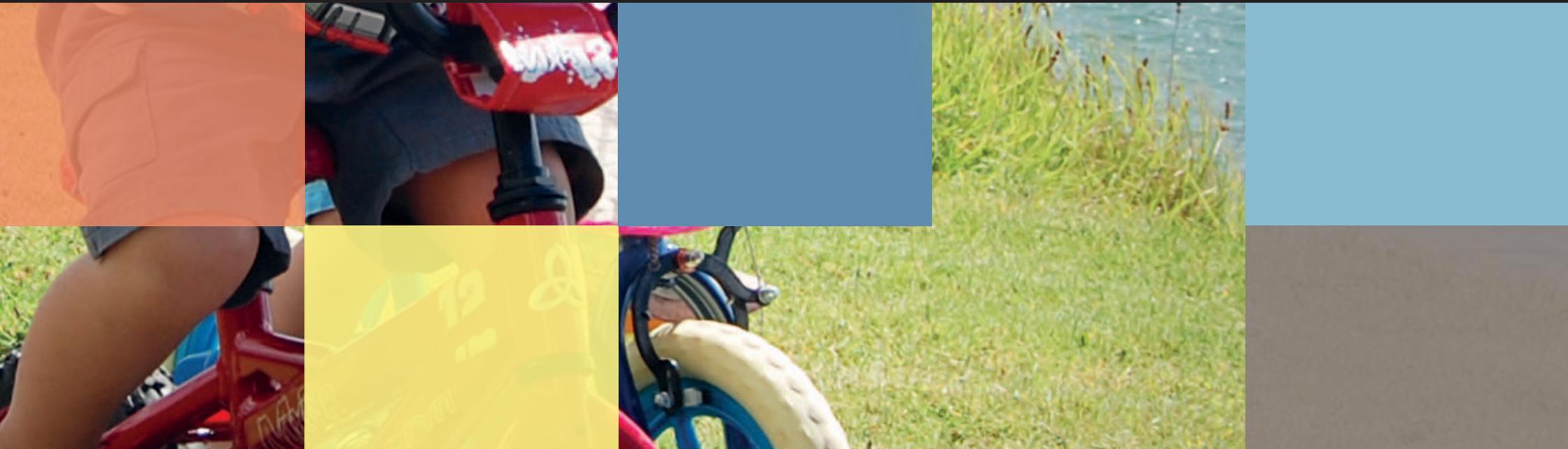




Whakatāne District Council
LONG TERM PLAN 2012-22
Te Ara Poutama



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PHOTO CREDITS

With thanks to the following photographers

Front Cover

Cashy Ball

Introduction

Lydia Tulip

Who We Are

Lydia Tulip

The Big Decisions

Lydia Tulip

Dr Randall Watson

Where We Are Going

Lydia Tulip

Our Costs in Detail

Nicola Dobson

Groups of Activities

Lydia Tulip

Nicola Dobson

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Byron Elliot

Barbara Davies

and the Beacon

*With thanks to Councillor Pourotu Ngaropo
for supplying the Māori Translations*



MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

Piki mai ra, kake mai ra ki tēnei Te Ara Poutama mo ngā tau 2012-22, e tu mai nei, hei arataki i a tatau mō ngā tau tekau e tū mai nei. He mihi maioha tēnei kia koutau e ngā iwi, e ngā hapū me ngā reo maha o te rohe whānui o Whakatāne, tae atu ki te Moananui a Toi. Takahia te ara poutama ko tēnei ara, ko ia te tāhūhū hei whakatinana i ngā wawata o te rohe whānui. He nui ngā mahinga kua oti rawa i roto i tēnei tau kua mahue ake nei. Ōtira, kua tūtuki ngā take i wawatia nei e te Hapori, kua takoto te Mānuka, hei arataki te titiro whakamua kua tīmata, kua neke. Kua whakaritea tēnei ara Poutama hei whakapakari i ngā rohe whānui o Whakatāne. Mā tēnei kaupapa hei whakatinana i ngā wawata kia pākari ake te hāpori whānui mai i Whakatāne ki Tāneatua, mai Tāneatua ki Waimana, mai Waimana ki Rūātoki, mai Rūātoki ki Ruatāhuna. Mai Ruatāhuna ki Te Whaiti, mai Te Whaiti ki Murupara, mai Murupara ki Waiōhau. Mai Waiōhau ki Te Teko, mai Te Teko ki Matatā, ka hoki mai anō ki te rohe o Whakatāne. “Ma tāu kete mātauranga, mā tāku kete mātauranga, te waka ka tae ki uta.”

Nō reira, tēnā koutou, tēnā koutou, tēnā koutou katoa.

On behalf of the Councillors and staff of the Whakatāne District Council, we are pleased to introduce 'A Foundation for our Future'. This is the Long Term Plan for the period 2012 to 2022. It represents our fourth Long Term Plan and updates our previous plan covering the 2009-19 financial years.

Good planning is essential for the Council to ensure it can provide for our community's current and future needs. The Long Term Plan helps to achieve this. It sets out the Council's strategic direction, priorities, work programme and budget for the next 10 years.

The development of this Long Term Plan has been guided by three key principles. They are affordability, sustainability and responsibility. These principles aim to balance people's ability to pay, with the need to maintain assets and deliver services. This ensures the community gets the best value for money from its Council.

As part of this Long Term Plan we completed a substantial review of our rating system. We have worked hard to keep rates increases to a minimum. The average rates increase for the first year of the Long Term Plan (2012/13) is 5.69% and average rates increases for the subsequent nine years are all lower than this. The Council's focus on affordability has come through strongly in this review. To achieve the average rates increases, the plan focuses on maintaining existing levels of service. We will not take on any new, non essential services and initiatives unless we can source a substantial portion of funding from somewhere other than rates or where a strong case has been put forward for why it is needed.

In developing this Long Term Plan, we asked you what you want for your community. We received 245 submissions with around 80 submitters speaking to their submissions at the hearings. Every submission was considered by the Council and some tough decisions had to be made. This plan represents a step in the right direction.

Our District is a place that we can be proud of. We have a rich history, a strong cultural identity and a diverse natural landscape. Our vision as a Council is to make the most of the opportunities that our District provides, to be the place of choice for people to live, work and play.



Tony Bonne
MAYOR
27 June 2012



Marty Grenfell
CHIEF EXECUTIVE
27 June 2012

PROVISION OF SERVICES

AFFORDABLE

SUSTAINABLE

RESPONSIBLE

ABOUT THE LONG TERM PLAN

THE PLANNING CYCLE

The following diagram shows our three key corporate planning documents - the Long Term Plan (LTP), Annual Plan, and Annual Report, and how they relate to each other.

LONG TERM PLAN:

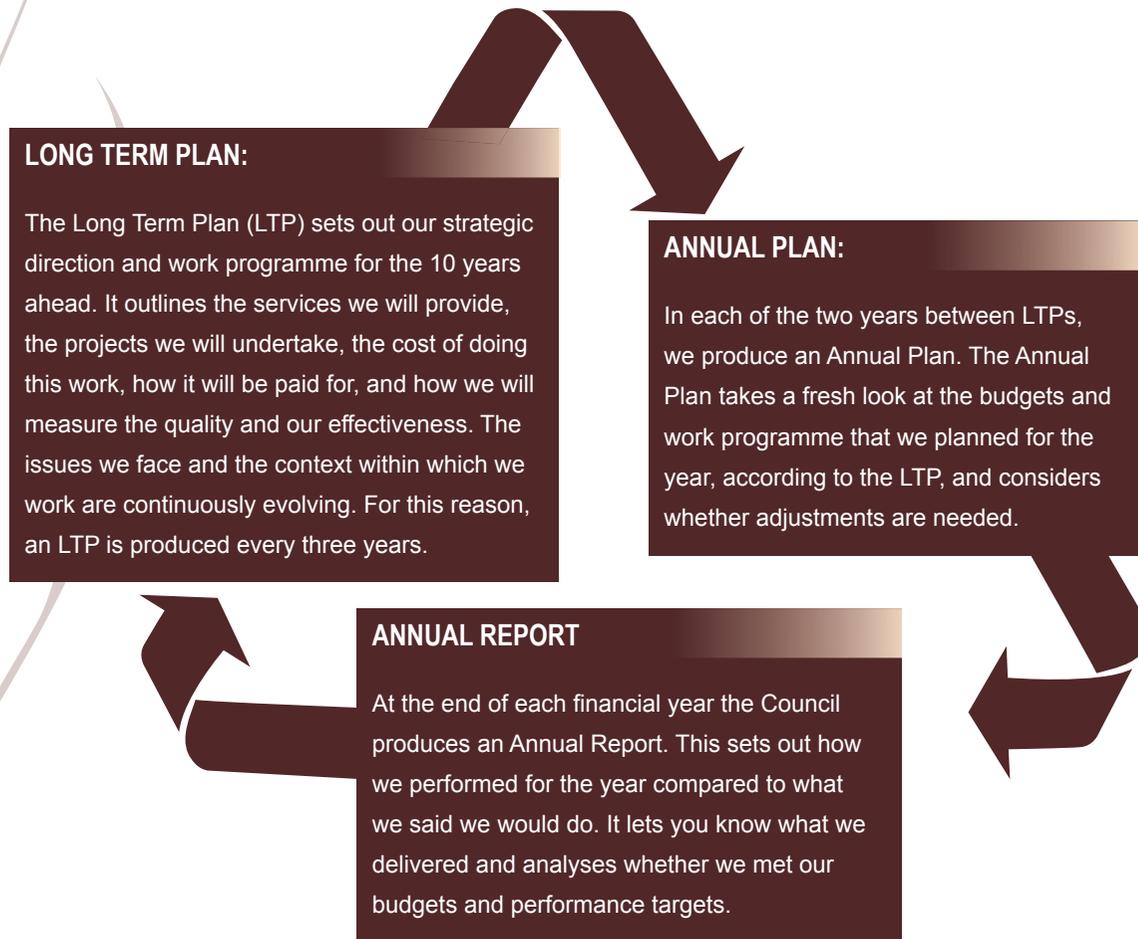
The Long Term Plan (LTP) sets out our strategic direction and work programme for the 10 years ahead. It outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be paid for, and how we will measure the quality and our effectiveness. The issues we face and the context within which we work are continuously evolving. For this reason, an LTP is produced every three years.

ANNUAL PLAN:

In each of the two years between LTPs, we produce an Annual Plan. The Annual Plan takes a fresh look at the budgets and work programme that we planned for the year, according to the LTP, and considers whether adjustments are needed.

ANNUAL REPORT

At the end of each financial year the Council produces an Annual Report. This sets out how we performed for the year compared to what we said we would do. It lets you know what we delivered and analyses whether we met our budgets and performance targets.



WE LISTENED

YOU HAD YOUR SAY, AND WE LISTENED

The draft Long Term Plan 2012-22 was open for consultation from 12 March to 13 April 2012. This was your opportunity to 'have your say' on our proposals contained in the draft LTP.

You told us what you liked and what you did not like. We listened to you at our open days around the District, at the public hearings and we read through every submission that was received.

In total 245 submissions were made on the draft LTP with around 80 submitters speaking to their submissions at the hearings. We considered and incorporated what the community wants and tried our best to balance this with our key principles of affordability, responsibility and sustainability. This LTP is a step in the right direction.

NEED TO KNOW MORE? CONTACT US

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www.whakatane.govt.nz

CHANGES FROM THE DRAFT TO THE FINAL

During the deliberations, the Council made a number of decisions based on what we heard from you. Some of the key changes from the draft LTP to this final LTP include:

- Increase in the UAGC to reduce the impact of the rates review on high value property - see *the All About Rates section*.
- Stormwater will be funded 100% from the various schemes in the District - see *the All About Rates section*.
- Increase in the proportion of Matatā disaster mitigation costs to be paid by the whole district from 68% to 75%. This recognises the rating burden faced by the Matatā community - see *the All About Rates section*.
- Water rates will now be billed six monthly rather than quarterly in an effort to reduce administrative costs - see *the All About Rates section*.
- The Harbour Endowment Fund will be used to pay for some of the operational costs of assets built on harbour land - see *the Financial Strategy section*.
- Contribution to the Bay Artificial Reef Trust from the Harbour Endowment Fund for the creation of an artificial reef.
- Increase in contributions to reinstate the Local Authority Protection Programme (LAPP) fund by \$80,000 - see *the Financial Strategy section*.

POLICIES AND PROPOSALS

Alongside the LTP, we consulted on a number of policies and proposals.

These included:

- Policy on Determining Significance
- Consultation Policy
- Development Contributions Policy
- Rates Remission and Postponement Policies
- Policy on the Remission and Postponement of Rates on Māori Freehold Land
- Proposal to join LGFA
- Fees and Charges 2012/13

The majority of the policies have remained unchanged. Changes were made to the rates remission and postponement policy regarding multiple UAGCs on contiguous property. These documents have now been finalised and published separately. They can be found on our website www.whakatane.govt.nz or on request from the Council.



WHO WE ARE

Ko wai ra te Kaunihera me ōna āhuatanga katoa



YOUR COUNCIL

The Whakatāne District Council is your Council. We are here to look after your interests and try to develop a district in which we all want to live, work and play. Like you, we are also ratepayers and members of this community and care about the same things you do. You have elected us to represent the whole community.

This LTP has been developed to ensure the well-being of our community. This section looks at who we are, how we operate and how you can get in contact with us if you have any questions or comments.



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MAYOR

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YOUR COMMUNITY BOARDS

The Council has five community boards covering the entire District. Each board has six members elected from within the community board areas and one appointed councillor from the same area.

Community boards provide a link between the Council and the community. If you have issues in your local community, have a question about a Council process or service, looking for more information or advice, or have an idea to

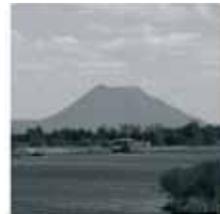
enhance your community, then you might like to contact your local community board representative. Alternatively, community boards meet every seven weeks in an open meeting that you are welcome to attend. Contact information for your community board representatives and more details on meeting dates and venues are available on our website: www.whakatane.govt.nz



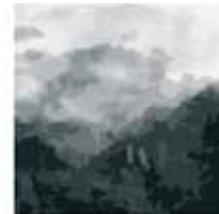
MURUPARA
Community Board



OHOPE BEACH
Community Board



Rangitaiki
Community Board



TANEATUA
Community Board



WHAKATANE
Community Board

Jacob Te Kurapa - Chair
Arleen Tanirau - Deputy Chair
Pourotu Ngaropo - Councillor
Charlotte Skeet
Trish Ammunson
Awhina Chapman
Honey Tuhua

Chris Dohrman - Chair
Gerard Casey - Deputy Chair
Judy Turner - Councillor
Jose Howe
Mike King
Hugh Lovelock
Sabine Poppe

Graeme Bourk - Chair
Gavin Dennis - Deputy Chair
Gerard Van Beek - Councillor
Viv Barr
Kris Byrne
Evan Harvey
Vicky Richards

Dave Kyle - Chair
Diane Yalden - Deputy Chair
Andrew Iles - Councillor
Geoff Chater
Les Knowles
Monty Kora
Luke Ruiterman

Neville Delahunty - Chair
Mike Naude - Deputy Chair
Scott Jarrett - Councillor
George Chambers
Tony Hall
Peter Lander
Ken Lynch



YOUR IWI LIAISON COMMITTEE

The Iwi Liaison Committee membership consists of representatives from across the District. The committee provides a Māori world view to decision-making with the following contexts: mana atua - spiritual dimension; mana tipuna - ancestral dimension; mana whenua - land dimension, landmarks of cultural and/or historical importance; mana tangata - community (social input) at waka, hapū and iwi levels. The Committee meet every seven weeks in an open meeting. More information on the Iwi Liaison Committee can be found in the 'High-level Strategies and Plans' section of this LTP.



IWI LIAISON COMMITTEE

Joshua Kalan - Chair - *Te Kōmiti o Runga*

Mihipeka Sisley - Deputy Chair - *Ngāti Awa ki Rangitāiki*

Joe Mason - *Ngāti Awa*

Paki Te Pou - *Te Waimana Kaakū*

Te Makarini Temara - *Te Manawarū Ruatāhuna*

Robert Jenner - *Ngāti Manawa*

Bronco Carson - *Ngāti Whare*

Huia Pacey - *Ngāti Tūwharetoa*

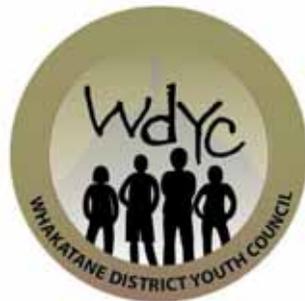
Henry Pryor - *Ngāti Rangitīhi*

Bruce Pukepuke - *Upokorehe*

Tony Bonne - Mayor

Pouroto Ngaropo - Councillor

George Johnston - Councillor



YOUR YOUTH COUNCIL

The Whakatāne District Youth Council consists of 22 young people aged 12 – 24. The team has been appointed to work on youth related projects and provide the Council with a youth perspective. Members consist of a mixture of ethnicity, age, gender, experience and from different geographic locations around the District. More information about our Youth Council can be found on our website www.whakatane.govt.nz.

COUNCIL STRUCTURE

BOARDS

- Whakatāne Airport Board
- Toi EDA

COUNCIL

Meets every seven weeks or as required for LTP, Annual Plan and other relevant legislative requirements

- Non-delegatable functions (e.g. set rates, adopt Bylaws)
- Civic matters
- Chief Executive performance

JOINT COMMITTEES

- Bay of Plenty Civil Defence Emergency Management Group
- Regional Transport Committee

MONITORING & POLICY COMMITTEE

Meets seven weekly or as required

- Monitors and reviews Council's performance against approved plans and policies
- Develops strategies, policies and plans
- Develops LTP and Annual Plan
- Approves Council submissions to other organisations
- Receives Treasury Reports and monitors Treasury function

PROJECTS & SERVICES COMMITTEE

Meets seven weekly or as required

- Monitors activities and services of Council
- Monitors operational performance against levels of service
- Develops proposals, options and costs of projects
- Monitors progress of projects
- Progresses sale of properties approved in LTP and Annual Plan
- Receives minutes of quasi Council bodies such as Whakatāne District Sister Cities Association, Pride Whakatāne Committee and Eastern Bay Road Safety Committee

HEARINGS COMMITTEE

Meets twice a month and as required

- Resource consent applications
- Matters related to the:
 - Environment Court appeals
 - Reserves Act Hearings
 - Sales of Liquor Act Hearings
- Hears objections to Development Contributions and Resource Management Act decisions

IWI LIAISON COMMITTEE

Meets seven weekly

- Provides a Māori perspective to decision making
- A Tūtohi Ngā (Memorandum of Understanding) between the Committee and the Council was updated and signed in March 2011

AUDIT COMMITTEE

Meets three to four times a year and as required

- External and internal financial control and reporting

YOUTH COUNCIL

Meets Monthly

SPECIAL COMMITTEES

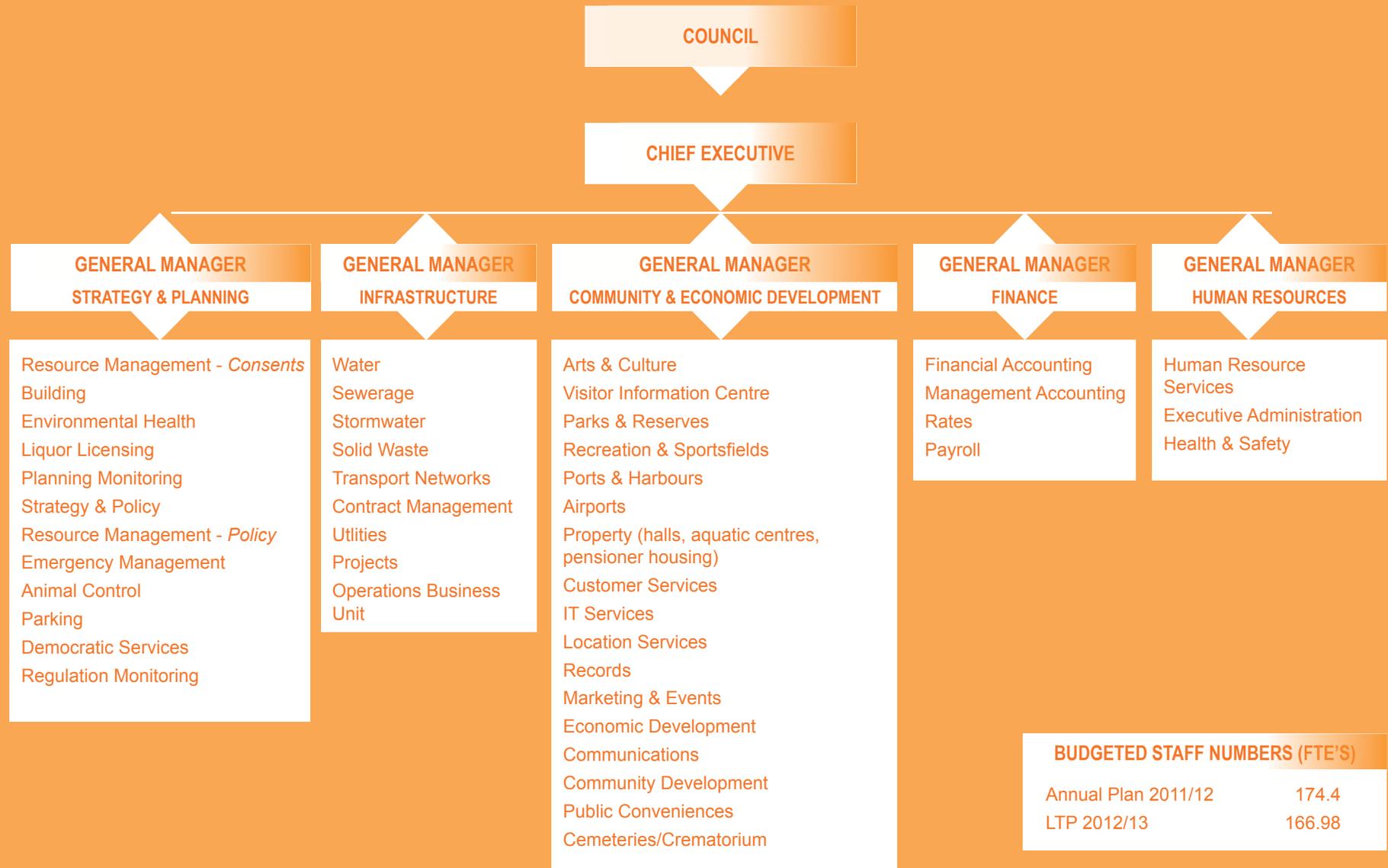
- Preservation Incentive Fund Special Committee
- Young Achiever Awards and Annual Grants Special Committee
- Creative NZ Local Communities Funding Assessment Special Committee
- Community Sports Fund Assessment Special Committee
- Whakatāne District Museum and Gallery Board
- Plains Water Supply Special Committee

COMMUNITY BOARDS

Meets seven weekly

- Rangitāiki
- Murupara
- Ōhope Beach
- Tāneatua
- Whakatāne

MANAGEMENT & STAFF STRUCTURE



YOUR DISTRICT

WHAKATĀNE DISTRICT HISTORY

The first inhabitant, more than 1000 years ago, was Tīwakawaka, a grandson of Maui, the legendary voyager and discoverer of Aotearoa. Tīwakawaka's people had lived in Kakahoroa (later to be named Whakatāne) for some generations before the arrival of ancient tribes Te Tini o Toi, Te Hapuoneone and Ngā Potiki. Many of Te Tini o Toi people married original settlers and from his stronghold - Kapu-te-rangi (one of the oldest known pā sites in New Zealand) above Whakatāne, his sons Rauru and Awanuiarangi founded tribes of their own.

Some 200 years later, the waka Mataatua arrived bringing, amongst other things, the kūmara. Following the directions of his father Irakewa, Captain Toroa, his brothers Puhī and Tāneatua, sister Muriwai, son Ruaihona, daughter Wairaka and other members of his family sailed to Kakahoroa, mooring in the river near Whakatāne's current CBD. The men then climbed the hillside to Kapu-te-rangi, leaving Mataatua in the care of the small group consisting mainly of women. The outgoing tide was threatening to carry away the waka when Wairaka exclaimed: "E! Kia whakatāne ake aui ahau" (let me act the part of a man). In breach of tradition, the women paddled the canoe back to safety and from this incident, Whakatāne received its name.

Some time later, Toroa and Puhī fell into dispute over the planting of the kūmara and Puhī and some of his followers departed in Mataatua for the Far North where he founded the Ngā Puhī tribe. Again, Toroa's people intermarried with the tangata whenua and from them descend the Ngāti Awa, Tūhoe and Te Whakatōhea iwi which remain guardians of the Eastern Bay of Plenty region to this day.

The arrival of Europeans

European settlement began in the 1830s when whalers, sealers and later missionaries and traders made their homes here. The Whakatāne area became a major ship building centre and the vessels were used to carry maize, potatoes, wheat and flax to other northern population centres for sale or barter.

Although many Eastern Bay of Plenty Māori took no active part, the area nevertheless became embroiled in the New Zealand land wars during the 1860s and 70s. In 1866, 448,000 acres (181,000 hectares) of land belonging to the Bay of Plenty 'rebel' tribes - Tūhoe, Te Whakatōhea and Ngāti Awa – were confiscated by the Government. Tūhoe lost Ōpouriao and Waimana, their only substantial flat lands, and their only access to the coast through Ōhiwa Harbour. This injustice fanned the flames of war. In 1869, the famed fighting chieftain Te Kooti raided Whakatāne, razing its few buildings. This led to the stationing of a unit of armed constabulary in Whakatāne and the construction of a defensive redoubt on the promontory above the town centre.

Industrial and agricultural development

With the advent of more peaceful times, industrial and agricultural development continued, accelerating from 1910 onwards. Between 1911 and 1925 the Rangitāiki wetland was drained by diverting the Rangitāiki River direct to the coast and channelling and stopbanking of the Tarawera River. This enabled major development to occur on the Rangitāiki Plains.

The residential and commercial development of Whakatāne grew through the reclamation of land. Fort Galatea was established as a military redoubt in 1869.

In 1884 Hutton Troutbeck purchased 21,694 acres and established Galatea Station. In 1931 the estate was purchased by the Crown to be offered for ballot farms. Galatea was further developed after World War II when land was offered to ex-servicemen for ballot.

The establishment of industrial complexes near Kawerau was the impetus for major development in the District. This included the construction of an integrated pulp, paper and timber mill, utilising largely radiata pine from Kaingaroa Forest, during 1953-1956 by a consortium of construction firms. Kawerau was developed as a result of the mill construction. At first there were no shops and supplies had to be brought in from businesses at Edgecumbe, Te Teko and Whakatāne.

The development of housing at Otarawairere took place in conjunction with development of industrial complexes at Kawerau to provide accommodation for senior mill staff. The Murupara township was also developed in the 1950s to house forestry workers and as a railhead for logs going to the pulp and paper mill at Kawerau. The diversion of part of the Whakatāne River into a new channel alongside the township was completed in 1969. The diversion was a major project of the Bay of Plenty Catchment Commission's scheme which aimed to protect the town from a "100 year flood event". A flood that has a 1% chance of happening each year. This created an area of low lying land which saw the development of the Awatapu subdivision.

The District has flourished into a vibrant area with friendly people and an amazing environment to live, work and play. Protecting and promoting our history continues to be an important consideration.

THE PEOPLE¹

TOTAL POPULATION

There are approximately 34,700 people in the Whakatāne District. This ranks the District 36th in population size out of 73 territorial authorities in New Zealand. 50.7% of the population are female and 49.3% are male.

GROWTH

Whakatāne District's population has increased slowly over the past decades. However, we are keen to grow the District to create a more stable and thriving economy. We have developed a Growth Strategy, which is a plan for future growth, that sets a target for the future growth of Whakatāne and Ōhope of 25,000 people by 2050. While this is a large increase from the current 17,300 population, it signals our desire to encourage investment to facilitate growth.

Growth will be proactively encouraged by re-zoning land, reducing resource and building consent fees, through business promotion delivered by Toi Economic Development Agency, and by selling land we own in residential areas. There is a national trend for people to move away from rural areas and towards the coast. However, development of the economy across our District to improve standards of living for all our residents is a major focus for us.

ETHNICITY

The Whakatāne District has a high Māori population compared to the rest of the Country. Māori make up approximately 42.2% of the Whakatāne District. This compares to 14.6% nationally. The Māori culture is a strong and vibrant aspect of the Whakatāne community.

Iwi in the District include:

- Ngāti Awa
- Ngāi Tūhoe
- Ngāti Whare
- Ngāti Manawa
- Ngāti Rangitīhi
- Ngāti Tūwharetoa ki Kawerau
- Ūpokorehe hapū

LANGUAGE

Apart from English, the next most common language spoken in the Whakatāne District is Te Reo Māori. Te Reo Māori is spoken by 17.4% of people, this is substantially higher than the New Zealand average of 4.1%. In the Whakatāne District 78.2% of people speak only one language. This compares to 80.5% nationally.

EDUCATION

67.9% of Whakatāne District's population has some sort of qualification (either a school or post-school qualification). This is 7.1% lower than the New Zealand average.

INCOME

Personal income levels in the District are rising at a steady rate. There was an increase in the medium income of \$5,800 between the 2001 and 2006 census. The most marked change is in the high-income bracket (earnings over \$50,000); with 4% more of the population earning over \$50,000 in 2006 than 2001 (see table 1). Whakatāne has a slightly smaller percentage of people at 14% earning over \$50,000 compared to the New Zealand national average at 16% (2006 Census).

In 2006, Ōhope and Coastlands had the highest median and average personal incomes in the District. The median

TABLE 1 – WHAKATĀNE DISTRICT INCOME RANGE (2001-2006)

%	<\$15,000	15,001-\$30,000	\$30,001-\$50,000	\$50,000+
2001	42%	21%	14%	10%
2006	31%	23%	17%	14%
NZ (2006)	30%	22%	21%	16%

¹The statistics in this section are based on the most recent census in 2006, courtesy of Statistics NZ.

personal income for Ōhope and Coastlands is \$28,900 and \$31,200 respectively. In comparison, Waimana, Tāneatua and Te Teko had the lowest median incomes in 2006 (in the order of \$16,000).

DEPRIVATION

The New Zealand Deprivation index ranks areas from zero to 10, 10 being the highest level of deprivation. Factors that increase the score include low income, high unemployment, no academic qualifications, overcrowding, no car, no phone, living in rental accommodation and single parent families.

The Whakatāne District had an average deprivation rating of eight (Ministry of Health, 2006). Areas that have the highest level of deprivation include Tāneatua, Te Teko, Trident, Orini, Matahina-Minginui, Waimana, Urewera and Murupara. Areas with the lowest level of deprivation include Coastlands, Ōhope and Otakiri. The high levels of deprivation in our community is one of the reasons for a strong emphasis on affordability through the development of this LTP, especially when we reviewed our rating system.

THE FEATURES

Our environment is stunning

The total area of the District is approximately 4,450km² encompassing a variety of natural characteristics and landscapes. In the north, the coastline is dominated by sandy beaches including Otamarakau, Matatā, Thornton and Ōhope. Major river mouth systems found along the coast are the Tarawera, Rangitāiki, and Whakatāne Rivers. Significant estuary systems are located at the Whakatāne River mouth and Ōhiwa Harbour.

Whakatāne is the Sunshine Capital of the North Island

The Whakatāne District has one of the sunniest climates in the country, especially in our coastal areas, recording one of New Zealand's highest sunshine hours. In 2010 Whakatāne's recorded annual sunshine was 2561 hours, making it the sunniest place in New Zealand overall.

Whakatāne's summer daytime temperatures average 22-26°C, while the winter average daytime temperatures range between 12 and 19°C.



The coastal lowlands centred on the Rangitāiki Plains have better quality soils than in other parts of the District and are used for primary production. The total area of the Rangitāiki Plains is approximately 30,000 hectares. About 45% of this area (14,000 hectares) has sufficiently high quality soil and has potential for market gardening, cash cropping or fruit production.

Low, rolling hill country reaches to the sea west and east of the plains. The largest part of the District rises to the south into the Central Volcanic Plateau.

The environment plays an important part in the Whakatāne lifestyle. The District boasts many outdoor activities centering on forests, rivers/streams and the coast. Whakatāne provides a tourist gateway to Whakaari (White Island) - an active marine volcano that can be visited by boat or helicopter. Whakatāne's premier game fishing waters extend to offshore islands, offering a range of species to anglers.

The Rangitāiki, Tarawera and Whakatāne/ Waimana Rivers offer recreational opportunities for rafting, canoeing, swimming and fishing. Lake Aniwhenua and Lake Matahina, both formed as a result of hydro electricity dams, are also popular for recreation. A number of rare and protected water bird species have been seen in the wetland at the southern shallow end of Lake Aniwhenua.

Inland, a significant proportion of the District (41%) is protected native forest within the Te Urewera National Park (the third largest national park in New Zealand). Along with Whirinaki forest, this is part of the largest remaining indigenous forest tract left in the North Island. Bush and forests in the District provide opportunities for hunting, tramping and outdoor adventures.

To the south of our District, Murupara hosts a range of dairy and logging activities. The planting of exotic trees began early in the 1900s on the surrounding scrub land and is now known as the Kaingaroa Forest. Recent changes to the forestry industry have brought about a decrease in the number of permanent residents, but Murupara remains a well-serviced township with a strong community spirit. The town is also the main accessway to the Te Urewera National Park and there are a number of outdoor activities and tours available.

Events that have shaken the District

In the past our District has experienced several hazardous natural events, including:

- Severe flooding in 1964, 1998 and 2004.
- A magnitude 6.3 earthquake at Edgecumbe and surrounding rural areas in 1987.
- Coastal storm wave run up and erosion at Ōhope during cyclones Bola (1987), Fergus (December 1996) and Drena (January 1997).
- Debris flows in Matatā in 2005.

The natural environment has a significant influence on future development of the District.

The Council undertakes projects to mitigate the affects of natural hazards and raise the level of protection from future hazard events. The Council also remains prepared for civil defence emergencies, responds to events, assists with the recovery and educates the community.



RANGITĀIKI WARD

Population 9,980
 Number of Households 3,570
 Size 851.28km²

Special Features:

- The Rangitāiki Plains has a thriving agricultural industry due to its fertile soils.
- Intensive dairy farming and home to a Fonterra Dairy Factory.
- The Rangitāiki River offers recreational opportunities for rafting, canoeing, fishing and game hunting.

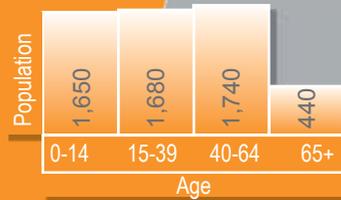


MURUPARA/GALATEA WARD

Population 5,510
 Number of Households 1,840
 Size 4,497.85km²

Special Features:

- A small township, surrounded by dense native bush, rivers, and lush farmland.
- Te Urewera National Park is accessible from Murupara, for a myriad of walking and hunting options.
- Murupara has a strong logging industry, sourcing its timber from the Kaingāroa Forest.

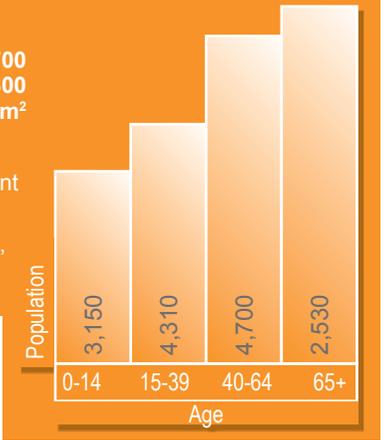


WHAKATĀNE WARD

Population 14,700
 Number of Households 5,800
 Size 40.23km²

Special Features:

- Vibrant retail and commercial area that includes excellent shopping, cafes and restaurants.
- Charter boats offering diving, fishing, dolphin swimming, and trips to White Island from Whakatāne Harbour.

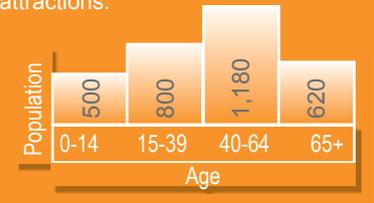


ŌHOPE WARD

Population 3,090
 Number of Households 1,320
 Size 16.74km²

Special Features:

- 11km stretch of golden sand and safe swimming.
- Port Ōhope and Ōhiwa Harbour are popular areas for fishing, water skiing, sailing, kayaking, and windsurfing among the many attractions.

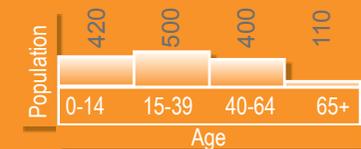


TĀNEATUA WARD

Population 1,430
 Number of Households 430
 Size 1,498.33km²

Special Features:

- Surrounded by native bush which offers a number of opportunities such as fishing, tramping and hunting.
- The Whakatāne and Waimana Rivers meet just southwest of the Tāneatua township.



THE BIG DECISIONS

Ngā whakataunga matua





THE BIG DECISIONS

As a Council, we have to make some big decisions about the community, for the community. It is not an easy job, making sure we are balancing everyone's needs.

This LTP represents the options and actions that we feel are the best for our community as a whole. We have worked hard to try and present a plan that reflects your needs and desires. However, we are aware that we cannot provide all the services the community may want, while maintaining rates at an affordable level for all. We have to make choices, balance priorities and occasionally sacrifice some projects, at least for the time-being. This chapter outlines the key decisions we have made, which make up our LTP and projects for the next ten years.

When consulting on the draft LTP we attached a 'Big Decisions Survey' which asked you what you think we should do. Results from the survey have been included in this chapter.

You agreed with our preferred options except in the area of affordability vs. user pays. We have acknowledged this and have made some changes in this area to better reflect what you as a community want, but also keeping consistent with our key message of affordability, sustainability and responsibility.

KEY ISSUES

FOCUSING ON THE BASICS:

As your Council, we are responsible for providing families, households and businesses of this District with essential services we all rely on. At the top of our list of priorities is providing services that ensure the health and safety of our community, such as providing clean drinking water, appropriate disposal of sewage and roads to safely move about the District. Many other things we provide are also essential to make this a great community. Places to live, work and play. Places to learn, read and develop.

We are aware of the financial pressures faced by our ratepayers, especially in the current economic climate, and take our role of balancing how and where we spend your ratepayer dollar very seriously. The cost of operating all the services we deliver is huge and there is constant pressure for us to provide more and improved services to our community.

Through this plan we have focused our spending on the essential services we offer. This means there are few new projects or facilities in this plan. This is what you, the community, told us you want from us.

OUR ASSETS COST A LOT TO MAINTAIN

Operating, maintaining and managing infrastructure that delivers our services has a huge financial cost. Without including any upgrades, new facilities or 'nice to have' projects, we were already looking at an unacceptable average rates increase for next year. As a result, we looked long and hard at where we might be able to reduce some of our costs. This does not mean cutting corners, which would just end up costing the ratepayers more money in the future. Instead we are focusing our efforts on ensuring we have excellent information about the age and state of our assets.

It helps us understand exactly where faults are likely to occur and therefore enables us to replace or repair assets when absolutely necessary to avoid increased costs.

By taking this approach we have minimised our cost increases and achieved an affordable level of rates for the next 10 years that we are happy with. Existing assets will be looked after but you will not find many new assets being built or many improvements being made to current assets, unless substantial subsidy or funding is made available.

AT WHAT LEVEL SHOULD WE MAINTAIN OUR INFRASTRUCTURE?

What you said...

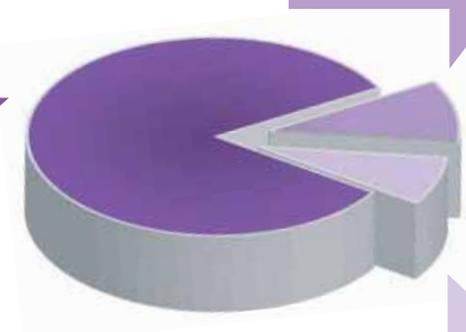
82% of you agreed with us

OPTION B (PREFERRED) 82%

Increase monitoring of infrastructure to fix faults only where needed. If it is cost effective to upgrade at the same time, this would be done.

OPTION A 10%

Increase our maintenance programme to upgrade infrastructure sooner rather than later. This would require an increase in rates.



OPTION C 8%

Reduce our maintenance programme, allowing things to fail before we fix them. This is a lower cost option but would mean accepting a lower level of service.

DELIVERING THE BEST SERVICE WE CAN, AT THIS PRICE

As part of a fast-paced, global society, the needs and expectation of the community are changing. People expect instant responses, lots of options and opportunities, and a high quality service. However, in this economic climate, some people are struggling to pay their bills and make ends meet. We believe the standard of the service we deliver to the community is very good and we strive to provide the community with what you want. Nevertheless, there can always be improvements. We will provide some improvements to our core infrastructure in the areas of stormwater, sewerage, water supply and transport networks through this LTP.

For most of our other activities, we will maintain the service we currently deliver, not improve or reduce it. That is why you will not see much funding included, over and above previous years. We will continue to enhance how we operate, or work in partnership with others, to ensure that if we can make efficiencies and improve systems to deliver a better or cheaper service then it will happen. We also hope that through gaining a better understanding of what the community wants and working more efficiently we are able to ensure greater satisfaction with the services we provide.

WHAT LEVEL OF SERVICE ARE YOU WILLING TO PAY FOR?

What you said...

67% of you agreed with us



OPTION C 27%
Save money by cutting back our levels of service.

OPTION B (PREFERRED) 67%
Maintain our current level of service for most activities.

OPTION A 6%
Spend more to improve and/or expand our services.



OUR SOCIAL RESPONSIBILITY:

As a Council, we are responsible for setting rates on every property and making decisions about how to spend that money. We take this role very seriously and strive to achieve a fair and equitable balance between affordability and the sustainable and responsible management of our assets and services.

Rates affordability has been considered in two key ways. The first was through the budgets we have set for each of our activities. The more we spend, the higher rates will be. Our budgets have been restricted by the limits we have set for rates and borrowing. While these limits do mean good things for the ratepayer's pocket it also restricts the ability of the Council to invest in the community.

The second way we considered affordability was by reviewing our funding philosophy and rating system. These determine how our activities will be funded, and how these costs should be distributed to each ratepayer.

SETTING LIMITS ON RATES AND BORROWING

Limiting our expenditure is the biggest influencing factor on rates affordability. Put simply, the more we spend and borrow, the higher rates will be. As part of the Financial Strategy for this LTP, we have set limits for rates and debt to help provide certainty and stability to ratepayers.

We have thought hard about where to set these limits and how these will affect our budgets. We need to make sure that our decisions about affordability now do not compromise our ability to sustain services and assets for future generations. Care also needs to be taken so the decisions we make now do not result in substantial costs for future ratepayers. This means paying our fair share now.

The limits we have set for rates increases are Local Government Consumer Index (LGCI) plus 2% (for more information see the Financial Strategy). This is based on inflation with a small additional margin. This means rates increases will be limited to no more than 5-6% for

each year. The actual rates increases we are proposing are lower than these limits again and are conservative compared to rates increases in the past. The average rates increase for the first year of this LTP is 5.69% and the average increases over the following nine years range from 1.97% to 5.26%.

We have set the limit for total borrowing at \$75 million. While this is not excessive compared to other councils we do want to keep our borrowing at this level. Our community has indicated they do not want to see it increasing. We have also set limits on the amount of rates that is used to repay debt. This is because it is our debt repayments, rather than our overall amount of borrowing, that affects ratepayers from year to year. Our limit on the interest expense of our borrowing is 12% of total rates income (for more information see the Financial Strategy). Reducing this limit further has risks because the borrowing is mostly for renewals (replacing assets like water pipes that are nearing the end of their lifespan).

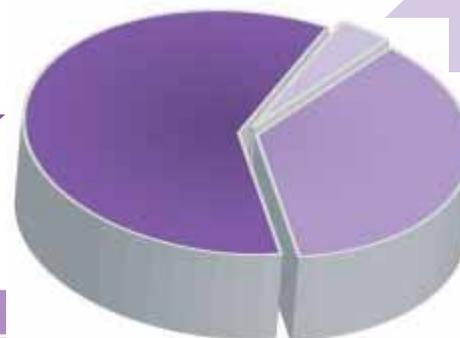
HOW CONSERVATIVE SHOULD OUR LIMITS BE FOR RATES AND BORROWING?

What you said...

60% of you agreed with us

OPTION B (PREFERRED) 60%

Apply conservative limits including rates increases between 2-6% and borrowing limited to current levels. This will allow us to deliver services at the current level.



OPTION A 4%

Increase the limits for rates and borrowing. This would allow us to improve and/or expand our services but would mean increased costs to ratepayers.

OPTION C 36%

Provide even lower limits for rates and borrowing. This will require us to cut back services.

REVIEW OF OUR FUNDING PHILOSOPHY AND METHOD

The Revenue and Financing Policy sets out the Council's funding philosophy and describes how we will fund each of our activities, including the rationale for the use of each funding method. The full Revenue and Financing policy can be found in the 'Our Costs in Detail' section of this LTP.

Over the last six years the Council's Revenue and Financing Policy has had a strong user pays philosophy. As part of this approach 'where users of services cannot be identified, everyone was charged the same'. This approach resulted in a greater use of fixed charges and targeted rates. The old system resulted in less difference between rates for higher value versus lower value properties. The new rating approach that we have adopted through this LTP is a more balanced approach and has a stronger emphasis on rates affordability.

Our rating philosophy means we will spread some costs over a wider number of ratepayers who are likely to benefit from the service. This means an increase in the use of general rates and a reduction in targeted rates. It also means some targeted rates will be amalgamated or spread over a larger group of ratepayers where this is appropriate.

We are also basing a greater proportion of rating on capital value rather than fixed charges. This means owners of lower value properties will pay less and those of higher value properties pay more, relative to the current system. Some costs will continue to be passed on to those who specifically use services where they can be identified and where there is no benefit to the wider community of the service.

In response to the large number of submissions we received on the rates review, we have made some changes from the proposal contained in the draft LTP. These changes have retained the shift towards increased use of the general rate and a greater reliance on capital value rating, but not to the same extent as proposed through the draft LTP. The biggest changes made to the rating system were the removal of a portion of stormwater to be funded across the District. Stormwater will now continue to be funded by schemes, with the exception of Matatā where an increased proportion (75%) will be funded through the General Rate. The use of the UAGC has increased from a proposed \$530.45, to \$567.72 (excluding GST) for the 2012/13 year, slightly reducing the emphasis on capital value rating.

More information about these, and other changes, can be found in the 'All About Rates' section of this LTP.

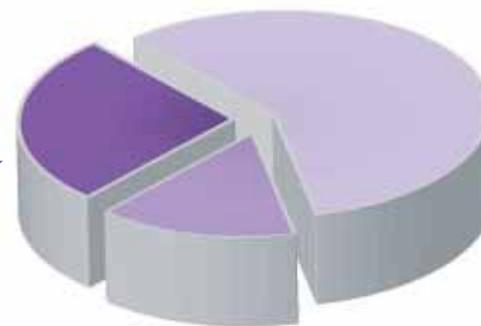
SHOULD WE FOCUS MORE ON USER-PAYS OR AFFORDABILITY IN OUR RATING SYSTEM?

What you said...

27% of you agreed with us

OPTION B (PREFERRED) 27%

Alongside user-pays, increase our focus on affordability. This would generally mean owners of high value property pay more relative to owners of lower value property.



OPTION A 58%

Keep our current approach to rating which has a strong user-pays focus.

OPTION C 15%

Place an even greater emphasis on rates affordability rather than user-pays.

BUILDING COMMUNITY RESILIENCE:

Natural events including flooding, earthquakes, tsunamis and landslides have been common in the news recently on an international scale, but also closer to home within New Zealand and our District. This has led to greater awareness of hazards that can threaten our community. While we cannot control these events, we do have a responsibility to our community to try to manage, mitigate and respond to such events. We also aim to ensure that the community is aware of, and prepared for hazardous events.

WHAT LEVEL OF PROTECTION FROM STORM EVENTS DO YOU THINK IS NEEDED?

What you said...

62% of you agreed with us

OPTION A 5%

Upgrade our entire stormwater system to provide protection from a one-in-100 year flood event. This will substantially increase our debt levels and repayments.

OPTION C 33%

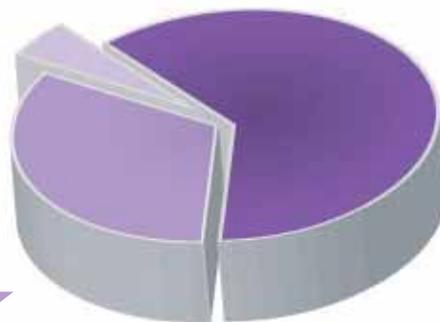
Maintain our current level of flood protection, providing upgrades only as pipes are due for renewal.

HEAVY RAINFALL KEEPS CAUSING HAVOC

The large number of storm events experienced in recent years, leading to flooding in our District, has meant there is a community desire for improved stormwater systems. If we continue to receive similar events to those experienced in the last two years, this could add another 1.2% to our rates each year. However, increasing the stormwater systems in our built up urban areas is very costly and will never ensure complete protection from localised flooding.

Most of our stormwater networks have been built to meet a one in 10 year storm event. Through the life of this LTP we have decided to minimise the risks associated with flooding at a cost that is affordable to

our community. This LTP includes projects to achieve a more reliable one in 10 year flood protection level, with overland flow paths designed to protect houses from a one in 100 year event. But this means that our urban areas will still be vulnerable to surface flooding in more extreme weather events. To provide the infrastructure required to reduce the flooding risk within the Whakatāne and Ōhope urban areas, we will borrow for a high proportion of the works to avoid a significant rates increase in the next year. Borrowing for works that are for the protection of the community now and for years to come, is a prudent and equitable option and will ensure we remain within the rates increase limits contained within our Financial Strategy.



OPTION B (PREFERRED) 62%

Upgrade our storm water systems to provide a more reliable protection from a one-in-10-year flood event and accept localised flooding in extreme events.

ECONOMIC PROSPERITY FOR THE COMMUNITY:

A prosperous economy helps to grow our District and ensure our community can afford to pay for essential infrastructure. As our economy grows, we will have more money and opportunities to spread around the District, helping to improve the quality of life for our community. As a Council we would like to see our District grow, and a fundamental part of growth is a strong and vibrant economy

SHOULD WE TAKE A STRONGER STANCE IN SUPPORTING GROWTH?

What you said...

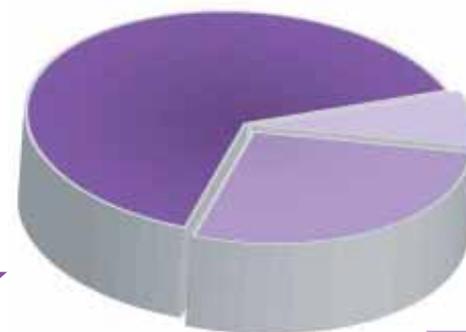
64% of you agreed with us

SUPPORTING BUSINESS GROWTH AND DEVELOPMENT

Economic growth is highly dependant on the growth and development of our local businesses. A District that is highly attractive to businesses and families will help to reduce future costs by spreading rates over a wider population. The Council cannot control this growth, however, we have looked at what we can put in place to try to support it and remove restrictions. Most of the infrastructure we have to put in place to cater for growth is paid for by developers through Development Contributions. Our Development Contributions Policy was open for consultation alongside this LTP and a more in-depth review of our Policy will take place in 2012/13. While we are trying to retain rates at an affordable level, we recognise there are things we can do to help business and development in the District without investing heavily.

We have looked carefully at our building consent and resource consent fees and have reduced both of these fees. This is an effort to encourage growth and prevent fees from being perceived as an obstacle. In this way we hope to signal to the business and development community that the Whakatāne District is a great place to invest and has plenty of potential for growth. Reducing these fees does mean that a larger portion of the cost will be covered by general rates. This is in recognition of the wider community benefit from regulated development.

We are also in the process of undertaking a District Plan review. Through this review, we are able to look at land zoning to plan for growth. This must be balanced with the preservation of our natural and physical character.



OPTION B (PREFERRED) 64%

Support growth by reducing barriers and costs of development (such as reducing building and resource consent fees).

OPTION A 8%

Drive growth by investing more ratepayer money now to try to attract more people and businesses to our District.

OPTION C 28%

Keep our current approach of placing most of the costs of growth and development of our District onto developers and businesses.

MAXIMISING ASSETS AND OPPORTUNITIES

We have a responsibility to ensure we make the most of the assets we own for the benefit of our community. A number of our property holdings are not being used for the delivery of services or providing a return to the Council. We believe that the best benefit we can get from some of these properties is to sell them. This includes the Piripai block, adjacent to Coastlands, land at Port Ōhope and some other minor holdings. The sale of land at Piripai and Ōhope will support growth as they have potential to be subdivided for new housing. Increased residential development also has the potential to generate a large number of rating units which will spread the rate requirement over more properties and therefore benefit the current and future community.

Based on conservative estimates, we are expecting the sale of these selected land holdings to release around \$21.97m. The majority of this will be used to pay off debt from projects such as Library and Exhibition Centre,

the District Plan review and the Aquatic Centre rebuild. This will benefit both our current and future ratepayers because this debt would otherwise have to be funded over time by rates. Retiring debt will mean we have the capacity to take new loans for key projects like improving our level of protection from stormwater. In particular, if we do not retire debt by selling Piripai, it would add another 2.2% to the rates requirement, in total over the 10 years of this plan. It also means that we will have to reconsider any new capital projects, like those providing increased protection from storm events.

As well as maximising use of our assets, we also want to make the most of new opportunities as they come up. We share a number of valuable working arrangements and partnerships with other organisations and groups to improve the services available in our District. We would like to build on these partnerships and will remain flexible to enter into new partnerships where we can.

For example, we have removed the construction of a multi-sports centre from this LTP, with investigations proposed for 2022, as it is not something we are able to afford on our own within the next 10 years. However, we will always be open to opportunities for partnerships with others to develop such a facility in the future, should we find a partner. If a change was seen as appropriate it would be properly considered and, if significant, would be consulted on with the community.

An area we are specifically looking to work in partnership with others is on walking and cycling initiatives. In recognition that Central Government funding for walking and cycling projects has been reduced, we would welcome an opportunity to work with other groups to improve the facilities available in our community. We have included \$75,000 per year in this LTP for this purpose.

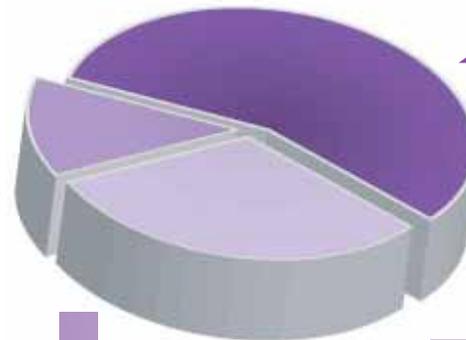
SHOULD WE SELL SURPLUS LAND HOLDINGS TO REDUCE DEBT AND SUPPORT GROWTH?

