

CONTENTS

Message from the Mayor and Chief Executive	3	Arts & Culture.....	81
About the Annual Plan.....	6	Library.....	83
Your Views	7	Museum and Gallery	84
COMMUNITY OUTCOMES	9	Community Property.....	85
WHAT IT COSTS AND WHAT YOU GET	13	Pensioner Housing	87
Rating Information.....	17	Halls.....	88
KEY ISSUES	21	Commercial Property.....	89
LTCCP AMENDMENTS	29	Recreation & Community Facilities	91
Implementing SUIPS: Amendment to the Funding Impact Statement.....	30	Parks and Reserves	93
Loan Maturity Limits: Amendment to the Liability Management Policy.....	33	Cemeteries and Crematorium	94
GROUPS OF ACTIVITIES	35	Public Conveniences.....	95
Introduction.....	35	Aquatic Centres.....	96
Corporate and District Activities.....	39	Ports and Harbour.....	97
Corporate and District Activities.....	41	Recreation and Sports Fields	98
Leadership	43	Visitor Information.....	99
Governance	45	Hazard Management.....	101
Community Support.....	46	Emergency Management	103
Strategy and Policy.....	47	Disaster Mitigation.....	104
Transport Networks & Safety.....	49	COUNCIL CONTROLLED ORGANISATIONS.....	105
Transport Networks	51	Introduction.....	105
Road Safety.....	53	Whakatane Airport.....	105
Parking Enforcement.....	54	Toi Economic Development Agency (Toi EDA)	106
Water-Related Services	55	Bay of Plenty Local Authority Shared Services Limited (BoP LASS).....	107
Water	57	PROSPECTIVE FINANCIAL STATEMENTS.....	109
Wastewater.....	59	Forecasting Assumptions	110
Stormwater	61	Summary of Significant Accounting Policies	114
Tradewaste.....	62	Forecast Financial Statements.....	123
Waste	63	Prospective Statement of Comprehensive Income	123
Waste Reprocessing	65	Notes to the Statement of Prospective Comprehensive Income.....	124
Waste Recycling	66	Reconciliation of Activity Cost of Services to Prospective Statement of Comprehensive Income	125
Waste Disposal.....	67	Prospective Statement of Changes in Equity	126
Environmental Sustainability.....	69	Prospective Statement of Financial Position	127
Resource Management - Consents.....	71	Prospective Statement of Cashflows.....	128
Resource Management - Policy	72	Summary of Capital Expenditure.....	129
Community Safety.....	73	FUNDING IMPACT STATEMENT	141
Licensing (liquor & gambling).....	75	Funding Impact Statement table.....	143
Environmental Health	76		
Regulation Monitoring.....	77		
Safer Communities.....	78		
Building.....	79		
Animal Control.....	80		

With thanks to all the photographers including the following:

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DIVIDER PHOTOS:

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What it costs and what you get: Moo-Katane, taken by: Cashy Ball

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GROUPS OF ACTIVITIES SUB DIVIDERS:

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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.

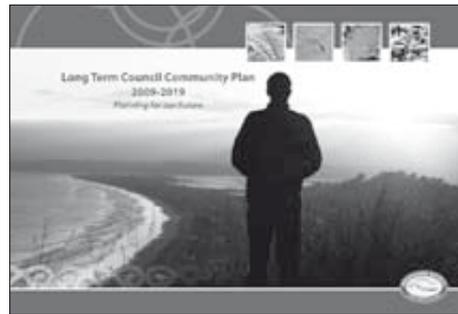
In each of the two years between LTCCPs, we produce an Annual Plan. The Annual Plan takes a fresh look at our work programme for the year ahead and considers whether any changes are needed from the LTCCP – such as revisions to our budgets or adjustments to the work programme to help deal with issues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

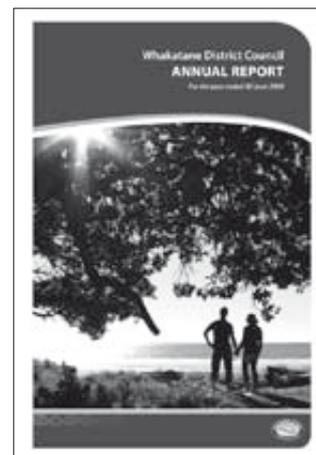
Through this Annual Plan process the Council is proposing to make amendments to the Liability Management Policy and the Funding Impact Statement as well as adding a new Rates Remission Policy. Information about these amendments can be found in the LTCCP Amendments section of this Annual Plan.



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.

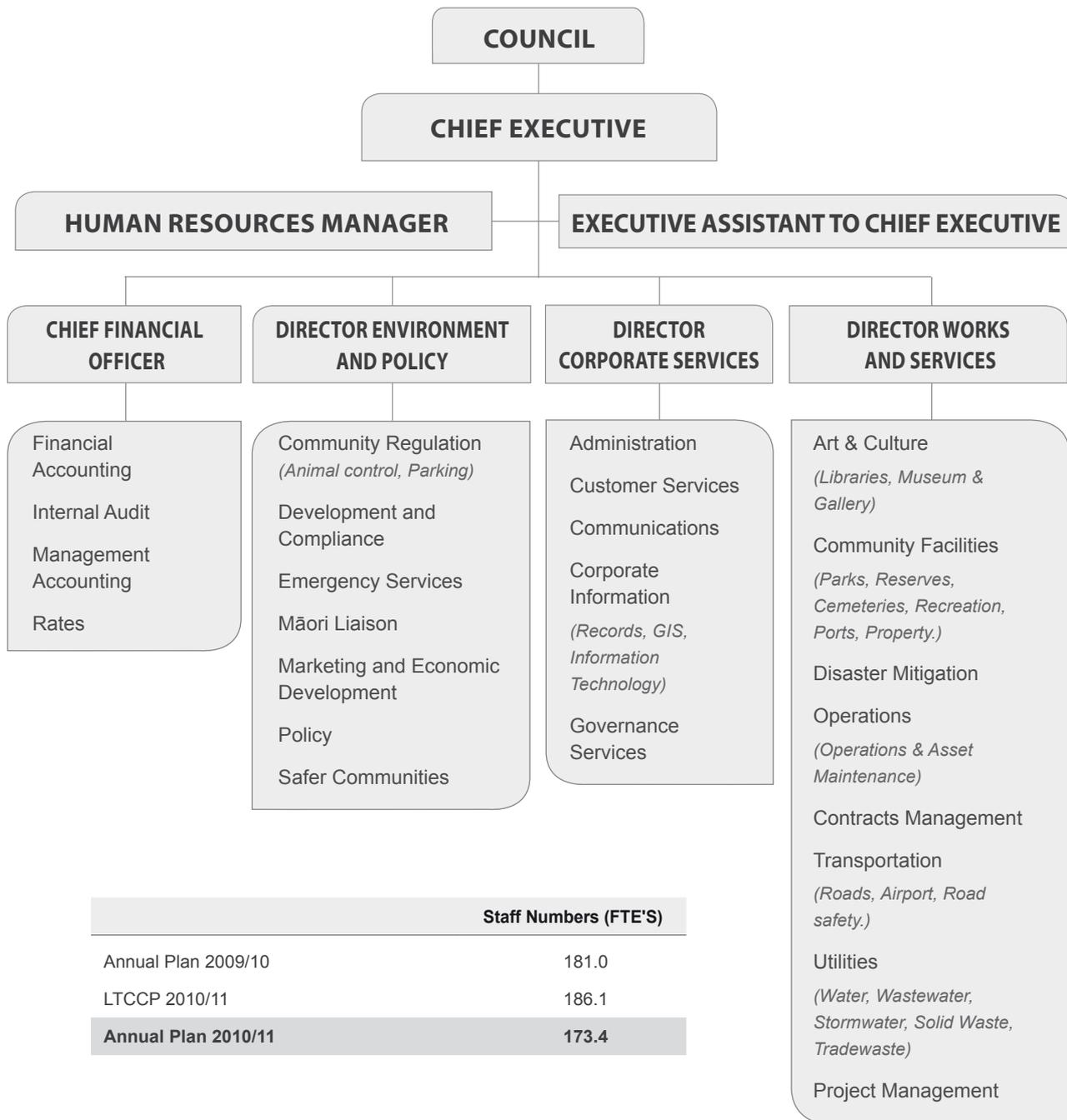
***130 submissions
were received
on the Draft
Annual Plan***

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

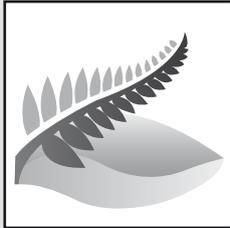
	Annual Plan 2010/11 \$000
Expenditure	1,325
Revenue	1,911
Capital	1,110

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



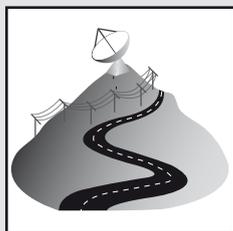
PROSPEROUS ECONOMY

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



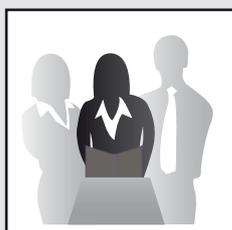
HIGH-QUALITY AFFORDABLE INFRASTRUCTURE

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



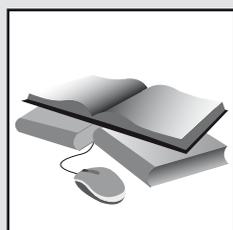
STRONG, TRANSPARENT AND OPEN LEADERSHIP

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



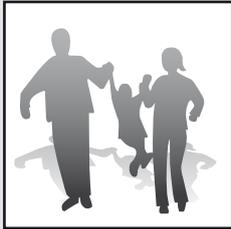
EDUCATION AND TRAINING OPPORTUNITIES FOR ALL

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



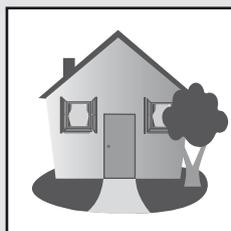
SAFE CARING COMMUNITY

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

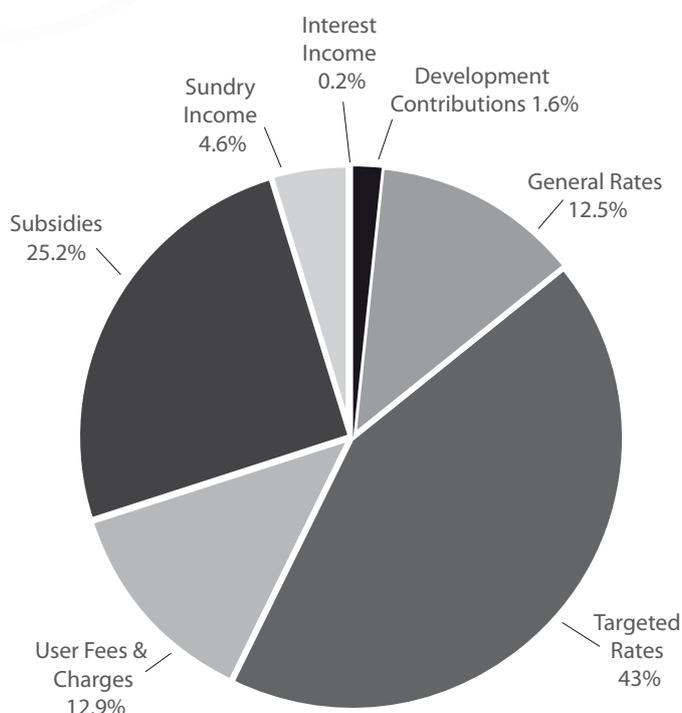
WHAT IT COSTS AND WHAT YOU GET

WHAT ARE RATES?

Rates are a contribution each property owner makes towards the cost of providing services and facilities in the community.

While rates are the primary source for funding of the Council's activities, they represent only 55.5% of the overall revenue for the Council. Other sources of revenue include subsidies, fees and charges, and development contributions.

WHERE WILL OPERATING REVENUE COME FROM?



WHAT WILL IT COST TO PROVIDE COUNCIL SERVICES?

The following table shows what it costs per average property for Council activities. The table demonstrates that most of the Council's expenditure covers essential infrastructure, community services and facilities.

GROUPS OF ACTIVITIES	Total Cost \$000	Cost Per Average Property \$	Cost Per Average Property Per Day \$
Leadership	2,777	186.80	0.51
Community Safety	2,790	187.64	0.51
Environmental Sustainability	2,271	152.71	0.42
Hazard Management	1,072	72.07	0.20
Arts & Culture	2,834	190.60	0.52
Recreation & Community Facilities	7,933	533.55	1.46
Community Property	1,455	97.85	0.27
Waste	5,051	339.69	0.93
Transport Networks & Safety	13,982	940.39	2.58
Water Related Activities	9,923	667.41	1.83
Reportable Council Controlled Organisations	845	56.81	0.16
Corporate & District Expenditure	496	33.36	0.09
TOTAL EXPENDITURE	51,427	3,458.90	9.48

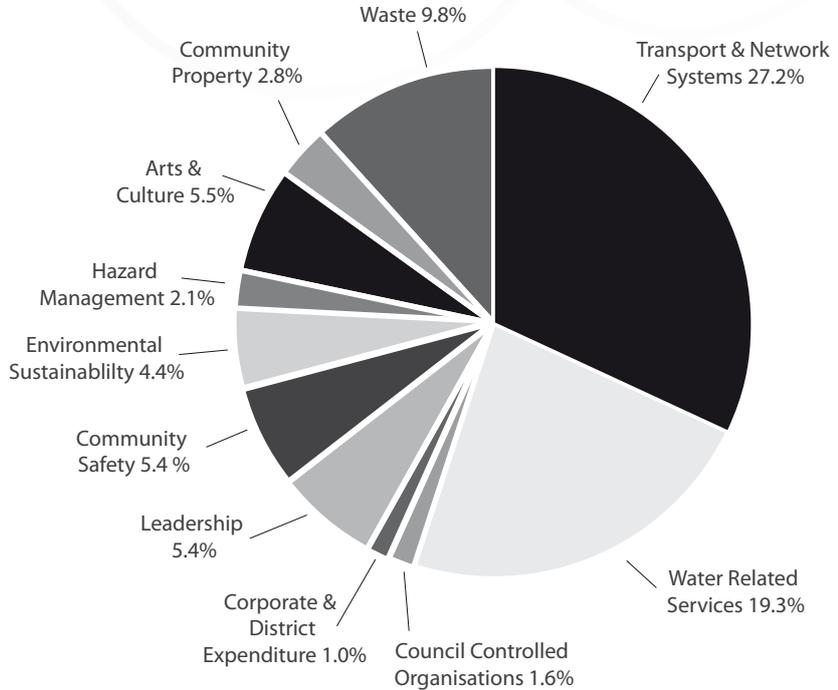
The total number of Rateable Assessments in the Whakatane District on the 11th February 2010 was estimated to be 14,868.

An average property is calculated using 14,868. Rateable Assessments, Properties in different parts of the district receive different services and pay different costs.

WHERE WILL OPERATING EXPENDITURE BE SPENT?

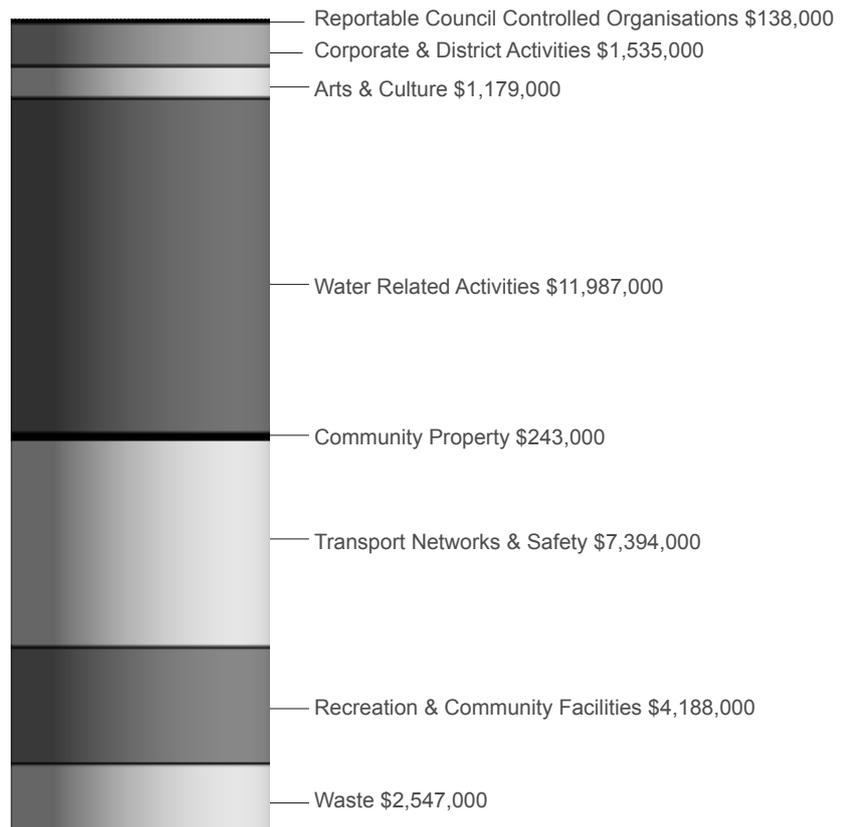
The total operating expenditure for the year is budgeted at \$51.4m. Core infrastructure such as waste, transport, water, wastewater and stormwater makes up 56% of the Council's total operating expenditure.

Transportation is the Council's biggest activity in terms of overall expenditure. However, the Council receives subsidies from the New Zealand Transport Agency to support this expenditure. In reviewing expenditure for 2010/11, the Council plans to reduce expenditure in the area of transportation. For further information, see the Key Issues section of this Annual Plan.



WHERE WILL CAPITAL EXPENDITURE BE SPENT?

The total capital expenditure for the year is budgeted at \$29.5m. Expenditure on projects under Water Related Activities and Transport Networks and Safety, make up more than half of this cost.



WHERE WILL MY RATES MONEY BE SPENT?

The table below provides an overview of how your rates will be spent. This does not indicate the total cost of the Council's activities because other sources of revenue also contribute to their cost. For an overview of the total cost of activities see the previous table "What will it cost to provide Council services?".

GROUPS OF ACTIVITIES	Rate Income \$000	Cost per Average Property \$	Cost Per Average Property Per Day \$
Leadership	2,714	182.51	0.50
Community Safety	1,036	69.67	0.19
Environmental Sustainability	747	50.27	0.14
Hazard Management	1,010	67.93	0.19
Arts & Culture	2,613	175.75	0.48
Recreation & Community Facilities	4,661	313.49	0.86
Community Property	380	25.56	0.07
Waste	4,468	300.51	0.82
Transport Networks & Safety	6,403	430.66	1.18
Water Related Activities	7,180	482.92	1.32
Reportable Council Controlled Organisations	468	31.48	0.09
Corporate & District Expenditure	464	31.21	0.09
TOTAL RATE INCOME*	32,144	2,161.94	5.92

The total number of Rateable Assessments in the Whakatane District on the 1st February 2010 was estimated to be 14,868.

An average property is calculated using 14,868. Rateable Assessments, properties in different parts of the district receive different services and pay different costs.

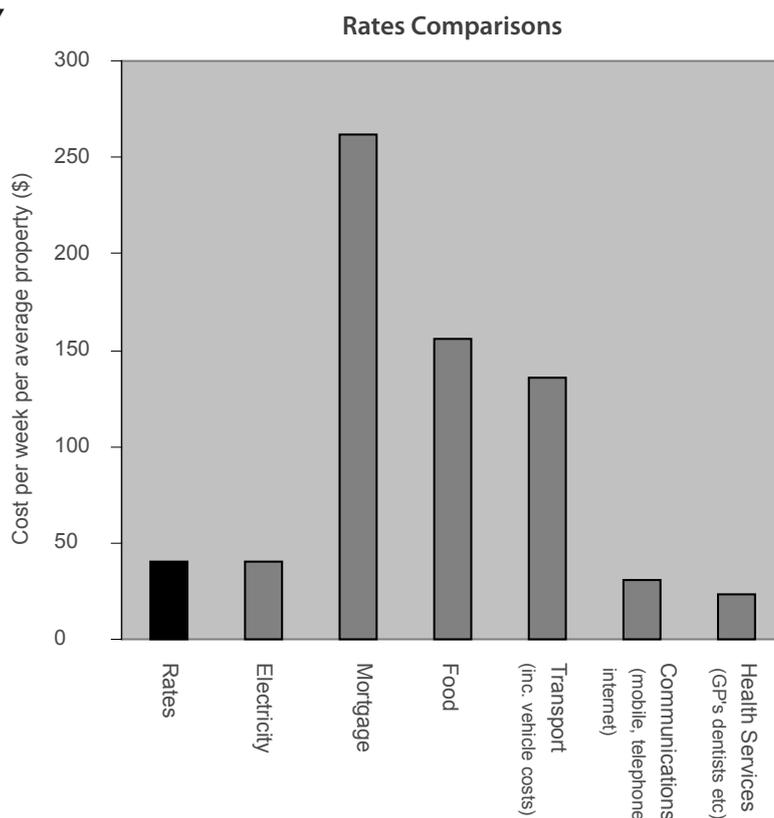
* Rate income has been shown gross of penalties, write-offs and remissions

WHAT YOU GET FOR YOUR MONEY

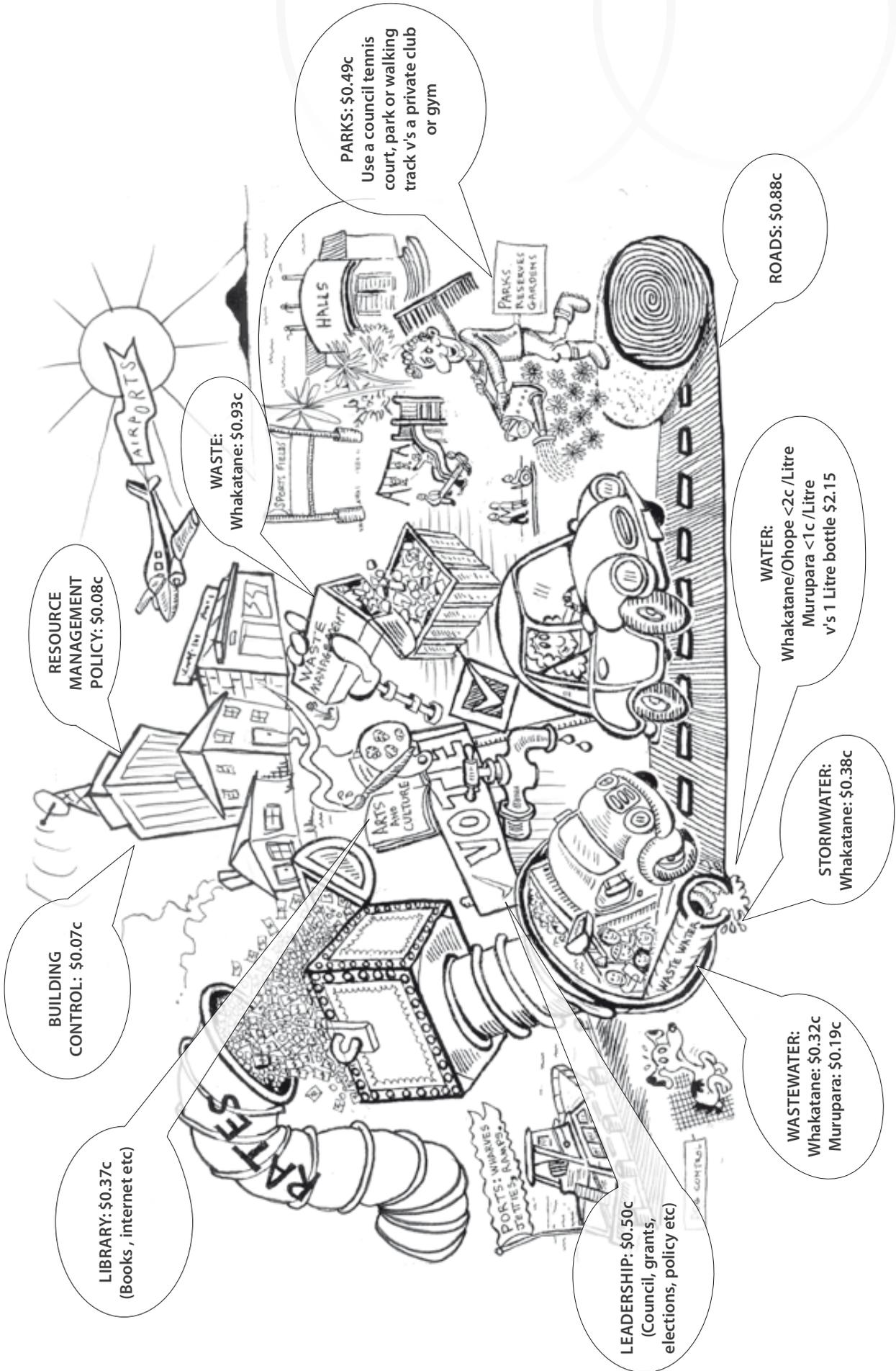
Rates provide good value for money when they are compared to the cost of other everyday goods and services. The average ratepayer will pay \$5.75 per day (around \$40 a week) towards the cost of Council services. This is about the same amount that many people pay for electricity.

Your rates contribute to the cost of many services delivered by the Council, as illustrated on the following page.

The cost comparisons to the right are sourced from Statistics New Zealand Household Economic Surveys June 2007 and 2009, except for electricity costs sourced from Consumer Powerswitch.



COSTS ARE PER DAY FOR AN AVERAGE WHAKATANE RATEPAYER



BUILDING CONTROL: \$0.07c

RESOURCE MANAGEMENT POLICY: \$0.08c

LIBRARY: \$0.37c
(Books, internet etc)

WASTE:
Whakatane: \$0.93c

PARKS: \$0.49c
Use a council tennis court, park or walking track v's a private club or gym

LEADERSHIP: \$0.50c
(Council, grants, elections, policy etc)

STORMWATER:
Whakatane: \$0.38c

WATER:
Whakatane/Ohope <2c /Litre
Murupara <1c /Litre
v's 1 Litre bottle \$2.15

ROADS: \$0.88c

WASTEWATER:
Whakatane: \$0.32c
Murupara: \$0.19c

RATING INFORMATION

This section of the Annual Plan provides information about the Council's estimated income from rates and shows indicative rates for various properties in the District.

Rating Information as at 27 June 2010		
	Number of Rateable Rating Units	Rateable Capital Value (\$)
Edgecumbe	645	151,180,000
Te Teko	277	36,966,000
Matata	334	97,103,000
Otarawairere	37	30,485,000
Ohope	1,825	1,131,528,000
Taneatua	278	29,138,000
Murupara	777	54,876,000
Rural	5,085	3,338,279,300
Commercial 10M +	14	458,827,000
Whakatane Urban	5,628	1,932,188,000
Whakatane Commercial	500	385,919,500
	15400	7,646,489,800

Notes.

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

In setting the rates for the 2010/11 financial year, the Council has a requirement to rate fund the funding deficit from the 2008/09 financial year. The Council resolved to repay this deficit over a three year period. The impact of this additional rate requirement over and above the 2010/11 financial year requirement, and the particular rating charges involved are indicated in the following table.

