



# OUR WORK IN DETAIL

Ngā mahinga whānui



## INTRODUCTION TO 'OUR WORK IN DETAIL'

This 'Our work in detail' chapter of the LTP provides a detailed overview of the activities we will undertake over the next 10 years. We currently have 48 internal and external activities organised into 12 groups of activities.

These groups incorporate the core services that we deliver, as defined by the Local Government Act 2002, and we give particular consideration to how these core services contribute to the community in our decision making process.

Within each group of activities you will find a breakdown of each activity, including what the activity delivers, why we do it, responding to our issues, what we want to achieve, what the activity will cost and how it is funded.

### Groups of Activities:

- Leadership
- Roads and Footpaths
- Water Supply
- Sewage Treatment and Disposal
- Stormwater Drainage
- Waste
- Environmental Sustainability
- Community Safety
- Arts and Culture
- Community Property
- Recreation and Community Facilities
- Corporate and District Activities

## GUIDE TO THE LAYOUT AND CONTENT OF 'OUR WORK IN DETAIL'



### Group of activities

This cover page for each group of activities indicates what the group is and the activities undertaken within that group.

**WHAT THESE ACTIVITIES WILL COST AND HOW WE ARE GOING TO PAY FOR THEM**  
**FUNDING IMPACT STATEMENT**

ANNUAL PLAN 2011/12 \$000	LTP		LTP		LTP		LTP		LTP		LTP	
	2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2021/22 \$000	
<b>OPERATIONAL</b>												
Sources of operating funding												
- General rates, uniform annual general charges, rates penalties	253	367	408	400	418	442	456	477	507	526		
2,025 Targeted rates (other than a targeted rate for water supply)	2,313	2,340	2,421	2,627	2,695	2,743	2,852	2,988	3,150	3,264		
- Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-		
- Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-		
1,881 Internal charges and overheads recovered	2,021	2,052	2,102	2,152	2,215	2,292	2,373	2,461	2,560	2,664		
200 Local authorities fuel tax, fines, infringement fees, and other receipts	200	208	215	223	232	240	248	257	268	279		
<b>4,106 Total operating funding (A)</b>	<b>4,787</b>	<b>4,967</b>	<b>5,146</b>	<b>5,402</b>	<b>5,560</b>	<b>5,717</b>	<b>5,929</b>	<b>6,183</b>	<b>6,485</b>	<b>6,733</b>		
Applications of operating funding												
1,507 Payments to staff and suppliers	1,585	1,647	1,705	1,789	1,857	1,922	1,992	2,067	2,152	2,243		
866 Finance costs	778	880	1,003	1,146	1,210	1,289	1,327	1,401	1,500	1,525		
1,200 Internal charges & overheads applied	1,544	1,536	1,568	1,585	1,624	1,686	1,739	1,804	1,883	1,951		
- Other operating funding applications	-	-	-	-	-	-	-	-	-	-		
<b>3,575 Total applications of operating funding (B)</b>	<b>3,907</b>	<b>4,072</b>	<b>4,276</b>	<b>4,520</b>	<b>4,691</b>	<b>4,897</b>	<b>5,058</b>	<b>5,272</b>	<b>5,535</b>	<b>5,719</b>		
<b>532 Surplus (deficit) of operating funding (A-B)</b>	<b>880</b>	<b>895</b>	<b>870</b>	<b>882</b>	<b>869</b>	<b>820</b>	<b>871</b>	<b>911</b>	<b>950</b>	<b>1,014</b>		
<b>CAPITAL</b>												
Sources of capital funding												
- Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-		
4 Development and financial contributions	114	119	123	127	132	137	142	147	153	159		
(78) Increase (decrease) in debt	323	437	1,387	1,242	448	505	1,292	592	825	544		
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-		
Lump sum contributions	-	-	-	-	-	-	-	-	-	-		
<b>(74) Total sources of capital funding (C)</b>	<b>437</b>	<b>556</b>	<b>1,510</b>	<b>1,369</b>	<b>580</b>	<b>642</b>	<b>1,434</b>	<b>739</b>	<b>978</b>	<b>703</b>		
Applications of capital funding												
Capital expenditure												
- to meet additional demand	-	-	-	-	-	-	-	-	-	-		
588 - to improve level of service	1,300	1,433	3,129	2,402	1,382	1,627	2,908	1,874	2,037	1,750		
- to replace existing assets	-	-	-	-	-	-	-	-	-	-		
(130) Increase (decrease) in reserves	17	18	(749)	(151)	67	(165)	(603)	(224)	(109)	(33)		
<b>1,717</b>	<b>1,717</b>	<b>1,717</b>	<b>1,717</b>	<b>1,717</b>	<b>1,717</b>	<b>1,717</b>	<b>1,717</b>	<b>1,717</b>	<b>1,717</b>	<b>1,717</b>		
<b>(1,014)</b>	<b>(1,014)</b>	<b>(1,014)</b>	<b>(1,014)</b>	<b>(1,014)</b>	<b>(1,014)</b>	<b>(1,014)</b>	<b>(1,014)</b>	<b>(1,014)</b>	<b>(1,014)</b>	<b>(1,014)</b>		