What you said...

56% of you agreed with us

OPTION C 13%

Retain all Council property and use rates to pay off debt. This would increase rates by 2.2% in total over the next 10 years.



OPTION B (PREFERRED) 56%

Sell land at Piripai and Port Ōhope and some limited other property holdings. Piripai and Port Ōhope land could be used for residential growth.

OPTION A 31%

Sell any Council property that is not making a return nor being used to deliver services.

KEY PROJECTS

The following issues are things we have been aware of and working on for a number of years. This information is provided as an update on the work we are currently undertaking to try and resolve some of our ongoing issues. These issues are all currently being investigated to ascertain the best way to progress. Once the studies have been completed we will consult with you further on these issues and our preferred solutions.

How we manage our waste

Since the closure of our landfill in 2009, we have been transporting our waste out of our District to Tirohia Landfill in the Waikato Region. Originally, we intended to build a new landfill in the District, potentially working in conjunction with other organisations and local councils. However, we are currently undertaking a more thorough investigation into our waste disposal options. This is because a new landfill may not be the most sustainable or cost effective solution for our community. Until we have completed this investigation, we will not know the best solution to our waste problem. In the meantime, we will continue delivering programmes and services to reduce the amount of waste we transport to Tirohia. We are not currently planning to develop a new landfill within our District over the 10 year period of this LTP.

Dealing with sewage in Matatā

Most of the urban areas within our District have reticulated sewerage systems that pipe sewage away from built up areas and deal with it in a contained and managed way. Matatā is a notable exception to this. Most Matatā residents rely on septic tanks to dispose of their sewage. There is concern that this may be starting to cause environmental and health issues as Matatā grows, partly due to the high level of water in the ground. We have been looking to provide a solution to this problem for many years and have now secured funding from the Ministry of Health of \$6.72m to help fund a reticulated scheme.

Despite this funding, the remaining cost of the project could potentially still be high. It is essential that we develop a scheme that is of maximum benefit to the whole community and is supported and joined by all residents of Matatā. We are continuing to investigate the best option and how much the scheme will cost. Any decision on the final scheme, will be made after further iwi and community consultation to hear the views of affected or interested residents. We have included \$7.10m, spread over the 2012-16 years, to complete the preferred option once finalised. This project is reliant on the Ministry of Health funding.

A secure and reliable source of water

We have 10 water schemes servicing the District. These all have unique characteristics based on their geographic location and the infrastructure that delivers the water to the community. An ongoing issue for many of the water schemes has been ensuring the water supply is secure and will not fail in case of a disaster, either natural or mechanical. In many of our smaller schemes we have undertaken works to provide for greater back-up, including providing increased storage capacity. However in Whakatāne, which supplies water to half our residents, and on the Plains, the mitigation works required are more in-depth. In Whakatāne we have been undertaking tests to locate an alternative water bore to provide a back-up source or emergency supply if required and as demand grows.

In the Plains we are undertaking a 50 year strategy to address issues of low water pressure, increased demand and a back-up source. The investigations for these two water supply schemes are ongoing and will lead to projects being proposed in the future to resolve our water security issues.

An accessible river entranceway

Access to the Whakatāne River for both recreational and commercial vessels is essential for the growth of Whakatāne. Reliable and consistent passage across the Whakatāne Bar is important for tourist trips, fishing charters, recreational fishing trips and yachts. Our bar can be susceptible to low tides, poor sea conditions and a build up of sand. This can result in a large number of days with the bar being inaccessible or restricted. To address this in more recent years we have been undertaking regular discing to remove the sand from the river mouth and keep the bar deeper and more accessible. This approach has been successful over the last year or two, however, it is not a sustainable option and may not be successful indefinitely. There have been discussions about a solution to the harbour access way for many years. We are currently investigating options to make the river more accessible for vessels. We will consult further on these options and will undertake modelling before applying for resource consent. Until a final option has been determined we have not

included budget within the LTP for construction. Further consultation alongside our next LTP (2015-25) will occur before we commence any construction. More information about this can be found in the 'Ports and Harbour' activity.

How we get in and around our District

The roading networks we provide in the District are core assets that the whole community rely on for transportation of goods, travel to essential services and day to day living. Roads and Footpaths is our largest group of activities, representing about 30% of our operating costs and 40% of capital spending last year. Ensuring access within and around our District, especially during times of natural disaster, is essential to maintain the safety and productivity of our community. During these natural events our roads and bridges are vulnerable to erosion, inundation and blockages that can impede or prevent traffic passing. This can come at a time when moving people, or resources around our District is most critical.

The cost to improve the security of our roads is very high, as it can require extensive excavation or construction. For example, the construction of a second bridge over the Whakatāne River would reduce the reliance on our one main bridge, but would be very costly to construct, including the road networks either side of the bridge.





We are currently undertaking a study to determine how secure the routes are into and around the Whakatāne Township. This study will identify the options and potential projects that would help to provide a high level of road access security and will specifically consider the need for a second bridge over the Whakatāne River. Until this study is completed, we will not undertake extensive projects to improve our route security. Any works suggested from the study will be considered and potentially incorporated through our next LTP (2015-25).

To improve route security through this plan, we will undertake minor works on both Thornton Road and Wainui Road, including widening the roads and improving the bends, to make the roads safer and more reliable. These projects are dependant on confirmation of NZTA subsidy. These are both key routes through our District that carry high traffic volumes and are essential for transporting goods in, out and around our largest urban area.

Deferring projects to keep rates down

Because of our focus on affordability we are not currently planning to pursue a number of other projects which we have previously discussed, unless substantial funding is received from other agencies. The key projects not being pursued are listed below:

- Integrated Cultural, Environmental and Tourism Centre (Whakatāne Centre)
- Construction of a multi sports events centre (investigations are proposed for 2021/22)
- Extending the water and sewerage systems at the airport
- Te Teko reticulated sewerage system
- Construction of Matatā Refuge Reserve Road and Tarawera River Western Access Road
- Seal extension programme
- A river walkway from Edgecumbe to Thornton
- Tennis courts in Ōhope
- Any new public conveniences and drinking fountains
- Civic Centre and Customer Services refit

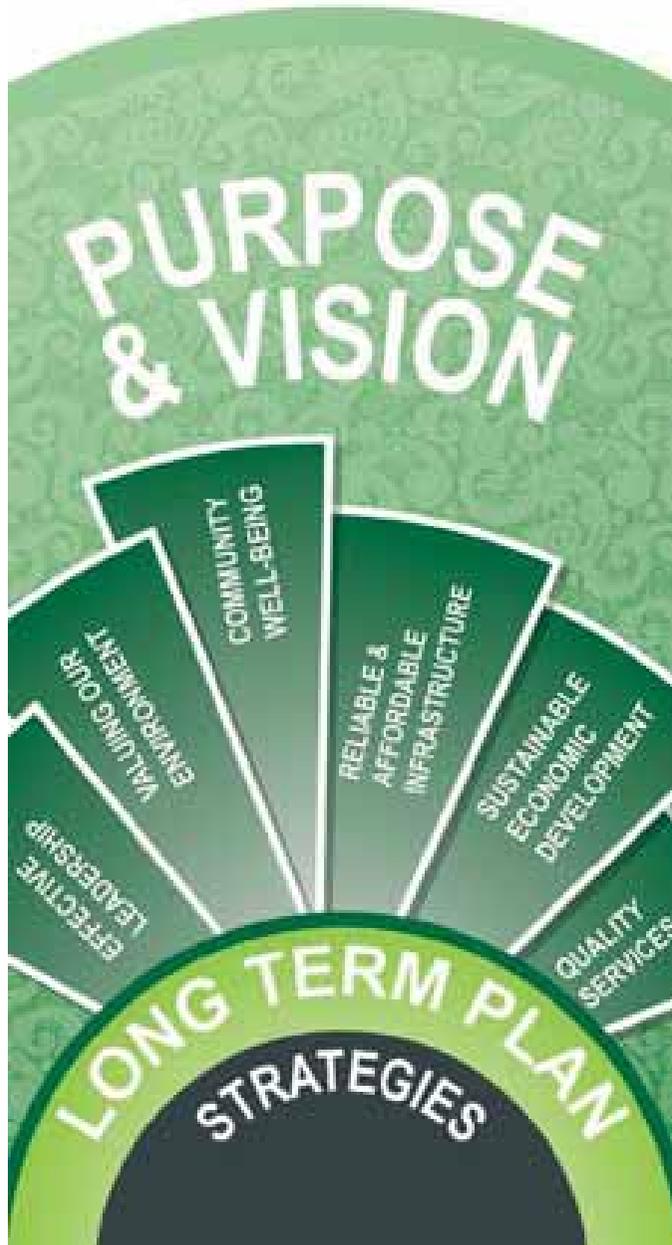
There is also a large number of small renewals project we had planned, but which have now been deferred for the term of this LTP.



WHERE WE ARE GOING

Te Tirohanga Whakamua





OVERVIEW OF THIS CHAPTER

This chapter of the LTP shows the pathway and direction that we want to head towards as a Council and a District.

OUR VISION AND PURPOSE

The vision and purpose guides everything we do at the Council. It sets out, at a high level, where we want to be and how we will get there. We identified the vision and purpose after careful consideration of the District's key issues.

OUR COMMUNITY OUTCOMES

Community outcomes are goals or desired outcomes, the Council aims to achieve in order to fulfil its vision and purpose. Through this LTP we have developed six community outcomes, encompassing all areas of the Council's operations. These can be found on the following pages.

FINANCIAL STRATEGY

The Financial Strategy outlines what the major drivers of our spending are, how much we propose to spend and how we intend to fund this spending. It also includes limits we are setting for rates, rates increases and borrowing. The Financial Strategy is a major driver for this LTP.

ALL ABOUT RATES

This section explains how our rating system works and provides examples of what your rates might look like over the next 10 years. We have reviewed our rating philosophy and rating system and have made a number of changes.

OUR OTHER KEY STRATEGIES AND DOCUMENTS

We have included a summary of a number of other key strategies and documents in this chapter. They are included for your information. These are generally high level strategic documents that cover a wide area of the Council business and will give you some context to the Council's planning process, previous decisions and direction we have set. We note that the decisions contained in this LTP are not made in isolation and there are many things that influence our decisions. The documents are:

- Policy on Determining Significance
- Whakatāne Integrated Urban Growth Strategy.
- Whakatāne Town Vision.
- Whakatāne District Plan.
- Asset Management Plans.
- Community Strategy.
- Sustainability Strategy.
- Building Māori Capacity to Contribute to Council Decision Making.

ASSUMPTIONS AND DATA

In preparing this LTP, we have made a number of assumptions about things that may happen. While these things may not happen exactly as we predict, we need to plan our costs and activities based on the most likely scenario. This section provides you with a summary of the assumptions we have made when preparing this LTP. It also identifies the risks that may affect the Council. A more thorough breakdown of these assumptions can be found on our website: www.whakatane.govt.nz.

OUR VISION

To be known as the place of choice for people to live, work and play

In achieving our vision

- Our community will be safe and surrounded by people who are friendly and caring.
- Businesses will be thriving.
- There will be respect for and pride in our history.
- We will be successful guardians of our natural environment.

OUR PURPOSE

To lead the Whakatāne District to sustainable economic, social, environmental and cultural well-being.

As a District Council we will achieve this through:

- Good governance, leadership and advocacy.
- Integrated long term planning.
- Effective and reliable community infrastructure.
- Outstanding service delivery.

COMMUNITY OUTCOMES

WHAT ARE COMMUNITY OUTCOMES?

Community outcomes are a high level set of desired goals that we aim to achieve. These outcomes seek to improve the social, economic, environmental, and cultural well-being of our District, now and for the future.

Community outcomes are important to the Council. They are used to guide and inform the planning process and set out priorities. They also help us focus on a vision for the District.

HOW WERE COMMUNITY OUTCOMES IDENTIFIED?

Before setting the outcomes, it was important that the issues affecting our District and the Council were understood. We wanted to ensure our role within the community was considered and we developed a framework to guide our decisions. The resulting community outcomes were created for the LTP on that basis.

Draft community outcomes were presented to the community boards and the Iwi Liaison Committee and were approved by the Council in August 2011. They were then included in our draft LTP for consultation.

Six community outcomes have been identified for this LTP. The following pages set out the outcomes and the goals that accompany them. In the 'Our Work in Details' chapter, we have also shown which community outcomes each activity will contribute towards achieving.

WHY HAVE THE COMMUNITY OUTCOMES CHANGED?

We are required to have community outcomes under the Local Government Act 2002. An amendment to this legislation during 2010 shifted the focus of the community outcomes.

The outcomes are no longer goals for the whole community to achieve. The focus is now on the outcomes that the Council hopes to achieve for the community. This makes it clear that the outcomes are something the Council 'owns' and should be working towards.



EFFECTIVE LEADERSHIP

STRIVING FOR OUR FUTURE WELL-BEING

Goals:

- To be visible, strong, have a clear vision and listen to all sectors of the community.
- To work in partnership with iwi and the community.
- To ensure accountability to the community through transparent, open and inclusive decision making.
- To respond and advocate on community issues.

SUSTAINABLE ECONOMIC DEVELOPMENT

WORKING IN PARTNERSHIP

Goals:

- To facilitate an economy that is prosperous in both urban and rural areas.
- To encourage business growth that builds on the region's assets.
- To support Māori economic development.
- To promote connected businesses through effective networks.

COMMUNITY WELL-BEING

A CARING COMMUNITY

Goals:

- To create vibrant, connected and safe communities.
- To support healthy, active communities.
- To build inclusive communities.
- To value, celebrate, promote and protect Māori culture.





QUALITY SERVICES

EXCELLENT VALUE FOR MONEY

Goals:

- To provide services that meet the aspirations of the community.
- To ensure all customers are dealt with in a timely, helpful and friendly way.



VALUING OUR ENVIRONMENT

SUSTAINING FOR FUTURE GENERATIONS

Goals:

- To sustainably manage the natural and physical resources.
- To recognise and protect places of natural and cultural heritage.
- To proactively plan for growth and ensure the effects and costs are managed.



RELIABLE & AFFORDABLE INFRASTRUCTURE

MEETING CURRENT AND FUTURE NEEDS

Goals:

- To provide infrastructure that facilitates growth and development.
- To ensure people, infrastructure and the environment are protected from natural disasters.
- To sustainably manage community assets.

FINANCIAL STRATEGY

This strategy tells the financial story of the LTP. It is all about showing you what financial position we want to be in at the end of this LTP and helping you to understand our approach to managing finances.

Developing a Financial Strategy does not begin with a clean slate. There are a number of key drivers and legislative requirements that influence the Council's long term financial planning. The Council has also made decisions and commitments in the past that influence what we can and cannot do now.

This Financial Strategy responds to the drivers and challenges to determine what our rates, borrowing and overall spending levels will be in the coming 10 years. It also provides limits for rates, rates increases and borrowing to help provide certainty and stability to ratepayers.

The financial information in this strategy includes uninflated figures, unless otherwise stated.

EVERYONE BENEFITS FROM COUNCIL SERVICES

If you drive on roads, walk on the footpath, use a boat ramp, go to the library, enjoy the playgrounds and parks, or have your rubbish collected, you are using Council services, and that is only a fraction of the services we deliver.

As illustrated by Figure 1, rates provide good value for money when compared to other everyday goods and services. The average ratepayer pays around \$51 per week

towards the cost of Council services. On top of this, we work hard to get funding from other sources like Central Government. This means that for the \$51 that the average ratepayer pays, we deliver around \$85 of services.

Delivering these services and looking after our assets costs money. But how much will it cost to undertake our activities over the next 10 years? How much does it cost for our core services? What will the cost be for our ratepayers? At what level should we say 'enough is enough' for rates increases and debt? What are we doing to keep costs down? And what financial position do we want to be in at the end of this LTP?

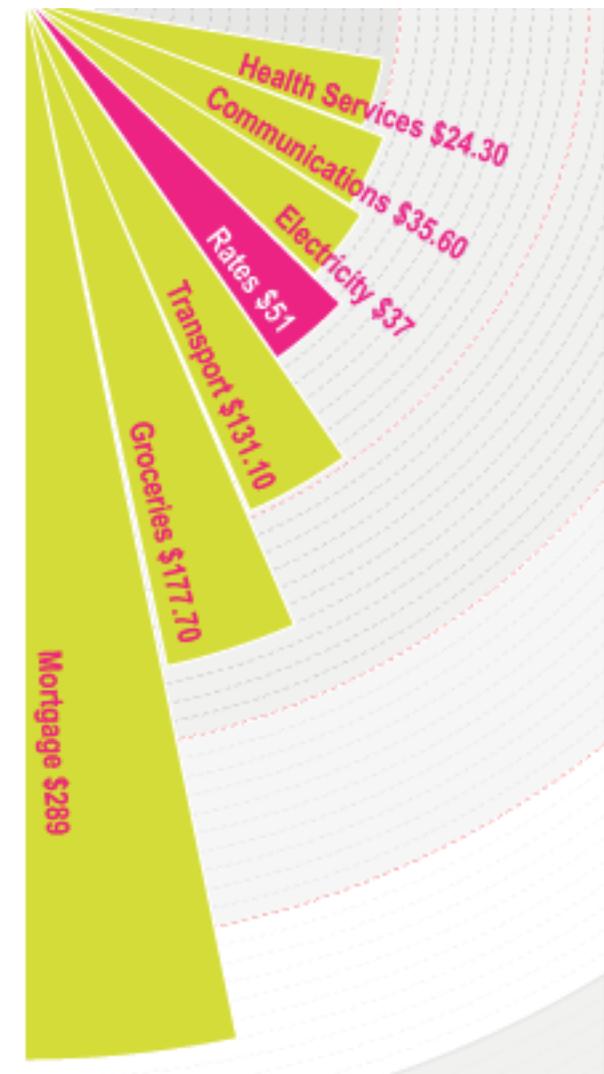
These are some vital questions we have considered in order to develop a Financial Strategy to deliver the LTP.

OUR PRINCIPLES ARE ABOUT BEING AFFORDABLE, SUSTAINABLE AND RESPONSIBLE

The Financial Strategy for this LTP is based on the same three key principles that underpin the whole LTP. These are outlined in Figure 2. We want to make sure we are operating in an affordable, sustainable and responsible manner.

These principles aim to balance peoples' ability to pay with the need to keep assets and deliver services so the community gets the best value for money.

FIGURE 1: RATES COMPARED TO OTHER EVERY DAY GOODS AND SERVICES



*All figures are average amounts sourced from HES Statistics New Zealand June 2010

FIGURE 2: THE THREE KEY PRINCIPLES ARE:

AFFORDABLE	We will be responsive and sensitive to the issue of rates affordability across the District.
SUSTAINABLE	Our assets and services will be managed and funded in a way that does not compromise our ability to provide quality services and reliable infrastructure in the future.
RESPONSIBLE	We will take a conservative approach to our day to day budgeting and financial management and also take up opportunities that provide long term financial certainty and stability.

WHAT FINANCIAL POSITION DO WE WANT TO BE IN AT THE END OF THIS LTP

This Financial Strategy seeks to achieve two primary outcomes. These are the reduction of external debt (owed to banks), and keeping rates increases to a reasonable level. To achieve this the Financial Strategy sets limits on rates, rates increases and debt. These are set out later in this strategy.

It is fair to say that the limits we have set for the next 10 years are restrictive compared to our levels of rates and borrowing in the past. We have thought hard about how restrictive to set these limits and how these will affect our budgets. We need to make sure the decisions we have made about affordability, do not compromise the affordability of rates in the future and our services and assets are sustained for future generations.

Within these limits, we are confident that we will be able to provide and maintain the levels of service that our community will expect over the years of this LTP. That said, putting this Financial Strategy into practice will mean changing the way we do things.

PUTTING THIS FINANCIAL STRATEGY INTO PRACTICE MEANS CHANGING HOW WE DO THINGS

The following list summarises the things we have been doing, and will do over the course of this LTP to put this Financial Strategy into practice. These actions will help us stay within the limits we have set for rates and borrowing and also put our key principles into action. A number of these actions are outlined in more detail in the 'Big Decisions' section of this LTP.

- We will not take on any new, non essential services and initiatives unless a strong case has been put forward for why it is needed and how it will be paid for. This means that over the next 10 years, we do not envisage delivering some of the projects we indicated we would in the last LTP, unless substantial funding is received from other agencies. Some examples of projects that no longer feature in our LTP include seal extensions, and construction of a multi sports events centre.
- We have prepared budgets based on what can realistically be achieved and paid for. This includes budgeting revenue (such as subsidies and grants from external funding partners) only when there is a degree of certainty that it will be obtained.
- We will bring costs down by looking for smarter and more efficient ways of operating. This includes developing more partnerships for the delivery of services, such as working with the community to improve walking and cycling networks or with hall committees to manage our urban and rural halls.
- We will increase our investment into the regular monitoring and maintenance of our infrastructure. This will lengthen their lifespan reducing overall costs.
- We will ensure today's ratepayers pay for their fair share of services and assets. This means not overpaying to subsidise future ratepayers but also not underpaying so future ratepayers are not unfairly burdened by large costs.
- We will sell surplus land assets that are not needed for the delivery of services and are costing us money

to keep. Sale of land, including the Piripai block and land at Port Ōhope will help to retire District-wide Council debt that will otherwise need to be funded (over time) by ratepayers and will support residential growth.

- We will provide a District fund to support the costs of unforeseen events like floods, storms or natural disasters. This will help us to pay for the clean up and recovery costs that occur whenever these types of events happen.
- We will encourage growth of the District. Growth of the District in a deliberate and managed way will increase the prosperity of the community and also have a positive impact on the affordability of our services over a longer period of time.

OUR OPERATING COSTS AND RATES

What our operational spending will look like over the next 10 years

Operating expenditure pays for Council’s day to day expenditure of delivering services, maintaining existing assets, or other expenditure that does not buy or build a new asset.

Just as the costs of running your household increase every year with inflation, the cost to provide our services continues to increase each year. This is because costs like energy, property, labour and construction continue to increase, which affects how much it costs for us to deliver services to you. This means that just to continue providing the same services that we always have, rates are likely to increase to fund these extra costs. How changes in

the price of goods and services affects local government is called the Local Government Cost Index (LGCI).

Figure 3 shows our operating expenditure over the last 10 years and what we are planning for the next 10 years. The Council is not looking to increase the services we deliver unless we can achieve this with little or no cost to our ratepayers. This might mean being more creative, innovative or looking for partnerships to improve how we operate. Increases in operating expenditure from year to year are largely driven by inflation. As shown in the graph, much of our operating expenditure is related to core network infrastructure (roads and footpaths, waste, water supply, stormwater and sewerage).

FIGURE 3: OPERATING EXPENDITURE OVER THE NEXT 10 YEARS

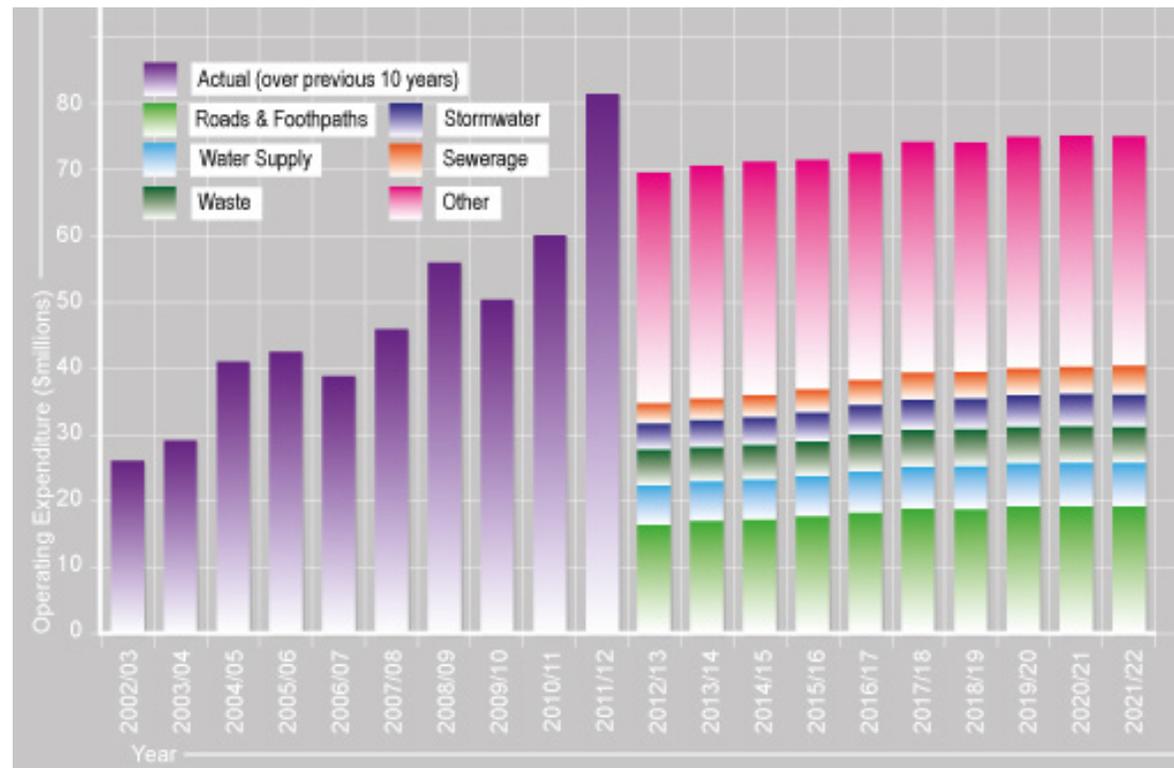
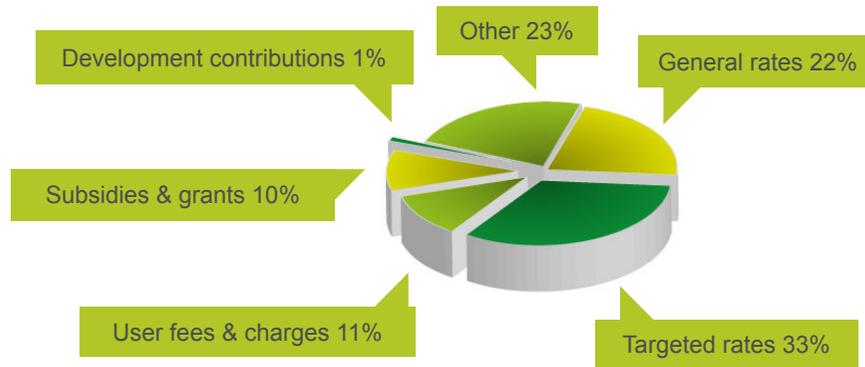


FIGURE 4: WHERE OUR REVENUE WILL COME FROM



Where our revenue will come from over the next 10 years

Rates is the main source of income for the Council. Around 55-65% of our income comes from rates. Other major sources are fees and charges, external subsidies, and grants. Wherever possible the Council strives to obtain funding from external sources like the Ministry of Health, NZ Transport Agency, the Lotteries Commission and others. This supplements the funding we receive from rates, allowing us to maximise value for money for our ratepayers.

Figure 4 shows where operating revenue is budgeted to come from over the life of this LTP. This shows the total proportions over 10 years. Individual years will differ slightly from this graph.

FIGURE 5: REVENUE NEEDS FOR THE NEXT 10 YEARS

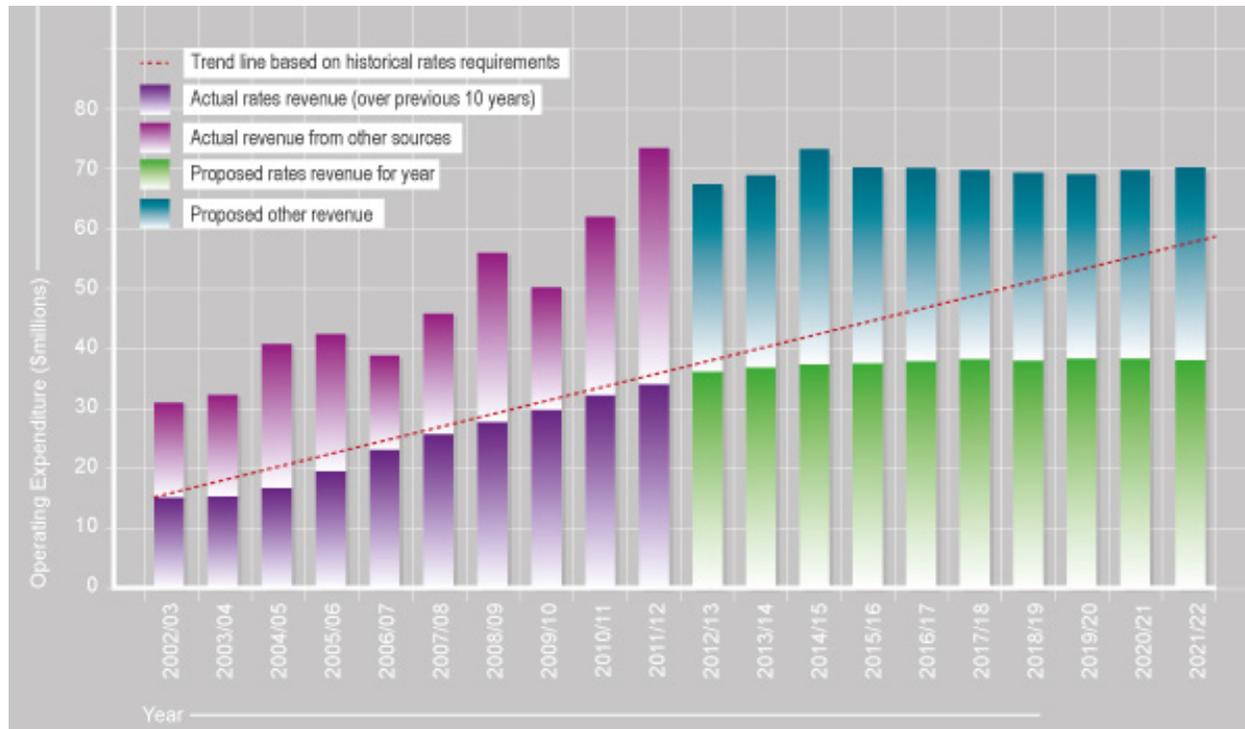


Figure 5 shows what our revenue needs have been over the past 10 years and what we are planning for the next 10 years. It also shows what proportion of this revenue will come from ratepayers versus other sources.

We are limiting the average rates increases to LGCI plus 2%

The Council plans to limit rates increases to Local Government Cost Index (LGCI) plus 2%. This will limit average rates increases to no more than 5-6% each year over the period of this LTP. It is important to remember this is an average across the District and that rates increases will vary from property to property with some individual properties seeing increases over this limit.

Figure 6 shows the actual average rates increases from 2004 to 2012 and the limit for the average rates increase over the course of this LTP. As the graph shows, there has been little consistency or predictability around rate movements in the past. The target set by the Council through this LTP will provide more certainty to the community around these movements.

We are limiting rates revenue to 80% of operating revenue

The Council will limit rates revenue to a maximum of 80% of operating revenue. This means we will need to continue to source at least 20% from other sources other than rates. Currently we are receiving around 35% - 45% of our revenue from sources other than rates and will continue to maximise these levels as much as we can. Other funding available is largely dependent on the policies and priorities of Central Government and other funding partners.

WHERE WE ARE GOING
Financial Strategy

FIGURE 6: OUR LIMITS FOR AVERAGE RATES INCREASES*



*see "All about rates section" for more information including specific figures. The figures in this graph are adjusted for inflation.

OUR CAPITAL COSTS AND BORROWING

What our capital spending will look like over the next 10 years

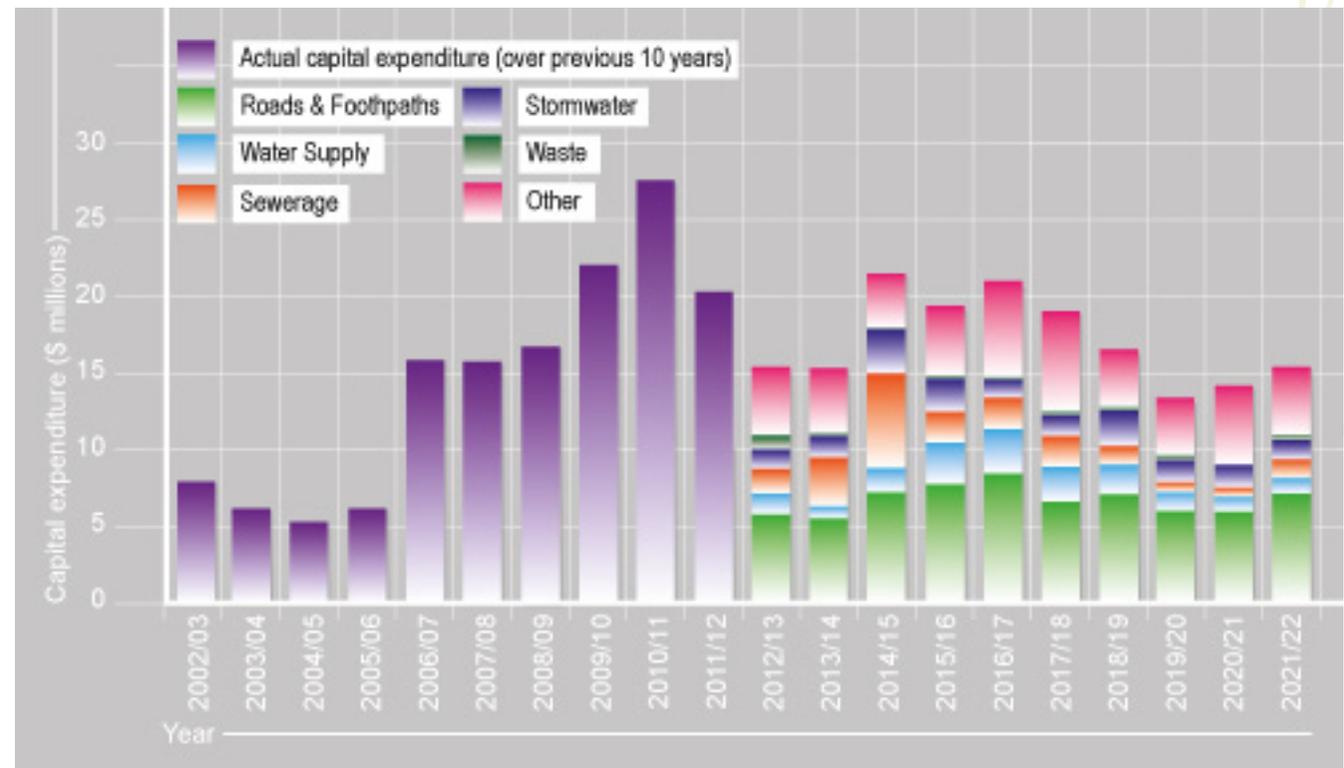
Capital expenditure pays for buying or building new assets, renewing an existing asset or improving an existing one to deliver a better service.

Our capital expenditure budgets in this LTP focus mostly on renewals. This is the replacement of assets or portions of assets that are nearing the end of their lifespan and need to be replaced so we can still enjoy those existing services.

There is little focus on new projects that look to increase the service we deliver, particularly in the first few years of the LTP. This helps us to stay within the borrowing limits set out in this strategy.

Figure 7 shows our actual capital expenditure over the last 10 years and what we are planning for the next 10 years. Going forward it also shows the proportion of this spending each year that is for core services (roads and footpaths, waste, water supply, stormwater and sewerage).

FIGURE 7: CAPITAL EXPENDITURE OVER THE NEXT 10 YEARS



There are three broad drivers for capital expenditure. These are renewals, growth and service improvements.

Our total capital expenditure over the next 10 years is shown in figure 8. This graph breaks down capital expenditure to show what proportion is related to renewals, growth and improvements to our services.

Renewals refers to capital expenditure needed to maintain our existing infrastructure/level of service. This makes up the majority of our capital expenditure over the course of the LTP. Renewals on network infrastructure in particular is a major cost. This includes Roads and Footpaths, Stormwater Drainage, Water Supply, Sewage Treatment and Disposal.

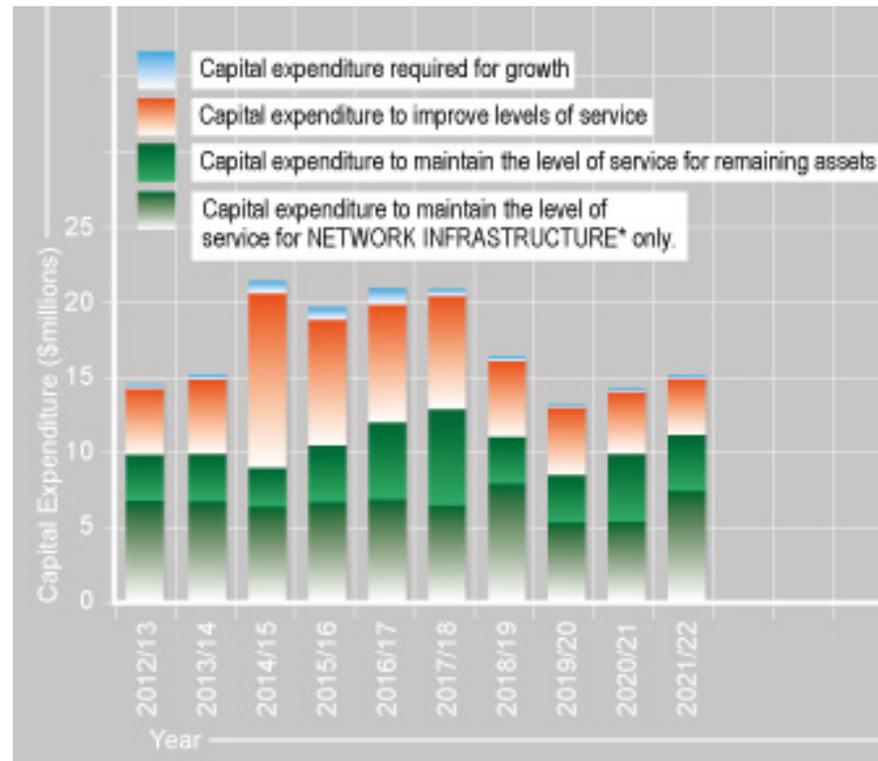
Capital expenditure to cater for growth is minor throughout all years of the LTP. This capital expenditure is funded through contributions that the Council charges to developers. This recognises that developers should contribute towards the costs related to the growth that they are causing (for example water supply networks expanded to reach a new subdivision).

Generally the focus of this LTP is on reducing debt and keeping our services at the current level. However, we are also committing capital expenditure towards improving some of the services we provide. Some notable projects that we are planning to undertake to improve our service level include:

- Solution to sewerage reticulation and treatment in Matatā
- Upgrade of the Ōhope sewage treatment plant
- Improvements to the stormwater systems in Whakatāne and Ōhope

- A number of projects to improve the Plains water supply
- Improvements, realignment and/or widening of Thornton Road, Wainui Road, Landing Road and, Matahi Road

FIGURE 8: MAIN DRIVERS FOR CAPITAL EXPENDITURE



*Note: Network infrastructure includes the following activities: Roads and Footpaths, Stormwater Drainage, Water Supply, Sewage Treatment and Disposal.

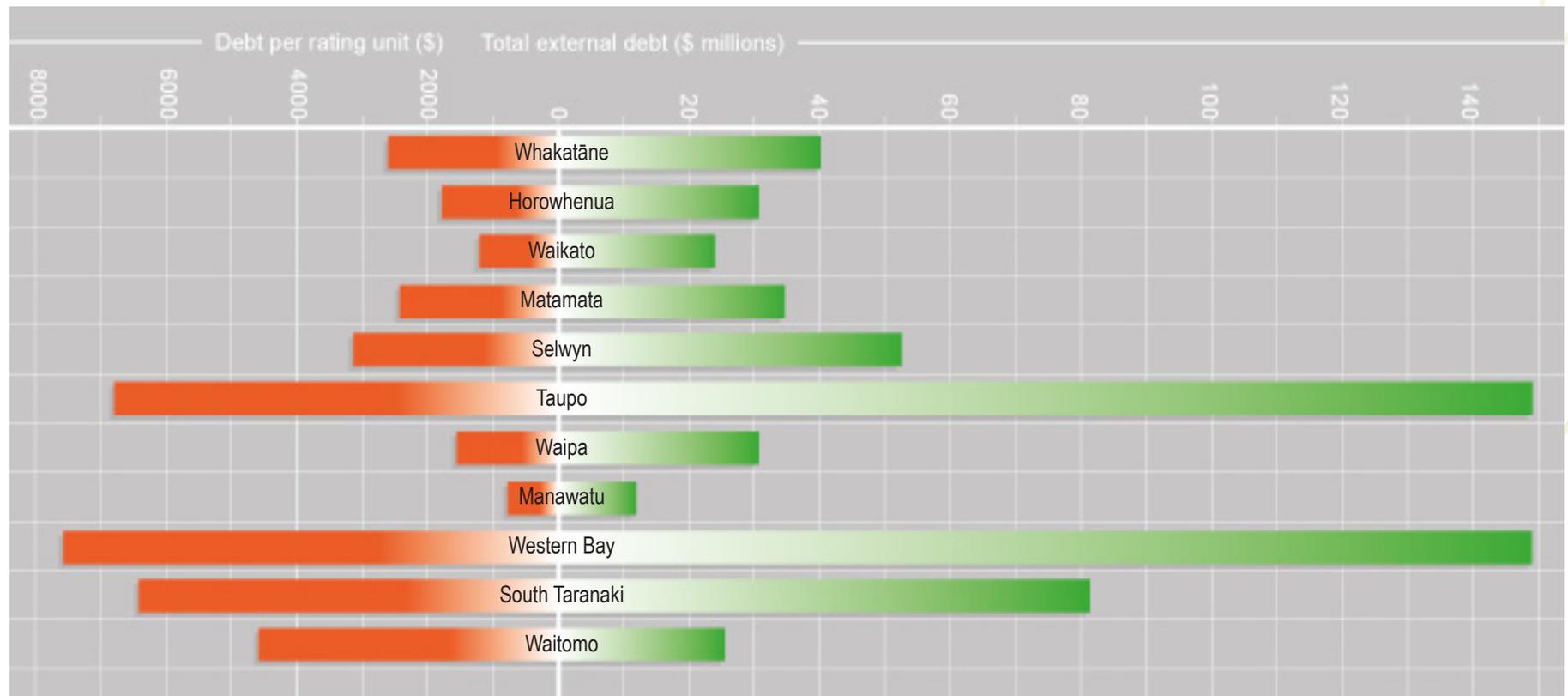
Our current level of external borrowing is consistent with other councils

Rates pay for a lot of the things we do day to day but we borrow money to pay for large projects that will provide services to the community over a long period of time. Borrowing money and repaying it over time (rather than just increasing rates to cover the full cost of a project in any one year) means those who benefit from the service in the future will also contribute. It also evens out the impact on rates, to avoid steep rates increases. This provides greater certainty and fairness for ratepayers.

As at 30 June 2011 our external debt (owed to banks) was \$40.51 million or around \$1,178 per rating unit. This is consistent with or even favourable to many councils around New Zealand. Figure 9 shows our current external debt levels compared to a selection of other rural councils with similar populations.

On top of this external debt, like most other councils, we also borrow from our own reserves. Internal borrowing is mainly drawn from the Harbour Endowment Fund. When we include internal borrowings our total debt as at 30 June 2011 was around \$51.01 million.

FIGURE 9: OUR DEBT LEVELS COMPARED TO OTHER COUNCILS



We are limiting our borrowing to \$75 million and reduce our reliance on banks

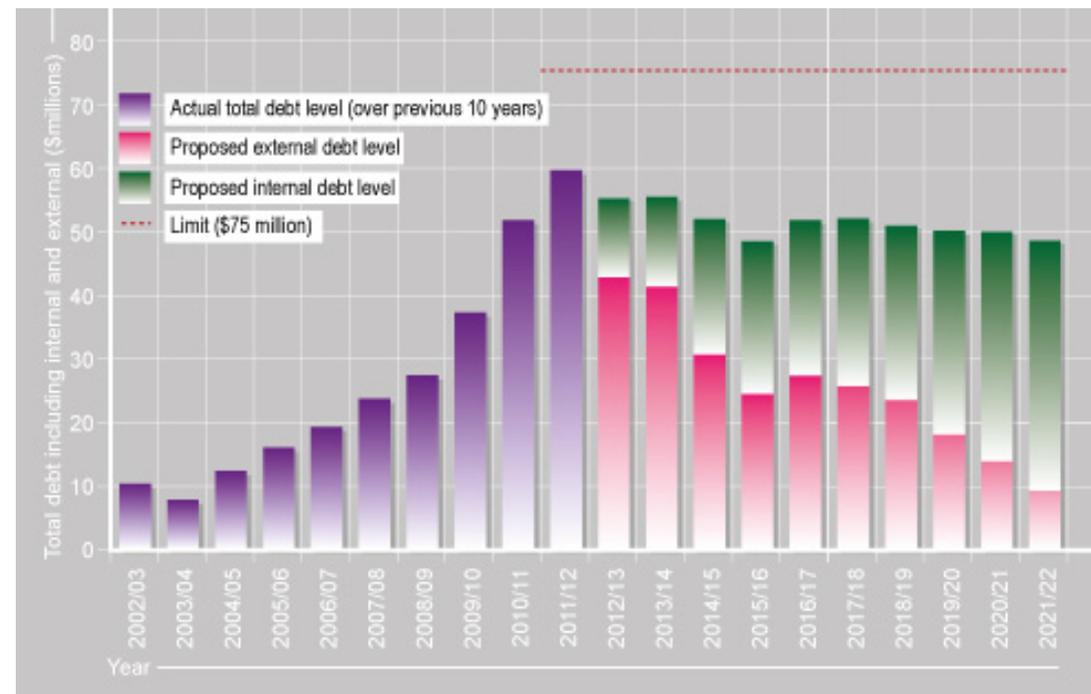
Over the past six years the Council's level of debt has been increasing. This is because we have borrowed for disaster mitigation projects and for work to renew our assets for the core services of transport networks, waste, water supply, stormwater and sewerage.

Over the course of this LTP we are planning to limit our total debt (including internal and external) to no more than \$75 million. Figure 10 shows our debt profile, including where we have come from and where we predict we will be by the end of this LTP. Within this debt profile we will reduce our external debt level substantially and increase our use of internal borrowing from our own reserves. This will allow us to reduce external debt and strengthen our financial position.

Internal borrowing will be predominantly from the Harbour Fund reserves but also from some limited other reserves such as those held for depreciation. While these reserves are held for specific purposes, internal borrowing allows us to maximise the use of these funds until such time as they are required for their intended purpose. Any borrowing from these reserves is repaid, with interest, in the same way that we borrow from banks. Unlike external borrowing this interest would be paid to our own reserves which will help to build them up. If we require funds from our reserves sooner than we have anticipated, we will be able to transfer internal loans to an external funding agency to make the reserves available.

We do not expect to eliminate external debt completely. Beyond the horizon of this LTP we expect to hold external debt to levels similar to that planned for the 2021/22 year (\$9.26m). However, this is subject to political decisions about projects, budgets and financial planning in the future, notably through each three yearly review of our LTP. For example there are major projects planned beyond the horizon of this LTP or that have not been included because they are still subject to investigations. This includes wharf renewals, harbour access improvements, the multi sport centre, and a second bridge into Whakatāne.

FIGURE 10: OUR LIMITS FOR DEBT



The figures in this graph are adjusted for inflation.

We will limit the amount of rates being used to repay interest

We will give further certainty to ratepayers by also providing limits on the amount of rates being used to repay interest. This is because it is our debt repayments rather than our overall level of borrowing that affects ratepayers from year to year. To do this we are proposing to limit the interest expense on our borrowing to 12% of total rates income. Figure 11 shows what these levels were from 2004 to 2012 and forecasts what this will look like over the course of this LTP. This will give certainty and stability to ratepayers of the impact that debt repayments will have on their rates

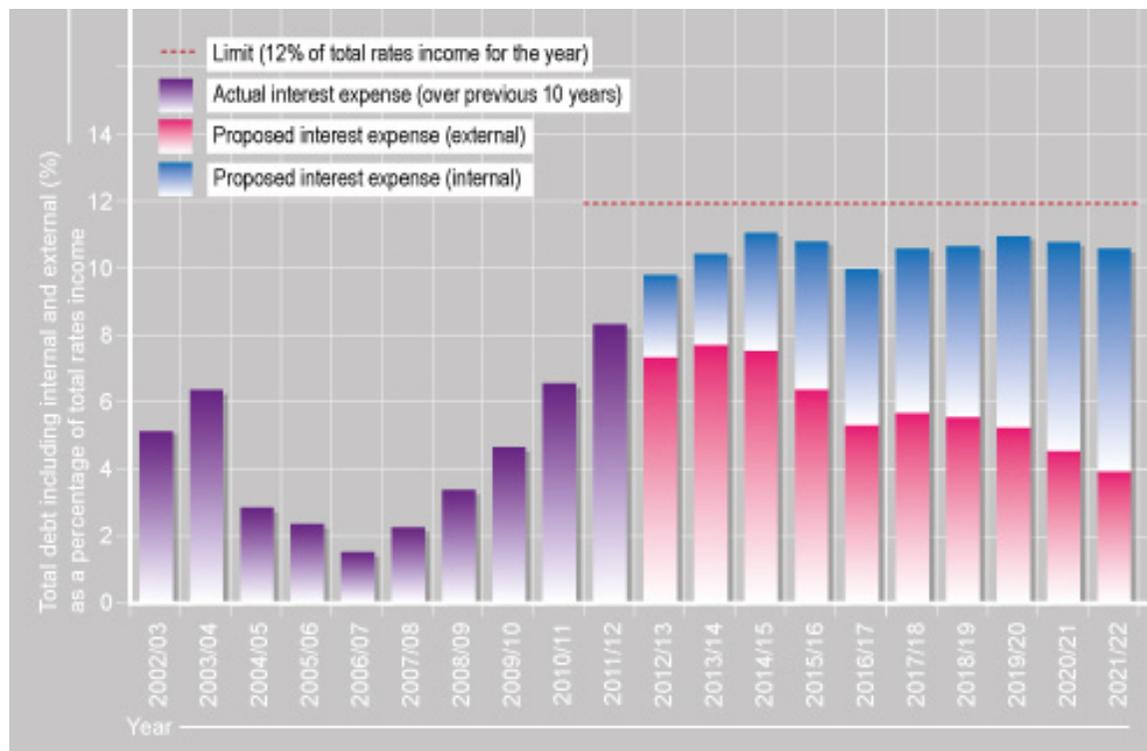
We are planning to enter a more consistent and secure environment for borrowing

The Council will join the Local Government Funding Agency (LGFA). This is a newly formed agency that allows participating local councils to access better interest rates than would otherwise be available. All local authorities are able to borrow from the LGFA but there is different levels of benefit depending on the level of participation. The more we invest into the agency as security, the better our borrowing benefits will be.

We are planning to join the LGFA in August 2012 as a principal shareholder. This will require us to invest \$100,000 when we join but we are expecting to see a return on that investment. As part of the scheme the Council also needs to grant security in the form of a charge over our rates revenue to lenders, but this is not a change to how we previously operated with banks. Changes to our Liability Management Policy and Investment Policy have been made to accommodate the requirements of joining the LGFA.

Joining the LGFA provides a more secure environment for borrowing. That is why, alongside joining the LGFA, the Council will reduce its buffer for term debt and liquidity. Basically, this buffer ensures that we can draw down loans when we need them. A larger buffer provides more security but also costs more money to retain. With a more secure borrowing environment under the LGFA we can confidently reduce this margin and make some cost savings. To ensure we can borrow the amount we need, our policy is to hold a security buffer at 105% of total amount we expect to require over the next six months. This has previously been held at 110% over 12 months.

FIGURE 11: OUR LIMIT ON INTEREST AS A PERCENTAGE OF TOTAL RATES INCOME



DRIVERS AND CHALLENGES

Affordability is a major driver of this Financial Strategy

Affordability is a fundamental driver in this LTP. The Council acknowledges the socio-economic vulnerability of our District, particularly in southern rural areas and in most rural townships. Some parts of the District are better off but we are mindful that wealth can be tied up in property rather than disposable income. We are also conscious the world is still coming to terms with the impacts of the global economic recession. This will continue to affect us on a local level for some time. We understand property owners do not have a choice whether or not to pay rates. That is why we need to make sure rates are affordable.

Rates affordability has been considered in two key ways. The first is through the budgets we have set for each of our activities, because the more we spend, the higher rates will be. Our budgets have been restricted by the limits we have set for rates and borrowing, as identified on the previous pages of this strategy. While these limits do mean good things for the ratepayer's pocket they also mean less money is available to the Council for investing into the community.

The other way the Council has considered affordability is through the review of our rating system. The rating system determines how the Council's costs are to be divided amongst ratepayers. Over the past six years a 'user pays' rating philosophy has been prominent. The review of our rating philosophy resulted in the costs of some Council services being spread over a greater number of ratepayers. The new rating system will also see an increase in the use of capital value based rating compared to fixed charges. This change will mean owners of lower value properties will pay less rates and those of higher value properties pay

more rates relative to the previous rating system. More information about the rates review can be found in the 'All About Rates' section of this LTP.

Maintaining assets is by far our largest cost

The main asset based activities, which are sometimes referred to as core services, typically make up around 60% of our operating expenditure and 70% of capital expenditure. This includes roads and footpaths, waste, water supply, stormwater and sewerage. Recreation and community facilities like halls, parks and public conveniences take these figures to 74% and 79% respectively.

In the past, the level of funds set aside to fund depreciation of our assets was not adequate. Not enough money was put aside from year to year to renew assets when they reached the end of their useful lives. When assets did need renewing, this resulted in sudden cost spikes, which required the Council to take on more borrowing. This meant ratepayers of the past were not paying for the true cost of the assets they were benefiting from. Primarily, this has come about because the Council did not have good asset information to work from. Since 2006, the Council has developed robust asset management plans and these have shown us the true cost of keeping our assets. This has been reflected in increased costs over the past six years for asset maintenance and to fund depreciation for asset renewals.

A 25 year view of asset renewals and depreciation is taken for this LTP. This means the expected costs of renewing assets is calculated and smoothed over a 25 year period. This ensures there are enough reserves available to maintain our assets in the future. Some reserve accounts will reflect a surplus or deficit at the end of the 10 year

period of this LTP but are expected to have a neutral balance over a 25 year period.

