

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

We are pleased to present the Annual Plan for the 2010/11 year. This Annual Plan has been based on the second year's work programme and budgets under the 2009-19 Long-term Council Community Plan (LTCCP). Its approval by the Council represents a culmination of over six months of work that has included reviewing the work programmes as proposed in the LTCCP, a formal public consultation process, and hearing and deliberating on submissions received. This year a total of 130 submitters made submissions on 336 points. Areas of focus for submitters included the sale of properties and the introduction of SUIP's. Some submissions also outlined new proposals and ideas which will be investigated in the coming year.

This year the task of finalising the Annual Plan was challenging as our District was affected by floods on 24 May and 1 June 2010. The floods affected areas of Whakatane, Edgumbe, Matata and Ohope and resulted in people being evacuated from their homes and causing damage to homes, businesses, roads, community facilities, and Council utilities. About \$3.15m in extra costs has resulted from these events. This significantly altered the environment for the finalisation of budgets. While the Council has been able to cover some of the costs through subsidies, reimbursements or insurance, ultimately \$2.23m will need to be funded by our ratepayers. This has contributed an extra 1.8% towards the total rates increase for the 2010/11 year.

In April 2010 the Council resolved not to proceed with the divestment of the pensioner housing portfolio. This was expected to release a minimum of \$3.5m for the retirement of debt over a period of ten years. While the decision not to proceed with the sale of pensioner housing has yet to be finalised through an LTCCP amendment process, it will have an impact on this Annual Plan as revenue will not be realised during the 2010/11 year as expected. The cost of servicing the debt that was intended to be retired contributes 1.56% to the rates increase in 2010/11. This decision will also add to the rates requirement significantly over the next five years.

With the recent closure of the Burma Waste Landfill (after over thirty years of operation) the Council has been transitioning to a new operating environment for solid waste. This includes sending all non-processed waste out of the District to the Waikato and has meant the solid waste activities cost has increased substantially. With six months experience under the new arrangements we now know we need to increase budgets further for the solid waste activities. This has resulted in higher fees and charges, as well as increases to the Refuse Removal Targeted Rates and the Refuse Disposal Uniform Annual Charge in the Annual Plan. To reduce costs for the future the Council will be placing a major focus on reducing the amount of waste needing to be transported and disposed of outside the District. This will involve initiating more projects and campaigns to reduce, reuse and recycle waste. These increases in costs have contributed 3.41% to the annual rates increase.

Rates affordability will always be a key issue for our community. The Council signalled in the LTCCP that there would be rating increases over the first three years of the Plan despite significant reductions in our planned work programmes. These increases are necessary as we complete delayed expenditure on maintenance of our key infrastructure as well as to improve our capacity to deliver quality services, principally through investment in technology. The costs of resolving some long-standing natural hazard issues through our disaster mitigation projects have also added significantly to our capital works expenditure. The floods of 2010 have also identified the need for us to look closely at our stormwater systems given the frequency of events above our stormwater design levels.

This year we had again reviewed our programmes and expenditure for the next year in the draft Annual Plan. We had signalled that almost \$3m of capital expenditure was to be deferred, mainly in the roading area as well as significant savings in all operational areas. However further operational and capital expenditure cuts have had to be made to accommodate the financial impacts of the floods, the Council decision not to sell the pensioner housing and to manage the impact of the solid waste cost increases. Some of these additional changes include:

- Revising the capital expenditure programme reducing expenditure in IT and slowing down the timing of the refurbishment of the Briscoe's building for the library and exhibition space.
- Reviewing and decreasing operating costs across the organisation.

In making these decisions the Council has had to balance cost reductions alongside the need to deliver an acceptable level of service to the community. While this means that many works have now been delayed over the next twelve months, they cannot be avoided and the community will have to face the costs in future years.



Colin Holmes
MAYOR



Diane Turner
CHIEF EXECUTIVE

Given the extraordinary circumstances in the lead up to this Annual Plan the Council has also decided to use the Harbour Endowment Fund to repay debt for roading storm damage incurred in the 2009/10 year. This move will provide relief to ratepayers across the District by offsetting the overall average rate increase by 2.43%.

With all these changes the indicative rates rise of 11.9% in the LTCCP has been reduced to 8.43%.