**What these activities will cost and how we are going to pay for them**

These statements set out the budgeted costs for the group of activities over the course of the LTP, and describes how they are funded. Explanations of the categories used in the statements can be found later in this introduction.

**The Community Outcomes this activity contributes to**

The Council conducts its activities to achieve the high level goals known as 'Community Outcomes'. The community outcomes that each activity helps to promote are identified under each activity. More information about our community outcomes can be found in the 'Where We Are Going' chapter.

**THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO**

**What this activity delivers**

This section helps to give you an idea of exactly what each activity delivers. It tells you what you should receive as a service from us, and how it is provided.

**Why we do it**

This section sets out the rationale behind providing the activity. Generally our activities contribute to the community's well being and we undertake them because the community wants us to. A number of activities are also required by legislation.

**WASTE DISPOSAL**

**WHAT THIS ACTIVITY DELIVERS**

The Council provides a kerbside waste collection service for approximately 12,700 households in urban Whakatāne, Ōhope, Tāneatua, Edgecumbe, Te Teko, Matatā and Murupara. This collection includes an 80 litre general refuse waste bin collected weekly.

We also provide a number of transfer stations in the District, including Whakatāne, Murupara and Minginui. These enable the community to dispose of extra waste, especially those residents who do not have access to the collection service.

Our waste collection, disposal recycling and reprocessing services are managed through private contractors. As we do not own a landfill, waste is transported and disposed of outside our District to Tirohia in the Waikato.

**WHY WE DO IT**

Providing the facilities for the community to dispose of waste in a convenient and secure way helps to protect public health and reduces the harmful effects of waste getting into the environment. These facilities are designed to minimise fly-tipping and reduce issues of odour or contamination caused by incorrectly disposed waste.

**RESPONDING TO OUR ISSUES**

**How we dispose of our waste**  
 The cost of waste management last year was over 10% of the Council's total operating costs. All residual waste is transported to a landfill site in the Waikato. Costs associated with the transport of the waste include direct

**Responding to our issues**

The issues that are facing the activity are identified and an explanation as to the action we will undertake to address these issues is provided.

transport costs such as fuel and the extra wear on our roads. We also have to cover the charges incurred through using space at an external organisation's landfill. The alternative option of developing a landfill within our District is very costly and would require a huge investment. We have looked at options of developing a landfill with external parties, such as other councils in the area, but we are not in a position to commit to a preferred long-term waste disposal option within our District at this time. The operation of our transfer stations and recycling park require general renewal, improvements and replacement works. This is estimated to cost \$90,000 over the 10 years of this LTP.

**Reducing the amount of waste we send to landfill**

We are looking at ways of reducing the amount of waste sent to landfill. This can significantly reduce costs in this area and reduce the environmental impacts. Currently over half the waste we dispose in Tirohia landfill could have been taken out if the waste stream was correctly sorted. For further detail on how we are reducing waste to landfill, see the waste recycling and waste reprocessing activities on the following pages.

**Options for managing our waste**

The Council's Waste Management and Minimisation Plan 2010 lays out a number of initiatives and actions to address the waste issues facing our District. The LTP is consistent with this plan.

### Significant negative effects

Under the Local Government Act, any activities that may have a significant negative effect on one or more of the four well-beings must be identified.

For this LTP, we have identified a number of significant negative effects resulting from the activities we undertake.

If further negative effects arise, we have in place sustainable measures to mitigate against them. This is something we will continue to monitor.