Reserve	Method	Balance \$	Type	Repayment		
				2011 \$	2012 \$	2013 \$
General Rate	3 Years	410,538	Deficit	154,155	156,033	156,630
Roading Rate	3 Years	1,061,773	Deficit	398,690	403,547	405,092
Whakatane Wastewater	1 Year	65,649	Deficit	20,000	0	0
Ohope Wastewater	2 Years	53,181	Deficit	29,088	29,326	0
Edgecumbe Water	3 Years	67,834	Deficit	25,471	25,782	25,880
Matata Water	3 Years	27,756	Deficit	10,422	10,549	10,590
Taneatua Water	3 Years	45,485	Deficit	17,079	17,287	17,354
Ruatoki Water	2 Years	26,088	Deficit	14,269	14,386	0
Waimana Water	6 Years	27,128	Deficit	5,552	5,683	5,736
Additional Rate Requirement				674,727	662,593	621,281
Increase % on 2010 Total Rate				2.28%	2.24%	2.10%

INDICATIVE RATING EXAMPLES FOR 2010/11

	Whakatane Whakatane Commercial (less than \$10m)				Whakatane Commercial (less than \$10m) High Average				Murupara Lifestyle				Te Toko Otarawaitere average				Ohope Taneatua				Rural Low average				Rural high				District Wide - Commercial/Industrial \$10m Plus		
	Urban Low	Urban Average	Urban high	Average	Urban Low	Urban Average	Urban high	Average	Urban Low	Urban Average	Urban high	Average	Urban Low	Urban Average	Urban high	Average	Urban Low	Urban Average	Urban high	Average	Urban Low	Urban Average	Urban high	Average	Urban Low	Urban Average	Urban high	Average			
Capital value	125,000	338,779	1,675,000	794,361	5,200,000	227,526	287,751	62,968	237,375	129,755	831,528	612,084	96,621	73,000	659,570	2,600,000	16,845,152														
General Rate	59.47	161.18	796.89	377.92	2,473.93	108.25	136.90	29.96	112.93	61.73	395.60	291.20	45.97	34.73	313.79	1,236.96	8,014.16														
Uniform Annual General Charge	244.44	244.44	244.44	244.44	244.44	244.44	244.44	244.44	244.44	244.44	244.44	244.44	244.44	244.44	244.44	244.44	244.44														
Roading rate	102.70	278.35	1,376.20	652.66	4,272.39	186.94	236.42	51.74	195.03	106.61	683.19	502.90	79.39	59.98	541.91	2,136.20	13,840.21														
Roading UAC	44.44	44.44	44.44	44.44	44.44	44.44	44.44	44.44	44.44	44.44	44.44	44.44	44.44	44.44	44.44	44.44	44.44														
Community Boards	29.08	29.08	29.08	29.08	29.08	24.70	24.70	28.89	28.89	24.70	31.82	31.82	25.05	24.70	24.70	24.70	29.08														
Stormwater UAC	45.32	45.32	45.32	45.32	45.32	21.78	15.89	1.61	-	15.97	13.50	13.50	6.43	-	-	-	45.32														
Stormwater rate CV	35.03	94.94	469.43	489.77	3,206.11	41.08	45.93	4.79	-	80.36	53.13	39.11	16.98	-	-	-	10,386.04														
Library	136.33	136.33	136.33	136.33	136.33	95.43	47.72	95.43	47.72	47.72	136.33	136.33	47.72	47.72	47.72	47.72	136.33														
Swimming Pool Rates	83.13	83.13	83.13	83.13	83.13	41.56	41.56	77.87	38.93	41.56	83.13	83.13	41.56	41.56	41.56	41.56	83.13														
District Wide Parks Rate	178.77	178.77	178.77	178.77	178.77	178.77	178.77	178.77	178.77	178.77	178.77	178.77	178.77	178.77	178.77	178.77	178.77														
Rapid numbers for Rural Properties	-	-	-	252.66	1,835.63	-	-	-	-	-	-	-	-	-	-	-	-	5,644.30													
Promotion and Economic Development Rates	50.05	50.05	50.05	50.05	50.05	50.05	50.05	50.05	50.05	50.05	50.05	50.05	50.05	50.05	50.05	50.05	50.05														
Waste UAC	288.66	288.66	288.66	249.65	249.65	288.66	288.66	288.66	249.65	288.66	288.66	288.66	288.66	249.65	249.65	249.65	249.65														
Refuse Removal Rate	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71	26.71														
Rates Disaster Mitigation	5.85	5.85	5.85	5.85	5.85	121.95	208.14	-	-	-	534.10	38.59	-	-	-	-	5.85														
District Wide Community	315.89	315.89	315.89	315.89	315.89	210.70	417.35	154.74	0.00	0.00	315.89	315.89	420.51	115.56	115.56	115.56	315.89														
Water	118.35	118.35	118.35	118.35	118.35	282.69	0.00	70.77	0.00	0.00	244.74	244.74	220.93	0.00	0.00	0.00	1,420.22														
Waste Water	1,764.24	2,101.50	4,209.55	2,469.69	3,443.09	1,968.16	2,007.70	1,348.87	1,217.57	1,211.72	3,324.51	2,530.28	1,737.62	1,142.63	1,903.63	4,421.08	40,714.60														
Plus GST at 12.5%	220.53	262.69	526.19	308.71	1,664.51	246.02	250.96	168.61	152.20	151.47	415.56	316.29	217.20	142.83	237.95	552.64	5,089.32														
Total including GST at 12.5%	1,984.77	2,364.19	4,735.75	2,778.41	3,873.48	2,214.18	2,258.66	1,517.48	1,369.77	1,363.19	3,740.08	2,846.57	1,954.82	1,285.46	2,141.58	4,973.72	45,803.92														
Changes																															
Total rates 2009/10	1,842.29	2,200.85	4,442.06	2,666.89	3,690.08	2,184.45	2,113.57	1,456.35	1,198.65	1,149.43	3,529.86	2,646.75	1,812.48	1,086.49	1,920.24	4,678.34	43,303.81														
Total rates 2010/11	1,984.77	2,364.19	4,735.75	2,778.41	3,873.48	2,214.18	2,258.66	1,517.48	1,369.77	1,363.19	3,740.08	2,846.57	1,954.82	1,285.46	2,141.58	4,973.72	45,803.92														
Increase \$	142.48	163.33	293.69	111.52	183.40	29.74	145.09	61.13	171.11	213.76	210.22	199.82	142.33	198.97	221.35	295.37	2,500.12														
Increase %	7.73%	7.42%	6.61%	4.18%	4.97%	1.36%	6.86%	4.20%	14.28%	18.60%	5.96%	7.55%	7.85%	18.31%	11.53%	6.31%	5.77%														

INDICATIVE RATING EXAMPLES FOR 2009/10 (The following table sets out rates as adopted in 2009/10 through the LTCCP. These are included for comparison purposes only)

	Whakatane Commercial (less than \$10m)		Whakatane Commercial (less than \$10m) High Average		Edgecumbe Average		Matata		Murupara Urban		Murupara Lifestyle		Te Teko		Otarawaitere average		Ohope		Taneatua		Rural Low		Rural average		Rural high		District Wide - Commercial/Industrial \$10m Plus							
	Low	Average	Low	Average	Average	Average	Average	Average	Urban	Urban	Lifestyle	Lifestyle	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko	Te Teko				
Capital value	125,000	338,779	1,675,000	360,000	794,361	5,200,000	227,526	287,751	62,968	237,375	129,755	831,528	612,084	96,621	73,000	659,570	2,600,000	16,845,152																
General Rate	59.38	160.94	795.71	171.02	377.36	2,470.26	108.09	136.70	29.91	112.76	61.64	395.02	290.77	45.90	34.68	313.33	1,235.13	8,002.29																
Uniform Annual General Charge	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00																
Roading rate	118.29	320.60	1,585.12	340.68	751.74	4,920.97	215.32	272.31	59.59	224.64	122.79	786.91	579.24	91.44	69.08	624.18	2,460.48	15,941.24																
Roading UAC	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00																
Community Boards	32.33	32.33	32.33	32.33	32.33	32.33	23.07	23.07	31.96	31.96	23.07	35.31	35.31	27.70	23.07	23.07	23.07	23.07																
Stormwater UAC	41.98	41.98	41.98	41.98	41.98	41.98	37.49	15.92	27.01	-	11.32	13.12	13.12	7.55	-	-	-	41.98																
Stormwater rate CV	31.99	86.69	428.60	202.66	447.18	2,927.29	71.17	46.26	26.61	-	56.92	52.10	38.35	20.05	-	-	-	9,482.81																
Library	149.50	149.50	149.50	149.50	149.50	149.50	104.65	52.32	104.65	52.32	52.32	149.50	149.50	52.32	52.32	52.32	52.32	149.50																
Swimming Pool Rates	76.62	76.62	76.62	76.62	76.62	76.62	38.31	38.31	75.88	37.94	38.31	76.62	76.62	38.31	38.31	38.31	38.31	76.62																
District Wide Parks Rate	202.84	202.84	202.84	202.84	202.84	202.84	202.84	202.84	202.84	202.84	202.84	202.84	202.84	202.84	202.84	202.84	202.84	202.84																
Promotion & Economic Development Rate	-	-	-	363.92	525.20	2,161.01	-	-	-	-	-	-	-	-	-	-	-	-	6,484.85															
Refuse Removal Rate	287.39	287.39	287.39	243.37	243.37	243.37	287.39	287.39	287.39	243.37	287.39	287.39	287.39	287.39	243.37	243.37	243.37	287.39																
Waste UAC	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00																
Rates Disaster Mitigation																																		
District Wide	21.82	21.82	21.82	21.82	21.82	21.82	21.82	21.82	21.82	21.82	21.82	21.82	21.82	21.82	21.82	21.82	21.82	21.82																
Community	6.77	6.77	6.77	6.77	6.77	6.77	109.75	274.59	-	-	-	600.86	43.41	-	-	-	-	6.77																
Water based on unmetered	378.38	378.38	378.38	378.38	378.38	378.38	283.55	471.04	167.69	0.00	0.00	378.38	378.38	419.17	130.00	130.00	130.00	378.38																
Waste water	164.00	164.00	164.00	164.00	492.00	984.00	410.00	0.00	150.00	0.00	0.00	259.00	259.00	327.00	0.00	0.00	0.00	1,968.00																
Plus GST at 12.5%	1,637.59	1,956.31	3,948.50	2,370.57	3,280.07	12,505.01	1,941.73	1,878.73	1,294.54	1,065.47	1,021.71	3,137.66	2,352.67	1,611.10	965.77	1,706.88	4,158.53	38,492.27																
Total including GST at 12.5%	1,842.29	2,200.85	4,442.06	2,666.89	3,690.08	14,068.14	2,184.45	2,113.57	1,456.35	1,198.65	1,149.43	3,529.86	2,646.75	1,812.48	1,086.49	1,920.24	4,678.34	43,303.81																

KEY ISSUES

A number of changes have been made compared to the budgets and proposals outlined in the Draft Annual Plan. These changes have been made as a result of the following:

- Consideration of submissions made by the public.
- Increased costs of the new operating environment for solid waste.
- Council's decision not to proceed with the sale of pensioner housing.
- Council's decision to use funds from the Harbour Endowment Fund to retire a one year loan for storm damage to roading.

In addition, the Council has had to deal with the impacts of flood events that occurred in early June 2010 resulting in major unanticipated costs.

As a result, the Council has needed to revise the Annual Plan budgets. This has resulted in an average rates increase for the 2010/11 year of 8.43%. This represents a small reduction in the proposed rate increase of 8.49% as included in the Draft Annual Plan. Changes to the budgets as proposed needed to be adjusted to achieve this increase. This will result in some programme changes for the year.

The following pages provide an overview of what the Council consider to be the most important issues and projects for the 2010/11 year. The information in this section highlights the status of these issues and projects at the time of adopting the Annual Plan.

RESPONDING TO THE MAY/JUNE FLOODS

On 24 May 2010 the coastal areas of the District experienced a one-in-twenty year rainfall event. This was followed a week later by an intense one in one-hundred year rain fall event over the afternoon and early evening of 1 June 2010. The resulting floods in Whakatane, Matata and Ohope caused damage to homes, businesses, roads, community facilities, and Council utilities.



The Eastern Bay of Plenty Emergency Operations Centre was fully activated at 5:15 pm on 1 June 2010 and remained operating until 6 pm the following day. About 75 people (representing 50 houses) were evacuated to the Whakatane War Memorial Hall on 1 June 2010 with many others self evacuating to friends and family. Following the floods 254 properties have been inspected for flood damage. A welfare team comprising multiple agencies has continued to work with flood victims in the weeks following the event.



What is Planned

Unanticipated expenditure totalling \$3.15m was incurred across a number of activity areas for clean up and reinstatement work following the floods. While the Council has been able to cover some of the costs through subsidies, reimbursements or insurance, a large proportion of costs will need to be funded by our ratepayers. In total, the Council's share of costs, including both operational and capital work resulting from the floods, amounts to \$2.23m. While some of these costs fall into the 2009/10 year, there are financial implications for 2010/11.

In the 2009/10 year additional operating expenditure of \$786,000 (approximately equal to 2.65% in rates) was incurred as a result of the floods. This has been incorporated into the 2009/10 financial year with surpluses from that year being applied against flood costs. The remaining expenditure will be funded by ratepayers in the 2010/11 year.

The budgets for the 2010/11 year also incorporates capital expenditure of \$1.49m for flood related repairs and reinstatement works. This will be funded through a combination of loans, renewals and insurance. Operating expenditure in the Matata Stormwater scheme of \$36,000 will be funded through a five year loan.

The net impact as a result of these events in the 2010/11 year is a 1.9% contribution to the total rate increase.

MAJOR CHANGES FOLLOWING DEVELOPMENT OF THE DRAFT ANNUAL PLAN

Council Decides Not to Proceed with the Sale Pensioner Housing

At its meeting on 28 April 2010 the Council resolved not to proceed with the divestment of the pensioner housing portfolio.

The decision to sell the pensioner housing units, subject to some strict criteria being met, was made by Council as part of the development of the 2009-19 Long Term Council Community Plan (LTCCP). This decision followed a comprehensive review of Council services that extended to all aspects of Council operations as well as governance and included a detailed analysis of funding options.

The criteria around the sale of pensioner housing units were put in place to protect the welfare of current and future tenants.

It was estimated that the sale of the pensioner housing units would realise in excess of \$3.5m (May 2010 estimate) providing benefits for the wider community by retiring debt over a ten year period.

What is Planned

Under the Local Government Act 2002 (LGA), the Council is required to undertake public consultation as well as amend the LTCCP to accommodate this decision. The Council has resolved to undertake an LTCCP amendment process for the pensioner housing divestment to coincide with consultation on the Draft Annual Plan 2011/12, or sooner if the opportunity arises.

While the decision not to proceed with the sale of pensioner housing needs 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.

With a decision not to proceed with the sale of pensioner housing, the total impact over a ten year period of not retiring debt as intended will result in an increased rate requirement of 12.06%.

Adapting to the closure of the Burma Road Landfill

The closure of the Burma Road Landfill in December 2009 has ended a 40 year solid waste regime for the Whakatane District which had an extremely low operating cost. Following the closure, all residual waste is being transported to a landfill out of the District into the Waikato.

This new operating environment has meant our solid waste disposal costs has significantly increased.

Analysis of the first five months of operation since the landfill closed has allowed the Council to gain a better understanding of the real costs of the new operating environment. While initial budget estimates were based on the best information available at the time, the recent analysis has shown that the costs related to the new operating environment are greater than anticipated and that cost recoveries are less than was expected.



What is Planned

Higher than anticipated costs and lower than expected revenue within the new operating environment has resulted in a net increase to the Draft Annual Plan budgets of \$1.09m for the 2010/11 year. This will be funded through increases to Refuse Removal Targeted Rates and the Refuse Disposal Uniform Annual Charge. The Council has also increased Fees and Charges for solid waste disposal. These can be found in the Council's Fees and Charges Schedule.

Where possible the Council is also introducing mitigation measures to reduce the full impact of the increased solid waste disposal costs. A number of waste reduction projects and operational initiatives will be adopted by the Council early in the 2010/11 financial year, specifically designed to offset the increased costs.

The construction of an organic waste composting plant is one example of this. The composting plant will provide environmental benefits to the District and reduce the cost of transporting all organic waste by diverting this for compost. The composting plant is expected to reduce the residual waste stream by 8,000 tonnes per year and produce compost for sale. The cost of the project is expected to be \$1.68m and is scheduled for completion by July 2011.

At the Te Tahi Street Transfer Station, waste streams are being sorted to maximise the amount of waste being recycled and/or reprocessed. This reduces the disposal costs by decreasing the volume of waste that needs to be transported and disposed of outside the District.

In the 2010/11 year the Council will also be developing further strategies including a comprehensive public education campaign to maximise the level of recycling and reprocessing of waste and to minimise the volume of waste required to be transported and disposed of outside the District.

The Council is continuing to investigate the longer-term solution of developing a new landfill in the District. During 2010/11 the Council will undertake a number of investigations to support a resource consent process for a new landfill. The LTCCP included the construction of a new landfill in the District in 2013/14 at a total cost of around \$11m (including resource consent costs). It is expected that further contributions towards this project will come from other councils and key stakeholder agencies.

COUNCIL POLICY CHANGES

Rating on the basis of Separately Used and Inhabited Parts of a rating unit (SUIPs)

Many of the Council's costs are driven by individual users rather than by properties. Defining multiple users of services on one rateable property and rating them for the services they use, allows for a fairer apportionment of the costs. This change is consistent with the Council's funding philosophy.

What is Planned

Through the Draft Annual Plan 2010/11 the Council proposed a staggered implementation of a SUIPs rating system. This included the implementation of SUIPs for commercial properties in the 2010/11 rating year, with residential and rural properties in the 2011/12 rating year. Commercial/residential/rural properties would be charged the Uniform Annual General Charge (UAGC) and roading Uniform Annual Charge (UAC), and commercial properties would also attract the promotion and development rate in the SUIP calculation.

The proposal in the Draft Annual Plan also included a rates remission policy for residential and rural SUIPs, but deferred the introduction of a remission policy for papakainga SUIPs to be considered during the Draft Annual Plan 2011/12 consultation process.

During the consultation period the Council received a number of submissions on the proposal to implement SUIPs. Following consideration of submissions the Council has decided to apply SUIP charges to commercial properties in the 2010/11 rating year charging the UAGC at \$275, Roading UAC at \$50 and Promotion and Development rate at \$160.19.

The Council have supported the introduction of SUIPs for residential and rural properties in the 2011/12 rating year, subject to further investigation and consideration during the Draft Annual Plan 2011/12 consultation process. The introduction of rates remission policies for residential,

rural and papakainga SUIPs will also be considered during the Draft Annual Plan 2011/12 consultation process.

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 2009-19. More information can be found in the LTCCP Amendments chapter of this Annual Plan.

Liability Management Policy

The Council's Liability Management Policy outlines limits for the maturity period of all loans and committed facilities. Section 2(d) of the Policy indicates that between 20% to 60% of all loans and committed facilities should mature within a period of 0-3 years.

While the Policy specifies that the Council's debt maturity schedule may operate outside these limits, it must be by Council approval. Under these circumstances the Council has consistently breached the Policy limits for almost two years in order to take advantage of favourable short term borrowing facilities that have existed under the current economic conditions.

What is Planned

The Council received independent professional advice during the deliberations process endorsing the amendment.

Following consideration of this information the Council has amended the Liability Management Policy within the LTCCP by increasing the maximum percentage for the debt maturity period of 0-3 from 60% to 80%.

This change will allow the Council more flexibility to take greater advantage of short term borrowing facilities to achieve savings in interest costs.

Earthquake Prone Buildings Policy

The Council has statutory responsibilities under the Building Act 2004 to identify and manage earthquake prone buildings within the District. An initial evaluation procedure undertaken during 2009/10 identified a high proportion of buildings that are potentially earthquake prone or an earthquake risk.

What is Planned

The Council is planning to bring forward a review of the Council's Earthquake-prone, Dangerous and Insanitary Building Policy. The intention of reviewing the policy is to extend the timeframes for dealing with buildings that have been identified as being earthquake-prone.

The first stage of the programme of identifying buildings that are potentially earthquake prone was completed in 2009. It indicated through a sample survey of 100 buildings that there are a significant number of commercial and industrial buildings at risk in the

District. The Council plans to escalate the programme, particularly in the Whakatane central business district as this will provide important information to support the implementation of the Town Vision Plan and landowners or lessees redevelopment plans.

Bringing forward the programme will require increased funding over five years. This includes \$73,150 during the 2010/11 year to be funded in part from the Harbour Endowment Fund (\$43,550) and \$115,000 funded from the general rate during each consecutive year.

Application of Revenue and Financing Policy for Building Inspection and Resource Consents

The Revenue and Financing Policy in the LTCCP 2009-19 requires that 80% of the costs of the Building Inspection activity and 90% of the costs of the Resource Management Consents activity, be recovered through income from applications and other sources. These activities have not been meeting the targets, principally as a result of a reduced number of applications to the process, and are contributing to budget deficits.

What is Planned

The Council has recognised that there are a number of costs within the Building Inspection and Resource Management Consents activities that are of public rather than private benefit. These cost items include objections and appeals, customer services, complaints monitoring, project costs and government initiatives.

The costs of these items will now not be recovered to the same level through private good funding tools and will be funded by general rates.

The Council notes that this change is a variation to the funding split contained within the Council's Revenue and Financing Policy. The Council has indicated that it does not wish to change the Revenue and Financing Policy to reflect the identified changes in public benefit of these activities at this point in time. The reason for this is that the Council has decided that there are components of these activities that cannot be funded through fees and charges. As such the Council has made a decision that is inconsistent with the Revenue and Financing Policy and will look to review the Policy through development of the 2012-22 LTCCP.

CENTRAL GOVERNMENT CHANGES THAT IMPACT ON THE ANNUAL PLAN

Legislative Reform

Central Government is in the process of reviewing several key pieces of legislation and policies at the time of developing this Annual Plan.

Depending on the outcome of these reviews, this will impact on the operation, focus and costs of local government services and activities to varying degrees.

What is Planned

A number of the review processes are at an early stage and there is too much uncertainty around the outcome to make changes to Council's services or the budgets for those services. This includes a review of the Building Act 2004, Food Act 1981 and Sale of Liquor Act 1989. The Council will continue to monitor the progress of legislative reviews and respond as more information is known.

Where amendments to legislation have been finalised or a clear indication has been provided on the outcome of those reviews, the Council has adjusted its processes and budgets in accordance with those changes. The most significant impacts likely to affect the Council's operation during 2010/11 are as follows:

- Changes to the Local Government Act 2002: As part of these changes it is expected that the Council will no longer be required to carry out processes for the identification and monitoring of Community Outcomes in their current form (see Community Outcomes section for more detail). Further changes to the Local Government Act are proposed but not likely to impact on the 2010/11 year.
- Changes to the Resource Management Act 1991: These changes allow for the partial refund of resource consent fees, where the Council is responsible for not meeting statutory timeframes. There has been no change to the budget to accommodate this change.
- Changes to ACC levies have been made as part of its annual levy setting process. New levies, including changes to work levy rates that provide cover for work-related personal injuries, will apply from 1 April 2010. Central Government is also in the process of reforming ACC legislation which is likely to impact on budgets for the 2010. These changes have added \$100,146 to the budget.
- Changes are being proposed by the National Rural Fire Authority to enlarge rural fire districts. The purpose is to achieve efficiencies through pooling of resources. Replacement of the Whakatane rural fire appliance, at a cost of \$120,000, has been deferred pending the outcome of this proposal.
- A change to the level of Goods and Services Tax (GST) is planned: GST is a tax on the supply of goods and services in New Zealand. The current rate is 12.5%. As part of the May 2010 Budget announcements the Government has indicated that it will increase GST to 15% effective from 1 October 2010. These changes will effect the cost to the community of the Council's activities. In particular, the community should expect an incremental increase in Council rates and Fees and Charges from 1 October as a result.

The Council has traditionally set both its Fees and Charges and rates inclusive of GST. Because of the change in the GST rate from 1 October, rates have been set exclusive of GST. The funding impact statement contained in the Draft Annual Plan and the rating information contained in the section 'what it costs and what you get' are now stated exclusive of GST.

The Council has adopted two Fees and Charges Schedules. One applies from 1 July 2010 to 30 September 2010 with GST at 12.5% and the other from 1 October 2010 to 30 June 2011 with GST at 15%.

Water Related Projects & MoH Funding

The Council intends to undertake a number of projects during the 2010/11 year that rely on substantial subsidies from a number of partner agencies including Ministry of Health (MoH) The MoH is the major partner with funding available through the Drinking Water Assistance Program (DWAP) and the Sanitary Works Subsidy Scheme (SWSS) both of which are currently being reviewed.



What is Planned

The Council intends to undertake a number of projects in the 2010/11 year within the Water and Wastewater activities that are reliant on substantial subsidies from a number of partner agencies. At the time of writing this Annual Plan the success of subsidy applications from MoH had not yet been confirmed.

If subsidies from partner agencies are reduced or withdrawn and the Council cannot access them, a number of these projects may not be able to be undertaken in 2010/11. Projects would need to be reassessed with any possible alternatives investigated. This would affect the following water supply projects:

- Increasing the water storage capacity and extending the pipe network to reach more homes in Ruatoki.
- Replacement of water connections and installation of meters in Edgecumbe and Matata.

- Replacement and upgrade of pipes to provide greater capacity in Edgecumbe and Te Teko.

This will affect the following wastewater projects:

- Upgrade of the Edgecumbe pump stations and repair, replacement or reline pipes depending on their condition.
- Developing a complete new waste water system for Matata including piping waste to Edgecumbe and increasing the capacity of the Edgecumbe Treatment Plant to cope with the additional waste stream.

TRANSPORTATION PROJECTS AND NZTA FUNDING

As a result of a change in Government and changing priorities for the New Zealand Land Transport Agency (NZTA) some local transportation projects that were likely to receive subsidy funding from NZTA are no longer eligible. In particular, projects in the areas of walking, cycling and road safety will be affected.

What is Planned

The Council's transportation projects in the areas of walking, cycling and road safety were planned in the LTCCP on the basis of receiving substantial subsidies from NZTA. With a reduced number of projects being eligible for subsidies, the Council has needed to reassess its programme for the 2010/11 year.

For walking and cycling facilities this has meant that a number of projects that were intended to be undertaken during the 2010/11 year will need to be reassessed and will not progress during the year. This includes approximately \$1.05m worth of projects including pedestrian facilities in Matata and other rural areas, as well as cycle facilities in Gorge Road and other Whakatane urban areas.

The Council's work programme for road safety is being adjusted to align with the priorities of the new Government and in particular with regard to the recently reviewed Road Safety Strategy to 2020. These adjustments will look to align with the goals of the Road Safety Strategy in order to access subsidy funding from NZTA.



BUDGET CHANGES

Rates Affordability

The Council needs to operate and maintain assets and deliver services at a satisfactory level.

The LTCCP indicated that the Council, as a small-medium sized territorial authority, is grappling with the costs of delivering services and addressing poor maintenance of our infrastructure.

At the same time the Council is conscious of the cost implications on the community in terms of rating, particularly given the current economic climate, and has been working towards reducing the level of rates increase.

What is Planned

The LTCCP proposed an average rates increase of 11.9% for the 2010/11 year. Through development of the Draft Annual Plan the Council reviewed the operating and capital costs compared to what was planned in the LTCCP. This resulted in a reduction of the average rates increase to 8.49%.

The decisions made to accommodate this reduction considered the risks to established levels of service. It was noted that a slowing down in the work programme would result in some areas in the 2010/11 year as a result of the revised funding framework.

With an expectation of less external funding able to be sourced, the main area where reductions were achieved was in the capital works budgets for transportation projects (more information about specifically affected projects can be found in the Groups of Activities chapter of this Annual Plan). Other key reductions were also achieved in budgets for staffing costs, principally by not proceeding with a number of new positions and, revising operating costs across the organisation.

Following development of the Draft Annual Plan the Council has also had to consider the financial implications of:

1. The new solid waste operating environment,
2. The decision not to proceed with the sale of pensioner housing and,
3. The clean up and reinstatement works following the May/June floods.

The combined impact of these issues over and above the work programme outlined in the Draft Annual Plan meant the rates increase for the 2010/11 year could have been as high as 17.7%.

To accommodate these costs, the Council has made further changes to the budgets as outlined in the Draft Annual Plan. As a result, the rates increase for the 2010/11 year will now be 8.43%. This represents a small reduction in the proposed increase of 8.49% as included in the Draft Annual Plan.

The strategies associated with accommodating the costs of each issue are outlined in more detail within the related sections of this Key Issues chapter. At a high level, these strategies include:

- One-off use of the Harbour Endowment Funds to repay a loan for roading storm damage.
- Application of operational surpluses from the 2009/10 year.
- Use of accumulated reserves from previous years to retire debt.
- Revision of the capital expenditure programme, particularly in the area of Information Technology.
- Further reductions in operational expenditure throughout all activities.

One-off use of the Harbour Endowment Fund

The Council consider that the extraordinary events and resulting costs during the development of this Annual Plan place a significant financial burden on the community.

In particular, the cost of funding roading storm damage incurred in the 2009/10 financial year, comes at a time when the Council is attempting to accommodate major costs in relation to flood events and changes to the solid waste operating environment as well as progress necessary work on core infrastructure and IT improvements.

What is Planned

The Council has decided to use \$678,500 from the Harbour Endowment Fund in 2010/11, as a one off decision, to retire a one year loan raised for funding roading storm damage.

The Council believe this solution will provide relief to ratepayers across the District by reducing the overall rate increase in the 2010/11 year by 2.43%.

In making this decision the Council considered the impact that this would have on the balance of the Harbour Endowment Fund. The Council noted that the amount would be funded from interest and payments accruing to the Fund and that funds would not be drawn from the principal balance.

The decision to access the Harbour Endowment Fund is subject to approval by the Minister of Local Government before being finalised.

Sale of Properties and Reserves

As indicated in the LTCCP, one of the Council's key strategies to address the funding requirements has been to review its property portfolio to identify those that are no longer required.

Through the Draft Annual Plan, a number of reserves and properties (or portions thereof) were identified as possibly surplus to requirements and therefore suitable for divestment.

The following properties (or portions thereof) were included in the Draft Annual Plan for consultation:

- 127 Tahuna Road, Te Teko
- 298A Tahuna Road, Te Teko
- 59 Huia Road, Te Teko
- 19A Matai Street, Edgecumbe
- 26 Otakiri Road, Edgecumbe
- 2 Thornton Beach Road, Thornton
- 155A Thornton Beach Road, Thornton
- 31 Wilson Street, Matata
- 7 Amokura Road, Taneatua
- 37 Reid Road, Taneatua
- 16 Koromiko Street, Murupara
- 39 Waiewe Street, Whakatane
- 93 Valley Road, Whakatane
- 71 Riverside Drive, Whakatane
- 126 Awatapu Drive, Whakatane
- 189 James Street, Whakatane
- 63 Riverside Drive, Whakatane
- 2814 SH 30, Onepu

What is Planned

The Council will investigate the possible divestment of properties listed in the Annual Plan and in doing so will have regard to the submissions provided through the Annual Plan process.

The Council will only consider divestment where it is determined that the property or reserve does not meet any of the objectives that it was originally established for or where there are adequate properties or reserves in the locality.

Any proposed divestment process will be in keeping with the Local Government Act 2002 or Reserves Act 1977 (which ever applies). In the case of reserves held under the Reserves Act 1977 the status of the reserve must first be revoked and this process provides an opportunity for further public consultation, for public notice and for any submissions to be heard.

Deferral of the Arts and Culture Project

Through the development of the LTCCP early in 2009 the Council approved one of its most significant capital projects for many years. The project recognised that a long term solution is required to remedy the critical situation in the library and museum in terms of the space shortages, environmental controls and appropriate facilities.

In the 2009/10 year the Council purchased a property in the Esplanade Mall (former Briscoes building) in Whakatane for the development of an improved library and exhibition space. The existing Museum and Gallery building in Boon Street will be refitted as a collections storage, archives and research facility.

The Council appointed Irving Smith Jack Architects Ltd to develop their concept plans with a view to start construction during the 2010/11 financial year.

What is Planned

The Council has deferred the construction phase for the Arts and Culture project by approximately 6 months, from late 2010 to 1 July 2011. The financial impact of this is a saving of \$82,000 to the ratepayers in the 2010/11 year, as the Council will not be drawing down loans for a portion of the the project until the following year.

The delay in the construction of the project also enables a range of associated work streams for these new facilities to be completed. These include an operational review, future governance review, a funding plan, exhibition development plan, packaging and storage plan and cataloguing of library collections.

The project will need to attract additional funds from grants, trusts and central government. Applications for these are proceeding.



Funding for Storm Damaged Roading

The Council has not previously budgeted for a contingency sum each year to cover the cost to roading infrastructure of storm damage and other emergency events. This is a substantial cost to Council which has in the past been treated as unbudgeted expenditure.



What is Planned

Based on costs incurred in past years, the Council plans to put aside \$275,000 per annum as an annual contingency fund, which together with a contribution from the New Zealand Transport Agency (NZTA) provides \$500,000.

This money would only be used for reinstatement works for storm damaged roading following Council and NZTA approval.

If the contingency fund, or a portion thereof, is not spent in any one year, the Council's portion will roll over into the next year to build up the fund to a maximum amount of \$1.00m. This would provide funding for those years when

emergency works costs may be greater than the annual contingency sum.

Funding for Weather-Tightness Claims

The Council currently has outstanding claims lodged with the weather-tightness homes resolution service. Claims lodged from 1 July 2009 are no longer covered by insurance.

What is Planned

Last year the Council established a fund to provide for future weathertightness claims. In the 2010/11 year the Council plans to increase the current budgetary provision of \$100,000 per annum to \$150,000 per annum to meet the Council's ongoing costs associated with defending or settling weather-tightness claims. Any unused money will be held in a reserve account.

Funding Last Year's Deficit

During the 2008/09 financial year the Council's final operating result was a net operational deficit of \$10.89m compared to a budgeted operating surplus of \$8.87m. A number of factors contributed to the \$19.76m variation and these are detailed in the Annual Report 2008/09. Major contributing factors included:

- Revaluation downwards of some of Council's land assets.
- Increase in depreciation related to revaluations and the closure of Burma Road Landfill.
- Reduced income received from grants and subsidies.
- Reduced income received from development contributions and fees and charges for building and resource consent activities as a result of the slow down in the building sector.
- Operating expenditure over budget resulting from legal fees, aquatic centre consultancy, refuse collection contracts, audit costs and ACC levies.

The majority of the deficit is related to factors that do not affect cashflow, in particular depreciation and revaluations. However, the Council must now address funding the operating deficit of \$1.95m.

What is Planned

In order to fund the deficit the Council plans to apply accumulated funds from a number of reserves as well as meeting a portion of the cost through additional rates charges. The Council's intends to fund the deficit over a three year period. In taking this approach, the Council recognised that repaying the deficit in one year would increase the rates by a further 6.02% and this was considered to be too high a rating burden. Funding the deficit over three years has contributed 2.27% of the rating increase for 2010/11.

LTCCP AMENDMENTS

INTRODUCTION

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.