A number of projects planned in the LTCCP for 2010/11 are still going ahead and are outlined in this Annual Plan. One of the most notable of these is the investigation into an alternative landfill site within the District. Other projects which started in the current year are well under way, and the continuation of these projects, such as the District Plan Review, Aquatic Centre Repair Project and Alternative Water Source Investigations for Whakatane are described in the Groups of Activities section of the Annual Plan. A full list of the capital projects is also included in the Financial Statements chapter of this Annual Plan.

The Council have decided to proceed with applying SUIPs charges to commercial properties in the 2010/11 year and will consider the proposed introduction of SUIPs for residential and rural properties in the 2011/12 rating year.. The introduction of rates remission policies for residential, rural and papakainga SUIPs will also be considered during the 2011/12 Annual Plan consultation process. The implementation of the SUIPs policy in the 2010/11 year will see a shift in the Council's rating system that provides the Council with an increased ability to apply the principles of the user pays philosophy. In order to implement a rating system on the basis of SUIPs for commercial properties the Council has amended its Funding Impact Statement in the LTCCP.

The Council has also amended the debt maturity limits outlined in the Liability Management Policy in the LTCCP. This change will allow the Council more flexibility to take greater advantage of short term borrowing facilities to achieve savings in interest costs.

Last year the Council commenced identifying commercial, industrial, and multi-storey residential buildings that are potentially at risk from earthquakes. This work is a legislative requirement and has identified a significant number of at-risk buildings. We have decided to speed up this work, so that owners are made fully aware as soon as possible. At the same time, the policy is to be amended to allow owners more time to consider their options and plan the work needed to bring their buildings up to standard.

The Council has revised the public/private split for the building inspection and resource consent activities. This change recognises that a portion of the work carried out by staff in these areas cannot be recovered from fees for consent applications.

Changes in central government policies and legislation will impact on our work programmes for the 2010/11 year. In the transportation activities, a review of priorities for the New Zealand Land Transport Agency (NZTA) means that some local transportation projects that were likely to receive subsidy funding from NZTA are no longer eligible and may not proceed. In particular, projects in the areas of walking, cycling and road safety will be affected.

In the water and wastewater area, government is still considering the extent and level of project subsidy. Such projects are still included in the Plan but some of them may be at risk. Without government funding, projects such as these are simply not affordable for our local communities.

As part of the May 2010 Budget announcements the Government has indicated that it will increase GST from 12.5% to 15% effective from 1 October 2010. These changes will affect the cost to the community of the Council's activities. In particular, the community will be faced with an incremental increase in Council rates and fees and charges from 1 October as a result.

The Council has increased budgets in some areas. This includes a provision of funding for storm damaged roading, an increase to funding for weather tightness claims, an increased allowance for rates remissions, funding to implement a smoke free in public places policy, reinstatement of funding for the Youth Council, drainage improvements for the Cutler Crescent Netball Courts and funding the operating cash deficit from the 2008/09 financial year in the LTCCP.

We would like to take this opportunity to acknowledge the efforts of Staff, Council and the Community in finalising this Annual Plan through a challenging environment.



C G H Holmes
MAYOR
30 June 2010



Diane Turner
CHIEF EXECUTIVE
30 June 2010

COUNCIL PURPOSE AND VISION

PURPOSE

Great services, excellent delivery

- We provide governance, leadership and advocacy for the people of the district
- We provide quality infrastructure including community facilities, roads, sewerage, water and storm water systems
- We deliver regulatory services focused on public health, safety and wellbeing
- We deliver 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 the 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.

Great Services, Excellent Delivery



ABOUT THE ANNUAL PLAN

THE PLANNING CYCLE

The Annual Plan is part of a longer term planning process.

The Local Government Act 2002 requires us to plan in three-year cycles. Every three years, we publish a Long-Term Council Community Plan (LTCCP) setting out our intentions for the ten years ahead – what we'll do, how we'll do it, how much we'll spend, who will pay, the levels of service we'll provide, and how we'll measure the quality and effectiveness of our work. Our current LTCCP was published in 2009 and covers the period 2009-19. Copies of the LTCCP are available from Council offices, libraries and on the website: www.whakatane.govt.nz.

