the activity has not changed significantly from that forecast in the LTCCP and accordingly the LTCCP forecast should have been more in line with the \$1,076,059 in the 2007/08 draft Annual Plan.

### (6) Murupara Sewerage

The required rating input for 2007/08 has been reduced as a result of applying an operating surplus of \$38,964 from prior years.

### (7) Refuse Removal

The required rating input into refuse removal has increased \$479,521 from the figure forecast in the LTCCP. Direct costs in this activity increased by \$233,544 and the same comments as in (3) and (5) above related to pro rata forecasts in the LTCCP applies.

### (8) Roothing

The rating input into Roothing has increased by \$1.80m. The majority of this increase is required to adequately fund the Roothing activity. During 2005/06 the Council addressed the matter of insufficient funding for all years to 30 June 2006 and this Annual Plan also rectifies the situation where 2007/08 forecasts were understated in the approved LTCCP.

### (9) Disaster Mitigation

The requirement for Disaster Mitigation has been reduced from that indicated in the draft Annual Plan due to forecasted operational expenses of \$446,000 not yet being required.