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.

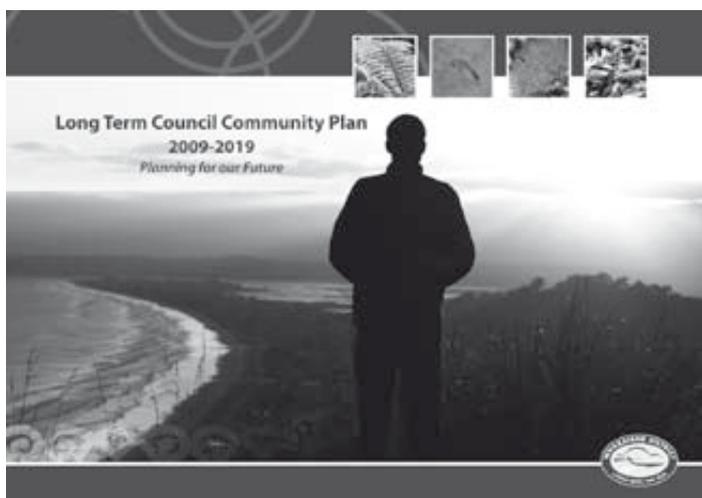
An Annual Plan may vary from what was planned for the correlating year in the LTCCP, but where variations are significant the Council is required to amend the LTCCP.

LTCCP AMENDMENTS CONSULTED ON WITH THE ANNUAL PLAN 2010/11

The development of the Draft Annual Plan 2010/11 led the Council to consider making amendments to the financial policies in the LTCCP.

The proposed amendments were consulted on as part of the Draft Annual Plan and include the following:

1. Implementation of rating on the basis of Separately Used and Inhabited Parts of a rating unit (SUIPs) including:
 - Introduction of a definition of SUIPs in the Funding Impact Statement
 - Introduction of a new Rates Remission Policy for SUIPs
2. Changes to Debt Maturity Limits in the Liability Management Policy.



IMPLEMENTING SUIPS: AMENDMENT TO THE FUNDING IMPACT STATEMENT

BACKGROUND

Alongside the development of the Draft Annual Plan the Council proposed to progressively implement a rating system on the basis of Separately Used and Inhabited Parts of a rating unit (SUIPs).

The Council undertook a rating review in 2008 to coincide with the 2009-2019 Draft LTCCP. During this process the Council indicated it wished to consult on a rating system based on a fixed amount per SUIP.

Through the Draft LTCCP consultation process in 2009, the Council received many submissions which highlighted the need for further definition and clarification to enable the adoption of rating using SUIPs. As a result, the Council resolved to consider SUIPs during the 2010/11 Annual Plan consultation process.

Through the Draft Annual Plan 2010/11 the Council proposed a staggered implementation of a SUIPs rating system including the implementation of SUIPs for commercial properties in the 2010/11 rating year, with residential and rural properties in the 2011/12 rating year. Commercial/residential/rural properties would be charged the UAGC and roading UAC, and commercial properties would also attract the promotion and development rate in the SUIP calculation.

The proposal in the Draft Annual Plan also included a rates remission policy for residential and rural SUIPs but deferred the introduction of a remission policy for papakainga SUIPs to be considered during the 2011/12 Annual Plan consultation process.

COUNCIL'S DECISION

During the consultation period the Council received a number of submissions on the proposal to implement SUIPs. Following consideration of submissions the Council has decided to apply SUIPs to commercial properties in the 2010/11 rating year. The Council has resolved the following:

THAT the Council introduces Separately Used and Inhabited Parts of a rating unit (SUIPs) for commercial properties in the 2010/11 rating year, charging the UAGC, roading UAC and promotion and development rate in the SUIP calculation.

THAT in principle, the Council introduces SUIPs for residential and rural properties in the 2011/12 rating year charging the UAGC and roading UAC - subject to further investigation and consideration during the 2011/12 Annual Plan consultation process.

THAT the Council defer the introduction of rates remission policies for residential, rural and papakainga SUIPs to be considered during the 2011/12 Annual Plan consultation process.

REASON FOR THE DECISION

This decision to implement SUIPs on commercial properties recognises that the use of SUIPs as a basis for rating provides the Council with an increased ability to apply the principles of the Revenue and Financing Policy. In particular "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".

Many of Council's costs are driven by individual users rather than by properties. Defining multiple users of services on one rateable property and rating them for the services they use, allows for a fairer apportionment of the costs according to Council's funding philosophy.

During deliberations the Council also recognised the impact this decision would have in terms of affordability, in particular on smaller businesses. The implementation of SUIPs follows changes made to the rating differential through the LTCCP 2009-19, which saw substantial reductions in rates for commercial properties. The decision to apply SUIPs to commercial properties was seen by the Council to rebalance the allocation of the rating requirement.

The Council has yet to decide whether to apply SUIPs to residential and rural properties in the 2011/12 rating year and will consult further on this issue during the draft Annual Plan 2011/12 together with any rates remission policies for SUIPs.

WHAT DOES THIS DECISION MEAN

Commercial SUIPs

The Council will implement SUIPs for commercial properties in the 2010/11 rating year charging the UAGC at \$275, Roading UAC at \$50 and promotion and development rate at \$160.19 in the SUIP calculation.

For example, currently a commercial building on a single title with three shop leases would pay a single UAGC, a single Roading UAC and a single promotion and development rate, included as part of the rates levied against the property. Under the SUIPs system, each of the three parts of the same property would attract these charges (\$485.19 x 3 = \$1455.57).

Under this system there will not be an increase in the level of rating income - instead these rates will be collected from more properties and therefore reduces the amount levied against each property on average. To achieve this the rating income gained through SUIPs will be offset, as follows:

- Any additional revenue taken by way of the UAGC will be offset against the general rate.
- Any additional revenue taken by way of the Rooding UAC will be offset against the rooding targeted rate.
- The level of revenue required from the promotion and development rate will be divided among the number of SUIPs charged.

Residential and Rural SUIPs

The Council has made an in-principle decision to implement Rural and Residential SUIPs in the 2011/12 year subject to further investigation and consideration during the 2011/12 Annual Plan consultation process.

This means that the proposal will be reviewed with consideration given to concerns raised by submitters during consultation on the Draft Annual Plan 2010/11.

This also means that the community will have the opportunity to submit on the proposal through the next Annual Plan consultation process before any final decision is made by the Council.

SUIPs Rates Remission Policies

With the Council's decision to reconsider the implementation of SUIPs for residential and rural properties during the 2011/12 Annual Plan process, the amendment to introduce a rural and residential SUIPs rate remission policy has been deferred.

The Council will revise the rates remission policy for residential and rural SUIPs, and develop a rates remission policy for papakainga SUIPs during the 2010/11 year. These will be brought back for consideration during the Annual Plan 2011/12 consultation process.

The purpose of these policies will be to ensure that the new rating system does not unfairly burden ratepayers who are unlikely to be placing additional demands on Council resources and services.

AMENDED PARTS OF THE LTCCP

Definition of SUIPs

In order to implement a rating system on the basis of SUIPs the Council has amended its Funding Impact Statement in the LTCCP 2009-19, Volume Two (Policies), page 19, by including the following definition of SUIPs:

“Separately used or inhabited part” includes any part of a rating unit separately occupied by the owner or any other person who has the right to occupy that part by virtue of a tenancy, lease, licence or other agreement.

The Council further defines Commercial, rating units as follows:

Commercial SUIPs

For a commercial rating unit, a SUIP is a building or part of a building that is, or intended to be, or is able to be, separately tenanted, leased or subleased for commercial purposes.

In a commercial/industrial situation a separately useable or habitable part will be classified where the property has been set-up to accommodate, or is accommodating, separate lessees, tenants, or the like, operating separate businesses from the same rating unit. Separate units made available for the travelling public are not considered to be separately used for the purposes of a rating unit unless they are made available for term (more than six months) rental.

CONSEQUENTIAL IMPACTS

As a result of the decision to implement a rating system on the basis of SUIPs there will be no further material impacts on, or amendments to, other policies or proposals in the 2009-19 LTCCP.

ADDITIONAL INFORMATION: CRITERIA FOR ESTABLISHMENT OF A SUIP

To facilitate the interpretation of the definition of a SUIP, the Council have some additional criteria for information purposes only. The criteria allows Council to clearly indicate to ratepayers whether or not their property falls into the SUIP classification.

Commercial Criteria

- Where a building or resource consent allows for a separate operation
- Would be captured as a separate unit under the provisions of the Council's Development Contributions Policy
- Able to be accessed independently of any other unit
- Includes offices that have shared facilities
- Excludes all accommodation establishments for the travelling public, including motels, hotels, camping grounds and backpacker lodges
- Offers non-transient accommodation or term lease

These definitions and criteria will guide in application of the SUIP policy and provide the ability to more clearly assess for a multiple SUIP, where the initial assessment is in dispute.

Not all properties identified as having multiple SUIPs will be able to be classified according to the above criteria and definitions. As such, some site visits will still be required to determine the rating status of the property.

Criteria for the establishment of rural and residential SUIPs will be added if and when the Council implement rural and residential SUIPs following consideration during the 2011/12 Annual Plan consultation process.

LOAN MATURITY LIMITS: AMENDMENT TO THE LIABILITY MANAGEMENT POLICY

BACKGROUND

Alongside the development of the Draft Annual Plan the Council proposed an amendment to the LTCCP to change the maturity limits for loans and committed facilities within the Council's Liability Management Policy.

The Council's policy for the maturity period of all loans and committed facilities is outlined in section 2.0(d) of the Liability Management Policy.

This policy indicated that between 20% to 60% of all loans and committed facilities should mature within a period of 0-3 years. The policy specified that the Council's debt maturity schedule could operate outside these limits, but it must be by Council approval.

Under these circumstances the Council has been in breach of the Policy limits for almost two years, with Council approval. This has allowed the Council to take advantage of favourable short term borrowing facilities.

Through the Draft Annual Plan the Council proposed to change the maturity limits to allow greater flexibility with the use of borrowings facilities.

COUNCIL'S DECISION

During the consultation period the Council received independent professional advice endorsing the amendment. Following consideration of this information during the deliberations process the Council resolved the following:

THAT the Council proceed with the amendment to the Liability Management Policy within the LTCCP – increasing the maximum percentage for the debt maturity period of 0-3 years from 60% to 80%.

REASONS FOR THE DECISION

The changes to the Liability Management Policy allow the Council the flexibility to take greater advantage of short term borrowing facilities. While this carries more risk there are potential gains to be made in terms of savings in interest costs.

The Council recognised that the limits contained with the Liability Management Policy for the maturity spreading of the committed facilities have been consistently breached for almost two years and that while these breaches have been advantageous to the Council, the Council wished to move towards policy compliance.

AMENDED PARTS OF THE LTCCP

The Council has amended the Liability Management Policy in the LTCCP 2009-19, Volume Two (Policies), page 32.

Section 2.0(d) of the Liability Management Policy entitled Liquidity and Credit Risk Management includes a table outlining the minimum and maximum maturity limits for maturity periods.

Under the "0 to 3 years" period the maximum limit has been increased from 60% to 80% with no change to the other minimum or maximum percentages.

CONSEQUENTIAL IMPACTS

As a result of this amendment there will be no further material impacts on, or amendments to, other policies or proposals in the 2009-19 LTCCP.

INTRODUCTION

This section of the Annual Plan provides a detailed overview of the activities that will be undertaken by the Council in the 2010/11 year.

Under each activity you will find information about: the work we do, the reasons for doing that work, what we plan to achieve for the year, what it will cost to deliver the work programme, and how this is different from what we originally planned through the LTCCP 2009-19.

We have made changes to the way information is presented in the Annual Plan to provide a document that is meaningful relevant, easy to read and keeps the community informed about our work programme.

This chapter of the Annual Plan provides information about:

- Corporate Activities and the Council's 36 activities which are organised into 10 groups including:
 - Leadership
 - Transport Networks and Safety
 - Water related services
 - Waste
 - Environmental Sustainability
 - Community Safety
 - Arts and Culture
 - Community Property
 - Recreation and Community Facilities
 - Hazard Management

GUIDE TO THE LAYOUT & CONTENT OF THE GROUPS OF ACTIVITIES

Transport Networks & Safety



WHAT THIS GROUP OF ACTIVITIES INCLUDES

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

The activities undertaken within this group include:

- Transport Networks
- Road Safety
- Parking Enforcement

2010/11 ANNUAL PLAN WHAKATANE DISTRICT COUNCIL 49

What this group of activities includes

This identifies the specific activities within the group and provides a brief description of the types of functions that are undertaken.

What will this group of activities cost

This sets out the budgeted costs for Council activities over the course of the 2010/11 year compared to what was budgeted for the year in the LTCCP. The budget in this table is at a Group of Activities Level, for example "Leadership" which includes three activities: "Governance", "Community Support" and "Strategy and Policy."

An explanation of the categories used in these cost of service tables is included on the following page.

Groups of Activities - Transport Networks & Safety

WHAT WILL THIS GROUP OF ACTIVITIES COST

The table below provides an overview of the budget at a Group of Activities level. Information related specifically to each activity can be found on the following pages.

2009/10 Annual Plan \$000	LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000	
OPERATIONAL				
EXPENDITURE				
5,147		5,316	6,214	898
292		357	397	41
7,131		7,508	7,371	(137)
12,570	Total Expenditure	13,181	13,982	801
REVENUE				
355		364	355	(9)
395		405	446	41
0		0	0	0
0		0	0	0
294		302	151	(151)
5,869		8,167	6,188	(1,979)
7,039		8,134	6,403	(1,731)
13,952	Total Revenue	17,372	13,543	(3,829)
(1,382)	Net Cost (Surplus) of Operations	(4,192)	439	4,630
NON OPERATIONAL				
EXPENDITURE				
(1,382)		(4,192)	439	4,630
6,296		11,599	7,394	(4,205)
889		268	1,146	878
410		523	834	311
(2,689)		(2,666)	(3,666)	(1,200)
3,524	Total Funding Requirement	5,533	5,946	413
FUNDED BY				
2,464		2,659	2,556	(103)
78		153	45	(108)
224		2,695	2,513	(182)
733		0	808	808
25		26	25	(1)
3,524	Total Funding Applied	5,533	5,946	413
* CAPITAL EXPENDITURE				
1,338		3,126	1,807	(1,319)
91		361	87	(274)
4,867		8,113	5,500	(2,613)

50 2010/11 ANNUAL PLAN WHAKATANE DISTRICT COUNCIL

TRANSPORT NETWORKS

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



The Council maintains over 2,300 street signs comprising a mix of regulatory and information signs.

WHAT WE DO AND WHY WE DO IT

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 and goods throughout the District, as well as to destinations outside the District. It benefits residents, businesses and the District as a whole. There are a number of legislative requirements that the Council needs to comply with in this activity including the Land Transport Management Act 2003, Local Government Acts 1974 and 2002 and the Resource Management Act 1991.

The transportation network mainly consists of roads, footpaths and car parking along with associated services such as street lighting, road markings, bridges and cycleways. The roading network consists of approximately 902 km of predominantly rural roads (82%). Over 70% of the network is sealed, which is well above the national average of 60%. Currently there are approximately 175 million vehicle kilometers travelled on the network each year with approximately 72% of this traffic being on the arterial and collector roads.

WHAT WE ARE GOING TO DO

Operating and maintaining the existing local road network: Operating and maintaining the local network are key priorities for the Council and is expected to cost \$11.20m in the 2010/11 year (including NZTA subsidy of \$790,000). This work is required to preserve the existing network, and protect the key routes and networks from the impact of traffic demand.

New and improved infrastructure for local roads: The Council intends to undertake a number of capital improvement projects in the 2010/11 year that enhance the existing road network or cater for changing demands. The total cost for these projects in the 2010/11 year is \$6.95m (including NZTA subsidy of \$3.60m). The programme of improvements has substantially reduced from that in the LTCCP as detailed later in this section. Key projects for the 2010/11 year include:

- Quay Street Bridge replacement
- Matahi Valley Road realignment
- Ruatahuna Road seal extensions
- Investigations into Wainui Road seal widening

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Provide a reliable, safe and maintained transport network.

- Satisfaction with the surface of the roads being maintained (e.g. lack of potholes, cracks, bumps etc) scores 66.7 or higher (Fair: Needs improvement) in Council's perception survey.
- 95% of customer service requests responded to appropriately and within timeframes in maintenance contract.

- 95% of road network compliant with New Zealand Transport Agency average road roughness limits.
- Less than 12% of road crashes identify the road as a contributing factor (measured as a 5 year average).

2010/11 ANNUAL PLAN WHAKATANE DISTRICT COUNCIL 51

Which community outcomes does this contribute to

The activities undertaken by the Council contribute towards the community outcomes of the Whakatane District. The community outcomes listed here are contributed to by this Activity.

What we do and why we do it

This describes the activities provided to the community and why they are provided.

What are we going to do

This provides an overview of the key projects (both capital and operational) that will be undertaken during the year. A full list of capital projects can be found in the Financials chapter of this Annual Plan.

What will this activity cost

This table sets out the proposed operational and capital costs of each specific activity for the 2010/11 year. See the explanation of categories table below for more detail.

What are the key differences from the LTCCP

This section outlines any key differences between this Annual Plan 2010/11 and what was planned for the year according to the Long Term Council Community Plan (LTCCP) 2009-19. This includes any substantial differences to the projects and work programme, budgets or intended levels of service.

What are our performance targets for the year

This table outlines the levels of service and performance targets that the Council aims to achieve in the 2010/11 year. These include a variety of perception based and technical measures. Perception based measures are monitored through the Council's perception survey which is available on the website www.whakatane.govt.nz

Groups of Activities - Transport Networks & Safety

Transport planning: The Council's transport planning projects are expected to cost \$150,000 (including NZTA subsidy of \$112,500). These have been prioritised to ensure integration between land use and transport needs and to also ensure a strategic outlook is provided for the longer period. Transport planning projects for the 2010/11 year include:

- Development of a strategy to guide improvements to transport networks from Nukuhou to Matata
- Development of a Transportation Master Plan

WHAT WILL THIS ACTIVITY COST?

	Annual Plan 2010/11 \$000
Expenditure	13,212
Revenue	12,702
Net Cost of Service (Surplus)	510
Capital Expenditure	7,394

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Reductions to the capital works budget for transport projects has resulted in the deferral of the following projects:
 - Pedestrian facilities in Matata and other rural areas
 - Cycle facilities in Gorge Road and other urban areas
 - Seal extensions
 - Road reconstructions including Landing Road, Wainui Road and Thornton Road
 - Road and pavement rehabilitations including Awaiti North Road, Thornton Road and Taneatua Road
 - Pyne Street Carpark resurfacing
 - Tarawera River Western Access Project
 - Undergrounding of powerlines
- Provision of \$275,000 for a storm damage roading contingency fund. Previously, costs associated with emergency events have been treated as unbudgeted expenditure (more information can be found in the Key Issues section of this Annual Plan).

LAND TRANSPORT PROGRAMME

Following an amendment to the Land Transport Management Act in August 2008, Land Transport Programmes are prepared regionally rather than at a district level.

Information about the Bay of Plenty Regional Land Transport Programme can be obtained from Environment Bay of Plenty offices, by phoning 0800 368 267, or from www.enrbop.govt.nz



WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Provide a quality roading network compliant with all statutory and regulatory requirements.

- 100% compliance with transport related statutory and regulatory requirements according to NZTA procedural audits (3 yearly).

Route security is maintained.

- Access is restored following emergency road closure incidents within timeframes in maintenance contract.
- One bridge spans the Whakatane River providing access to Whakatane urban area (two bridges by 2017).

52 2010/11 ANNUAL PLAN WHAKATANE DISTRICT COUNCIL

Explanation of categories in cost of service tables

WHAT WILL THIS GROUP OF ACTIVITIES COST?

OPERATIONAL

EXPENDITURE

Depreciation	The wearing-out, consumption, or loss of value of an asset over its useful life e.g. motor vehicles.
Interest Paid	Interest on funds borrowed.
Operations	The day to day cost of running this activity e.g. salaries and wages, materials and services, overheads and any overheads recoveries.
Total Expenditure	Total costs of activity excluding capital expenditure.

REVENUE

Development Contributions	Money paid by developers towards providing assets or extending existing assets to cater for increased demand due to growth e.g. extending sewerage systems.
User Fees & Charges	Includes admission charges for Council facilities, parking fines and regulatory fees e.g. permits, dog registration.
General Rates	Income from general rates charged on the capital value of all properties within the District and the Uniform Annual General Charge (UAGC).
Interest Income	Interest earned on funds invested.
Sundry Income	Miscellaneous income from other sources generally not of a significant nature e.g. local authority petrol tax.
Subsidies and Grants	Money received from other organisation that contributes to the cost of the service.
Targeted Rates	Rates where the benefit or use of a service can be assigned to specific households or communities, such as water supply or disaster mitigation.
Total Revenue	Total revenue for this activity.
Net Cost (Surplus) of Operations	Total expenditure less total revenue.

NON OPERATIONAL

EXPENDITURE

Transfer from (Surplus) Deficit

Capex*	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.
Loan Repayments	Repaying of loans raised for capital expenditure.
Payments to Reserves	Transferring money into a Reserve account held for special purpose. This includes transfers from Development Contribution revenue to Development Contribution Reserves.
Less Depreciation not Funded	The portion of depreciation that the Council does not intend to fund from revenue.
Total Funding Requirement	Net cost of operations plus Capex, loan repayments and payments to reserves.

FUNDED BY

Depreciation Reserve	Using funds from depreciation reserves.
Development Contributions Reserve	Using funds from Development Contribution Reserves to provide new assets or extension of existing assets to cater for increased demand due to growth.
Loans Raised	Borrowing money to pay for new assets, parts of assets, or to fund temporary deficits.
Operational Reserve	Using funds from operational reserves to provide an asset or to assist with maintaining existing assets or services e.g. using reserve funds to pay for capital expenditure or operational projects.
Sale of Assets	Revenue to be raised from the sale of assets belonging to this activity.
Total Funding Applied	The balance of funds required to operate this activity.

*CAPITAL EXPENDITURE This shows how the capital expenditure is split to fund level of service improvements, versus population growth and/or renewal works.

Corporate & District Activities



WHAT ARE CORPORATE AND DISTRICT ACTIVITIES

Every organisation needs to develop, manage and maintain internal systems to provide effective and efficient external services. Corporate and District Activities are substantial functions of the Council and while they do not fall within the Groups of Activities they do impact on their budgets.

This section of the Annual Plan outlines the expected costs associated with these activities and identifies some of the key projects planned for the 2010/11 year.

Corporate and District Activities includes:

- Communications
- Finance
- Customer Information
- Corporate Information
- Corporate Property
- Human Resources
- District Income and Expenditure

WHAT WILL THIS GROUP OF ACTIVITIES COST

The table below provides an overview of the budget at a Group of Activities level. Information related specifically to each activity can be found on the following pages.

Annual Plan 2009/10 \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
OPERATIONAL				
EXPENDITURE				
1,094	Depreciation	1,703	1,719	16
145	Interest Paid	211	220	9
(1,039)	Operations	(1,713)	(1,444)	269
200	Total Expenditure	201	496	295
REVENUE				
0	Development Contributions	0	0	0
225	User Fees & Charges	233	250	17
(918)	General Rates	(954)	(186)	768
861	Interest Income	904	772	(132)
857	Sundry Income	886	922	36
0	Subsidies & Grants	0	100	100
0	Targeted Rates	0	649	649
1,025	Total Revenue	1,069	2,507	1,438
(825)	Net Cost (Surplus) of Operations	(868)	(2,011)	(1,143)
NON OPERATIONAL				
EXPENDITURE				
(825)	Transfer from (surplus)/deficit	(868)	(2,011)	(1,143)
2,389	Capex *	2,633	1,535	(1,098)
1,359	Loan Repayments	2,393	703	(1,690)
771	Payments to Reserves	811	1,835	1,024
0	less Depreciation not Funded	0	(185)	(185)
3,694	Total Funding Requirement	4,970	1,877	3,093
FUNDED BY				
1,458	Depreciation Reserve	1,300	915	(385)
0	Development Contribution Reserve	0	0	0
931	Loans Raised	1,333	512	(822)
1,305	Operational Reserve	2,337	450	(1,887)
0	Sale of Assets	0	0	0
3,694	Total Funding Applied	4,970	1,877	(3,093)
* CAPITAL EXPENDITURE				
982	Level of Service	1,573	915	(658)
35	Growth	77	0	(77)
1,373	Renewals	983	620	(363)

CORPORATE AND DISTRICT ACTIVITIES

WHAT WE DO AND WHY WE DO IT

Corporate and District Activities supports the delivery of the Council's projects, plans and activities. Corporate and District Activities include:

Communications: The Council provides the communications activity to inform, engage and enable the community to better understand what the Council does so they can be a part of decisions and projects. Community engagement is a major part of Council activities and some types of public communication are required by law. The Local Government Act 2002 requires the Council to consult with its community and facilitate public debate about matters being considered by the Council.

Finance: This internal activity provides financial and rating services to support the Council's activities. It is responsible for developing and providing effective mechanisms to monitor and report on Council's financial performance.

Customer Services: The Council needs efficient and consistent customer services to meet the continually changing expectations of its customers. This activity manages these expectations and ensures the agreed appropriate service is provided in accordance with the customer service standards and charter.

Corporate Information: This activity delivers information services to internal and external customers. Providing the right tools and information at the right time and place enables efficient, effective, and prudent management. The Corporate Information activity is the guardian of Council's data, information and knowledge assets which must be securely managed for current and future generations. The Council must also comply with relevant legislation such as the Public Records Act 2005 (PRA) and the Electronic Transactions Act 2002 (ETA) regarding the creation, collection, retention, and archiving of information.

Corporate Property: Corporate property includes assets that provide essential services to the community and those that are supported by the local community. There are 20 properties in total, which include the Civic Centre, Museum and Gallery, the Whakatane Airport Terminal Building, Workshops, Depots, Libraries, and the Dog Pound.

Human Resources: The purpose of this activity is to attract, retain, up skill, motivate and reward high calibre employees capable of having a positive impact in their areas of responsibility and delivering on the Annual and Long Term Council Community Plans work programmes for which they are responsible. As at the 30 June 2009 the Whakatane District employed 178.8 full time equivalent employees (excluding casuals).

District Income: District income is applied to reduce the general rate requirement in other Council activities. This revenue is sourced from commissions, petrol tax, interest and other sundry revenue.

Byways is produced and distributed quarterly to every household and non-resident ratepayer.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

The community is provided with up-to-date, factual information about Council's current and planned activities.

- » Satisfaction with Council's provision of information. 2008 CSI score 64.2 or higher (Fair: Needs improvement).
- » Byways is produced and distributed quarterly to every household and non-resident ratepayer.

The community and the Council have access to accurate and timely financial information.

- » Rates assessments are issued to ratepayers within a timely manner and contain accurate information.
- » Ratepayers are given at least three weeks notice to pay a rates instalment.

WHAT KEY ACHIEVEMENTS ARE WE PLANNING FOR THE YEAR

Implementation of compliance and regulation information systems solutions: The Council will continue to implement information systems to increase the effective processing and management of regulatory and compliance related processes.

Development of information systems for asset information: This project will enable better management of the core assets through improved accuracy of asset information.

Online (web) service development: The Council will begin to develop the capability to deliver online services.

Microsoft Office upgrade: The Council will prepare for and implement the current version of Office productivity software. This will involve a programme of modifying relevant enterprise applications and of up-skilling current employees.

New GIS systems: The Council will upgrade its outmoded Geographic Information Systems and Software as part of a regional joint councils initiative under BOPLASS.

Conversion to fibre-optic: The Council will convert some wireless network links to fibre optic cabling over the 2010/11 year.

HOW ARE THESE ACTIVITIES FUNDED

The operational costs associated with corporate and district activities are funded by charging overheads on other activities. Capital expenditure is generally funded by way of corporate loans or depreciation funding. The interest from these loans is also allocated as overheads while the principal repayment is collected through the general rate.

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- The provision for rates remissions has been increased from \$175,000 to \$220,000 to more accurately reflect the level of remissions being provided.
- Additional costs of \$100,000 associated with increases in ACC levies.
- Increased costs of \$75,500 associated with software licensing and support services.
- Within the corporate and district income activity, additional rates of \$550,000 included to reduce overdrawn operating reserve balances from the 2008/09 year deficit.
- Reduced IT capital expenditure programme resulted in the Governance and Democracy automation project not going ahead until the 2011/12 financial year.
- Operational deficits of \$600,000 as a result of the floods in the 2009/10 year to be recovered through rates.

In 2010/11 the Council will begin to develop the capability to deliver online services

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

The community has access to Council's activities through fully competent and efficient Service Centres.

- » Satisfaction with overall service from Customer Service/Front Desk staff. 2008 CSI score 75.2 or higher (Very good service).
- » 85% of non direct dial telephone calls answered within 30 seconds.

Customer service efficiency is maximised through staff access to high quality information systems.

- » All users have access to Information systems during business hours with at least 99% availability.

Leadership



WHAT THIS GROUP OF ACTIVITIES INCLUDES

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 and the Ten-year Council Community Plan.

The activities undertaken within this group include:

- Governance
- Community Support
- Strategy and Policy

WHAT WILL THIS GROUP OF ACTIVITIES COST

The table below provides an overview of the budget at a Group of Activities level. Information related specifically to each activity can be found on the following pages.

Annual Plan 2009/10 \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
OPERATIONAL				
EXPENDITURE				
0	Depreciation	0	0	0
7	Interest Paid	7	8	1
2,724	Operations	2,852	2,770	(82)
2,731	Total Expenditure	2,860	2,777	(81)
REVENUE				
0	Development Contributions	0	0	0
0	User Fees & Charges	0	0	0
2,345	General Rates	2,403	2,309	(94)
0	Interest Income	0	0	0
0	Sundry Income	58	58	0
0	Subsidies & Grants	0	0	0
380	Targeted Rates	406	404	(2)
2,725	Total Revenue	2,867	2,771	(96)
5	Net Cost (Surplus) of Operations	(8)	6	15
NON OPERATIONAL				
EXPENDITURE				
5	Transfer from (surplus)/deficit	(8)	6	13
0	Capex *	0	0	0
6	Loan Repayments	6	6	0
0	Payments to Reserves	2	0	(2)
0	less Depreciation not Funded	0	0	0
11	Total Funding Requirement	(0)	12	11
FUNDED BY				
0	Depreciation Reserve	0	0	0
0	Development Contribution Reserve	0	0	0
0	Loans Raised	0	0	0
11	Operational Reserve	0	11	11
0	Sale of Assets	0	0	0
11	Total Funding Applied	0	11	11

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 WE ARE GOING TO DO

Local Government Elections: The Council is required to conduct local elections every three years. At a cost of \$125,000 the Council will conduct elections in October 2010. These will provide the opportunity for the community to elect a Mayor, Councillors and Community Board Members to represent their views and interests over the following three year period. The cost of elections are spread over three years.

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 Edgcumbe/Tarawera (to be known as Rangitaiki from October 2010), Murupara, Ohope Beach, Taneatua, and Whakatane.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	1,915
Revenue	1,904
Net Cost (Surplus) of Operations	11
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- No key differences.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

The Council makes decisions in an open and transparent manner.