#### WHAT WE ARE GOING TO DO

To respond to some of the issues, the Council is planning to undertake the following key projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Edgcombe Water Supply - supply main from Paul Road	2012-16	1,800,000	Subsidy 85% Loan 15%
Plains Water Supply - Paul Road bore site and reticulation	2016-18	2,500,000	Loan 80% Development Contribution 20%
Plains Water Supply - pipe upgrades to improve flow and pressure	2016-21	2,000,000	Loan 100%
Water mains upgrade in Edgcombe and Te Teko to improve fire flow	2016-18	550,000	Loan 100%

Note: The figures in this table are not adjusted for inflation.

#### WHAT NEGATIVE IMPACT THIS MIGHT HAVE

Sometimes the activities that we do can have a negative impact on one or more of the four well-beings. While we strive to ensure that we operate in a way that provides the most positive outcomes, we have to acknowledge that sometimes there is a trade-off. The table below shows the possible negative effects of this activity and also what we are going to do to try and minimise these effects.

SIGNIFICANT NEGATIVE EFFECT	AFFECTED WELL-BEING				SUSTAINABLE SOLUTION
	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	
Potential contamination of the raw water supply	✓	✓	✓	✓	Emergency response plans, operational procedures and monitoring of the raw water supplies. Public Health Risk Management Plan.
Insufficient water supplies during times of drought or emergency.		✓	✓		Minor works are underway to ensure 24 hours worth of water storage is available, as well as ensuring a back up system is in place to provide tank water in our smaller schemes. Tests are underway on a back up bore for the Whakatāne area. Plains 50 year strategy.

### What we are going to do

This table sets out the key capital projects we are undertaking to address issues, how much they will cost, what years they are planned for, and how they will be funded. Note these are only the key capital projects not all the projects the Council will undertake for this LTP. A full break down of our capital projects can be found in the 'Our Costs in Detail' chapter.

### How this activity is funded

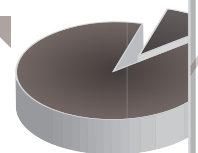
The Council receives income from a variety of sources. These include rates, fees and charges, and subsidies from external organisations, just to name a few. It is important to consider how an activity is funded to get a better understanding of the activity. The pie chart sets out how we fund the operational costs of running this activity is based on the new rating system. An indication of how much the different funding sources contribute towards this activity is given on a high/medium/low scale. Further information about these funding splits can be found in the Revenue and Financing Policy.

#### HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources. The pie chart illustrates how we will pay for the operational running of this activity.

Further explanations on the funding of this activity can be found in the Revenue and Financing Policy contained in the 'Our Costs in Detail' chapter.

General Rates - High



### What we want to achieve

This table outlines the level of service we aim to provide to the community. The planned levels of service and the targets we are aiming for are also stated in this table. Some measures are based on a perception survey which will be undertaken annually to gauge from the community how we are doing. The survey collates the answers received and ranks them on a scale of 0 -100. This is referred to as the 'Customer Satisfaction Index score'. The higher the score, the better we are doing.

#### WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity.

The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

Goal	Measure	Current performance (2010/11)	Target				
			Year 1 (2012/13)	Year 2 (2013/14)	Year 3 (2014/15)	Years 4-10	
The Council makes decisions in an open, inclusive and transparent manner	Proportion of meetings that are publicly notified and agendas of the Council, its committees and community boards are available at least two working days before meetings and meetings are conducted in accordance with Local Government Act and Standing Orders	100%	100%	100%	100%	100%	
	Satisfaction that the Council is providing opportunities for community involvement in decision making (Customer Satisfaction Index score)	57.5	56-60	57-61	58-62	59-63	