Keeping our assets well maintained will continue to be a major driver of costs over the life of this LTP. We have worked hard to strike a balance between these costs and the impact this has on peoples' rates. We have reduced spending on our assets where we can but there is a limit to how much this can be done. This is because we need to make sure essential work continues to keep our assets in good condition so they serve us well into the future.

Planning for the financial impact of natural hazards is challenging

Our District is at risk from a number of natural hazards. The most common events are flooding, but parts of the District have also been affected by debris flows, earthquakes and coastal storm surges. The District is also potentially at risk from other natural hazards, including tsunami and volcanic eruptions.

Natural hazards result in costs to the Council for the initial response effort, the cleanup, and ongoing capital work to rebuild damaged assets. A high level analysis based on the flood events of the last two years suggest that the annual cost of these events added around 1.2% to rates each year. However, planning ahead for the financial impact of these events is difficult because we do not know when they will happen or how major the impact might be. In particular, the occurrence of a larger event such as the Matatā floods of 2005, will have a far greater financial impact than these smaller regular events.

The Council has started to establish a fund for responding to the effect of extreme events on our roading infrastructure.

This involves setting aside \$275,000 each year to pay for damage to our roads from storm events. The New Zealand Transport Agency will also supplement this fund when these extreme events damage our roading infrastructure. We will continue to set aside this funding over the course of this LTP.

Additionally, we will also put aside additional funding starting from the fourth year of the LTP, to help cover general costs of disaster events. This will include an additional \$150,000 per annum for years four and five, \$200,000 per annum for years six to eight and \$300,000 per annum for years nine and 10. These funds will contribute towards the costs of recovery during and straight after an event (like clearing roads and drains) and also for rebuilding damaged assets. We also source external funding to cover some costs of these unforeseen events from government agencies and insurance.

The Council is a member of the Local Authority Protection programme (LAPP) which is a scheme designed to provide some insurance for the underground assets of local authorities. Due to the scale of destruction in Canterbury, as a result of the earthquakes during 2010/11, the LAPP fund was exhausted. A strategy to reinstate the LAPP fund in 5 years, subject to no disasters, saw councils investing more contributions into the fund over the last year. During 2011/12 the Council increased its contributions from \$40,000 to \$169,000. Since the development of the draft LTP the Council has been informed of the premiums required for 2012/13. This has required an increase in the budgets for LAPP funding of \$80,000 for 2012/13.

We acknowledge that the reserve fund that we are setting aside may not cover the full cost of these events depending

on their frequency and magnitude. In determining the amount to commit to this purpose we have had to consider the impact that this would have on rates affordability. This may mean that these events result in unbudgeted spending, which could impact ratepayers in the years following an event. It can also mean some of the things the Council says it is going to do cannot be done because resources are needed for the response, recovery and rebuilding efforts.

Increasing the capacity of our stormwater system is costly

Our District is prone to extreme rainfall events. The Council has assets in place to manage stormwater, including reticulated stormwater systems, overland flow paths and flood mitigation structures. River stop banks are managed by the Bay of Plenty Regional Council. Our stormwater assets are designed to provide a certain level of protection from flooding but there have been a number of extreme weather events recently that have exceeded the capacity of our systems. These events have resulted in damage to Council infrastructure as well as private property.

The Council is looking at options for upgrading our stormwater systems to provide an increased level of protection, but this will come at a cost. Projects planned for this LTP will provide more reliable protection for a one in 10 year rainfall event, with overland flow paths being improved to provide protection to homes from a one in 100 year rainfall event. These projects are predicted to cost \$16.87m in Whakatāne, Ōhope and Edgecumbe. We will need to borrow money to fund a large portion of this work because it would otherwise be unaffordable for ratepayers. Borrowing is a fair way to upgrade our stormwater systems because the assets will have a long lifespan. It means

future ratepayers will also pay their fair share of having a better system in place.

More information about our plans to upgrade our stormwater systems is included in the 'Stormwater Drainage' activity of this LTP.

Population growth at the current expected rate will not be a major cost driver

Changes in population and land-use can be major drivers of expenditure for some councils. This is because as towns and cities expand Council services need to be expanded or new infrastructure created to service new properties and a larger population.

Based on historical growth rates, the population of the Whakatāne District as a whole is stable. Some areas are growing, mainly within the Whakatāne and Ōhope Wards, but also in some rural areas of the Rangitāiki Ward. This is offset by population declines in most smaller rural settlements and urban areas. According to population projections produced by Statistics New Zealand, these existing trends are expected to continue over the course of the LTP. The budgets and financial approach set out in this LTP are based on serving a stable population according to the current trends. Growth will not be a major driver of Council expenditure unless it is actively promoted. This means that this LTP does not include many new assets to cater for growth.

Despite statistical forecasts, the Council does plan to stimulate and encourage growth within the District to increase the prosperity and quality of life of the community. Growth will also have a positive impact on the affordability

of Council services over a longer period of time. While our LTP assumption is for serving a stable population, we will review this approach as and when growth occurs.

We are introducing a number of incentives to try and encourage people, developers and businesses to come to our District. This includes reducing our fees for building and resource consents to make building and renovating more affordable. We have reviewed our Development Contributions Policy to ensure it is not a deterrent for developers. We are looking at re-zoning land through our District Plan review to provide further opportunities for growth and encourage people to develop their land.

More information about how the Council intends to promote growth is included in the 'Big Decisions' section of this LTP.

Selling surplus land holdings will support growth and help us meet our borrowing limits

The Council is planning to sell surplus land holdings. This will help to support growth and to reduce the Council's debt. The main holdings we are planning to sell are the Piripai block adjacent to Coastlands, and land at Port Ōhope. Both of these areas of land are identified as having potential for residential development. The Council will work closely with developers to ensure growth happens in a way that maximises the benefits to our community.

The sale of surplus land assets is expected to return around \$21.97 million over the 10 years of this LTP. This is a modest expectation based on current valuations. Of the return from these assets, \$12.20m would be used to retire debt, which would otherwise need to be funded by ratepayers.

If we do not sell these land assets it will impact on our plans for debt management. We would have to accept a higher level of debt and higher debt repayments, or we would need to rethink any new capital projects that we were planning to take on, such as improving our stormwater systems. If we do not sell Piripai, and do not change our programme of capital works, the debt repayments would add another 2.2% to the rates requirement, in total, over the 10 years of this plan. This includes \$3.88m of principal repayments and \$4.67m of finance costs for the next 10 years, with further costs continuing beyond this plan. The sale of land at Port Ōhope will not be used to repay debt because laws surrounding the use of harbour endowment assets do not allow this. Any proceeds would have to be returned to the Harbour Endowment Fund. See the next page for more information on this Fund.

Funding from Central Government influences what we can and cannot do

External funding is money that the Council receives from other organisations or government bodies. This is a major driver of the services and projects the Council can afford to deliver. External funding in the way of subsidies and grants can make up anywhere between 15-25% of our operating revenue in any given year.

The level of external funding we are able to access influences the projects we are able to undertake and the level of service we deliver to you. In some cases it makes the difference between whether or not we can undertake a project at all. The full cost may otherwise be unaffordable for our ratepayers. External funding also influences when projects happen. This is because we don't want to commit to some projects until funding has been confirmed. There would be too much risk to our ratepayers if we did. An

example of external funding is from the Ministry of Health who are a major funding partner for water related projects. With an 85% subsidy from the Ministry, the Council has been able to install UV water treatment systems for Matatā, Waimana and Tāneatua, improving the quality of drinking water for these communities. These projects could not have happened without the subsidy. The NZ Transport Agency is also a major funding partner. Every year they fund around 45-50% of our transportation programme which is where the Council spends the most money.

Accessing external funding allows us to deliver projects and services that we might otherwise not be able to afford, but it also comes with risks. When our funding partners change their policies or priorities (for example following a change in government) it will influence what we can and cannot do.

We will continue to take advantage of these funding sources as much as we can. At the same time our plans are realistic about the level of funding we think we can access and flexible about the timing of those projects or services.

Local partnerships help to deliver services

The Council has entered into a number of partnerships that help us to deliver our services in a more efficient way. This allows the ratepayer's dollar to go further than it might otherwise. As noted in the previous section, we partner with Central Government where we can. We also have some strong partnerships with neighbouring councils and with local organisations and community groups in our District.

Some examples of past or ongoing partnerships include:

- Environmental improvements at the Karaponga Reserve (Edgecumbe College).
- Developing a walkway and replanting around Matatā

Lagoon (Department of Conservation).

- Constructing a skate bowl in Edgecumbe (Edgecumbe Bluelight).
- Developing and operating of a waste transfer station in Minginui (Ngāti Whare Trust).
- Achieving cost reduction through bulk purchasing on items like insurance and software licenses (BoPLASS).
- Transferring land to Kawerau District to allow for industrial expansion adjacent to existing heavy industry (Kawerau District Council).

We want to keep our partnerships strong and we want to build new ones where we can. This usually requires a financial commitment from the Council but partnerships are also supported by the Council in other ways, like technical support from staff. Where we have entered into committed partnerships to deliver projects and services, these have been reflected in our budgets. Other partnerships may well present themselves in the future. We will look to develop partnerships depending on the value they offer to our community. In this LTP we have included some funding to support partnerships for walking and cycling projects. This funding has been provided in recognition that local walking and cycling projects are no longer a priority of Central Government and local solutions will need to be sought to make these types of projects happen.

The Council also supports the work of some volunteer organisations and community groups. Two examples are the Citizens Advice Bureau and surf life saving services. Contestable funding is made available through the Council and community boards to support the valuable work that groups such as these do.

The Harbour Endowment Fund can only pay for certain types of projects

The Council owns a number of harbour endowment and other harbour owned properties. These were originally vested in the Council in 1976 when it took over the functions of the Whakatāne Harbour Board. The majority of these are commercially zoned land holdings around the Whakatāne CBD but also include a small number of properties in Ōhope. Many of these properties are leased and provide a commercial return to the Council. The income from leases and from the sale of harbour endowment assets is held as the Harbour Endowment Fund.

The Harbour Endowment Fund is of great benefit to the District because it allows the Council to progress certain capital projects at little or no direct cost to the ratepayer. The rules around this fund mean any income derived from leases or the sale of those assets, must be invested back into the maintenance or improvement of the harbour or harbour properties. This provides a dedicated and self sustaining monetary source to maintain and improve our harbour and surrounds.

The Harbour Endowment Fund can not be used for other purposes except with the approval from the Minister of Local Government. In the 2010/11 year approval was given from the Minister to use the harbour fund to help fix roading damage from storms in May and June 2010.

At the time of finalising this LTP, the Council was granted approval from the Minister to use the harbour endowment fund to pay for a greater range of operational costs than it has been used for in the past. We are now able to use the harbour fund to contribute towards the cost of operating and maintaining facilities and services that sit on Harbour Land such as public toilets, playgrounds, lighting, CCTV cameras,

reserves, the Visitor Information Centre and the Exhibition Centre. Using the harbour fund in this way will reduce the amount of rates that would otherwise be required to fund these operational costs. The budgets contained in this LTP are based on Ministerial approval being granted.

The Council does utilise the Harbour Endowment Fund for internal borrowing and intends to increase this practice over the term of this LTP. This is used as an alternative to borrowing from banks and provides more favourable borrowing conditions. It also provides a return to the Harbour Endowment Fund. Internal borrowing is a common practice of councils around New Zealand.

Other influencing factors

Alongside the drivers and challenges that are discussed in this Financial Strategy, we have considered a number of other factors that will influence our long term financial planning. Some examples include inflation, asset revaluations and expected interest rates. These are covered in the 'Assumptions and Data' section of this LTP.

We are also required (under legislation) to disclose our objectives for holding and managing investments and equity securities and any targets that we have for returns on those. Our Council holds very minimal investment holdings and these are not expecting any return of note over the course of this LTP.

ALL ABOUT RATES

THE RATING SYSTEM DETERMINES HOW COUNCIL COSTS ARE DIVIDED AMONGST RATEPAYERS

This section of the LTP provides an overview of how our rating system works and outlines the changes we have made. It also provides examples of what your rates might look like in the future.

The rating statement is included at the end of this section. It sets out the total rating impacts of the plans contained in this LTP.

Your rates are determined by three key factors, as illustrated to the right. This includes how much the Council spends overall, how much funding we can get from sources other than ratepayers and on the rating system.

1. Our budget setting process impacts what your rates will be:

As we develop the LTP we make choices about the projects and services that we will deliver and others that do not make the cut. The amount that we spend has a direct impact on what rates will be. More information about the budgets for the next 10 years can be found in the Financial Strategy of this LTP or for more detail see the “Our Work in Detail” chapter.

2. The amount of funding we are able to get from other sources impacts what your rates will be:

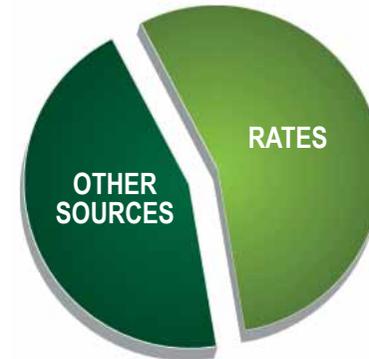
Not all of Council’s spending is paid for by rates. In fact, about 35-45% comes from other sources in any given year. This includes funding from external sources like the Ministry of Health, NZ Transport Agency, the Lotteries Commission and others. We work hard to get as much funding as we can from other places. The amount that we need to source from rates is called our “rates requirement”.

3. Our system of rating impacts what your rates will be:

In our District we have about 15,600 rateable properties. Our “rates requirement” is divided amongst these properties and the amount is different for each one. These differences are based on a balance between the capital value of the property, and on the services those property owners can access or are likely to benefit from. Our rating philosophy and rating system determines what that balance is.

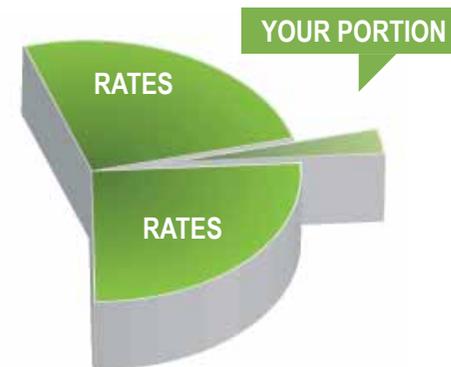


AMOUNT OF FUNDING WE NEED OVERALL



OTHER SOURCES

RATES



RATES

RATES

YOUR PORTION

WHY DO RATES INCREASE?

We are planning conservative rates increases

Over the course of this LTP, rates will continue to change from year to year. The table below shows the average rating increases for the 2012/13 to 2021/22 financial years. This will be different for each property, depending on the services received and on the capital value. Many properties will be higher or lower than the average.

YEAR	PROPOSED RATES INCREASE	PROPOSED LIMIT FOR RATES INCREASE (LGCI + 2%)
2012/13	5.69%	5.79%
2013/14	4.52%	5.46%
2014/15	2.74%	5.17%
2015/16	2.60%	5.27%
2016/17	5.26%	5.42%
2017/18	4.29%	5.26%
2018/19	2.03%	5.38%
2019/20	3.82%	5.69%
2020/21	3.07%	5.89%
2021/22	1.97%	5.90%

Rates go up but they rarely, if ever, come down

As noted in the Financial Strategy the costs to provide our services continues to increase each year with inflation. This means that just to continue providing the same services that we always have, rates need to increase. To reduce rates for everyone would require either substantially less spending or increasing the funding that we get from other sources.

Throughout the budget setting process in this LTP the Council has been conscious to keep costs down. The level that we have set our spending and rates requirements at allows us to continue to deliver the services and facilities that we currently do. It also allows us to maintain our assets at an acceptable level. We do not envisage delivering any new, non-essential services unless we can secure substantial funding from sources, other than rates. Lowering costs further than the budgets would mean reducing or cutting some of the services we deliver. We do not think this is a good idea and we do not think it is what our community wants.

The forecast rates increases are very conservative compared to some of the increases we have seen in the past.

We work hard to secure external funding from sources other than rates. Some important sources more recently have included: the NZ Transport Agency for maintenance and improvement of our transport networks; the Ministry of Health and Ministry for the Environment for water and sewerage related projects. There are limits to the external funding we can access but we will keep working hard to secure what we can.

HOW THE RATING SYSTEM WORKS

We know rates can be complex

This section explains the basic elements of how our rating system works.

Rates help to pay for services that the Council delivers to you. They are the biggest and most stable source of income for the Council making up around 55-65% of our income from year to year. We also obtain income from other sources where we can. Other major sources are grants, subsidies and user fees and charges.

The amount people pay in rates varies from property to property. These differences are based on a balance between the capital value of the property, and on the services those property owners can access or are likely to benefit from.

The basic elements of our rating system are explained below:

General Rates: General rates are charged across the whole District. They are used to raise revenue for activities that are of public good or where recovery from users is not efficient or possible. Parks, Reserves and Libraries are examples of activities funded by general rates. General rates are charged on the basis of both capital value and as a fixed charge. Fixed charges across the whole District are known as the Uniform Annual General Charge or UAGC.

Targeted Rates: As the name suggests, these rates are targeted to a specific group of ratepayers. This is based on the services those property owners can access or are likely to benefit from. For example a rate may be charged to the commercial sector, or to a specific community. Stormwater

and refuse collection (wheelie bins) are examples of activities funded by targeted rates. Targeted rates can be charged on the basis of both capital value or as fixed charge regardless of capital value. Fixed charges targeted to a select group of ratepayers are known as Uniform Annual Charges or UACs.

Capital Value Rates: These rates are based on the value of land plus any improvements, for example a house or other buildings. Charging on the basis of capital value results in owners of lower value properties paying less and those of higher value properties paying relatively more. This is part of the Council's focus on affordability. We acknowledge that the capital value of property is not an exact measure of people's ability to pay, however, it does have a close correlation. The Council cannot charge rates based on people's individual income and does not have this information. Capital value is the most common basis of rating in New Zealand.

Fixed Charges (UAGC and UACs): Our rating system also uses fixed charges. Unlike capital value rating, which is different for each ratepayer based on the value of their property, fixed charges are a flat amount. This means the charge will be the same for everyone, regardless of the value of their property. The UAGC is a fixed charge across the whole District (as part of general rates). UACs are fixed charges targeted to a select group of ratepayers (as part of targeted rates).

Rateable properties in our District

The Council's rating requirement (the amount we need to collect from rates) is divided among the available "rateable properties" in the District. Certain types of properties are

not rateable like schools, churches, recreation reserves and national parks. Our District is made up of about 15,600 rateable properties.

The table below shows the number of rateable properties in our District as at 10 January 2012. Properties are valued every three years by an independent valuer and were last valued in September 2010.

	NUMBER OF RATEABLE RATING UNITS	RATEABLE CAPITAL VALUE
Whakatāne Commercial	506	\$402.53m
Commercial 10m+	14	\$464.40m
Edgecumbe	647	\$146.01m
Matatā	332	\$82.49m
Murupara	776	\$55.46m
Ōhope	1,837	\$1,002.16m
Otarawairere	37	\$28.37m
Rural	5,203	\$3,180.22m
Tāneatua	282	\$34.45m
Te Teko	278	\$37.40m
Whakatāne Urban	5,685	\$1,853.81m
TOTAL	15,597	\$7,287.30m

PSA and rates revaluations

The Council has a process in place that assists any property owners when facing a substantial change in a property's valuation, for example in the case of a fire destroying a house. This process may also be applied to properties whose values are being affected by the kiwifruit disease PSA.

The rates valuation of kiwifruit orchards includes the value of the vines planted. If vines die or have to be removed due to PSA, the capital value of these orchards will decrease. In these circumstances, a new valuation can be arranged by the Council. The rates can then be assessed on the basis of the new valuation, provided that the valuation is made prior to the beginning of the financial year. This will allow any new valuations to take effect before the next general valuation in September 2013.

Rates relief in special circumstances

The Council provides remission and postponement of rates in some special circumstances. Remission of rates is where the amount owed is reduced or waived. Postponement of rates is where payment is delayed for a certain period of time, or until certain events occur. These circumstances are defined in our Rates Remission and Postponement Policies which are available from Council offices or online at www.whakatane.govt.nz.

The Department of Internal Affairs also runs a rates rebate scheme that in some cases allows for a refund or partial discount on rates. The scheme is administered by us and generally applies to those on benefits or very low incomes.

ABOUT THE RATES REVIEW

We have reviewed our funding philosophy and rating system

We have reviewed the rating system and a number of changes have been made. The rates review reflects the three key principles of affordability, sustainability and responsibility that also underpin the whole LTP. These principles aim to balance peoples' ability to pay with the need to maintain assets and deliver services so the community gets the best value for money.

Our funding philosophy will have a stronger emphasis on affordability

Over the past six years the Council's funding philosophy has taken a strong user pays approach. We have made changes to this approach and are implementing what we consider to be a more balanced approach with a stronger emphasis on rates affordability.

Some costs will be spread over a wider number of ratepayers who are likely to benefit from the service.

This will see an increase in the use of general rates and a reduction of targeted rates. It also means that some targeted rates will be amalgamated or spread over a larger group of ratepayers where this is appropriate.

A greater proportion of rates will be based on capital value rather than fixed charges. This means owners of lower value properties pay a smaller proportion of rates and those of higher value properties pay a greater portion, relative to the current system. Increasing the use of rating based on capital value is the most efficient means available to us for addressing affordability through the rates review.

Some costs will continue to be passed on to those who specifically use services where they can be identified; especially where there is no benefit to the wider community of the service, such as the refuse removal (wheelie bin) rate.

We listened to what the community had to say and made some further changes

During the consultation process we received a substantial amount of feedback on the rates review. While the focus on affordability was well received by many, it did mean an increased rating burden for higher value properties. Higher value rural properties were going to be substantially affected, with many facing considerable rates increases. At the same time, many of these properties were also facing considerable rates increases from the Regional Council.

In response to the submissions, the Council further revised the changes to the rating system. The shift towards increased use of the general rate and a greater reliance on capital value rating has been retained but not to the same extent as the original proposal put forward. This means that most lower value properties will continue to be better off relative to the old system and higher value properties will still pick up this extra cost. However the impact of this change has been reduced compared to the original proposal contained in our draft LTP.

The Council also received a number of submissions from the Matakā residents regarding the heavy cost of disaster mitigation works on that community. The Council recognise that these costs place a huge and unaffordable burden onto that community and has increased the portion of these costs to be funded District wide from 68% to 75%.

OUR RATING SYSTEM

As part of this LTP we made some changes to our rating system.

The following table outlines the specific rating categories, what they cover and who will face those costs.

GENERAL RATE

We have reduced the use of targeted rates and increased the application of general rates. This spreads the costs of our activities over a wider number of ratepayers (compared to targeted rates) and also increases incidence of funding on the basis of capital value. This positively impacts lower value properties which reflects our increasing focus on affordability. The general rate will cover the following activities:

- Governance
- Community Support
- Strategy and Policy
- Tradewaste
- Closed Landfills
- Resource Management Consents
- Resource Management Policy
- Licensing
- Environmental Health
- Regulation Monitoring
- Community Development
- Building
- Animal Control
- Exhibition, Research, Storage and Archives
- Halls
- Commercial Property
- Cemeteries and Crematorium
- Public Conveniences
- Visitor Information
- Emergency Management
- Aquatic Centres
- Parks, Reserves, Recreation and Sportsfields
- Libraries
- Waste Disposal (excluding the refuse removal rate - see below)
- A portion of Disaster Mitigation costs for Matatā (see below)

UNIFORM ANNUAL GENERAL CHARGE

We have increased the UAGC. This does not increase the rate take but moderates the amount of rates that are to be collected on the basis of capital value. The total of all fixed charges (this includes the UAGC and UACs) will be set at 28% of our rates requirement. With a significant reduction in the use of UACs, this results in the UAGC being set at \$567.72 (Excl. GST) for the 2012/13 year.

DIFFERENTIAL ON THE GENERAL RATE

We have introduced a stepped differential for properties over \$15m. For properties that are in this category, the portion of the property valued under \$15m will attract the full general rates charges. For the portion of the property valued over \$15m, only a half general rates charge will apply.

WATER RATES

We have amalgamated water supply schemes across the District for rating purposes. This will continue to be charged as a targeted rate to the communities that have access.

While water will still be funded through a targeted rate, we have reorganised how this is charged. Although each water scheme has different costs to maintain and operate, water supply schemes across the District have been amalgamated for rating purposes, rather than each scheme paying for its own costs. This means that everyone receiving a similar service of having access to a scheme, pays the same regardless of the costs related to each individual scheme. In general, this benefits smaller schemes which have a higher per ratepayer cost.

The water schemes for Ruatāhuna, Plains and Murupara would not be amalgamated with the others, each for different reasons. The Ruatāhuna scheme is not owned by the Council. The Plains scheme is primarily an agricultural scheme and has a unique 50 year management strategy. The Murupara scheme is gravity fed rather than relying on pumps and therefore requires comparatively low cost to run. Amalgamating the Murupara scheme would place an unaffordable cost on this community.

WATER CONSERVATION INCENTIVES FOR THOSE WITH METERS

We have removed the peak water charge which increased the price of water over summer months. To continue to encourage water conservation (for those with water meters) we are instead reducing the portion of this activity funded by fixed charges and increasing the portion funded according to the level of consumption. This system will allow us to continue to encourage water conservation but will mean our charges will be consistent over the year. This means that rate payers will not be charged a higher amount for water use in the summer months. However, under the proposed system, if you conserve water over a year, you will save more money than on the current system.

Where there are no water meters in place the consumption charge will continue to be based on the average level of use. Overall you should have a similar annual cost for water as you currently do. For those with water meters, fixed charges and consumption charges will both be charged on your water invoice.

SEWERAGE RATES

We have amalgamated sewerage schemes across the District for rating purposes. This will continue to be charged as a targeted rate to the communities that have access.

While sewerage systems will still be funded through a targeted rate, we have reorganised how this is charged. Although each sewerage scheme has different costs to maintain and operate, sewerage schemes across the District have been amalgamated for rating purposes, rather than each scheme paying for its own costs. This means that everyone receiving a similar service of having access to a scheme, pays the same regardless of the costs related to each individual scheme. In general, this benefits smaller schemes which have a higher per ratepayer cost. Similar to the amalgamation of water schemes, Murupara is again an exception.

STORMWATER

Stormwater will be funded through targeted rates to the community that each scheme serves. Disaster Mitigation has also become part of the stormwater activity and be funded accordingly, however, there are some special circumstances regarding funding of Matatā disaster mitigation (see Disaster Mitigation below).

DISASTER MITIGATION

We have removed the disaster mitigation rate and will fund disaster mitigation works this as part of the stormwater activity. As noted previously this will be funded through targeted rates to the community that each stormwater scheme serves.

Over recent years we have completed a number of disaster mitigation works. While these have been constructed following certain specific natural hazard events, they have the same function as our assets within the stormwater activity. Their purpose is provide a certain level of protection to communities from the impacts of stormwater.

In the case of Matatā, these costs place a huge and unaffordable burden onto that community. The Council's increased focus on affordability includes spreading these costs to ensure that Matatā ratepayers are not overly burdened. Disaster mitigation costs for Matatā will be 75% funded across the district.

PROMOTION & ECONOMIC DEVELOPMENT

The Promotion and Economic Development rate will continue to be charged as a targeted rate across the District including a fixed portion and a portion based on capital value.

Promotion and Economic Development will continue to be funded through a targeted rate on commercial/ industrial properties located in the Whakatāne urban area. This includes a fixed portion and a portion based on capital value.

ROADING RATE

The roading rate will continue to be charged as a targeted rate across the District including a fixed portion and a portion based on capital value. Minor changes have been made to the calculation of the fixed charge portion.

Whereas previously the fixed charge portion has been set annually at a considered dollar value, it will now be set at 10% of the rates requirement for this activity. This will result in the fixed charge portion being set at \$53.55 (Excl. GST) in the 2012/13 year (compared to \$44.44 in 2011/12). The remaining portion required to fund this activity will continue to be based on capital value.

COMMUNITY BOARD

The costs of each community board will be charged as a targeted rate to each ward they represent. While there will be some minor changes to the allocation of overhead costs, the way this activity is funded will, for the most part, remain unchanged.

REFUSE REMOVAL RATE

No changes are proposed to the rating system for refuse removal. This will continue to be charged as a targeted rate to each household using the service. This is a fixed amount per bin.

WASTE DISPOSAL

The costs of waste disposal that are not covered by the Refuse Removal Rate or by fees and charges for using transfer stations will be funded through the general rate. The use of the general rate will spread the cost of this activity over the District and also increase the proportion of this activity funded by capital value rating. This positively impacts lower value properties which reflects our increasing focus on affordability.

AQUATIC CENTRES

We will fund Aquatic Centres through the general rate. The use of general rates spreads the costs of this activity over the District and also increases the proportion of this activity funded by capital value rating. This positively impacts lower value properties which reflects our increasing focus on affordability.

DISTRICT WIDE PARKS

We will fund Parks, Reserves, Recreation and Sportsfields through the general rate. The use of general rates spreads the costs of this activity over the District and also increases the proportion of this activity funded by capital value rating. This positively impacts lower value properties which reflects our increasing focus on affordability.

SEPARATELY USED AND INHABITED PARTS OF A RATING UNIT (SUIPS)

We have removed rating on the basis of SUIPs for commercial properties. We are also no longer considering introducing SUIPs rating for residential or rural properties. Multiple SUIPs are reflected in the capital value of a property. With the proposal to increase the application of rating on the basis of capital value, it is not considered to be fair to continue to charge additional rates on SUIPs.

WHAT YOUR RATES WILL LOOK LIKE IN 2012/13

The “Indicative Rating Table” below, models a number of example properties from around the District to show what your rates look like under the new system.

	WHAKATĀNE URBAN LOW	WHAKATĀNE URBAN AVERAGE	WHAKATĀNE URBAN HIGH	WHAKATĀNE COMMERCIAL (LESS THAN \$10M) LOW	WHAKATĀNE COMMERCIAL (LESS THAN \$10M) AVERAGE	WHAKATĀNE COMMERCIAL (WAS A 5 SUIP)	EDGE CUMBE AVERAGE	MATATĀ AVERAGE	MATATĀ HIGH	MURUPARA URBAN	
Capital Value	134,000	322,000	1,000,000	355,000	695,000	2,475,000	216,000	249,000	425,000	68,000	
General Rate	119.90	288.12	894.76	317.63	621.85	2,214.51	193.27	222.79	380.27	60.84	
Uniform Annual General Charge	567.72	567.72	567.72	567.72	567.72	567.72	567.72	567.72	567.72	567.72	
Roading CV	130.88	314.50	976.72	346.74	678.82	2,417.38	210.97	243.20	415.11	66.42	
Roading UAC	53.55	53.55	53.55	53.55	53.55	53.55	53.55	53.55	53.55	53.55	
Community Boards	13.20	13.20	13.20	13.20	13.20	13.20	11.67	11.67	11.67	32.72	
Stormwater UAC	66.38	66.38	66.38	66.38	66.38	66.38	70.83	126.07	126.07	2.24	
Stormwater CV	57.48	138.11	428.92	334.99	655.82	2,335.48	130.64	368.78	629.45	7.31	
Promotion and Economic Development	-	-	-	557.63	670.62	1,262.13	-	-	-	-	
Refuse Removal	310.23	310.23	310.23	247.11	247.11	247.11	310.23	310.23	310.23	310.23	
Water	418.03	418.03	418.03	418.03	418.03	418.03	418.03	418.03	418.03	212.20	
Waste Water	175.42	175.42	175.42	175.42	175.42	175.42	175.42	-	-	222.58	
Total	1,912.79	2,345.26	3,904.93	3,098.40	4,168.52	9,770.91	2,142.32	2,322.05	2,912.10	1,535.80	
Plus GST at 15%	286.92	351.79	585.74	464.76	625.28	1,465.64	321.35	348.31	436.81	230.37	
2012/13 Total including GST	2,199.71	2,697.05	4,490.67	3,563.16	4,793.80	11,236.55	2,463.67	\$2,670.36	\$3,348.91	1,766.17	
2011/12 Total including GST	2,206.74	2,631.02	4,161.16	3,210.50	\$4,249.72	11,873.42	2,526.94	2,650.99	\$3,134.20	1,625.35	
\$ increase (decrease) compared to the 2011/12 year	(7.03)	66.03	329.51	352.66	544.08	(636.87)	(63.27)	19.37	214.71	140.82	
% increase (decrease) compared to the 2011/12 year	(0.32%)	2.51%	7.92%	10.98%	12.80%	(5.36%)	(2.50%)	0.73%	6.85%	8.66%	

	MURUPARA LIFESTYLE	TE TEKO	OTARAWAIRERE	ŌHOPE LOW	ŌHOPE AVERAGE	ŌHOPE HIGH	TĀNEATUA	RURAL LOW	RURAL AVERAGE	RURAL HIGH	DISTRICT WIDE - COMMERCIAL/ INDUSTRIAL \$10M PLUS	
	200,000	135,000	760,000	407,000	532,000	1,000,000	118,000	69,750	632,500	2,453,750	11,905,000	Capital Value
	178.95	120.80	680.00	364.16	476.00	894.74	105.58	62.40	565.93	2,195.50	10,652.06	General Rate
	567.72	567.72	567.72	567.72	567.72	567.72	567.72	567.72	567.72	567.72	567.72	Uniform Annual General Charge
	195.34	131.86	742.30	397.52	519.61	976.71	115.25	68.13	617.77	2,396.62	11,627.83	Roading CV
	53.55	53.55	53.55	53.55	53.55	53.55	53.55	53.55	53.55	53.55	53.55	Roading UAC
	32.72	11.67	30.43	30.43	30.43	30.43	29.90	11.67	11.67	11.67	13.20	Community Boards
	-	15.66	42.75	42.75	42.75	42.75	5.61	-	-	-	66.38	Stormwater UAC
	-	82.83	175.27	93.86	122.69	230.62	15.56	--	-	-	11,233.88	Stormwater CV
	-	-	-	-	-	-	-	-	-	-	4,395.80	Promotion and Economic Development
	247.11	310.23	312.97	312.97	312.97	312.97	310.23	247.11	247.11	247.11	247.11	Refuse Removal
	-	-	418.03	418.03	418.03	418.03	418.03	120.00	120.00	120.00	418.03	Water
	-	-	175.42	175.42	175.42	175.42	175.42	-	-	-	1,140.25	Waste Water
	1,275.39	1,294.32	3,198.44	2,456.41	2,719.17	3,702.94	1,796.85	1,130.58	2,183.75	5,592.17	40,415.81	Total
	191.31	194.15	479.77	368.46	407.87	555.44	269.53	169.59	327.56	838.83	6,062.37	Plus GST at 15%
	1,466.70	1,488.47	3,678.21	2,824.87	3,127.04	4,258.38	2,066.38	1,300.17	2,511.31	6,431.00	46,478.18	Total including GST
	1,348.60	1,423.52	4,132.46	2,833.76	3,153.24	4,092.68	2,137.10	1,224.88	2,299.16	5,778.28	40,033.67	2011/12 Total including GST
	118.10	64.94	(454.25)	(8.89)	(26.20)	165.71	(70.73)	75.28	212.15	652.72	6,444.51	\$ increase (decrease) compared to the 2011/12 year
	8.76%	4.56%	(10.99%)	(0.31%)	(0.83%)	4.05%	(3.31%)	6.15%	9.23%	11.30%	16.10%	% increase (decrease) compared to the 2011/12 year

WHEN WILL YOUR RATES BE DUE FOR 2012/13

Rates Due Dates

There will be four equal installments for the 2012/13 rates and the due dates are as follows:

INSTALLMENT	DUE DATE
Installment 1	Friday, 24 August 2012
Installment 2	Friday, 23 November 2012
Installment 3	Friday, 22 February 2013
Installment 4	Friday, 24 May 2013

A 10% installment penalty will apply if any of these rates remain outstanding after each of the above installment due dates. A further 10% additional charge will be added on 1 October 2013 to any rates that were set prior to 1 July 2013 and which are unpaid at 1 July 2013 and remain unpaid at 30 September 2013.

RATING STATEMENT

The following pages show how the rating system will look as dollar figures applied across the community. Hopefully this information will help you to understand the financial impact of the 'All about rates' section. You will find that this information is very similar to what appears on the back of your rates invoice.

Water Due Dates

The following are the due dates for the water invoices:

INSTALLMENT	SCHEME	DUE DATE
1st Reading	Plains and Awakeri Extn	Friday, 26 October 2012
2nd Reading	All metered schemes	Friday, 25 January 2013
3rd Reading	Plains and Awakeri Extn	Friday, 26 April 2013
4th Reading	All metered schemes	Friday, 26 July 2013

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

Note: Under our new rating system those on metered water will find both the fixed portion and the consumption charge will both now appear on your water invoice.

RATING STATEMENT

Note: All figures in this table are GST exclusive. GST will apply at the current rate of 15%

	2012/13	2012/13 \$	2013/14 \$	2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
GENERAL RATES											
Total Amount Required		14,700,277	15,341,190	15,843,618	15,550,571	16,131,766	16,614,005	17,069,529	17,666,160	18,095,757	18,270,268
The Council sets a general rate on the capital value of each applicable rating unit in the District on a stepped differential basis (cents per CV\$).											
District rateable properties capital value less than \$15 million (step 1)	0.00089476 (cents per CV\$)	6,145,443	6,385,828	6,644,828	6,227,062	6,321,760	6,364,558	6,632,313	6,872,476	6,971,125	6,948,617
District rateable properties capital value portion greater than \$15 million (step 2)	0.00044738 (cents per CV\$)	182,702	189,849	197,549	185,129	187,944	189,217	197,177	204,317	207,250	206,581
Uniform Annual General Charge on all rating units in the District	\$567.72	8,372,131	8,765,513	9,001,241	9,138,380	9,622,062	10,060,230	10,240,039	10,589,367	10,917,383	11,115,071
ROADING RATES											
Total Amount Required		7,896,960	8,188,363	8,390,310	8,920,592	9,381,062	9,757,578	9,908,402	10,452,456	10,649,365	10,791,447
The Council sets the roading rate on the capital value of each applicable rating unit in the District (cents per CV\$).											
District rateable properties	0.00097672 (cents per CV\$)	7,107,264	7,369,527	7,551,279	8,028,533	8,442,956	8,781,820	8,917,562	9,407,210	9,584,429	9,712,302
Uniform Annual General Charge on all rating units in the District	\$53.55	789,696	818,836	839,031	892,059	938,106	975,758	990,840	1,045,246	1,064,937	1,079,145
COMMUNITY BOARDS											
Total Amount Required		263,107	280,000	281,391	294,720	316,592	316,568	325,667	349,448	350,060	361,080
The Community Board rate is set to fund the costs of the five Community Boards. The Council sets the targeted rate on rating units within each of the following locations.											
	Rate \$										
Whakatāne	13.20	81,621	85,928	87,163	90,879	96,370	97,487	100,435	106,357	107,793	111,320
Rangitaiki	11.67	46,621	49,808	49,888	52,337	56,480	56,243	57,830	62,345	62,195	64,126
Ōhope	30.43	56,621	60,128	60,538	63,349	67,877	68,027	70,003	74,920	75,223	77,610
Tāneatua	29.90	36,621	39,488	39,238	41,325	45,083	44,459	45,657	49,770	49,167	50,642
Murupara	32.72	41,621	44,648	44,563	46,831	50,782	50,351	51,743	56,057	55,681	57,384

			2012/13 \$	2012/13 \$	2013/14 \$	2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
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STORMWATER

				2,312,622	2,340,381	2,420,824	2,626,642	2,694,527	2,743,064	2,852,380	2,987,544	3,150,139	3,263,605
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The Council sets a differential targeted rate for stormwater on rating units and a rate on the capital value differentially as follows.

	DIFFERENTIAL	UAC \$ Per Rateable Unit	CENTS PER CV\$	TOTAL \$ REQUIRED									
Whakatāne Urban	1.0	66.38	0.00042892	1,170,807	1,133,257	1,161,916	1,282,285	1,293,320	1,333,953	1,406,012	1,482,385	1,571,838	1,621,460
Whakatāne Commercial and Industrial	2.2	66.38	0.00094363	457,473	442,802	453,999	501,032	505,344	521,220	549,376	579,218	614,170	633,559
Matatā	1.0	126.07	0.00148106	162,887	199,849	211,578	207,657	198,494	172,144	172,483	175,467	180,631	181,446
Ōhope	1.0	42.75	0.00023062	315,633	341,202	364,811	400,569	458,515	470,525	478,010	499,937	527,057	568,735
Edgecumbe	1.0	70.83	0.00060479	181,045	198,343	203,073	209,255	212,650	218,224	219,551	223,155	228,385	230,340
Tāneatua	1.0	5.61	0.00013185	6,032	6,134	6,212	6,266	6,343	6,477	6,488	6,568	6,673	6,683
Murupara	1.0	2.24	0.00010749	6,596	6,763	6,906	6,896	6,972	7,227	7,121	7,231	7,452	7,376
Te Mahoe Land Drainage	1.0	43.01	0.00154606	4,129	3,819	3,855	3,886	3,929	4,028	4,039	4,100	4,162	4,163
Te Teko Land Drainage	1.0	15.66	0.00061359	8,020	8,212	8,474	8,796	8,960	9,266	9,300	9,483	9,771	9,843

PROMOTION & ECONOMIC DEVELOPMENT RATE

				415,996	434,271	451,150	481,482	506,686	531,112	552,171	574,787	589,561	605,822
The Council sets a targeted rate of a fixed amount per rating unit for all commercial and industrial properties within the District.		\$439.66		265,996	284,271	301,150	331,482	356,686	381,112	402,171	424,787	439,561	455,822
The Council sets a targeted rate on the capital value for all commercial and industrial properties within the Whakatāne urban area.			0.00033231 (cents per CV\$)	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000

REFUSE REMOVAL RATE

				3,883,415	3,656,491	3,779,438	3,890,898	4,325,615	4,443,868	4,550,191	4,686,325	4,847,639	4,978,729
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The Council sets a targeted rate to fund the collection and disposal of the Council approved refuse and recycling bins. This targeted rate is set as a fixed amount per bin for which the Council is providing a weekly service.

Residential			310.23	2,475,670	2,338,743	2,412,930	2,480,185	2,742,494	2,813,848	2,878,004	2,960,148	3,057,485	3,136,585
Rural/commercial			247.11	867,837	807,576	840,225	869,825	985,267	1,016,670	1,044,905	1,081,056	1,123,894	1,158,706
Ōhope residential			312.97	530,164	501,097	516,846	531,123	586,806	601,953	615,572	633,010	653,673	670,464
Ōhope commercial			249.84	9,744	9,074	9,437	9,766	11,048	11,396	11,710	12,111	12,587	12,974

(The Council provides an additional three collections during the summer holiday period for Ōhope).

		2012/13 \$	2012/13 \$	2013/14 \$	2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	
WATER													
			5,069,524	5,418,871	5,545,661	5,807,060	6,145,450	6,419,540	6,608,976	6,740,558	7,043,539	7,294,979	
The Council sets water rates on a differential 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 \$									
RUATAHUNA													
Connected		88.92		711	739	765	793	823	852	882	916	953	992
Connected - commercial		222.31		445	462	478	496	515	533	551	572	596	620
PLAINS & AWAKERI EXTN													
Plains connected - metered		120.00		163,680									
Plains water by meter			0.27	253,674									
Awakeri connected - metered		175.00		66,325									
Awakeri water by meter			0.38	68,680									
Excess water by meter *			0.90	227,708									
MURUPARA													
Connected - metered		88.39		3,270	3,475	3,603	3,738	3,879	4,030	4,155	4,314	4,498	4,661
Connected - non metered		212.20		146,417	155,592	161,325	167,334	173,663	180,440	186,033	193,131	201,373	208,679
Available - not connected		88.39		8,751	9,299	9,642	10,001	10,379	10,784	11,118	11,542	12,035	12,472
Water by meter			0.56	24,086	25,596	26,539	27,527	28,568	29,683	30,603	31,771	33,127	34,329
ALL OTHER SCHEMES													
Connected - metered		156.34		1,374,976	1,476,742	1,512,762	1,573,551	1,643,784	1,674,701	1,673,596	1,686,721	1,738,568	1,783,741
Connected - non metered		418.03		519,609	558,067	571,679	594,651	621,193	632,876	632,459	637,419	657,012	674,083
Available - not connected		156.34		73,009	78,413	80,325	83,553	87,282	88,924	88,865	89,562	92,315	94,714
Water by meter			1.19	2,138,183	2,296,437	2,352,450	2,446,982	2,556,198	2,604,276	2,602,558	2,622,968	2,703,594	2,773,840
*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.													

			2012/13	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Note: Where properties meet the definition of being contiguous either under legislated or Council Policy, the entitlements for such properties will be aggregated prior to an imposition of the overuse penalty.

SEWERAGE													
				2,133,406	2,675,134	2,673,390	2,832,681	3,023,575	3,529,383	3,389,154	3,527,484	3,700,635	3,816,279

The Council sets sewerage rates 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 is zoned commercial / industrial. Commercial / industrial properties are charged per pan. Rural is defined as all rural zoned land except commercial and industrial properties as defined above.

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 \$										
Available - all schemes excluding Murupara			87.71	32,629	41,421	41,414	43,936	46,969	55,281	52,816	54,976	57,526	59,045
Connected - all schemes excluding Murupara			175.42	1,919,823	2,437,162	2,436,764	2,585,112	2,763,597	3,252,685	3,107,596	3,234,728	3,384,736	3,474,158
Available - Murupara			111.29	9,348	10,154	10,085	10,520	11,004	11,439	11,817	12,284	13,348	14,624
Connected - Murupara			222.58	171,606	186,397	185,127	193,114	202,005	209,978	216,925	225,496	245,026	268,452

Rating units are defined as:

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.

PERCENTAGE OF RATES THAT ARE FIXED CHARGES

Under the Local Government (Rating) Act (LGRA) the Council may only set a maximum of 30% of the total rates income to come from fixed rates such as targeted rates or uniform charges. The following table shows an analysis of these charges and shows the percentage of the Council's total rates.

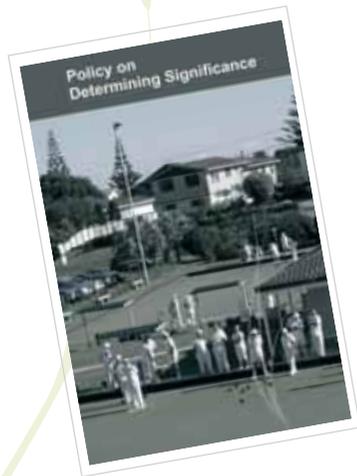
All figures in this table are GST exclusive

REPORT ON 30% CAP (SECTION 21 LGRA)	2012/13 \$	2013/14 \$	2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$
Targeted rates that are set on a uniform basis and calculated in accordance with section 18(2) or clause 7 of Schedule 3										
Uniform Annual General Charge	8,372,131	8,765,513	9,001,241	9,138,380	9,622,062	10,060,230	10,240,039	10,589,367	10,917,383	11,115,071
Roading	789,696	818,836	839,031	892,059	938,106	975,758	990,840	1,045,246	1,064,937	1,079,145
Community Boards	263,107	280,000	281,391	294,720	316,592	316,568	325,667	349,448	350,060	361,080
Stormwater	578,156	585,095	605,206	656,661	673,632	685,766	713,095	746,886	787,535	815,901
Promotion	265,996	284,271	301,150	331,482	356,686	381,112	402,171	424,787	439,561	455,822
Total Uniform Rates and Charges	10,269,086	10,733,716	11,028,019	11,313,301	11,907,077	12,419,434	12,671,812	13,155,734	13,559,475	13,827,019
Total Rates	36,675,307	38,334,700	39,385,783	40,404,647	42,525,275	44,355,120	45,256,470	46,984,764	48,426,695	49,382,210
Uniform Rates as a Percentage of Total Rates	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%
Targeted rates that are set on a differential uniform basis, not included in the 30% cap										
Refuse Collection	3,883,415	3,656,491	3,779,438	3,890,898	4,325,615	4,443,868	4,550,191	4,686,325	4,847,639	4,978,729

HIGH LEVEL STRATEGIES AND PLANS

The Council has developed a number of strategies and plans that guide the decisions we make. These strategies help define where we are now, where we want to be in the future and how we are going to get there. By taking this approach we can ensure we maximise resources, improve efficiencies and focus on our common vision. This section of the LTP provides a brief summary of our key strategies and plans for your information. Copies of these documents are available on our website or from the Council offices.

POLICY ON DETERMINING SIGNIFICANCE



The purpose of this policy is to provide guidance to the Council when determining the significance of proposals and/or decisions. This helps the Council to direct the appropriate level of attention, consideration, consultation and disclosure to matters, based on their relative importance to the District. Put plainly, the more significant a decision is likely to be, the more rigorous the decision making process needs to be.

The policy includes the procedures, criteria and some thresholds that we will use in assessing which issues, proposals, decisions and other matters are significant. It also identifies our strategic assets and significant activities.

To determine significance, we make judgements about the likely impact of that proposal or decision on:

- The social, economic, environmental and cultural well-being of the District now and in the future.
- The persons who are likely to be particularly affected by, or interested in, the proposal or decision.
- The cost to, or the capacity of, the Council to perform its role and carry out its activities, now and in the future.

The following thresholds will be used as a guide to determine whether the proposal or decision being considered by the Council is significant.

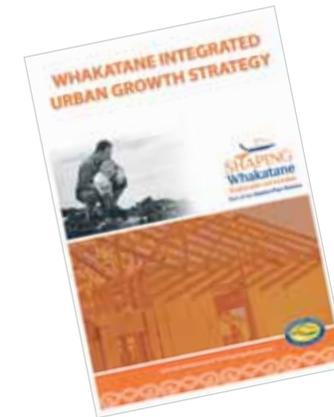
- Unbudgeted capital expenditure proposals or decisions where the total cost would exceed 5% of the Council's total annual capital expenditure for the relevant financial year.
- Unbudgeted operating expenditure proposals or decisions where the total cost would exceed 1% of the Council's total annual operating expenditure for the relevant financial year.
- Any proposal or decision to transfer ownership or control of a strategic asset to or from the Council.

- Any proposal or decision to alter significantly the intended level of service provision for any significant activity.

The following criteria will be used to determine whether the proposal or decision being considered by the Council is significant.

- The proposal or decision adversely affects all or a large portion of the community.
- The impact or consequences of the proposal or decision on the affected persons (being a number of persons) will be substantial.
- The financial implications of the proposal or decision on the Council's overall resources are substantial.
- The proposal or decision will be difficult to reverse once the Council has committed to it.
- The proposal or decision is likely to generate a high degree of controversy in the community.
- The proposal or decision does not flow logically and consequentially from a significant decision already made, or, does flow from a significant decision already made but with substantial variations.

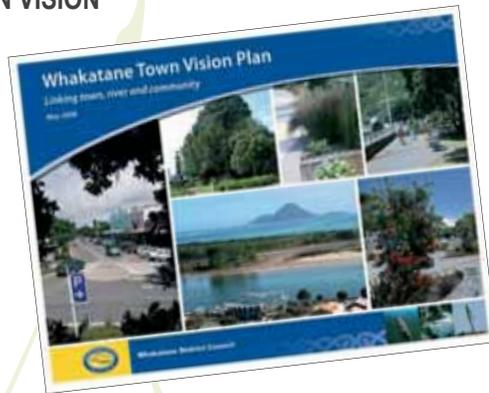
WHAKATĀNE INTEGRATED URBAN GROWTH STRATEGY (2010)



The purpose of this strategy is to provide ways of planning for and managing growth in a proactive and sustainable manner. It provides us with an opportunity to direct how and where growth is provided, and manage the effects and costs of such growth.

Growth creates a demand for appropriately located and zoned land to provide for expansion of residential, commercial and industrial land uses. The expansion of zoned land creates an increase in demand for services such as water, sewerage, roading, reserves, and stormwater, in both existing urban areas and new urban areas.

TOWN VISION



The Town Vision Plan provides a strategic long-term vision for how the Whakatāne town centre might look in the future. It gives a framework that the Council, developers and the wider community can collectively protect and maintain the town centre's character.

The Town Vision Plan aims to restore connections with the river, create a vibrant and active environment, and establish a community/cultural heart within the town centre.

By creating an overall plan for the town centre, we are ensuring future development keeps with community aspirations, protecting aspects of the town centre valued by the community. The Town Vision Plan has themes and principles for the development of the town and suggests a framework to achieve this future development.

DISTRICT PLAN



The District Plan manages the way we use and develop land in the District. It covers areas such as where to house a growing population, where certain activities should take place and which land can be developed and subdivided. The Council has been reviewing its District Plan since July 2009, 'Shaping Whakatāne: Sustainable Future'. Some of the main issues being considered through the District Plan review are growing our District, opportunities for business and a strong rural base.

ASSET MANAGEMENT PLANS

Asset Management Plans (AMPs) are comprehensive strategic planning documents which analyse how we plan to maintain and improve our assets. The AMPs assist the management of Council owned and operated assets such as roads, airports, water mains and buildings. We must design our assets to serve a specific purpose and ensure their size or scale is appropriate for the service they perform. We do this through our AMPs.

They include forecasted population growth, the level of service expected by the community, the condition of the asset, planned maintenance and replacement that ensures a complete and consistent approach to the long term sustainability of assets.

We have reviewed our AMPs alongside the development of this LTP for the following eight asset activities:

- Arts and culture
- Community property
- Parks, reserves, recreation and sportsfields
- Stormwater
- Waste
- Roads and Footpaths
- Sewage treatment and disposal
- Water supply

The AMPs are available on our website.

COMMUNITY STRATEGY (2011-16)



The purpose of the Community Strategy is to:

- Identify key social issues facing the Whakatāne District.
- Recommend actions to improve social well-being in the Whakatāne District.

The strategy provides a framework for decision making and prioritisation of social issues or areas of greatest need within the District. Policies and other Council initiatives will focus more clearly on weaving stronger communities. It sets the direction and capacity for how we will respond to community needs and how it will contribute towards social well-being in Whakatāne.

SUSTAINABILITY STRATEGY (2010-15)



The Council has developed a Sustainability Strategy.

The strategy ensures decisions we make, on behalf of the community, provide a balance between the financial costs, environmental impacts, the effect on our community and the cultural implications. We have also developed action plans to improve efficiencies and reduce costs.

BUILDING MĀORI CAPACITY TO CONTRIBUTE TO COUNCIL DECISION MAKING

Introduction

The Local Government Act 2002 states that a council must:

- Provide opportunities for Māori to contribute to Council's decision-making. Consider ways to foster development of Māori capacity to contribute to the Council's decision-making.
- Provide relevant information to Māori for these purposes.

The Iwi Liaison Committee

The Iwi Liaison Committee is a standing committee of the Council first established in 1993. The committee structure and membership is reviewed every three years, coinciding with the local body elections.