- » All meetings are publicly notified and agendas of the Council, its committees and community boards are available.
- » Satisfaction with the opportunities Council provides for community involvement in decision making scores 58.5 or higher (Needs significant improvement) in Council's Perception Survey.

Elections and representation reviews are conducted in accordance with the Local Electoral Act 2001 and participation is encouraged.

- » 2010 triennial elections conducted in accordance with Local Electoral Act.

Māori have the capacity and the opportunity to contribute to Council decision making.

- » Eight or more Iwi Liaison Committee meetings held during the year.
- » Māori satisfaction with the opportunities Council provides for community involvement in decision making scores 58.4 or higher (Needs significant improvement) in Council's Perception Survey.

COMMUNITY SUPPORT

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

WHAT WE DO AND WHY WE DO IT

The Council provides community support by providing funding for community projects; recognising voluntary organisations’ contributions to the community; supporting and encouraging interaction and exchange with other cultures and recognising elderly people’s contribution to the District. This activity is a key part of the Council’s work to support the social and cultural well being of the citizens of this District. It also includes civic ceremonies such as ANZAC Day.

WHAT WE ARE GOING TO DO

Community Grants: The Council will provide \$211,000 (including \$70,000 from the Harbour Fund) in the way of grants to community groups and voluntary organisations to acknowledge and better enable them to contribute to the wellbeing of the Whakatane District. Applications for Community Grants are called for in July of each year.

Iwi Liaison Committee Discretionary Fund: This discretionary fund of \$10,000 provides financial assistance to support, promote, encourage, and celebrate Maori culture and language in the Whakatane District. Applications are accepted throughout the year subject to funding availability.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	186
Revenue	192
Net Cost (Surplus) of Operations	(6)
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- No key differences.

The Council provides grants to community groups and voluntary organisations to acknowledge and support them in their contribution to the wellbeing of the Whakatane District

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Community groups, voluntary organisations and landowners are supported in contributing to the social, environmental, cultural and economic wellbeing of the Whakatane District.

\$295,000 of community funding distributed in accordance with Council policy (note: this amount is sourced from general rates, harbour fund, and external agencies and distributed as a function of the Community Support activity). This includes the following funds:

- » Community Boards discretionary funds.
- » Iwi Liaison Committee discretionary fund.
- » Annual Grants.
- » Multiple Year Funds.
- » Lease Subsidies.

STRATEGY AND POLICY

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

WHAT WE DO AND WHY WE DO IT

This activity delivers quality strategy and policy advice for elected members and staff to enable effective decision making and long-term planning. The Council makes decisions and sets direction to promote the social, cultural, environmental and economic wellbeing of the District's communities, and contribute to the good governance of these communities. Making good decisions and effectively setting direction requires a framework to provide long-term stability and consistency of approach. This activity also includes developing and consulting on planning and accountability mechanisms as required under the Local Government Act 2002, such as the Long Term Council Community Plan and the Annual Plan.

WHAT WE ARE GOING TO DO

Corporate planning:

The Council is required to produce a Long Term Council Community Plan (LTCCP) every three years and an annual plan in each intervening year. During 2010/11 this means we will produce an Annual Plan covering the 2011/12 financial year.

Policy Development:

During the coming year the Council will continue its programme of developing new policies and reviewing existing policies. Priorities will include policies required for the LTCCP such as the Revenue and Financing Policy,

Policy on Determining Significance, Liability Management Policy and Remission policies. The Council will also review community development policies such as the Alcohol Policy and Youth Policy.

Sustainability framework:

The Council is planning to implement the first round of initiatives to foster sustainable practices by the Council. This follows the development of a sustainability strategy in 2009/10.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	676
Revenue	676
Net Cost (Surplus) of Operations	0
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Community Outcomes Review project cancelled due to review of legislative requirements in this area.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

The Council will develop and maintain strategies, policies and plans that support sustainable development and the needs of the community.

- » Perception that the Council makes good long term decisions scores 47.4 or higher (Needs significant improvement) in Council's Perception Survey.
- » Council's Policy framework drafted and review schedule completed. A third of policies reviewed as per schedule.

Transport Networks & Safety



WHAT THIS GROUP OF ACTIVITIES INCLUDES

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

The activities undertaken within this group include:

- Transport Networks
- Road Safety
- Parking Enforcement

WHAT WILL THIS GROUP OF ACTIVITIES COST

The table below provides an overview of the budget at a Group of Activities level. Information related specifically to each activity can be found on the following pages.

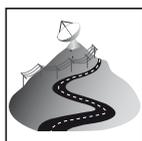
2009/10 Annual Plan \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
OPERATIONAL				
EXPENDITURE				
5,147	Depreciation	5,316	6,214	898
292	Interest Paid	357	397	41
7,131	Operations	7,508	7,371	(137)
12,570	Total Expenditure	13,181	13,982	801
REVENUE				
355	Development Contributions	364	355	(9)
395	User Fees & Charges	405	446	41
0	General Rates	0	0	0
0	Interest Income	0	0	0
294	Sundry Income	302	151	(151)
5,869	Subsidies & Grants	8,167	6,188	(1,979)
7,039	Targeted Rates	8,134	6,403	(1,731)
13,952	Total Revenue	17,372	13,543	(3,829)
(1,382)	Net Cost (Surplus) of Operations	(4,192)	439	4,630
NON OPERATIONAL				
EXPENDITURE				
(1,382)	Transfer from (surplus)/deficit	(4,192)	439	4,630
6,296	Capex *	11,599	7,394	(4,205)
889	Loan Repayments	268	1,146	878
410	Payments to Reserves	523	834	311
(2,689)	less Depreciation not Funded	(2,666)	(3,866)	(1,200)
3,524	Total Funding Requirement	5,533	5,946	413
FUNDED BY				
2,464	Depreciation Reserve	2,659	2,556	(103)
78	Development Contribution Reserve	153	45	(108)
224	Loans Raised	2,695	2,513	(182)
733	Operational Reserve	0	808	808
25	Sale of Assets	26	25	(1)
3,524	Total Funding Applied	5,533	5,946	413
* CAPITAL EXPENDITURE				
1,338	Level of Service	3,126	1,807	(1,319)
91	Growth	361	87	(274)
4,867	Renewals	8,113	5,500	(2,613)

TRANSPORT NETWORKS

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



PROSPEROUS
ECONOMY



HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE

The Council maintains over 2,300 street signs comprising a mix of regulatory and information signs.

WHAT WE DO AND WHY WE DO IT

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 and goods throughout the District, as well as to destinations outside the District. It benefits residents, businesses and the District as a whole. There are a number of legislative requirements that the Council needs to comply with in this activity including the Land Transport Management Act 2003, Local Government Acts 1974 and 2002 and the Resource Management Act 1991.

The transportation network mainly consists of roads, footpaths and car parking along with associated services such as street lighting, road markings, bridges and cycleways. The roading network consists of approximately 902 km of predominantly rural roads (82%). Over 76% of the network is sealed, which is well above the national average of 60%. Currently there are approximately 175 million vehicle kilometers travelled on the network each year with approximately 72% of this traffic being on the arterial and collector roads.

WHAT WE ARE GOING TO DO

Operating and maintaining the existing local road network: Operating and maintaining the local network are key priorities for the Council and is expected to cost \$11.20m in the 2010/11 year (including NZTA subsidy of \$790,000). This work is required to preserve the existing network, and protect the key routes and networks from the impact of traffic demand.

New and improved infrastructure for local roads: The Council intends to undertake a number of capital improvement projects in the 2010/11 year that enhance the existing road network or cater for changing demands. The total cost for these projects in the 2010/11 year is \$6.95m (including NZTA subsidy of \$3.60m). The programme of improvements has substantially reduced from that in the LTCCP as detailed later in this section. Key projects for the 2010/11 year include:

- Quay Street Bridge replacement
- Matahi Valley Road realignment
- Ruatahuna Road seal extensions
- Investigations into Wainui Road seal widening

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Provide a reliable, safe and maintained transport network.

- » Satisfaction with the surface of the roads being maintained (e.g. lack of potholes, cracks, bumps etc) scores 66.7 or higher (Fair: Needs improvement) in Council's perception survey.
- » 95% of customer service requests responded to appropriately and within timeframes in maintenance contract.
- » 95% of road network compliant with New Zealand Transport Agency average road roughness limits.
- » Less than 12% of road crashes identify the road as a contributing factor (measured as a 5 year average).

Transport planning: The Council’s transport planning projects are expected to cost \$150,000 (including NZTA subsidy of \$112,500). These have been prioritised to ensure integration between land use and transport needs and to also ensure a strategic outlook is provided for the longer period. Transport planning projects for the 2010/11 year include:

- Development of a strategy to guide improvements to transport networks from Nukuhou to Matata
- Development of a Transportation Master Plan

WHAT WILL THIS ACTIVITY COST?

	Annual Plan 2010/11 \$000
Expenditure	13,212
Revenue	12,702
Net Cost of Service (Surplus)	510
Capital Expenditure	7,394

LAND TRANSPORT PROGRAMME

Following an amendment to the Land Transport Management Act in August 2008, Land Transport Programmes are prepared regionally rather than at a district level.

Information about the Bay of Plenty Regional Land Transport Programme can be attained from Environment Bay of Plenty offices, by phoning 0800 368 267, or from www.envbop.govt.nz

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Reductions to the capital works budget for transport projects has resulted in the deferral of the following projects:
 - Pedestrian facilities in Matata and other rural areas
 - Cycle facilities in Gorge Road and other urban areas
 - Seal extensions
 - Road reconstructions including Landing Road, Wainui Road and Thornton Road
 - Road and pavement rehabilitations including Awaiti North Road, Thornton Road and Taneatua Road
 - Pyne Street Carpark resurfacing
 - Tarawera River Western Access Project
 - Undergrounding of powerlines
- Provision of \$275,000 for a storm damage roading contingency fund. Previously, costs associated with emergency events have been treated as unbudgeted expenditure (more information can be found in the Key Issues section of this Annual Plan).



WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Provide a quality roading network compliant with all statutory and regulatory requirements.

- » 100% compliance with transport related statutory and regulatory requirements according to NZTA procedural audits (3 yearly).

Route security is maintained.

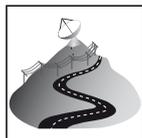
- » Access is restored following emergency road closure incidents within timeframes in maintenance contract.
- » One bridge spans the Whakatane River providing access to Whakatane urban area (two bridges by 2017).

ROAD SAFETY

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



SAFE CARING
COMMUNITY



HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE

WHAT WE DO AND WHY WE DO IT

The Council is the lead agency in the Eastern Bay cluster (Whakatane, Kawerau and Opotiki District Councils) for road safety education, advertising and co-ordination. NZTA, Police, ACC and Environment Bay of Plenty are key stakeholders along with local agencies who belong to the Road Safety Committee. The activities are provided in response to Central Government requirements identified in the Land Transport Amendment Act 2008, Government Policy Statement targets, and community aspirations. NZTA are a major funder of the cost of the road safety activity with funding also coming from the three Eastern Bay of Plenty District Councils and Environment Bay of Plenty. ACC are key contributors financially in their identified target areas. Financial and in kind support is also received from business and local communities.

The main activity is the co-ordination of education programmes and advertising to address the causes of serious and fatal crashes in the Eastern Bay. There are key partners in the community such as the Probation Service and Community Drug and Alcohol Services that deliver ongoing projects. The Annual Road Safety Action Plan is brought into effect through the Eastern Bay of Plenty Road Safety Committee and employment of Road Safety/Sustainable Transport personnel.

WHAT WE ARE GOING TO DO

Annual road safety programmes: The following areas of road safety will have a number of projects tailored to help reduce the incidence of crashes.

The targeted areas are all identified as high risk in the Communities at Risk Register developed by the New Zealand Transport Agency.

- Alcohol and driving.
- Speed related driving.
- Young drivers (15 -19 year old).
- Learner and restricted license holders.
- Child vehicle occupants.

Active Transport Programmes: These programmes support and promote alternative, sustainable transport options such as walking and cycling.

WHAT WILL THIS ACTIVITY COST?

	Annual Plan 2010/11 \$000
Expenditure	422
Revenue	422
Net Cost of Service (Surplus)	0
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- The change of Central Government and recent completion of the Safer Journeys to 2020 Strategy has resulted in a change of the priorities and funding schemes available to the Council from NZTA. The scope and nature of activities undertaken under this activity will have to be adjusted to meet the priorities of the central Government's Safer Journeys Strategy in order to access funding.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

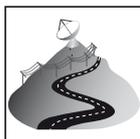
Provide programmes that help reduce the incidence and severity of crashes in the District and help to reduce road travel demand.

» Satisfaction with the safety of our roads scores 68.4 or higher (Good service but with potential for improvement) in Council's Perceptions Survey.

» At least 30 annual road safety and travel demand programmes delivered.

PARKING ENFORCEMENT

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE



PROSPEROUS
ECONOMY

WHAT WE DO AND WHY WE DO IT

The Council provides parking enforcement services in response to community needs and aspirations for safety and convenience. The parking provisions are governed by the Traffic and Speed Limits Bylaw as well as relevant sections of the Land Transport Act 1998 and traffic regulations. Monitoring is focused on the central business districts of Whakatane and Kopeopeo. Enforcement activities are aimed at motorists overstaying their parking time, but also include the issuing of infringement notices for expired warrants and registrations, damaged/smooth tyres and illegal parking within defined areas.

This activity supports safety on the road by identifying vehicles that do not comply with regulations around road worthiness. Associated processes include prosecutions and court appearances as well as responding to complaints. The Council is proactive in promoting Whakatane’s parking regulations and promotes the message of responsible driver behaviour towards parking requirements. This service ensures a turnover of vehicles in key areas to manage traffic flow.

WHAT WE ARE GOING TO DO

The Council will continue to provide parking enforcement services. These will monitor overstaying of parking times but also includes the issuing of infringement notices for expired warrants and registrations, damaged/smooth tyres and illegal parking within defined areas.

Under legislation, any revenue gained from this activity can only be used for transport related expenditure and must be applied to the area from which it was collected.

WHAT WILL THIS ACTIVITY COST?

	Annual Plan 2010/11 \$000
Expenditure	348
Revenue	419
Net Cost of Service (Surplus)	(71)
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

No significant differences.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Parking enforcement maximises the availability of parking and ensures that vehicles are safe.

- » Satisfaction with Council parking in Whakatane score 69.9 or higher (Good service but with potential for improvement) in Council’s Perceptions Survey.
- » Regular patrols are carried out in Whakatane and Kopeopeo for parking and road worthiness including:
 - » Whakatane; 3 patrols per day.
 - » Kopeopeo; 5 patrols per week.

Water-Related Services



WHAT THIS GROUP OF ACTIVITIES INCLUDES

This group of activities is undertaken to provide and maintain efficient, reliable and safe water, wastewater, stormwater and trade waste services. The Council undertakes the activities in this group 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.

The activities undertaken within this group include:

- Water
- Wastewater
- Stormwater
- Trade waste

WHAT WILL THIS GROUP OF ACTIVITIES COST

The table below provides an overview of the budget at a Group of Activities level. Information related specifically to each activity can be found on the following pages.

Annual Plan 2009/10 \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
OPERATIONAL				
EXPENDITURE				
3,677	Depreciation	3,851	3,771	(80)
569	Interest Paid	796	834	37
5,388	Operations	5,892	5,318	(574)
9,635	Total Expenditure	10,540	9,923	(616)
REVENUE				
232	Development Contributions	237	232	(5)
94	User Fees & Charges	96	172	76
25	General Rates	27	32	5
0	Interest Income	0	0	0
0	Sundry Income	0	110	110
1,508	Subsidies & Grants	6,491	6,345	(146)
7,448	Targeted Rates	8,442	7,148	(1,294)
9,306	Total Revenue	15,292	14,040	(1,252)
329	Net Cost (Surplus) of Operations	(4,752)	(4,117)	635
NON OPERATIONAL				
EXPENDITURE				
329	Transfer from (surplus)/deficit	(4,752)	(4,117)	635
6,340	Capex *	11,635	11,987	352
756	Loan Repayments	726	756	30
232	Payments to Reserves	237	403	166
(2,146)	less Depreciation not Funded	(2,105)	(2,307)	(202)
5,510	Total Funding Requirement	5,742	6,723	981
FUNDED BY				
1,447	Depreciation Reserve	1,638	1,747	109
1,243	Development Contribution Reserve	60	58	(2)
2,792	Loans Raised	3,940	4,319	379
28	Operational Reserve	104	599	495
0	Sale of Assets	0	0	0
5,510	Total Funding Applied	5,742	6,723	981
* CAPITAL EXPENDITURE				
3,679	Level of Service	9,446	9,832	386
1,290	Growth	79	77	(2)
1,371	Renewals	2,110	2,078	(32)

WATER

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

WHAT WE DO AND WHY WE DO IT

Water is an essential resource in our community and the Council is charged with ensuring water is of a high standard, is safe to drink and that supply is adequate for all the community. In response to this the Council manages a number of water supply assets for the District and is required to adhere to a number of statutory requirements, standards and policies. Under section 130(2) of the Local Government Act 2002, the Council must continue to provide water services to those communities that have been serviced.



WHAT WE ARE GOING TO DO

Whakatane water treatment plant alternative

abstraction points: The Council will investigate and start to develop a solution for alternative water abstraction points including either an upstream or ground water source. At a cost of \$1.38m this project will help to ensure the continuity of water supply when river conditions are not appropriate (e.g. salinity levels).

Whakatane water treatment plant filter upgrade:

Upgrading the water treatment plant filters at a cost of \$426,000 will increase operational efficiency of the treatment plant and improve water quality.

Waimana pump replacement: During the 2010/11 year the Council will replace the Waimana pump at a cost of \$10,000 to ensure continued and consistent water supply. This follows a pump condition assessment conducted in 2009/10.

Plains Water Supply: Testing of the Paul Road bore has been completed and this water source is recognised as being of sufficient quality and quantity to be able to supply the Plains Water Scheme on a long term basis. The Council has applied to Environment Bay of Plenty for a resource consent and has been negotiating with the landowner for the purchase of the land.

The Plains Water Supply Special Committee has recognised that a long term planning horizon was required to avoid a repetition of the issues currently being faced by the Plains Water Scheme in the future. The Council will be developing the capital works programme for the Plains Water Scheme in 2010/11 for inclusion in the 2012-2022 LTCCP based on a 50 year strategy which identifies the scheme boundaries and all water sources. Consultation with the major stakeholders of the scheme is programmed to be undertaken in 2011/12.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Provide a continuous, safe, uninterrupted, and cost effective water system throughout the District's urban, residential and commercial areas that complies with drinking water and fire standards.

- » Satisfaction with the overall quality and reliability of the mains water scores 73.7 or higher (Very good service) in Council's Perception Survey
- » Less than 40 incidences leading to complaints regarding taste and odour of water.
- » 95% of water supply systems with adequate pressure to fill a 15 litre bucket in one minute.

Plains connections upgrade: The Council will replace the Plains water connections and install back-flow preventers where these are not already installed. \$50,000 has been provided in the 2010/11 year which forms the second year of a three year programme.

General renewals and replacements: The Council will continue to provide for the maintenance of the water supply network at a total cost of \$200,000 for the 2010/11 year. This includes the ongoing programme of progressively replacing aging or faulty pipes, connections and meters across all schemes.

Ministry of Health capital assistance projects: The Council intends to undertake a number of projects that are reliant on subsidies from partner agencies. Notably this includes the Ministry of Health (MoH) Drinking Water Assistance Program (DWAP) which is currently under review. The following projects may not proceed in the 2010/11 year if the subsidy from MoH can not be secured:

- **Ruatoki:** increase the water storage capacity of the Ruatoki water supply system and extend the pipe network to reach more homes \$370,000 (includes MoH subsidy of \$351,500).
- **Edgecumbe and Matata:** replacement of water connections and installation of meters \$450,000 (includes MoH subsidy of \$427,500).
- **Edgecumbe and Te Teko:** replacement and upgrade of pipes to provide greater capacity \$634,400 (includes MoH subsidy of \$602,680).

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	5,427
Revenue	5,539
Net Cost (Surplus) of Operations	(112)
Capital Expenditure	4,040

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Reduced expenditure due to savings associated with completion of pressure management projects \$98,600.
- Reduced expenditure associated with changes to the water sampling and monitoring processes \$24,500.
- Additional rating amount totalling \$172,794 in targeted rates has been included to fund the 2008/09 deficit. This rate income is used to reduce overdrawn operating reserve balances from prior years deficits.



WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

- » Number and level of water supply gradings received.
(The Ministry of Health grades water quality between A & E for water source and between a & e for water reticulation. A indicates the highest standard and e lowest. U stands for ungraded)

Whakatane	Aa
Ohope	Aa
Edgecumbe	Db
Matata	Ab
Murupara	Ab
Taneatua	Ab
Ruatoki	Bb
Waimana	Ab
Plains	Db
Te Mahoe	Ab

WASTEWATER

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

WHAT WE DO AND WHY WE DO IT

The Council is responsible for the provision and management of six wastewater schemes situated at Whakatane, Ohope, Edgecumbe, Taneatua, Murupara, and Te Mahoe. The Council's key focus is to ensure wastewater is managed in an appropriate way. The Council maintains a number of assets to provide this service including treatment plants, pump stations, trunk mains, mains and service lines.

90% of blockages and breakages affecting the system in Whakatane are responded to within one hour.

WHAT WE ARE GOING TO DO

Ohope treatment plant investigations: Investigations and design for the Ohope wastewater treatment plant upgrade will be undertaken during 2010/11 at a cost of \$60,000 with construction planned for 2011/12.

Murupara ponds desludging: This project, costing \$300,000 will increase the performance and capacity of the ponds.

Murupara and Whakatane pipe renewals: The Council will continue with the second year of a ten year project to progressively replace or reline aging pipes in Murupara and Whakatane at a cost of \$450,000 in 2010/11.

McAlistair Street pipe upgrade: The purpose of this \$500,000 project is to replace the main wastewater pipelines in McAlistair Street to increase capacity and provide in line storage capability.

Ministry of Health capital assistance projects: The Council intends to undertake a number of projects that are reliant on subsidies from partner agencies including the Ministry of Health (MoH). The Council is seeking to secure funding through the Sanitary Works Subsidy Scheme (SWSS) which is currently under review. The scope and timing of projects will be affected by the outcome of applications. MoH capital assistance projects include:

- **Edgecumbe waste water system upgrade:** Upgrade of the pump stations and repair, replacement or reline pipes depending on their condition \$980,000 (includes MoH subsidy of \$813,400).

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

To provide high quality, efficient and reliable wastewater systems that are affordable and meet the reasonable needs of the urban and commercial communities

- » Satisfaction with having a reliable disposal of waste water and sewerage scores 77 or higher (Excellent service) in Council's Perception Survey.
- » 90% of blockages and breakages affecting the system in Whakatane are responded to within one hour. (Note: Actual works required to remedy breakages and blockages will vary according to the extent of fault).
- » 90% of blockages and breakages affecting the system in other urban areas are responded to within three hours. (Note: Actual works required to remedy breakages and blockages will vary according to the extent of fault).

- Matata wastewater system development:**
 Since 2003, the Council has intended to develop a new domestic waste water system for Matata as a solution to stream contamination from domestic septic tanks. This project was delayed by the Matata debris flows in 2005. The cost estimate for the project was originally \$4.48m and the Council had secured a subsidy from the Ministry of Health of \$3.72m. Project estimates have substantially increased since the original proposal to around \$10m. To partially offset cost increases, a more feasible option is being pursued involving piping of waste to Edgecumbe and increasing the capacity of the Edgecumbe treatment plant to cope with the additional waste stream. The Council are in the process of applying for increased funding from the Ministry of Health before proceeding.

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Reduced expenditure of \$35,000 associated with review of maintenance and repairs requirements.
- Additional rating amount totalling \$49,088 in targeted rates has been included to fund the 2008/09 deficit. This rate income is used to reduce overdrawn operating reserve balances from prior years deficits

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	2,638
Revenue	6,985
Net Cost (Surplus) of Operations	(4,348)
Capital Expenditure	7,453



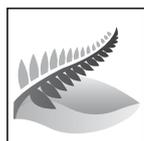
WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

To provide high quality, efficient and reliable wastewater systems that are affordable and meet the reasonable needs of the urban and commercial communities cont.

- » High quality and effective reticulated waste water systems are provided in:
 - Whakatane
 - Ohope
 - Edgecumbe
 - Murupara
 - Taneatua
 - Te Mahoe

STORMWATER

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

WHAT WE DO AND WHY WE DO IT

The Council manages stormwater systems in Whakatane, Taneatua, Otarawairere, Matata, Te Mahoe, Edgecumbe, Te Teko, Ohope, Murupara and Taiwhakaea. Each of these locations has its own issues and geographical challenges to ensure stormwater is effectively and efficiently managed and causes little disruption in the community. The Council provides stormwater systems because of statutory obligations and public demand.

The design standard for Whakatane's urban stormwater reticulation system is to cope with a one in 10 year event with no surface flooding and a one in 50 year event with surface flooding drained away using overland flow paths. Low-lying parts of the Whakatane urban area have stop-banks as protection from the Whakatane River. The river and stopbanks are managed by Environment Bay of Plenty. Through the town there are canals and open drains that link to pumps. The higher parts of the urban area channel high volumes of stormwater to the lower areas of town.

WHAT WE ARE GOING TO DO

The Council will continue to provide for the maintenance of stormwater systems during the 2010/11 year.

No major new capital projects will be progressed.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	1,715
Revenue	1,373
Net Cost (Surplus) of Operations	342
Capital Expenditure	493

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Reduced expenditure of \$52,250 associated with review of maintenance and repairs requirements

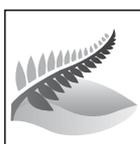
WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Provide a quality continuous, safe, uninterrupted, and cost effective urban stormwater system accessible throughout Whakatane (including Otarawairere), Ohope, Edgecumbe, Matata Murupara, Taneatua, Te Mahoe and Te Teko.

- » Satisfaction with the overall effectiveness of the stormwater systems scores 64.0 or higher (Fair: needs improvement) in Council's Perception Survey.
- » All blockages affecting the system in Whakatane are responded to within one hour.
- » (Note: Actual works required to remedy blockages will vary according to the extent of fault).
- » All blockages affecting the system in other urban areas are responded to within three hours. (Note: Actual works required to remedy blockages will vary according to the extent of fault).
- » 75% of storm-water systems are built to meet one in ten year rainfall event.

TRADEWASTE

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

WHAT WE DO AND WHY WE DO IT

Tradewaste refers to waste discharged into the Council's wastewater system from industrial and commercial premises. 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

Operating under the tradewaste bylaw:

The Council is implementing a new charging formula for the disposal of trade waste in the District. This follows the adoption of a new Trade Waste Bylaw in September 2008 which established a user pays charging policy for Trade Waste discharge.

Under the Bylaw, all commercial, industrial, manufacturing or trade businesses that discharge to the wastewater system will need to apply to the Council for a Trade Waste Consent.

From 1 July 2010 all activities that require a trade waste consent under the Council's Trade Waste Bylaw will be liable to pay trade waste charges.

Implementation of the new charging formula in the 2010/11 year follows identification of, and consultation with, affected parties during 2009/10.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	142
Revenue	142
Net Cost (Surplus) of Operations	0
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- The 2010/11 year is the second year that the Council will undertake the Tradewaste activity under the Whakatane Tradewaste Bylaw.

Tradewaste refers to waste discharged into the Council's wastewater system from industrial and commercial premises

Waste



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council provides services for refuse collection, recycling and reprocessing of waste, and waste disposal. The Council undertakes the activities within this group in response to the needs and aspirations of the people of the District for aesthetic and health reasons. The activities undertaken within this group contribute towards the implementation of the Council's zero waste policy.

The activities undertaken within this group include:

- Waste Reprocessing
- Waste Recycling
- Waste Disposal

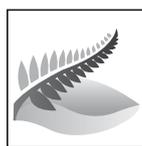
WHAT WILL THIS GROUP OF ACTIVITIES COST

The table below provides an overview of the budget at a Group of Activities level. Information related specifically to each activity can be found on the following pages.

Annual Plan 2009/10 \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
OPERATIONAL				
EXPENDITURE				
580	Depreciation	739	35	(704)
259	Interest Paid	399	333	(66)
4,244	Operations	5,138	4,683	(455)
5,083	Total Expenditure	6,276	5,051	(1,225)
REVENUE				
146	Development Contributions	151	146	(5)
1,490	User Fees & Charges	2,440	1,148	(1,292)
189	General Rates	199	115	(84)
0	Interest Income	0	0	0
0	Sundry Income	335	0	(335)
125	Subsidies & Grants	1,034	733	(301)
3,446	Targeted Rates	3,371	4,353	982
5,396	Total Revenue	7,531	6,496	(1,034)
(313)	Net Cost (Surplus) of Operations	(1,255)	(1,445)	(191)
NON OPERATIONAL				
EXPENDITURE				
(313)	Transfer from (surplus)/deficit	(1,255)	(1,445)	(191)
1,909	Capex *	3,630	2,547	(1,083)
216	Loan Repayments	261	224	(37)
146	Payments to Reserves	151	596	445
0	less Depreciation not Funded	0	0	0
1,959	Total Funding Requirement	2,787	1,922	(866)
FUNDED BY				
0	Depreciation Reserve	514	497	(17)
325	Development Contribution Reserve	602	354	(248)
1,434	Loans Raised	1,465	1,071	(394)
200	Operational Reserve	207	0	(207)
0	Sale of Assets	0	0	0
1,959	Total Funding Applied	2,787	1,922	(866)
* CAPITAL EXPENDITURE				
1,773	Level of Service	3,329	2,349	(980)
135	Growth	302	197	(105)
0	Renewals	0	0	0

WASTE REPROCESSING

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



CLEAN PROTECTED
ENVIRONMENT



ENVIRONMENTALLY
RESPONSIBLE
DEVELOPMENT

WHAT WE DO AND WHY WE DO IT

This activity involves diverting and reprocessing of materials out of the waste stream allowing them to be reused rather than wasted. This activity helps to reduce waste, reduce reliance of fresh raw materials and reduce the dependence on landfills as a waste management option.

The activity includes the provision of kerbside greenwaste collection services, green waste services at transfer stations and concrete reprocessing. The Waste Reprocessing activity is expected to grow with the development of a composting plant to divert further organic waste out of the waste stream.

WHAT WE ARE GOING TO DO

Construction of an organic waste composting plant:

Construction of an organic waste composting facility at a cost of \$1.68m will provide environmental and cost mitigation benefits. The composting plant is scheduled for completion and is expected to start operating in July 2011. The composting plant is expected to reduce the residual waste stream by 8,000 tonnes per year and produce compost for sale (see Key Issues section for more detail).

Diverting materials out of the waste stream:

Following closure of the Burma Road Landfill the Council has placed a greater priority on diverting and reprocessing of materials out of the waste stream for reuse. With the closure of the Burma Road Landfill, diverting materials such as green waste and concrete out of the waste stream reduces the costs of solid waste disposal. This is achieved by reducing the volume of waste required to be transported and disposed of outside the District.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	941
Revenue	941
Net Cost (Surplus) of Operations	0
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- No key differences.

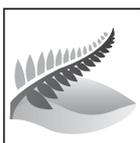
WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

The community has access to kerbside collection, disposal and recycling facilities, including disposal of special waste, (hazardous waste).