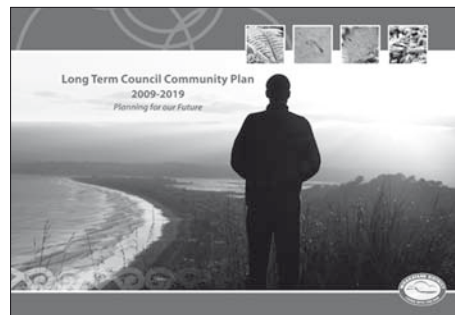
In each of the two years between LTCCPs, we produce an Annual Plan. The Annual Plan takes a fresh look at our work programme for the year ahead and considers whether any changes are needed from the LTCCP – such as revisions to our budgets or adjustments to the work programme to help deal with issues or challenges facing the district.

This Annual Plan presents the budget, work programme and intended service levels for the period 1 July 2010 to 30 June 2011 for each of the 36 activities undertaken by the Council. This is compared to the corresponding year from the LTCCP 2009-19 and any major variations between the two are explained.

VARIATIONS FROM THE LTCCP

The Annual Plan does have the ability to vary from the work programme, policies and service levels set out in the corresponding year of the 2009-19 LTCCP. While minor changes can be effected through the Annual Plan, significant changes can only be made through amendments to the LTCCP.

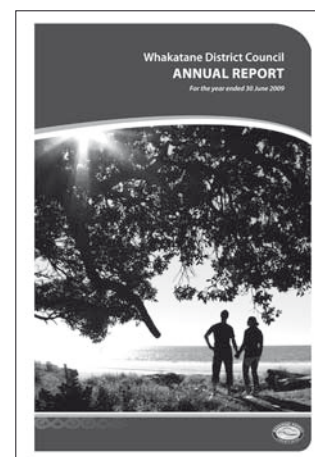
Through this Annual Plan process the Council is proposing to make amendments to the Liability Management Policy and the Funding Impact Statement as well as adding a new Rates Remission Policy. Information about these amendments can be found in the LTCCP Amendments section of this Annual Plan.



BEING ACCOUNTABLE

Each year the Council produces an Annual Report. This sets out how we performed against the Annual Plan for the year. Did we do all we said we'd do? Did we meet our budgets? Did we do as good a job as we should have?

The report is made available on our website and through libraries and service centres, and a summary is sent to all households in the District.



LTCCP:

Sets out the Council's priorities for the next ten years and how the Council will work towards addressing issues facing the District.

Annual Plan:

Takes a fresh look at the Council's priorities for the coming year and lets you know how the work programme will be paid for.

Annual Report:

Lets you know whether the Council delivered what it said it would.

YOUR VIEWS

KNOWING WHAT YOU WANT IS IMPORTANT TO US

The Draft Annual Plan was open for consultation from late March to late April. During this time copies of the Draft Annual Plan, a summary of the Draft Annual Plan and the Draft Fees and Charges Schedule were available on our website, in our offices and in public libraries. A summary of the Draft Annual Plan was also made available to each household in the District through the Bay Weekend Newspaper.

The Council held a public open day in the former Briscoes building in Whakatane's esplanade mall with Staff, Directors and the Chief Executive present to discuss the proposals and issues in the Draft Annual Plan.

CONSIDERATION OF YOUR VIEWS

The Council received 130 submissions on the Draft Annual Plan and a number of submitters presented their submissions at hearings held on 19 and 20 May.

The Council considered the views put forward by submitters when making decisions on the proposals outlined in the Draft Annual Plan. Meetings to deliberate on the proposals were held on 28 and 31 May before being interrupted by flooding events early in June. Deliberations resumed on 10 June.

CHANGES FROM THE DRAFT TO THE FINAL

During the deliberations process Council considered submissions made by the community on the Draft Annual Plan and have made changes to budgets as a result. Some of the changes include:

- Reinstatement of funding for the Youth Council,
- Funding to initiate implementation of a smoke free outdoor spaces policy,
- Funding for a drainage project to support resurfacing of the Cutler Crescent netball courts.

As well as considering submissions, the Council have also provided direction on other issues that impact on the budgets for the 2010/11 year. This includes:

- Increases to the budget as a result of Council's decision not to proceed with the sale of pensioner housing.
- Increases to the budget as a result of the real costs of waste operations being established following closure of the district landfill.
- Increases to the budgets following significant unanticipated costs that have resulted from flooding events in early June 2010.
- One-off use of the Harbour Endowment Fund to pay for debt related to roading storm damage.

More information about these changes can be found in the Key Issues section of this Annual Plan.