Its terms of reference include the following aims:

- To strengthen the relationship between hapū, iwi, Māori and the Council.
- To maintain and improve the capacity of hapū, iwi and Māori to contribute to the Council's decision-making processes.
- To maintain and improve the Council's capacity to engage with hapū, iwi and Māori.
- To provide high quality advice and recommendations that guide the Council in applying the principles of the Treaty of Waitangi. Recognising and providing for hapū and iwi perspectives and ensuring the well-being of Māori generally, in promotion of the social, economic, cultural and environmental well-being of the Whakatāne District.

The terms of reference recognises:

- The Whakatāne District has a significant Māori population.
- The Council has a duty to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes. Hapu, iwi and Māori perspectives and interests can be different. Hapu, iwi and Māori need the opportunity to represent themselves to the Council.

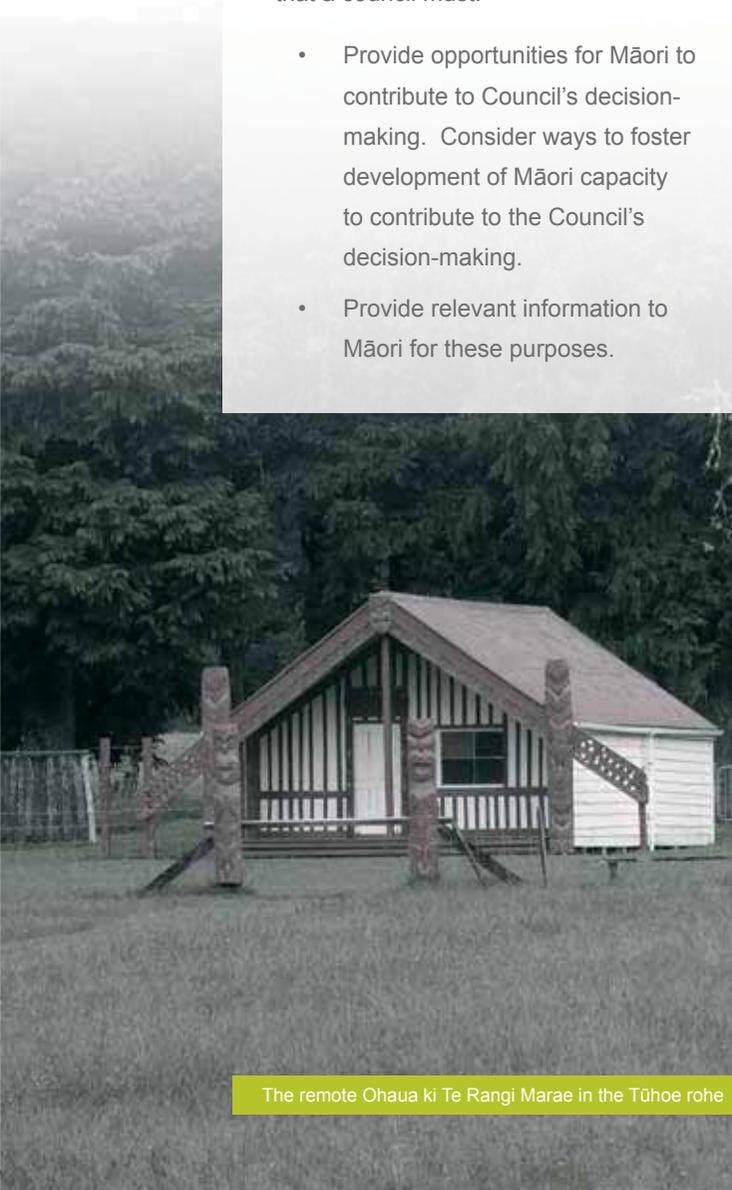
- The iwi and hapū within the Council rohe are unique to the Whakatāne District and their values, traditions and language require protection and fostering.
- Māori in the District are important in shaping the cultural and social fabric of the Whakatāne District, underlining approaches to the environment and setting the economic direction of the District.
- Māori are significant ratepayers as individuals and as owners of multiple-owned land and they are users of the Council's services.
- Māori land ownership structures are complex and different to ownership structures for general land.

For more information about our current Iwi Liaison Committee see the 'Your Council' section of this LTP.

Guidance, advice and recommendations

The Committee is mandated (with appropriate delegations) to provide guidance, advice and recommendations to the Council on:

- Any matters affecting the social, economic, cultural and environmental well-being of whānau, hapū, iwi and Māori in the Whakatāne District.
- Internal Council processes, consultation with whānau, hapū, iwi and Māori and alternative processes for consultation and engagement that may be required from time to time.
- Opportunities to experience, celebrate and share hapū, iwi and Māori cultural events with the wider community.
- Statutory acknowledgements arising from Treaty of Waitangi settlements.



The remote Ohau ki Te Rangi Marae in the Tūhoe rohe

- The promotion and protection of Te Reo Māori me ōna tikanga within the rohe of the Council.
- Other options for developing hapū, iwi and Māori capacity to contribute to the Council's decision-making processes, particularly in respect to the LTP, Annual Plan, District Plan and the development and monitoring of community outcomes.

Review of policies, plans and proposals

The Committee can:

- Make submissions as the Iwi Liaison Committee on the LTP, the Annual Plan and the District Plan, on any matters affecting, or likely to affect, hapū, iwi, or Māori within the rohe of the Council;
- Make submissions as the Iwi Liaison Committee on any matters or proposed to be undertaken by third parties that may affect hapū, iwi or Māori within the rohe of the Council (e.g. government legislation or the actions of government agencies).
- Formally receive iwi/hapū management plans, and oversee processes for the Council to receive, respond to and have due regard to those plans.

Discretionary fund

The Committee is given an annual discretionary fund to support Māori cultural events/initiatives, promote Māori cultural awareness, encourage and support Te Reo Māori, and to celebrate, promote and protect Māori culture and sports.

Groups/organisations and individuals have received funding to:

- Compete in Waka Ama events.
- Attend Māori performing arts and/or kapa haka.

- Participate in the celebration of Matariki.
- Promote Māori Language Week.
- Support Mana Wahine week.
- Compete in the annual Rangatahi (Youth) Debate.

Information Requests

The Committee can request information from the Council on a topic or issue.

The iwi representatives on the Committee report back to their respective iwi and bring issues from their iwi to the Council for consideration. The types of issues raised have included effective consultation and engagement processes, and operational issues such as roading, rates, waste, capital works, asset and resource management.

Tūtohunga

The members of the Committee have signed a Tūtohunga (Memorandum of Understanding) with the Council. The essence of the Tūtohunga is to formalise the commitment of iwi and the Council to work together in good faith and gain an understanding and respect for one another's needs.

The Tūtohunga is a living document, and will be reviewed after each local body election.

Hui on Marae

The Committee aims to meet on marae four times per year. This enables hapū to raise issues directly with the committee and the Council, and for different hapū to host the committee, councillors and staff. This also brings the Council and staff into contact with different tikanga and kawa and improves knowledge of cultural protocols in the District.





Kaiwero lays down challenge to Council staff visiting Motuhora

Training for iwi representatives

Iwi members are offered training in local government processes and legislation. This enables iwi representatives to understand the framework we are working within. Training is offered in relation to the Local Government Act 2002 and the Resource Management Act 1991.

Cultural protocols

We are committed to increasing awareness and practice of Māori cultural protocols. We have written cultural protocols for powhiri (formal welcome) and mihi whakatau (semi formal welcome), tangihanga (bereavement/lying in state), blessings and whakawaatea (removal of tapu). The protocols are not only used for Council events, they also educate councillors and staff about cultural protocols they will encounter when attending events hosted on marae.

Resource consents

We follow best practice to encourage early consultation with iwi and hapū to determine the effects of proposed projects on Māori and their culture and traditions. While the Resource Management Act 1991 does not require consultation with iwi for resource consent applications, we have an obligation to consider potentially affected parties when a consent application is lodged. In a district with such diverse Māori history, consultation with iwi or hapū is important to clearly identify the impacts on cultural values.

The settlement of Treaty claims is leading to statutory acknowledgements being formalised through settlement acts. We must consider the effects of an application in, adjacent to, or directly affecting a statutory acknowledgment area.

These processes enable Māori to be involved in finalising an application and/or the decision making process as a submitter.

We will continue to work with Māori to identify the types of applications that need iwi or hapū input, and in which locations.

Iwi partners contact list

A comprehensive iwi partners contact list has been developed as part of the processes for consultation under the Resource Management Act 1991 in respect to resource consent applications and District Plan development. If you would like to be added to the contact list, please let us know.

Council policies and projects

We undertake many capital works projects each year and develop strategic plans and policies. We rely on the Iwi Liaison Committee in the first instance, as a sounding board for what their respective iwi may think about a project or an issue and what further consultation is deemed necessary for the projects and policies planned each year.

We are committed to meaningful and ongoing consultation in advance of projects commencing. We will achieve this by providing the planned (capital expenditure) programme to the Iwi Liaison Committee at the start of each financial year. The intention would be for Iwi Liaison Committee members to identify, after consultation, with their iwi and hapū, the projects that require further discussion. We are aware that iwi and hapū have an interest in activities in particular rohe or that involve earthworks, gravel extraction, discharges to land, air or water, or involve works near known waahi tapu sites or within statutory acknowledgement areas.

ASSUMPTIONS AND DATA

In preparing our budgets and planning for our work over the next 10 years, we have to make a number of assumptions about things that may happen over the coming years. While these things may not happen exactly as we predict, we need to plan our costs and activities based on the most likely scenario. The actual events may differ substantially from these assumptions. If this occurs the result may be a significant change in costs and our work plan. The following pages give you a summary of the assumptions we have made when preparing this LTP. It also identifies the risks that may affect the Council. Where this risk is high, the financial effect and how we intend to mitigate the risk has been provided. A more thorough breakdown of these assumptions can be found on our website: www.whakatane.govt.nz.

There are other assumptions which have been made about the expected lives and future replacement of significant assets. Further information on these assumptions can be found in the 'Our Costs in Detail' chapter.

HIGH RISK

Legislative demands on Council

There are changes to legislation which have not been finalised, but will affect our work programme.

We have had to make assumptions around the likely outcome of these changes, where possible.

Risk: That there will be major unexpected changes to the legislation that will cause significant changes

to how we operate, what we do, and who pays for things. Changes could have a significant financial impact on the way we operate.

Mitigating the risk: We have set our work programme to take into account the expected outcome of legislative changes where possible.

Availability of contractors

The assumption is that we will be able to find skilled contractors to undertake the work we require, to the agreed standards, deadlines and cost.

Risk: That there will be a shortage of contractors, or that contractors will not deliver to the agreed standards and specification within the agreed time. If the risk occurs, it could result in an increase in the price of the project and may impact on the completion of projects and therefore levels of service.

Mitigating the risk: We have a procurement manual which ensures we have robust contracts. Our contracts outline what we expect to receive from our contractors. If the work is not completed to the agreed standards and specifications then we have legal rights.

Funding from other sources

There are a number of projects signalled in this LTP as being funded from other organisations. It is assumed that the projects will meet the criteria for the relevant funding scheme.

Risk: That changes to the criteria or level of funding available may change, resulting in less, or no money being available for our projects. If 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. This may impact on future levels of service. This risk has been highlighted as a result of the recent events in Christchurch, where it is likely that Government and philanthropic funding will be redirected.

Mitigating the risk: We will continue to seek subsidies for projects where available. However, where funding becomes unavailable, we will reassess the viability of the project before progressing.

Sale of assets

Money from selling assets has been included as a source of funds. This money will be used to pay-off debt as the funds become available.

Risk: That the assets are not sold or that the money from these sales is not as much as hoped. This would result in an increase in rates to cover the cost of debt that is intended to be repayed from asset sales. It may also impact on the Financial Strategy and Treasury Policy limits.

Mitigating the risk: The expected income from the sale of assets is based on a prudent and realistic sale price. More information about this proposal is available in the Financial Strategy.

Natural hazards

Our District is at risk of a range of natural hazards such as earthquakes, flooding, debris flows, slips, tornado, fire and volcanic activity.

Risk: That there will be a disaster event needing emergency works that we cannot afford to fund within our current budget. Some emergency works are covered by the Local Authority Protection Programme Disaster Fund Trust (LAPP), but there is also a risk that the LAPP fund is exhausted and the Council may have to pay for all emergency works. The potential effect of a disaster on the Council's financial position depends on the scale, duration and location of the event.

Mitigating the risk: While we are a member LAPP we have also decided to build up a contingency fund to pay for storm damage to roading. We are putting \$275,000 per year into a special fund (excluding subsidies). We are also putting aside general funds to help cover the costs of disaster events. This will include \$150,000 for years four and five, \$200,000 for years six to eight and \$300,000 for years nine and 10. Where these reserve fund are not likely to cover the full cost of disaster events it may result in unbudgeted spending or reprioritisation of work programmes within the affected activities.

Alongside us, Central Government also has a role in disaster recovery and restoration works after natural disasters happen.

MEDIUM RISK

Growth forecasting

Population growth across our District is expected to reflect the medium population projection by Statistics NZ over the next 10 years. These figures are 34,700 for 2011, 34,600 for 2016, 34,600 for 2021, 33,800 for 2026 and 32,900 for 2031.

Risk: Where actual growth differs substantially from the assumption, growth related projects and work programmes will need to be adjusted.

Potential social changes

We acknowledge there is increasing socio-economic vulnerability, particularly in rural parts of our District.

Risk: Where social change differs substantially from expectations, the projects and work programmes may need to be adjusted.

Potential climate change impacts

Climate change is likely to impact on various activities of the Council.

Risk: Our District may experience effects of climate change in the short term.

Rating base

The number of properties from which we receive rates is expected to increase by approximately 1% annually.

Risk: The rateable properties may not increase as expected.

Borrowing and expected interest rates

We have a number of loans for different projects, which have varying interest rate commitments. We have assumed the interest rate will gradually increase from 5.45% in 2012/13, to 7.52% in 2021/22

Risk: Future interest rates may be higher than forecasted.

Renewability or otherwise of external funding

Our loans are due to mature at different times and we may need to raise more loans for new projects. We have made assumptions that we will be able to negotiate favourable borrowing terms.

Risk: We will be unable to get new loans with reasonable terms to pay for approved projects or to repay old loans that are maturing.

Cost factors

We use best estimates to predict what things will cost in the future, including inflation expectations.

Risk: The actual price of inputs and outputs will not increase at the rate assumed.

Revaluation of assets

From time to time we revalue our assets to understand how much they are worth. Through our planning, we make assumptions about how much we think the assets will be worth when they are revalued.

Risk: There may be a big difference between how much we thought the asset would be worth and how much it is actually revalued at. This may be due to better information about the asset being available.

Project Management

The LTP assumes projects will be within cost, quality and the timeframes specified.

Risk: Projects will be delayed due to things we cannot predict or have cost or quality changes from those planned.

Environmental consent requirements

It is assumed the majority of consent requirements will remain the same.

Risk: Renewed consents could include tougher environmental conditions than expected, or could fail to be granted.

Funding growth related development

Infrastructure needed for growth related development will be paid for by development contributions and financial contributions.

Risk: Development contributions do not cover the cost of growth related infrastructure because there is less growth than expected.

Service delivery options

We will continue to deliver our services to the community in the same way.

Risk: We will not be able to take advantage of more efficient and effective methods of delivering services because we are unable to exit the current method of service delivery.

Preliminary cost estimates

Costs listed for some projects are initial estimates based on information available at the time.

Risk: Costs will be significantly different from those estimated.

NZTA subsidies

We get subsidies from the NZ Transport Agency for the operation and upkeep of the local road network in the District. An assumption is made on the level of financial assistance we will get.

Risk: That the Funding Assistance Rate (FAR) will be adjusted downward or that policy priorities change and affect the availability of some subsidies.

Creation and realisation of investments, reserves and assets

We will continue to own investments and reserves in line with our current practice, unless stated in this LTP. The capital expenditure programme in this LTP represents new assets we are going to create.

Risk: Should we sell any assets to reduce rates, the sale would only have a short term positive impact on rates.

Estimates of commitments and contingencies

To allow for variations between our expected cost of a project, and the actual cost of a project, we allow for a contingency in our budgets. This may range between 10% for fully scoped projects and up to 30% for projects in concept or preliminary design.

Risk: Should any project increase in costs significantly beyond our estimates, it may have an impact on the rates requirement.

Business continuity planning

It is assumed we are able to continue operating to deliver essential services to the community in the event of a disaster.

Risk: If the Council's ability to function is severely disrupted in the event of a disaster affecting the District, we will be unable to provide the essential services.

LOW RISK

Overhead allocations

The way we work out overheads and the costs associated with each Council activity will stay the same during the LTP.

Risk: The way we work out overheads will not stay the same during the time of the LTP, putting extra costs on specific activities. This could have an impact on our funding structure.

Council structure and elections

It is assumed there will be no change in the Council structure, including the Mayor and 10 Councillors.

Risk: There could be an unexpected change in the Council structure during the life of the LTP.



OUR WORK IN DETAIL

Ngā mahinga whānui



INTRODUCTION TO 'OUR WORK IN DETAIL'

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

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

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

Groups of Activities:

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

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



Group of activities

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

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

FUNDING IMPACT STATEMENT

ANNUAL PLAN 2011/12 \$000	LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
OPERATIONAL										
Sources of operating funding										
- General rates, uniform annual general charges, rates penalties	253	367	408	400	418	442	456	477	507	526
2,025 Targeted rates (other than a targeted rate for water supply)	2,313	2,340	2,421	2,627	2,695	2,743	2,852	2,988	3,150	3,264
- Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
- Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-
1,881 Internal charges and overheads recovered	2,021	2,052	2,102	2,152	2,215	2,292	2,373	2,461	2,560	2,664
200 Local authorities suit tax, fines, infringement fees, and other receipts	200	208	215	223	232	240	248	257	268	279
4,106 Total operating funding (A)	4,787	4,967	5,146	5,402	5,560	5,717	5,929	6,183	6,485	6,733
Applications of operating funding										
1,507 Payables to staff and suppliers	1,585	1,647	1,705	1,789	1,857	1,922	1,992	2,067	2,152	2,243
866 Finance costs	778	889	1,003	1,146	1,210	1,289	1,327	1,401	1,500	1,525
1,200 Internal charges & overheads applied	1,544	1,536	1,568	1,585	1,624	1,686	1,739	1,804	1,883	1,951
- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
3,575 Total applications of operating funding (B)	3,907	4,072	4,276	4,520	4,691	4,897	5,058	5,272	5,535	5,719
532 Surplus (deficit) of operating funding (A-B)	880	895	870	882	869	820	871	911	950	1,014
CAPITAL										
Sources of capital funding										
- Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
4 Development and financial contributions	114	119	123	127	132	137	142	147	153	159
(78) Increase (decrease) in debt	323	437	1,387	1,242	448	505	1,292	592	825	544
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-
(74) Total sources of capital funding (C)	437	556	1,510	1,369	580	642	1,434	739	978	703
Applications of capital funding										
Capital expenditure										
- to meet additional demand	-	-	-	-	-	-	-	-	-	-
588 - to improve level of service	1,300	1,433	3,129	2,402	1,382	1,627	2,908	1,874	2,037	1,750
- to replace existing assets	-	-	-	-	-	-	-	-	-	-
(130) Increase (decrease) in reserves	17	18	(749)	(151)	67	(165)	(603)	(224)	(109)	(33)
8	18	(731)	(151)	67	(165)	(603)	(224)	(109)	(33)	(33)
(66)	(148)	(220)	(144)	(98)	(93)	(66)	(86)	(91)	(86)	(74)
(10)	(130)	(219)	(177)	(31)	(36)	(24)	(47)	(50)	(51)	(41)
(17)	(112)	(168)	(110)	(34)	(32)	(20)	(27)	(29)	(26)	(17)
(27)	(30)	(17)	(43)	(67)	(101)	(142)	(179)	(224)	(284)	(354)
(37)	(40)	(29)	(36)	(43)	(50)	(57)	(64)	(71)	(78)	(85)
(47)	(50)	(38)	(45)	(52)	(60)	(67)	(74)	(81)	(88)	(95)
(57)	(60)	(48)	(55)	(62)	(70)	(77)	(84)	(91)	(98)	(105)
(67)	(70)	(58)	(65)	(72)	(80)	(87)	(94)	(101)	(108)	(115)
(77)	(80)	(68)	(75)	(82)	(90)	(97)	(104)	(111)	(118)	(125)
(87)	(90)	(78)	(85)	(92)	(100)	(107)	(114)	(121)	(128)	(135)
(97)	(100)	(88)	(95)	(102)	(110)	(117)	(124)	(131)	(138)	(145)
(107)	(110)	(98)	(105)	(112)	(120)	(127)	(134)	(141)	(148)	(155)
(117)	(120)	(108)	(115)	(122)	(130)	(137)	(144)	(151)	(158)	(165)
(127)	(130)	(118)	(125)	(132)	(140)	(147)	(154)	(161)	(168)	(175)
(137)	(140)	(128)	(135)	(142)	(150)	(157)	(164)	(171)	(178)	(185)
(147)	(150)	(138)	(145)	(152)	(160)	(167)	(174)	(181)	(188)	(195)
(157)	(160)	(148)	(155)	(162)	(170)	(177)	(184)	(191)	(198)	(205)
(167)	(170)	(158)	(165)	(172)	(180)	(187)	(194)	(201)	(208)	(215)
(177)	(180)	(168)	(175)	(182)	(190)	(197)	(204)	(211)	(218)	(225)
(187)	(190)	(178)	(185)	(192)	(200)	(207)	(214)	(221)	(228)	(235)
(197)	(200)	(188)	(195)	(202)	(210)	(217)	(224)	(231)	(238)	(245)
(207)	(210)	(198)	(205)	(212)	(220)	(227)	(234)	(241)	(248)	(255)
(217)	(220)	(208)	(215)	(222)	(230)	(237)	(244)	(251)	(258)	(265)
(227)	(230)	(218)	(225)	(232)	(240)	(247)	(254)	(261)	(268)	(275)
(237)	(240)	(228)	(235)	(242)	(250)	(257)	(264)	(271)	(278)	(285)
(247)	(250)	(238)	(245)	(252)	(260)	(267)	(274)	(281)	(288)	(295)
(257)	(260)	(248)	(255)	(262)	(270)	(277)	(284)	(291)	(298)	(305)
(267)	(270)	(258)	(265)	(272)	(280)	(287)	(294)	(301)	(308)	(315)
(277)	(280)	(268)	(275)	(282)	(290)	(297)	(304)	(311)	(318)	(325)
(287)	(290)	(278)	(285)	(292)	(300)	(307)	(314)	(321)	(328)	(335)
(297)	(300)	(288)	(295)	(302)	(310)	(317)	(324)	(331)	(338)	(345)
(307)	(310)	(298)	(305)	(312)	(320)	(327)	(334)	(341)	(348)	(355)
(317)	(320)	(308)	(315)	(322)	(330)	(337)	(344)	(351)	(358)	(365)
(327)	(330)	(318)	(325)	(332)	(340)	(347)	(354)	(361)	(368)	(375)
(337)	(340)	(328)	(335)	(342)	(350)	(357)	(364)	(371)	(378)	(385)
(347)	(350)	(338)	(345)	(352)	(360)	(367)	(374)	(381)	(388)	(395)
(357)	(360)	(348)	(355)	(362)	(370)	(377)	(384)	(391)	(398)	(405)
(367)	(370)	(358)	(365)	(372)	(380)	(387)	(394)	(401)	(408)	(415)
(377)	(380)	(368)	(375)	(382)	(390)	(397)	(404)	(411)	(418)	(425)
(387)	(390)	(378)	(385)	(392)	(400)	(407)	(414)	(421)	(428)	(435)
(397)	(400)	(388)	(395)	(402)	(410)	(417)	(424)	(431)	(438)	(445)
(407)	(410)	(398)	(405)	(412)	(420)	(427)	(434)	(441)	(448)	(455)
(417)	(420)	(408)	(415)	(422)	(430)	(437)	(444)	(451)	(458)	(465)
(427)	(430)	(418)	(425)	(432)	(440)	(447)	(454)	(461)	(468)	(475)
(437)	(440)	(428)	(435)	(442)	(450)	(457)	(464)	(471)	(478)	(485)
(447)	(450)	(438)	(445)	(452)	(460)	(467)	(474)	(481)	(488)	(495)
(457)	(460)	(448)	(455)	(462)	(470)	(477)	(484)	(491)	(498)	(505)
(467)	(470)	(458)	(465)	(472)	(480)	(487)	(494)	(501)	(508)	(515)
(477)	(480)	(468)	(475)	(482)	(490)	(497)	(504)	(511)	(518)	(525)
(487)	(490)	(478)	(485)	(492)	(500)	(507)	(514)	(521)	(528)	(535)
(497)	(500)	(488)	(495)	(502)	(510)	(517)	(524)	(531)	(538)	(545)
(507)	(510)	(498)	(505)	(512)	(520)	(527)	(534)	(541)	(548)	(555)
(517)	(520)	(508)	(515)	(522)	(530)	(537)	(544)	(551)	(558)	(565)
(527)	(530)	(518)	(525)	(532)	(540)	(547)	(554)	(561)	(568)	(575)
(537)	(540)	(528)	(535)	(542)	(550)	(557)	(564)	(571)	(578)	(585)
(547)	(550)	(538)	(545)	(552)	(560)	(567)	(574)	(581)	(588)	(595)
(557)	(560)	(548)	(555)	(562)	(570)	(577)	(584)	(591)	(598)	(605)
(567)	(570)	(558)	(565)	(572)	(580)	(587)	(594)	(601)	(608)	(615)
(577)	(580)	(568)	(575)	(582)	(590)	(597)	(604)	(611)	(618)	(625)
(587)	(590)	(578)	(585)	(592)	(600)	(607)	(614)	(621)		

Significant negative effects

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

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

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

WHAT WE ARE GOING TO DO

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

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

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

WHAT NEGATIVE IMPACT THIS MIGHT HAVE

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

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

What we are going to do

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

How this activity is funded

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

HOW THIS ACTIVITY IS FUNDED

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

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

General Rates - High



What we want to achieve

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

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

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

INDICATIVE FUNDING IMPACT STATEMENT - WHOLE OF COUNCIL *

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

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

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

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

FUNDING IMPACT STATEMENT

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

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

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

EXPLANATION OF CATEGORIES IN THE FUNDING IMPACT STATEMENTS

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

OPERATIONAL

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

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

APPLICATIONS OF OPERATING FUNDING (EXPENDITURE)

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

continued...

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

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

APPLICATIONS OF CAPITAL FUNDING

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



LEADERSHIP

Te Poumanukura

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

FUNDING IMPACT STATEMENT

Annual Plan 2011/12 \$000		LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
OPERATIONAL											
Sources of operating funding											
2,597	General rates, uniform annual general charges, rates penalties	2,271	2,425	2,468	2,570	2,684	2,753	2,789	2,981	3,141	3,086
415	Targeted rates (other than a targeted rate for water supply)	263	280	281	295	317	317	326	350	350	361
	- Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
	- Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-
23	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
2	Local authorities fuel tax, fines, infringement fees, and other receipts	3	65	3	3	72	4	4	79	4	4
3,037	Total operating funding (A)	2,537	2,770	2,752	2,868	3,073	3,074	3,119	3,410	3,495	3,451
Applications of operating funding											
1,604	Payments to staff and suppliers	1,580	1,772	1,732	1,816	1,979	1,924	1,937	2,183	2,219	2,145
7	Finance costs	6	6	6	6	6	6	5	5	5	4
1,420	Internal charges & overheads applied	913	947	965	983	1,014	1,062	1,087	1,125	1,175	1,204
	- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
3,031	Total applications of operating funding (B)	2,499	2,725	2,703	2,805	2,999	2,992	3,029	3,313	3,399	3,353
6	Surplus (deficit) of operating funding (A-B)	38	45	49	63	74	82	90	97	96	98
CAPITAL											
Sources of capital funding											
	- Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
	- Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(6)	Increase (decrease) in debt	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
	- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
	- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
(6)	Total sources of capital funding (C)	(6)									
Applications of capital funding											
Capital expenditure											
	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
	- to improve level of service	-	-	-	-	-	-	-	-	-	-
	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
	- Increase (decrease) in reserves	32	39	43	57	68	76	84	91	90	92
	- Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
	- Total applications of capital funding (D)	32	39	43	57	68	76	84	91	90	92
(6)	Surplus (deficit) of capital funding (C-D)	(38)	(45)	(49)	(63)	(74)	(82)	(90)	(97)	(96)	(98)
	- Funding Balance ((A-B) + (C-D))	-									

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



Effective Leadership

GOVERNANCE

WHAT THIS ACTIVITY DELIVERS

Governance is at forefront of everything we do. While the Council provides 48 activities, it is the governance activity that supports elected members to be effective, responsible and accountable decision makers. This activity facilitates Council, committees and community board meetings, ensures agendas are published and available to the public and runs local body elections every three years.

WHY WE DO IT

The elected members are chosen by you every three years. They must represent their communities and make decisions in an open, transparent and accountable manner. This activity supports that decision making process and makes sure decisions are made in accordance with the Local Government Act 2002 (LGA), the Local Government Official Information and Meetings Act 2002, the Resource Management Act 1991 and Standing Orders.

RESPONDING TO OUR ISSUES

Elections every three years

Every three years we hold an election for the community to elect its representatives. This includes electing a Mayor, Councillors and Community Board representatives. These local elections are run at the same time as the Bay of Plenty Regional Council and District Health Board elections. There are tight regulations around the voting process that needs to be followed to ensure privacy and fairness. When new members are elected, they are inducted into the Council to

ensure they understand the processes, responsibilities and expectations. They undertake training as well as strategic planning sessions so they understand how they can influence the decision-making process.

During the period of this LTP, we will hold elections in October 2013, 2016 and 2019.

Review of governance structures and representation

Every six years, we conduct a representation review for the District. Our next review is scheduled for 2014/15. This involves us looking at how the Mayor and Councillors are elected, how many Councillors we have and Community Board structures. This is required by the Local Electoral Act 2001. Every three years following the elections, we look at our governance structures. As part of this we look at our committees and what they are able to do (their 'delegations').

During 2012/13 we will also work with Community Boards to review their delegations, including their discretionary fund. The focus of this review will be to ensure that the community is receiving maximum benefit from the Boards.

Providing information to elected members

We ensure information is provided to the elected members to enable them to make efficient and cost effective decisions. There is an increasing demand to provide more information electronically and the Council is working towards more sustainable approaches. This includes the implementation of an automated agenda management system in 2012/13 year.

GOVERNANCE



This system should result in improved efficiencies and increased transparency for the community over the next 10 years. We will make full agendas for Council meetings available on our website for elected members and the community to access.

Discretionary fund

The Council provides the community boards and Iwi Liaison Committee with a discretionary fund. The costs of these funds are distributed over their community. Members of the community can make applications to the community boards or Iwi Liaison Committee, who will consider and make funding decisions on how to spend its discretionary fund.

WHAT WE WANT TO ACHIEVE

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

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

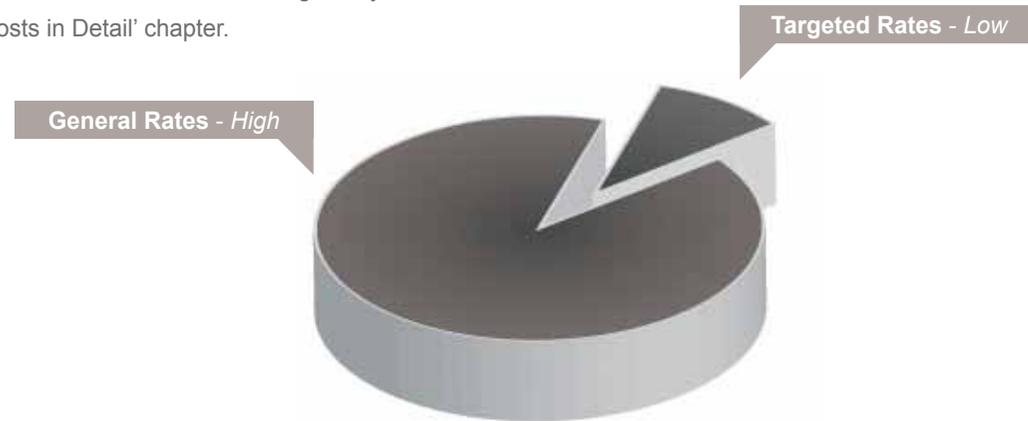
Goal	Measure	Current performance (2010/11)	Target			
			Year 1 (2012/13)	Year 2 (2013/14)	Year 3 (2014/15)	Years 4-10
The Council makes decisions in an open, inclusive and transparent manner	Proportion of meetings that are publicly notified and agendas of the Council, its committees and community boards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

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



COMMUNITY SUPPORT



COMMUNITY SUPPORT

WHAT THIS ACTIVITY DELIVERS

Through this activity, we provide civil ceremonies such as Anzac Day commemorations and citizenship ceremonies. We also hold the annual over 80s morning tea with the Mayor, Councillors and the Whakatāne Community Board; recognise young achievers at the Young Achievers Awards; and support community organisations in the way of grants or subsidised rentals. This activity also extends the hand of friendship to a number of other cultures and has developed relationships. We have an active relationship with the Japanese cities of Kamagaya and Shibukawa and a sister city relationship with Southern Downs Regional Council in Queensland, Australia.

WHY WE DO IT

The local community, through its diverse range of activities, make a major contribution to the social, environmental, cultural and economic well-being of the District. We recognise this and offer support to promote, enable and offer a helping hand in appreciation of the voluntary contribution made by organisations and groups within the community.

RESPONDING TO OUR ISSUES

Lending a helping hand

One of the key parts of this activity is the allocation of community grants in accordance with the Council's Community Funding Policy. We have set aside \$150,000 per year towards grants for this LTP. This includes waste disposal and lease subsidy grants. These grants are

given to community groups and voluntary organisations to acknowledge and better enable them to contribute to the well-being of the District. Additional to this, \$60,000 has also been allocated from the Harbour Fund to help out organisations such as Bay of Plenty Surf Lifesaving, the Coastguard and the Whakatāne Surf Lifesaving Club.

Legislative changes

Every now and then, Central Government make changes to certain legislation that may affect this activity. Change may affect the costs of providing certain services under this activity. We will continue to stick to what we have planned. However, where this becomes unreasonable or inefficient, some changes may need to be made.

Sister Cities

The March 2011 tsunami and earthquake in Japan has meant exchanges to Kamagaya, Japan were not able to happen. However, we continued to keep in contact, offer our support and in October 2012, students from Trident High School will be going on an exchange. We have also extended an invitation for representatives from China to visit us and possibly begin a relationship with us.

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

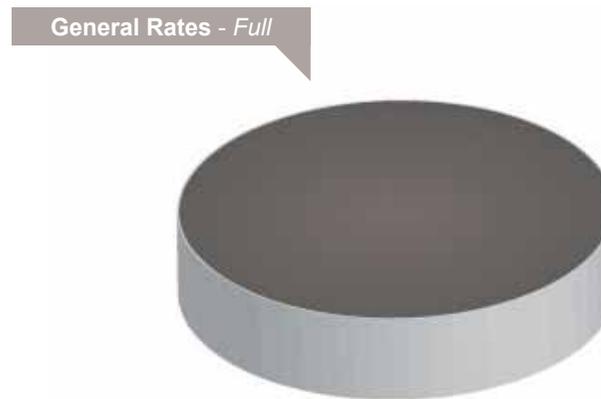
Goal	Measure	Current performance (2010/11)	Target			
			Year 1 (2012/13)	Year 2 (2013/14)	Year 3 (2014/15)	Years 4-10
Community Groups, Voluntary Organisations and Landowners are supported in contributing to the well-being of the Whakatāne District	Community funding is available and distributed in accordance with Council's Community Funding Policy	\$306,000 distributed	Available funds distributed	Available funds distributed	Available funds distributed	Available funds distributed

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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



THE COMMUNITY OUTCOMES THIS ACTIVITY
CONTRIBUTES TO



STRATEGY & POLICY

WHAT THIS ACTIVITY DELIVERS

We support the elected members and managers by delivering high quality strategy and policy advice to enable them to make effective policy decisions and plans to improve community well-being. Making good decisions and effectively setting direction requires a framework so that we can ensure long-term stability and consistency. This activity develops Long Term Plans, Annual Plans, Annual Reports and Pre-Election Reports, which provide an opportunity for the community to understand and get involved in the Council's decision-making processes.

WHY WE DO IT

Providing strategic advice to the elected members supports their policy and direction decisions for the benefit of the community. The majority of the plans and policies developed in this activity are requirements of legislation such as the LGA. A full list of our policies are available on the website at www.whakatane.govt.nz.

RESPONDING TO OUR ISSUES

Review of policies and bylaws

We have a number of policies and bylaws that are either due for review, or changes have been or are likely to be made to legislation which requires them to be reviewed. To manage an increasing workload we will review policies every five years. We have an obligation to review our bylaws every 10 years and we undertake a rolling review over the LTP. Previously this was completed as a project every 10 years.

Through the process of developing new and reviewing current bylaws, we will consult with the community to ensure we are aware of your opinions, including thoughts about what is working well and ideas about how to improve current bylaws.

STRATEGY AND POLICY

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

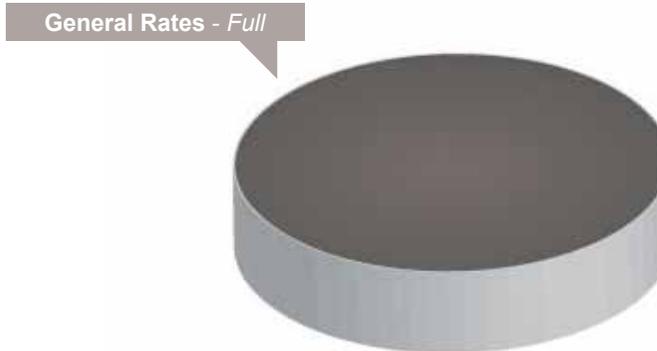
Goal	Measure	Current performance (2010/11)	Target			
			Year 1 (2012/13)	Year 2 (2013/14)	Year 3 (2014/15)	Years 4-10
Council will develop and maintain strategies, policies and plans that support the sustainable development and needs of the community	Council's corporate planning requirements (including LTPs, Annual Plans and Annual Reports) are completed and receive a clear audit opinion	New measure	Annual Plan, Annual Report	Annual Plan, Annual Report	LTP, Annual Report	Annual Plan, LTP, Annual Report

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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





ROADS & FOOTPATHS

Ngā Huarahi ara Rau



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

FUNDING IMPACT STATEMENT

Annual Plan 2011/12 \$000		LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
OPERATIONAL											
Sources of operating funding											
55	General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-
6,840	Targeted rates (other than a targeted rate for water supply)	7,897	8,188	8,390	8,921	9,381	9,758	9,908	10,452	10,649	10,791
2,307	Subsidies and grants for operating purposes	2,693	2,875	2,964	2,936	2,962	3,121	3,164	3,350	3,393	3,585
65	Fees, charges, and targeted rates for water supply	45	46	48	50	51	53	54	56	58	60
339	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
594	Local authorities fuel tax, fines, infringement fees, and other receipts	590	606	646	667	695	697	725	738	762	815
10,200	Total operating funding (A)	11,225	11,715	12,048	12,574	13,089	13,629	13,851	14,596	14,862	15,251
Applications of operating funding											
5,650	Payments to staff and suppliers	5,846	6,240	6,238	6,564	6,776	7,000	7,117	7,639	7,631	8,041
624	Finance costs	613	638	674	641	558	633	642	671	719	737
1,919	Internal charges & overheads applied	1,737	1,802	1,879	1,888	1,934	2,047	2,060	2,149	2,274	2,303
-	- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
8,193	Total applications of operating funding (B)	8,196	8,680	8,791	9,093	9,268	9,680	9,819	10,459	10,624	11,081
2,008	Surplus (deficit) of operating funding (A-B)	3,029	3,035	3,257	3,481	3,821	3,949	4,032	4,137	4,238	4,170
CAPITAL											
Sources of capital funding											
2,213	Subsidies and grants for capital expenditure	3,264	3,192	4,117	4,436	4,977	4,180	4,534	4,027	4,169	5,412
192	Development and financial contributions	68	70	73	75	77	80	83	86	89	92
200	Increase (decrease) in debt	(354)	(341)	(1,094)	(1,493)	1,327	327	373	403	449	802
-	- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
2,605	Total sources of capital funding (C)	2,978	2,921	3,096	3,018	6,381	4,587	4,990	4,516	4,707	6,306
Applications of capital funding											
Capital expenditure											
8	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
878	- to improve level of service	1,193	1,060	2,883	3,052	4,118	2,020	2,548	2,094	2,175	2,595
3,202	- to replace existing assets	4,553	4,602	4,780	5,420	5,421	5,657	6,006	5,377	5,521	6,931
525	Increase (decrease) in reserves	261	294	(1,310)	(1,973)	663	859	468	1,182	1,249	950
-	- Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
4,613	Total applications of capital funding (D)	6,007	5,956	6,353	6,499	10,202	8,536	9,022	8,653	8,945	10,476
(2,008)	Surplus (deficit) of capital funding (C-D)	(3,029)	(3,035)	(3,257)	(3,481)	(3,821)	(3,949)	(4,032)	(4,137)	(4,238)	(4,170)
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



TRANSPORT NETWORKS

WHAT THIS ACTIVITY DELIVERS

Through this activity we provide transport networks (such as roads, footpaths, parking facilities and bridges), airport infrastructure, public transport infrastructure (such as bus shelters) and traffic control mechanisms (such as signage, lighting and road markings).

The Council's road network is approximately 903km in length with around 78% of the network being sealed.

WHY WE DO IT

We do this activity to ensure a safe, efficient and affordable roading network. The District's road network helps with the movement of people, goods and services. This means we have access to facilities, services and recreational activities we would not otherwise have. We work with other regions to ensure we are efficiently connected both socially and economically.

RESPONDING TO OUR ISSUES

More rain means more damage

Unfortunately, our District has been subject to a number of heavy rainfall events, which have caused extensive damage to the transport networks including the roads, pavements, footpaths and also drainage facilities (especially in the hilly rural areas of the District which are susceptible to erosion). In the past two years, the roading network suffered \$11.5m worth of damage. The majority of the repair work was subsidised by NZ Transport Agency (NZTA), however, the remainder of this cost is distributed amongst our ratepayers. We are currently undertaking a study to investigate the risks associated with natural hazards to urban Whakatāne,

including access to and movement around the area. This will look at projects that may improve the security of some key routes. Part of this study will consider the need for a second bridge over the Whakatāne river. However until this study is completed projects have not been planned for in this LTP.

A number of smaller projects are planned to improve route security. This includes the works on the Coastal Arterial Route from Matatā through to Ōpōtiki. The programme includes minor works, specifically to Thornton Road and Wainui Road including curve improvements and seal widening. This route is very popular for commuters and holiday makers and the aim of these works is to ensure safe and comfortable travel to, from and through the Whakatāne District. The Thornton Road and Wainui Road projects are subject on NZTA funding. Confirmation of this funding is likely to come in August 2012.

Ensuring we have safe roads

As part of this activity we install and maintain signs, street lights and traffic calming devices. The issue is ensuring that the roads are safe for users and residents. We currently carry out inspections of our roads to make sure they are sufficiently lit and signs are fit for their purpose and free from vandalism. If not, we carry out improvement programmes. Areas are also identified where traffic calming devices would be useful. Works in this area help to decrease the high accident rate in the District. The Council is guided by the Safer Journeys 2020 Strategy, which helps us identify and categorise safety deficiencies in the roading network. We have one of the highest road accident rates in the country and works in this area aim to reduce the number of accidents.

Maintaining our roads

Providing and managing the roading network around our District is where we spend the most money. These expensive assets require a lot of maintenance to ensure they remain safe and in good condition. To maintain our roads, it currently costs us \$0.04 per vehicle kilometre travelled (vkt). This is below the average for similar councils of \$0.054 vkt. As the Roads and Footpaths group of activities represents a high percent of our expenditure, we are looking at ways to keep this cost down wherever possible. During the last two financial years we have temporarily reduced our roading programme for reasons of affordability. The cost of the ongoing maintenance, renewals and associated improvements are expected to cost \$58.99m over the 10 years of this LTP. This means there is very little work planned in this area beyond the required ongoing maintenance and renewals. For example, we have not included in the budget any provision for extending the seal extension network in our District. However, we do recognise that residents of an unsealed road may be willing to cover the Council cost to seal their road, and in this instance, we will work with residence to find a mutually agreeable solution.

At the time of undertaking renewal works we sometimes take the opportunity to provide associated upgrades. As a result of legislative changes, the Funding Impact Statement records these projects as being solely driven by an improvement in levels of service. Therefore, the true proportion of projects 'to improve level of service' is affected in the Funding Impact Statement.

What we are going to do

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

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Thornton Road realignment and seal widening	2014-22	4,300,000	Loan 47% Subsidy 44% Development Contribution 9%
Matahi Valley Road realignment	2014/15	300,000	Subsidy 55% Loan 45%
Landing Road roundabout reconstruction	2014-16	750,000	Development Contribution 6% Loan 36% Subsidy 44% Renewal 14%
Wainui Road seal widening	2015-22	1,400,000	Loan 50% Subsidy 44% Development Contribution 6%
Property Purchases	2012/13 2016-22	1,400,000	Loan 41% Subsidy 59%

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



WHAT NEGATIVE IMPACT THIS MIGHT HAVE

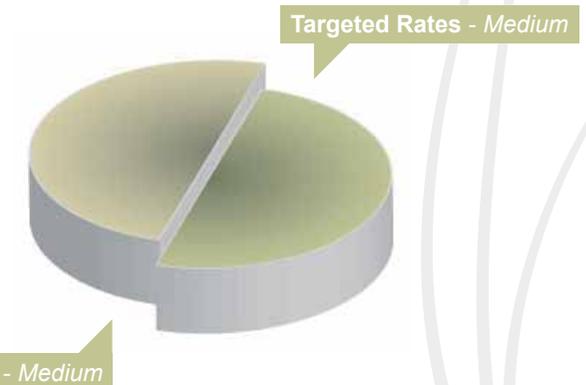
Sometimes the activities we do can have a negative impact on one or more of the four well-beings. While we strive to ensure that we operate in a way that provides the most positive outcomes, we must acknowledge that sometimes there is a trade-off. The table below shows the possible negative effects of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

SIGNIFICANT NEGATIVE EFFECT	AFFECTED WELL-BEING				SUSTAINABLE SOLUTION
	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	
The maintenance of the roading network may cause a number of nuisances including dust and smells.		✓		✓	Comply with resource consent conditions during maintenance activities and track and record complaints.
Changing weather patterns may result in extreme events causing damage to critical assets (weather bombs).	✓	✓	✓	✓	Liaise with Central and Regional Government with regard to trends and any monitoring that is being undertaken and develop appropriate responses to changing trends. Investigations are in place to look at how secure our routes are.

HOW THIS ACTIVITY IS FUNDED

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

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



WHAT WE WANT TO ACHIEVE

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

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

Goal	Measure	Current performance (2010/11)	Target			
			Year 1 (2012/13)	Year 2 (2013/14)	Year 3 (2014/15)	Years 4-10
Roads are reasonably smooth and comfortable to travel on	Smooth travel exposure; the percentage of vehicle kilometres travelled on smooth*, sealed roads	New measure	89 - 93%	90 - 94%	91 - 95%	92 - 96%
Roads are maintained to an appropriate standard	Satisfaction that local roads are maintained to an appropriate standard (Customer Satisfaction Index score)	61.5	60-64	61-65	62-66	63-67
	Pavement Integrity Index for Sealed Roads. This measures pavement faults to produce an index out of 100. The higher the number, the greater the integrity of our pavements	96	94-98	95-99	96-100	100
Roads are maintained in a cost effective way	Maintenance and renewal costs for this activity per vehicle kilometres travelled (vkt) on our local roads	New measure	<\$0.05/vkt	<\$0.05/vkt	<\$0.05/vkt	<\$0.05/vkt

*Indicates the ride quality experienced by motorists.

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



ROAD SAFETY



ROAD SAFETY

WHAT THIS ACTIVITY DELIVERS

The road safety activity delivers a number of programmes to help ensure the safety of our roads. There are four main cornerstones that we use to develop programmes. They are: safe roads and roadsides, safe speeds, safe road use, and safe vehicles. All of which come from Central Government's Safer Journeys 2020 Strategy. We work collaboratively within the Eastern Bay of Plenty Region to deliver these safety programmes. The activity also promotes an environment where people can go out on their bikes, or go for a walk, with the assurance they will be safe.

WHY WE DO IT

The total social cost of road crashes in the Eastern Bay of Plenty community was \$72m in 2010. This is money that can be better spent in other areas.

We educate the community about road safety to help reduce the number of deaths and serious injuries on our roads. Our District is a high risk area for crashes, with alcohol and speed being the main causes.

RESPONDING TO OUR ISSUES

Changing Central Government priorities means planning is difficult

One of the challenges that this activity faces is that it is dependant on Central Government priorities. This means long term planning in this area is difficult. At the moment we are guided by the Safer Journeys 2020 Strategy. If funding suddenly becomes unavailable, we will look into other options to continue to deliver road safety services. This may be in the form of business and commercial partnerships, and sponsorships.

WHAT WE WANT TO ACHIEVE

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

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

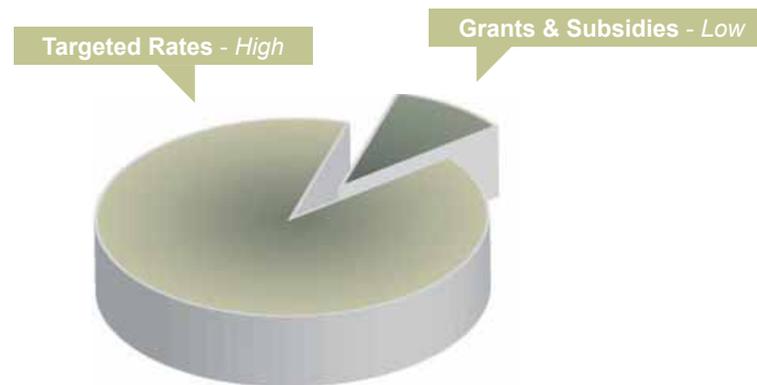
Goal	Measure	Current performance (2010/11)	Target			
			Year 1 (2012/13)	Year 2 (2013/14)	Year 3 (2014/15)	Years 4-10
To reduce network related injuries and fatalities through information and educational campaigns	Satisfaction with the safety of our roads (Customer Satisfaction Index score)	66.3	64-68	65-69	66-70	67-71

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



Sustainable Economic Development



Quality Services



Community Well-being

PARKING ENFORCEMENT

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PARKING ENFORCEMENT

WHAT THIS ACTIVITY DELIVERS

This activity provides parking enforcement services primarily in the Whakatāne town centre and Kopeopeo shopping area. The wardens also check vehicles parked on these roads for registrations, warrants of fitness and that they are generally safe to be on the road.

WHY WE DO IT

We provide this service at the request of the community and businesses of the CBD, so parking spaces in our busiest areas have an appropriate level of turnover and are available for shoppers and businesses.

The Parking Enforcement activity also helps to ensure parking is done in a way that is safe and does not cause a hazard or obstruction for other road users.

This service is defined by the Traffic and Speed Bylaws.

RESPONDING TO OUR ISSUES

Where the money goes

This activity is self funded through the issuing of infringement notices. Approximately 7,500 tickets are issued annually. Of the revenue collected from infringements for unwarranted or unregistered vehicles, half of it goes to Central Government and the remainder is used for transport related activities in the area from where it was collected. Funds are used to meet the cost of operating, maintaining and renewing areas of parking or roading, and may contribute towards the set-up costs for pay and display areas, public carpark formation, street cleaning, or CCTV cameras to ensure that vehicles parked are safe.

WHAT WE WANT TO ACHIEVE

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

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

Goal	Measure	Current performance (2010/11)	Target			
			Year 1 (2012/13)	Year 2 (2013/14)	Year 3 (2014/15)	Years 4-10
Parking enforcement maximises the availability of parking and ensures vehicles are safe	Satisfaction with the Council parking in Whakatāne (Customer Satisfaction Index score)	73.8	72-76	73-77	74-78	75-79
	Regular patrols are carried out at least three times a day in Whakatāne and at least three times a week in Kopeopeo	Three per day Whakatāne, three per week for Kopeopeo	Three per day Whakatāne, three per week Kopeopeo	Three per day Whakatāne, three per week Kopeopeo	Three per day Whakatāne, three per week Kopeopeo	Three per day Whakatāne, three per week Kopeopeo

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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

Fees & Charges - Full





WATER SUPPLY

Ngā Puna wai hei oranga mō te rohe whānui

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

FUNDING IMPACT STATEMENT

ANNUAL PLAN 2011/12 \$000	LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
OPERATIONAL										
Sources of operating funding										
-	-	-	-	-	-	-	-	-	-	-
1,896	2,029	2,169	2,219	2,324	2,459	2,569	2,644	2,697	2,818	2,919
-	-	-	-	-	-	-	-	-	-	-
2,890	3,151	3,364	3,445	3,606	3,814	3,982	4,101	4,185	4,373	4,529
286	172	175	179	182	187	193	200	207	216	224
4	11	11	12	12	13	13	14	14	15	15
5,076	5,363	5,719	5,855	6,124	6,473	6,757	6,959	7,103	7,422	7,687
Applications of operating funding										
1,454	1,491	1,529	1,582	1,675	1,756	1,800	1,876	1,966	2,026	2,122
455	459	495	521	563	631	745	761	775	838	831
2,166	1,992	2,055	2,115	2,158	2,226	2,318	2,380	2,475	2,591	2,678
-	-	-	-	-	-	-	-	-	-	-
4,075	3,942	4,079	4,218	4,396	4,613	4,863	5,017	5,216	5,455	5,631
1,001	1,421	1,640	1,637	1,728	1,860	1,894	1,942	1,887	1,967	2,056
CAPITAL										
Sources of capital funding										
-	-	88	914	664	-	-	-	-	-	-
37	25	26	27	28	29	30	31	32	34	35
1,089	(182)	(415)	(255)	587	1,493	1,386	(447)	734	332	(381)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
1,127	(157)	(301)	686	1,279	1,522	1,416	(416)	766	366	(346)
Applications of capital funding										
Capital expenditure										
355	41	43	44	269	568	49	51	53	55	57
260	240	114	1,075	1,779	2,171	2,127	-	1,068	685	-
1,646	1,079	635	562	1,042	615	579	2,324	499	548	1,340
(134)	(96)	547	642	(83)	28	555	(849)	1,033	1,045	313
-	-	-	-	-	-	-	-	-	-	-
2,127	1,264	1,339	2,323	3,007	3,382	3,310	1,526	2,653	2,333	1,710
(1,001)	(1,421)	(1,640)	(1,637)	(1,728)	(1,860)	(1,894)	(1,942)	(1,887)	(1,967)	(2,056)
- Funding Balance ((A-B) + (C-D))										
	-	-	-	-	-	-	-	-	-	-

* Targeted rates for water supply include volumetric charges only

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



WATER SUPPLY

WHAT THIS ACTIVITY DELIVERS

We provide water to over 12,300 households and businesses throughout the District. This water is treated to ensure it is safe to drink. We aim to provide water continuously and at a suitable pressure and quantity. We operate 10 different water supply schemes to provide water throughout the District. Each scheme operates slightly differently. The water we provide comes from a variety of sources such as rivers, springs and bores. We then treat the water, as needed, to ensure it is safe to drink. Pump stations help to transport the water to our storage reservoirs and then it is gravity fed through our pipe networks to each property. Some of our water connections have meters on them, which measure how much water is used on that property. In Whakatāne, Ōhope, Plains and Rūātoki, all connections are metered, while our other unmetered schemes have some commercial properties that are metered. For metered properties, people pay based on their consumption level. Properties not metered pay a fixed price based on an average consumption rate.