- » The proportion of waste to landfill is decreased to 65% compared to green waste and recycling.

WASTE RECYCLING

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

WHAT WE DO AND WHY WE DO IT

Recyclables are collected in tandem with general refuse and can also be dropped off, free of charge, to any of the Council's transfer stations. The materials currently being recycled via the domestic crate service include paper, cardboard, plastics (grades 1 and 2), glass (clear, green, brown), tin cans and aluminium cans. Larger items such as household appliances, steel, cars, timber, tyres etc can be taken to either the Murupara and Minginui Transfer Stations or the Whakatane Recycling Centre, where they are sorted for shipping.

WHAT WE ARE GOING TO DO

Recycling Services: To offset the costs of disposing waste out of the District following closure of the Burma Road Landfill, the Council will be placing a major focus on reducing the amount of waste. This will include initiating more projects and educational campaigns to increase our levels of recycling.

Whakatane Recycling Park Improvements: During the 2010/11 year the Council will undertake minor works to improve the Whakatane Recycling Park at a cost of \$15,000.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	1,382
Revenue	1,506
Net Cost (Surplus) of Operations	(124)
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

No key differences.



WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

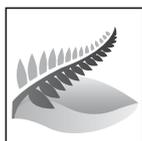
The community has access to kerbside collection, disposal and recycling facilities, including disposal of special waste, (hazardous waste).

» Satisfaction with Kerbside recyclable collection scores 81.2 or higher (Exceptional performance) in Council's Perceptions Survey.

» Satisfaction with Council run recycling facilities in Whakatane and Murupara scores 82.4 or higher (Exceptional performance) in Council's Perceptions Survey.

WASTE DISPOSAL

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

WHAT WE DO AND WHY WE DO IT

The Council's waste disposal services contribute to community wellbeing by providing facilities and opportunities that enable the community to dispose of their waste so as to protect public health and minimise harmful environmental effects.

The Council provides kerbside refuse collection services to approximately 12,700 households in the District and operates waste transfer stations in Whakatane, Murupara and Minginui. With the closure of the Burma Road landfill in December 2009 there are no operational landfills within the district. Residual waste (non reusable or recyclable) will be transported and disposed of outside the district until another disposal option is finalised.

WHAT WE ARE GOING TO DO

Resource consent for new landfill:

During the 2010/11 year the Council will undertake a number of investigations to support a resource consent application process for a new landfill. The LTCCP includes budget for the construction of a new landfill in the district in the 2013/14 year. The total cost of the project (including obtaining resource consents) is anticipated to be around \$11.00m. It is expected that contributions towards the project will come from other territorial authorities and key stakeholder agencies.

Construction of a transfer station at Ruatahuna:

During the 2010/11 year the Council has provided funds for the construction of a waste transfer station facility in Ruatahuna at a cost of \$100,000. Since mid 2007 the Council has been assisting the Hinepukohurangi Trust to find a site for a resource recovery centre and residual waste transfer station.

Burma Road landfill retirement: Following the closure of the Burma Road Landfill, monitoring will be undertaken, at a cost of \$75,000 in 2010/11, to ensure that any negative environmental impacts can be identified and mitigated.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	2,728
Revenue	4,048
Net Cost (Surplus) of Operations	(1,321)
Capital Expenditure	2,547

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- With costs higher than expected and recoveries lower than expected the Council has needed to adjust budgets for the solid waste activities resulting in higher fees and charges, as well as increases to the Refuse Removal Targeted Rates and the Refuse Disposal Uniform Annual Charge (see Key Issues section for more detail).
- Reduction from \$250,000 to \$100,000 in the cost of constructing a waste transfer station in Ruatahuna.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

The community has access to kerbside collection, disposal and recycling facilities, including disposal of special waste, (hazardous waste).

» Satisfaction with residential refuse collection scores 83.6 or higher (Exceptional performance) in Council's Perceptions Survey.

» Transfer stations are provided in:
» Murupara (1) » Whakatane (1)

» Number of landfills in the District is reduced to 0 (Waste disposed of outside the District).

Environmental Sustainability



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group the Council processes resource consent applications to use, develop and subdivide land and monitors compliance with the conditions of consent. Within this group of activities the Council is also involved in resource management planning. This includes development and monitoring of the District Plan, associated strategies and policy, as well as assessing the state of the environment.

The activities undertaken within this group include:

- Resource Management - Consents
- Resource Management - Policy

WHAT WILL THIS GROUP OF ACTIVITIES COST

The table below provides an overview of the budget at a Group of Activities level. Information related specifically to each activity can be found on the following pages.

Annual Plan 2009/10 \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
OPERATIONAL				
EXPENDITURE				
0	Depreciation	0	0	0
14	Interest Paid	49	53	4
2,206	Operations	2,317	2,218	(99)
2,219	Total Expenditure	2,366	2,271	(95)
REVENUE				
0	Development Contributions	0	0	0
1,012	User Fees & Charges	1,047	699	(348)
589	General Rates	606	747	141
0	Interest Income	0	0	0
103	Sundry Income	107	153	46
0	Subsidies & Grants	0	0	0
0	Targeted Rates	0	0	0
1,704	Total Revenue	1,760	1,599	(161)
515	Net Cost (Surplus) of Operations	607	671	64
NON OPERATIONAL				
EXPENDITURE				
515	Transfer from (surplus)/deficit	607	671	64
0	Capex *	0	0	0
0	Loan Repayments	515	9	(506)
0	Payments to Reserves	0	0	0
0	less Depreciation not Funded	0	0	0
515	Total Funding Requirement	1,122	680	(442)
FUNDED BY				
0	Depreciation Reserve	0	0	0
0	Development Contribution Reserve	0	0	0
515	Loans Raised	589	680	91
0	Operational Reserve	533	0	(533)
0	Sale of Assets	0	0	0
515	Total Funding Applied	1,122	680	(442)

RESOURCE MANAGEMENT - CONSENTS

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT



PROSPEROUS ECONOMY

WHAT WE DO AND WHY WE DO IT

The Council has a statutory obligation to administer the Resource Management Act 1991 (RMA). The RMA requires all councils to be responsible for the provisions of the Act relating to the subdivision, use and development of land. In order to meet its obligations under the RMA, the Council processes and determines resource consent applications to use, develop and subdivide land and then monitors compliance with the conditions of consent to ensure negative effects on the environment are avoided, remedied or mitigated.

WHAT WE ARE GOING TO DO

In the 2010/11 year the Council will continue to provide resource consent services in accordance with obligations under the RMA.

These obligations may change over the course of the year with the RMA currently under review. The Council will continue to monitor the review and respond to any legislative changes as and when necessary.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	1,151
Revenue	1,151
Net Cost (Surplus) of Operations	0
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Expenditure on salaries reduced by \$130,000 as a result of staff attrition without replacement due to reduced numbers of resource consent applications being received.
- There are a number of costs within this activity that are of public rather than private benefit. These cost items include objections and appeals, customer services, complaints monitoring, project costs and government initiatives. The Council is proposing to increase the proportion of these costs that is funded through general rates rather than user fees and charges (for more information see Key Issues Section).

***12.9 working days
is the average time
for processing resource
consents.***

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Resource Management Act (RMA) administrative services are provided to facilitate environmentally sustainable development within the Whakatane District.

- » Satisfaction with Council's resource consent process scores 57.0 or higher (Needs significant improvement) in Council's Perception Survey.
- » 12.9 working days is the average time for processing resource consents.
- » 20 working days is the average time for processing subdivision consents.

RESOURCE MANAGEMENT - POLICY

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



WHAT WE DO AND WHY WE DO IT

The RMA requires the Council to have a District Plan setting out objectives, policies and rules with regard to the subdivision, use and development of land. This activity involves preparing the plans and policies that implement the RMA, such as the District Plan, while also providing input to regional and national resource management frameworks. In addition there is a need to ensure that resource management planning processes are firmly supported by long term objectives and direction.

WHAT WE ARE GOING TO DO

Whakatane District Plan Review:

In July 2009 the Council commenced a three year project to review the Whakatane District Plan at a total expected cost of \$1.87m. The 2010/11 year includes a budget of \$680,000 and forms the second year of the project. Some of the key issues that will be progressed during 2010/11 include:

- Indigenous Biodiversity provisions: This project seeks to identify risks to areas of significant indigenous vegetation and significant habitats of indigenous fauna. The project will look at ways to manage those risks and to further promote maintenance of indigenous biodiversity.
- Natural Hazard provisions: This project will review the current information we have on hazards in the District and update and/or fill gaps in our knowledge of natural hazards. This may lead to changes or new provisions in the District Plan to manage these hazards where appropriate.

- Rural Subdivision provisions: This project will review the provisions in the current District Plan relating to the subdivision of land in rural areas to assess if there are better ways that this can be provided for.

As these issues are progressed, the Council will be consulting with various stakeholders and interest groups. Notification of the District Plan is expected to be conducted early in the 2011/12 financial year

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	1,119
Revenue	449
Net Cost (Surplus) of Operations	671
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- \$110,000 brought forward from 2011/12 to 2010/11 to enable the District Plan review to be completed for notification by August 2011.
- Budget reduced by \$45,200 resulting from proposed changes to the staffing of the department.

A review of the Whakatane District Plan is underway to create a second generation plan.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

The proposed Whakatane District Plan is made operative.

- » First generation Whakatane District Plan fully operative and second generation review underway.

Community Safety



WHAT THIS GROUP OF ACTIVITIES INCLUDES

The activities within this group are undertaken by the Council in response to various aspects of community safety and wellbeing. In most cases the Council is obligated by act to provide these services to the community. Within this group of activities the Council provides a variety of consents, licenses and certificates and also conducts monitoring and inspections to safeguard the community. The Council also provides information and complaints services under this group of activities.

The activities undertaken within this group include:

- Licensing
- Environmental Health
- Regulation Monitoring
- Safer Communities
- Building
- Animal Control

WHAT WILL THIS GROUP OF ACTIVITIES COST

The table below provides an overview of the budget at a Group of Activities level. Information related specifically to each activity can be found on the following pages.

Annual Plan 2009/10 \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
OPERATIONAL				
EXPENDITURE				
0	Depreciation	3	3	0
0	Interest Paid	0	0	0
2,612	Operations	2,821	2,787	(34)
2,612	Total Expenditure	2,824	2,790	(34)
REVENUE				
0	Development Contributions	0	0	0
1,621	User Fees & Charges	1,638	1,488	(150)
667	General Rates	851	1,036	185
0	Interest Income	0	0	0
339	Sundry Income	350	329	(21)
85	Subsidies & Grants	88	43	(45)
0	Targeted Rates	0	0	0
2,712	Total Revenue	2,928	2,896	(31)
(100)	Net Cost (Surplus) of Operations	(103)	(106)	(3)
NON OPERATIONAL				
EXPENDITURE				
(100)	Transfer from (surplus)/deficit	(103)	(106)	(3)
15	Capex *	16	0	(16)
0	Loan Repayments	0	0	0
100	Payments to Reserves	100	150	50
0	less Depreciation not Funded	0	0	0
15	Total Funding Requirement	12	44	32
FUNDED BY				
6	Depreciation Reserve	6	0	(6)
0	Development Contribution Reserve	0	0	0
0	Loans Raised	0	0	0
9	Operational Reserve	6	44	38
0	Sale of Assets	0	0	0
15	Total Funding Applied	12	44	32
* CAPITAL EXPENDITURE				
15	Level of Service Growth Renewals	16	0	(16)

LICENSING (LIQUOR & GAMBLING)

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO

SAFE CARING
COMMUNITYHEALTHY PEOPLE AND
QUALITY HOUSING

WHAT WE DO AND WHY WE DO IT

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 a District Licensing Agency. The Gambling Act 2003 requires councils to develop and administer policies for class four venues (gaming machine venues excluding casinos) and for board venues (TABs).

All licensed premises are inspected for compliance with the Sale of Liquor Act, at least once a year

WHAT WE ARE GOING TO DO

The Sale of Liquor Act 1989 is under review as part of a Law Commission review on alcohol harm. Changes are unlikely to, but may affect this Council activity during the 2010/11 year. No budget changes have been made to this activity based on this stage of the review process.

Until the review is finalised the Council will continue to provide the current licensing services through the 2010/11 year. This includes conducting inspections of all licensed premises for compliance with the Sale of Liquor Act as well as undertaking at least one controlled purchase operation in conjunction with the Police and Toi Te Ora Public Health. The Council's Gambling Policy, required under the Gambling Act, takes a "sinking lid" approach in terms of the number of Class Four machines. Until the number decreases to the level set in the policy, no new applications can be received and/or processed.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	127
Revenue	127
Net Cost (Surplus) of Operations	0
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- No key differences.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

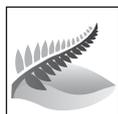
Alcohol sales and gaming machines are available only at licensed premises managed by qualified people.

» All licensed premises are inspected for compliance with the Sale of Liquor Act, at least once per annum, with enforcement action initiated against any non-complying premises.

» At least one controlled purchase operation undertaken in conjunction with Police and Toi Te Ora Public Health with enforcement action initiated against non-complying premises.

ENVIRONMENTAL HEALTH

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



CLEAN PROTECTED ENVIRONMENT



SAFE CARING COMMUNITY



HEALTHY PEOPLE AND QUALITY HOUSING

WHAT WE DO AND WHY WE DO IT

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. The Environmental Health activity includes the following: licensing of all registered premises (food, camping grounds, mortuaries, hairdressers, offensive trades), monitoring the state of the environment (includes public and private water supplies, environmental noise and contaminated land), and responding to nuisance complaints (excessive and unreasonable noise, unsanitary living conditions, refuse, odour from neighbouring properties).

WHAT WE ARE GOING TO DO

The Council will continue to provide environmental health services over the 2010/11 year including licensing of registered premises and responding to nuisance complaints.

Amendments to the Food Act 1981 are likely to progress during the 2010/11 year. It is likely that under the proposed new regulatory regime Council’s responsibility will change to an audit role for a widened range of food premises. Additional resource may be required to undertake this extended role but any changes to the activity are pending finalisation of changes to legislation.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	231
Revenue	231
Net Cost (Surplus) of Operations	0
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- No key differences.

Environmental health includes; public health, food, noise and litter.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

The environmental health of the community is maintained or enhanced

- » Satisfaction that Environmental Health Services are making the environment a healthier place to live scores 69.6 or higher (Good service but potential for improvement) in Council’s Perception Survey.
- » Environmental health includes; public health, food, noise and litter.

Food premises operating in the Whakatane District comply with relevant regulations/legislation.

- » All food premises are inspected at least once per annum and registrations are issued in accordance with regulations of relevant legislation. Enforcement action is initiated against non complying premises.

REGULATION MONITORING

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



CLEAN PROTECTED ENVIRONMENT



SAFE CARING COMMUNITY

WHAT WE DO AND WHY WE DO IT

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. The main duties include monitoring: public places (licensing of street stalls, the removal of obstructions in public places (e.g. overgrown trees on footpaths), and considering applications for parades), environmental nuisances such as accumulation of rubbish and urban rubbish fires, prevention of the spread of fires involving vegetation, responding to complaints about long grass in urban areas, barbecue permit conditions, prohibition of fires in urban areas during periods of high fire risk, and removing vehicles parked in the wrong place, and dealing with abandoned cars.

WHAT WE ARE GOING TO DO

The Council will continue to provide services over the 2010/11 year to protect public health and safety. This includes providing a service to respond to issues and complaints in a timely manner.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	78
Revenue	78
Net Cost (Surplus) of Operations	0
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- No key differences.

100% of urgent complaints and infringements which relate to environmental nuisances are responded to within 1 hour.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

The Council administers and enforces bylaws to deal with issues that create nuisance to the community.

- » 100% of urgent complaints and infringements responded to within 1 hour.
- » 100% of non urgent complaints and infringements responded to within 24 hours.

SAFER COMMUNITIES

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



SAFE CARING COMMUNITY

WHAT WE DO AND WHY WE DO IT

The Council provides this service to offer support, coordination and direction to this community in order to enhance the safety and wellbeing of all. The Council also provides this service in response to community demand to reduce crime and increase safety as well as support social and cultural wellbeing.

WHAT WE ARE GOING TO DO

Whakatane District Youth Council (WDYC): Funding has been provided for the WDYC in the 2010/11 year. The Youth Council meets monthly to discuss youth issues, provide a youth perspective on Council projects and progress youth projects and events

Tag-Off graffiti programme: The Council will continue to deliver the Tag-Off programme which aims to combat and clean up graffiti in the District. This \$18,400 programme is completely subsidised by the Department of Justice and uses paint donated by Resene as well as recycled paint from the Council recycle centre.

I Saw programme: The Council will continue to deliver the I Saw programme which aims to combat graffiti by changing behaviour. The programme aims to make graffiti un-cool among youth through information and educational campaigns. The I Saw programme is completely subsidised by the Department of Justice.

Smoke Free Outdoor Spaces Policy: In the 2010/11 year the Council will develop and begin to implement a smokefree outdoor spaces policy. The types of areas that are likely to be targeted include parks, playgrounds, reserves, skate-parks and beaches.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	194
Revenue	194
Net Cost (Surplus) of Operations	0
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- The Council is unlikely to continue to deliver the Crossroads programme as the current programme is coming to an end and ongoing subsidy funding has not been confirmed.
- The Council will continue to provide for the maintenance of the current CCTV system. Funding through grants and subsidies is being planned to upgrade the current CCTV system to improve reliability and to ensure future expansion of the network. Funding has yet to be secured. Monitoring and storage of footage will continue to be undertaken by the local police.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Community safety is fostered through a range of subsidised programmes and coordinated projects.

» At least 4 safer communities programmes and projects developed and implemented.

» Four or more Whakatane District Youth Council meetings held during the year.

BUILDING

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO

SAFE CARING
COMMUNITYHEALTHY PEOPLE AND
QUALITY HOUSING

WHAT WE DO AND WHY WE DO IT

The Council has statutory responsibilities under the Building Act 2004 and its regulations to ensure that buildings are safe for users and that they have attributes that contribute appropriately to the health, physical independence, and wellbeing of people who use them. Buildings also need to be designed, constructed, and able to be used in ways that promote sustainable development. The building activity includes the processing of building consents and project information memoranda, inspections of building work, issuing of code of compliance certificates and compliance schedules, and monitoring and enforcing of building warrants of fitness.

WHAT WE ARE GOING TO DO

Earthquake Prone Buildings Identification: The Council is proposing to bring forward its programme of identifying earthquake-prone buildings. This will include a review of the Council's policy which may accommodate an extension to compliance timeframes, identify the buildings in the CBD in the next year of the programme and incorporate Council owned-buildings within the programme. The Council has agreed to provide increased funding over five years.

Review of the Building Act 2004: Changes to the Building Act 2004 have already been made and further changes may affect this activity over the course of the 2010/11 year. While amendments to the Act have not had a major impact on this activity to date, the Council will remain informed, responding to legislative changes as and when necessary.

The Council will continue to provide building consent and inspection services in accordance with responsibilities under the Building Act

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	1,589
Revenue	1,695
Net Cost (Surplus) of Operations	(106)
Capital Expenditure	0

The surplus above is to fund the contingency budget for weather tightness claims.

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Increased funding requirement of \$73,150 to advance the programme of identifying earthquake-prone buildings. This will be funded \$43,550 from the harbour fund and \$29,600 from general rates.
- The Council's contingency budget for weather tightness claims will be increased from \$100,000 to \$150,000 to more accurately reflect the expected level of claims (more information can be found in the Key Issues section).
- There are a number of costs within this activity that are of public rather than private benefit. These cost items include objections and appeals, customer services, complaints monitoring, project costs and government initiatives. The Council is proposing to increase the proportion of these costs that is funded through general rates rather than user fees and charges (for more information see Key Issues Section).

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

New buildings and buildings with public access are healthy and safe.

- » All new buildings and buildings with public access comply with the building code or enforcement action is taken.
- » High quality outcomes for building consent and code compliance applications are provided in a timely and professional manner.

Satisfaction with the Council's building consent process scores 56.6 or higher (Needs significant improvement) in Council's Perception Survey.

- » 15.4 working days is the average time for processing building consents.

ANIMAL CONTROL

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



WHAT WE DO AND WHY WE DO IT

The Council has a statutory obligation to undertake this activity. The Council's authority comes from the Dog Control Act 1996, the Dog Control Amendment Act 2003 and the Stock Impounding Act 1955. This activity also implements the Dog Control and Control of Animals Bylaws and the Stock Control Bylaw. Animal control services are provided 24 hours, seven days a week. Annual registration activity includes processing applications, annual inspections to check on animal welfare issues and registrations. Prosecutions are initiated against owners of unregistered dogs. Relevant records are maintained for the Council and Government in the National Dog Database. The district has about 6000 dogs and 4000 owners.

WHAT WE ARE GOING TO DO

The Council will continue to provide Animal Control services over the 2010/11 year to protect public safety. This includes undertaking an annual dog registration process and providing a 24 hour service to respond to animal complaints.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	572
Revenue	572
Net Cost (Surplus) of Operations	0
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- No key differences.



WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Public safety and comfort is protected and the public are aware of their rights and responsibilities.

- » Response initiated to aggressive dog complaints within 1 hour.
- » Response initiated to roaming stock complaints within 1/2 hour.
- » Response initiated for other complaints within 24 hours.
- » Satisfaction with Council's dog control service scores 66.6 or higher (Fair: Needs improvement) in Council's Perception Survey.

Arts & Culture



WHAT THIS GROUP OF ACTIVITIES INCLUDES

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. The Council also provides a Museum & Gallery that accommodates a collection, displays, and genealogical and general archival research. The gallery offers communal space for a changing range of arts and crafts. Activities include acquisition and collection management, developing and maintaining archives, public programmes and provision of information.

The activities undertaken within this group include:

- Library
- Museum & Gallery

WHAT WILL THIS GROUP OF ACTIVITIES COST

The table below provides an overview of the budget at a Group of Activities level. Information related specifically to each activity can be found on the following pages.

Annual Plan 2009/10 \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
OPERATIONAL				
EXPENDITURE				
127	Depreciation	201	185	(16)
90	Interest Paid	227	125	(102)
2,293	Operations	2,710	2,524	(186)
2,510	Total Expenditure	3,138	2,834	(304)
REVENUE				
5	Development Contributions	6	5	(1)
34	User Fees & Charges	35	40	5
950	General Rates	1,212	1,160	(52)
0	Interest Income	0	0	0
126	Sundry Income	130	128	(2)
13	Subsidies & Grants	1,653	625	(1,028)
1,411	Targeted Rates	1,742	1,453	(289)
2,540	Total Revenue	4,778	3,411	(1,367)
(30)	Net Cost (Surplus) of Operations	(1,640)	(577)	1,063

NON OPERATIONAL				
EXPENDITURE				
(30)	Transfer from (surplus)/deficit	(1,640)	(577)	1,063
3,509	Capex *	2,406	1,178	(1,228)
0	Loan Repayments	61	95	34
5	Payments to Reserves	6	5	(1)
0	less Depreciation not Funded	(12)	(82)	(70)
3,484	Total Funding Requirement	822	619	(202)
FUNDED BY				
118	Depreciation Reserve	164	158	(6)
0	Development Contribution Reserve	0	0	0
3,366	Loans Raised	659	461	(197)
0	Operational Reserve	0	0	0
0	Sale of Assets	0	0	0
3,484	Total Funding Applied	822	619	(202)

* CAPITAL EXPENDITURE

3,379	Level of Service	1,676	1,060	(616)
13	Growth	0	0	0
118	Renewals	122	118	(4)

LIBRARY

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



DIVERSE, CREATIVE AND
ACTIVE COMMUNITY



EDUCATION AND
TRAINING
OPPORTUNITIES FOR ALL

WHAT WE DO AND WHY WE DO IT

There is one main library and three community libraries in the Whakatane District. These are located in Whakatane, Edgecumbe, Ohope and Murupara. The Council provides library services because of public advocacy and demand, and endorses the educational, leisure and community value that libraries provide. The services provided in libraries allow access to print, audio and visual materials, online databases, internet access and a social meeting space/place. The library collection includes approximately 65,000 items available for issue.

WHAT WE ARE GOING TO DO

Arts and Culture Project: This project intends to refurbish a property in the Esplanade Mall (formerly Briscoes) in Whakatane for the development of an improved library and exhibition space. Alongside the development of a new library and exhibition space the existing Museum and Gallery building in Boon Street will be refitted as a collections storage, archives and research facility.

The Council has deferred the construction phase for the Arts and Culture project by approximately 6 months, from late 2010 to 1 July 2011. The financial impact of this is a saving of \$82,000 to the ratepayers in the 2010/11 year, as the Council will not be drawing down loans for a portion of the the project until the following year.

The delay in the construction of the project also enables a range of associated work streams for these new facilities to be completed. These include an operational review, future governance review, a funding plan, exhibition development plan, packaging and storage plan and cataloguing of library collections.

Renewal of Library collection: The Council will continue its programme of replacing old and un-borrowed collections with new materials at a cost of \$118,000 in 2010/11.

Library security investigations: The Council will undertake investigations into the feasibility of acquiring and maintaining a security tag system with the aim of improving the security of library collections.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	1,585
Revenue	1,932
Net Cost (Surplus) of Operations	(347)
Capital Expenditure	994

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Lease costs of \$55,000 transferred into the Corporate Property activity following purchase of a building for development of the new library and exhibition space.
- Construction of the Arts and Culture project deferred by 6 months.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

The Council ensures that all members of the community have ready access to a wide range of resources for information, education, leisure and cultural enrichment.

- » Satisfaction with the library scores 79.4 or higher (Exceptional performance) in Council's Perception Survey.
- » 45% of population hold library membership (2004 national standard at least 35%).
- » 8 or more library issues per capita
- » 57% of lending collection is aged 0-5 Yrs.
- » A building has been retrofitted and retro-furbished as a new dedicated library facility

MUSEUM AND GALLERY

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



EDUCATION AND TRAINING OPPORTUNITIES FOR ALL

WHAT WE DO AND WHY WE DO IT

The Museum and Gallery collects, preserves/conserves, records, researches and showcases our cultural heritage to our community and the world. The Council provides this activity in response to public advocacy and demand, and endorses the educational, leisure and community value of these facilities.

The Museum collection is estimated to hold 60,000 - 100,000 items including:

- Objects (social and natural history, taonga Māori, ethnology)
- Pictorial (fine arts and photography)
- Museum and community archives and research collections

The Whakatane Museum and Art Gallery is a major repository for artifacts, museum and community archives in the Whakatane District. The artifacts and archives held within the museum have grown to become an important collection incorporating a wide variety of heritage material and reflects important aspects of Whakatane’s cultural and social history.

Significant work is ongoing to inventory the entire collection so that accurate information can be provided, an accurate valuation can be established, researchers have access to more digital material and items can be easily identified and located. Currently collections are being gifted to the Museum and Gallery faster than they can be considered into the collection.

WHAT WE ARE GOING TO DO

Refitting of the Museum and Gallery: This is a part of the Arts and Culture project listed under the library activity (previous page).

Collections management: The Council will undertake multiple projects related to the management of museum collections. The photo collection will be scanned and stored electronically to preserve the prints and make them easier to access. The Council will also undertake a major project of packaging, identifying, storing and cataloguing collections for improved protection.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	1,249
Revenue	1,478
Net Cost (Surplus) of Operations	(230)
Capital Expenditure	185

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Lease costs of \$60,000 transferred into the Corporate Property activity following purchase of the former Briscoes building for development of the new library and exhibition space.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

The Council provides dynamic facilities and services that help create a strong sense of community pride and identity, reflecting the heritage and culture of our region.

» Satisfaction with Museum and Gallery facility & amenities in Boon Street scores 71 or higher (Good service but with potential for improvement) in Council's Perception Survey.

» 10,316 Museum and Gallery admissions or higher.

Community Property



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities the Council is responsible for the prudent management of community property. Properties are held either for the delivery of services to the community, including halls and pensioner housing, or for strategic and investment purposes.

The activities undertaken within this group include:

- Pensioner Housing
- Halls
- Commercial Property

WHAT WILL THIS GROUP OF ACTIVITIES COST

The table below provides an overview of the budget at a Group of Activities level. Information related specifically to each activity can be found on the following pages.

Annual Plan 2009/10 \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
OPERATIONAL				
EXPENDITURE				
179	Depreciation	177	596	419
22	Interest Paid	16	28	12
865	Operations	814	831	17
1,066	Total Expenditure	1,007	1,455	448
REVENUE				
62	Development Contributions	64	62	(2)
600	User Fees & Charges	473	461	(12)
369	General Rates	410	380	(30)
0	Interest Income	0	0	0
0	Sundry Income	0	0	0
90	Subsidies & Grants	93	135	42
0	Targeted Rates	0	0	0
1,122	Total Revenue	1,040	1,039	(2)
(56)	Net Cost (Surplus) of Operations	(34)	416	450
NON OPERATIONAL				
EXPENDITURE				
(56)	Transfer from (surplus)/deficit	(34)	416	450
196	Capex *	276	243	(33)
277	Loan Repayments	20	48	28
2,387	Payments to Reserves	3,093	522	(2,571)
(76)	less Depreciation not Funded	(78)	(497)	(419)
2,727	Total Funding Requirement	3,277	731	(2,545)
FUNDED BY				
116	Depreciation Reserve	175	142	(33)
0	Development Contribution Reserve	0	0	0
0	Loans Raised	0	0	0
287	Operational Reserve	72	130	58
2,325	Sale of Assets	3,029	460	(2,569)
2,727	Total Funding Applied	3,277	731	(2,545)
* CAPITAL EXPENDITURE				
80	Level of Service	82	125	43
0	Growth	0	0	0
116	Renewals	194	118	(76)

PENSIONER HOUSING

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



HEALTHY PEOPLE AND QUALITY HOUSING

WHAT WE DO AND WHY WE DO IT

Currently the Council owns six housing complexes for the elderly. There are four housing developments in Whakatane which provide 79 rentable units, and two properties in Murupara which provide a further seven rentable units. The Council has provided this activity in response to public demand.

WHAT WE ARE GOING TO DO

Pensioner housing: At its meeting on 28 April 2010 the Council resolved not to proceed with the divestment of the pensioner housing portfolio.

The decision to sell the pensioner housing units was made by Council as part of the development of the 2009-19 LTCCP and was subject to some strict criteria put in place to protect the welfare of current and future tenants. This decision followed a comprehensive review of Council services that extended to all aspects of Council operations as well as governance and included a detailed analysis of funding options. It was expected that the sale of the pensioner housing units would realise \$3.5m (May 2010 estimate) providing benefits for the wider community by retiring debt over a ten year period.

Under the Local Government Act 2002 (LGA), the Council is required to undertake public consultation and amend the LTCCP to accommodate the decision not to proceed with the divestment. The Council has resolved to undertake an amendment process to coincide with consultation on the Draft Annual Plan 2011/12, or sooner if the opportunity arises.

While the decision needs 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.