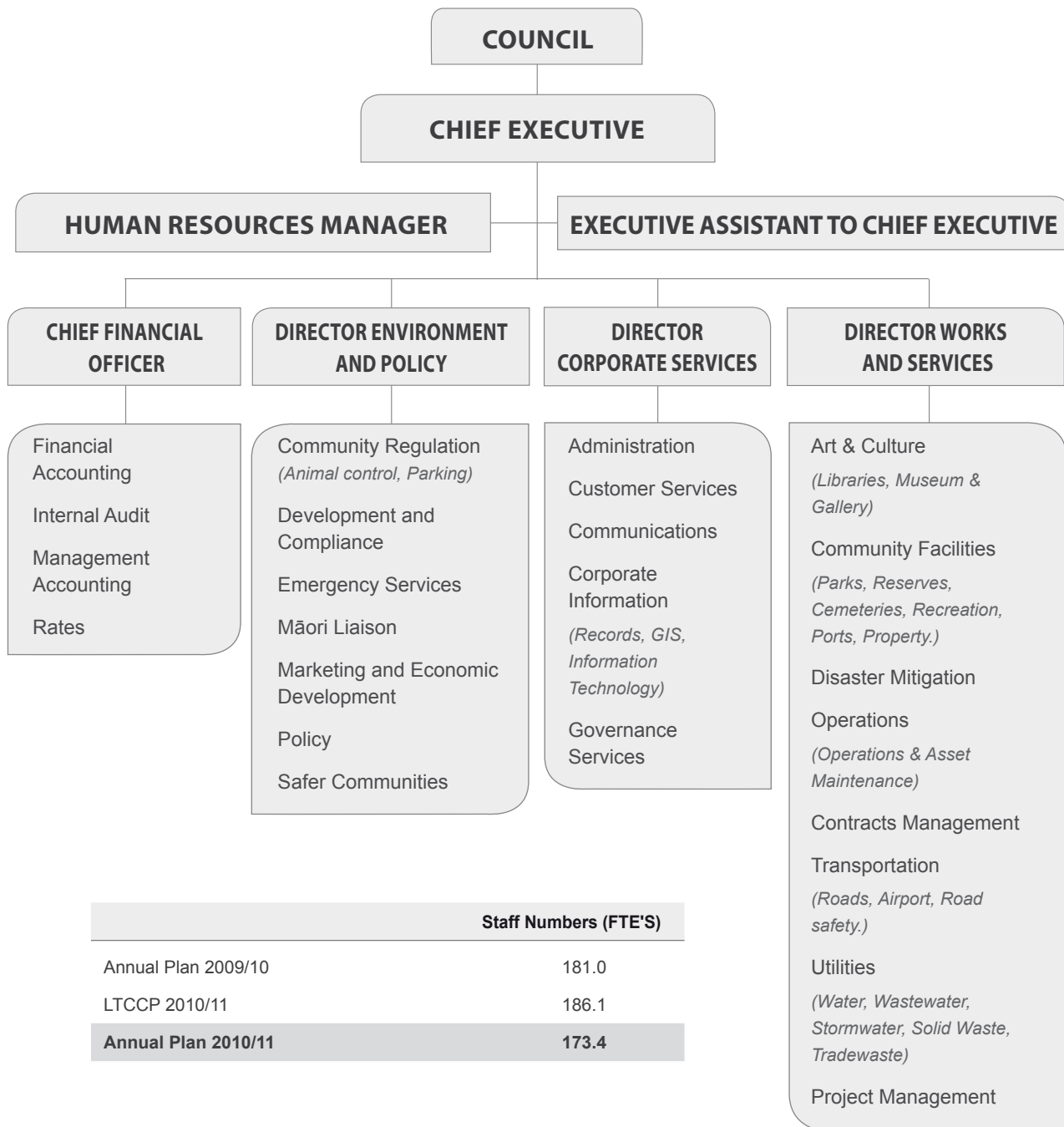
***130 submissions
were received
on the Draft
Annual Plan***

MANAGEMENT AND STAFF

The Whakatane District Council employs staff through the Chief Executive.

The Council is divided into five functional areas as shown in the following organisational chart.

STAFF STRUCTURE AS AT 31 MAY 2010



Staff Numbers (FTE'S)	
Annual Plan 2009/10	181.0
LTCCP 2010/11	186.1
Annual Plan 2010/11	173.4

COMMUNITY OUTCOMES

WHAT ARE COMMUNITY OUTCOMES?