The water pressure we deliver varies across the District depending on the scheme and physical location of the property. We try to ensure the service we deliver is of a high enough pressure to fulfil the needs of businesses and homes. Our aim is to provide drinking water that meets the current Drinking Water Standards of New Zealand.

This activity also provides the infrastructure for water supply required for future developments, such as new subdivisions or new businesses, schools etc.

For properties in the District that are not connected to the Council's water supply network, we provide an advisory and education service as required.

WHY WE DO IT

There is a strong community demand for us to provide this activity. The main reason we deliver this activity is to protect public health. For households, this means you have healthy drinking water and fresh water to wash with.

We also promote public safety by ensuring adequate water pressure is available across the urban areas for fire fighting for residential dwellings. Larger non-domestic buildings require special systems to increase the fire fighting capacity.

Metered water connections were introduced to help manage water demand.

Under the Local Government Act 2002, we are required to provide the community with a reliable supply of safe drinking water, where this service has previously been delivered. This means we cannot cease to offer this service to households and businesses currently connected to our system.

RESPONDING TO OUR ISSUES

How secure is our water supply?

Our water schemes throughout the District have different water sources and individual processes to get it to our households. We have been looking at the security of our supplies and in particular what would happen if there was a major problem, resulting from a mechanical failure or a

WATER SUPPLY



natural disaster. Nine of our 10 schemes have only one water source, with the exception being the Plains scheme. With one source and no back-up system, our water supply can be vulnerable if a major fault occurred.

The Whakatāne water scheme is our biggest water supply, providing water for Whakatāne and Ōhope. This scheme covers the water supply for half of the District's population. While risks are present in all of our water schemes, particularly from a mechanical supply failure or a pipe breakage, the security of the water supply in the Whakatāne scheme is our most significant issue for this activity. With the water supply for this scheme coming from the Whakatāne River, it is vulnerable to seasonal effects during long dry summers. We have already experienced this to a small degree with salt water and algae blooms impacting on the Whakatāne township supply and no alternative source to get our water from. These have been relatively minor incidents to date, but the potential for a serious bacterial outbreak could cause a serious health risk and hazard, particularly for health care, businesses and schools.

To address the potential for a high risk incident affecting the Whakatāne water supply, we are investigating an alternative water supply source. Investigations have been focussed on finding a ground source (bore) that is close to the Whakatāne water treatment plant. This is an ongoing investigation and potential water sources have been mapped, with at least one source being confirmed 5km from the water treatment plant. A source is still being sought closer to town and this work will lead to an alternative or back-up source to help protect our water supply. The budget for this project has been carried forward from our last LTP and no budget has been planned for this LTP until a final source has been confirmed.

To minimise potential risk involved with bulk supply in other schemes, we have either provided adequate storage capacity or projects are underway to increase the storage capacity.

Ageing pipes and connections need replacing

A lot of the water pipes around the District were laid back in the 1960s and 1970s when asbestos concrete pipes were used. These pipes are starting to age now and a continuous assessment of the pipes has shown that the condition of some pipes is deteriorating. A programme has been planned through this LTP to replace pipes that are uneconomical to maintain over the next 10 years in Whakatāne, Edgecumbe, Plains, Matatā, Murupara and Tāneatua. Pipes in other schemes do not need replacing within the next 10 years.

Many connections and meters in the District are also reaching the end of their life and need replacing. A connection replacement programme is planned for Edgecumbe, Matatā, Whakatāne and Ōhope.

Water on the Plains

There are two main issues in the Plains scheme. Firstly, there is arsenic in the water supply which is above the levels in the Drinking Water Standards. The second issue is about supply and demand. There is not enough pressure and flow to meet the demands of the whole scheme at the same level. The pipe networks were not designed to cater for this level of demand in some areas including Awakeri.

A 50 year strategy is being developed for the Plains Water Scheme. The strategy is taking into account the present issues while also considering future demand.





Aerial view of Ruatoki showing waterpipes in blue

The strategy will be consulted on with the community and stakeholders in the coming years, before being finalised. It is proposed that once the strategy has been finalised, it will include projects to address the two current issues and projects to manage future demand. These projects will probably include upgrading pipe capacity and extending the system to cater for domestic and business demands. If the strategy is accepted by the stakeholders, the projects will be implemented in stages to reduce the financial burden to the community. This will hopefully see an increase in water pressure and quantity, improving the service provided.

A high cost project likely to come out of the 50 year strategy is an alternative bore within the Plains area. However, such a project will not continue until the community has been fully consulted. The proposal for an alternative bore is likely to be situated on Paul Road, where a trial bore has been established this as a viable source. A resource consent has also been granted by the Bay of Plenty Regional Council to extract water for 30 years and we are currently working to purchase the land on which the bore is sited. If the community agrees to the proposal, the Paul Road bore could provide water for the Edgecumbe and Te Teko townships, as well as the Awakeri and Onepu areas. The water is of a very good quality, however, chlorine would need to be added to the water source because of the potential for contamination as a result of the large area that would be covered by the pipe network.

As part of the 50 year strategy a review will also be undertaken on the charging regime for the Plains Water Supply. This will take into consideration the upgrade works undertaken and the larger number of properties able to be connected to the system.

Funding for water supplies

The water scheme in Rūātoki does not provide water for the whole Rūātoki community. A project is planned to upgrade and expand the reticulated system across the whole community. The project will include upgrading the water treatment plant, increasing the storage capacity, expanding the pipe network and ensuring the water meets the current Drinking Water Standards. Funding for this project is coming from Central Government through the Ministry of Health and Housing New Zealand.

We have also secured \$170,000 from the Ministry of Health for the construction of a new water reservoir in Matatā to improve the level of service in terms of capacity and fewer interruptions. This project is expected to be completed in the 2012/13 year at a total cost of \$224,000. An application for a subsidy will be made to the Ministry of Health for the remaining \$54,000. However, if we are unsuccessful in the application, the balance will be paid for through a long term loan.

Water water everywhere

While we seem to be surrounded by waterways, and often have an excess of floodwater around our District, we could also be prone to water shortages in future, especially in drier periods of the year. We also experience a rapidly increased population in the summer months due to holiday makers in some parts of our District. This puts increased pressure on our water supply networks and pipes. It is costly to upgrade our systems to cope with these peak periods and not economically or environmentally sustainable. Instead, we are looking to encourage water conservation in the community to try and smooth out this peak and delay the need for costly upgrades.

Water meters have been introduced to a large portion of our community. Meters can significantly reduce water consumption by raising awareness, but also by highlighting potential leaks and leading to their quick repair. No further extension of the meter connections is planned at this time, however, we would like to increase meters over time and would do this alongside consultation with the community. To further encourage the community to conserve water, we have in previous years implemented an increased charge for water use during the summer months. We will not continue peak water pricing through this LTP. Instead we have increased the amount of the water charge based on usage rather than fixed charge. This will have the effect of rewarding those households who conserve water and increasing the cost for those who use excessive water.

We are also focussing on improving education within the community to raise awareness. This includes providing information through leaflets in your rates bill and providing information and tips on our website: www.whakatane.govt.nz.

In addition we will develop a Water Conservation Strategy for the District. This will look at further opportunities for education as well as considering our operations and influencing decisions in our District Plan to encourage water conservation.

The ongoing costs of maintenance

Providing and managing the ongoing maintenance of the water supply around our District can be a costly exercise. It requires a lot of maintenance to ensure they remain safe and in good condition. Over the period of this LTP we have planned to spend \$9.94m on water supply renewals and minor upgrades. This includes replacements of various

assets such as pipes, pumps and valves, connections and repairs.

At the time of undertaking renewal works we often take this opportunity to upgrade our systems to improve levels of service. As a result of legislative changes, the Funding Impact Statement records these projects as being solely driven by an improvement in levels of service. Therefore, the true proportion of projects 'to improve level of service' is affected in the Funding Impact Statement.

All paying the same

There has been a change as to how we fund this activity. We will continue to use targeted rates, however instead of each scheme paying for their own costs, schemes will be amalgamated. This will mean everyone receiving water supply will pay the same. The exceptions are Ruatāhuna, the Plains and Murupara schemes. More information about this can be found in the 'All about rates' section.

We have recently reviewed our Assessment of Water and Sanitary Services. This LTP is consistent with the updated assessment. Copies of the assessment are available on our website: www.whakatane.govt.nz

WHAT WE ARE GOING TO DO

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

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

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

WHAT NEGATIVE IMPACT THIS MIGHT HAVE

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

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

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10
Provide a continuous and safe water system throughout the District's urban, residential and commercial areas that complies with drinking water standards	Percentage of water supply systems (excluding Plains) with adequate pressure to fill a 15 litre bucket in one minute	97%	95%	95%	95%	95%
	Percentage of the time our water schemes comply with specified New Zealand Drinking Water Standards	New Measure	90%	90%	90%	90%
	Satisfaction with the quality of drinking water supplied to resident's homes (Customer Satisfaction Index score)	64.3	62-66	63-67	64-68	65-69
	Percentage of pipe bursts and major breaks affecting urban systems responded to within one hour*	99.7%	99%	99%	99%	100%

*Note: actual works required to remedy breakages and blockages will vary according to the extent of the fault

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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





SEWAGE TREATMENT & DISPOSAL

Te Tukuhanga o ngā Parapara

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

FUNDING IMPACT STATEMENT

ANNUAL PLAN 2011/12 \$000	LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
OPERATIONAL										
Sources of operating funding										
18	14	14	15	16	17	18	18	19	20	20
1,956	2,133	2,675	2,673	2,833	3,024	3,529	3,389	3,527	3,701	3,816
-	-	-	-	-	-	-	-	-	-	-
113	182	189	196	203	211	218	226	235	244	254
148	146	149	152	156	160	165	171	177	185	192
97	175	182	188	195	203	210	217	226	235	244
2,331	2,650	3,209	3,224	3,403	3,615	4,140	4,021	4,184	4,385	4,526
Applications of operating funding										
760	918	1,109	987	1,037	1,087	1,439	1,192	1,237	1,297	1,358
265	171	261	398	548	637	742	795	840	888	889
841	887	916	944	962	992	1,035	1,061	1,103	1,157	1,194
-	-	-	-	-	-	-	-	-	-	-
1,866	1,976	2,286	2,329	2,547	2,716	3,216	3,048	3,180	3,342	3,441
465	674	923	895	856	899	924	973	1,004	1,043	1,085
CAPITAL										
Sources of capital funding										
2,921	134	1,044	3,603	299	-	-	-	-	-	-
39	168	175	181	187	194	201	208	216	225	234
2,064	537	1,541	2,565	1,480	1,246	1,290	771	338	72	122
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
5,023	839	2,760	6,349	1,966	1,440	1,491	979	554	297	356
Applications of capital funding										
Capital expenditure										
-	-	-	-	-	-	-	-	-	-	-
5,257	738	1,979	6,210	2,069	917	1,659	1,104	716	368	457
323	828	1,354	469	145	1,472	740	381	81	414	1,241
(92)	(53)	350	565	608	(50)	16	467	761	558	(257)
-	-	-	-	-	-	-	-	-	-	-
5,488	1,513	3,683	7,244	2,822	2,339	2,415	1,952	1,558	1,340	1,441
(465)	(674)	(923)	(895)	(856)	(899)	(924)	(973)	(1,004)	(1,043)	(1,085)
- Funding Balance ((A-B) + (C-D))										
	-	-	-	-	-	-	-	-	-	-

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



SEWAGE TREATMENT & DISPOSAL

WHAT THIS ACTIVITY DELIVERS

Under this activity the Council collects the used water from your house and business and transports it, through a network of underground pipes and pump stations, to a treatment plant. Once treated to an acceptable level, the treated liquid is then discharged into a river, stream or out to sea, where it can return to the natural water cycle. We own and operate six sewerage schemes in the urban areas of Whakatāne, Edgecumbe, Tāneatua, Ōhope, Te Mahoe and Murupara. The two main urban areas that do not currently have a reticulated sewerage system are Matatā and Te Teko. We are looking at options for these areas, particularly Matatā.

WHY WE DO IT

By providing this service we are protecting our natural environments from contaminants. We are also protecting the community's health by removing, treating and disposing of harmful waste.

The alternative to a Council provided sewerage system is the use of septic tanks. Septic tanks can be very useful, especially for rural properties, where the cost of a reticulated system would be too expensive because of the large distances covered. However, having a large number of septic tanks in an area, particularly in an urban area, can lead to excessive contaminants seeping into the ground and rivers. There are also logistical issues with septic tanks in enclosed areas.

RESPONDING TO OUR ISSUES

Sewage overflowing due to stormwater getting into sewerage systems

The major issue for this activity is sewage overflowing from our sewerage systems because of stormwater getting into the system. While this is a problem for all of our schemes, the area with the biggest problem with overflows is Edgecumbe; Ōhope and Whakatāne also have significant issues.

The sewerage system in Edgecumbe suffered severe damage during the earthquake in 1987. While the system was repaired at the time, more recent smaller earthquakes and general wear on these repairs have caused further cracks in the pipes. A large amount of stormwater is getting into the sewerage system through the cracks and gaps in the pipes and also because of inflow. Inflow is the process of stormwater getting into the system. There are three main causes; stormwater drains illegally connected to the sewerage scheme, manhole covers that are poorly fitted and can be underwater during heavy rain periods, or poorly installed gully traps too close to ground level.

If the gully traps are not far enough off the ground, or are situated in an area that is prone to puddles or ponding, then stormwater can overflow into the sewerage system. Inflow and infiltration is so bad in Edgecumbe that during the wet season the amount of water travelling through the sewerage system can be over 10 times greater than during dry weather. An acceptable increase due to inflow and infiltration at time of heavy rain would be four times greater than during dry weather.

To address this issue, work is underway in Edgecumbe to look at replacing or repairing parts of the system such as joins and gully traps. This work will continue during the first three years of this LTP.

In Whakatāne, the issue of sewage overflow is due largely to inflow and infiltration during heavy rain events.

This is made worse by pipes not designed to cope with this increased capacity. The Ōhope sewerage system also suffers from inflow and infiltration, as well as a pump station that is unable to cope with the capacity. Works are planned for the coming years to improve these systems by increasing the capacity of the pump stations, storage tanks and pipes in Whakatāne and Ōhope.

Alternative disposal options being investigated in Ōhope

The resource consent we hold from the Bay of Plenty Regional Council to discharge our treated sewage from the Ōhope scheme out to sea, expired in 2010. We are looking at options for future treated sewage discharge. One option we have been investigating is land disposal, which is the discharge of the treated liquid over a land area such as a forestry block or other suitable land. Six months prior to the expiry of the previous resource consent, we applied to carry out investigations. This means that we can continue disposing sewage out to sea until the new resource consent for disposal is obtained. The standard of treatment for our sewage depends on how and where we are discharging it. We have planned work to improve the level of treatment at our Ōhope treatment plant through this LTP. This will be completed to a level that is appropriate for our discharge method.

What state are our assets in out at sea?

We have outfall pipes for both our Whakatāne and Ōhope sewerage systems that discharge treated sewage out to sea. Outfall pipes are critical assets in these sewerage systems. We need to undertake an assessment of the outfall pipes so we can find out exactly what condition they are in and how much maintenance they require.

This assessment will be undertaken during 2012/13 and depending on the findings, may need to schedule some repairs or maintenance.

Wastewater treatment plant and reticulation construction in Matatā

Most of our urban areas have reticulated sewerage systems where sewage is piped from individual houses or buildings and treated before being disposed of. In Matatā, there is no community wide sewerage system and instead residents have individual septic tanks. This is starting to cause problems. The Council will introduce a new sewerage scheme in Matatā, originally planned for 2011/12. We have secured a subsidy from the Ministry of Health of \$6.72m to help the community pay for this project. Plans for this project have not been finalised and we are looking at a range of options to manage sewage in Matatā. Options we are looking at include both reticulated and non-reticulated systems, and treatment and disposal of sewage both locally and outside of Matatā. Community consultation will form an important part of this project and we will consult with the community prior to any option being finalised. At that time we will be able to confirm a cost for the project. At this stage, we are planning to spend \$7.10m over three years of this LTP. This is additional to the money carried forward from 2011/12 of \$2.94m, which included \$2.44m of subsidies.

Some major renewals required on our sewerage system

Corrosive gas has been attacking the concrete sewerage pipes in Ōhope and Whakatāne. An assessment has been completed to look at the condition of the pipes and a programme to replace the pipes has been planned. This replacement would take place over the next 10 years, costing \$1m in Whakatāne and \$800,000 in Ōhope.

The sewerage system in Murupara will need some renewal works over the coming 10 years. While the system is currently operating adequately, the pipes are aging and will need repair works soon. We are monitoring the conditions of the pipes and will undertake the necessary works as required. This is estimated to cost \$1m over the period of the LTP.

An additional \$5.04m will be spent on other renewals to the sewerage system across the District. This includes replacements assets such as pipes, manholes and pumps, minor upgrades and repairs to maintain the level of service.

Desludging our oxidation ponds

Approximately every 20-25 years our oxidation ponds need to be desludged. This is an expensive process involving removing the sludge from our ponds. Two of our ponds, in Whakatāne and Tāneatua, are due to be desludged during this LTP.

The ongoing costs of maintenance

Providing and managing the ongoing maintenance of the sewerage system around our District can be a costly

exercise, however, this cannot be avoided. The expensive assets which this activity holds require a lot of maintenance to ensure they remain in good working order and are fit for their purpose. To try and ensure affordability for our community we will defer some projects which had previously been planned for the period of this LTP. These include a reticulated sewerage system in Te Teko and extending the sewerage system at the Whakatāne Airport.

At the time of undertaking renewal works we often take this opportunity to upgrade our systems to improve levels of service or cater for future demand, as necessary. As a result of legislative changes, the Funding Impact Statement records these projects as being solely driven by an improvement in levels of service. Therefore, the true proportion of projects 'to improve level of service' is affected in the Funding Impact Statement.

All paying the same

We have changed how this activity is funded. We will continue to use targeted rates, however instead of each scheme paying for their own costs, schemes will be amalgamated. This will mean everyone receiving reticulated sewerage will pay the same. Murupara is excluded from this proposal. More information about this can be found in the 'All about rates' section.

What we are going to do

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

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Whakatāne treatment plant desludging	2017-19	1,100,000	Loan 95% Development Contribution 5%
Sewer pipe upgrades to address overflows in Whakatāne	2012-17	1,500,000	Loan 95% Development Contribution 5%
Whakatāne Pump Station renewals and upgrades including increasing capacity	2012-22	2,109,000	Loan 53% Development Contribution 5% Renewal 42%
Ōhope Treatment Plant upgrade	2012-16	1,550,000	Loan 92% Development Contribution 8%
Ōhope Pump Station renewals and upgrades including increasing capacity	2016-20	944,000	Loan 92% Development Contribution 8%
Edgecumbe Pump Station renewals and upgrades including increasing capacity	2015-18	592,000	Loan 100%
Edgecumbe reticulation upgrades	2013-17	570,000	Loan 100%
Matatā Treatment Plant and reticulation construction	2012-16	7,100,000	Loan 33% Subsidy 67%
Tāneatua ponds upgrade	2012/13	150,000	Loan 100%

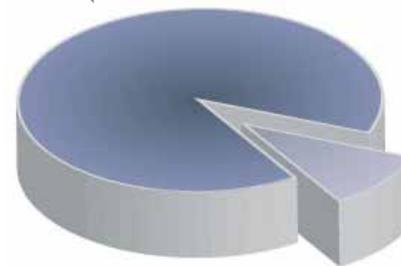
HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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

Targeted Rates - *High*



Fees & Charges - *Low*

WHAT NEGATIVE IMPACT THIS MIGHT HAVE

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

SIGNIFICANT NEGATIVE EFFECT	AFFECTED WELL-BEING				SUSTAINABLE SOLUTION
	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	
Overflows of untreated sewage from the sewerage network due to blockages, pump station or other plant malfunction, inflow/ infiltration of stormwater into the sewerage network and/or insufficient capacity.	✓	✓	✓	✓	Compliance with resource consent and Council's Engineering Code of Practice and Guidelines. Maintaining our maintenance programme and environmental controls.
Discharge of sewage through the ocean outfalls at Whakatāne and Ōhope may cause environmental and health issues.	✓	✓	✓	✓	Compliance with resource consent. Alternative options are being investigated on the disposal of sewage. This is explained in more detail under 'Responding to our issues' earlier in this section.

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10
To provide high quality, efficient and reliable sewerage systems that meet the reasonable needs of the urban and commercial communities	Percentage of blockages and breakages affecting the system in Whakatāne are responded to within one hour*	93.6%	90%	90%	90%	90%
	Reducing environmental impacts of sewage by providing reticulated schemes in urban areas	Whakatāne Ōhope Edgecumbe Murupara Tāneatua Te Mahoe	Whakatāne Ōhope Edgecumbe Murupara Tāneatua Te Mahoe	Whakatāne Ōhope Edgecumbe Murupara Tāneatua Te Mahoe	Whakatāne Ōhope Edgecumbe Murupara Tāneatua Te Mahoe	Whakatāne Ōhope Edgecumbe Murupara Tāneatua Te Mahoe Matatā**
	Satisfaction with the overall disposal and treatment of sewage (Customer Satisfaction Index score)	70.4	68-72	69-73	70-74	71-75
	Number of sewerage related resource consent infringement and abatement notices received by the Bay of Plenty Regional Council	0	0	0	0	0

* Note: Actual works required to remedy breakages and blockages will vary according to the extent of fault

**Providing a reticulated scheme in Matatā is still dependant on further investigations and community consultation. See 'Responding to our issues' earlier in this section for more detail.





TRADEWASTE

WHAT THIS ACTIVITY DELIVERS

The Council's sewerage system is also used by commercial and industrial properties to dispose of sewage. We call this tradewaste, as it is often quite different from the sewage produced by households in terms of quantity and quality. We provide the same service of removing trade waste from businesses as we do for removing sewage from households.

WHY WE DO IT

By providing this service, we are protecting our natural environments from contaminants. We are also protecting community health by managing the removal, treatment and disposal of hazardous waste. Because trade waste produced by businesses is often more contaminated than household sewage, we administer and charge for this service in a different way to recover the true cost of treating tradewaste.

RESPONDING TO OUR ISSUES

Discharge of hazardous chemicals

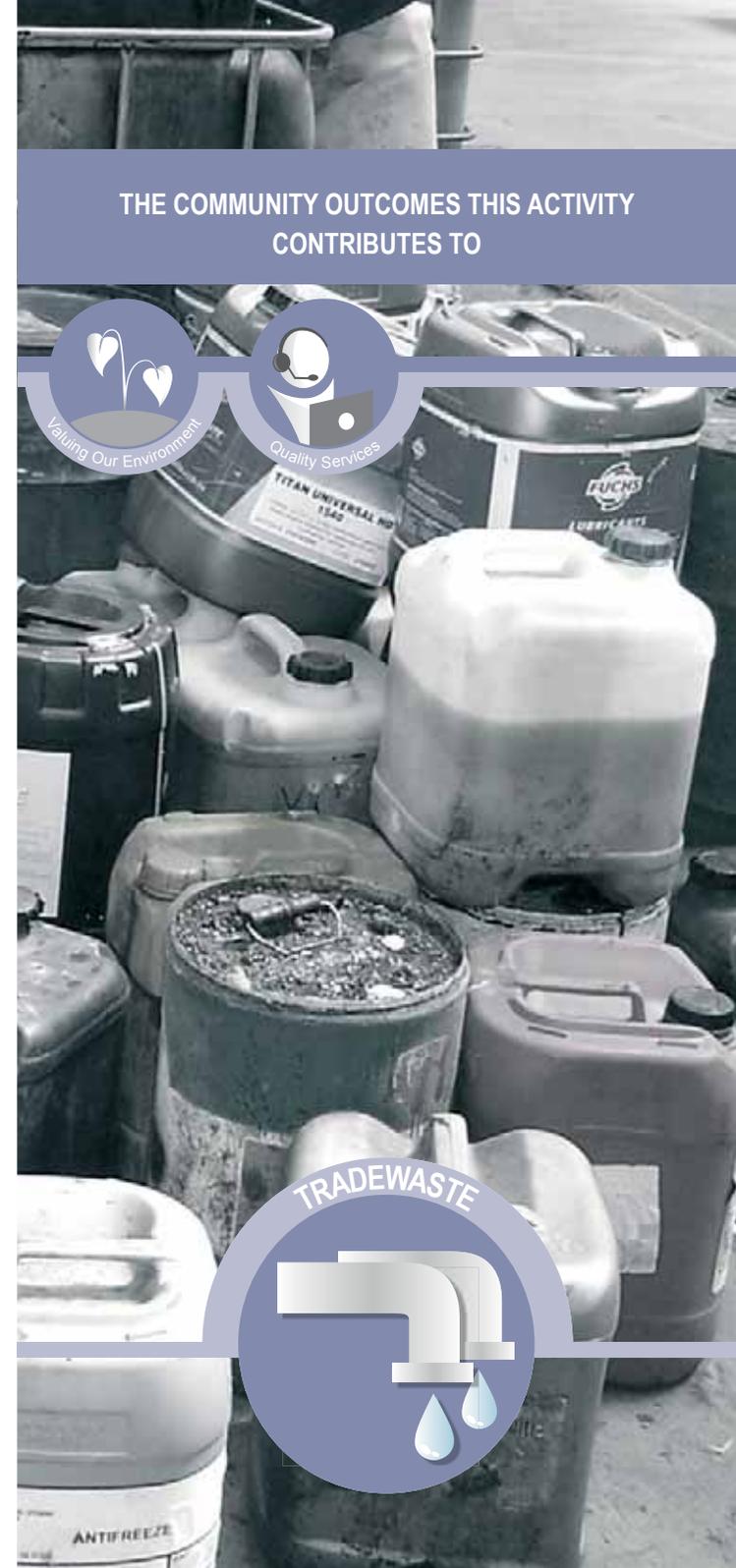
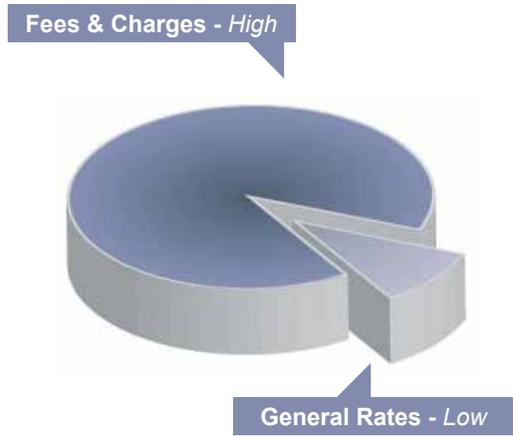
Occasionally liquids are disposed of into the sewerage system, which include toxic levels that exceed the limits allowed under our Tradewaste Bylaw. This puts extra pressure on our wastewater treatment plant and can be harmful for both people and the environment. To address this hazard we undertake regular monitoring and inspections of the tradewaste premises, with half the premises inspected each year.

Where monitoring reveals issues, we undertake education programmes to ensure that the requirements of the bylaw are made clear and are understood.

HOW THIS ACTIVITY IS FUNDED

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

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



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



SEWAGE TREATMENT & DISPOSAL
Tradewaste



STORMWATER DRAINAGE

Te Wai Āwhiowhio me ōna rītenga

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

FUNDING IMPACT STATEMENT

ANNUAL PLAN 2011/12 \$000	LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
OPERATIONAL										
Sources of operating funding										
-	253	367	408	400	418	442	456	477	507	526
2,025	2,313	2,340	2,421	2,627	2,695	2,743	2,852	2,988	3,150	3,264
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
1,881	2,021	2,052	2,102	2,152	2,215	2,292	2,373	2,461	2,560	2,664
200	200	208	215	223	232	240	248	257	268	279
4,106	4,787	4,967	5,146	5,402	5,560	5,717	5,929	6,183	6,485	6,733
Applications of operating funding										
1,507	1,585	1,647	1,705	1,789	1,857	1,922	1,992	2,067	2,152	2,243
868	778	889	1,003	1,146	1,210	1,289	1,327	1,401	1,500	1,525
1,200	1,544	1,536	1,568	1,585	1,624	1,686	1,739	1,804	1,883	1,951
-	-	-	-	-	-	-	-	-	-	-
3,575	3,907	4,072	4,276	4,520	4,691	4,897	5,058	5,272	5,535	5,719
532	880	895	870	882	869	820	871	911	950	1,014
CAPITAL										
Sources of capital funding										
-	-	-	-	-	-	-	-	-	-	-
4	114	119	123	127	132	137	142	147	153	159
(78)	323	437	1,387	1,242	448	505	1,292	592	825	544
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
(74)	437	556	1,510	1,369	580	642	1,434	739	978	703
Applications of capital funding										
Capital expenditure										
-	-	-	-	-	-	-	-	-	-	-
588	1,300	1,433	3,129	2,402	1,382	1,627	2,908	1,874	2,037	1,750
-	-	-	-	-	-	-	-	-	-	-
(130)	17	18	(749)	(151)	67	(165)	(603)	(224)	(109)	(33)
-	-	-	-	-	-	-	-	-	-	-
458	1,317	1,451	2,380	2,251	1,449	1,462	2,305	1,650	1,928	1,717
(532)	(880)	(895)	(870)	(882)	(869)	(820)	(871)	(911)	(950)	(1,014)
- Funding Balance ((A-B) + (C-D))										
	-	-	-	-	-	-	-	-	-	-

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



Valuing Our Environment



Quality Services



Reliable & Affordable Infrastructure

STORMWATER DRAINAGE

WHAT THIS ACTIVITY DELIVERS

The Council provides a variety of infrastructure to deal with stormwater within our urban areas.

This includes underground pipes, open drains, overland flow paths, pump stations and stormwater ponds. All of our stormwater systems are designed to take stormwater away from built up urban areas and disperse it within our waterways. However, further works are required to meet the desired level of service. We manage the stormwater within identified urban and residential areas, the Bay of Plenty Regional Council manages land drainage in rural areas.

WHY WE DO IT

There is strong community demand to be protected and safe within our homes. To respond to this, we build and operate stormwater infrastructure. We also need to protect our own infrastructure, such as roads, sewerage infrastructure etc, which can get damaged by excessive floodwater.

The emotional and financial cost of flooding on our community within our District can be very high. We continually make improvements to the stormwater systems to try and reduce the chance of this flooding occurring.

RESPONDING TO OUR ISSUES

Increased storms are flooding Whakatāne and Ōhope

The Council manages seven stormwater schemes. The three most significant schemes are Whakatāne, Ōhope and Edgecumbe. These three larger schemes have all experienced major issues in recent years. The District has been hit by a high number of severe rain events, causing flooding on numerous occasions. Unfortunately, due to the nature of the water flow, ground heights and location, it tends to be the same properties that are flooded through each event. The high number of events experienced in recent years is unusual, however, it could be a sign of climate change and we are preparing for the likelihood of more frequent severe weather events.

Our first target is to provide protection from flooding to habitable buildings, not including garages, from a one in 10 year rain event, where practical, using pipe networks, drains, pump stations and, in urban areas where this level of service is not met, overland flow paths. Our long term target is to provide flood protection to habitable buildings not including garages from a one in one hundred year rain event, (taking into account climate changes) where practical, using improved or new overland flow paths and other necessary infrastructure. However, we also acknowledge that it is not practically possible or economically feasible to provide our desired level of service to some of the habitable buildings due to location or ground level of these buildings.



Stormwater systems are upgraded in targeted areas on a priority basis depending on the frequency of flooding, the number of properties affected, the scale of damage and the cost of the mitigation works. During the first three years we have included six projects in the following catchments to help achieve this level of service; Alexander Avenue/ Douglas street area, Wainui Te Whara Stream urban catchment, McAlister/Pohutu/Bracken Street area, Kirk Street area, Hinemoa Street pump station catchment and Henderson Street area.

However, while we build new systems to meet this level of protection, historical infrastructure does not always meet this level. Therefore, when we undertake renewals of our infrastructure, we upgrade the system to meet our intended level of flood protection. This means that all capital works for stormwater are recorded in the Funding Impact Statement on the previous page as 'to improve level of service'.

Did you know?

A one in 10 year rainfall event is an event that has a 10% chance of occurring in any one year. Similarly, a one in 100 year event is an event that has a 1% chance of occurring in any one year.

We are constrained in some of the work we can do. In our built up urban areas physical structures, such as buildings, limit where water can flow. In Whakatāne, our biggest scheme, the town is constrained by hills on one side and the Whakatāne River on the other. The scheme heavily relies on pump stations and gravity discharge into the river.

Heavy rain events have caused frequent flooding over the years. Work has been done to improve the level of protection in Whakatāne, but there are still more projects required to minimise the risk of flooding in this scheme.

Two studies have begun to identify solutions to the flooding issues in Whakatāne. Firstly, a project has begun to look at the stormwater that falls on the hills between Whakatāne and Ōhope to identify appropriate ways to discharge this stormwater without causing flooding in the urban area. This is a joint initiative between the Whakatāne District Council and the Bay of Plenty Regional Council. It will involve working closely with landowners in the area, including Ngāti Awa. This upper catchment study will lead to a second in-depth study into the urban stormwater catchment of Whakatāne. The second study will include 2D modelling to look at overland flow paths to track where the stormwater can go. It will improve our understanding of the need for pipe and pump station upgrades to improve the protection level for houses to meet the one in 100 year rainfall event taking into account climate change.

Once the two studies are completed, identified works will be prioritised according to likelihood and consequence. This risk-based assessment will provide a ranked work programme for the coming years. Some major projects have been signalled from the studies. These include finding a solution to the water overflowing from the Wainui Te Whara stream in Whakatāne, upgrading the undersized pumping stations, pipes and overland flow paths. Specific detail of these projects will be finalised once the studies are completed. However, the projects are included in this LTP to signal the works required to raise the level of protection



Emergency Services responding to floods in Edgecumbe

within Whakatāne. Work for the Ōhope catchment to improve the level of flood protection includes local pipe upgrades and projects and other measures to address the threat from the four streams in Ōhope.

Edgecumbe keeps flooding

The Edgecumbe township is highly vulnerable to localised flooding and this has caused some huge issues over recent years. Geographically the town is very flat and the floor level lowered during the earthquake in 1987. Watercourses in the area are under capacity and pumping systems are required. We have constructed two pump stations in the vicinity of the town and are now planning to upgrade some pipes and overflow paths through this LTP. The level of upgrades required will depend, to some degree, on the effectiveness of the two new pump stations. As highlighted under the 'Sewage Treatment and Disposal' activity, stormwater also causes some problems for our sewerage system. By managing stormwater more effectively the amount of stormwater getting into the sewerage system will be reduced.

Silt and debris in our streams

We have experienced an increase in debris and silt in some of our streams over the past few years, particularly in Whakatāne and Matatā. This is the result of ground becoming exposed due to tree felling from de-forestation, leading to slips on stream banks in the catchments. The increased silt and debris is causing maintenance issues that are increasing costs of operating this activity, with silt and debris having to be cleared on a regular basis. Disaster mitigation works in Matatā have been underway since the flood events in 2005. At present we are reviewing the proposal to build a debris detention structure in Matatā. Further community consultation will be carried out following the review of this project.

Paying for protection

Stormwater costs are paid for fully by the community that benefit from the scheme, including the costs of disaster mitigation. However, Matatā is the exception, with 75% of the disaster mitigation costs being funded through the general rate. The Council acknowledges that this is inconsistent with the funding for the rest of this activity, but it is necessary to ease the unaffordable rating burden on the Matatā community.

What we are going to do

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

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Alexander Avenue/Douglas street area flood mitigation works	2012-15	725,000	Loan 69% Renewal 29% Development Contributions 2%
Wainui Te Whara Stream urban catchment flood mitigation works	2013-15	1,450,000	
McAlister/Pohutu/Bracken Street area flood mitigation works	2012-15	1,365,000	
Kirk Street area flood mitigation works	2014/15	450,000	
Hinemoa Street pump station catchment flood mitigation works	2013/14	450,000	
Henderson Street area flood mitigation works	2012-14	100,000	
Further Whakatāne upgrades and flood mitigation works	2015-22	8,361,370	Loan 83% Renewal 13% Development Contributions 4%
Ōhope upgrades and works	2012-22	3,620,000	
Edgecumbe stormwater upgrade to address localised flooding issues	2012/13	350,000	

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



Muriwai Drive, Whakatāne during the Jan 2012 floods

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
Provide a quality and safe urban stormwater system accessible throughout Whakatāne (including Otarawairere), Ōhope, Edgecumbe, Matatā, Murupara, Tāneatua, Te Mahoe and Te Teko	Initial response time to blockages affecting the system within three hours. Note: Actual works required to remedy blockages will vary according to the extent of fault	87%	85%	86%	87%	88%
	Percentage of stormwater systems built to meet one in 10 year rainfall event	81%	80%	80%	80%	85%

WHAT NEGATIVE IMPACT THIS MIGHT HAVE

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

SIGNIFICANT NEGATIVE EFFECT	AFFECTED WELL-BEING				SUSTAINABLE SOLUTION
	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	
Discharge of polluted stormwater impacting on public health.	✓	✓	✓	✓	Preparation of a comprehensive catchment management plan for Whakatāne is underway. This plan will address the pollution issues associated with stormwater.
Inadequacy of existing stormwater assets to cope with large rainfall events causing flooding, which could result in social and economic hardship.		✓	✓	✓	Compliance with Council's Engineering Code of Practice. Works are proposed to improve our level of protection in large rainfall events. This is explained in more detail under 'Responding to our issues' earlier in this section

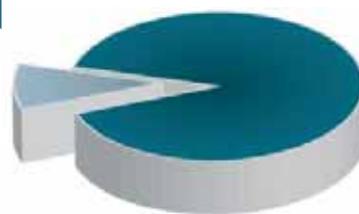
HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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

General Rates – Low



Targeted Rates – High



WASTE

Ngā Parapara



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

FUNDING IMPACT STATEMENT

ANNUAL PLAN 2011/12 \$000		LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
OPERATIONAL											
Sources of operating funding											
169	General rates, uniform annual general charges, rates penalties	501	500	517	535	597	622	633	653	678	689
4,190	Targeted rates (other than a targeted rate for water supply)	3,883	3,656	3,779	3,891	4,326	4,444	4,550	4,686	4,848	4,979
-	Subsidies and grants for operating purposes	100	103	107	110	114	118	122	126	130	135
1,238	Fees, charges, and targeted rates for water supply	1,350	1,393	1,438	1,487	1,539	1,591	1,643	1,698	1,759	1,820
51	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
5,648	Total operating funding (A)	5,834	5,652	5,841	6,023	6,576	6,775	6,948	7,163	7,415	7,623
Applications of operating funding											
4,191	Payments to staff and suppliers	4,371	4,358	4,498	4,661	5,196	5,372	5,550	5,735	5,941	6,150
332	Finance costs	248	262	272	277	266	263	245	234	227	207
745	Internal charges & overheads applied	734	746	775	784	811	855	861	896	946	959
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
5,268	Total applications of operating funding (B)	5,353	5,366	5,545	5,722	6,273	6,490	6,656	6,865	7,114	7,316
380	Surplus (deficit) of operating funding (A-B)	481	286	296	301	303	285	292	298	301	307
CAPITAL											
Sources of capital funding											
875	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
53	Development and financial contributions	8	9	9	9	10	10	10	11	11	11
523	Increase (decrease) in debt	(240)	(202)	(218)	(213)	(238)	(227)	(231)	(233)	(248)	(239)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
1,451	Total sources of capital funding (C)	(232)	(193)	(209)	(204)	(228)	(217)	(221)	(222)	(237)	(228)
Applications of capital funding											
Capital expenditure											
205	- to meet additional demand	10	-	-	11	-	-	12	-	-	13
1,975	- to improve level of service	75	26	16	11	-	12	-	13	-	-
-	- to replace existing assets	10	-	-	-	17	29	18	31	-	40
(349)	Increase (decrease) in reserves	154	67	71	75	58	27	41	32	64	26
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
1,831	Total applications of capital funding (D)	249	93	87	97	75	68	71	76	64	79
(380)	Surplus (deficit) of capital funding (C-D)	(481)	(286)	(296)	(301)	(303)	(285)	(292)	(298)	(301)	(307)
	- Funding Balance ((A-B) + (C-D))	-									

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



WASTE DISPOSAL

WHAT THIS ACTIVITY DELIVERS

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

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

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

WHY WE DO IT

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

RESPONDING TO OUR ISSUES

How we dispose of our waste

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

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

Reducing the amount of waste we send to landfill

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

Options for managing our waste

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



All paying the same

We have changed the way this activity is funded to reflect our focus on affordability. This activity will now be funded through the general rate rather than through a fixed charge targeted rate. This increases the portion of this activity funded by capital value and will positively impact lower value properties.

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10
Waste Minimisation is actively promoted to all residents/ratepayers and strategies are put in place to manage waste for the long term	Decrease in the portion of waste to landfill compared to greenwaste and recycling	51% of waste sent to landfill	50%	48%	46%	44%

WHAT NEGATIVE IMPACT THIS MIGHT HAVE

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

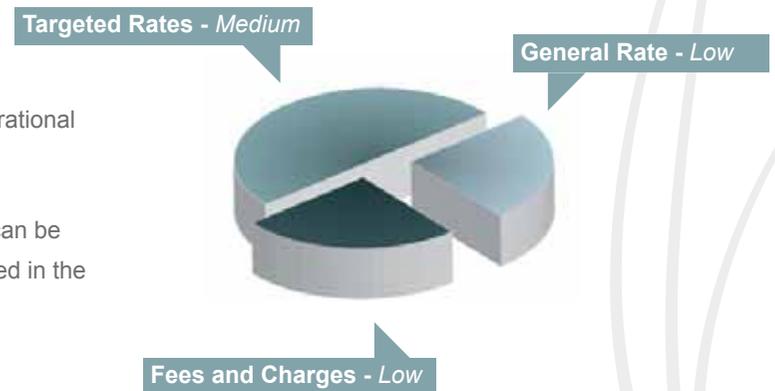
SIGNIFICANT NEGATIVE EFFECT	AFFECTED WELL-BEING				SUSTAINABLE SOLUTION
	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	
Transporting waste outside of the District has increased negative impact through the cost of fuel, the emissions from the trucks and the impact on the Council's roading system.	✓	✓	✓	✓	Reducing the amount of waste being transported out of the District through increased recycling and reprocessing as described in the Waste Management and Minimisation Plan.
Environmental impacts caused by the discharge of contaminants to land and water from closed landfills.	✓	✓	✓	✓	Compliance with resource consent and aftercare management. Regular monitoring.

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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



WASTE RECYCLING

WHAT THIS ACTIVITY DELIVERS

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 crate collection service include paper, cardboard, plastics (grades 1 and 2), glass (clear, green, brown), tin and aluminium cans, and plastic bags. Larger items such as household appliances, steel, cars, timber, tyres etc can be taken to either the Murupara and Minginui Transfer Stations or the Whakatāne Recycling Centre, where they are sorted for shipping.

WHY WE DO IT

Recycling stops materials that could be reformed for future use going to the landfill. By reducing waste to landfill we reduce transportation and disposal costs, and reduce negative impacts of harmful chemicals getting into the environment. By recycling products we are also reducing the need for new natural resources to be extracted from the ground.

RESPONDING TO OUR ISSUES

Increasing recycling

Over 17% of the waste we collect from wheelie bins and then ship to the Waikato for disposal is material that could and should be recycled. As a community we are wasting money and negatively impacting on the environment when we do not recycle. The Council sees it as a key challenge to change behaviours, including our own, and facilitate more recycling. There are two approaches we are planning to address this issue.

Education:

Through education campaigns, working with community groups, use of websites, Facebook, displays etc, we are trying to get the messages through to the community about how it can recycle, what can be recycled and why it should be recycled. Often people do not act because they are uncertain about what the best thing to do is.

Enabling:

We currently provide a crate for recycling collection, with further crates available for \$15. To ensure we encourage increased recycling, we are considering increasing the recycling facilities. A full review of the way we collect and dispose of waste is being undertaken. This will include considering different options to help encourage and enable recycling.

Transfer stations enable local communities easy access to recycling facilities, especially those communities who don't have the recycling collection service. We are investigating increasing the number of waste handling facilities around the District to make the option of recycling easier. This forms part of the wider review of services in the waste area and will depend on the feasibility of providing an increased service.

The types of material we are able to recycle is limited by the cost of recycling them and the value of the material once recycled. We are looking at further recycling options to increase the types of materials we can recycle. However, increasing the recycling options can only be done where an opportunity arises.

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



WHAT WE WANT TO ACHIEVE

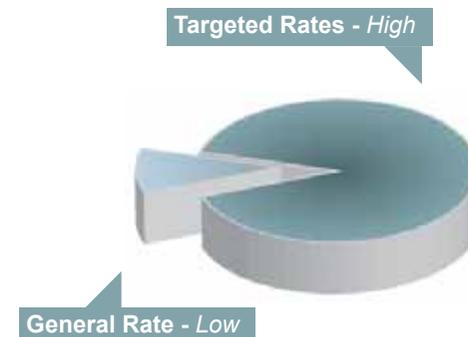
The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2009/10)	YEAR 2 (2010/11)	YEAR 3 (2011/12)	YEARS 4-10
Waste Minimisation is actively promoted to all residents/ratepayers, and strategies are put in place to manage waste for the long term	Increase in the proportion of waste being recycled	20.7% of waste was diverted for recycling	21%	22%	23%	24%

HOW THIS ACTIVITY IS FUNDED

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

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



WASTE REPROCESSING

WHAT THIS ACTIVITY DELIVERS

This activity provides greenwaste collection, greenwaste disposal and concrete reprocessing services.

The greenwaste collection service we currently provide includes fortnightly collection of large 240 litre greenwaste bins to just under 10,000 properties. Households in urban Whakatāne, Ōhope, Tāneatua, Te Teko, Edgecumbe, Matatā and Murupara receive this service. Greenwaste bins can include garden waste such as leaves, grass clippings and old plants.

The greenwaste disposal service allows people to dispose their greenwaste at one of our transfer stations. There are transfer stations in Whakatāne and Murupara. We then take the greenwaste to a composting facility and turn it into a valuable compost material.

We also provide a service for people to dispose of concrete. This service is primarily focussed at the construction industry where large amounts of concrete rubble can be created. The service is not able to handle large quantities of concrete at one time.

WHY WE DO IT

We can reuse some waste we send to the landfill if we process it. By reprocessing waste, we can reduce the cost of waste disposal, reduce the harm caused to the environment by disposing of this waste and turn the waste into a product that is valuable to the Council and the community.

Greenwaste sent to the landfill leaches harmful chemicals into the District's waterways as well as emitting carbon dioxide into the air. Through composting of greenwaste, we can use the compost to restore healthy soil for plant and vegetation growth.

Concrete reprocessing prevents us transporting large chunks of waste out of our district at high cost. It also avoids filling up valuable space in landfills, with material that will take hundreds of years to break down. We reuse the reprocessed concrete in the construction of new roads to reduce our roading costs.

RESPONDING TO OUR ISSUES

Increasing greenwaste disposal

Of the waste that goes into our standard wheelie bins, 40% is greenwaste and could be put into our greenwaste bins. Investigations into future greenwaste solutions are planned at a cost of \$50,000. To increase the use of the greenwaste bin for all garden waste, we are planning a number of approaches.

Education

This is about ensuring people understand the waste issue, globally and specifically in our District. We want people to understand the cost to the environment and also the direct cost to rates of sending our waste to the landfill. Education is also about making sure people know how, when and what they should be putting into their greenwaste bin.

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



Providing the service

As well as educating people, it is important we provide the opportunity and incentive to dispose of waste in this way. We are looking at a number of projects to improve the greenwaste service. This is part of the wider waste review and may lead to some changes to the way we deliver this service in the future. This may include increasing the number of reprocessing facilities around the District to increase the rural communities' access to our facilities. A feasibility study would be done prior to any work being scheduled.

Construction of a composting plant was planned for 2011/12. However, a need to consider our wider waste issues means that a specific business case is now scheduled in 2012/13. No construction has been budgeted at this stage, but the study may identify that building a composting plant would be financially and environmentally beneficial to the community.

Composting food scraps

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

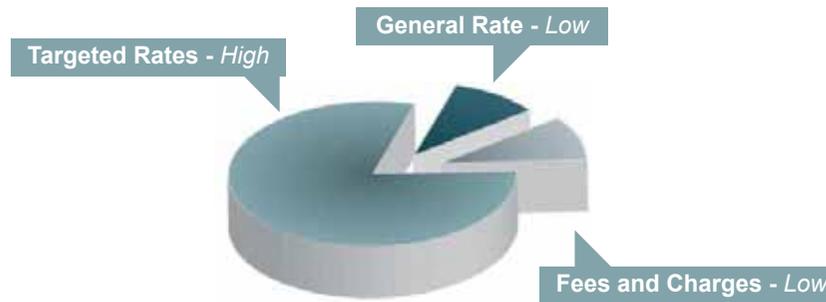
GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10
Waste Minimisation is actively promoted to all residents/ratepayers, and strategies are put in place to manage waste for the long term	Increase in the proportion of waste being reprocessed	28.3% of waste was diverted for reprocessing	29%	30%	31%	32%

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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





ENVIRONMENTAL SUSTAINABILITY

Te Pūtaiao

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

FUNDING IMPACT STATEMENT

ANNUAL PLAN 2011/12 \$000		LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
OPERATIONAL											
Sources of operating funding											
1,188	General rates, uniform annual general charges, rates penalties	873	1,055	1,771	1,727	1,774	1,849	1,893	1,830	1,592	1,551
-	- Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-
-	- Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
421	Fees, charges, and targeted rates for water supply	421	434	448	464	480	496	512	529	548	568
-	- Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
131	Local authorities fuel tax, fines, infringement fees, and other receipts	147	152	157	162	168	173	179	185	192	198
1,740	Total operating funding (A)	1,441	1,641	2,376	2,353	2,422	2,518	2,584	2,544	2,332	2,317
Applications of operating funding											
1,390	Payments to staff and suppliers	1,102	1,129	1,429	1,225	1,250	1,307	1,346	1,394	1,422	1,472
89	Finance costs	97	141	155	149	105	84	57	29	6	-
822	Internal charges & overheads applied	593	598	607	604	614	641	656	678	707	725
-	- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
2,302	Total applications of operating funding (B)	1,792	1,868	2,191	1,978	1,969	2,032	2,059	2,101	2,135	2,197
(562)	Surplus (deficit) of operating funding (A-B)	(351)	(227)	185	375	453	486	525	443	197	120
CAPITAL											
Sources of capital funding											
-	- Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	- Development and financial contributions	-	-	-	-	-	-	-	-	-	-
562	Increase (decrease) in debt	381	268	(136)	(740)	(365)	(388)	(416)	(324)	(78)	-
-	- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
562	Total sources of capital funding (C)	381	268	(136)	(740)	(365)	(388)	(416)	(324)	(78)	-
Applications of capital funding											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve level of service	-	-	-	-	-	-	-	-	-	-
-	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
-	- Increase (decrease) in reserves	30	41	49	(365)	88	98	109	119	119	120
-	- Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
-	Total applications of capital funding (D)	30	41	49	(365)	88	98	109	119	119	120
562	Surplus (deficit) of capital funding (C-D)	351	227	(185)	(375)	(453)	(486)	(525)	(443)	(197)	(120)
-	Funding Balance ((A-B) + (C-D))	-									

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



Sustainable Economic Development



Effective Leadership



Community Well-being



Valuing Our Environment



RESOURCE MANAGEMENT - POLICY

WHAT THIS ACTIVITY DELIVERS

Through this activity we prepare plans and policies that implement the Resource Management Act 1991 (RMA), specifically the District Plan. The District Plan controls the way we use, subdivide and develop land in the District. It identifies where activities can take place, what land can be developed and what special features of our District should be protected.

WHY WE DO IT

We provide this activity to enable the use and development of land while protecting the special places the community values. This is done through careful consideration of the social, cultural, economic and environmental well-beings of the community. The District Plan is the key tool for achieving this and is also a legal requirement under the RMA. Our District Plan is currently under review. The review process involves a robust process of weighing up the costs (both financial and environmental) and benefits (to the long term well-being of the community) of the decisions we make.

RESPONDING TO OUR ISSUES

Why the District Plan is under review

The Whakatāne District Plan needs to be reviewed and updated to deal with new legislation and issues, such as climate change, renewable energy and urban design. Some parts of our current Operative District Plan are over 10 years old and it does not contain sections on indigenous biodiversity or financial contributions. A major focus of the

District Plan review is to enable growth and development, while protecting natural and cultural values that make Whakatāne special.

Where things are working well the plan is not being changed and it is business as usual. However, the draft plan proposes some key changes. Some examples are the creation of new zones, new subdivision rules in some areas and the identification of natural and cultural features that need to be protected.

The cost of the District Plan review

The District Plan review, including the associated consultation and appeals process, is a major project under this activity. Through the District Plan review process we might encounter appeals made to the District Plan, however, the extent of any appeals is currently unknown. This could increase our costs and may delay making the plan operative. We are undertaking a consultative process to reviewing our District Plan, which involves talking to a number of stakeholders as well as the general public. A draft District Plan was released for public consultation in July 2011 for public feedback. This was not required by legislation but is good practice. By doing this we hope to understand issues that may be brought forward. We hope to make the new plan operative in 2014/15.

Changes in legislation

The RMA is currently under review. Central Government is likely to implement phase 2 of the RMA reforms over the next few years. This may affect the District Plan review process. Where this happens, staff will implement the changes.