With a decision not to proceed with the sale of pensioner housing, the total impact over a ten year period of not retiring debt as intended will result in an increased rate requirement of 12.06% above what was planned in the LTCCP 2009-19.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	322
Revenue	232
Net Cost (Surplus) of Operations	90
Capital Expenditure	139

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Revenue from sale of Pensioner housing will not be realised, contributing 1.56% to the rates increase in 2010/11.
- Expenditure on renewals for pensioner housing units reduced by \$70,800
- Increase in rental fees for pensioner housing units in line with the Council's Policy that these be set at 80% of market rates (see Council's Fees and Charges Schedule).
- The performance target below is not expected to be achieved in the 2010/11 year following the decision not to proceed with the sale of pensioner housing units. This performance target will be revised as part of the pensioner housing LTCCP amendment.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Affordable pensioner housing provided to people who meet the Whakatane District Council eligibility criteria

» 51 pensioner housing units provided (i.e. 28 units divested during the year).

Note: This performance target is not expected to be achieved in the 2010/11 year (see comment under "What are the Key Differences from the LTCCP").

HALLS

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



In the 2010/11 year the Council will develop a Community Halls Strategy covering both Urban and Rural halls. This will set out the Council’s principles and objectives with regard to community halls. The strategy will include a framework and action plan to reduce costs related to hall management for individual halls.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	746
Revenue	570
Net Cost (Surplus) of Operations	176
Capital Expenditure	86

WHAT WE DO AND WHY WE DO IT

There are a number of urban and rural community based halls in the Whakatane District including the Whakatane War Memorial Hall. 11 of these halls are Council-owned and are located in Whakatane, Edgecumbe, Murupara, Ohope, Manawahe, Galatea, Te Teko, Waimana, Otakiri, Awakeri and Taneatua. There is no legislative requirement for the Council to be involved in the provision of community halls.

WHAT WE ARE GOING TO DO

Urban and Rural Community Halls Strategy: The Council considered feedback on the consultation undertaken for the Halls Review as requested by the Council in the LTCCP. The Council consulted with the hall committees, main hall users and the community through public notices in the newspapers and on radio. The consultation focused on options for the future of the halls and asked "does the community still need the hall and if so, what is the fairest and most affordable way to fund it?"

From feedback received on the Halls Review. The dominant message received was that communities do value and use their halls and want them to be retained. A key driver for the Council has been to reduce the costs to ratepayers and there was a willingness from the community to investigate options to achieve this.

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

No key differences.



WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

High quality, affordable and available facilities will be provided throughout the district to engender community spirit and encourage recreational and learning activities

- » Satisfaction with public halls scores 71.2 or higher (Good service but with potential for improvement) in Council’s Perception Survey.
- » The Council provides four urban public halls and three rural public halls.

COMMERCIAL PROPERTY

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	2,638
Revenue	237
Net Cost (Surplus) of Operations	149
Capital Expenditure	18

WHAT WE DO AND WHY WE DO IT

The Whakatane District Council owns a number of properties that are held for strategic and or investment purposes. These assets include rental housing, commercial tenancies and the plant nursery.

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

No key differences.

WHAT WE ARE GOING TO DO

Divestment of commercial properties: As indicated in the LTCCP the Council has identified a number of commercial properties, or portions of those properties, for potential divestment. This includes the following properties:

- 2 Oregon Drive, Murupara
- 143 King Street, Whakatane
- 65 Keepa Road, Whakatane
- 40 Te Tahi Street, Whakatane

The sale of these properties will be progressed in the 2010/11 year. The remainder of commercial properties will be retained and will continue to be managed prudently.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

» NA There are no non-financial performance targets for this activity.

Recreation & Community Facilities



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities the Council provides a range public facilities, spaces and services, primarily in response to the recreational and social needs of the community. This includes parks and open spaces, harbour and port assets, cemeteries and crematorium, public conveniences, swimming pools and visitor information services.

The activities undertaken within this group include:

- Park and Reserves
- Cemeteries & Crematorium
- Public Conveniences
- Aquatic Centres
- Ports & Harbour
- Recreation & sports Fields
- Visitor Information

WHAT WILL THIS GROUP OF ACTIVITIES COST

The table below provides an overview of the budget at a Group of Activities level. Information related specifically to each activity can be found on the following pages.

Annual Plan 2009/10 \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
OPERATIONAL				
EXPENDITURE				
1,293	Depreciation	1,302	1,433	131
207	Interest Paid	263	281	18
4,730	Operations	5,176	6,219	1,043
6,230	Total Expenditure	6,741	7,933	1,192
REVENUE				
118	Development Contributions	121	118	(3)
2,196	User Fees & Charges	2,576	2,528	(48)
714	General Rates	750	1,127	377
0	Interest Income	0	0	0
27	Sundry Income	27	66	39
2,010	Subsidies & Grants	10	158	148
3,364	Targeted Rates	3,670	3,535	(135)
8,428	Total Revenue	7,155	7,531	377
(2,198)	Net Cost (Surplus) of Operations	(414)	402	815
NON OPERATIONAL				
EXPENDITURE				
(2,198)	Transfer from (surplus)/deficit	(414)	402	815
3,153	Capex *	3,432	4,188	756
930	Loan Repayments	454	346	(107)
2,319	Payments to Reserves	2,103	1,861	(242)
(331)	less Depreciation not Funded	(343)	(578)	(235)
3,873	Total Funding Requirement	5,232	6,219	986
FUNDED BY				
396	Depreciation Reserve	1,063	1,077	14
61	Development Contribution Reserve	33	32	(1)
433	Loans Raised	2,223	2,718	495
2,236	Operational Reserve	1,726	2,391	665
747	Sale of Assets	187	0	(187)
3,873	Total Funding Applied	5,232	6,219	986
* CAPITAL EXPENDITURE				
541	Level of Service	272	356	84
61	Growth	33	32	(1)
2,551	Renewals	3,128	3,799	671

PARKS AND RESERVES

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



CLEAN PROTECTED ENVIRONMENT



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

WHAT WE DO AND WHY WE DO IT

The Council is responsible for the maintenance and development of community reserves, esplanade, conservation and coastal reserves, local reserves, significant sites and utility and road reserves throughout the district.

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 attract visitors and therefore provide economic benefits to the District. Reserves are provided to support the maintenance of sites with historical, cultural or environmental significance.

WHAT WE ARE GOING TO DO

Maraetotara, Ohope playground development: During the 2010/11 year the Council will complete the preparation phase of this project, including design and consent at a cost of \$10,000. Physical works are scheduled for the 2011/12 year.

Kaokao reserve development: The purpose of this project is to re-establish the reserve alongside the Matata Lagoon and is part of the regeneration project following flooding and debris flows in May 2005. This project is expected to cost \$30,500.

Wairere Falls Park upgrade: This project forms part of the Town Vision project and will see upgrades and landscaping improvements made to the reserve at the base of the Falls at a cost of \$25,300.

Landing Road carpark and landscaping: This project costing \$71,800 will improve parking opportunities and landscaping on Landing Road Extension in the vicinity of the Rowing Club and roundabout.

Tree management plan: This project will provide an inventory of Council trees and identify conflict areas. The management plan, costing \$35,000, will provide for the maintenance of identified trees and the management of conflict areas.

Ohiwa Harbour Strategy implementation: Over the 2010/11 year the Council has provided \$15,000 for projects contributing to the implementation of the Ohiwa Harbour Strategy.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	2,822
Revenue	2,293
Net Cost (Surplus) of Operations	528
Capital Expenditure	787

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Expenditure on parks and reserves renewals reduced by \$170,000 following review (field assessment) of maintenance requirements.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Providing parks and reserves to promote opportunities for education, maintaining wildlife habitats and protecting sacred sites for current and future residents and visitors to the District.

- » Satisfaction with parks and reserves in the Whakatane District scores 75.9 or higher (Very good service) in Council's Perception Survey.

CEMETERIES AND CREMATORIUM

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



WHAT WE DO AND WHY WE DO IT

The Council manages six cemeteries, while the Awakaponga cemetery is managed by a trust on behalf of the Council. In 2009 the Council built a crematorium facility at Hillcrest Cemetery. The provision of cemeteries by local authorities is provided for by the Burials and Cremations Act 1964.

WHAT WE ARE GOING TO DO

The Council will continue to maintain and manage the District's Cemeteries and new Whakatane Crematorium. This includes an annual programme of expanding the Whakatane cemetery berm area.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	315
Revenue	345
Net Cost (Surplus) of Operations	(30)
Capital Expenditure	21

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- No key differences.



WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Appropriate and sufficient cemetery and crematorium services are available to residents

- » Satisfaction with cemeteries scores 81.2 or higher (Exceptional performance) in Council's Perception Survey.
- » Provision/operation of a crematorium facility in the District.

PUBLIC CONVENIENCES

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



CLEAN PROTECTED ENVIRONMENT



HEALTHY PEOPLE AND QUALITY HOUSING

WHAT WE DO AND WHY WE DO IT

The Council maintains thirty-six public conveniences at various reserves and recreational locations. Provision of public conveniences is a statutory responsibility.

WHAT WE ARE GOING TO DO

The Council will continue to maintain existing public conveniences, providing budget for renewals during the 2010/11 year.

No budget has been provided for new facilities for the year.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	594
Revenue	685
Net Cost (Surplus) of Operations	(91)
Capital Expenditure	77

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- No key differences.



WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Adequate public conveniences will be provided where required by the community

- » Satisfaction with public toilets scores 69.2 or higher (Good service but with potential for improvement) in Council's Perception Survey.

AQUATIC CENTRES

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



HEALTHY PEOPLE AND QUALITY HOUSING

WHAT WE DO AND WHY WE DO IT

The Council has two swimming pools, the Whakatane Aquatic Centre and the Murupara Swimming Pools (also known as A H Lynd Memorial Baths). The Council provides these facilities as a result 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, 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.

WHAT WE ARE GOING TO DO

Whakatane District Aquatic Centre repair project:
 The Aquatic Centre repair project commenced in April 2010 and requires the facility to be closed for a period of around eight months depending on the extent of the damage. Repairs to the Whakatane District Aquatic Centre building are required due to a lack of an effective vapour barrier, which allows surface water and condensation to penetrate into the roof and ceilings causing significant water damage and a mould hazard. The total cost of the project is estimated at \$5.4m (\$2.48m cost for 2010/11) which the Council is taking steps to recover from the architects.

Whakatane Aquatic Centre plant renewal: At a cost of \$299,000 The Council will provide for the renewal and upgrade of existing plant required to maintain swimming water quality.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	1,475
Revenue	1,089
Net Cost (Surplus) of Operations	386
Capital Expenditure	2,925

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Increased expenditure of \$545,000 due to operational projects and costs associated with the Whakatane Aquatic Centre rebuild.
- Increased capital costs of \$560,000 associated with the District Aquatic centre repair project.

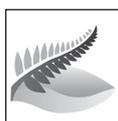
WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

High quality, affordable and safe aquatic facilities will be provided in Whakatane and Murupara

- » Satisfaction with swimming pools scores 50 or higher (Needs significant improvement) in Council’s Perception Survey.
- » Council provided aquatic centres open to the public:
 - » Murupara Swimming Pool.
 - » Whakatane District Aquatic Centre available part of year only (closed from April – November 2010).

PORTS AND HARBOUR

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



CLEAN PROTECTED ENVIRONMENT



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

WHAT WE DO AND WHY WE DO IT

The Council undertakes this activity in consideration of public advocacy and demand as well as statutory responsibilities. A total of 45 sites form part of the harbour assets of Whakatane. These assets include: wharves, jetties, access ways, launching ramps, and navigational aids at Whakatane; a wharf, slipway and launching ramp at Ohiwa harbour; and a launching ramp and jetty at Thornton.

These facilities provide commercial berthing and access to the sea for commercial fishing. The port income supports waterfront enhancement development and navigational channel maintenance at Whakatane.

WHAT WE ARE GOING TO DO

Use of Harbour Endowment Funds for storm related costs: The Council has decided to use \$678,500 from the Harbour Endowment Fund in 2010/11, as a one off decision, to retire a one year loan raised for funding roading storm damage. This decision is subject to approval by the Minister of Local Government before being finalised.

The Council considers that the cost of funding roading storm damage incurred in the 2009/10 floods places a substantial cost burden on the community at a time when the Council is attempting to accommodate major costs in relation to flood events and changes to the solid waste operating environment as well as progress necessary work on core infrastructure and IT improvements. This solution will provide relief to ratepayers across the District by reducing the overall rate increase in the 2010/11 year by 2.43%.

Harbour Access Study: During the 2010/11 year the Council have provided a budget of \$250,000 to investigate and design solutions for the improvement of boating access to the Whakatane Harbour.

River Steps: The Council has provided a budget of \$61,000 for the construction of the river steps next to the Rowing Club. The development involves a set of three steps, 25 metres long, running between the existing groynes to the south of the Rowing Club buildings.

Waka Ama Ramp: The Council intends to develop a Concept Plan and Site Layout at a cost of \$31,000. This will pave the way for the development of facilities at the end of Eivers Road to cater for the growth of Waka Ama, kayaking and other recreational river users.

Whakatane Town Vision Development Plan: In the 2010/11 year the newly formed Town Vision Advisory Board will establish its work programme to progress the Town Vision Development Plan. The aim of this Plan is to restore connections with the river, create a vibrant and active environment and establish a community/cultural heart within the town centre. The Advisory Board will work with the Council and Community to achieve the goals of the Vision. The Town Vision Plan is available on the Council's website www.whakatane.govt.nz

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	1,785
Revenue	2,139
Net Cost (Surplus) of Operations	(354)
Capital Expenditure	132

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Increased capital expenditure budget of \$92,000 to complete the River Steps and Waka Ama Ramp projects.
- Use of \$678,500 from the Harbour Endowment Fund for storm related costs to reduce burden on ratepayers

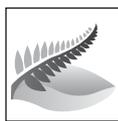
WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Provide safe access to rivers and coastal water within the general vicinity of the Whakatane CBD, Ohiwa Harbour and Thornton domain.

- » Satisfaction with harbour facilities in Whakatane CBD including the port and surrounding environment scores 78.5 (Excellent service) in Council's Perception Survey.
- » Satisfaction with boat ramps in Whakatane town scores 79 or higher (Exceptional performance) in Council's Perception Survey.
- » Satisfaction with boat ramp, playground, toilets and wharf facilities at Port Ohope scores 75.1 (Very good service) in Council's perception survey.
- » Satisfaction with facilities at Thornton domain scores of 73.4 or higher (Very good service) in Council's Perception Survey.

RECREATION AND SPORTS FIELDS

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



CLEAN PROTECTED ENVIRONMENT



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

WHAT WE DO AND WHY WE DO IT

The Council provides the activity in response to public advocacy and demand. The activity contributes to the health vitality and wellbeing of the District, enhances social cohesion, increases people’s sense of belonging and healthy communities. The Council has adopted the strategies associated with the Active Eastern Bay - physical activity report which provided a clear set of priorities for the enhancement and development of existing and new recreation and leisure services in the Whakatane District.

The Council is a large investor in physical activity through recreation and sporting assets. As stewards of public assets the Council wants these assets to be used to the maximum community benefit. These resources can be used for structured recreation and provide opportunities for “daily life” physical activity.

WHAT WE ARE GOING TO DO

Renewal and maintenance works: During the 2010/11 year the Council will continue to provide for the renewal and maintenance of recreation and sporting assets. This will include resurfacing of the Cutler Crescent netball courts, maintenance of sports-fields to New Zealand Turf Grass standards.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	474
Revenue	510
Net Cost (Surplus) of Operations	(36)
Capital Expenditure	245

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Expenditure on renewals increased by \$40,000 to allow resurfacing of the Cutler Crescent Netball Courts.
- Expenditure of \$15,000 included to provide a drainage improvements for the Cutler Crescent Netball Courts

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Adequate sports fields/grounds are provided to meet the needs of users and are kept to a high standard by regular mowing, herbicide applications and specialised turf grass treatments.

- » Satisfaction with sports grounds scores 77 or higher (Excellent service) in Council’s Perception Survey.
- » 100% compliance with contract specifications for sports-fields within the Whakatane District based on monthly audits.
- » 87% compliance with turf grass field recommendations provided by the New Zealand Turf Grass Institute through annual assessments.

VISITOR INFORMATION

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



PROSPEROUS ECONOMY

WHAT WE DO AND WHY WE DO IT

The Council undertakes the visitor information activity as part of the national Visitor Information Network. The Visitor Centre, located in Whakatane, provides local and regional information as well as booking services for transport, tours, accommodation and activities. The visitor information activity represents and promotes tourism operators, and encourages tourism and business activity.

WHAT WE ARE GOING TO DO

Visitor Information services: During the 2010/11 year the Council will continue to provide visitor information and booking services. Services will be provided through access to the Whakatane Information Centre on 364 days of the year and through the website: www.whakatane.com

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	469
Revenue	469
Net Cost (Surplus) of Operations	0
Capital Expenditure	0

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Through the LTCCP process the services provided under the Visitor Information activity were erroneously included as part of the Council Controlled Organisation known as Toi Economic Development Agency. As part of this Annual Plan, Visitor Information has been included as one of the Councils 36 activities. This will not affect the level of funding required nor the level of service provided.

The Visitor Information Centre, located in Whakatane, is open 364 days a year

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Ensure quality customer communication, consultation and service provided at the Visitor Information Centre.

- » 85% satisfaction with the quality of information provided from the Information Centre.

The Visitor Information Centre is available when needed.

- » Provide access to visitor information on 364 days of the year.

Hazard Management



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities the Council undertakes projects to mitigate the effects of natural hazards and raise the level of protection from future hazard events. The Council also maintains preparedness for civil defence emergencies, responds to events, assists with the recovery and educates the community.

The activities undertaken within this group include:

- Emergency Management
- Disaster Mitigation

WHAT WILL THIS GROUP OF ACTIVITIES COST

The table below provides an overview of the budget at a Group of Activities level. Information related specifically to each activity can be found on the following pages.

Annual Plan 2009/10 \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
OPERATIONAL				
EXPENDITURE				
0	Depreciation	0	19	19
474	Interest Paid	632	624	(8)
378	Operations	417	429	12
852	Total Expenditure	1,049	1,072	23
REVENUE				
0	Development Contributions	0	0	0
0	User Fees & Charges	0	0	0
363	General Rates	420	354	(66)
0	Interest Income	0	0	0
15	Sundry Income	16	15	(1)
0	Subsidies & Grants	93	150	57
515	Targeted Rates	651	656	5
893	Total Revenue	1,179	1,175	(5)
(41)	Net Cost (Surplus) of Operations	(131)	(104)	28
NON OPERATIONAL				
EXPENDITURE				
(41)	Transfer from (surplus)/deficit	(131)	(104)	28
0	Capex *	124	336	212
283	Loan Repayments	316	302	(14)
0	Payments to Reserves	0	0	0
0	less Depreciation not Funded	0	0	0
242	Total Funding Requirement	309	534	225
FUNDED BY				
0	Depreciation Reserve	0	30	30
0	Development Contribution Reserve	0	0	0
0	Loans Raised	0	216	216
242	Operational Reserve	309	288	(21)
0	Sale of Assets	0	0	0
242	Total Funding Applied	309	534	225
* CAPITAL EXPENDITURE				
	Level of Service	0	216	216
	Growth	0	0	0
	Renewals	0	120	120

EMERGENCY MANAGEMENT

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



SAFE CARING
COMMUNITY

WHAT WE DO AND WHY WE DO IT

The emergency management activity is made up of three functions:

Civil defence:

The Civil Defence function includes running planning and preparedness exercises, training and maintaining teams of personnel including an urban search and rescue crew, and public education about preparedness and response. Civil Defence planning is undertaken on a regional basis through the Bay of Plenty Civil Defence Emergency Management Group (CDEMG). The Council has a statutory responsibility pursuant to the Civil Defence Emergency Management Act 2002 to plan and provide for civil defence management within the District.

Rural fire:

The Whakatane District is a rural fire authority. Rural fire services are funded from Council rates and by Government for suppression costs and subsidies for equipment. Rural fire authorities focus on vegetation wildfires. The specialist service is influenced by weather, topography and vegetation type. A seven day-a-week, 24 hour service must be provided. The Council has a statutory obligation with respect to rural fire control.

Hazardous substances:

The Council attends incidents involving hazardous substances in an advisory capacity to the New Zealand Fire Service and the Police.

WHAT WE ARE GOING TO DO

Reorganisation of Civil Defence:

At a regional level, the Civil Defence Emergency Management Group (CDEMG) has initiated a range of changes regarding the organisation of Civil Defence Emergency Management Activities in the Bay of Plenty.

This has included the appointment of an Emergency Management Coordinator for the Eastern Bay of Plenty. Over the course of the 2010/11 year the organisation of services at a sub-regional level will be explored further, to understand where synergies may be achieved.

Reorganisation of Rural Fire:

Within New Zealand there are currently over 80 rural fire authorities, working together with a large number of other local and regional stakeholder groups. However, there is a general awareness across the sector that better results could be achieved through the pooling of resources. The National Rural Fire Authority has produced a strategy for enlarged rural fire districts and this may affect how the Council delivers rural fire services in the 2010/11 year.

Until either of these services are reorganised, the Council will continue its current practices of training personnel and maintaining equipment in order to respond to civil defence emergencies and rural fire events when necessary.

Replacement Rural Fire Truck: The Council has provided \$30,000 towards the total cost of replacing the Rural Fire Truck. The total replacement cost is estimated at \$120,000 of which \$90,000 would come from external sources. The Rural Fire Truck is over 30 years old and suffered major mechanical problems during the May/June 2010 floods.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	429
Revenue	519
Net Cost (Surplus) of Operations	(90)
Capital Expenditure	120

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- No key differences.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

The Council is able to effectively respond to, manage and recover from, emergency management incidents.

- » Local Civil Defence Emergency Management Plan is updated during the year.
- » Civil Defence and Rural Fire equipment is maintained on a fortnightly basis.
- » Regular and ongoing training is undertaken by the Civil Defence and Rural Fire team on a weekly basis with focus alternating between the two functions.
- » Participation in one or more simulated events or training exercises during the year.
- » Selection of and approval of an appropriate tsunami warning systems by the Bay of Plenty Civil Defence Emergency Management Group individual territorial authorities.

DISASTER MITIGATION

WHICH COMMUNITY OUTCOME DOES THIS CONTRIBUTE TO



SAFE CARING COMMUNITY



STRONG, TRANSPARENT AND OPEN LEADERSHIP



HIGH-QUALITY AFFORDABLE INFRASTRUCTURE

WHAT WE DO AND WHY WE DO IT

The council undertakes disaster mitigation works to protect the community from the risk of future natural hazards. Current mitigation works were proposed following the flooding, debris flow and landslip events in 2004 and 2005. Without these works, residents would continue to be exposed to future disasters. Several projects involve working with Ontrack, Transit and Environment Bay of Plenty, each of which is responsible for project costs within their area of responsibility.

WHAT WE ARE GOING TO DO

The Matata Disaster Mitigation Regeneration work is made up of five projects including the Awatarariki Debris Detention Structure; Awatarariki Stream and Lagoon Works; Ohinekoao Stream Works; Waimea Stream Works; Waitepuru Bunding and Stream Works. The majority of these projects have now been completed.

Pending finalisation of the resource consent process it is expected that the Awatarariki Debris Structure will begin construction during the 2010/11 year with funding carried forward from the previous year (more information is available in the Key Issues section of this Annual Plan).

Construction of the Edgecumbe/Rangitaiki flood mitigation works commenced in the 2009/10 with the completion of stop banks. In the 2010/11 year the Council will install pump stations and complete civil works associated with the project.

The Council will continue its programme of landscaping around the Matata Lagoon and Waitepuru Stream.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	643
Revenue	656
Net Cost (Surplus) of Operations	(14)
Capital Expenditure	216

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Construction of Matata projects progressing sooner than anticipated resulting in lower loan servicing costs than budgeted.
- Additional capital costs of \$216,000 for flood reinstatement works following the May/June 2010 floods (see Key Issues section for more information).



WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Identified natural hazards will be considered and prioritised to reduce risk to public safety.

- » Information gathered to maximise the Council's understanding of natural hazards, contributing to resource management policy.
- » Prioritised actions (Awatarariki stream works) undertaken within specified timeframes, reducing risk to public safety.

INTRODUCTION

A Council Controlled Organisation (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 Whakatane District Council is a shareholder in three CCOs including the Whakatane Airport, Toi Economic Development Agency (Toi EDA) and the Bay of Plenty Local Authority Shared Services Limited (BOPLASS Ltd).

The following pages summarise the information required under the Local Government Act 2002 relating to CCOs.

WHAKATANE AIRPORT

ABOUT THIS CCO

The Whakatane Airport is a council-controlled trading organisation (CCTO) under the Local Government Act 2002. The airport is seen as a valued community asset, which contributes to residents' quality of life and it is considered crucial to the economic well-being of the district.

The primary objective of the airport is to provide goods or services for the community. It makes a social contribution rather than a financial return. Accordingly, the airport is designated as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

SHAREHOLDERS

The airport is a joint venture operation between the New Zealand Government (Ministry of Transport) and the Whakatane District Council with each party owning a 50% share. Responsibility for the level of maintenance and operation of the airport rests with the Whakatane District Council.

POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL

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 facility is maintained at its present level 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

Aviation Services: The airport is maintained as a non-certified aerodrome in accordance with the Civil Aviation Authority Aerodrome design for aircraft at or below 5700kg MC TOW. Air New Zealand Link provides daily return services to Auckland and Wellington

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

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

	Measure	Target 2010/11	
Cost Performance	Operate and maintain the airport's assets within an operational expenditure budget (excluding corporate overheads and depreciation)	Whakatane total budget surplus / (deficit)	\$36,680
		Pavement resurfacing	\$100,000
		Runway lighting and navigational aids renewal	\$8,000
		Airport designations	\$75,000
	Target		
Function Performance	The airport is maintained as a non-certified aerodrome in accordance with Civil Aviation Authority aerodrome design for aircraft at or below 5700 kg MC TOW.		

TOI ECONOMIC DEVELOPMENT AGENCY (TOI EDA)

ABOUT TOI EDA

Toi EDA is the Eastern Bay of Plenty Regional Economic Development Agency set up by three territorial authorities (Kawerau, Opotiki and Whakatane) and Te Runanga O Ngati Awa on behalf of the Mataatua Iwi Forum.

The primary objective of the Toi EDA is to make a positive difference to the Eastern Bay of Plenty economy by supporting sustainable business and industry and increasing productivity by focusing on the region’s natural and human resources. Toi EDA provides goods or services for the community of social benefit rather than making a financial return. Accordingly, it is designated as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

TOI EDA AS AN EXEMPT CCO

On 24 February 2010 the Council resolved that Toi EDA would become an exempt Council Controlled Organisation (CCO) under the Local Government Act 2002. As a CCO, Toi EDA was required by legislation to meet a number of reporting requirements that were considered onerous and expensive in relation to its size. Exemption from these requirements will allow Toi EDA to focus more of its limited resources on economic development. As an exempt CCO the reporting requirements of Toi EDA will be similar to those of other Council activities.

This change will not affect the nature or delivery of the services delivered by Toi EDA.

TRUSTEES

Toi EDA operates under a Trust Deed. Toi EDA’s trustees are experienced business people and community leaders who play a vital role in leading and guiding the organisation. They bring with them a wealth of experience and skills spanning commercial, finance, governance and business development, as well as entrepreneurial skills.

The Trustees' role is to:

- Provide strategic leadership and oversee strategy.

- Meet and network with key stakeholders.
- Provide advocacy.
- Ensure sustainable economic development.
- Monitor progress.
- Provide governance.
- Generate ideas / foster growth.
- Influence the community and stakeholders.
- Support staff.
- Take positions / prepare submissions on major developments.
- Perform a custodial role over resources.

SIGNIFICANT POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL

- To attract people to work, live and play in the Eastern Bay of Plenty.
- To align Toi-EDA with regional and national economic development activity.
- To encourage alignment with Maori economic development.
- To support and develop industry.
- To align training and education with employment needs.
- To advocate for improved infrastructure and transportation.
- To foster communication with the community and partners.
- To secure and diversify the Toi-EDA funding base.

NATURE AND SCOPE OF ACTIVITIES

- Develop a co-ordinated marketing strategy.
- Attract more people to visit and live in the region.
- Identify, support and grow events that attract visitors and promote the Eastern Bay of Plenty.
- Advocate for new facilities and event resources.
- Promote conference opportunities.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

	Measure	Target 2010/11
Cost Performance	To attract more people to visit and live in the region by developing and implementing a co-ordinated marketing strategy	\$50,000
	To identify, support and grow events that attract visitors and promote the Eastern Bay of Plenty	\$50,000
	To implement Toi-EDA economic development strategy goals:	\$45,000

BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES LIMITED (BOP LASS)

ABOUT THIS CCO

The Whakatane District Council is a one-eighth shareholder in BoP LASS Limited. BoP LASS Limited was formed on October 15, 2007 to support councils that operate within the boundaries of the Bay of Plenty region.

The principal activities of BOP LASS Limited are to investigate, develop and deliver shared back office services and communications where and when that can be done more effectively for any combinations of some or all of the councils.

GOVERNANCE

BoP LASS Limited will conduct itself in accordance with its constitution, its annual statement of intent agreed with shareholders, the provisions of the Companies Act 1993 and the Local Government Act 2002.

The company is governed by its directors. To ensure total synergy between the companies' activities and its council shareholders' activities, the directors are also the chief executives of their respective council shareholders.

BoP LASS Limited has eight directors appointed by its shareholders. Unless otherwise agreed by the board, each appointee is the current (or acting) chief executive of the council shareholder including:

- Bay of Plenty Regional Council.
- Gisborne District Council.
- Kawerau District Council.
- Opotiki District Council.
- Rotorua District Council.
- Taupo District Council.
- Tauranga City Council.
- Western Bay of Plenty District Council.
- Whakatane District Council.

In addition, the board may appoint up to three professional directors to supplement the directors'/chief executives' expertise.

POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL

The objectives of BoP LASS Limited as stated in its statement of intent are as follows:

Working together with the full support and involvement of staff, we will provide benefit to Councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

- **Joint Procurement:** Being the procurement of services or products by two or more Councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating Councils.
- **Shared Services:** Being the participation of two or more Councils in the provision of a common service which may be jointly or severally hosted.

NATURE AND SCOPE OF ACTIVITIES

The principle nature and scope of the activity of BoP LASS Limited is to:

Use Joint Procurement to add value to goods and services sourced for its constituent Councils.

- Facilitate Shared Services that benefit Councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, Council contributions, or Government funding where available.
- Allow other Councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Represent the collective views of its shareholders in matters with which it is associated.

KEY PERFORMANCE TARGETS

To ensure the company continues to operate effectively in both governance and management terms over the next three years the targets are to:

- Initiate at least one shared service each year and no less than two shared services successfully implemented within three years;
- Implement Shared Services demonstrating best practice and added value to participating councils and stakeholders;
- Facilitate Joint Procurement of goods and services from sources offering best value, service, and or continuity of supply.
- Communicate with each shareholding council at appropriate levels;
- Partner with other non shareholding Councils and /or organisations to add benefit to the company.
- Ensure sufficient income is available from activities to sustain a viable company.

PROSPECTIVE FINANCIAL STATEMENTS

INTRODUCTION

In this chapter of the Annual Plan, information is provided on the Forecasted Financial Statements. The Groups of Activities chapter also includes financial information that should be read in conjunction with this section.