The community outcomes are high-level goals for the present and future, identified by our community. They are intended to reflect what the people of the District believe is important to their social, cultural, economic and environmental wellbeing.

The identification and reporting of community outcomes is intended to guide and inform the planning processes and setting of priorities of local authorities and other organisations. The community outcomes help local authorities and other organisations focus on a community vision for the district.

Under the Local Government Act 2002, it is the role of local councils to facilitate, identify and monitor outcomes on behalf of their communities.

HOW WERE COMMUNITY OUTCOMES IDENTIFIED?

To identify community outcomes for the Whakatane District and for the Eastern Bay of Plenty, the Council participated in a joint project with Environment Bay of Plenty, Kawerau District Council and Opotiki District Council. This project, named “Eastern Bay – Beyond Today”, was undertaken during the 2004/05 year and involved substantial consultation with the community. Final community outcomes for the Whakatane District were acknowledged by the Council at its meeting on 29 June 2005.



LOCAL GOVERNMENT REFORM AND THE FUTURE OF COMMUNITY OUTCOMES

At the time of writing this Annual Plan, reforms to the Local Government Act 2002 - known as the Transparency, Accountability and Financial Management (TAFM) review - were being progressed by the Minister of Local Government. Under new legislation it is expected that community outcomes will be re-focused to mean the outcomes that the Council seeks to achieve for its Communities.

Under new legislation, the requirement to identify wider community outcomes as they are currently defined or to report on progress towards achieving them will no longer be mandatory. Community outcomes are expected to be redefined to identify the contribution that the Council intends to make to wellbeing and how our services/ activities generate that contribution.


IDENTIFYING OUR CONTRIBUTION TO COMMUNITY WELLBEING

Within this Annual Plan we have identify how our work programme for the 2010/11 year promotes and contributes towards the achievement of our current community outcomes. Specifically, within the Groups of Activities section of this Annual Plan, we have provided an indication of which community outcomes each activity will contribute towards.

Identifying the Council's contribution to community outcomes (currently) is a requirement of the Local Government Act 2002.

GOVERNANCE

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO




STRONG, TRANSPARENT AND OPEN LEADERSHIP

Groups of Activities - Leadership

GOVERNANCE

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



STRONG, TRANSPARENT AND OPEN LEADERSHIP

WHAT WE DO AND WHY WE DO IT

Governance of the Council is a key activity, supporting and guiding everything else that the Council does. The elected members of the Council provide direction to the Council, ensuring that it is able to offer value for money and prudent management contributing to community outcomes. The elected members are the community's representatives, making decisions on behalf of and in the interests of the community. The Council is required by the Local Government Act 2002 to be open, transparent and democratically accountable. This means the Council must conduct its business in public in a way that is easily understood and contributed to by the community.

WHAT WILL THIS ACTIVITY COST

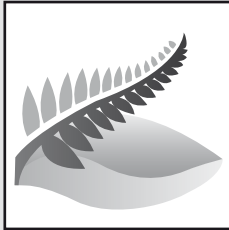
	Annual Plan 2010/11 \$000
Expenditure	1,325
Revenue	1,911
Capital	1,110

Post Election Process: Following the Local Government Elections, the Council will undertake an induction process for the elected representatives and establish the structures and processes for the coming triennium. Part of this process includes establishing committee structures, assigning delegations, considering standing orders and the code of conduct.

Community Board Discretionary Funds: Each Community Board of the District has a discretionary fund (ranging from \$5,000-\$50,000) available for community groups and projects that benefit their ward. The Community Boards include Edgecumbe/Tararua (to be known as Rangitiki from October 2010), Murupara, Onope Beach, Taneatua, and Whakatane.

COMMUNITY OUTCOMES OF THE WHAKATANE DISTRICT

The following pages outline the nine community outcomes of the Whakatane District. Listed against each community outcome are the specific goals that were identified by the community as being important to their wellbeing.



CLEAN PROTECTED ENVIRONMENT

Goals

- The environment is clean and natural resources are protected and conserved
- The community is educated and involved in environmental care
- Natural and cultural heritage places are recognised and protected
- Waste is well managed.

What we monitor

- Perceived state of the natural environment
- Cover of indigenous and exotic forest
- Community involvement in environmental care
- Level of recycling
- Recreational water quality
- Air quality



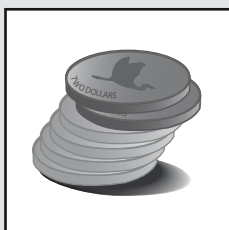
ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

Goals

- Development is planned, managed and controlled sustainably
- Economic growth is balanced with cultural, social and environmental responsibility
- Environmental laws are actively enforced
- Sustainable energy use is encouraged
- There is a sense of pride and enjoyment about how attractive the district is.