Encouraging growth

We are including a number of initiatives in this LTP which seek to encourage growth in the district. One of the initiatives was a review of our Development Contributions Policy. With a reduced level of development being anticipated over the next 10 years, the capital programme of works to cater for growth has also been reduced. This means that the amount of contributions being received

has reduced in some areas. After the implementation of this policy, a further review will take place and if necessary, changes will be made alongside the Annual Plan 2013/14. This review will assess whether the policy is effective, fair and equitable to all residents and will include an economic analysis.

WHAT WE WANT TO ACHIEVE

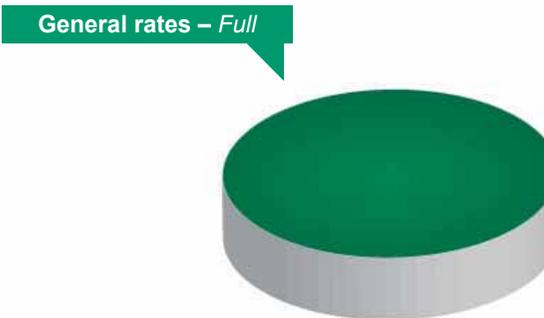
The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
Growth and development is planned while our natural and physical resources are managed in a sustainable manner	Status of the second generation Whakatāne District Plan	Under review	Under review	Under review	Plan made operative	Plan operative

HOW THIS ACTIVITY IS FUNDED

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

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



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



RESOURCE MANAGEMENT - CONSENTS

WHAT THIS ACTIVITY DELIVERS

This activity implements the District Plan, environmental policies, and social policies through resource consents and advice.

We receive, process, and determine applications to use, develop and subdivide land. When assessing applications or providing advice we look at how it will affect the community as a whole, while balancing this with the needs of the applicant. We also monitor compliance with the conditions of consents to ensure any negative effects on the environment are avoided, remedied or mitigated. This sometimes means there are appeals to the Environment Court on our decisions and managing this process is an important part of this activity.

WHY WE DO IT

The aim of this activity is to ensure everybody in the District enjoys where we live and decisions are made in line with our District Plan. The District Plan and supporting policies have a number of conditions on how, what and where you can use land. We ensure the advice we give and consents we issue benefit the wider community, while facilitating good development decisions.

RESPONDING TO OUR ISSUES

Having friendly faces to come and talk to

One of the issues we face is that the number of resource consents varies from time to time. This means matching resources to demand is often difficult.

At present, consent applications are low which has meant a great improvement in our service. However, if this was to

change then resourcing options will need to be looked into. We always endeavour to provide the best customer service that we can.

How it works

The community relies on this activity to protect the wider environment from developments that impose on neighbours or the general public in a negative way.

The need to do this activity is created by people developing property. We have worked to balance our key idea of affordability, without overly burdening or limiting development in our District. Charges are based on fairness and equity, as well as considering the ability to pay. The fees and charges for resource consents will be reduced by one third in the 2012/13 year, as it is felt this activity has a benefit to the general public as well as to the individual. More detail about this is included in 'The Big Decisions' chapter.

People do not know what they are required to do

We work hard to ensure people are clear about the requirements, including costs and timeframes. Some landowners or developers do not realise the projects they are working on require a resource consent. This can lead to an increase to their planned timeframes and unforeseen costs. We encourage people to come and talk to us before or during works to avoid this situation. An understanding of the District Plan and other environmental policies is important and we realise not everyone will know the detail and implications of these documents. However, we provide educational material and advice, and we encourage people to get involved in the District Plan process.

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

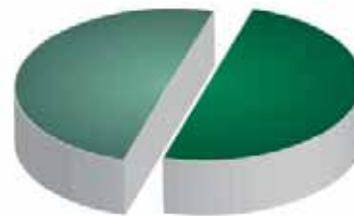
GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
Resource Management Act (RMA) administrative services are provided to facilitate environmentally sustainable development within the Whakatāne District	Satisfaction with Council's resource consent process (Customer Satisfaction Index score)	54.6	53 - 57	54 - 58	55 - 59	56 - 60
	Average working days for processing land use resource consents	17 days	15 days	15 days	15 days	15 days
	Average working days for processing non-notified subdivision resource consents	18 days	20 days	20 days	20 days	20 days
	Number of resource consent decisions overturned by the Environment Court	0	0	0	0	0
	Percentage of land use consents (excluding consents to remove trees) granted in the previous financial year are monitored for compliance with conditions of consent by 30 June each year	100%	100%	100%	100%	100%

HOW THIS ACTIVITY IS FUNDED

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

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

General Rates – Medium



Fees & Charges – Medium



COMMUNITY SAFETY

Te Whakamaru o Tū

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

FUNDING IMPACT STATEMENT

ANNUAL PLAN 2011/12 \$000	LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
OPERATIONAL										
Sources of operating funding										
1,570	1,339	1,437	1,460	1,539	1,494	1,566	1,649	1,705	1,755	1,803
77	87	90	87	90	93	97	100	103	107	111
1,258	1,184	1,239	1,278	1,322	1,368	1,414	1,461	1,509	1,564	1,618
500	509	525	521	539	557	576	595	615	637	659
3,405	3,119	3,291	3,346	3,490	3,512	3,653	3,805	3,932	4,063	4,191
Applications of operating funding										
1,897	1,862	2,013	1,976	2,076	2,047	2,116	2,186	2,259	2,340	2,422
1,318	1,027	1,034	1,046	1,041	1,058	1,101	1,131	1,168	1,215	1,249
3,215	2,890	3,049	3,024	3,119	3,107	3,218	3,318	3,427	3,555	3,671
190	229	242	322	371	405	435	487	505	508	520
CAPITAL										
Sources of capital funding										
100	-	-	-	-	-	-	-	-	-	-
100	39	(5)	(5)	(5)	(5)	(6)	(6)	(7)	-	-
Applications of capital funding										
Capital expenditure										
139	39	-	-	-	-	-	-	-	-	-
151	229	237	317	366	286	311	481	498	508	385
290	268	237	317	366	400	429	481	498	508	520
(190)	(229)	(242)	(322)	(371)	(405)	(435)	(487)	(505)	(508)	(520)
-	-	-	-	-	-	-	-	-	-	-

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



Community Well-being

LICENSING (LIQUOR & GAMBLING)

WHAT THIS ACTIVITY DELIVERS

This activity is about monitoring and controlling alcohol and gaming venues in our District. Through our role of District Licensing Agency. This involves processing and issuing licences relating to the sale of liquor, for example, on and off licenses, temporary, clubs, and special licences and managers licences. We also work with other organisations to perform controlled purchase operations. We do this to minimise the harmful effects that alcohol can have on youth. The Council is given this authority through the Sale of Liquor Act 1989. Under this activity we also develop and administer the Gambling Policy for Class Four Venues (Gaming machine venues) and Board Venues (TABs).

WHY WE DO IT

We undertake this activity to protect the well-being of the community from excessive and unsafe exposure to alcohol and gambling facilities. This activity also promotes responsible drinking habits and helps to create safe environments. Legislation also requires us to provide this activity.

RESPONDING TO OUR ISSUES

Review of the Sale of Liquor Act

This activity is governed by the Sale of Liquor Act 1989 and the Gambling Act 2003. The Sale of Liquor Act is currently under review. It is expected these changes will occur in the 2012 year and with the anticipated changes, we may be required to take on a much greater role. More specifically, picking up some of the functions that are currently being

undertaken by the Liquor Licensing Authority. We will continue to monitor the progress of this review and respond to changes where necessary.

There are too many gaming machines in the District

The number of gaming machines per population for the Whakatāne District is significantly higher than the national average. The Council cannot take existing gaming machines away from currently licensed venues. However, the Council can prevent new machines from being licensed. Our Gambling Policy aims to reduce the number of gaming machines in the Whakatāne District through a cap, which stops new machines being introduced. Eventually this will see a reduction in the number of machines in our District. A copy of this policy is available on the Council website at www.whakatane.govt.nz. The policy will be reviewed under the Community Development activity before March 2013

Limitations to what we can control

The community expects improved protection from the harmful effects of alcohol and gambling. The Council has a strong desire to protect our community. However, we must act within the constraints of legislation. We work hard to ensure we are meeting the social and cultural needs of our community, while not burdening or unfairly limiting the business community. There is an expectation that we can control a wide range of alcohol related issues. For example, the behaviour of patrons and location of outlets. Unfortunately, these are outside of our control. The proposed changes to legislation will extend the range of issues we can control, including the location of liquor outlets, particularly in residential zones.

LICENSING (LIQUOR & GAMBLING)



WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

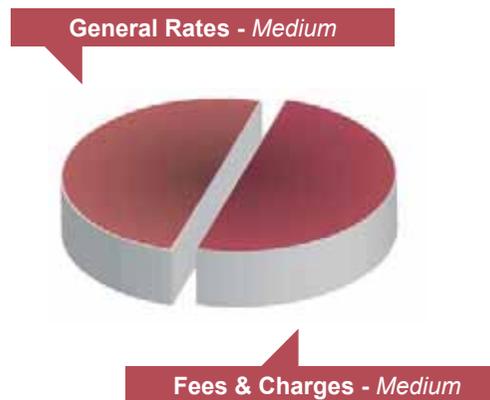
GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015- 22)
Licensed premises comply with the Sale of Liquor Act and Gambling Act	Percentage of licensed premises inspected each year	100% (all 83 premises inspected)	100%	100%	100%	100%
	Controlled purchase operations are conducted annually	Six licensed premises visited	Two per year	Two per year	Two per year	Two per year

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



ENVIRONMENTAL HEALTH

WHAT THIS ACTIVITY DELIVERS

This activity has three key functions. Firstly, we provide licensing of registered premises such as food premises, camping grounds, funeral directors and hairdressers. Secondly, we monitor the state of the environment including public and private water supplies, environmental noise and contaminated land. Thirdly, we respond to nuisance complaints such as excessive and unreasonable noise, offensive refuse and odour from neighbouring properties. We also provide an on-call service to respond to complaints, as well as regular monitoring of premises and sites.

RESPONSE TIMES FOR AFTER HOURS EXCESSIVE NOISE COMPLAINTS:

AREA 1 <60 min (Ōhope, Whakatāne, Tāneatua, Coastlands, Awakeri, Thornton Rd to Golf Links Rd)

AREA 2 <100 min (Edgecumbe, Matatā, Otamarakau, Manawahe, Otakiri, Onepu, Te Teko, Te Mahoe and Wainui to the Ōpōtiki Intersection)

AREA 3 <120 min (Murupara, Galatea & Environs)

WHY WE DO IT

This activity is important because we act in an advisory and monitoring role as well as an enforcement agency for the community. We ensure that public health is maintained so you are confident that your food is safe when you go out to eat, or your water supply is safe and free from contamination. We also work to ensure people can live peacefully without the impact of loud noise or bad odour. This activity is regulated by the Food Act 1981, the Health Act 1956, the Resource Management Act 1991, the Building Act 2004, and associated regulations and bylaws.

RESPONDING TO OUR ISSUES

Identifying contaminated sites

One of our functions is to highlight known contaminated sites, at the time of a building or resource consent application. If a site is identified as contaminated, we will incorporate measures to reduce the risk to public health. We do this mainly to ensure the public's health and safety is in line with new national environmental standards on contaminated site management.

Changing legislation

This activity is heavily reliant on legislation. We proactively monitor legislative reviews and keep up to date with any amendments. The review of the Food Act 1981 is underway. However, we have made changes to the way we operate to anticipate this likely change. The focus of our programme is now on the auditing of premises rather than inspections. Some businesses have volunteered to keep quality assurance plans that we audit to ensure compliance. When the Food Act is implemented we will look at up-skilling our staff in the area of quality auditing.

Balancing the needs of our community

There are a variety of perceptions in the community about whether the interpretation of legislation is balanced correctly between differing interests. For example, business owners of food premises and their diners. We work hard to balance the needs of our community with the needs of businesses. However, we also have to operate within the requirements of legislation this activity operates under. A consistent

approach to interpreting legislation is taken by following adopted policies and procedures, industry standards and national guidelines. Our staff undergo regular training and have formal qualifications. We also participate in the regional cluster for environmental health officers. This cluster is a forum where staff are trained and issues are discussed to ensure consistency across the Bay of Plenty.

WHAT WE WANT TO ACHIEVE

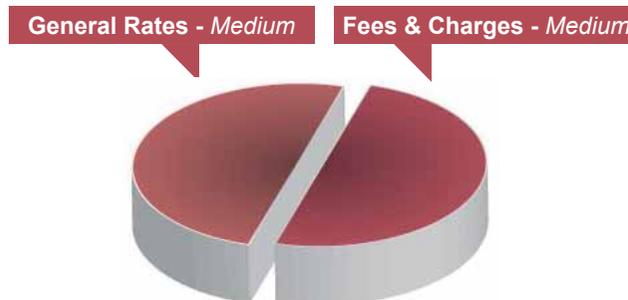
The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
100% of residents and ratepayers have access to healthy buildings and a healthy environment	Satisfaction that the Environmental Control Services such as public health, food, noise, litter and liquor licensing make the environment a healthier place to live (Customer Satisfaction Index score)	66.8	65 - 69	66 - 70	67 - 71	68 - 72
	Percentage of after hours excessive noise complaints responded to within contracted timeframes (see response times on previous page)	New measure	100%	100%	100%	100%

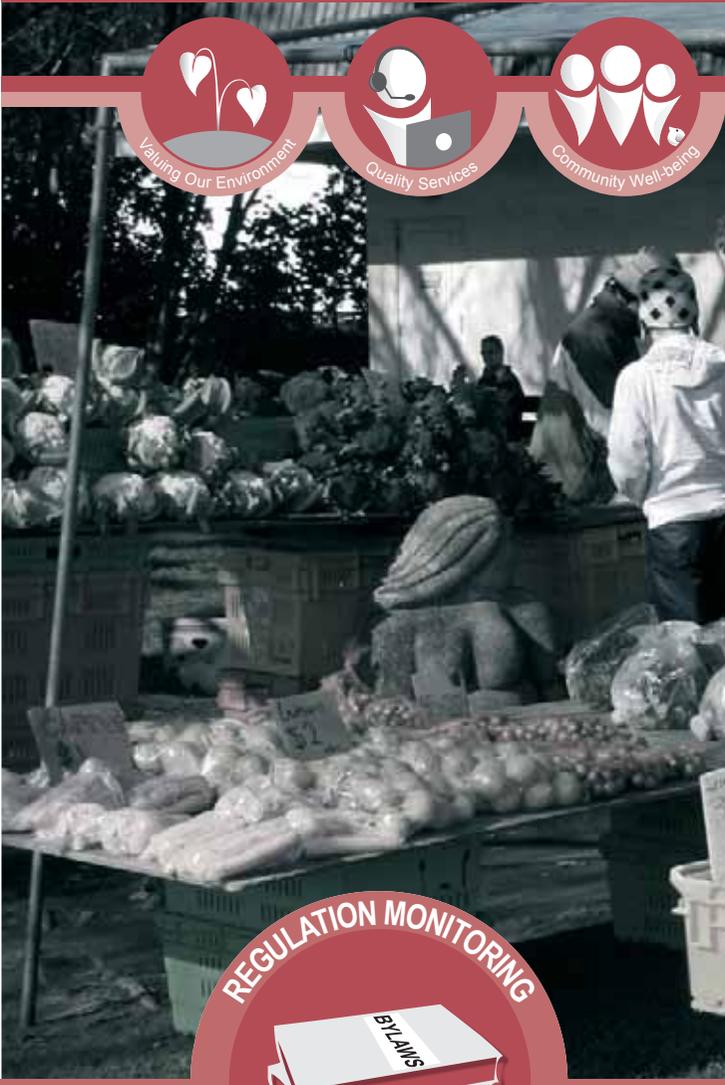
HOW THIS ACTIVITY IS FUNDED

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

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



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



REGULATION MONITORING

WHAT THIS ACTIVITY DELIVERS

This activity enforces a number of Council bylaws. Key duties include licensing of street stalls, removing obstructions in public places such as overgrown trees, responding to complaints about long grass in urban areas, fire prohibitions, removing abandoned vehicles or vehicles parked in the wrong place and responding to illegal dumping.

WHY WE DO IT

We undertake this activity in response to public demand to deal with the issues of nuisance, public health and safety and offensive behaviour. There is a public expectation we will respond to and enforce bylaws and statutes where required. We have an obligation under the Local Government Act 2002 and the Litter Act 1979 to undertake these activities.

RESPONDING TO OUR ISSUES

Enforcement is not the only option

Where nuisances arise that breach our bylaws, public health and safety may be compromised. This can require some enforcement action to correct the situation. However, enforcement action is not always well received and can result in a negative response. To manage this risk we operate in a holistic way, considering a range of solutions to issues. The cost of bylaw enforcement can be high, and we try to avoid formal legal action where possible.

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
The Council administers and enforces bylaws to deal with issues that create nuisance to the community	Percentage of urgent* complaints relating to bylaws infringements responded to within one hour and non urgent within 24 hours	100%	100%	100%	100%	100%

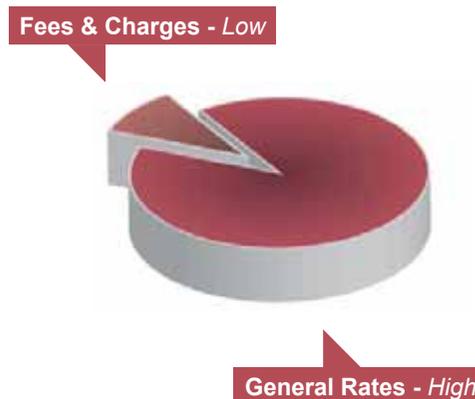
*Urgent, in this context, means anything with an immediate and significant impact on people's health and safety, or on the environment.

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

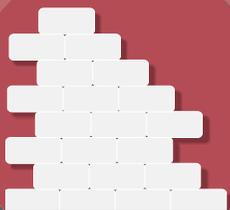
Further explanations on the funding of this activity can be found in the Revenue and Financing Policy contained in the 'Our Costs in Detail' chapter.



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



BUILDING



BUILDING

WHAT THIS ACTIVITY DELIVERS

The Building activity is responsible for receiving, processing and issuing building consents. We conduct inspections and enforce building consents in terms of what is built and how it is built. This means we also respond to building related complaints and people come to us when they are buying or building a home for advice on development rules.

WHY WE DO IT

This activity focuses on protecting the community from unsafe buildings and ensures buildings are designed and constructed in a manner that promotes sustainable development. There is strong community demand to ensure we undertake building consents in a manner that contributes to the health, and well-being of the community. This activity is heavily dependant on legislation, specifically the Building Act 2004. We work hard to try and ensure people, including developers, are clear about requirements, including costs and timeframes. We encourage people to come in and talk to us before or during works to ensure things are done correctly the first time.

RESPONDING TO OUR ISSUES

Public versus private benefit

While an individual constructs a building, this activity is also undertaken for the wider community's well-being. This includes ensuring buildings are safe for the public, people using the buildings for years to come will be safe and buildings in the District are of a reasonable standard to withstand our natural environment and remain intact.

However, it is important for us not to deter development and growth through high consent costs. This means we have to find the right balance between having the cost of this activity sitting with the developers or with the general public. Through this LTP we are shifting more of the costs of undertaking this activity onto the ratepayer because of the nature of the buildings and developments that are happening. They have an intergenerational aspect to them, such as the new Whakatāne Hospital, and it cannot reasonably be justified to have all the costs attributed to one applicant. This issue is discussed in more detail in the 'The Big Decisions' chapter of this LTP.

More changes to legislation

This activity is subject to changes in the Building Act. The likelihood of these changes is high and may affect the running of this activity. The Building Amendment Bill and related discussion documents were released for public consultation in 2011 and we submitted a comprehensive submission on the proposed changes as they may not produce positive outcomes for consumers. Until these changes are finalised, the Council will continue to deliver the same service.

Earthquake-prone buildings

At the moment, some buildings where public have access to are not as safe as they should be. The recent tragedies brought about by the Canterbury earthquakes have reminded us of the importance to bringing buildings up to a safe standard. We live in an area that is prone to earthquakes and it is very important to identify and strengthen earthquake prone buildings to avoid a potentially devastating event. However, we must balance the need for

increased protection from earthquakes, with the increased construction and compliance costs. The Earthquake-prone, Dangerous and Insanitary Buildings Policy plans a staged strengthening programme over the next 10-20 years to try and ease the financial burden on building owners. The cost to Council in implementing this programme is \$100,000 per year. A copy of this policy is available on the Council's website at www.whakatane.govt.nz.

WHAT WE WANT TO ACHIEVE

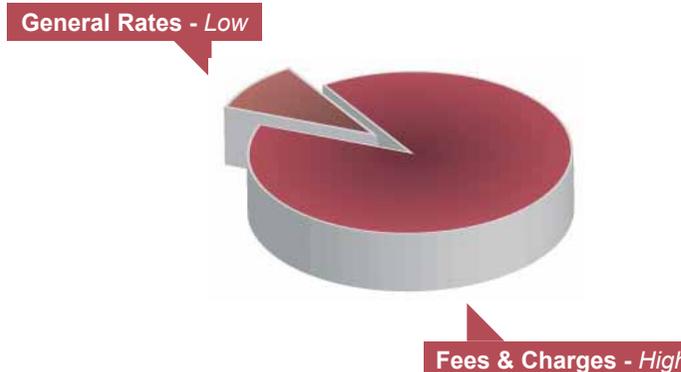
The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
High quality outcomes for building consent and code compliance applications are provided in a timely and professional manner	Satisfaction with the process Council used for your building consent (Customer Satisfaction Index score)	57.3	55 - 59	56 - 60	57 - 61	58 - 62
	Average working days for processing building consents	9.37 days	15 days	15 days	15 days	15 days

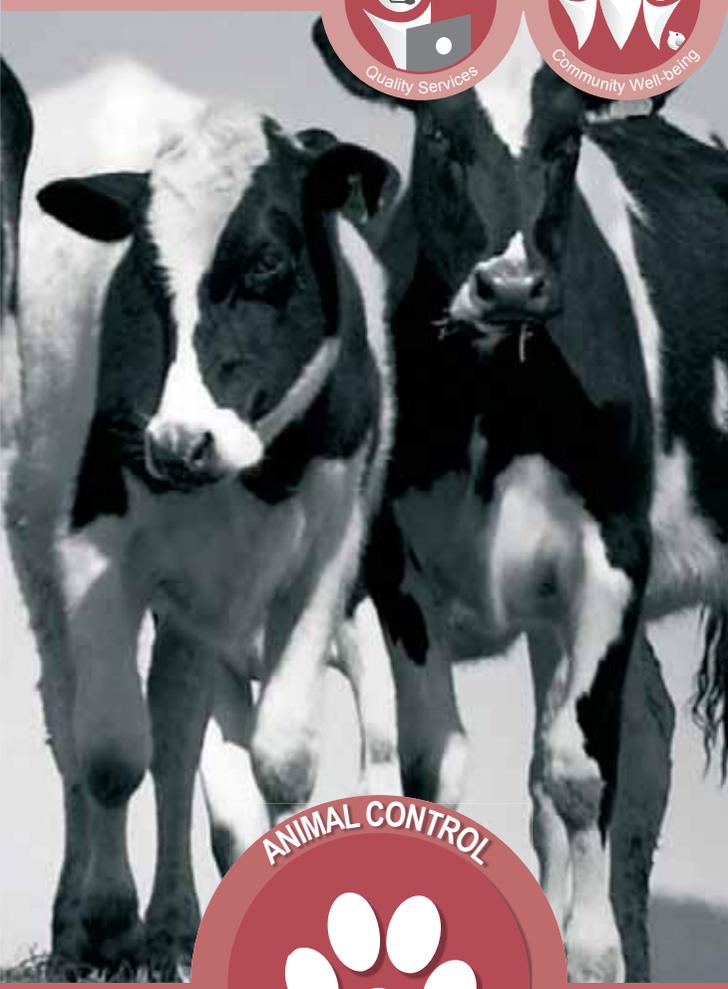
HOW THIS ACTIVITY IS FUNDED

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

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



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



ANIMAL CONTROL



ANIMAL CONTROL

WHAT THIS ACTIVITY DELIVERS

This activity covers the areas of dog and stock control. We deliver services for dog registration, educating the public on responsible animal ownership, and we receive complaints and issue fines for breaches. The pound service also runs under this activity.

WHY WE DO IT

Our aim is to protect public safety. This service safeguards the public from wandering, threatening and attacking animals. We also operate the pound service to give roaming or abandoned animals shelter and food. This involves re-housing stray animals where possible and appropriate. We have a statutory responsibility to undertake this activity, through the Dog Control Act 1996 and the Stock Impounding Act 1955.

RESPONDING TO OUR ISSUES

Security of staff

Staff security is important, especially when responding to aggressive dog complaints. Staff can be at risk from the animal or sometimes an angry owner. To ensure the safety of our staff, a number of measures are taken. These include partnering with another staff member, working with the Police (in certain circumstances), improving staff training and clearly communicating key messages around animal ownership and responsibilities.

The safety of our community

There is a growing expectation from the community that we will all be safe in public places. However, the severity of a dog attack could lead to serious or even fatal wounds. The animal control activity aims to respond to complaints regarding threatening situations as soon as possible. While we cannot control all animal and owner behaviour, educational campaigns and information, the dog registration process and publicity are all designed to raise awareness of responsible animal ownership. We aim to respond to complaints of aggressive dogs within half an hour of receiving the complaint.

WHAT WE WANT TO ACHIEVE

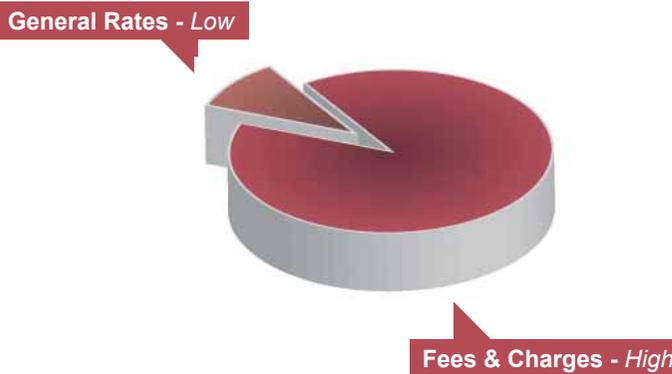
The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
Public safety and comfort is protected	Percentage of aggressive/threatening dogs and roaming stock complaints responded to within half an hour. All other complaints responded to within 24 hours	100%	100%	100%	100%	100%
	Satisfaction with Councils Dog Control Service (Customer Satisfaction Index score)	67.5	66 - 70	67 - 71	68 - 72	69 -73

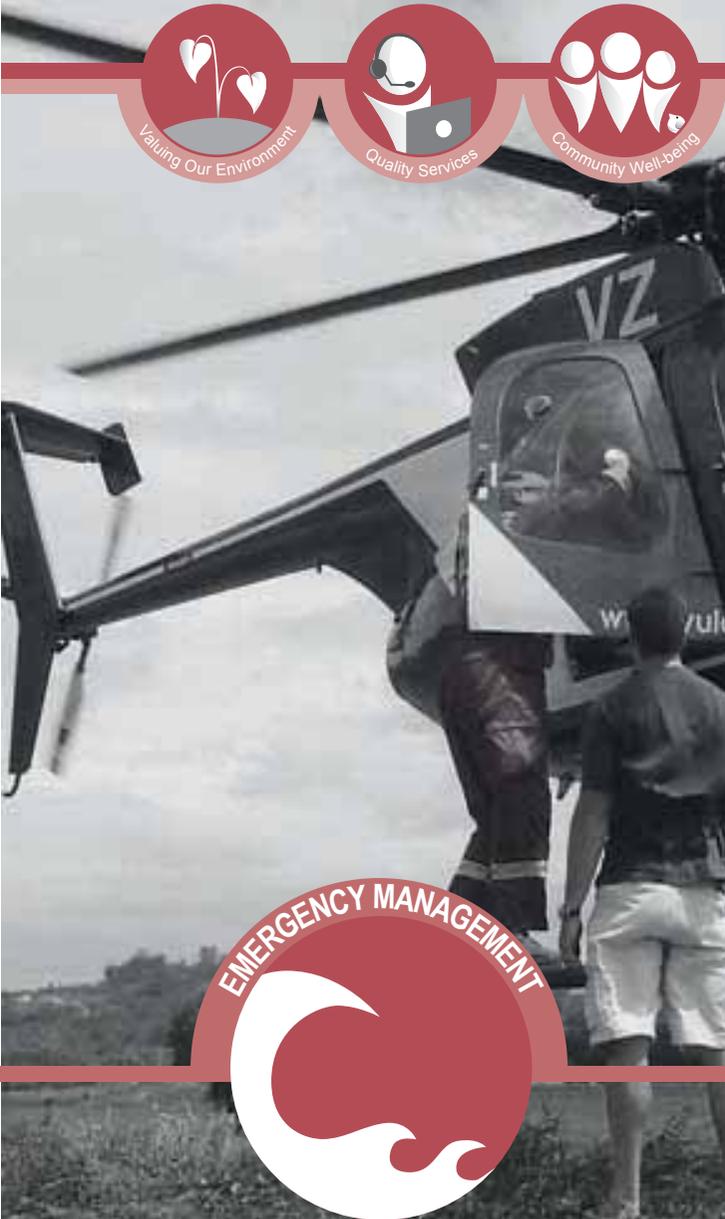
HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources. In previous years this activity has been funded 80% from fees and charges and 20% from general rates. Over the course of this LTP we are moving to a new funding regime with an increased general rates component, as illustrated in the pie chart. We will transition into this new regime over a number of years.

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



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



EMERGENCY MANAGEMENT

WHAT THIS ACTIVITY DELIVERS

We recognise our District is located in an area exposed to a variety of natural hazards, including flooding, earthquakes, tsunami and more. The purpose of this activity to ensure the community is ready and prepared for a natural hazard and the adverse environmental effects that may follow.

This activity ensures we are prepared for the response to, and the recovery from, a major natural hazard event or emergency. This includes making sure we are able to respond quickly and appropriately, to a situation threatening our community. Part of our role involves ensuring we have the resources and information required to help the community recover from a disaster. We achieve this through the Civil Defence, Rural Fire and Hazardous Substances functions.

The Emergency Management activity also gives effect to the Bay of Plenty Civil Defence Emergency Management Plan through annual work planning related to achieving the objectives and goals determined within the plan.

WHY WE DO IT

Primarily we undertake this role due to the strong community desire for us to take the lead in an emergency situation. There are also statutory obligations for the Council to be involved in Civil Defence, Rural Fire and Hazardous Substances planning and response. Planning and training is undertaken, both locally and regionally, to mitigate the effects of natural hazards and emergency situations and ensure the safety of our community.

The Civil Defence role has an Eastern Bay of Plenty focus and ensures not only the Whakatāne District is prepared, but also the surrounding areas of Ōpōtiki and Kawerau are supported.

RESPONDING TO OUR ISSUES

The need to be protected

The biggest issue when trying to manage natural hazards is providing protection and being prepared at all times. This can require a high level of resources. Due to the unpredictable nature of this activity, it is hard to predict what resources should be made available. However, during recent years we have had a high number of events that have put more of an emphasis on emergency management. Balancing the cost of providing a high level of protection, with the economic impact on our community, is a challenge. We are working to provide services that are consistent across the Bay of Plenty to provide greater awareness and understanding throughout the region.

What to expect

There is a perception we will take care of everything if an emergency event occurs. During an emergency, our main priorities are protecting people's safety and health. This may come at the cost of people's property or the environment. While we try to limit the impacts of a disaster, during a large emergency we have to prioritise our actions. This is why it is important to be prepared and for the community to help itself. We provide information to the public on how to be prepared for an event and what to expect from us if such an event occurs.

Join the Whakatāne District Council on Facebook and you will be kept up to date in the case of an event.

Reorganisation of Rural Fire

Within New Zealand there are over 80 rural fire authorities, working together with a large number of other local and regional stakeholder groups. 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. Discussions about an enlarged rural fire district are ongoing and these are expected to be completed in the 2012/13 year.

Tsunami Warning System

The Bay of Plenty Civil Defence Emergency Management Group chose to adopt a suite of warning systems for alerting the community to an emergency. It is acknowledged that not every warning system will be effective across the entire community, so a suite of methods for alerting is more effective than relying upon a single system. For this reason other systems, such as Readynet, are currently available to the community and further solutions are being investigated for areas where the fire sirens might not be effective. These include mobile alerting systems that can be deployed using vehicles. Budget of \$39,000 for a public alerting system and tsunami evacuation plan has been included in this LTP.

WHAT WE ARE GOING TO DO

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

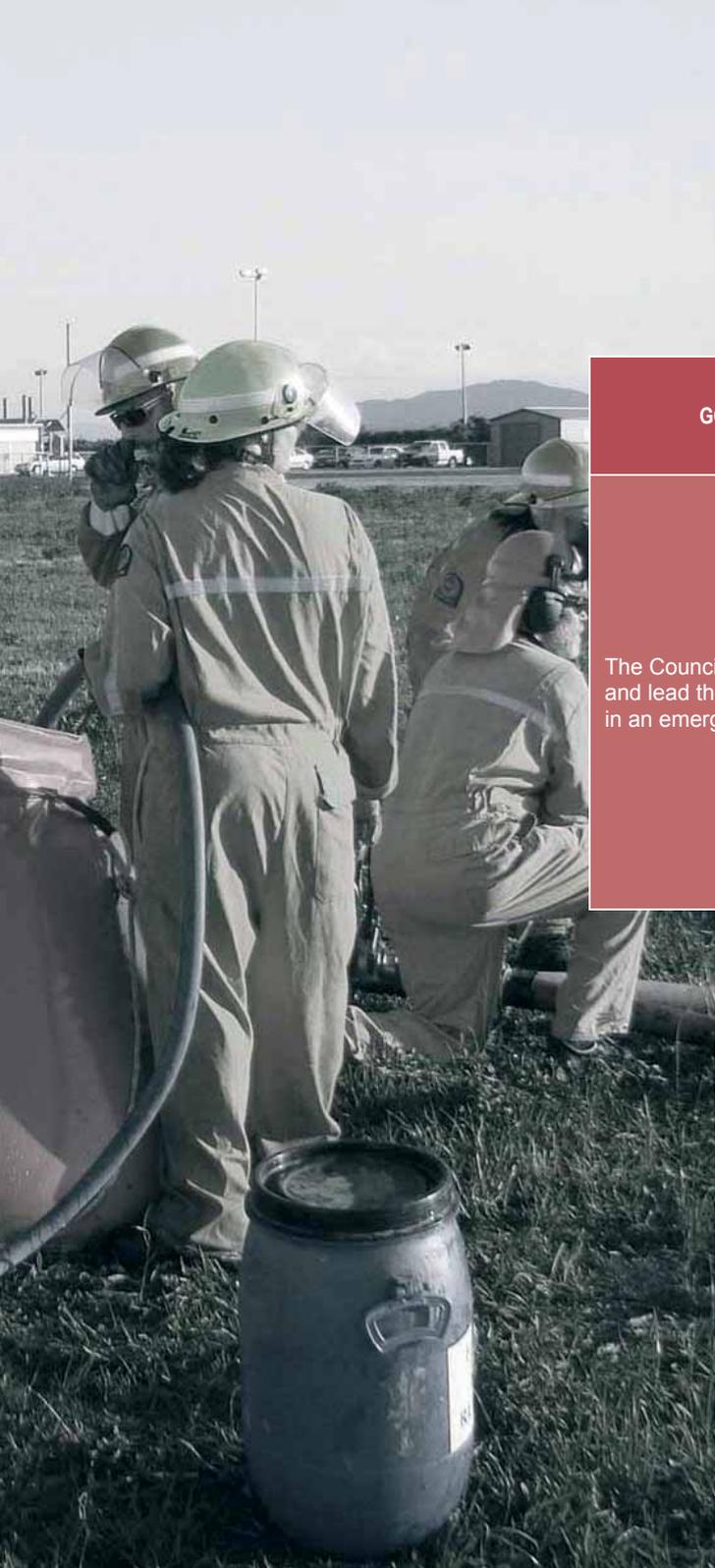
DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Public alerting systems and Tsunami evacuation plan	2012/13	39,000	Loan 100%

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

Bay of Plenty Emergency Management Group Plan

The Council is a member of the Bay of Plenty Civil Defence Emergency Management Group. This group provides Civil Defence and Emergency Management within the Bay of Plenty Region according to the Civil Defence Emergency Management (CDEM) Group Plan. The Group Plan provides a framework for all agencies involved in CDEM in the Bay of Plenty region to manage significant hazards and risks that may affect the region. Through this LTP, we have increased the budget by \$14,000 to allow for additional full time employees. These employees will help give effect to the Group Plan. Without this support, the outcomes of the Group Plan will be unachievable and this could result in the community not being prepared for a Civil Defence emergency.





WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

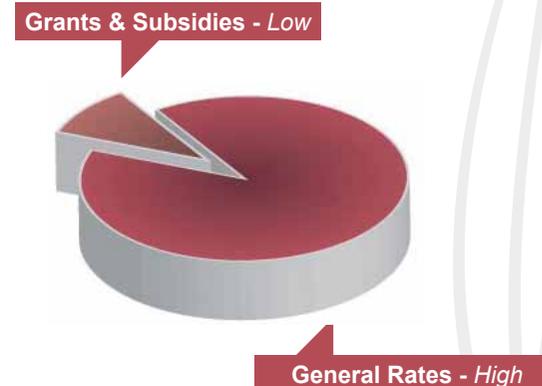
GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
The Council will respond and lead the community in an emergency	Percentage of major events where an Emergency Operation Centre is setup and functional within two hours of the controller establishing the event as a major emergency	New measure	100 %	100 %	100 %	100 %
	Frequency of regular and ongoing training undertaken by the Whakatāne Emergency Response Team and the Whakatāne Rural Fire Force	Fortnightly	Fortnightly	Fortnightly	Fortnightly	Fortnightly

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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



COMMUNITY DEVELOPMENT

WHAT THIS ACTIVITY DELIVERS

This activity includes coordinating the Whakatāne District Youth Council and developing projects, strategies and policies that improve social well-being or reduce crime. We deliver projects that promote a District response to national social issues that threaten the safety and health of our communities. These projects also address specific social needs of our community. Much of the work in this activity is either completed in partnership with other agencies already working in this area or subject to external funding.

WHY WE DO IT

We take on a leadership role in this activity to tackle social issues in our District. These include our high level of deprivation (especially in our rural communities), high levels of criminal offences related to burglary, family violence and destruction of property, and generally poor health. The Council provides this activity in response to public demand, although many of the policies developed in this area are required by legislation, such as the Gambling Policy. We recognise we have an important role to play in improving and guiding social issues. This includes promoting and coordinating projects, as required, which lead to a better quality of life for all our residents. Because of the nature of this activity, most projects are funded through grants and subsidies from Central Government and charitable trusts.

RESPONDING TO OUR ISSUES

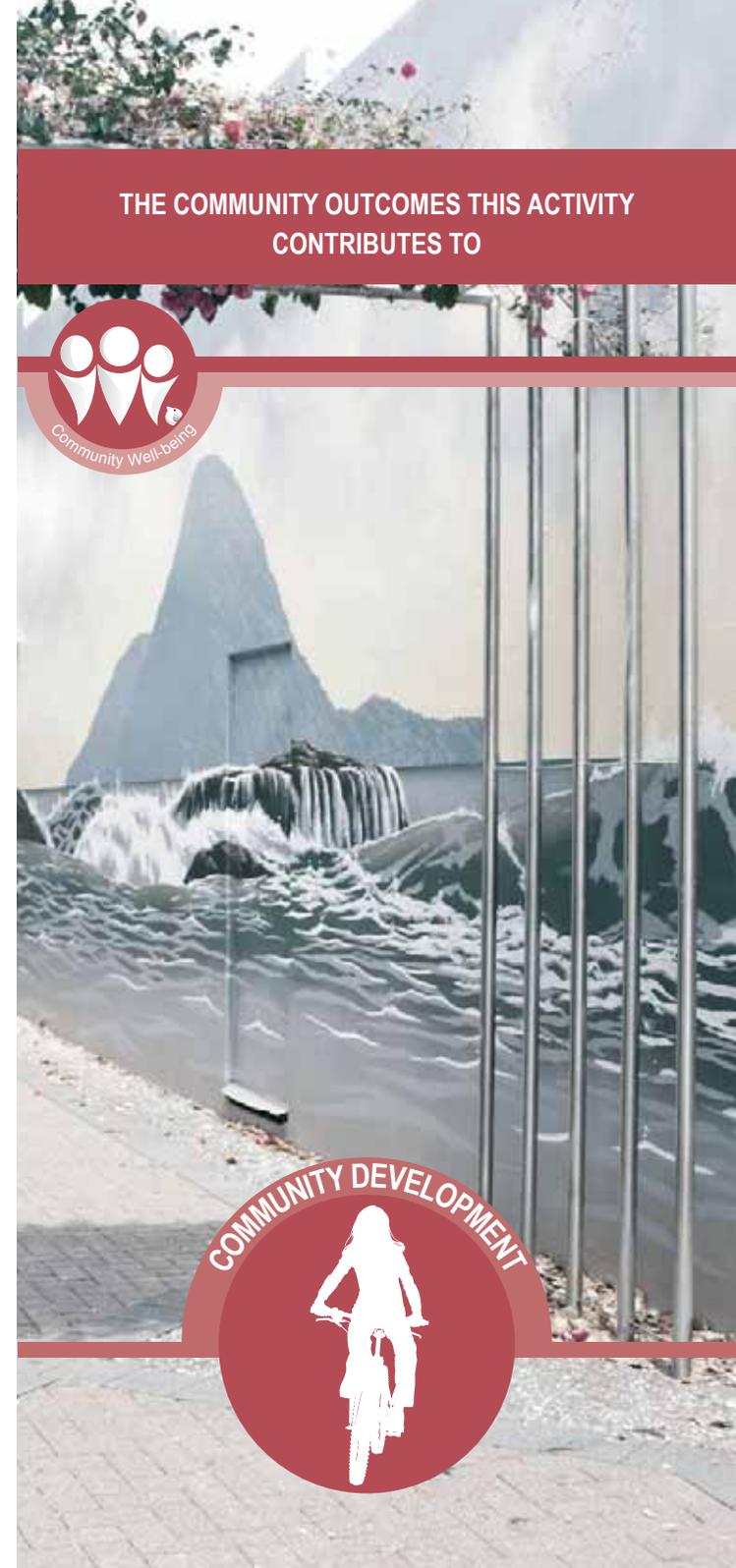
Availability of external funding

One of the key drivers for this activity is the availability of external funding. External funding is likely to decrease because of the current economic environment. We may also experience a shift in Central Government funding to aid in the rebuild of Canterbury after the devastating earthquakes in 2010 and 2011, which may then limit the number of programmes we can deliver. One of our main projects, which is reliant on external funding, is the CCTV upgrade. We will continue to extend the CCTV network when funds are available from charitable trusts, however, we have put aside \$300,000 for the renewal of our current network.

We have a diverse community

There are a number of social issues that affect our District. These range from high deprivation levels to poor health, including low life expectancy and high smoking and alcohol consumption. To address these issues, the Council recently approved its first Community Strategy. This strategy sets the direction and capacity for how we will respond to the community's needs. It provides a framework for the many activities the Council is already involved in. A copy of the Community Strategy is available on the Council's website at www.whakatane.govt.nz

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



What we are going to do

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

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
CCTV camera network renewals	2016-18 2021/22	300,000	Renewal 100%

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

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
Social well-being is improved in the District through a range of strategies, policies and projects	Number of programmes or projects completed on an annual basis in response to social issues facing the District	4	4	4	4	4

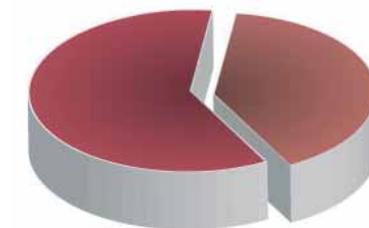
HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

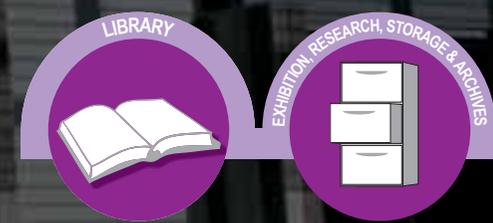
Further explanations on the funding of this activity can be found in the Revenue and Financing Policy contained in the 'Our Costs in Detail' chapter.

General Rates - Medium



Grants & Subsidies - Low





ARTS AND CULTURE

Ngā Mahi Toi Whakairo



WHAT THESE ACTIVITIES WILL COST AND HOW WE'RE GOING TO PAY FOR THEM

FUNDING IMPACT STATEMENT

ANNUAL PLAN 2011/12 \$000	LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
OPERATIONAL										
Sources of operating funding										
1,249	3,038	3,125	3,199	2,910	3,141	3,273	3,426	3,560	3,670	3,780
1,693	-	-	-	-	-	-	-	-	-	-
50	3	3	3	3	3	4	4	4	4	4
12	25	26	30	33	34	39	41	42	46	47
244	-	-	-	-	-	-	-	-	-	-
68	72	72	76	77	82	83	87	88	93	95
3,315	3,138	3,226	3,308	3,023	3,260	3,399	3,558	3,694	3,813	3,926
Applications of operating funding										
1,122	1,021	1,052	1,084	1,129	1,169	1,209	1,249	1,291	1,337	1,384
191	204	231	238	248	37	38	37	36	37	36
1,767	1,649	1,637	1,649	1,637	1,660	1,715	1,764	1,822	1,890	1,946
-	-	-	-	-	-	-	-	-	-	-
3,081	2,874	2,920	2,971	3,014	2,866	2,962	3,050	3,149	3,264	3,366
234	264	306	337	9	394	437	508	545	549	560
CAPITAL										
Sources of capital funding										
942	-	-	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-	-	-
207	(74)	(83)	(85)	(3,262)	(12)	(12)	(13)	(14)	(15)	(16)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
1,168	(74)	(83)	(85)	(3,262)	(12)	(12)	(13)	(14)	(15)	(16)
Applications of capital funding										
Capital expenditure										
-	-	-	-	-	-	-	-	-	-	-
1,234	-	-	-	-	-	-	30	31	33	34
118	125	129	133	138	142	147	152	157	163	169
50	65	94	119	(3,391)	240	278	313	343	338	341
-	-	-	-	-	-	-	-	-	-	-
1,402	190	223	252	(3,253)	382	425	495	531	534	544
(234)	(264)	(306)	(337)	(9)	(394)	(437)	(508)	(545)	(549)	(560)
- Funding Balance ((A-B) + (C-D))										
	-	-	-	-	-	-	-	-	-	-

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



Sustainable Economic Development



Quality Services



Community Wellbeing

LIBRARY



LIBRARY

WHAT THIS ACTIVITY DELIVERS

There are four libraries in the Whakatāne District, which offer access to collections of contemporary and relevant books and activities. They are located in Whakatāne, Murupara, Edgecumbe and Ōhope. The Whakatāne Library is the largest and most centrally located library in the District and along with Murupara; they are the only Council staffed libraries. The libraries in Edgecumbe and Ōhope are resourced by volunteers. Collectively the libraries have over 12,000 card holders and offer a range of items for borrowing and reference. These include a New Zealand Collection – Māori Land Court Records, local authors, reference material, videos, audio books, DVDs, puzzles and electronic books. There are also areas where children can play educational games and a small number of computers are provided for internet access. You also have access to printers, free wireless internet (Aotearoa Peoples Network Kaharoa) and online access to databases, including ancestry.com.

The construction of the new Library and Exhibition Centre, Te Kōputu a te Whanga a Toi, opened in June 2012. This significant development is the new home to the Whakatāne Library.

WHY WE DO IT

We provide this activity in response to public demand and on behalf of the community. The Library is a community hub, which provides resources and opportunities to the community through access to information printed or on-line.

Providing this material supports the ongoing development and empowerment of the wider community and provides them access to relevant information whether it is for leisure, research or education. It also assists to achieve our community outcome of 'Community Well-being' by increasing the socio-economic conditions of our District. Currently over 35% of our District our members of the Library and we average 7.42 issues per person per year.

RESPONDING TO OUR ISSUES

The way of the future

Changes in the digital environment mean we must keep up to date with current demand. At the moment, electronic books have rapidly grown in popularity and our District is no different. The library is working towards making more of these available, and more space available where you can download your reading material and enjoy the library as a place to read. You can use your tablet to borrow our selection of electronic books, electronic audio books, databases and wireless internet, from the library or from the library section of our website www.whakatane.govt.nz.

A helping hand

The people of the Whakatāne District generally have lower levels of qualifications and higher illiteracy rates compared to the rest of the country. The Council helps to break down these barriers by supporting opportunities and programmes such as SPELD and Duffy Books. Through the generous support of the Friends of the Library, the summer reading programme and other targeted programmes are offered annually. We encourage everyone to come in and ask for

help if they need it and our friendly staff are more than happy to provide advice and support.

Sharing of resources

We are currently exploring options to better share resources with other local libraries, specifically Rotorua District Council and Western Bay of Plenty District Council. This will happen through the InfoShare programme. The programme is a partnership between us and the two councils mentioned above allowing for collaborative purchasing, resourcing and information sharing. Collaborative purchasing means that our budget for buying books of \$125,000 per year goes a bit further. With the global economic situation, buying is becoming more expensive, especially when we are sourcing from overseas.

HOW THIS ACTIVITY IS FUNDED

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

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



WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
The Council ensures 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 & Exhibition Centre (Customer Satisfaction Index score)	80	78-82	79-83	80-84	81-85
	Increase in the number of card holders across the District	12,000	12,100	12,200	12,300	12,400

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



EXHIBITION, RESEARCH, STORAGE & ARCHIVES

WHAT THIS ACTIVITY DELIVERS

The Whakatāne Library and Exhibition Centre, Te Kōputu a te Whanga a Toi, offers an exhibition space for a number of local, national and international exhibitions. These exhibitions include items of local interest, objects found in the District, as well as the nationally recognised Molly Morpeth Canada Awards. The museum and gallery collections are largely drawn from the Eastern Bay of Plenty area with some items from overseas, including the South Pacific and Europe. The facilities will contribute to the economic growth and development of the wider community through the preservation, presentation, protection and education of the community on its origins – past, present and future. The facilities will also encourage and develop cultural tourism and other economic activities within the District.

The Research, Storage and Archives Facility will provide safe, environment-controlled storage of our community's treasures. This includes a combination of the activities of the H D London Library, Community Archive Collections, the Social and Natural History Collections and the Council's archives. The collection contains over 200,000 items, which includes a number of items deemed to be of national importance – these range from Taonga Māori to the Beacon Photographic Collection, recently gifted to the museum and gallery.

WHY WE DO IT

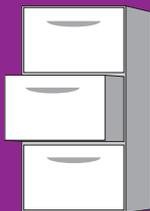
We do this activity to support the cultural, educational, leisure and community values of the District. Not only is the role of the museum and gallery to preserve our cultural heritage intergenerationally, but it is also used to provide a significant sense of pride in the place we have chosen to live. The facilities attract a number of researchers to the area and with the new and improved location and exhibition space it will be a popular choice for cultural heritage tourists. The role of the combined facilities is to ensure kaitiakitanga is maintained for successive generations, through secure and sustainable storage.

RESPONDING TO OUR ISSUES

Keeping the collections safe

The main issue for this activity is how the collections are cared for. A number of steps are taken to ensure the environmental effects are identified and mitigation measures are in place to maintain the collection. A number of things can affect the condition of the collections, including; unnecessary handling, lighting, heating, humidity, pests, and a natural disaster. We only handle the collections where necessary and the lighting, heating and humidity are at a level to not damage the assets. We cannot prevent an earthquake or tsunami from occurring. However, we can help to minimise the damage that may occur to the artefacts as a result. Through housing the collection in acid free boxes, digitalisation, staff training, audits of the collection, and emergency contingency planning, we can ensure the collections are kept in a safe environment.

EXHIBITION, RESEARCH, STORAGE & ARCHIVES



This is important as some items are irreplaceable and considered objects of national importance. If these are damaged, lost or stolen, it can affect New Zealand's sense of identity.

In line with national standards

There are a number of statutes, standards and guidelines that aim to protect, preserve and promote arts and culture in New Zealand. The Council is required to keep its important information under the Public Records Act 2005. This activity is responsible for the safe storage of the Council's official records in its Research, Storage and Archives Facility. In terms of the collections, many of these items are protected by the Protected Objects Act 1975. A safe, secure, long term environment must be maintained to preserve our collections for future generations to enjoy. The new facility will provide this with stable temperature and humidity conditions, and secure storage. These are only a couple of examples of standards which we must follow in this activity. There are many more that ensure the safety of our information and collections.

WHAT WE WANT TO ACHIEVE

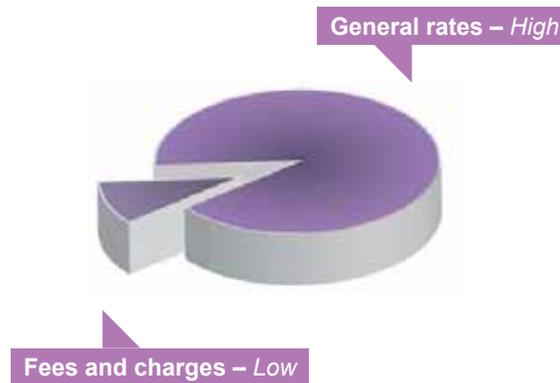
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GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
The Council provides dynamic facilities and services that help create a strong sense of community pride and identity, reflecting the heritage and culture of our region	Number of exhibitions per year	New measure	Minimum of 10	Minimum of 10	Minimum of 10	Minimum of 10

HOW THIS ACTIVITY IS FUNDED

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

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





COMMUNITY PROPERTY

Ngā Rawa o Te Hapori

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

FUNDING IMPACT STATEMENT

ANNUAL PLAN 2011/12 \$000		LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
OPERATIONAL											
Sources of operating funding											
475	General rates, uniform annual general charges, rates penalties	631	623	671	781	715	789	727	794	848	811
-	- Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-
41	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
665	Fees, charges, and targeted rates for water supply	730	751	773	796	821	844	867	893	923	953
-	- Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	- Local authorities fuel tax, fines, infringement fees, and other receipts	6	6	6	7	7	7	7	7	8	8
1,181	Total operating funding (A)	1,367	1,380	1,450	1,584	1,543	1,640	1,601	1,694	1,779	1,772
Applications of operating funding											
613	Payments to staff and suppliers	670	692	681	701	705	713	730	754	777	802
40	Finance costs	29	24	23	23	22	21	19	17	16	16
423	Internal charges & overheads applied	361	367	377	382	391	406	413	426	445	454
-	- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
1,076	Total applications of operating funding (B)	1,060	1,083	1,081	1,106	1,118	1,140	1,162	1,197	1,238	1,272
105	Surplus (deficit) of operating funding (A-B)	307	297	369	478	425	500	439	497	541	500
CAPITAL											
Sources of capital funding											
-	- Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
55	Development and financial contributions	59	60	62	64	66	68	70	72	74	77
(43)	Increase (decrease) in debt	(123)	(26)	(26)	(26)	(26)	(26)	(27)	(27)	(27)	63
350	Gross proceeds from sale of assets	319	233	7,517*	7,089*	-	-	-	-	-	-
-	- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
362	Total sources of capital funding (C)	255	267	7,553	7,127	40	42	43	45	47	140
Applications of capital funding											
Capital expenditure											
-	- to meet additional demand	24	-	10	47	40	30	72	34	89	108
80	- to improve level of service	85	77	79	82	84	87	89	67	70	170
68	- to replace existing assets	172	142	416	203	552	376	320	461	884	417
319	Increase (decrease) in reserves	281	345	7,417	7,273	(211)	49	1	(20)	(455)	(55)
-	- Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
467	Total applications of capital funding (D)	562	564	7,922	7,605	465	542	482	542	588	640
(105)	Surplus (deficit) of capital funding (C-D)	(307)	(297)	(369)	(478)	(425)	(500)	(439)	(497)	(541)	(500)
- Funding Balance ((A-B) + (C-D))											
		-									

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

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



PENSIONER HOUSING

WHAT THIS ACTIVITY DELIVERS

Currently we own six housing developments for the benefit of the elderly in our District. There are four housing developments that provide 72 rentable units in Whakatāne, and two in Murupara that provide a further seven rentable units. This activity is guided by the Pensioner Housing Policy.