The sections within this chapter include the following:

FORECASTING ASSUMPTIONS

This section identifies the assumptions that have been made in preparing forecast financial information for the year ahead.

SIGNIFICANT ACCOUNTING POLICIES

This details the significant accounting policies that have been applied in the preparation of the forecasted financial information.

FORECASTED FINANCIAL STATEMENTS

This section provides forecasted financial statements including:

- **Prospective comprehensive income:** This provides information on the surplus or deficit arising throughout the Plan impacting on the past and future comprehensive income. This aids the reader to differentiate between components of financial performance according to frequency, potential for gain and loss and predictability.
- **Prospective changes in equity:** Also known as net worth, equity is measured as the difference between the total value of assets and total liabilities. This statement presents a comprehensive measure of income. Accumulated equity represents the communities' investment in publicly owned assets resulting from past surpluses.
- **Prospective financial position:** This presents information about the economic resources controlled by the Council. This information is useful in assessing the Council's ability to generate cash, provide services and for assessing future borrowing needs.
- **Prospective cash flows:** Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council invests as part of its day to day cash management. It provides information about cash generation through Council activities to repay debt or to reinvest to maintain operating capacity.

SUMMARY OF CAPITAL EXPENDITURE

This table outlines all capital projects planned for the 2010/11 year including how they are expected to be funded.

CAUTIONARY NOTE

Actual financial results achieved for the period covered are likely to vary from the information presented and these variations may be material

FORECASTING ASSUMPTIONS

Assumptions help to deal with the unknown of the future. The Council needs to make assumptions so it can understand the starting point used to prepare financial information, explain differences that may occur between what was forecast and what actually happens, and to ensure it appropriately identifies and evaluates possible risks.

The assumptions identified in this section provide an overview of those listed in the 2009-19 LTCCP. For more information, including a detailed breakdown of each assumption, refer to the LTCCP 2009-19, Volume 1, p.153.

Assumption	Risk	Risk Level
Projected growth change factors		
<p>Growth forecasting: The Council expects a medium growth population projection for the District. This includes a slight increase in population for Whakatane urban areas including Coastlands and Ohope, and decreases for most rural areas.</p>	The risk is that where actual growth differs substantially from the assumption, growth related projects and work programmes will need to be adjusted.	Medium
<p>Potential social changes: The Council acknowledges increasing socioeconomic vulnerability, particularly in rural parts of the District. It also assumes that the Whakatane urban area will age at a faster rate than the country as a whole.</p>	The risk is that where social change differs substantially from expectations the projects and work programmes may need to be adjusted to cater to changing community expectations and affordability.	High
<p>Potential climate change impacts: This assumption acknowledges that climate change is likely to impact on various activities of Council. The Council accepts the need to assess the potential effects of climate change as these are largely unknown at this stage.</p>	The risk is that the District may experience effects of climate change in the short term, before the Council has established a policy position and instituted adaptation measures.	Low
<p>Rating base: It is assumed that the number of rating units is expected to increase in line with the population growth assumptions. In addition it is assumed that rateable value will also increase. This will result in no additional rating burden on existing ratepayers.</p>	The risk is that the rating base will not increase as expected and there will be an additional rating burden on existing ratepayers.	Medium
Major cost components		
<p>Borrowing and expected interest rates: The Council has a portfolio of debt that matures at various times. As loans mature they will need to be refinanced.</p>	The risk is that interest rates will be higher than forecast. Where this is the case, the increased cost of servicing borrowings will need to be passed on to the ratepayer.	Medium
<p>Renewability or otherwise of external funding: It is assumed that the Council's portfolio of debt with differing maturity dates and new funding required, will be raised on favourable terms.</p>	The risk is the Council will be unable to raise new debt to fund approved capital works programmes. The risk is also that new debt raised will have unfavourable terms. A further risk is that Council will be unable to raise new debt to repay maturing debt on favourable terms.	Medium
<p>Cost factors: The Council needs to base probable financial information on "best estimates" of what the Council realistically expects to occur. For this reason, the Council factors inflation into its financial forecasts. The Business and Economic Research Limited (BERL) price change estimates have been used to prepare the prospective financial statements. Due to uncertainty over the proposed Emissions Trading Scheme, The Council has not factored in potential increases in costs that would result.</p>	The risk is that the actual price of inputs and outputs will not increase at the rate assumed and the actual cost will be higher or lower than calculated.	Medium

Assumption	Risk	Risk Level
<p>Level of service: The financial information included in the Annual Plan is based on levels of service established in the asset management plans and activity plans (for non asset based activities). The assumption is that the levels of service will not vary substantially from that set out in the Annual Plan.</p>	<p>The risk is that there will be an unexpected demand for increased levels of service which will have a significant financial impact.</p>	<p>Medium</p>
<p>Revaluation of assets: Revaluations will be undertaken in accordance with the Council's Significant Accounting Policies. Through this process the Council makes assumptions on the expected value of its assets at the date of revaluation.</p>	<p>The risk is that that there will be a material difference between estimated and actual revaluations of assets and/or that data collection of asset information finds more or higher value assets than currently recorded. This would result in a change to the depreciation expense.</p>	<p>Medium</p>
<p>Funding growth related development: Infrastructure required for growth related development such as storm water, wastewater, water supply, roading, car-parking, solid waste, reserves and community infrastructure – will be funded via development contributions. Payment for this work is done in two ways. Firstly, the Council could pay for the work to be done and receive the money from the developer when the subdivision is complete. Secondly, the Council could fund the provision of capital infrastructure with a debt to be repaid when development contributions are received.</p>	<p>The risk is that there is less growth than estimated and the amount spent on the provision of capital infrastructure to anticipate the rate of growth is unable to be paid for by development contributions. There is also the risk that the development contributions are significantly less than what is predicted, but that the work must proceed in advance of the predicted level of growth being achieved. A further risk is that there is a lag between increased cost of the capital work and being able to recover that development contribution.</p>	<p>Medium</p>
<p>Resource consents/ designations: The Council has programmed to apply for a number of resource consents for projects in this Annual Plan. It is assumed that the necessary consents with reasonable conditions will be granted in a timely manner as required.</p>	<p>The risk is that the consents could take longer to be granted than assumed, could include more stringent conditions than expected, or could fail to be granted. Where this occurs, projects may be delayed, may face increased costs, or may be discontinued due to cost or permission considerations.</p>	<p>High</p>
<p>Legislative demands on Council resources: The Council acknowledges that legislative changes are currently being progressed by Central Government that will affect the Annual Plan work programme. The Council's work programme has been designed/adjusted to account for the expected outcome of legislative change where possible. Information about the legislative context of the Council's activities can be found in the groups of activity chapter of this Annual Plan.</p>	<p>The risk is that there will be major unexpected changes to the legislation that will cause significant changes to the services, their costs and recovery by the Council.</p>	<p>High</p>
<p>Service delivery options: The assumption is that the current methods of service delivery will continue in the 2010/11 year. However, the Council is always reviewing methods of service delivery and if alternatives prove to be more cost effective, improve the levels of service to ratepayers, or reduce risk, they will be explored and implemented.</p>	<p>The risk is that more efficient and effective methods of service delivery will not be able to be implemented where the Council is unable to exit the existing method of service delivery.</p>	<p>Low</p>
<p>Failure of contractor services: The assumption is that the Council will be able to engage suitably qualified and experienced contractors where required and that all contractors engaged to provide services for Council will do so within the agreed standards, deadlines and cost.</p>	<p>The risk is that there will be a shortage of contractors or that contractors will not deliver services and/or products to the agreed standards and specification within the agreed time and price.</p>	<p>High</p>

Assumption	Risk	Risk Level
<p>Preliminary cost estimates: The costs listed for some projects are preliminary estimates based on information available at the time. Final costs may be subject to significant fluctuations.</p>	<p>The risk is that costs will be substantially different from those estimated. In such an event further public consultation will be sought before any significant change in the budgeted costs for these projects are approved.</p>	<p>Medium</p>
Major Income components		
<p>Roading subsidy rates: The Council receives subsidies from the New Zealand Transport Agency for the operation and upkeep of the local road network in the District. This subsidy is termed Financial Assistance Rates (FARs). It is obtained through a number of criteria such as district valuation, kilometres of roads, ability to pay and other measures. An assumption is made on the level of financial assistance that will be obtained.</p>	<p>The risk is that the FAR will be adjusted downward or that policy priorities change and affect the availability of some subsidies. Where this is the case the relevant roading activity will need to be adjusted to meet Council's ability to pay and therefore impact on future levels of service.</p>	<p>Medium</p>
<p>Alternative funding sources: The Council has included a number of projects in the Annual Plan work programme that are expected to receive substantial subsidies from a number of funding sources. In order to access subsidies the relevant project must meet certain criteria for the funding scheme. The Council will seek to access subsidies for projects in the areas of Arts and Culture, Sanitary Works and Drinking Water Works.</p>	<p>The risk is that expected subsidy available to the Council will be reviewed downward because of changes to the funding scheme or its eligibility criteria. Where this is the case the relevant project will not be progressed or will need to be adjusted to meet the Council's ability to pay and therefore impact on future levels of service.</p>	<p>High</p>
<p>Divestment of assets: Revenue from the sale of assets has been included as a source of funds in this Annual Plan. This revenue will be used to retire debt and make principal repayments as the funds become available. The budgeted revenue from the sale of assets takes into account the expectation that not all the properties that Council is proposing to divest will be realised.</p>	<p>Should the revenue from these sales not generate the funds anticipated, the result will be an increase in the general and targeted rates to meet ongoing interest and principal repayments for these loans and impact on Treasury Policy limits.</p>	<p>High</p>
Statements of fact		
<p>Natural hazards: The District is at risk to a range of natural hazards such as earthquakes, flooding, debris flows, slips and volcanic activity. The Council has made some provisions for hazard recovery and is a member of the Local Authority Protection Programme Disaster Fund Trust (LAPP). Central Government also shares responsibility alongside Local Government for disaster recovery and restoration activities after natural disasters have occurred.</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 the 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>	<p>Medium</p>
<p>Fundamental business viability: The Council provides strategic planning, environmental management and functioning network and utility services, amongst others, in line with regulatory standards. This plan assumes that Council has adequate staff and sufficient and planned capacity for the suitable provision of services. Many services could not be provided without information technology. In terms of data, the Council needs to provide technology support for approximately 41 different types of activities.</p>	<p>The risk is that the Council is unable to employ adequate human resources or maintain sufficient ICT infrastructure to ensure that Council provides sufficient services to an acceptable standard.</p>	<p>Medium</p>

Assumption	Risk	Risk Level
<p>Business continuity: The Council requires substantial Information and Communication Technology (ICT) infrastructure to support continued operation and delivery of services. This Annual Plan assumes that the Council has the ICT infrastructure to support base services including in the event of a disaster.</p>	<p>The risk is that the Council's ability to function is severely disrupted in the event of a disaster affecting the District and that in the event of an ICT disaster, the Council will be unable to provide the necessary ICT services. The Council is undertaking a project to install core systems on another site.</p>	<p>High</p>
<p>Estimates of commitments and contingencies: Contingencies are built into cost estimates for projects and may range between 0% for fully scoped projects up to 30% for projects in concept or preliminary design – depending on the type of project. Cost estimates may change for a range of reasons, scope change, fuel prices or cost of construction materials are common examples. All cost estimates and contingencies are updated annually when further information is available and when detailed design has been completed.</p>	<p>The risk is that should any significant unforeseen commitment or contingency occur, expenditure and required rates may be impacted upon.</p>	<p>Medium</p>
<p>Creation and realisation of investments, reserves and assets: The Council will continue with the ownership of investments and reserves in accordance with its current practice, unless specified in the LTCCP. The capital expenditure programme represents creation of assets.</p>	<p>The risk is that should the Council sell its assets, the sale would only have a short term mitigating impact on rates increases if the proceeds of the sale went towards general rates rather than debt retirement.</p>	<p>Medium</p>
<p>Governance: Local government elections will be held in 2010 followed by a process of establishing committees and delegations.</p>	<p>The risk is that there could be unexpected changes in the governance structure that place additional cost burdens on the District.</p>	<p>Low</p>
<p>Change to GST level: GST is set to increase from 12.5% to 15% as of 1 October 2010.</p>	<p>The risk is that if the Council can not easily or fully transition to the new GST rate, the level of revenue budgeted for may not be realised.</p>	<p>Low</p>

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to the Annual Plan 2010/11 unless otherwise stated. The financial report consists of the financial statements of Whakatane District Council (the Council) as an individual entity.

A) 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.

Entities reporting

The financial statements are for the Council as a separate legal entity. The Council is designated as a public benefit entity for financial reporting purposes.

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 and the Financial Reporting Act 1993.

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 judgement in the process of applying the Council's accounting policies.

B) PRINCIPLES OF CONSOLIDATION

i: Joint ventures

The Council and the Ministry of Transport are 50/50 venturers in Whakatane Airport, which is a jointly controlled entity. The Council's interest in this jointly controlled entity is carried at cost in the Council's financial statements.

C) FOREIGN CURRENCY TRANSLATION

i: Functional and presentation currency

The Council's financial statements are presented in New Zealand dollars, which is the Council's functional and presentation currency.

ii: 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 yearend 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.

D) REVENUE RECOGNITION

Revenue comprises the fair value for the sale of goods and services, net of rebates and discounts. Revenue is recognised as follows:

i: Rates

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

ii: Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are issued.

iii: Licences and permits

Revenue derived from licences and permits are recognised on application.

iv: Development & 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

v: Sales of goods

Sales of goods are recognised when the Council sells a product to the customer.

vi: 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.

vii: 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.

viii: Rental revenue

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

ix: 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.

x: Dividend income

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

xi: 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.

xii: 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.

E) INCOME TAX

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

F) GOODS AND SERVICES TAX (GST)

The income statement has been prepared so that all components are stated exclusive of GST. All items in the balance sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

G) 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.

H) 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).

I) 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.

J) RECEIVABLES

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

Collectability 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.

K) INVENTORIES

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost, adjusted when applicable for any loss of service potential.

L) NON CURRENT ASSETS HELD FOR SALE

Non current assets 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 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, 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 is recognised at the date of derecognition. Non current assets are not depreciated or amortised while they are classified as held for sale. Non current assets classified as held for sale are presented separately from the other assets in the balance sheet.

M) 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 trade-date 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.

N) DERIVATIVES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured 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 sale 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.

O) 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.

P) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of:

- Infrastructural assets, which are the fixed utility systems owned by Council. Each asset type 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.
- Other 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.

Infrastructural assets are revalued annually by external independent valuers.

Land and buildings (except for investment properties) are shown at fair value (which is based on periodic valuations by external independent valuers that are performed with sufficient regularity to ensure that the carrying value does not differ materially from fair value) less subsequent depreciation for buildings. 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. All other property, plant and equipment is stated at historical cost less depreciation. Historical 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, in years, of major classes of fixed assets are as follows:

OPERATIONAL ASSETS:

Artefacts	N/A
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
Library Books	7
Office equipment (including IT)	2-7

Infrastructure Assets:

Roading	
Land – road reserve	N/A
Road formation	To be assessed
Pavement base course	22-90
Sealed pavement surface	2-20
Unsealed roads	2-7
Traffic control device	50
Road signs and markers	7-15
Kerbs and channels and cesspits	40-60
Surface water channel	15-50
Street railings	10-20
Traffic islands	50
Street lighting	10-50
Footpaths	20-50
Bridges – concrete	100
Bridges – wooden	30

OPERATIONAL ASSETS:

Car-parks	50
Wharves (concrete)	50

Water:

Treatment plant – structure	70-90
Treatment plant – contents	15-50
Pump stations – structure	80-100
Pump stations – contents	10-50
Reservoirs – concrete and wooden	70-90
Water lines and service lines	50-80
Valves and hydrants	30-65
Water meters	15-25

Sewer:

Sewer lines and service lines	60-80
Manholes	70-80
Pump station – structure	60-70
Pump station – contents	12-25
Ponds – structure	60
Ponds – plant and equipment	15-25

Stormwater:

Stormwater lines	80
Manholes	70-80
Open drains and channels	50-90
Pump stations – structure	80-100
Pump station – contents	12-40
Retention dams	80-90
Floodgates	50

Refuse:

Whakatane landfill	8.5
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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.

Q) 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.

R) 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.

S) 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.

T) 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.

U) 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. All borrowing costs are expensed. 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.

V) 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 post-closure 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 post-closure 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.

W) EMPLOYEE BENEFITS

i: Wages & salaries, annual leave & 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 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.

The council does not have any gratuities payable.

iii: Retirement benefit obligations

The council currently has one employee on a defined benefit scheme. Under the defined benefit scheme, the employee is 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.

X) 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 and forestry have been revalued, with the increase in asset value being credited to an asset revaluation reserve.

Y) 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.

FORECAST FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

2009/10 Annual Plan \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
INCOME				
19,613	Revenue from Activities	29,281	23,999	5,282
5,773	General Rates * Note 1 (overpage)	6,473	7,265	(792)
23,873	Targeted Rates * Note 2 - (overpage)	26,699	24,879	1,819
716	Vested Assets	740	740	0
918	Development Contributions	943	918	25
211	Finance Income *	143	90	53
51,105	Total Income	64,279	57,892	6,386
EXPENDITURE				
22,988	Other Expenses	24,707	24,174	533
9,764	Personnel Costs	10,545	10,344	201
12,173	Depreciation and amortisation expense	13,372	13,976	(604)
1,493	Finance Costs*	2,266	2,252	14
46,418	Total Expenditure	1,068	50,745	144
4,687	Net Surplus/(Deficit)	13,390	7,148	6,242
Other comprehensive income				
17,922	Gains on asset revaluation	18,854	18,854	0
0	Gains on revaluation of Investment property	1,735	1,735	0
22,609	Total comprehensive income for the year	33,979	27,737	6,242

* Excludes Internal Borrowing Interest.

NOTES TO THE STATEMENT OF PROSPECTIVE COMPREHENSIVE INCOME

2009/10 Annual Plan \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
* Note 1: General Rates By Activity				
2,345	Leadership	2,403	2,309	94
667	Community Safety	851	1,036	(185)
589	Environmental Sustainability	606	747	(141)
363	Hazard Management	420	354	66
950	Arts and Culture	1,212	1,160	52
714	Recreation and Community Facilities	750	1,127	(377)
369	Community Property	410	380	30
189	Waste	199	115	84
0	Transport Networks and Safety	0	0	0
25	Water-related services	27	32	(6)
479	Reportable Council-controlled organisations	550	191	359
6,691	Total General Rates	7,428	7,451	(24)
(918)	Less Corporate & District Activities Funds Applied	(954)	(690)	(265)
0	Plus operating reserve balances repaid	0	504	(504)
5,773	General Rates Levied	6,473	7,265	(792)

2009/10 Annual Plan \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
* Note 2: Targeted Rates By Activity				
380	Leadership	406	404	2
0	Community Safety	0	0	0
0	Environmental Sustainability	0	0	0
515	Hazard Management	651	656	(5)
1,411	Arts and Culture	1,742	1,453	289
3,364	Recreation and Community Facilities	3,670	3,535	135
0	Community Property	0	0	0
3,446	Waste	3,371	4,353	(982)
7,039	Transport Networks and Safety	8,134	6,403	1,731
7,448	Water-related services	8,442	7,026	1,415
271	Reportable Council-controlled organisations	282	277	5
23,873	Total Targeted Rates	26,699	24,109	2,590
0	Plus operating reserve balances repaid	0	771	(771)
23,873	Targeted Rates Levied	26,699	24,879	1,819

RECONCILIATION OF ACTIVITY COST OF SERVICES TO PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

2009/10 Annual Plan \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
TOTAL OPERATING INCOME				
ACTIVITY COST OF SERVICE STATEMENTS				
2,725	Leadership	2,867	2,772	95
2,712	Community Safety	2,928	2,896	31
1,704	Environmental Sustainability	1,759	1,600	160
893	Hazard Management	1,179	1,175	4
2,540	Arts and Culture	4,778	3,411	1,367
8,428	Recreation and Community Facilities	7,155	7,531	(375)
1,122	Community Property	1,040	1,039	1
5,396	Waste	7,531	6,496	1,035
13,952	Transport Networks and Safety	17,372	13,543	3,829
9,306	Water-related services	15,292	14,040	1,252
1,234	Reportable Council-controlled organisations	1,329	826	503
1,025	Corporate & District Activities	1,068	2,507	(1,439)
51,039	Total Operating Income	64,300	57,834	6,465
51,105	Total Income as per proposed Statement of Financial Performance	64,279	57,892	6,386
(66)	Variance	21	(58)	79
716	Vested Assets	740	740	
(650)	Revenue from Internal Borrowing	(761)	(682)	(79)
TOTAL OPERATING EXPENDITURE				
ACTIVITY COST OF SERVICE STATEMENTS				
2,731	Leadership	2,860	2,777	82
2,612	Community Safety	2,824	2,790	34
2,219	Environmental Sustainability	2,366	2,271	96
852	Hazard Management	1,049	1,072	(23)
2,510	Arts and Culture	3,138	2,834	304
6,230	Recreation and Community Facilities	6,741	7,933	(1,192)
1,066	Community Property	1,007	1,455	(448)
5,083	Waste	6,276	5,051	1,225
12,570	Transport Networks and Safety	13,181	13,982	(801)
9,635	Water-related services	10,540	9,923	617
1,360	Reportable Council-controlled organisations	1,468	845	623
200	Corporate & District Activities	201	496	(294)
47,068	Total Operating Expenditure	51,650	51,427	223
46,418	Total Expenditure as per proposed Statement of Financial Performance	50,889	50,745	144
650	Variance	761	682	79
(650)	Cost of Internal Borrowing	(761)	(682)	(79)
Other comprehensive income				
17,922	Gains on asset revaluation	18,854	18,854	0
0	Gains on revaluation of Investment property	1,735	1,735	0
22,609	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	33,979	27,737	6,242

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

2009/10 Annual Plan \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
467,131	Accumulated Funds at the start of the year	471,818	471,818	480,701
4,687	Net Surplus for the year	13,390	7,148	6,242
0	Gains on Revaluation of Investment Property	1,735	1,735	0
471,818	Accumulated Funds at the End of the year	486,943	480,701	486,943
90,096	Asset Revaluation Reserves at the Start of the year	108,018	108,018	126,872
17,922	Revaluation of Assets	18,854	18,854	0
108,018	Asset Revaluation Reserves at the End of the year	126,872	126,872	126,872
579,836	Equity at the End of the Year	613,816	607,574	6,242

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

2009/10 Annual Plan \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
Public Equity				
459,515	Retained Earnings	474,424	468,398	6,026
12,303	Restricted Equity	12,519	12,303	216
108,018	Asset Revaluation Reserves	126,872	126,872	0
579,836	Total Public Equity	613,816	607,574	6,242
Current Assets				
1,160	Cash and Cash Equivalents	2,433	627	1,806
180	Other Current Assets	186	180	6
7,168	Trade and other Receivables	7,308	7,168	140
8,508	Total Current Assets	9,926	7,975	1,952
Non Current Assets				
0	Term Investments	0	0	0
51,043	Investment Property	52,778	52,778	0
554,530	Property, Plant & Equipment	593,407	589,210	4,198
605,573	Total Non Current Assets	646,186	641,988	4,198
614,082	Total Assets	656,112	649,963	6,149
Current Liabilities				
8,200	Trade and Other Payables	8,479	7,466	1,013
200	Employee Benefit Liabilities	207	200	7
2,305	Borrowings	3,095	3,192	(97)
10,705	Total Current Liabilities	11,781	10,859	922
Non Current Liabilities				
2,800	Provisions	2,660	2,800	(140)
20,741	Borrowings	27,856	28,731	(875)
23,541	Total Non Current Liabilities	30,516	31,531	(1,015)
579,836	Net Assets	613,816	607,574	6,242

PROSPECTIVE STATEMENT OF CASHFLOWS

2009/10 Annual Plan \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
Cash Flow from operating activities				
Cash will be provided from				
29,646	Rates and Service Charges	33,172	32,145	1,027
918	Development Contributions	943	918	25
1,784	Sundry Income	2,236	1,934	301
7,952	User Fees	9,235	7,452	1,782
9,877	Subsidies & Grants	17,811	14,612	3,199
211	Interest Income - External	143	90	53
4,743	Regional Council Rates	5,307	5,307	0
55,133	Total Operating Cash Provided	68,846	62,459	6,387
Cash was applied to				
32,752	Suppliers and Employees	35,251	35,251	0
1,493	Interest on Public Debt	2,266	2,252	14
4,743	Regional Council Rates	5,307	5,307	0
38,988	Total Operating Cash Applied	42,824	42,810	15
16,144	Net Cashflows from operating activities	1,068	19,650	6,372
Cash Flow from investing activities				
Cash will be provided from				
3,097	Proceeds from sale of property, plant and equipment	3,242	485	2,757
3,097	Total Investing Cash Provided	3,242	485	2,757
Cash will be spent on				
24,039	Purchase of property, plant and equipment	35,897	29,546	6,351
0	Purchase of investments	0	0	0
24,039	Total Investing Cash Applied	35,897	29,546	6,351
(20,941)	Net Cashflows from investing activities	(32,655)	(29,061)	(3,594)
Cash Flow from financing activities				
Cash will be provided from				
9,821	Loans raised	12,936	12,521	415
9,821	Total Financing Cash Provided	12,936	12,521	415
Cash will be spent on				
4,726	Repayment of public debt	5,031	3,643	1,388
4,726	Total Financing Cash Applied	5,031	3,643	1,388
5,094	Net Cashflows from financing activities	7,905	8,878	(973)
297	Net increase (decrease) in cash held	1,272	(534)	1,806
863	Plus opening cash balance	1,160	1,160	0
1,160	Closing Cash Position	2,433	627	1,806

SUMMARY OF CAPITAL EXPENDITURE

Project. Description	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	
	LTCCP* \$	Annual Plan \$	Annual Plan \$	Depreciation	Loans	Dev. Contrib.	Subsidies/ Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates	Total						
TRANSPORT NETWORKS AND SAFETY																		
FINANCIALLY ASSISTED LOCAL ROADS																		
Lr211 Unsealed Road Metalling	298,000	251,125	138,119	0	0	0	113,006	0	0	0	0	251,125						
Lr212 Sealed Road Resurface - Chip Seals	2,200,000	2,337,000	1,285,350	0	0	0	1,051,650	0	0	0	0	2,337,000						
Lr212 Sealed Road Resurfacing	350,000	276,750	152,213	0	0	0	124,538	0	0	0	0	276,750						
Lr213 Drainage Renewals - Culverts	145,000	184,500	101,475	0	0	0	83,025	0	0	0	0	184,500						
Lr213 Drainage Renewals - Kerb & Channel	379,000	352,600	193,930	0	0	0	158,670	0	0	0	0	352,600						
Lr214 Pavement Rehab - Taneatua Rd	160,000	0	0	0	0	0	0	0	0	0	0	0						
Lr214 Pavement Rehab - Thornton Rd	226,000	0	0	0	0	0	0	0	0	0	0	0						
Lr214 Pavement Rehab - Awati North	126,000	0	0	0	0	0	0	0	0	0	0	0						
Lr214 Pavement Rehab - Matahi Rd	225,000	230,625	101,475	25,369	0	0	103,781	0	0	0	0	230,625						
Lr215 Structures Component Replacements	130,000	183,475	100,911	0	0	0	82,564	0	0	0	0	183,475						
Lr222 Traffic Renewals - Carriage Light	123,000	126,075	69,341	0	0	0	56,734	0	0	0	0	126,075						
Lr222 Traffic Services Renewals - Signs	142,300	115,825	63,704	0	0	0	52,121	0	0	0	0	115,825						
Lr231 Associated Improvements - Shoulder Reconstruction	29,000	29,725	0	14,268	3,567	11,890	0	0	0	0	0	29,725						
Lr231 Associated Improvements - Taneatua Rd	32,000	0	0	0	0	0	0	0	0	0	0	0						
Lr231 Associated Improvements - Thornton Rd	28,000	0	0	0	0	0	0	0	0	0	0	0						
Lr231 Associated Improvements - Awati North	19,000	0	0	0	0	0	0	0	0	0	0	0						
Lr231 Associated Improvements - Matahi Rd Seal Wide	250,000	256,250	0	123,000	30,750	102,500	0	0	0	0	0	256,250						
Lr231 Associated Improvements - Matahi Rd Rehab	45,000	45,125	0	21,660	5,415	18,050	0	0	0	0	0	45,125						
Lr311 Road Studies	150,000	150,000	0	0	0	112,500	0	0	0	37,500	0	150,000						
Lr322 Bridge Replace - Matahi Valley Rd	138,000	0	0	0	0	0	0	0	0	0	0	0						
Lr322 Bridge Replace - Luttrells Rd #126	15,000	15,375	4,766	3,229	0	7,380	0	0	0	0	0	15,375						
Lr322 Bridge Replace - Quay St Bridge	230,000	0	0	0	0	0	0	0	0	0	0	0						
Lr324 Road Recon - Matahi Realign	300,000	0	0	0	0	0	0	0	0	0	0	0						
Lr324 Road Recon - Landing Rd	700,000	0	0	0	0	0	0	0	0	0	0	0						

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Project Description	2010/11	2010/11		Depreciation	Loans	Dev. Contrib.	Subsidies/ Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates	Total
	LTCCP* \$	Annual Plan \$	Annual Plan \$									
Lr341 Local Roads Minor Improvements	647,600	669,981	0	0	0	0	368,490	0	0	301,491	0	669,981
L451 Pedestrian Facilities Urban	143,000	0	0	0	0	0	0	0	0	0	0	0
L451 Pedestrian Facilities Rural	23,000	0	0	0	0	0	0	0	0	0	0	0
L451 Pedestrian Facilities Mataita	23,000	0	0	0	0	0	0	0	0	0	0	0
Lr452 Cycle Facilities - Urban	143,000	0	0	0	0	0	0	0	0	0	0	0
Lr452 Cycle Facilities - Gorge Rd	1,009,000	0	0	0	0	0	0	0	0	0	0	0
Lr324 Road Reconstruction - Wainui Rd Seal Widening	723,000	0	0	0	0	0	0	0	0	0	0	0
Renewals Local - Flood Damage 2010	0	450,284	0	450,284	0	0	0	0	0	0	0	450,284
ACTIVITY TOTAL: FINANCIALLY ASSISTED LOCAL ROADS	9,151,900	5,674,715	2,211,284	637,810	39,732	2,446,898	0	0	338,991	0	5,674,715	
FINANCIALLY ASSISTED SPECIAL PURPOSE ROADS												
Spr211 Unsealed Road Metalling	270,000	267,525	0	0	0	0	267,525	0	0	0	0	267,525
Spr212 Sealed Road Resurfacing	207,000	257,275	0	0	0	0	257,275	0	0	0	0	257,275
Spr213 Drainage Renewals	98,000	116,850	0	0	0	0	116,850	0	0	0	0	116,850
Spr215 Structure Comp Replace SH38#164	273,000	0	0	0	0	0	0	0	0	0	0	0
Spr222 Traffic Services - Street Lights	1,000	1,025	0	0	0	0	1,025	0	0	0	0	1,025
Spr222 Traffic Services - Signs	17,000	22,550	0	0	0	0	22,550	0	0	0	0	22,550
Spr341 Local Roads Minor Improvements	10,900	94,963	0	0	0	0	94,963	0	0	0	0	94,963
Spr215 Structural Component Replacement - General Replacement	48,000	49,200	0	0	0	0	49,200	0	0	0	0	49,200
Seal Extensions (NZTA T Fund)	0	400,000	0	0	0	0	352,000	0	0	48,000	0	400,000
ACTIVITY TOTAL: FINANCIALLY ASSISTED SPECIAL PURPOSE ROADS	924,900	1,209,388	0	0	0	1,161,388	0	0	48,000	0	1,209,388	
NON FINANCIALLY ASSISTED TRANSPORT												
Drainage Renewals (Nia)	20,000	20,000	20,000	0	0	0	0	0	0	0	0	20,000
Soakpit Renewals	20,000	20,000	20,000	0	0	0	0	0	0	0	0	20,000
Amenity Signs And Lighting Renewals	10,000	10,000	10,000	0	0	0	0	0	0	0	0	10,000
Xmas Lights	10,000	10,000	10,000	0	0	0	0	0	0	0	0	10,000
Footpath Renewal - Ongoing	111,400	114,585	114,585	0	0	0	0	0	0	0	0	114,585