## INDICATIVE FUNDING IMPACT STATEMENT - WHOLE OF COUNCIL \*

ANNUAL PLAN 2011/12 \$000		LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
	<b>OPERATIONAL</b>										
	<b>Sources of operating funding</b>										
8,804	General rates, uniform annual general charges, rates penalties	15,286	15,908	16,429	16,224	16,762	17,264	17,738	18,356	18,812	19,010
23,550	Targeted rates (other than a targeted rate for water supply)	18,934	19,742	20,214	21,372	22,709	23,890	24,221	25,275	26,106	26,737
2,490	Subsidies and grants for operating purposes	2,889	3,077	3,167	3,146	3,179	3,347	3,397	3,590	3,642	3,843
9,816	Fees, charges, and targeted rates for water supply***	10,344	10,826	11,225	11,666	12,152	12,569	13,000	13,389	13,900	14,662
76	Interest and dividends from investments	40	40	60	70	50	40	40	40	40	40
1,929	Local authorities fuel tax, fines, infringement fees, and other receipts	2,137	2,217	2,283	2,312	2,521	2,453	2,601	2,692	2,778	2,835
<b>46,665</b>	<b>Total operating funding (A)</b>	<b>49,630</b>	<b>51,810</b>	<b>53,378</b>	<b>54,790</b>	<b>57,373</b>	<b>59,563</b>	<b>60,997</b>	<b>63,342</b>	<b>65,278</b>	<b>67,127</b>
	<b>Applications of operating funding</b>										
33,891	Payments to staff and suppliers	34,978	36,551	37,500	38,669	40,345	41,922	42,701	44,664	46,090	47,537
2,196	Finance costs	2,517	2,749	2,768	2,396	2,094	2,333	2,334	2,197	2,035	1,790
413	Other operating funding applications	430	440	451	463	475	486	497	510	524	538
<b>36,500</b>	<b>Total applications of operating funding (B)</b>	<b>37,925</b>	<b>39,740</b>	<b>40,719</b>	<b>41,528</b>	<b>42,914</b>	<b>44,741</b>	<b>45,532</b>	<b>47,371</b>	<b>48,649</b>	<b>49,865</b>
<b>10,165</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>11,705</b>	<b>12,070</b>	<b>12,659</b>	<b>13,262</b>	<b>14,459</b>	<b>14,822</b>	<b>15,465</b>	<b>15,971</b>	<b>16,629</b>	<b>17,262</b>
	<b>CAPITAL</b>										
	<b>Sources of capital funding</b>										
7,050	Subsidies and grants for capital expenditure	3,458	4,386	8,671	5,399	4,977	4,180	4,534	4,027	4,169	5,412
536	Development and financial contributions	465	483	500	515	534	553	572	592	615	638
724	Increase (decrease) in debt	(4,001)	(1,569)	(12,060)**	(6,895)**	3,233	1,622	(739)	(4,588)	(4,148)	(3,525)
350	Gross proceeds from sale of assets	609	264	12,811	8,289	-	-	-	-	-	-
-	- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
<b>8,660</b>	<b>Total sources of capital funding (C)</b>	<b>531</b>	<b>3,564</b>	<b>9,922</b>	<b>7,308</b>	<b>8,744</b>	<b>6,355</b>	<b>4,367</b>	<b>31</b>	<b>636</b>	<b>2,525</b>
	<b>Applications of capital funding</b>										
	Capital expenditure										
790	- to meet additional demand	165	43	54	327	608	1,015	135	87	144	178
12,321	- to improve level of service	4,862	5,773	14,339	10,140	9,887	8,977	7,466	6,580	6,306	5,984
7,584	- to replace existing assets	9,430	9,772	8,476	10,719	13,232	12,070	12,219	9,684	11,857	14,013
(1,870)	Increase (decrease) in reserves	(2,321)	45	(288)	(617)	(525)	(885)	13	(349)	(1,042)	(388)
-	- Increase (decrease) of investments	100	-	-	-	-	-	-	-	-	-
<b>18,825</b>	<b>Total applications of capital funding (D)</b>	<b>12,236</b>	<b>15,633</b>	<b>22,581</b>	<b>20,569</b>	<b>23,202</b>	<b>21,177</b>	<b>19,833</b>	<b>16,002</b>	<b>17,265</b>	<b>19,787</b>
<b>(10,165)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(11,705)</b>	<b>(12,069)</b>	<b>(12,659)</b>	<b>(13,261)</b>	<b>(14,458)</b>	<b>(14,822)</b>	<b>(15,466)</b>	<b>(15,971)</b>	<b>(16,629)</b>	<b>(17,262)</b>
	<b>- Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Further explanations to the categories in this table can be found on the following pages. Further detail on our rating system is found in the 'Changes to our Rating System' table

\*\* Retirement of debt funded by sale of surplus land (refer to the 'Drivers & Challenges' section of the Financial Strategy for impact if surplus land not sold)

\*\*\* Targeted rates for water supply include volumetric charges only

## FUNDING IMPACT STATEMENT

Included in this chapter are Funding Impact Statements (FIS) at a group of activity level and also for the whole of Council. The table on the previous page - 'Indicative Funding Impact Statement – Whole of Council', gives you an idea of what it costs to provide all of our services and how we will fund them. They are broken down by operational and capital costs. Operational costs include the ongoing maintenance and delivery of our services, and capital costs create a completely new asset or extend or renew an existing asset. Capital expenditure is generally 'one-off' in nature. Taking all this information into account we can then see how much will be received and how much will be spent and whether or not we have a surplus or deficit.