WHY WE DO IT

We do this in response to public demand and to ensure the safety and protection of the elderly tenants. The housing units are very popular, with an average occupancy rate of 95%. The units are allocated on a case by case basis, taking into account the needs and personal circumstances of the applicant. The units are rented at 20% below market rate, meaning tenants are paying slightly less rent than they would pay to a private owner. The units do not cost ratepayers money to maintain as they are self funding. Any income received from this activity is used for the operation, management and refurbishment of the units. Where there is a surplus, this money is used to offset rates.

RESPONDING TO OUR ISSUES

The units are just like any other rental property

The purpose of the pensioner housing units is to provide elderly residents of the District with a safe and secure home. This does not mean we provide the same facilities as a rest home. The tenants are independent people and are responsible for the unit just as any other person is responsible for their rental home. We do provide some extra maintenance services and specialist fixtures such as grab rails, to make it easy for the residents to move around and live their lives. Over the next 10 years we will spend \$1.39m on the ongoing maintenance and renewals of the pensioner housing units. These costs are covered by the rental income received from the units.

Review of the management of the units

During the development of the last LTP we looked at all the services we delivered and consulted with the community on the idea of divesting some of our non-core activities. Pensioner Housing was signalled as an activity where some benefit may be gained from divestment. However, due to a large number of submissions from the community, we decided not to continue with the proposal. We will review the way our units are managed to ensure they provide maximum benefit to both the tenants and the wider community. The safety and protection of the residents will still remain a top priority.

PENSIONER HOUSING



WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

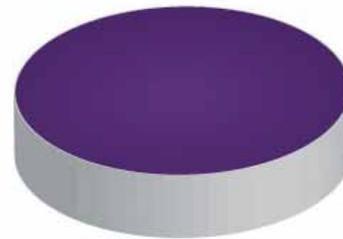
GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
Affordable, safe and secure pensioner housing is provided to people who meet the Whakatāne District Council eligibility criteria	Number of Council pensioner units provided	New measure	79	79	79	79

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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



Fees & Charges - Full

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



HALLS

WHAT THIS ACTIVITY DELIVERS

There are 14 urban and rural community based halls in the Whakatāne District, including the Whakatāne War Memorial Hall. These halls are hired by the community for a reasonable fee and are frequently used for sports, events, meetings and social occasions. The halls are spread across the District and are a valued asset to the community. The halls are available for the recreation, cultural, social and sporting needs of the community. They are facilities for the whole community to utilise and we aim to keep them affordable and available for all.

WHY WE DO IT

We do this activity to provide the community with facilities to build community spirit and encourage recreational, social and learning activities. From feedback we received during the Halls Review in 2010, the dominant message received was our communities do value and use their halls and want them to be retained at an affordable level.

There are no legislative requirements for us to be involved in the provision of community halls, or governing how we

What we are going to do

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

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Multi sports events centre investigation	2021/22	75,000	Development Contribution 8% Loan 92%

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

operate the halls. This activity is guided by the Community Halls Strategy and Community Halls Policy.

RESPONDING TO OUR ISSUES

Your halls

As part of the last LTP we developed a Community Halls Strategy and Community Halls Policy to help with the management and development of community halls, in rural and urban areas. Through this LTP we will implement the strategy and policy. The aim of these is to encourage the community to become more involved in the ownership and operation of the halls. We will also be looking into various partnership options with community groups so facilities are shared and looking at ways to ensure we are getting the maximum benefit out of our urban halls. This will encourage better utilisation of the halls and facilities. The cost of the ongoing maintenance and renewals of the halls and associated equipment will be \$1.96m over the 10 years of the LTP. We encourage you to get involved with how your halls are managed by contacting your community board or your local hall management committee.

HALLS

HALLS

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
The community is provided with sufficient community halls and pavilions that are functional, affordable and available	Satisfaction with public halls (Customer Satisfaction Index score)	71.5	70 - 74	71 - 75	72 - 76	73 - 77
	Sufficient community halls and pavilions provided in each ward by the Council or the community	Four urban Council managed, Six rural Council managed	Four urban Council managed, Six rural Council managed	Four urban Council managed, Four rural Council and two rural community managed	Four urban Council managed, two rural Council and four rural community managed	Four urban Council managed, six rural community managed

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



COMMERCIAL PROPERTY

WHAT THIS ACTIVITY DELIVERS

Our commercial property is a series of nine properties we own and run as commercial ventures, which provide an income for us. These properties include a rented house and commercial tenancies.

WHY WE DO IT

We keep these commercial properties because they are in a strategic location or may have a potential value to the Council and the community in the future. We manage these properties to ensure they achieve a commercial return in the medium term, helping to offset rates.

RESPONDING TO OUR ISSUES

Keeping our options open

Because these properties are kept for strategic reasons, we may want to utilise them at some point. We rent out a lot of our buildings to receive an income but where a better opportunity arises, we need the ability to change the use. The way we do this is to align the lease terms and conditions with the Council's long term plans. Generally, our lease agreements are short term leases and are regularly reviewed. We are ready to respond and revise the management of the properties if needed. Through this LTP we will divest some of our commercial property at Piripai.

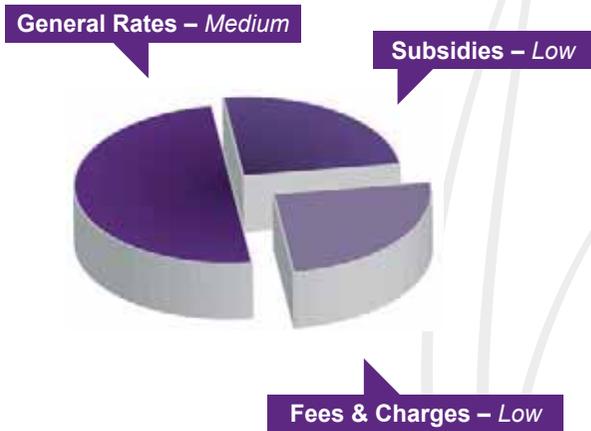
Costs of maintaining these assets

The ongoing costs to maintain and renew these assets represents a significant cost over the next 10 years. General renewals during the course of this LTP will cost almost \$1m, however, properties do provide an income through the leases.

HOW THIS ACTIVITY IS FUNDED

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

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



COMMUNITY PROPERTY
Commercial Property







RECREATION & COMMUNITY FACILITIES

Te Whare Tapere o Tanerore me ngā hua ka puta ma Te Hapori

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

FUNDING IMPACT STATEMENT

ANNUAL PLAN 2011/12 \$000		LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
OPERATIONAL											
Sources of operating funding											
1,186	General rates, uniform annual general charges, rates penalties	5,729	5,884	5,652	5,787	5,933	6,085	6,261	6,486	6,671	6,805
4,342	Targeted rates (other than a targeted rate for water supply)	331	347	361	388	410	431	449	468	479	491
10	Subsidies and grants for operating purposes	6	6	6	7	7	7	7	7	8	8
2,711	Fees, charges, and targeted rates for water supply	2,811	2,927	3,053	3,159	3,292	3,385	3,539	3,672	3,798	4,210
1,791	Internal charges and overheads recovered	1,711	1,718	1,749	1,777	1,817	1,868	1,922	1,978	2,042	2,107
42	Local authorities fuel tax, fines, infringement fees, and other receipts	90	45	100	48	106	51	112	54	119	57
10,083	Total operating funding (A)	10,678	10,927	10,921	11,166	11,565	11,827	12,290	12,665	13,117	13,678
Applications of operating funding											
4,409	Payments to staff and suppliers	4,396	4,529	4,686	4,762	4,931	4,992	5,179	5,319	5,510	5,639
396	Finance costs	466	491	517	245	251	271	280	289	305	308
3,228	Internal charges & overheads applied	3,507	3,520	3,579	3,598	3,668	3,791	3,875	3,992	4,142	4,251
	- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
8,033	Total applications of operating funding (B)	8,369	8,540	8,782	8,605	8,850	9,054	9,334	9,600	9,957	10,198
2,050	Surplus (deficit) of operating funding (A-B)	2,309	2,387	2,139	2,561	2,715	2,773	2,956	3,065	3,160	3,480
CAPITAL											
Sources of capital funding											
	- Subsidies and grants for capital expenditure	60	62	37	-	-	-	-	-	-	-
137	Development and financial contributions	23	24	25	25	26	27	28	28	29	30
(143)	Increase (decrease) in debt	(366)	38	(4,556)	39	54	300	112	63	120	160
	- Gross proceeds from sale of assets	25	-	5,294	1,200	-	-	-	-	-	-
	- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
(6)	Total sources of capital funding (C)	(258)	124	800	1,264	80	327	140	91	149	190
Applications of capital funding											
Capital expenditure											
49	- to meet additional demand	40	-	-	-	-	-	-	-	-	-
428	- to improve level of service	541	712	646	609	500	692	509	496	522	522
1,342	- to replace existing assets	867	685	913	2,793	2,957	2,255	1,875	1,704	3,024	2,718
224	Increase (decrease) in reserves	603	1,114	1,380	423	(662)	153	712	956	(237)	430
	- Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
2,043	Total applications of capital funding (D)	2,051	2,511	2,939	3,825	2,795	3,100	3,096	3,156	3,309	3,670
(2,050)	Surplus (deficit) of capital funding (C-D)	(2,309)	(2,387)	(2,139)	(2,561)	(2,715)	(2,773)	(2,956)	(3,065)	(3,160)	(3,480)
	- Funding Balance ((A-B) + (C-D))	-									

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



Reliable & Affordable Infrastructure



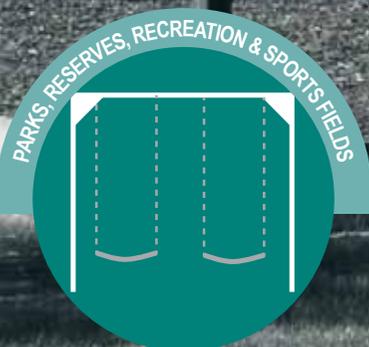
Quality Services



Community Well-being



Valuing Our Environment



PARKS, RESERVES, RECREATION & SPORTSFIELDS

WHAT THIS ACTIVITY DELIVERS

We provide reserves across the District, in the urban areas of Whakatāne, Edgecumbe, Murupara, Ōhope and Tāneatua and throughout rural areas of the District. Our reserves are either local reserves designed to meet the needs of local neighbourhoods, or community reserves providing a wider range of facilities and attracting users from the wider community. Many of these reserves include playground facilities such as swings, slides and climbing frames. Some of our reserves provide sportsfields used mainly for organised sport. Specific reserves alongside riverbanks, lakes or the coast provide for recreation, access to the water and conservation values. We also maintain a number of reserves for operational purposes. For example road reserves that have our infrastructure buried beneath them making them inappropriate for any other use.

The level of maintenance for the various Council reserves depends on what each reserve is used for. We look after the vegetation which includes maintaining trees and gardens, and keeping the grass mowed. For sportsfields, we have to ensure the turf is maintained to a level appropriate for sports, including fertilising, watering and mowing. Our parks and reserves often include facilities such as furniture, shade sails, paths and fences that require maintaining. We undertake regular reviews and maintenance of our playground equipment to ensure there are no hazards.

The use of reserves is managed through a booking system to ensure reserves are accessible to all.

This may include the use of reserves for weddings, sports fixtures, musical events, markets or entertainment. We also deliver recreational services to encourage the community to be active. We deliver these services through contracts and partnerships with other organisations.

WHY DO IT

There is a strong desire from the community to have quality recreational space available. We provide the facilities in the most appropriate and convenient locations. Having accessible recreational spaces helps to build communities that interact with each other, are healthy, happy and well connected. Providing recreational spaces means clubs are established and maintained that make use of the facilities, which increases opportunities and activities for all in the District.

RESPONDING TO OUR ISSUES

New reserves might be needed

While the number of reserves we manage is sufficient to provide an acceptable level of service to our community, we frequently monitor our facilities to understand community requirements. We are aware of some concern around competition for existing facilities, as capacity becomes an issue. To make sure we are responsive to the community's changing needs, we have studied our sportsfields, including doing a stocktake and analysis of how they are being used. The study highlighted opportunities to work with other organisations such as schools to provide increased facilities for the community. It also highlighted that expanding the

use of our current facilities would help manage demand. Providing higher quality turf, that can withstand extra use, or by increasing the hours of use through flood lighting, is a more cost effective solution than creating new facilities. Because we have not yet seen a significant growth in population, the construction of new tennis courts in Ōhope has been deferred. However, there is a community led project that is looking to develop tennis courts at Bluett Park.

We measure this activity by providing recreational space relative to our population throughout the District. As our community grows, so too will our need for open space reserves. New housing developments often create a need for increased facilities, especially outdoor communal recreational space. While providing appropriate space for a playground or park is often part of a large development, the responsibility for developing, maintaining and renewing the recreational space sits with the Council. While we have an ambition to grow our District, we have yet to see this happen enough for us to include budget within this plan for substantial new reserves. Our ongoing maintenance costs for this activity without the addition of new reserves will be \$7.95m over the 10 years of this plan.

Buying up our prime spots

Our beautiful natural environment is at its peak around our coastal shores, where we have world-class beaches. To maintain access to these special places and provide increased opportunity for recreational activities, we will undergo a programme of acquiring land to improve public access. This is land that is being subdivided for residential purposes and may create an extra parcel in the Coastal Protection Zone, which has very limited use for landowners

as esplanade reserve. To enable us to acquire this land when it is available, we budget \$250,000 on an annual basis.

Beautifying our harbour

Every year we undertake projects to develop the Whakatāne harbour, including the Whakatāne River Bank. This includes projects like upgrading the lighting, improving cycle and walking facilities and enhancing the look of the harbour. These works are predominantly paid for from the Harbour Endowment Fund and where possible we work in conjunction with other organisations. A project planned for the term of this LTP will be to extend the walk and cycle way along the Whakatāne River on top of the stop bank. This project is in keeping with our Walking and Cycling Strategy and will be developed in conjunction with the Bay of Plenty Regional Council, adjoining property owners and other stakeholders. The path would be developed in a staged approach during the period of this plan. During the term of this LTP we plan to spend \$50,000 per year on these harbour beautification projects, with the exception of the first year where we will spend \$100,000.

Walking and cycling opportunities

Central Government has changed its funding priorities in recent years which has led to a move away from funding walking and cycling projects. In response to this, we are proposing to include \$75,000 per year to complete walking and cycling projects in conjunction with other organisations or groups. For example, we have deferred construction of a river walkway from Edgecumbe to Thornton but we may reinstate this project if a partner is found. One of the projects we are proposing to include is the upgrade of the popular Toi's Track between Whakatāne and Ōhope.



All paying the same

We have changed how we fund our District wide parks. Moving away from fixed charge targeted rates towards the use of general rates to fund this activity will benefit lower value properties. By increasing the portion of rates based on capital value we are enhancing our focus on affordability.

Resurfacing of Cutler Crescent netball courts

Over the years, the Cutler Crescent netball courts have deteriorated and are in need of resurfacing. The Council has previously supported drainage improvements and the resurfacing of four netball courts, however, there are still six courts which are in need of resurfacing. We are in a position to fund 50% of the works (approximately \$80,000) and will assist Netball Whakatāne to secure outside funding for the remaining 50%.

What we are going to do

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

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Coastal land acquisition	2012-22	2,500,000	Development Contribution 6% Loan 94%
Harbour beautification	2012-22	550,000	Development Contribution 6% Restricted Reserves 94%
Whakatāne Tois Track	2012-15	250,000	Renewal 39% Subsidy 50% Development Contribution 11%
Walking and cycling projects	2012-22	750,000	Restricted Reserves 100%

Warren Cole walk and cycleway, Whakatāne

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

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
Assets are well maintained throughout all parks and recreational facilities providing a high standard of appearance and functionality	Satisfaction with parks and reserves in the Whakatāne District (Customer Satisfaction Index score)	74.9	73 - 77	74 - 78	75 - 79	76 - 80
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	Amount of active recreation space available in the District per 1,000 people	1.5ha	1.5ha	1.5ha	1.5ha	1.5ha

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



CEMETERIES & CREMATORIUM

WHAT THIS ACTIVITY DELIVERS

This service focuses on providing cemetery and crematorium facilities for the community. This includes providing the services of a sexton and a venue for a crematorium service. We manage six cemeteries, located in Whakatāne (Hillcrest and Domain Road), Tāneatua, Waimana, Murupara/Galatea and Matatā, which is managed by a trust on our behalf. These cemeteries provide space for new burials and operate as per the timeframes stipulated in our Bylaw.

Our crematorium located at the Hillcrest Cemetery in Whakatāne opened in 2009 and provides a valuable service for our community, who previously had to travel out of the District to utilise a crematorium facility.

WHY DO IT

There is a strong public demand from the community for us to provide these facilities. They need to be well located throughout our District. The community requires attractive, restful facilities, which cater for the differing needs of the community, such as Returned and Services Association, lawn areas and memorials. The District's cemeteries are also used by the community as a peaceful, open place to visit and walk.

The history and essence of our community is contained within our cemeteries. They tell a story about our people and events of the past. It is important that we preserve this history for future generations.

Providing these facilities helps us protect the health and safety of our community. There are specified requirements, standards and processes we must follow for the maintenance and operations of the cemeteries and crematorium. The Burial and Cremations Act 1964 requires us to provide cemeteries and clearly defines the standards we have to meet when operating them.

We have expanded the facilities we provide to include a crematorium, to respond to changing community requirements. People now look for a more sustainable way of providing for loved ones following a death.

RESPONDING TO OUR ISSUES

Ageing population increases pressure on cemeteries

Due to the ageing population, it could be expected that the number of burials and also burial plots will increase. The new crematorium has helped to alleviate this pressure by reducing the number of burial plots required, with an increase in smaller ashes plots required. This has enabled us to delay the expansion of the Hillcrest cemetery so we can now develop the expansion in two stages over the next 10 years. This will ensure we have enough burial plots and ashes plots for the next 25 years. The expansion may also provide an opportunity to accommodate further changes in community demand. For example, we will consider whether there is a need for interdenominational sections.

CEMETERIES & CREMATORIUM



What we are going to do

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

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Whakatāne cemetery expansion	2013/14 2017/18	364,033	Development Contribution 6% Loan 94%

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

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
Appropriate and sufficient cemetery and crematorium services are available to residents	Satisfaction with cemeteries & crematorium in the Whakatāne District (Customer Satisfaction Index score)	83.7	82-86	83-87	84-88	85-89

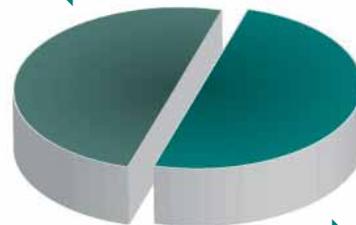
HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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

Fees and Charges – Medium



General Rates – Medium

THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



Reliable & Affordable Infrastructure



Quality Services



Valuing Our Environment

PUBLIC CONVENIENCES

WHAT THIS ACTIVITY DELIVERS

We own and operate 37 public conveniences for the use of the general community. You can find these facilities at parks, reserves, and popular recreational locations. We operate the facilities in response to community demand. For example, ensuring public conveniences at the boat ramp are open early in the morning when demand from boat owners is high, or having facilities available during large sporting events. Often these conveniences include other facilities such as showers, changing rooms or drinking fountains. The public conveniences are regularly cleaned and monitored.

WHY WE DO IT

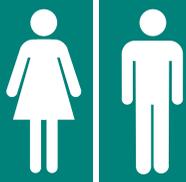
There is a strong community demand for us to provide public conveniences around the District, especially at our more popular recreational spaces. These facilities meet the needs of our community when people are out and about, and are located for the convenience of people using other Council facilities such as boat ramps and playgrounds.

RESPONDING TO OUR ISSUES

Maintaining our facilities

Due to our key goal of trying to maintain affordability, we will not extend the number of public conveniences or drinking fountains we provide over the next 10 years. However, we must continue to manage and maintain our current facilities to ensure we provide the same service to the community. There are projects and upgrades required to manage the facilities so they do not deteriorate to a point where they provide a risk to health and safety or are expensive to service and maintain. These ongoing maintenance works for the term of this LTP will cost \$770,000.

PUBLIC CONVENIENCES



WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
Adequate public conveniences will be provided where required in the community	Satisfaction with public toilets in the Whakatāne District (Customer Satisfaction Index score)	68.3	66-70	67-71	68-72	69-73

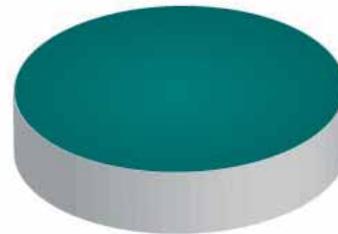
HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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

General Rates – Full



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



AQUATIC CENTRES

WHAT THIS ACTIVITY DELIVERS

We provide two aquatic centres in the District - the Whakatāne District Aquatic Centre and the Murupara swimming pools, known as A H Lynd Memorial Baths. The Whakatāne District Aquatic Centre has a 25m indoor pool and a 33m outdoor heated pool - available in the summer months. Facilities at the centre also include a learners' pool, a shallow beach paddling pool, a hydroslide and two spa pools. The Aquatic Centre provides the opportunity for people to learn to swim, through group or private lessons, baby swim classes and school holiday programmes. These services compliment the programmes run through local schools, many of who use the centre for swimming lessons and carnivals. The pools also provide opportunities for local clubs such as swimming, surf lifesaving, kayaking, triathlon, dive schools and underwater hockey. Other options available include pool parties, a fitness centre and classes such as aquacise. This aquatic centre is used by people from across our District.

The Murupara swimming pools are outdoors and include a paddling pool and a heated 33m swimming pool. These are open for a limited season over the summer months, which depends on demand. It is mainly used by the local community and schools. Private swimming lessons are provided at the pools.

WHY WE DO IT

Having facilities available in our District for people to learn to swim in a safe environment has a huge benefit for the community, especially as we live in an area with many natural waterways presenting play areas for our

children. Opportunities to exercise and have fun in a social environment are also very important. The positive impact of swimming on our community's health and well-being is valuable. The swimming facilities and the spa pools are used for occupational therapy treatment and rehabilitation.

RESPONDING TO OUR ISSUES

Children need a place to learn

The need for a community pool is increasing as schools no longer receive funding from the Ministry of Education for swimming facilities. As well as providing access to the pools, we are able to work with other organisations to provide both training for teachers and learn to swim programmes. Hiring swimming lanes enables people to run personalised training sessions as required. The learner and paddling pools provide a great learning environment to improve our children's water confidence and make swimming skills fun and easy.

Extending the recreational opportunities

The aquatic centres provide excellent recreational activities for the community. The current facility in Whakatāne also provides the operation of a fitness centre (gymnasium) to expand the range of recreational opportunities available to the community. However, there is opportunity to extend facilities at both of our centres further. Providing outdoor seating areas, landscaping and barbeque facilities are potential future opportunities we would like to pursue in conjunction with other organisations, providing an excellent sponsorship opportunity. This would provide enhanced facilities for events such as birthday parties, end of year social events or family gatherings.

AQUATIC CENTRES



Maintaining our facilities

While we seek to take advantage of any opportunities for community funding to improve facilities, the majority of work undertaken in this activity is the maintenance and operation of our current facilities. Assets involved in providing the aquatic centres require ongoing renewals and servicing. Where savings can be made in the cost of maintenance, opportunities can arise to provide improvements to the buildings and facilities, however, this is undertaken within current budgets of \$958,000 over the next 10 years.

Operating our facilities

In the past we have operated our aquatic centres under contract arrangements with external providers. However, early in the term of this plan we will change this method of delivery to be undertaken in-house. This will ensure we are providing the best service to our community at the best price. We do not expect such a change to result in a substantial change to what this activity delivers, or the cost of operating our facilities.

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
High quality, affordable and safe aquatic facilities will be provided in Whakatāne and Murupara	Satisfaction with swimming pools in the Whakatāne District (Customer Satisfaction Index score)	75.7	74 - 78	75 - 79	76 - 80	77 - 81

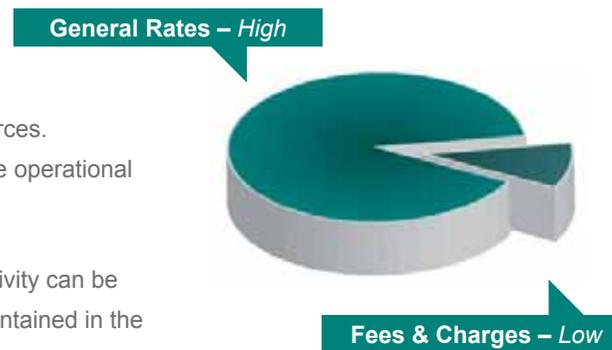
All paying the same

We have changed how we fund this activity in order to reflect our focus on affordability. This includes moving away from a fixed charge targeted rate for each community depending on how far from the facilities you are located. We now fund this activity through the general rate, increasing the portion funded by capital value and therefore positively impacting lower value properties.

HOW THIS ACTIVITY IS FUNDED

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

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



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO



PORTS & HARBOUR



PORTS & HARBOUR

WHAT THIS ACTIVITY DELIVERS

This activity provides the infrastructure and facilities around our District's ports and harbours, covering 45 sites. These include the Main Commercial Wharf, Otauwhaki (Green) Wharf and the Game Wharf in Whakatāne, as well as Ōhope Wharf, Thornton and Ōhiwa ramps and various groynes (rock structures in the river which help control the flow of water) and navigational equipment. Some of the facilities around these ports and harbours include car parks, jetties, a weigh station, hardstand, wharves and navigation markers. The operation of this activity also includes services such as diking the river mouth to ensure maximum access over the bar and berths available to rent. The harbour superintendent provides for the operation of the ports and harbour assets, using our vessel to undertake soundings, recover logs to keep boat ramps and wharfs free from debris and providing assistance, if required, to boat owners in times of high floodwater and storm.

We also own a number of different properties through the harbour activity. The majority of these are for commercial land and are held in perpetual ground leases.

WHY WE DO IT

By providing these facilities across our District's harbour and coastline we are able to enhance the economy of our District, through enhanced recreational and business opportunities. This has benefits for many of our residents. We undertake this activity in close conjunction with the Bay of Plenty Regional Council, sharing responsibility for different aspects of the management of the District's coastal area.

The assets of the Harbour Board were gifted to the Council for the benefit of the community as harbour endowment land. We have an obligation to maintain, operate and develop these facilities for the good of the community. The harbour endowment land earns income through leases, which we use to pay for the on-going operation, maintenance and improvements of the ports and harbour facilities. This way, we continue to provide these valuable assets to the community with minimal ratepayer funding. This helps to make the District an attractive place to work and play. There is more information about the Harbour Endowment Fund contained in the 'Financial Strategy' section.

RESPONDING TO OUR ISSUES

Maintaining our assets while looking to improve what we deliver

We are focussing our spending for this activity over the next 10 years on operating and maintaining our current assets, to retain our current level of service. However, the community's desire for new or improved facilities will always grow. To keep up with changing social trends and expectations, we are constantly looking at ways we can improve the facilities we offer, by utilising opportunities that may arise. We would like to explore the options to improve facilities for a wider range of water based activities. This may involve working with local clubs to look at how we can work together to provide improved facilities in the future. Such an opportunity may arise as we carry out our scheduled renewal and replacement works. Our budget for ongoing maintenance upgrades and renewals for our ports and harbours over the next 10 years is \$1.32m.

One project that we are planning for 2012/13 is the development of a river play area alongside Mataatua reserve. This may include facilities such as swings, slides and a floating raft as well as a dedicated swimming area. We are also looking at options for how we manage the Ports and Harbour Activity to ensure we are best utilising these valuable assets for our community.

Access to our river entranceway

Access to the Whakatāne River for both recreational and commercial vessels is essential for the growth of Whakatāne. The river entrance can become shallow when river and sea conditions allow sand build-up on the bar. The construction of a wall on the western side of the entrance has long been considered the best way of preventing the shallowing as the confined channel will cause a flushing effect to move the bar out into deeper water. As a short-term solution in recent years we have been undertaking regular discing to remove the debris from the river mouth and keep the bar deeper and more accessible. This approach has been successful over the last year or two, as we have had wetter winters. However, when we experience drier winters we are likely to experience problems with the bar the following season due to the lack of flushing of the entrance. No amount of dredging or discing is aggressive enough to keep the entrance reliably available for vessels during drier years. We have been investigating a long-term sustainable solution that will be acceptable to all interested parties. Technical investigations and consultation with the community undertaken over the last two years have identified three preferred options to improve and maintain the navigability of the Whakatāne River mouth.

These investigations are currently undergoing further consultation and modelling and will ultimately lead to a resource consent being lodged. However, as a preferred option has not yet been determined, the resulting works to undertake the final option have not been included in this LTP. Consultation on a final option will occur alongside the development of our next LTP (2015-25).

Making the Port Ōhope Concept Plan a reality

We have developed a Port Ōhope Concept Plan to guide how we can develop and enhance the Port Ōhope area in the future. The plan includes increased recreational facilities, future housing opportunities and potential commercial or retail facilities. The plan aims to ensure we conserve natural features in the area and improve connectivity with the beach and harbour. We are selling some of the land we own in Port Ōhope in 2014/15 to allow developers to create a residential subdivision and commercial facilities in line with the concept plan. We are also looking at developing the remaining Port Ōhope area in keeping with the concept plan. We will begin construction in 2015/16 at a total project cost of \$1.69m, 94% of which will come from the Harbour Endowment Fund. Development of the plan will be reliant on developers or investors interested in taking up the opportunity that the concept plan provides.

What we are going to do

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

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Whakatāne main wharf replacement	2015-17 2020-22	4,500,000	Renewal 100%
Port Ōhope wharf site upgrade/development	2015-20	1,685,000	Development Contribution 6% Restricted Reserves 94%

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

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
Provide safe access to rivers and coastal water within the general vicinity of the Whakatāne CBD, Ōhiwa Harbour and Thornton Domain	Satisfaction with harbour facilities in Whakatāne CBD including the port and surrounding environment (Customer Satisfaction Index score)	76.1	74 - 78	75 - 79	76 - 80	77 - 81

HOW THIS ACTIVITY IS FUNDED

Our activities are funded from a variety of sources.

The pie chart illustrates how we will pay for the operational running of this activity.

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



VISITOR INFORMATION

WHAT THIS ACTIVITY DELIVERS

Under this activity we provide visitor information services, as well as marketing and events management.

The Visitor Information Centre is part of the nation-wide i-SITE network, providing local and regional information. The friendly staff are local travel experts and can assist with booking services for transport, tours, accommodation and activities in and around the District. This activity also manages hall and event bookings. Tourism information is also available through the website www.whakatane.com

We take a leadership or support role in the delivery of events throughout the year with both a business and leisure focus. Conferences are also a growth area which is being actively explored and promoted. Alongside events we create marketing campaigns to attract people to our District.

WHY WE DO IT

The Whakatāne District has long been a popular holiday destination and tourism is an important growth industry making a substantial contribution to our local economy. The District welcomes 50,000 holiday makers over the summer months.

The Visitor Information service is undertaken to welcome visitors to the District, promote local business ventures and encourage visitors and locals to experience all that Whakatāne has to offer.

Marketing and events management is undertaken to stimulate the economy by attracting visitors to our District. Local attractions and events also contribute to the quality of life of local residents by providing a wider range of recreational opportunities.

RESPONDING TO OUR ISSUES

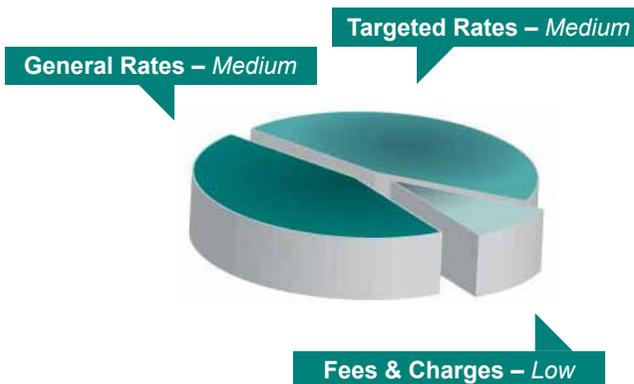
Offering a better service

A review of the Visitor Information Centre was recently undertaken. The objective of this review was to perform an independent assessment of the Visitor Information Centre, report observations and make appropriate recommendations that create opportunities for improving the efficiency and effectiveness of its operations. We are working through these recommendations to ensure we provide the best service we can to locals and visitors alike.

HOW THIS ACTIVITY IS FUNDED

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

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



THE COMMUNITY OUTCOMES THIS ACTIVITY CONTRIBUTES TO





CORPORATE & DISTRICT ACTIVITIES

Ngā Mahinga Matakite a Rohe

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

FUNDING IMPACT STATEMENT

ANNUAL PLAN 2011/12 \$000	LTP 2012/13 \$000	LTP 2013/14 \$000	LTP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000
OPERATIONAL										
Sources of operating funding										
207	582	420	208	(104)	(78)	(202)	(182)	(220)	(143)	(137)
59	-	-	-	-	-	-	-	-	-	-
209	243	250	269	294	282	285	295	304	315	325
15,342	11,375	11,469	11,640	11,610	11,787	12,211	12,324	12,676	13,155	13,346
366	372	383	417	447	434	437	451	466	482	498
16,182	12,572	12,522	12,534	12,247	12,425	12,731	12,888	13,226	13,809	14,032
Applications of operating funding										
8,912	9,728	9,995	10,308	10,545	10,797	11,201	11,284	11,624	12,078	12,254
247	269	268	234	203	192	221	232	227	230	223
4,159	395	412	415	428	439	451	460	472	487	498
413	430	440	451	463	475	486	497	510	524	538
13,731	10,822	11,115	11,408	11,639	11,903	12,359	12,473	12,833	13,319	13,513
2,451	1,750	1,407	1,126	608	522	372	415	393	490	519
CAPITAL										
Sources of capital funding										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
407	(464)	(769)	(624)	(491)	326	552	(121)	(85)	(50)	(49)
-	265	31	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
407	(199)	(738)	(624)	(491)	326	552	(121)	(85)	(50)	(49)
Applications of capital funding										
Capital expenditure										
112	-	-	-	-	-	-	-	-	-	-
1,278	600	255	281	124	693	716	145	154	168	181
885	1,796	2,225	1,203	978	1,942	2,169	1,143	1,374	1,303	1,022
583	(945)	(1,811)	(982)	(985)	(1,787)	(1,961)	(994)	(1,220)	(1,031)	(733)
-	100	-	-	-	-	-	-	-	-	-
2,858	1,551	669	502	117	848	924	294	308	440	470
(2,451)	(1,750)	(1,407)	(1,126)	(608)	(522)	(372)	(415)	(393)	(490)	(519)
- Funding Balance ((A-B) + (C-D))										
	-	-	-	-	-	-	-	-	-	-

CORPORATE AND DISTRICT ACTIVITIES

WHAT IS THIS GROUP OF ACTIVITIES?

The Corporate and District Activities group contains all of the activities that are involved in supporting the delivery of our projects, plans and external activities. These are often referred to as our 'internal activities'. The following section contains detail on the significant internal activities that have more of a focus on what we deliver to you. There are a number of other smaller activities which have a purely internal focus and assists us in the running of the Council.

HOW THIS GROUP IS FUNDED

The operational costs associated with this group are funded by charging overheads on other activities. During the development of this LTP we reviewed how overheads are allocated across our activities. Changes in the portion of overheads allocated to the majority of our group of activities have occurred. 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.

RESPONDING TO OUR ISSUES

There are a number of renewal works and replacements that occur in the smaller internal activities such as vehicle replacements. The total of the renewal works and replacements over the course of the LTP is \$3.24m. There are other capital improvement, maintenance and renewal works in the Corporate and District Activities and these are mentioned in the following pages.

Library & Exhibition Centre

CUSTOMER SERVICES

WHAT THIS ACTIVITY DELIVERS AND WHY WE DO IT

This activity provides the friendly staff that greet you when you visit our service centres or when you call us. The customer services staff have a number of responsibilities including processing and managing incoming requests for service, processing Land Information Memorandum (LIMs) requests, managing bookings (for parks, reserves etc.), and processing payments. They are usually the first, and sometimes only, point of contact. We realise our customer's needs are varied and are continually changing. To meet these needs, we must provide an efficient and consistent level of customer service.

WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
The community has access to Council's activities through fully competent and efficient Service Centres	Proportion of customers' telephone calls answered within 30 seconds	81.9%	80%	80%	80%	80%
	Satisfaction with the overall service from the Customer Service/Front Desk Staff (Customer Satisfaction Index score)	78.0	76 - 80	77 - 81	78 - 82	79 - 83

RESPONDING TO OUR ISSUES

Here to help

The customer services staff are usually the first point of contact in a number of differing situations. This often means they are questioned on a number of issues. Our staff are trained to try to help where they can and delegate issues to the appropriate person or area of the Council. This ensures the effective delivery of this service. There are a number of projects that help us to deliver a more efficient service. These include upgrading the telephony system and further developing our knowledge database.



COMMUNICATIONS

WHAT THIS ACTIVITY DELIVERS AND WHY WE DO IT

Communications is the activity that supports and provides effective communication between the Council and the community. We produce Ko Konei (the Council's newsletter - formerly Byways), media releases, advertising, maintain the www.whakatane.govt.nz website, open days and promotional/educational publications. We also develop systems and processes that help us to improve community engagement across the Council's many activities and services. This is to ensure the community has access to relevant, timely, credible and meaningful information, and to create opportunities for the public to influence decision making. We try our best to operate in the most transparent manner and the communications activity helps in this respect.

RESPONDING TO OUR ISSUES

We aim to be open, transparent and accountable

One of the key reasons we carry out this activity is to ensure information is readily available to the public. Key requirements of local government are to operate in an open, transparent, inclusive and accountable manner. We release monthly issues of Ko Konei, information and consultation material and also maintain the public website. Recently we have incorporated the use of social media into our communications plan. This includes the development of the Council's Facebook page. These forms of communication have proven to be very useful to get our messages out to our community.

Check out our website

The Whakatāne District Council’s website was ranked 5th out of 78 Council websites in New Zealand in 2012 by the Association of Local Government Information Management (ALGIM). This is a significant improvement from 2010 where we placed 39th out of 85 and the 2011 ranking where we placed 20th out of 78. Websites are ranked on compliance with the New Zealand Government Web Standards, accessibility and enquiry response times. We will endeavour to maintain a high rating and we are constantly looking at ways to improve the level of service offered on our website.



WHAT WE WANT TO ACHIEVE

The Council has set some targets to show whether we are achieving our goals for this activity. The following table shows these targets for the next 10 years. We will report back to the community through the Annual Report each year, so you will know whether we have achieved this level of service.

GOAL	MEASURE	CURRENT PERFORMANCE (2010/11)	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
The community has access to information and feels well informed.	Satisfaction with Council's provision of information (Customer Satisfaction Index score)	64.3	62 - 66	63 - 67	64 - 68	65 - 69
	Association of Local Government Information Management Website ranking compared to other councils	20th	20th	20th	20th	20th



CAREERS

HUMAN RESOURCES

WHAT THIS ACTIVITY DELIVERS AND WHY WE DO IT

This activity is an internal service that provides proactive advisory services and tools to support the Strategic Leadership Team and managers. Our Human Resources team takes on the responsibilities of recruitment, induction, employment relations, organisational development, health and safety, training, and remuneration. This activity is largely driven by legislative requirements, specifically the Employment Relations Act 2000. We do this activity to attract, retain, motivate and reward high calibre employees to assist in the delivery of our goals and values.

RESPONDING TO OUR ISSUES

We want you!

Our work environment at the Council is continuously improving. We monitor the national labour market and ensure working conditions are comfortable. We also promote organisational values. It is important to do this so that we attract and retain high calibre staff to create an efficient and productive workforce. We are competing on a national and international level for quality staff.

Great Services, Excellent delivery



FINANCE

WHAT THIS ACTIVITY DELIVERS AND WHY WE DO IT

The Finance activity is an internal service that provides financial, rating and treasury support to all activities within the Council. This activity is largely driven by the legislation that requires us to deliver Annual Reports, Annual Plans and LTPs. Finance is responsible for the provision and development of effective monitoring and reporting on our financial performance. Our other responsibilities include budgeting, managing the payroll, charging and collecting rates and answering rates queries.

WHAT WE WANT TO ACHIEVE

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

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

GOAL	MEASURE	CURRENT PERFORMANCE	TARGET			
			YEAR 1 (2012/13)	YEAR 2 (2013/14)	YEAR 3 (2014/15)	YEARS 4-10 (2015-22)
The community and the Council have access to accurate and timely financial information	Rates invoices are issued to ratepayers at least three weeks prior to due date for payment.	Invoices issued three weeks prior to due date.	100%	100%	100%	100%

RESPONDING TO OUR ISSUES

Cutting costs of borrowing

In an effort to keep the costs of borrowing to a minimum, the Council is joining the Local Government Funding Agency Scheme which will mean a change in Council policy.

This scheme offers lower interest rates as local government borrowings tend to be less of a risk than private borrowings.

This option is more prudent as it will decrease the costs of borrowing. More information on this can be found in the Council Controlled Organisations section.

CORPORATE INFORMATION

WHAT THIS ACTIVITY DELIVERS AND WHY WE DO IT

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 the Council's data, information and knowledge assets. This information must be securely managed for current and future generations. We have a legislative obligation to keep information. This activity also oversees the Location Services function which maintains and develops geographic information.

RESPONDING TO OUR ISSUES

Back up plan

One of the key risks this area faces is to ensure the information and data is kept safe and secure. Because technology is always changing, there is a risk that at some point, something might fail. This could be in the form of an electrical fault, equipment failure or if a natural disaster occurs. We are developing a Business Continuity Plan so if something does occur, we are prepared. We ensure data is backed up and we have a back up generator so business can continue as usual if there is an electrical fault.

Maintaining our information

There are a number of works planned for the duration of this LTP in order to maintain the systems that store our important information. We will spend \$7.17m on these improvements and replacements.



CORPORATE PROPERTY

WHAT THIS ACTIVITY DELIVERS AND WHY WE DO IT

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, the Library and Exhibition Centre, the Whakatāne Airport terminal building, workshops, depots, libraries, and the dog pound.

What we are going to do

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

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Civic Centre archives facility (part of the RSA facility)	2012/13	500,000	Loan 100%
Civic Centre earthquake strengthening investigations and works	2015-18	2,135,000	Renewal 50% Loan 50%
Corporate property renewals and replacement	2013-22	849,000	Renewal 100%

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

What we are not going to do

During our previous LTP, we had planned to construct an Integrated Cultural, Environmental and Tourism Centre (Whakatāne Centre) during 2013-15 at a cost of \$10.73m. We have put this project on hold for the period of this LTP, unless we receive substantial funding from other agencies. We had also planned to undertake a refit of the Council's Civic Centre and specifically the Customer Services area, however, to reduce costs we are now not carrying-out these works during this LTP.

DISTRICT INCOME AND EXPENDITURE

WHAT THIS ACTIVITY DELIVERS AND WHY WE DO IT

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 revenue.



COUNCIL CONTROLLED ORGANISATIONS

Ngā Roopu Mahi Tahī-a-Te Kaunihera ō Whakatāne



COUNCIL CONTROLLED ORGANISATIONS

A Council Controlled Organisation (CCO) is a company or organisation in which the Council, or a number of councils, hold 50% or more of the voting rights, or can appoint 50% or more of the trustees, directors or managers.

The Council engages in this form of partnership where it provides advantages for a more effective, efficient and financially viable means of delivering services.

The Whakatāne District Council is a shareholder in four Council Controlled Organisations, including:

- Whakatāne Airport
- Toi Economic Development Agency (Toi-EDA)
- Bay of Plenty Local Authority Shared Services Limited (BoP LASS)
- The Local Government Funding Agency (LGFA)

This section summarises the services these organisations will aim to deliver over the life of this Long Term Plan and how their performance will be monitored. More detailed information is available from the Statement of Intent for each CCO.

Each CCO is required to agree to a Statement of Intent with its stakeholders (including the Council) each year and to make this available to the public. The Statement of Intent sets out the CCO's nature and scope of activities, key performance targets and reporting requirements along with other matters. At the end of each financial year each CCO must report performance against the Statement of Intent.



WHAKATĀNE AIRPORT

ABOUT THE WHAKATĀNE AIRPORT

The Whakatāne Airport is a Council-Controlled Organisation (CCO) under the Local Government Act 2002. It was formed as a CCO in 2006. The Whakatāne Airport is a valued community asset, which contributes to residents' quality of life and is considered crucial to the economic well-being of the District.

Planning for an aerodrome was initiated by the Whakatāne County and Borough Councils in 1944. Development of a grass airfield started in 1958 on the current Whakatāne Airport site but it was not until 1960 that it was officially opened, following some difficulties in sowing grass. A sealed airstrip was completed a few years later in 1962 to provide adequate services for the larger DC3 aircraft. The iconic Whakatāne Airport building, designed by architect Roger Walker, was completed in 1974 and has since received the enduring architecture award from the NZ Institute of Architects. Today, daily services are provided to and from Auckland.

HOW DOES IT WORK?

The airport is a joint venture operation between the New Zealand Government (Ministry of Transport) and the Whakatāne District Council, with each party owning a 50% share.

The Whakatāne Airport Board provides governance oversight of the Whakatāne Airport CCO and of implementation of the Whakatāne Airport Business Plan.

The Board provides advice to the Council which is ultimately responsible for decisions relating to the airport.

Day to day operation and maintenance of the airport including the delivery of projects, services and initiatives is managed by the Council.

WHAT DOES IT DO?

The primary activity of this organisation is to operate the airport efficiently and on sound business principles for the benefit of both commercial and non-commercial aviation users. It must also operate in accordance with the terms of its aerodrome certificate, which defines standards and conditions laid down by the Civil Aviation Authority of New Zealand.

The airport is maintained as a non-certified aerodrome in accordance with the Civil Aviation Authority Aerodrome design for aircraft at or below 5,700kg Maximum Combined Take Off Weight (MCTOW). As a non-certified aerodrome the Whakatāne Airport is limited to a maximum aeroplane seating capacity of 30 passengers for any regular flight services. Air New Zealand Link provides regular return services to and from Auckland and Wellington.

Airport land and facilities are leased out where these are either surplus to the airport's present operational requirements or to allow for activities that are compatible with the operation of the airport. This includes land for hangars, parts of the terminal building for commercial operators and areas of unused airport land for grazing.



Whakatāne Airport

THE OBJECTIVES OF THE WHAKATĀNE AIRPORT ARE:

- 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.

WHO PAYS?

The Council has an arrangement with the Ministry of Transport that each party is responsible for half of the operational costs of the Whakatāne Airport. This allows for the continued operation of the airport at its current level. Any capital costs required for the improvement of the level of service beyond what is currently being provided would need to be negotiated between the shareholders.

WHAT WE ARE GOING TO DO

To respond to some of the issues, the Council is planning to undertake the following key projects:

DESCRIPTION	YEAR	TOTAL	FUNDING SOURCE
Airport runway lighting and navigational aids upgrade	2017/18	800,000	Loan 100%
Airport pavement resurfacing	2013/14 2017-22	650,000	Renewal 50% Restricted Reserves 50%
Airport renewals	2012-22	203,387	Renewal 83% Restricted Reserves 9% Loan 8%

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

HOW WILL PERFORMANCE BE MEASURED?

The specific performance targets for the Whakatāne Airport will be set annually through the Airport Statement of Intent and based on the framework outlined below. At the end of each financial year the Airport Annual Report will report on performance against the Statement of Intent and this will include how it performed against those targets.

Financial performance measures and targets

- Operate and maintain the airport's assets within the operational expenditure and capital expenditure budgets (excluding corporate overheads and depreciation). These budgets will be outlined in the Whakatāne Airport Statement of Intent each year.

Non-financial performance measures and targets

- Maintain the Airport as a non-certified aerodrome in accordance with Civil Aviation Authority aerodrome design for aircraft at or below 5,700kg MCTOW.
- Further performance targets are likely to be introduced as part of business development plan currently being prepared. Any new performance measures will be disclosed in the Statement of Intent for the year in which they relate to.



BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICE LIMITED

ABOUT BOP LASS

Bay of Plenty Local Authority Shared Services Limited (BoP LASS) is a Council Controlled Organisation (CCO) under the Local Government Act 2002. This CCO was formed in 2007 to investigate, develop and deliver shared services, joint procurement and communications for the participating councils. It started with a chief executives (CEs) forum formed by a group of CEs who recognised the advantages of collaboration. BoP LASS now delivers benefits in terms of cost savings and service improvements to its constituent councils and ultimately to ratepayers and residents. BoP LASS has been recognised nationally and internationally as a successful model for the delivery of shared services.

HOW DOES THIS CCO WORK?

The Whakatāne District Council holds a one ninth share in BoP LASS Limited along side the other eight councils that constitute the Bay of Plenty and Gisborne regions.

BoP LASS is governed by a board of nine directors appointed by its shareholders. Unless otherwise agreed by the board, each appointee is the current (or acting) chief executive of the council shareholder. In addition, the board may appoint up to three professional directors to supplement the directors'/chief executives' expertise.

The services, projects and initiatives of BOP LASS are delivered through a small team of staff based in Tauranga and through advisory groups made up of representatives of the different councils interested in a particular service.

Each group is service specific; the participants initially decide the scope of the project and the desired outcomes and work collaboratively to achieve them.

WHAT DOES THIS CCO DO?

BoP LASS provides benefits to the Whakatāne District Council (and other participating councils) through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation. This will be achieved primarily through joint procurement and shared services.

Joint procurement includes procurement of services or products by two or more councils from an external provider, regardless of whether the service is paid for through BoP LASS or individually by participating councils. Examples that have led to cost savings for the Whakatāne District Council include procurement of office supplies, software and insurances.

Shared services includes the participation of two or more councils in the provision of a common service, which may be jointly or severally hosted. Examples that have led to improved levels of service include the provision of a fibre optic network and development of shared geographic information systems.

The expected benefits that can be achieved through shared services are:

- Improved levels and quality of service.
- A coordinated and consistent approach to the provision of services.
- Reductions in the cost of support and administrative services.
- Opportunities to develop new initiatives.
- Economies of scale resulting from a single entity representing many councils in procurement.

WHO PAYS?

The Whakatāne District Council pays a small membership levy to BoP LASS of \$1,000 per year. Beyond this levy, membership with BoP LASS is essentially a user pays system based on involvement in the shared services developed under the BoP LASS umbrella. Much of these costs come down to the 'in kind' contribution the Council makes towards establishing or developing shared services.

Costs to the Council, and ultimately to ratepayers, of participating in this CCO are more than offset by the cost savings achieved through the resultant shared services and joint procurement initiatives.

HOW WILL PERFORMANCE BE MEASURED?

The specific performance targets for BoP LASS will be set annually through the BoP LASS Statement of Intent and will be based on the framework outlined below. At the end of each financial year the BoP LASS Annual Report will report on performance against the Statement of Intent including how it performed against those targets.

Performance measures and targets

- 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.
- Investigate a minimum of four joint procurement initiatives per year for goods and services from sources offering best value, service, continuity of supply and or opportunities for integration.
- Communicate with each shareholding council at appropriate levels with at least one meeting with each Executive Leadership Team per year.
- Ensure sufficient income is available from activities to sustain a viable company.



TOI ECONOMIC DEVELOPMENT AGENCY

ABOUT THIS CCO

Toi-EDA is the Economic Development Agency for the Eastern Bay of Plenty and is based in Whakatāne.

The activities undertaken by Toi-EDA contribute to the sustainable growth and development of the local economy. Its vision is to grow the Eastern Bay of Plenty to enhance the wealth and quality of life for its people: Tini o Toi – kia tipu, kia puawai (To create, grow and blossom the myriads of Toi).

Toi-EDA is an exempted Council Controlled Organisation (CCO) under the Local Government Act 2002. This means Toi-EDA does not have to meet the specific reporting requirements related to CCOs. Exemption from these requirements allows Toi-EDA to focus more of its limited resources on economic development. As an exempt CCO, the reporting requirements of Toi-EDA are similar to those of other Council activities.

More information about Toi-EDA is available on its website: www.toi-eda.co.nz

HOW DOES THIS CCO WORK?

Toi-EDA is a partnership between the three territorial authorities (Kawerau, Ōpōtiki and Whakatāne) and the Bay of Plenty Regional Council, working together with local iwi.

A trust board provides governance oversight and advice to Toi-EDA. The board operates under a trust deed and is made up of experienced local business people from the Eastern Bay of Plenty, who play a vital role in leading and guiding the organisation.

At a higher level, Toi-EDA operates within a wider framework under the 'Bay of Connections' strategy. The 'Bay of Connections' strategy is the economic development strategy for the wider Bay of Plenty region including Tauranga, Western Bay of Plenty, Rotorua, the Eastern Bay of Plenty, and Taupo. The objective of this strategy is to deliver regional economic development for new and existing initiatives and industries by building on the region's collective strengths. Bay of Connections is led by a Governance Group made up of nine business leaders, supported by the region's economic development agencies and the Bay of Plenty Regional Council. It also works in conjunction with local and national agencies, organisations and businesses.

WHAT DOES THIS CCO DO?