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Project Description	2010/11	2010/11	2010/11	Depreciation	Loans	Dev. Contrib.	Subsidies/ Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates	Total
	LTCCP* \$	Annual Plan \$	Annual Plan \$									
WASTE												
WASTE DISPOSAL												
Ruatahuna Transfer Station Construction	250,000	50,000	50,000	0	38,000	12,000	0	0	0	0	0	50,000
Burma Road Landfill Gas Management	496,722	496,722	496,722	496,722	0	0	0	0	0	0	0	496,722
Burma Road Landfill Retirement	75,000	75,000	75,000	0	75,000	0	0	0	0	0	0	75,000
Proposed Landfill Resource Consent	1,000,000	250,000	250,000	0	65,000	60,000	125,000	0	0	0	0	250,000
Construction of Organic Waste Composting Plant	1,175,000	1,175,000	1,175,000	0	893,000	282,000	0	0	0	0	0	1,175,000
Construction Of Plant (Subsidised)	500,000	500,000	500,000	0	0	0	500,000	0	0	0	0	500,000
ACTIVITY TOTAL: WASTE DISPOSAL	3,496,722	2,546,722	2,546,722	496,722	1,071,000	354,000	625,000	0	0	0	0	2,546,722
WASTE RECYCLING												
Whakatane Recycling Plant Minor Works	15,000	0	0	0	0	0	0	0	0	0	0	0
ACTIVITY TOTAL: WASTE RECYCLING	15,000	0	0	0	0	0	0	0	0	0	0	0
GROUP TOTAL: WASTE	3,511,722	2,546,722	2,546,722	496,722	1,071,000	354,000	625,000	0	0	0	0	2,546,722
COMMUNITY SAFETY												
CCTV	15,000	0	0	0	0	0	0	0	0	0	0	0
GROUP TOTAL: COMMUNITY SAFETY	15,000	0	0	0	0	0	0	0	0	0	0	0
ARTS AND CULTURE												
LIBRARY												
Library Books Mixed Collection Renewal	118,450	118,450	118,450	118,450	0	0	0	0	0	0	0	118,450
Library Refurbishment (Stage 2) Loan Funded	636,000	462,391	462,391	0	462,391	0	0	0	0	0	0	462,391
Library Refurbishment (Stage 2) Grant Funded	0	413,000	413,000	0	0	0	413,000	0	0	0	0	413,000
Library Refurbishment (Subsidy Funded)	33,071	0	0	0	0	0	0	0	0	0	0	0
Library Retrofit (Subsidy Funded)	500,000	0	0	0	0	0	0	0	0	0	0	0
ACTIVITY TOTAL: LIBRARY	1,287,521	993,841	993,841	118,450	462,391	0	413,000	0	0	0	0	993,841

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Project Description	2010/11	2010/11		Depreciation	Loans	Dev. Contrib.	Subsidies/ Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates	Total
	LTCCP* \$	Annual Plan \$	Annual Plan \$									
MUSEUM AND GALLERY												
Re-Fit Of Current Museum Display Cabinets Including New Exhibition Furniture And Interior Lighting.	40,000	40,000	40,000	40,000	0	0	0	0	0	0	0	40,000
Heritage Collections, Archive & Research Facility Retro-Fit	1,000,000	145,000	0	0	0	0	145,000	0	0	0	0	145,000
ACTIVITY TOTAL: MUSEUM AND GALLERY	1,040,000	185,000	40,000	40,000	0	0	145,000	0	0	0	0	185,000
GROUP TOTAL: ARTS AND CULTURE	2,327,521	1,178,841	158,450	462,391	0	0	558,000	0	0	0	0	1,178,841
COMMUNITY PROPERTY												
HALLS												
Urban Halls - Renewals	32,966	32,966	32,966	32,966	0	0	0	0	0	0	0	32,966
Renew and Replace Urban Hall Furniture and Equipment	8,000	8,000	8,000	8,000	0	0	0	0	0	0	0	8,000
Halls - Flood Damage 2010	0	45,000	0	0	0	0	45,000	0	0	0	0	45,000
ACTIVITY TOTAL: HALLS	40,966	85,966	40,966	40,966	0	0	45,000	0	0	0	0	85,966
PENSIONER HOUSING												
Annual Allocation And Programme For Improving Disabled Access To Council Facilities	20,000	20,000	0	0	0	0	0	20,000	0	0	0	20,000
Annual Refurbishment	60,000	60,000	0	0	0	0	0	60,000	0	0	0	60,000
Renewal - Allandale Court	34,362	0	0	0	0	0	0	0	0	0	0	0
Renewal - Hardy Flats	4,176	0	0	0	0	0	0	0	0	0	0	0
Renewal - Lovelock Court	52,806	52,806	52,806	52,806	0	0	0	0	0	0	0	52,806
Renewal - Murphy Flats	8,772	0	0	0	0	0	0	0	0	0	0	0
Renewal - Veronica Flats	29,550	6,000	6,000	6,000	0	0	0	0	0	0	0	6,000
ACTIVITY TOTAL: PENSIONER HOUSING	209,666	138,806	58,806	80,000	0	0	0	80,000	0	0	0	138,806
COMMERCIAL PROPERTY												
Renewal - Commercial Property	18,000	18,000	0	0	0	0	0	0	0	0	18,000	18,000
ACTIVITY TOTAL: COMMERCIAL PROPERTY	18,000	18,000	0	0	0	0	0	0	0	0	18,000	18,000
GROUP TOTAL: COMMUNITY PROPERTY	268,632	242,772	99,772	80,000	0	0	45,000	80,000	0	0	18,000	242,772

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Project Description	2010/11	2010/11	2010/11	Depreciation	Loans	Dev. Contrib.	Subsidies/ Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates	Total
	LTCCP* \$	Annual Plan \$	Annual Plan \$									
RECREATION AND COMMUNITY FACILITIES												
PARKS AND RESERVES												
Edgecumbe Domain, College Rd And Rugby Field Fg. Establish Picnic Area	5,232	5,232	5,232	2,616	0	0	0	2,616	0	0	0	5,232
Matata Reserves	30,498	30,498	30,498	30,498	0	0	0	0	0	0	0	30,498
Hope Playground Development, Maraetotara	10,000	10,000	10,000	0	0	1,100	0	8,900	0	0	0	10,000
Whakatane Harbour Beautification	101,200	101,200	101,200	0	0	0	0	101,200	0	0	0	101,200
Drinking Foundation Installations	8,970	8,970	8,970	0	0	987	0	7,983	0	0	0	8,970
Rural Playgrounds	10,000	10,000	10,000	8,900	0	1,100	0	0	0	0	0	10,000
Coastal Land Aquisition	253,750	253,750	253,750	0	225,838	27,913	0	0	0	0	0	253,750
Playground Renewals	5,060	5,060	5,060	5,060	0	0	0	0	0	0	0	5,060
Amenity Lighting Renewals	10,120	10,120	10,120	10,120	0	0	0	0	0	0	0	10,120
Landscaping Wairere falls	25,300	0	0	0	0	0	0	0	0	0	0	0
Coastlands - Renewals Community Reserves	4,336	4,336	4,336	4,336	0	0	0	0	0	0	0	4,336
Hope- Renewals Community Reserves	72,302	40,802	40,802	40,802	0	0	0	0	0	0	0	40,802
Whakatane- Renewals Community Reserves	35,013	19,650	19,650	19,650	0	0	0	0	0	0	0	19,650
Renewals - Coastlands	1,944	1,944	1,944	1,944	0	0	0	0	0	0	0	1,944
Renewals - Murupara	7,296	0	0	0	0	0	0	0	0	0	0	0
Edgecumbe - Renewals Local Reserves	11,602	2,500	2,500	2,500	0	0	0	0	0	0	0	2,500
Matata - Renewals Local Reserves	8,282	8,282	8,282	8,282	0	0	0	0	0	0	0	8,282
Murupara - Renewals Local Reserves	3,483	3,483	3,483	3,483	0	0	0	0	0	0	0	3,483
Te Mahoe - Renewals Local Reserves	2,990	2,990	2,990	2,990	0	0	0	0	0	0	0	2,990
Te Teko - Renewals Local Reserves	5,913	5,913	5,913	5,913	0	0	0	0	0	0	0	5,913
Waimana - Renewals Local Reserves	3,207	5,510	5,510	5,510	0	0	0	0	0	0	0	5,510
Whakatane - Renewals Local Reserves	26,761	3,000	3,000	3,000	0	0	0	0	0	0	0	3,000
Hope - Renewals Roading Reserve	10,420	0	0	0	0	0	0	0	0	0	0	0
Whakatane - Renewals Roading Reserve	87,943	15,000	15,000	15,000	0	0	0	0	0	0	0	15,000
Whakatane - Renewals Significant Sites	30,051	30,051	30,051	30,051	0	0	0	0	0	0	0	30,051
Coastlands - Renewals Utility Reserves	5,175	5,175	5,175	5,175	0	0	0	0	0	0	0	5,175

* LTCCP 2010/11 Figures are stated exclusive of inflation in 2009/10 dollars

Project Description	2010/11	2010/11									
	LTCCP* \$	Annual Plan \$	Depreciation	Loans	Dev. Contrib.	Subsidies/ Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates	Total
Murupara – Renewals Utility Reserves	1,770	1,770	1,770	0	0	0	0	0	0	0	1,770
Ohope – Renewals Utility Reserves	7,192	7,192	7,192	0	0	0	0	0	0	0	7,192
Upgrade Pikowai Camp Water Supply	0	22,000	22,000	0	0	0	0	0	0	0	22,000
Ohauwhaki - Replace Front Shade Sails	0	7,500	7,500	0	0	0	0	0	0	0	7,500
Parks and Reserves -Flood Damage 2010	0	165,000	165,000	0	0	0	0	0	0	0	165,000
ACTIVITY TOTAL: PARKS AND RESERVES	785,810	786,928	409,292	225,838	31,099	0	120,699	0	0	0	786,928
SPORTS FIELDS											
Renewals - Galatea	20,625	20,625	20,625	0	0	0	0	0	0	0	20,625
Renewals - Matata	3,375	3,375	3,375	0	0	0	0	0	0	0	3,375
Renewals - Ohope	6,825	6,825	6,825	0	0	0	0	0	0	0	6,825
Renewals - Te Teko	15,795	22,100	22,100	0	0	0	0	0	0	0	22,100
Renewals - Whakatane	137,009	137,009	137,009	0	0	0	0	0	0	0	137,009
Renewals - Resurface Cutler Crescent Courts	0	55,000	40,150	14,850	0	0	0	0	0	0	55,000
ACTIVITY TOTAL: SPORTS FIELDS	183,629	244,934	230,084	14,850	0	0	0	0	0	0	244,934
CEMETERIES AND CREMATORIUM											
Whakatane Cemetery Berms	11,212	11,212	0	0	1,233	0	0	9,979	0	0	11,212
Renewals - Taneatua	5,681	5,681	5,681	0	0	0	0	0	0	0	5,681
Renewals - Waimana	8,432	4,520	4,520	0	0	0	0	0	0	0	4,520
ACTIVITY TOTAL: CEMETERIES AND CREMATORIUM	25,325	21,413	10,201	0	1,233	0	0	9,979	0	0	21,413
PUBLIC CONVENIENCES											
Renewals - Galatea	1,656	1,656	1,656	0	0	0	0	0	0	0	1,656
Renewals - Matata	11,620	11,620	11,620	0	0	0	0	0	0	0	11,620
Renewals - Murupara	2,955	2,955	2,955	0	0	0	0	0	0	0	2,955
Renewals - Ohope	18,103	18,103	18,103	0	0	0	0	0	0	0	18,103
Renewals - Taneatua	2,472	2,472	2,472	0	0	0	0	0	0	0	2,472
Renewals - Te Mahoe	1,728	1,728	1,728	0	0	0	0	0	0	0	1,728
Renewals - Te Teko	1,227	1,227	1,227	0	0	0	0	0	0	0	1,227

* LTCFP 2010/11 Figures are stated exclusive of inflation in 2009/10 dollars

Project Description	2010/11	2010/11		Depreciation	Loans	Dev. Contrib.	Subsidies/ Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates	Total
	LTCGP* \$	Annual Plan \$	Annual Plan \$									
Renewals - Thornton	3,456	3,456	0	3,456	0	0	0	0	0	0	0	3,456
Renewals - Waimana	2,652	2,652	0	2,652	0	0	0	0	0	0	0	2,652
Renewals - Whakatane	30,647	30,647	0	30,647	0	0	0	0	0	0	0	30,647
ACTIVITY TOTAL: PUBLIC CONVENIENCES	76,516	76,516	0	76,516	0	0	0	0	0	0	0	76,516
AQUATIC CENTRES												
Whakatane District Aquatic Centre Improvements - Plant	299,000	299,000	0	299,000	0	0	0	0	0	0	0	299,000
Aquatic Centre (Loan Funded)	1,917,000	2,477,458	0	2,477,458	0	0	0	0	0	0	0	2,477,458
Aquatic Centre (Subsidy Funded)	0	137,000	0	0	0	0	137,000	0	0	0	0	137,000
Renewals - Murupara Aquatic Centre	11,960	11,960	0	11,960	0	0	0	0	0	0	0	11,960
ACTIVITY TOTAL: AQUATIC CENTRES	2,227,960	2,925,418	0	310,960	2,477,458	0	137,000	0	0	0	0	2,925,418
PORTS AND HARBOUR												
Whakatane - Renewal River Wharf Structures	19,837	19,837	0	19,837	0	0	0	0	0	0	0	19,837
Whakatane - Harbour Renewals	20,601	20,601	0	20,601	0	0	0	0	0	0	0	20,601
Rowing Club River Steps	0	61,000	0	0	0	0	0	61,000	0	0	0	61,000
Waka Ama Kayak Ramp Concept Plan & Site Layout	0	31,000	0	0	0	0	0	31,000	0	0	0	31,000
ACTIVITY TOTAL: PORTS AND HARBOUR	40,438	132,438	0	40,438	0	0	0	92,000	0	0	0	132,438
GROUP TOTAL: RECREATION AND COMMUNITY FACILITIES	3,339,678	4,187,647	1,077,491	2,718,146	32,333	137,000	212,699	9,979	0	0	0	4,187,647
HAZARD MANAGEMENT												
EMERGENCY												
Fire Truck	120,000	120,000	0	30,000	0	0	90,000	0	0	0	0	120,000
ACTIVITY TOTAL: EMERGENCY	120,000	120,000	0	30,000	0	0	90,000	0	0	0	0	120,000
DISASTER MITIGATION												
Disaster Mitigation Waitepuru - Flood damage 2010	0	110,800	0	110,800	0	0	0	0	0	0	0	110,800
Disaster Mitigation Awatarariki - Flood Damage 2010	0	105,400	0	105,400	0	0	0	0	0	0	0	105,400
ACTIVITY TOTAL: DISASTER MITIGATION	0	216,200	0	216,200	0	0	0	0	0	0	0	216,200
GROUP TOTAL: HAZARD MANAGEMENT	0	336,200	30,000	216,200	0	0	90,000	0	0	0	0	336,200

* LTCGP 2010/11 Figures are stated exclusive of inflation in 2009/10 dollars

Project Description	2010/11	2010/11	2010/11	Depreciation	Loans	Dev. Contrib.	Subsidies/ Grants	Other Reserves	Fees & Charges	Targeted Rates	General Rates	Total
	LTCCP* \$	Annual Plan \$	Annual Plan \$									
REALLOCATED ACTIVITIES												
OPERATIONS BUSINESS UNIT												
Replacement of Parks Small Plant Items	1,000	1,000	1,000	1,000	0	0	0	0	0	0	0	1,000
Plant Replacement	44,700	14,700	14,700	14,700	0	0	0	0	0	0	0	14,700
Digger	36,000	56,500	0	56,500	0	0	0	0	0	0	0	56,500
Operational Business Unit Furniture	0	5,000	5,000	5,000	0	0	0	0	0	0	0	5,000
ACTIVITY TOTAL: OPERATIONS BUSINESS UNIT	81,700	77,200	20,700	56,500	0	0	0	0	0	0	0	77,200
VEHICLE/PLANT												
Vehicle Replacements Council-Wide (Renewals Funded)	263,100	132,426	132,426	132,426	0	0	0	0	0	0	0	132,426
ACTIVITY TOTAL: VEHICLE AND PLANT	263,100	132,426	132,426	132,426	0	0	0	0	0	0	0	132,426
CORPORATE PROPERTY												
New Generator	0	35,000	26,250	0	0	0	0	0	0	0	8,750	35,000
Renewal - Civic Centre	12,820	12,820	12,820	12,820	0	0	0	0	0	0	0	12,820
Renewal - Operational Facilities - Other	1,875	1,875	1,875	1,875	0	0	0	0	0	0	0	1,875
Replacement Of Screens, Furniture And Fittings At Civic Centre And Other Operational Centres	20,000	20,000	20,000	20,000	0	0	0	0	0	0	0	20,000
ACTIVITY TOTAL: CORPORATE PROPERTY	34,695	69,695	60,945	0	0	0	0	0	0	0	8,750	69,695
GROUP TOTAL: REALLOCATED ACTIVITIES	379,495	279,321	214,071	56,500	0	0	0	0	0	0	8,750	279,321
REPORTABLE COUNCIL CONTROLLED ORGANISATIONS												
WHAKATANE AIRPORT												
Pavement Resurfacing	100,000	100,000	100,000	100,000	0	0	0	0	0	0	0	100,000
Runway Lighting And Navigational Aids Renewal	8,000	8,000	8,000	8,000	0	0	0	0	0	0	0	8,000
Airport Designations	30,000	30,000	0	30,000	0	0	0	0	0	0	0	30,000
ACTIVITY TOTAL: WHAKATANE AIRPORT	138,000	138,000	108,000	30,000	0	0	0	0	0	0	0	138,000
GROUP TOTAL: REPORTABLE COUNCIL CONTROLLED ORGANISATIONS	138,000	138,000	108,000	30,000	0	0	0	0	0	0	0	138,000
COUNCIL TOTAL	34,968,118	29,545,801	7,187,995	9,583,606	489,914	11,508,366	292,699	9,979	446,491	26,750	29,545,801	

* LTCCP 2010/11 Figures are stated exclusive of inflation in 2009/10 dollars

FUNDING IMPACT STATEMENT

INTRODUCTION

The Local Government Act 2002 requires the Council to prepare a Funding Impact Statement disclosing the revenue and financing mechanisms it intends to use to meet the costs for the 2010/11 year. The information in the following sections is intended to achieve compliance with this legislation by giving ratepayers full details of how rates are calculated.

This statement should be read in conjunction with Council's Revenue and Financing Policy in Volume Two of the 2009-19 LTCCP which sets out the funding philosophy and tools identifying who pays for the Council's activities and how these will be funded.

The specific fees and charges used to recover costs of providing some Council services are outlined in the separate Fees and Charges Schedule for the 2010/11 year.

Note: All figures in the Funding Impact Statement are GST exclusive.

GENERAL RATES

General Rates consist of a rate in the dollar charged on capital value and a Uniform Annual General Charge (UAGC), which is a flat amount levied on each rating unit. The size of the UAGC is set each year by the Council and is used as a levelling tool in the collection of General Rates. If the UAGC were set at zero, the effect would be to increase the amount of General Rates assessed on capital value, which would increase the share levied on properties with higher capital values and to decrease the share levied on lower capital values. In setting the level of the UAGC, the Council considered the following issues:

- The impact of a high UAGC on those with low incomes and relatively low property values.
- The impact of a low UAGC on the relative share of rates levied on large rural properties.
- Fairness and equity and the social consequences of an unfair distribution of rates.

SEPARATELY USED OR INHABITED PARTS OF A RATING UNIT (SUIP)

The Council are proposing to progressively implement a rating system using SUIPs over a two year period from 2010/11 to 2011/12. The proposal applies SUIPs to commercial properties in the 2010/11 rating year, with residential and rural properties in the 2011/12 rating year.

Once implemented, commercial, residential and rural properties will be charged the UAGC and roading UAC, and commercial properties will also be charged the promotion and development rate in the SUIP calculation.

INSTALMENT DUE DATES

Rates

There will be four equal instalments for the 2010/2011 rates and the due dates are as follows:

Instalment	Billing Period	Due Date
Instalment 1	01/07/10 - 30/09/10	Friday 20 August 2010
Instalment 2	01/10/10 - 31/12/10	Friday 26 November 2010
Instalment 3	01/01/11 - 31/03/11	Friday 25 February 2011
Instalment 4	01/04/11 - 30/06/11	Friday 20 May 2011

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 2011 to any rates that were set prior to 1 July 2010 and which are unpaid at 1 July 2011 and remain unpaid at 30 September 2011

WATER RATES

The following are the due dates for water invoices:

Period	Billing Period	Due Date
1	1st reading	Friday 22 October 2010
2	2nd reading	Friday 21 January 2011
3	3rd reading	Thursday 21 April 2011
4	4th reading	Friday 22 July 2011

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

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 include cash, cheque or EFTPOS. There is no credit card facility available at present. Alternatively, the Council offers the option of paying rates by direct debit, on a monthly, quarterly, or annual basis. Rates can also be paid by phone/internet banking, and automatic payments. Please contact customer services on 07 306 0500 or 0800 306 0500 for further information or refer to www.whakatane.govt.nz

Discount for prompt payments

The Council sets a discount on an annual basis for ratepayers who pay the total rates levied on the rates assessment by the due date for the first instalment. The discount rate for 2010/2011 is 2.5%.

Report on 30% Cap Section 21 LGRA		\$ Ex GST
Targeted rates that are set on a uniform basis and are calculated in accordance with section 18(2) or clause 7 of Schedule 3		
UAGC	244.44	3,634,400
Roading	44.44	660,800
Refuse Disposal	18.67	727,000
Community Boards		404,450
District Parks		2,583,584
Rapid numbering		124,000
Stormwater		326,328
Promotion		127,227
Catchment Rates Disaster Mitigation		656,232
Targeted rates that are set on differential uniform basis		
Refuse Collection	3,626,154	
Swimming Pool	951,230	
Library	1,453,287	
	6,030,671	
		9,244,021
	Total Rates Excluding GST	32,142,812
	Percentage	28.76%

FUNDING IMPACT STATEMENT TABLE

Note: All figures in this table are GST exclusive.

GST will apply at the current rate of 12.5% to rates payable on invoices issued before 1 October 2010, and to any payments of rates made prior to 1 October 2010 for the 2010/2011 rating year. GST will apply at the increased rate of 15% to rates payable on invoices issued on or after 1 October 2010.

		2010/11 \$		
General Rates		\$7,263,377		
The Council sets a general rate on the capital value of each applicable rating unit in the District.				
District Rateable properties (cents per \$)	0.00047575	3,628,977		
Uniform Annual General Charge on all rating units in the District.	244.44	3,634,400		
Roading Rates		\$6,927,930		
The Council sets the roading rate on the capital value of each applicable rating unit in the District. (cents per \$)				
	0.00082161	6,267,130		
Uniform Annual Charge on all rating units in the District.	44.44	660,800		
Community Boards		\$404,450		
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):				
	Rate \$	Total \$		
Whakatane	29.08	179,304		
Edgecumbe-Tarawera	24.70	99,301		
Ohope	31.82	58,649		
Taneatua	25.05	30,710		
Murupara	28.89	36,486		
Waste Disposal		\$727,000		
	UAC \$	Total \$		
Uniform Annual Charge on all rating units in the District.	50.05	727,000		
Stormwater		\$1,305,312		
The Council sets a targeted rate rating unit for stormwater on rating units and a rate on the capital value differentially as follows:				
	Differential	UAC \$	cents per \$	Total \$
Whakatane Urban	1.0	45.32	0.00028025	940,884
Whakatane Commercial and industrial	2.2	45.32	0.00061656	304,302
Matata	1.0	15.89	0.00015962	23,238
Ohope	1.0	13.50	0.00006389	111,961
Edgecumbe	1.0	21.78	0.00018055	62,236
Taneatua	1.0	6.43	0.00017573	7,758
Murupara	1.0	1.61	0.00007613	5,358
Te Mahoe Land Drainage	1.0	33.46	0.00119081	3,614
Te Teko Land Drainage	1.0	15.97	0.00061929	9,125

	2010/11
	\$
Library	1,453,287

The Council sets a library rate based on a fixed charged per rating unit, with a differential relating to the ability of the community to have accessibility to libraries as follows:

	Differential	Rate \$
Whakatane	1.000	136.33
Ohope	1.000	136.33
Edgecumbe	0.700	95.43
Taneatua	0.350	47.72
Murupara	0.700	95.43
Te Urewera	0.175	23.86
Rural	0.350	47.72

District Wide Parks Rates	2,583,584
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The Council sets a targeted district-wide parks rate except for properties within the Te Urewera area to fund the net cost of the parks, gardens and recreation activities. This targeted rate is set as a fixed amount per rating unit. 178.77

The Council sets a targeted parks rate for properties within the Te Urewera area to fund the net cost of the parks, gardens and recreation activities. This targeted rate is set as a fixed amount per rating unit. 89.38

Rapid Numbers for Rural Properties	124,000
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The Council sets a targeted rate for all rural properties with in the District. This targeted rate is set as a fixed amount per rating unit. 24.32

Swimming Pool	951,230
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The Council sets a Swimming Pool rate based on a fixed charge per rating unit, with a differential relating to the ability of the community to have accessibility to swimming pools as follows:

	Differential	Rate \$
Whakatane	1.00	83.13
Ohope	1.00	83.13
Edgecumbe	0.50	41.56
Taneatua	0.50	41.56
Murupara	1.00	77.87
Murupara Rural	0.50	38.93
Te Urewera	0.25	19.47
Rural	0.50	41.56

	2010/11 \$		
Promotion and Economic Development Rate	277,227		
This rate is set as a targeted rate of a fixed amount per rating unit for all commercial and industrial properties within the district	134.92		
Council sets a targeted rate on the capital value for all commercial and industrial properties within the Whakatane urban area (cents per)	0.00032706		
Refuse Removal Rate	3,626,154		
The Council sets a targeted rate to fund the collection and disposal 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 service			
Urban Properties	288.66		
Rural/Commercial Properties	249.65		
Catchment Rates Disaster Mitigation	656,232		
The Council sets a Disaster Mitigation rate as a targeted rate on rating units as follows			
	Rate \$		
Uniform Annual Charge on all rating units in the District.	26.71		
Otarawairere/Cliff/Brown Drainage	68.48		
Otarawairere/Cliff/Brown Improvements	427.03		
	495.51		
Matata	208.14		
Whakatane	5.85		
Edgecumbe	121.95		
Ohope	38.59		
Water	4,045,264		
These rates are set on a differential basis based on provision of service, land use and location.			
Connected - any rating unit that is connected directly or indirectly to a Council operated waterworks.			
Availability - any rating unit that is not connected to a Council operated waterworks but is within 100 metres of such waterworks.			
	Per Connection \$	Rate \$	Total \$
Whakatane & Ohope			\$2,486,687
Connected - non metered	315.89	8,845	
Availability - not connected	114.71	60,454	
Connected - metered	114.71	931,009	
Water by meter July to November and March to June per cube	0.73		
Water by meter period of December, January February (3rd reading) per cube	1.46	1,486,379	
Edgecumbe			\$149,566
Connected - non metered	\$210.70	\$134,003	
Availability - not connected	\$86.70	\$2,514	
Connected - metered	\$86.70	\$2,168	
Water by meter	\$0.56	\$10,881	

			2010/11 \$
Water cont ...			
	Per Connection \$	Rate \$	Total \$
Matata			131,542
Connected - non metered	417.35	106,425	
Availability - not connected	146.56	11,579	
Connected - metered	146.56	3,664	
Water by meter	1.23	9,875	
Taneatua			129,123
Connected - non metered	420.51	104,286	
Availability - not connected	168.90	5,067	
Connected - metered	168.90	3,040	
Metered special	236.46	1,655	
Water by meter	1.14	10,712	
Water by meter special	2.04	4,362	
Murupara			136,195
Connected - non metered	154.74	107,235	
Availability - not connected	65.40	6,605	
Connected - metered	65.40	2,551	
Water by meter	0.41	19,804	
Ruatoki			113,202
Connected - metered	123.05	108,649	
Availability - not connected	123.05	4,553	
Water by meter	0.93	-	
Waimana			29,310
Connected - metered	377.78	25,157	
Availability - not connected	377.78	2,267	
Water by meter	0.48	1,886	
Te Mahoe			13,229
Connected	440.97	13,229	
Ruatahuna			1,042
Connected	37.21	298	
Connected - Commercial	93.04	744	
Plains*			855,368
Connected - metered	115.56	154,382	
Water by meter	0.2489	257,458	
Excess water by meter	0.8889	268,000	
Awakeri Extn*			
Connected - metered	168.89	60,631	
Water by meter	0.3644	62,315	
Excess water by meter	0.8889		

* 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. 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.

	2010/11 \$
Sewerage	1,793,165

These rates are set on land use and provision of service. Land use is 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. Rural is defined as all rural zoned land except commercial and industrial properties as defined above.

The different categories of service are:

- Connected - any rating unit that is connected directly or indirectly to a public sewerage drain
- Available - any rating unit that is not connected to a public sewerage drain but is within 30 metres of such a drain.

	Rate \$	Total \$
Whakatane Sewerage		931,071
Connected or per pan for commercial/industrial	118	
Availability - not connected	59	
Ohope Sewerage		488,137
Connected or per pan for commercial/industrial	245	
Availability - not connected	122	
Edgecumbe Sewerage		235,626
Connected or per pan for commercial/industrial	283	
Availability - not connected	141	
Taneatua Sewerage		67,826
Connected	221	
Availability - not connected	110	
Commercial/industrial connection	221	
Murupara Sewerage		57,887
Connected or per pan for commercial/industrial	71	
Availability - not connected	35	
Te Mahoe Sewerage		12,618
Connected	435	
Availability - not connected		

Rating units are defined as

For the **General Uniform Annual Charge** and **Roading Uniform Charge** is set per separately used in inhabited part of a rating unit of all commercial and industrial properties within the district

Commercial and industrial is defined as any property zoned or used for commercial / industrial purposes

Rural is defined as all rural zoned land except commercial and industrial properties as defined above.