What we monitor

- Residential growth capacity
- Natural environment enforcement action
- Sense of pride in the district
- Sustainable energy use



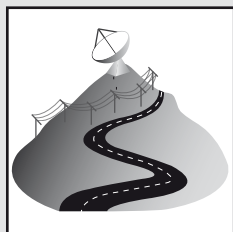
PROSPEROUS ECONOMY

Goals

- The economy is prosperous in both urban and rural areas
- Business builds on the district's assets to support the economy
- Māori economic development is supported
- New businesses are attracted to the area and all businesses are encouraged
- Employment opportunities are available for all.

What we monitor

- Incomes throughout the District
- Business growth
- Tourism activity
- Employment and unemployment



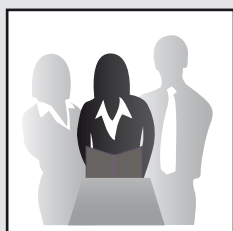
HIGH-QUALITY AFFORDABLE INFRASTRUCTURE

Goals

- High quality affordable infrastructure supports growth (e.g. transport, water, energy, waste)
- Transport links to the district are maintained and enhanced
- Roading is safe, convenient, and appropriate to all users
- People, infrastructure and the environment are protected from natural disasters
- Improvements in communication technology are available throughout the district (e.g. Mobile coverage and fast internet access).

What we monitor

- Roading infrastructure
- Road crashes
- Level of bus services
- Access to telecommunications



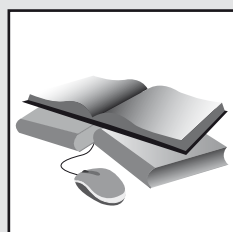
STRONG, TRANSPARENT AND OPEN LEADERSHIP

Goals

- Leaders are visible, strong, have a clear vision and listen to all sectors of the community
- Decision making processes are transparent, open and inclusive
- Council, the community and Māori work in partnership
- Council costs are appropriate for the services provided.

What we monitor

- Voter turnout
- Inter-sectoral partnerships
- Understanding the decision-making process
- Confidence in decision-making



EDUCATION AND TRAINING OPPORTUNITIES FOR ALL

Goals

- Affordable quality education and training accessible to all
- Education and training supports economic growth
- Participation in education is encouraged and supported, especially for youth
- Education values and promotes cultural heritage.

What we monitor

- Level of educational attainment
- Education reflects cultural heritage
- Level of industry training



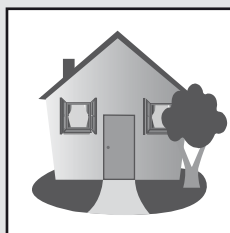
SAFE CARING COMMUNITY

Goals

- Communities help themselves and care about each other
- Drug, alcohol and gambling abuse is diminished
- Homes and neighbourhoods are free from fear of violence or crime
- Youth development is supported and youth gain from and contribute to our community.

What we monitor

- Level of crime
- Perception of freedom from crime
- Involvement in unpaid work
- Youth involvement in decision-making



HEALTHY PEOPLE AND QUALITY HOUSING

Goals

- Affordable, quality housing is available for all
- Initiatives are in place to encourage self sufficiency in housing
- Quality primary and secondary health care and facilities accessible to all
- Information and support for preventative health issues is made available to all
- Appropriate support is available for disadvantaged, disabled and those in need.

What we monitor

- Housing affordability
- Life expectancy
- Low birth-weight babies
- Main causes of injury
- Rates of smoking, drinking and obesity
- Barriers to medical care



DIVERSE, CREATIVE AND ACTIVE COMMUNITY

Goals

- Facilities and venues are in place to accommodate a wide range of activities for all
- Activities and events support and celebrate culture, creativity and recreation
- Parks, reserves and recreational facilities are enhanced and increased
- Māori culture is valued, celebrated, promoted and protected
- Diversity is valued and different cultures, genders and ages are respected
- All forms of art are catered for.

What we monitor

- Perception of recreation and leisure opportunities
- Number of feature events
- Perception of a culturally diverse arts scene
- Te Reo Māori
- Historic and archeological heritage