You will notice that every group of activities have a FIS which gives you more detailed information on what the activity costs.

More detail on what each line means in the FIS is contained in the following table.

## EXPLANATION OF CATEGORIES IN THE FUNDING IMPACT STATEMENTS

### WHAT THESE ACTIVITIES WILL COST AND HOW WE ARE GOING TO PAY FOR THEM

#### OPERATIONAL

**Sources of Operating Funding (Revenue) – note: more information on these funding sources can be found in the 'All about rates' section**

General rates, uniform annual general charges, rates penalties	Income from general rates charged on the capital value of all properties within the District, fixed charges across the whole district (UAGC), and penalties for late payment of rates.
Targeted rates (other than a targeted rate for water supply)	Rates where the benefit or use of a service can be assigned to specific households or communities, such as stormwater or promotion and economic development.
Subsidies and grants for operating purposes	Money received from other organisations that contribute to the operational cost of the service.
Fees, charges, and targeted rates for water supply	Includes admission charges for Council facilities and regulatory fees e.g. permits, dog registration, and targeted rates for water supply.
Internal charges and overheads recovered	Money received from other departments of the Council such as overheads and direct costs.
Interest and dividends from investments	Money earned from our saving and investments through interest and dividend payments.
Local authorities fuel tax, fines, infringement fees, and other receipts	Miscellaneous income from other sources generally not of a significant nature e.g. local authority petrol tax.
<b>Total Operating Funding</b>	<b>Total income from the day to day operation of this activity.</b>

#### APPLICATIONS OF OPERATING FUNDING (EXPENDITURE)

Payments to staff and suppliers	The day to day cost of running this activity e.g. salaries and wages, materials and services.
Finance costs	Interest payments we make on funds borrowed (loans).
Internal charges and overheads applied	Money paid to other departments of the Council such as overheads and direct costs.
Other operating funding applications	Miscellaneous expenses including bad debt expense, rates remissions and loss on disposal of assets.
<b>Total Applications of Operating Funding</b>	<b>Total operating expenditure for this activity.</b>
Surplus (Deficit) of Operating Funding	Total revenue less total expenditure.

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## WHAT THESE ACTIVITIES WILL COST AND HOW WE ARE GOING TO PAY FOR THEM

CAPITAL	
<b>Sources of Capital Funding</b>	
Subsidies and grants for capital expenditure	Money received from other organisations that contribute to the capital cost of the service.
Development and financial contributions	Money paid by developers towards providing assets or extending existing assets to cater for increased demand due to growth, e.g. extending sewerage systems.
Increase (decrease) in debt	Borrowing money to pay for new assets, parts of assets or to fund temporary deficits. Less loan repayments.
Gross proceeds from the sale of assets	Revenue to be raised from the sale of assets belonging to this activity.
Lump sum contributions	Payments made by an eligible ratepayer for the purposes of contributing to a capital project. However, we do not accept lump sum contributions for targeted rates.
<b>Total Sources of Capital Funding</b>	<b>Total capital funding for this activity.</b>

## APPLICATIONS OF CAPITAL FUNDING

Capital expenditure	Capital expenditure creating a completely new asset or extending or renewing an existing asset to provide the same or greater service than it currently provides e.g. extending a sewer pipe to increase capacity. The expenditure is split to fund level of service improvements versus population growth and/or renewal works. While a lot of our capital projects contribute to more than one of these drivers, legislation requires us to allocate each project to just one driver in the Funding Impact Statements. See the 'Key Capital Expenditure Projects' table in the 'Our Costs in Detail' chapter for more specific information on how each project is funded.
Increase (decrease) in reserves	Transferring money into and from a reserve account held for a special purpose. Includes: transferring development contribution revenue to development contribution reserves; using funds from depreciation reserves, and using funds from operational reserves to provide or to assist with maintaining existing assets or services.
Increase (decrease) of investments	Net movement of investments.
<b>Total Applications of Capital Funding</b>	<b>Total capital expenditure for this activity.</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>Sources of capital funding less applications of capital funding.</b>
<b>Funding Balance</b>	<b>Net operating funding less net capital funding.</b>