Toi-EDA has a strong focus on enhancing the Eastern Bay of Plenty's economic growth and wealth for its people. It also plays an important role in the Bay of Plenty regional partnership representing the Eastern Bay of Plenty. The focus is on projects relating to energy, forestry, aquaculture, transport and logistics, and marine industry. This includes projects, services and initiatives to increase employment, income and investment in the Eastern Bay of Plenty Region. These activities aim to attract businesses and people to the area and to support the growth and development of existing businesses. Specific objectives of Toi-EDA are covered within its economic development strategy. At the time of writing this LTP, this strategy was being reviewed to align with the priorities of the Bay of Connections strategy.

WHO PAYS?

The Whakatāne District Council provides the majority of funding for Toi-EDA. This allows for continued delivery of projects and initiatives annually and at a consistent level. Toi-EDA also receives funding from the Ōpōtiki District Council, the Kawerau District Council and the Bay of Plenty Regional Council. Any additional funding requirements (over and above the annual operational funding requirement) needed for specific projects and initiatives is negotiated with stakeholders.

HOW WILL PERFORMANCE BE MEASURED?

Toi-EDA considers performance in two ways. Firstly, how the local economy is performing (which is not a direct reflection on the performance of Toi-EDA). Secondly, is Toi-EDA delivering the services that it promised to deliver?

The performance of the local economy is not a direct reflection on Toi-EDA because economic growth is influenced by a range of factors on a local, national and international scale. Toi-EDA can influence a number of these factors directly, but others it cannot (such as the global financial crisis).

To consider the performance of the local economy, Toi-EDA undertakes monitoring on a six monthly basis. The Eastern Bay of Plenty monitoring report contains an overview of the region and analyses economic trends. There are also individual reports for each of the Territorial Authorities - Whakatāne, Ōpōtiki and Kawerau districts. These reports are a valuable source of data, informing the work of Toi-EDA and the decisions of private industry. The reports are available on the Toi-EDA website: www.toi-eda.co.nz.

The specific performance targets for Toi-EDA are outlined below and will be reconfirmed in the Council's Annual Plan for each year. At the end of each financial year the Council's Annual Report will outline performance against these targets.

Financial performance measures and targets

- Manage Toi-EDA's operations within budgets agreed by stakeholders and within the terms of the Trust Deed. The operational expenditure budget for the 2012/13 financial year is \$175,000.

Non-financial performance measures and targets

Implement key actions annually from the Toi-EDA Strategic Plan. Key actions will be outlined each year in the Council's Annual Plan. For the 2012/13 financial year these are:

- Promote forestry processing opportunities locally and internationally.
- Support and promote the Kawerau Industrial Symbiosis project.
- Assist with the implementation of the 'Bay of Connections' strategy ensuring that Eastern Bay of Plenty projects are supported.
- Continue a web based immigration campaign.
- Promote Chinese and Korean investment into the region.
- Promote, support and facilitate projects that have economic benefits.

LOCAL GOVERNMENT FUNDING AGENCY

ABOUT THE LGFA

The Local Government Funding Agency Limited (LGFA) was established in 2011 by 18 local authority councils and the Crown. The Whakatāne District Council will join the LGFA in August 2012 as a principal shareholder. The basic function of the LGFA is to enable councils to borrow funds at lower interest margins than would otherwise be available.

HOW DOES THIS CCO WORK?

The LGFA is a partnership between the participating local authorities and the New Zealand Government. The Whakatāne District Council will be a principal shareholder. This is the highest level of council participation in the LGFA which provides access to full benefits (all local authorities can borrow from the LGFA, but different benefits apply depending on the level of participation).

The LGFA is governed by a Board of Directors. The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and their Statement of Intent. The Board will comprise between four and seven directors with a majority of independent directors and will meet no less than 11 times each year.

Operationally, the LGFA is run by a small team based in Wellington.

WHAT DOES THIS CCO DO?

The LGFA raises debt funding either domestically and/or offshore and provides this debt funding to New Zealand local authorities at lower interest margins than those available through other lenders. The LGFA only lends to local authorities that enter into all the relevant arrangements with it (participating local authorities) and that comply with the LGFA's lending policies.

The LGFA operates with the primary objective of optimising the debt funding terms and conditions for participating local authorities. This includes:

- Providing debt to participating local authorities at the lowest possible interest rates commensurate with the relevant maturity
- Making longer-term borrowings available to participating local authorities
- Enhancing the certainty of access to debt markets for participating local authorities, subject always to operating in accordance with sound business practice

WHO PAYS?

There are some costs to the Council and ultimately to the ratepayer, of participating in the LGFA. However the costs are substantially less than the savings that can be achieved through the improved interest margins. Rough estimates conducted by Asia Pacific Risk Management anticipate annual savings of around \$207,000 based on Councils borrowing at 30 June 2012.

To participate in the LGFA as a principal shareholding authority, the Whakatane District Council is required to accept certain costs and risks. This includes making an initial capital investment of \$100,000; providing security against rates charges (which is similar to our current arrangement with banks); and committing a portion of our borrowing needs to the LGFA for an initial period.

HOW WILL PERFORMANCE BE MEASURED?

The specific performance targets for the LGFA are set annually through their Statement of Intent. At the end of each financial year the LGFA will report on performance against the statement of intent including against those performance targets.

The 2011/12 year statement of intent for the LGFA contains the following performance targets:

- LGFA's average cost of funds relative to the average cost of funds for New Zealand Government Securities for the period to:
 - 30 June 2012 will be less than 0.50% higher
 - 30 June 2013 will be less than 0.50% higher
 - 30 June 2014 will be less than 0.40% higher
- The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities will be no more than 0.40%
- LGFA's annualised operating overheads will be less than \$3.0 million

- Total lending to Participating Local Authorities at:
 - 30 June 2012 will be at least \$500 million
 - 30 June 2013 will be at least \$900 million
 - 30 June 2014 will be at least \$1,400 million
- The total number of Participating Local Authorities Shareholders in the LGFA at 30 September 2012 will be at least 30
- The total number of Participating Local Authorities (ie Shareholders and eligible Borrowers) in the LGFA at 30 September 2012 will be at least 40.



OUR COSTS IN DETAIL

Ngā whakapaunga pūtea me ōna whānuitanga

OUR COSTS IN DETAIL

This chapter of the LTP provides a break down of some of our costs in more detail and provides some further information about how these costs are calculated and distributed. This information is a culmination of all the information contained within this LTP.

REVENUE AND FINANCING POLICY

This policy considers who uses and benefits from our services and then, based on our funding philosophy, allocates how the costs of our activities are paid for.

KEY CAPITAL PROJECTS

This table outlines the key capital projects we have planned to complete over the course of this LTP. More information about the projects is contained in the 'Our Work in Detail' chapter of this LTP.

FORECAST FINANCIAL STATEMENTS

Our Forecast Financial Statements are included to give you an overview of the Council's forecasted financial position for the next 10 years. This information should be read alongside the financial information contained in the 'Our Work in Detail' Chapter. The Statements include:

- Statement of Prospective Comprehensive Income.
- Statement of Prospective Changes in Equity.
- Statement of Prospective Financial Position.
- Statement of Prospective Cash Flows.
- Statement of Reserve Balances.

STATEMENT OF ACCOUNTING POLICIES

This statement outlines the principles against which we have prepared our financial statements. These policies have been applied to all the 10 years of this plan, unless specifically stated.

REVENUE & FINANCING POLICY

PURPOSE

The aim of the policy is to promote consistent, prudent, effective and sustainable financial management of the Council and to ensure activities are funded from the most appropriate source.

The Revenue and Financing Policy sets out the Council's funding philosophy and describes how each of the Council's activities will be funded including the rationale for each funding method.

The Local Government Act 2002 (the Act) requires each council to adopt a Revenue and Financing Policy as part of its Long Term Plan. Specifically, this policy is required to comply with sections 102 and 103 of the Act.

FUNDING PHILOSOPHY

The following funding philosophy has been adopted by the Council to underpin the revenue and rating system for the 2012-22 Long Term Plan.

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

- Where services and the beneficiaries of those services can be clearly defined, those beneficiaries should contribute towards the cost of providing those services in proportion to their level of use through direct user charges provided, it is administratively efficient to do so; and

- Where specific benefits accrue to a particular part or parts of the District, the cost of those benefits should be met through rates charged to that part or parts of the District, through the application of differentials and/or targeted rates; and
- Where benefits provided can be identified as a public good and accrue to the District as a whole, the Council will apply the generally accepted principles of taxation and the cost of those benefits will be met by capital value general rates across the District.

Remission and postponement policies will be provided as a safety net to assist in cases where ratepayers have a reduced ability to pay.

POLICY CONSIDERATIONS

Section 101(3)(a) of the Act requires local authorities to consider certain matters when determining the sources that will be used to meet funding needs. These considerations seek to ensure financial affairs are managed prudently and in a manner that promotes the current and future interests of the community. This section of the policy demonstrates how the Council has considered these matters.

Community outcomes

Community Outcomes represent the Council's contribution to community well-being in the District. They represent the goals the Council is aiming towards and underpin the rationale for the activities and services the Council delivers. The six community outcomes of the Council are outlined below. The activity funding tables within section eight of this policy outline the community outcomes each activity contributes.



User/beneficiary pays

This consideration analyses the distribution of benefits an activity has between the community as a whole, any identifiable part of the community and individuals. The activity funding tables within section eight of this policy identify which proportion of each activity is considered public versus private benefit.

As the Council's funding philosophy is centred around a beneficiary pays approach, the funding sources selected by the Council for each activity will typically, although not always, reflect the levels of public versus

private benefit. The choice of funding source will also be influenced by the other policy considerations listed in this section.

The available funding sources are listed in section seven of this policy. This includes an identification of whether these sources apply to either public or private good, or both. The Council also applies differentials to some rating categories. This provides both reduced and increased rates charges to recognise the level of access to services and facilities for some areas of the District as a result of remoteness.

Intergenerational equity

This consideration analyses the period in or over which the benefits of Council's activities are expected to accrue. This then indicates the period the operating and capital expenditure should be funded.

For all activities, operating costs are directly related to providing benefits in the year of expenditure. As such, they are appropriately funded on an annual basis from annual revenue.

Intergenerational equity applies more readily to capital expenditure, where assets have useful lives ranging from a few years through to many decades. One method used to spread these costs over time is loan funding. This ensures current ratepayers do not pay for benefits received by future ratepayers. Each year's ratepayers service the debt associated with this asset. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it.

Exacerbator pays

This consideration analyses the extent the actions or inaction of particular individuals or a group contribute to the need to undertake the activity. Examples are parking enforcement, dog control, littering, noise control, enforcement of bylaws etc. This principle aims to identify the costs to the community of controlling the negative effects of individual or group actions. The principle suggests the Council should recover any costs directly from those causing the problem.

Some of Council's activities exhibit exacerbator pays characteristics, in particular 'Regulation Monitoring'. Through the use of fees and charges, and fines, the Council will seek to recover expenditure where this situation exists. However, it is acknowledged it can be difficult or inefficient to identify exacerbators (e.g. fly-tipping of refuse) and in these circumstances activities will be funded through general rates.

Costs and benefits

This consideration analyses the costs and benefits of funding the activity distinctly from other activities.

There are administration costs associated with separate funding and these need to be weighed against any benefits of targeting specific beneficiaries/users of a service, including transparency and accountability. Transparency and accountability are most evident when an activity has one defined funding source. This allows ratepayers, or payers of user charges, to see exactly how much money is being raised and spent on the activity, and to assess more readily whether or not the cost to them of the activity represents good value.

However, funding every activity this way would be extremely complex. For some activities, the quantity of rates funding to be collected amounts to only a few cents per ratepayer. The administrative cost and lack of significance lead Council to fund a number of activities by way of a general rate. To aid in transparency and accountability, Council separates the total general rate into reasonable activity breakdowns when presenting the ratepayer with their rates assessment notices. This then allows the ratepayer to make some form of meaningful assessment down to activity level.

CONSIDERATIONS OF IMPACTS ON COMMUNITY WELL-BEING

Section 101(3)(b) of the Act requires local authorities to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community. This section of the policy demonstrates how the Council has considered this matter.

Social well-being

Affordability has been a major consideration in the development of this policy. This has primarily been considered in the context of high levels of socio-economic deprivation in the District but also in terms of the effect on high value property. The latter reflects increasing land values for coastal properties and also the high value of large rural properties. In response, the Council has reviewed and moved away from the application of private benefit funding sources to a system that spreads costs over a wider rating base. This has resulted in a far larger proportion of funding requirements being sourced through general rates. Some examples include parks, reserves and libraries.

While this has the effect of reducing the proportion of liability on lower value properties, the Council acknowledges this places a greater burden on high value property. The Council will use the Uniform Annual General Charge to moderate this impact.

In addition to the funding philosophy and funding tools set out in this policy, the Council has a number of rating and postponement policies to assist in cases where ratepayers have a reduced ability to pay. The Council also acknowledges the role of the Central Government rates rebate scheme.

Fairness has been a major consideration in the development of this policy. This consideration compares the incidence of who is paying for a service against who is benefiting. This forms the basis of the Council's funding philosophy. The Council has shifted towards an approach of allocating costs to those who 'benefit' from a service, rather than those who specifically 'use' a service. As part of this philosophy, general rates are applied wherever the benefits provided by Council activities can be identified as a public good. In support of the principle of fairness, the Council also applies differentials to some rates charges.

Access to Council facilities and services have also been considered in the development of this policy. Where user fees and charges are applied to services and facilities the Council has considered the impact this may have on levels of participation. In this way fees and charges can become unaffordable or deter users. Where activities are considered to have a high social or recreational value, the Council has taken a low user pays approach to remove barriers

to accessing those services and facilities. For example, this includes community development, libraries, museum and gallery, sports-fields, parks and reserves, and the aquatic centres.

Economic well-being

The cost of Council's activities places liability on the commercial and industrial sectors. As with residential property, affordability has been considered by the Council and can influence economic well-being. In this way, Council costs may impact on the economic viability of an existing enterprise or become a deterrent for the development of new economic enterprises.

The Council is also mindful that the setting of fees and charges can become a deterrent to using Council services and facilities and this could result in adverse impacts on economic well-being. In particular, the Council has been mindful of the impediment that consent fees and charges may pose for growth. In developing this policy the Council has recognised the wider public good of growth for the District and increased the proportion of those activities to be funded through general rates, as opposed to fees and charges to consent applicants.

There are no concessions to developers within the Revenue and Financing Policy. In fact, the Council makes it clear it expects to set development contributions at a level to fund future capacity built into infrastructure. Whether or not this discourages development is a moot point. Certainly would-be developers are made aware of the financial contribution they are expected to contribute and can factor that into their costings to decide whether or not a particular development is viable.

Cultural well-being

This policy does not impact on the cultural well-being of our community and the Council considers these outcomes are more appropriately pursued through other mechanisms such as policy, strategy and processes to build Māori capacity.

In addition to the funding philosophy and funding tools set out in this policy, the Council has a rates remission and postponement policies for Māori freehold land. These policies recognise the particular conditions, ownership structures or other circumstances that make it appropriate to provide relief from rates for defined periods of time.

Environmental well-being

By identifying exacerbators the Council will recover, where possible, costs against those who pollute the environment. This includes targeted rates and/or fees and charges for stormwater, sewerage, refuse collection and processing. It also identifies a public good element in maintaining a clean environment and a proportion of these costs are funded from general rates.

The Council is also mindful that the setting of fees and charges can become a deterrent to using Council services and facilities, and this could result in adverse impacts on the environment. In particular this relates to fees and charges for dumping waste at the Council's transfer stations. When fees and charges increase above a threshold of acceptance to the community, this may increase the incidence of fly-tipping. The Council have been careful to consider the use of fees and charges against general rates to manage this impact.

The Council considers funding decisions should not be used to achieve policy goals (for example, this could be achieved through the identification of properties with high natural heritage value and reducing the incidence of funding required from them). The Council considers that the preservation of natural heritage should be managed through provisions in the District Plan.

FUNDING OF OPERATING EXPENDITURE

Operating expenditure pays for the Council's day to day expenditure of service delivery, maintaining existing assets, or other expenditure that does not buy or build a new asset.

Council funds operating expenditure from the following sources:

- General rates, including uniform annual general charges.
- Targeted rates, including uniform annual charges.
- Fees and charges.
- Interest and dividends from investments.
- Grants and subsidies.
- Other operating revenue (e.g. operating reserves).

The Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The activity funding tables outlined in section eight of this policy explains how those decisions have been made and provides information on how operating expenditure is funded for each activity.

The Council may choose to not fully fund operating

expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when beneficial to avoid significant fluctuations in rates, fees or charges.

The Council may choose to fund from the above sources more than necessary to meet the operating expenditure in any particular year. The Council will only budget for an operating surplus to fund an operating deficit in the immediately preceding or following years, or to repay debt.

The Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment. The LGA requires the Council to produce a 'Funding Impact Statement' that provides details on the funding mechanisms to be used for each year covered, and for this statement to be included in the LTP and Annual Plan, as appropriate. The 'Funding Impact Statement' shows how the Council intends to implement the Revenue and Financing Policy each year. It also shows the amount of funding to be collected from each available source, including how various rates are to be applied.

FUNDING OF CAPITAL EXPENDITURE

Capital expenditure pays for buying or building new assets, including replacing an existing asset or improving an existing one to deliver a better service.

The Council usually funds capital expenditure from borrowing and spreads repayment over several years. Borrowing is managed within the framework specified

in the Council's Liability Management Policy. Borrowing for capital expenditure enables the Council to ensure there is intergenerational equity in terms of who funds capital expenditure – the repayments are spread over the reasonably expected average life of the asset where practicable. This means today's ratepayers are not asked to fund tomorrow's assets.

Other funds include:

- Grants and subsidies - from agencies such as the NZ Transport Agency and Ministry of Health.
- Council reserves - including annual revenue collected to cover depreciation.
- Development contributions.
- Proceeds from the sale of assets.
- Lump sum contributions.

The Prospective Financial Statements included in the LTP contain a statement of prospective net debt position. This statement provides a summary of forecast borrowing levels, identifying the impact of capital expenditure and the various other capital funding sources listed above.

FUNDING SOURCES

This section provides some simple definitions of the different sources available to fund Council's activities and our policies related to these sources. Each activity may be funded from any one or more source.

General rates

General rates are used to raise revenue for activities that are of public good or where recovery from users (private good) is not efficient or possible. They may be set based on capital value (value of land plus improvements) or as a fixed amount per rating unit (Uniform Annual General Charges). More detail about our policy on general rates can be found in the 'All about rates' section.

Targeted rates

Targeted rates are used to raise revenue for activities where an area of benefit can be recognised. For example, a rate may be charged to the commercial sector, or to a specific ward. They may be set based on the value of the land or as a fixed amount per rating unit (Uniform Annual Charges). This can be used for both private good and public good. More detail about our policy on targeted rates can be found in the 'All about rates' section.

Proceeds from asset sales

Our policy for the proceeds from the sale of assets is that the proceeds from assets sales will be applied to reduce debt either within the activity from which the sale arose or by Council allocating the surplus to a specific activity. Further detail is available in our full policy on our website.

Fees & charges

Fees, charges and the recovery of fines are used to raise revenue for services or activities that have a high component of either private good and where the users of the service or the exacerbators are identifiable.

Interest & dividends from investments

The Council has very little investment holdings and these do not make any return of note. Any income that is received from an investment are generally used to fund activities of public good.

Borrowing

Loans, both short term and long term. Our policy is that borrowing is a funding tool and does not need a split between public and private good as it is only deferring the eventual charge.

Lump sum contributions

For the recovery of specific capital expenditure, otherwise loan funded (optional for ratepayer). These must have a high component of private good as they are paid by ratepayers for capital. Our policy is to not accept lump sum contributions for targeted rates.

Development contributions

To levy these there must be a specific policy, however, the revenue and financing policy must signal why these are going to be levied. This must have a high component of private good.

Grants & subsidies

Our policy is that income from external funding entity be applied against the project for which the subsidy was acquired. These generally would be of a public good, however, this can depend on the purpose or source of the grant or subsidy.

Council created reserves

Council created reserves are used to fund a number of activities, usually in instances where the activity meets the purpose for which the reserve was created. In some instances, where it is considered appropriate by the Council and where appropriate approval is granted, reserves are used to fund items outside of their original purpose.

Any other source

Other funding sources may be available from time to time to fund Council activities.

ACTIVITY FUNDING TABLES

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES	
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
LEADERSHIP										
GOVERNANCE		<p>This activity provides the opportunity for people to participate in the democratic process and for elected members to lead the Council on behalf of the community.</p> <p>Operational costs are funded predominantly through general rates reflecting that this activity is provided for public benefit. Targeted rates are used to fund each of the five community boards of the District.</p>	100	0	Nil	Nil	Nil	Nil	<ul style="list-style-type: none"> • General rates H • Targeted rates L 	• Nil
COMMUNITY SUPPORT		<p>This activity provides support to organisations and groups promoting the social and cultural well-being of the residents of the District.</p> <p>Operational costs are funded through general rates recognising the services delivered by this activity are of public good.</p>	100	0	Nil	Nil	Nil	Nil	<ul style="list-style-type: none"> • General rates F 	• Nil
STRATEGY & POLICY		<p>This activity provides strategy and policy advice to enable effective decision making and long-term planning.</p> <p>Operational costs are funded through general rates recognising the services delivered by this activity are of public good.</p>	100	0	Nil	Nil	Nil	Nil	<ul style="list-style-type: none"> • General rates F 	• Nil

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES	
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
ROADS AND FOOTPATHS										
TRANSPORT NETWORKS		This activity provides and maintains a network of roads and infrastructure for the safe and efficient movement of goods, services and people throughout the District.	50	50	M	M	L	M	<ul style="list-style-type: none"> Targeted rates M Grants and subsidies M 	<ul style="list-style-type: none"> Targeted rates Grants and subsidies Development contributions Operating and capital reserves Borrowings
		The provision of a safe effective and efficient transportation network benefits both the specific users of the network and supports economic and social well-being outcomes for the district as a whole.								
		Operational costs are funded through a targeted rate (including Uniform Annual Charge) across the District, and through grants and subsidies from the NZ Transport Agency.								
ROAD SAFETY		This activity contributes to the safety of goods, services and people specifically using the roading network. This also has a wider public benefit of reducing the social costs associated with road accidents.	50	50	L	M	M	L	<ul style="list-style-type: none"> Targeted rates H Grants and subsidies L 	<ul style="list-style-type: none"> Nil
		Operational costs are funded through a targeted rate (including Uniform Annual Charge) across the District, and through grants and subsidies from the NZ Transport Agency.								
PARKING ENFORCEMENT		This activity manages the use of public parking areas by regulating and monitoring restrictions on the use of this space. The Council also issues infringement notices for expired warrants and registrations.	0	100	M	L	H	L	<ul style="list-style-type: none"> Fees and charges F 	<ul style="list-style-type: none"> Fees and charges
		Operational costs are recovered entirely by way of fees and charges (also includes fines). This funding mechanism takes an exacerbator pays approach. This activity is entirely self funding.								
		Any revenue surpluses are required by legislation to be applied to transportation projects in the (geographic) area where that revenue was collected. This revenue is also used to fund any capital expenditure under this activity.								

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES	
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
WATER SUPPLY										
WATER SUPPLY		<p>This activity provides potable water supply service to consumers who are able to connect to schemes within the District.</p> <p>Operational costs are funded through targeted rates (targeted to properties where connection to a scheme is possible) and through fees and charges.</p> <p>Fees and charges are used to recover costs of water use where meters exist. Where there are no meters in place the targeted rate will include a charge equal to the average level of water use.</p> <p>These two funding mechanisms have been applied in acknowledgement that this activity is of private good and reflects a user pays approach.</p> <p>Water supply schemes across the District have been amalgamated for funding purposes, rather than each scheme paying for its own costs. This means that everyone receiving a similar service of having access to a scheme, pays the same regardless of the costs related to each individual scheme. In general, this benefits smaller schemes which have a higher per ratepayer cost.</p> <p>The water schemes for Ruatāhuna, Plains and Murupara have not been amalgamated with the others, each for different reasons. The Ruatāhuna scheme is not owned by the Council. The Plains scheme is primarily an agricultural scheme and has a unique 50 year management strategy. The Murupara scheme is gravity fed rather than relying on pumps and therefore requires comparatively low cost to run. Amalgamating the Murupara scheme would place an unaffordable cost on this community.</p>	0	100	H	H	L	L	<ul style="list-style-type: none"> Targeted rates H Fees and charges L 	<ul style="list-style-type: none"> Targeted rates Grants and subsidies Development contributions Operating and capital reserves Borrowings
										
										
										

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES	
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
SEWAGE TREATMENT AND DISPOSAL										
SEWAGE TREATMENT AND DISPOSAL		<p>This activity provides a wastewater disposal service to consumers who are able to connect to a scheme within the District.</p> <p>Operational costs are funded through targeted rates (targeted to properties where connection to a scheme is possible) and through fees and charges. These two funding mechanisms have been applied in acknowledgement that this activity is of private good and reflects a user pays approach.</p> <p>Although each sewerage scheme has different costs to maintain and operate, sewerage schemes across the District have been amalgamated for funding purposes, rather than each scheme paying for its own costs. This means that everyone receiving a similar service of having access to a scheme, pays the same regardless of the costs related to each individual scheme. In general, this benefits smaller schemes which have a higher per ratepayer cost. Similar to the amalgamation of water schemes, Murupara is again an exception.</p>	0	100	H	H	L	L	<ul style="list-style-type: none"> Targeted rates Fees and charges 	<ul style="list-style-type: none"> Targeted rates Grants and subsidies Development contributions Operating and capital reserves Borrowings
										
										
										

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%		CAPITAL
TRADE WASTE		<p>This activity manages waste discharged into the Council's wastewater system from industrial and commercial premises.</p> <p>Operational costs are funded predominantly through fees and charges. This recognises the private benefit to commercial and industrial premises of using the wastewater system. It also reflects an exacerbator pays and user pays approach where the charging structure is based on the quantity and quality of water discharged, rather than a uniform charge.</p> <p>The use of general rates recognises the wider environmental benefit of having trade waste actively and appropriately managed.</p>	30	70	H	L	H	L	<ul style="list-style-type: none"> General rates L Fees and charges H 	• Nil	
		STORMWATER DRAINAGE									
STORMWATER DRAINAGE		<p>This activity protects properties from inundation. Disaster mitigation will now be funded as part of the Stormwater activity and no longer funded separately. This recognises that disaster mitigation works provide a similar function of providing a certain level of protection to communities from the impacts of stormwater. Operational costs of this activity are funded through targeted rates (targeted according to each area benefiting from a storm water scheme). This acknowledges the private benefit to households receiving that service.</p> <p>Funding for Matata disaster mitigation is an exception as the costs place a huge and unaffordable burden onto that community. As a result a portion of costs will be funded across the district. The Council recognise this is inconsistent with the funding for the rest of this activity but consider it necessary to ease the rating burden on the Matata community.</p>		100	L	H	L	L	<ul style="list-style-type: none"> Targeted rates H General rates (for Matata disaster mitigation only) L 	<ul style="list-style-type: none"> Targeted rates General Rates Development contributions Operating and capital reserves Borrowings 	

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%		CAPITAL
WASTE											
WASTE REPROCESSING	 	<p>This activity provides for the diverting and reprocessing of waste out of the waste stream and currently includes green waste services and concrete reprocessing. This reduces the quantity of waste going to landfill for disposal, resulting in environmental benefits and cost savings to rate payers.</p> <p>Operational costs are funded mainly through targeted rates (targeted to communities where the recycling bin collection service is available). This acknowledges the private good to households that have access to green waste wheelie bin services.</p>	10	90	H	M	M	L	<ul style="list-style-type: none"> Targeted rates 	H	<ul style="list-style-type: none"> Targeted rates
		<p>The fees and charges component also acknowledges private good to users of the transfer station where those fees and charges are leveraged.</p> <p>General rates are used to fund this activity to recognise the public benefit of managing waste appropriately and safely. The Council also acknowledges a stronger user pays approach would be prohibitive.</p>							<ul style="list-style-type: none"> Fees and charges General rates 	L	<ul style="list-style-type: none"> Operating and capital reserves Borrowings

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%		CAPITAL
WASTE DISPOSAL	 	<p>This activity provides for the collection and disposal of waste that cannot be reprocessed or recycled.</p> <p>Operational costs of this activity are funded through a mix of targeted rates, general rates, and fees and charges.</p> <p>The targeted rates component acknowledges the private good to households that have access to wheelie bin services. This targeted rate is on these communities where the service is available to be used.</p> <p>The fees and charges component also acknowledges private good to users of the transfer station where those fees and charges are leveraged.</p> <p>The general rates component provides for public bins and also reflects the public good of managing waste appropriately and safely. The Council also acknowledges that a stronger user pays approach would be prohibitive.</p>	10	90	H	M	M	L	<ul style="list-style-type: none"> Targeted rates M General rates L Fees and charges L 	<ul style="list-style-type: none"> Targeted rates Operating and capital reserves Borrowings 	
WASTE RECYCLING	 	<p>This activity provides for collection of waste that can be recycled and reduces the quantity going to landfill for disposal.</p> <p>Operational costs of this activity are funded predominantly through targeted rates - targeted to communities where the recycling bin collection service is available. This recognises the private good component of the service being delivered to specific households.</p> <p>General rates are used to fund the public good component. This recognises that recycling services contributes to environmental well-being of the district and wider. The Council also acknowledges that a stronger user pays approach would be prohibitive.</p>	10	90	H	M	M	L	<ul style="list-style-type: none"> Targeted rates H General rates L 	<ul style="list-style-type: none"> Targeted rates Operating and capital reserves Borrowings 	

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES			
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%		CAPITAL	
ENVIRONMENTAL SUSTAINABILITY												
RESOURCE MANAGEMENT- CONSENTS	 	<p>This activity manages subdivision and development of the District through the consent process.</p> <p>Operational costs are funded through general rates and fees and charges reflecting the public and private good components of the activity.</p> <p>The general rates component acknowledges the public good of this activity in enabling and controlling District growth, which is of wider benefit to the community but also recognises the service to customers who have not necessarily made a consent application.</p> <p>The fees and charges portion recognises the private good component to those applying for subdivision and land-use consents. The reduced reliance on fees and charges as a result of this review recognised that charge out rates have been excessive and a deterrent to growth.</p>	50	50	H	L	L	L	<ul style="list-style-type: none"> General rates M Fees and charges M 	• Nil		
		   	<p>This activity provides a framework for the sustainable management of growth and development in the District.</p> <p>Operational costs of this activity are funded entirely through general rates. This acknowledges that the activity is predominantly of public benefit.</p> <p>While there is some element of private good to this activity there is limited ability to recover costs through fees and charges.</p>	90	10	L	L	L	L	<ul style="list-style-type: none"> General rates F 	• Nil	

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%		CAPITAL
COMMUNITY SAFETY											
LICENSING (LIQUOR AND GAMBLING)		<p>This activity allows the operation of licensed premises but provides some control over the sale of liquor.</p> <p>Operational costs of this activity are funded through the general rate and through fees and charges although not at a level in keeping with the public versus private benefit components of this activity.</p> <p>The high private benefit would suggest a user pays approach to this activity through the application of fees and charges to liquor and gambling premises. However, these fees are set through legislation and the Council is unable to amend them even though they bear no relationship to the actual operating costs of the activity.</p>	5	95	H	Nil	M	L	<ul style="list-style-type: none"> General rates M Fees and charges M 	• Nil	
ENVIRONMENTAL HEALTH	  	<p>This activity responds to nuisance complaints (such as noise, refuse, odour) and to provide licensing for registered premises that provide restricted goods and services (such as food, hairdressers, camp grounds etc).</p> <p>Operational costs are funded primarily by general rates in acknowledgement that the services provided by this activity contribute to public health.</p> <p>Fees and charges also fund this activity in acknowledgement that businesses receive licensing services, which they require to operate lawfully.</p>	70	30	M	Nil	M	L	<ul style="list-style-type: none"> General rates M Fees and charges M 	• Nil	
REGULATION MONITORING	  	<p>This activity administers and enforces bylaws, legislation and policies relating to health and safety in public places.</p> <p>Operational costs are predominantly funded through general rates reflecting benefits to the whole community of undertaking this enforcement role.</p> <p>Some fees and charges (fines are included in this category) are able to be recovered. However, there are difficulties in identifying the exacerbators for actions such as fly tipping and abandoning vehicles. Therefore there is a limited ability to recover costs from fees and charges.</p>	90	10	L	Nil	M	L	<ul style="list-style-type: none"> General rates H Fees and charges L 	• Nil	

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%		CAPITAL
BUILDING	  	<p>This activity manages the legal requirements for the construction and alteration of buildings under the Building Act 2004.</p> <p>Operational costs are predominantly funded through fees and charges reflecting the private good component of those applying for consents.</p> <p>The general rates component acknowledges the public good of this activity, delivered through projects such as identifying earthquake prone buildings, dealing with leaky homes liability and interacting with customers who have not necessarily made a consent application.</p>	25	75	H	Nil	M	L	<ul style="list-style-type: none"> General rates L Fees and charges H 	• Nil	
		<p>This activity safeguards human safety and health through the registration and enforcement of legislation, bylaws and policies of dogs, stock and other animals.</p> <p>Operational costs are funded through general rates and fees and charges. The general rates component acknowledges the public good of this activity in contributing to the safety of the community. The fees and charges portion recognises the private benefit of services to dog owners specifically and the high exacerbator element.</p> <p>In the past, the Council recognised this activity was mainly of private benefit (80%) and this resulted in high fees to dog owners. It is considered this did not fairly represent the wider public safety element of this activity where the complaint service is largely accessed by non-dog owners. It was also not considered equitable in that the majority of dog owners are responsible.</p> <p>In this LTP the Council will move to a new funding regime including a higher application of general rates. Rather than reducing fees and charges, this transition will happen over a number of years with fees and charges remaining at the same level until the 50% public good component is reached through inflation.</p>	50	50	H	L	H	M	<ul style="list-style-type: none"> General rates L Fees and charges H 	<ul style="list-style-type: none"> General rates Fees and charges Operating and capital reserves 	
		<p>This activity safeguards human safety and health through the registration and enforcement of legislation, bylaws and policies of dogs, stock and other animals.</p> <p>Operational costs are funded through general rates and fees and charges. The general rates component acknowledges the public good of this activity in contributing to the safety of the community. The fees and charges portion recognises the private benefit of services to dog owners specifically and the high exacerbator element.</p> <p>In the past, the Council recognised this activity was mainly of private benefit (80%) and this resulted in high fees to dog owners. It is considered this did not fairly represent the wider public safety element of this activity where the complaint service is largely accessed by non-dog owners. It was also not considered equitable in that the majority of dog owners are responsible.</p> <p>In this LTP the Council will move to a new funding regime including a higher application of general rates. Rather than reducing fees and charges, this transition will happen over a number of years with fees and charges remaining at the same level until the 50% public good component is reached through inflation.</p>	50	50	H	L	H	M	<ul style="list-style-type: none"> General rates L Fees and charges H 	<ul style="list-style-type: none"> General rates Fees and charges Operating and capital reserves 	

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%		CAPITAL
COMMUNITY DEVELOPMENT		<p>This activity promotes a safe community through a variety of methods including education, interagency collaboration and externally funded programmes.</p> <p>A portion of operational costs of this activity is funded through general rates. This recognises the public good component of this activity through its contribution to community well-being.</p> <p>The private good component acknowledges the benefit to individuals who participate in the externally funded programmes that the Council delivers. These are funded through grants and subsidies.</p>	60	40	L	L	M	L	<ul style="list-style-type: none"> General rates L Grants and Subsidies H 	• Nil	
EMERGENCY MANAGEMENT	  	<p>The purpose of this activity is to have measures in place that prepare the community for disasters and to be able to respond and recover from them.</p> <p>Operational costs are predominantly funded through general rates, reflecting that this activity is of public good. Grants and subsidies are also able to be sourced to support this activity.</p>	100	0	Nil	L	Nil	L	<ul style="list-style-type: none"> General rates H Grants and Subsidies L 	<ul style="list-style-type: none"> General rates Subsidies 	
ARTS AND CULTURE											
LIBRARY	 	<p>This activity provides access to printed and digital information for education and recreation, and to encourage literacy through programmes</p> <p>Operational costs of this activity are funded mainly through the general rate. Fees and charges are also used but not to a level in keeping with the private good component of the activity.</p> <p>It is considered a stronger user pays approach could be implemented to comply with the 50% private good component from those who access the library. However, it is considered that this would result in a level of fees and charges that would deter users and the library would be unable to function.</p>	50	50	L	M	L	L	<ul style="list-style-type: none"> General rates H Fees and charges L 	<ul style="list-style-type: none"> General rates Operating and capital reserves Borrowings Subsidies Development contributions 	

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES	
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
EXHIBITIONS, RESEARCH, STORAGE AND ARCHIVES	 	<p>This activity manages the preservation, display and provision of education around the artefacts and other historical assets on behalf of the community.</p> <p>Operational costs are predominantly funded through general rates in recognition of the public good component of this activity.</p> <p>Fees and charges are also used, however, these are generally not able to achieve a level of return reflecting the private good component of this activity.</p>	80	20	L	M	Nil	L	<ul style="list-style-type: none"> General rates H Fees and charges L 	<ul style="list-style-type: none"> General rates Operating and capital reserves Borrowings Subsidies Development contributions
COMMUNITY PROPERTY										
PENSIONER HOUSING	  	<p>This activity provides low cost housing for the elderly.</p> <p>Operational and capital costs are completely self funded through the rentals charged to occupants. This reflects the private benefit to those using this service.</p>	0	100	H	M	Nil	L	<ul style="list-style-type: none"> Fees and charges F 	<ul style="list-style-type: none"> Fees and charges Operating and capital reserves
HALLS	  	<p>This activity provides public facilities for community use.</p> <p>Operational costs are predominantly funded through general rates reflecting the public good component which identifies the contribution of halls to social cohesion of the communities they serve. Operational costs are also funded through fees and charges which recognises the private benefit component relating to those individuals and organisations hiring the halls.</p> <p>While users of the service can easily be identified and a strong user pays approach implemented, it is considered this would deter people from using the halls.</p>	80	20	H	M	Nil	L	<ul style="list-style-type: none"> General rates L Fees and charges H 	<ul style="list-style-type: none"> General rates Fees and charges Operating and capital reserves

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES	
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99%	CAPITAL
COMMERCIAL PROPERTY	   	<p>This activity manages commercial assets vested in the Council.</p> <p>Operational costs are funded through a mix of general rates, fees and charges and subsidies.</p> <p>The high private good component recognises the benefit to those leasing the Council's commercial assets for private use. The Council is unable to achieve a higher level of private benefit funding sources for this activity and uses general rates to fund the shortfall.</p>	0	100	H	H	Nil	M	<ul style="list-style-type: none"> General rates M Fees and charges L Subsidies L 	<ul style="list-style-type: none"> General rates Fees and charges Operating and capital reserves
RECREATION & COMMUNITY FACILITIES										
PARKS, RESERVES, RECREATION & SPORTSFIELDS	   	<p>This activity provides a range of leisure, recreational, educational and sporting opportunities for the public.</p> <p>Operational costs are substantially funded through general rates reflecting the high public good component. Fees and charges are used to recover some costs from users where possible. A stronger user pays approach is not possible by the nature of the service and facilities provided and would not be appropriate as this would deter people from using them.</p>	100	0	L	H/L	M	M	<ul style="list-style-type: none"> General rates H Fees and charges L 	<ul style="list-style-type: none"> General rates Fees and charges Development contributions Operating and capital reserves Borrowings Subsidies
CEMETERIES & CREMATORIUM	 	<p>This activity provides for an appropriate method and location for burials and cremations.</p> <p>Operational costs are predominantly funded through fees and charges reflecting the high private benefit to those families of the deceased who choose to use the facilities. General rates funding recognises the public good component, which acknowledges the appropriate burials and cremation processes contribute to the health and safety of the public and maintenance of closed cemeteries.</p>	100	0	L	H	H	M	<ul style="list-style-type: none"> General rates M Fees and charges M 	<ul style="list-style-type: none"> General rates Fees and charges Development contributions Operating and capital reserves Borrowings

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES	
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
PUBLIC CONVENIENCES	 	<p>This activity provides appropriately located public conveniences for public use.</p> <p>Operational costs are entirely funded through general rates acknowledging these facilities are of benefit to the whole community.</p>	100	0	L	H	H	M	<ul style="list-style-type: none"> General rates F 	<ul style="list-style-type: none"> General rates Development contributions Operating and capital reserves Borrowings
AQUATIC CENTRES	  	<p>This activity provides facilities for recreational, educational and sporting use.</p> <p>Operational costs are predominantly funded through general rates acknowledging the high level of public good. Fees and charges are used to recover some costs from service users.</p> <p>While a stronger user pays approach could be implemented it is considered this would deter people from using the aquatic centres.</p>	80	20	M	H	L	L	<ul style="list-style-type: none"> General rates H Fees and charges L 	<ul style="list-style-type: none"> Targeted rates Fees and charges Development contributions Operating and capital reserves Borrowings
PORTS AND HARBOUR	   	<p>This activity manages the port, launch facilities and associated assets.</p> <p>Operational costs are predominantly funded by fees and charges (mainly sourced from harbour property leases), which is a private benefit funding tool. This is not consistent with the distribution of benefits which fall primarily to the public (70%).</p> <p>This inconsistency recognises the unique situation of the harbour assets vested in the Council where any income received from those assets can only be reapplied to their maintenance and development. This has an impact of offsetting any funding requirement that might otherwise be sourced from general rates.</p>	70	30	M	H	L	L	<ul style="list-style-type: none"> Fees and charges F 	<ul style="list-style-type: none"> Investment Income Fees and charges Development Contributions Operating Reserves

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES	
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
VISITOR INFORMATION	 	<p>This activity provides information about services and facilities available to the local community and visitors to the District. It also provides marketing and events promotion.</p>	70	30	M	Nil	Nil	M	<ul style="list-style-type: none"> • General rates M • Targeted rates M • Fees and charges L 	<ul style="list-style-type: none"> • Nil
		<p>The use of general rates to fund the operational costs of this activity recognises the public good aspect of contributing to recreational and prosperity outcomes for the District.</p>								
		<p>Use of fees and charges and targeted rates recognises the benefits of marketing and information distribution to the commercial sector.</p>								
CORPORATE & DISTRICT ACTIVITIES										
CORPORATE ACTIVITIES	All	<p>This activity manages the development and maintenance of internal organisational systems to support the delivery of efficient and effective external services</p>							<p>As this is an internal activity, allocations are made at the end user account.</p>	<ul style="list-style-type: none"> • Additional capacity funded by way of borrowings

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES	
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACER-BATOR	COSTS & BENEFITS	OPERATIONAL L = <30% M = 30-70% H = 71-99% F = 100%	
COUNCIL CONTROLLED ORGANISATIONS										
WHAKATĀNE AIRPORT		<p>This Council Controlled Organisation supports the safe and secure movement of aircraft passengers and freight.</p> <p>Operational costs are predominantly funded through fees and reflecting private benefit to those residents, businesses and visitors using the Whakatāne Airport. The use of general rates recognises that there is some level of public benefit to the District as a whole from operating a sub-regional airport.</p>	20	80	H	H	M	H	<ul style="list-style-type: none"> Fees and charges H General rates L 	<ul style="list-style-type: none"> Operating and Capital Reserves Joint Venture Funding Borrowings
TOI-EDA		<p>Toi Economic Development Agency supports businesses and provides opportunities for increased growth and development.</p> <p>The use of targeted rates to fund operational costs reflects the private benefit to the commercial and industrial sector. General rates are used to fund the activity in acknowledgement that services provided contribute more widely to the prosperity of the whole community.</p>	40	60	M	Nil	Nil	M	<ul style="list-style-type: none"> General rates M Targeted rates M 	<ul style="list-style-type: none"> Nil
BOPLASS		<p>This Council Controlled Organisation delivers shared back office services and communications. As such BoPLASS supports the outcomes of the activities to which those deliverables relate.</p>	-	-	-	-	-	-	<ul style="list-style-type: none"> General rates H Fees and charges L 	<p>The funding requirements on the Whakatāne District Council of participating in this Council Controlled Organisation will be specifically relevant to each deliverable and will be considered individually as they arise.</p>

KEY CAPITAL EXPENDITURE PROJECTS

The following table sets out the key capital expenditure projects which are planned for the period of this LTP.

Capital expenditure projects are projects which improve the level of service, provide for growth or replace an existing asset. These are different from operational projects which are projects for the day to day operation of the Council. This table provides a complete list of the capital projects including those in the 'what we are going to do' tables in the 'Our work in detail' chapter, however, a number of projects in these tables have been consolidated for readability. There are four columns in the table, the first and second columns describe the projects and when we are planning on doing them, the third sets out the total cost and the fourth column explains where the money will come from to fund the project. The funding source often reflects the purpose of the project and also shows which projects we receive external funding for, such as a subsidy from Central Government.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
ARTS AND CULTURE			
Library Books - mixed collection renewal	2012-22	1,250,000	Renewal 100%
Re-fit of exhibition displays and exhibition furniture	2018-22	100,000	General Rate 100%
Total Arts and Culture		1,350,000	
RECREATION AND COMMUNITY FACILITIES			
Coastal land acquisition	2012-22	2,500,000	Development Contribution 6% Loan 94%
Harbour beautification	2012-22	550,000	Development Contribution 6% Restricted Reserves 94%
Parks and gardens	2012-22	1,000,195	Renewal 30% Development Contribution 2% Loan 6% Subsidy 3% Restricted Reserves 59%
Reserves - renewals	2012-22	5,263,831	Renewal 100%
Significant sites - Whakatāne Toi's Track	2012-15	250,000	Renewal 39% Subsidy 50% Development Contribution 11%
Walking and cycling projects	2012-22	750,000	Restricted Reserves 100%
Sports facilities - renewals	2012-22	1,682,805	Renewal 100%
Whakatāne Cemetery expansion	2013/14 2017/18	364,033	Development Contribution 6% Loan 94%
Cemeteries and Crematorium renewals	2012-22	521,707	Renewal 81% Development Contribution 2% Fees and Charges 17%
Public conveniences - renewals	2012-22	769,702	Renewal 100%
Aquatic centres - renewals	2012-22	957,972	Renewal 100%
Whakatāne main wharf replacement	2015-17 2020-22	4,500,000	Renewal 100%
Port Ōhope wharf site upgrade/development	2015-20	1,685,000	Development Contribution 6% Restricted Reserves 94%
Ports and harbours renewals/upgrades	2012-22	1,316,201	Renewal 70% Restricted Reserves 27% Development Contribution 3%
Total Recreation and Community Facilities		22,111,446	

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
CORPORATE ACTIVITIES			
Infrastructure improvement	2012-22	2,428,000	Loan 50% Renewal 50%
Information Systems Infrastructure maintenance	2012-22	2,645,000	Renewal 100%
Production Services projects	2012-22	862,000	Renewal 76% Loan 24%
Location Services projects	2012-22	1,250,000	Loan 9% Renewal 91%
Enterprise software replacement/development	2012-22	2,410,000	Renewal 99% Loan 1%
Operations Business Unit plant replacement	2012-22	393,512	Renewal 100%
Corporate property renewals and replacement	2012-22	848,585	Renewal 100%
Vehicle replacement	2012-22	2,520,000	Renewal 100%
Civic Centre renewals	2013-22	450,440	Renewal 100%
Civic Centre archives facility (part of the Research Storage & Archives facility)	2012/13	500,000	Loan 100%
Civic Centre earthquake strengthening investigations and works	2014-18	2,135,000	Renewal 50% Loan 50%
Operations Business Unit renewals	2012-22	322,380	Renewal 100%
Total Corporate Activities		16,764,917	
COMMUNITY PROPERTY			
Multi-sports events centre investigation	2021/22	75,000	Development Contribution 8% Loan 92%
Halls and equipment renewals	2012-22	1,959,549	Renewal 100%
Improve disabled access to Council facilities	2012-19	140,000	Restricted Reserves 100%
Pensioner housing renewals	2012-22	1,392,442	Restricted Reserves 5% Renewal 95%
Commercial and investment property renewals	2012-22	956,975	Restricted Reserves 40% General Rate 60%
Total Community Property		4,523,966	
REPORTABLE COUNCIL-CONTROLLED ORGANISATIONS			
Airport runway lighting and navigational aids upgrade	2017/18	800,000	Loan 100%
Airport pavement resurfacing	2013/14 2017-22	650,000	Renewal 50% Restricted Reserves 50%
Airport renewals	2012-22	203,387	Renewal 83% Restricted Reserves 9% Loan 8%
Total Reportable Council-controlled Organisations		1,653,387	

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
COMMUNITY SAFETY			
CCTV camera network renewal	2016-18 2021/22	300,000	Renewal 100%
Public alerting systems and Tsunami evacuation plan	2012/13	39,000	Loan 100%
Total Community Safety		339,000	
ROADS AND FOOTPATHS			
Unsealed road metalling - Financially Assisted Renewals	2012-22	3,000,000	Renewal 52% Subsidy 48%
Sealed road resurfacing - Financially Assisted Renewals	2012-22	20,697,000	Renewal 51% Subsidy 49%
Drainage renewals - Financially Assisted Renewals	2012-22	3,894,550	Renewal 51% Subsidy 49%
Pavement rehabilitation - Financially Assisted Renewals	2012-22	5,792,000	Renewal 51% Subsidy 49%
Structures component replacements - Financially Assisted Renewals	2012-22	1,300,000	Renewal 51% Subsidy 49%
Traffic services renewals - Financially Assisted Renewals	2012-22	2,600,000	Renewal 51% Subsidy 49%
Associated improvements - Financially Assisted Renewals	2012-22	2,354,000	Loan 50% Subsidy 45% Development Contribution 5%
Bridge renewal - Financially Assisted Improvements	2014-16 2021/22	1,390,000	Renewal 9% Development Contribution 3% Loan 37% Subsidy 51%
Thornton Road realignment and seal widening - Financially Assisted Improvements	2014-22	4,300,000	Loan 47% Subsidy 44% Development Contribution 9%
Matahi Valley Road realignment - Financially Assisted Improvements	2014/15	300,000	Subsidy 55% Loan 45%
Landing Road roundabout reconstruction - Financially Assisted Improvements	2014-16	750,000	Development Contribution 6% Loan 36% Subsidy 44% Renewal 14%
Wainui Road seal widening - Financially Assisted Improvements	2015-22	1,400,000	Loan 50% Subsidy 44% Development Contribution 6%
Property Purchases - Financially Assisted Local Roads	2012/13 2016-22	1,400,000	Loan 41% Subsidy 59%
Minor improvements - Financially Assisted Improvements Local Roads	2012-22	6,773,000	Loan 41% Subsidy 59%
Unsealed road metalling - Special Purpose Roads	2012-22	2,700,000	Subsidy 100%

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Sealed road resurfacing - Special Purpose Roads	2012-19 2021/22	953,000	Subsidy 100%
Drainage renewals - Special Purpose Roads	2012-22	980,000	Subsidy 100%
Pavement rehabilitation - Special Purpose Roads	2012-22	1,600,000	Subsidy 100%
Structural component replacements - Financially Assisted Renewals	2012-22	656,000	Subsidy 100%
Traffic services renewals - Special Purpose Roads	2012-22	270,000	Subsidy 100%
Improvements - Special Purpose Roads	2012-22	1,590,000	Subsidy 93% Renewal 7%
Kerbing, drainage, amenity lighting, footpaths and parking - Non Financially Assisted Renewals/ Improvements	2012-22	2,442,000	Loan 35% Development Contribution 15% Renewal 48% Subsidy 2%
Total Roads and Footpaths		67,141,550	
STORMWATER DRAINAGE			
Alexander Avenue/Douglas street area flood mitigation works	2012-15	725,000	Loan 69% Renewal 29% Development Contributions 2%
Wainui Te Whara Stream urban catchment flood mitigation works	2013-15	1,450,000	
McAlister/Pohutu/Bracken Street area flood mitigation works	2012-15	1,365,000	
Kirk Street area flood mitigation works	2014/15	450,000	
Hinemoa Street pump station catchment flood mitigation works	2013/14	450,000	
Henderson Street area flood mitigation works	2012-14	100,000	
Further Whakatāne upgrades and flood mitigation works	2015-22	8,361,370	
Ōhope upgrades and works	2012-22	3,620,000	Loan 83% Renewal 13% Development Contribution 4%
Edgecumbe drain extension	2012/13	350,000	Loan 70% Renewal 30%
Total Stormwater Drainage		16,871,370	

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
WATER SUPPLY			
Whakatāne/Ōhope Water Supply	2012-22	5,336,500	Renewal 75% Fees and charges 4% Loan 8% Development Contribution 13%
Edgecumbe Water Supply - supply main from Paul Road	2012-15	1,800,000	Subsidy 85% Loan 15%
Edgecumbe Water Supply - connections/repairs/replacements	2012-22	1,040,000	Loan 43% Fees and charges 1% Renewal 56%
Matatā Water Supply -connections/repairs/replacements	2012-22	534,000	Renewal 100%
Murupara Water Supply - reticulation renewal	2015-22	600,000	Renewal 100%
Murupara Water Supply - connections/repairs/replacements	2012-22	112,000	Renewal 29% Loan 71%
Tāneatua Water Supply - reticulation renewal	2015-19	300,000	Renewal 100%
Tāneatua Water Supply - replacements/renewals	2012-22	33,000	Renewal 100%
Rūātoki Water Supply - replacements/renewals	2012-22	184,500	Renewal 100%
Waimana Water Supply - replacements/renewals/upgrades	2012-22	126,000	Renewal 2% Loan 98%
Plains Water Supply - Paul Road bore site and reticulation	2016-18	2,500,000	Loan 80% Development Contribution 20%
Plains Water Supply - pipe upgrades	2016-21	2,000,000	Loan 100%
Plains Water Supply - mains renewal (provisional)	2015-22	1,000,000	Renewal 100%
Plains Water Supply - Edgecumbe and Te Teko pipe upgrades	2016-18	550,000	Loan 100%
Plains Water Supply - connections/replacements/renewals	2012-22	670,000	Loan 7% Fees and charges 30% Renewal 63%
Total Water Supply		16,786,000	
SEWAGE TREATMENT AND DISPOSAL			
Whakatāne Treatment Plant desludging	2017-19	1,100,000	Loan 95% Development Contribution 5%
Whakatāne sewer reticulation renewal	2012-21	1,050,000	Renewal 95% Development Contribution 5%
Whakatāne - installation of 300mm sewer rising main from City South pump station	2012-14	900,000	Development Contribution 5% Loan 95%
Whakatāne - upgrading and extension of Bridge Street pump station rising main	2015-17	600,000	Development Contribution 5% Loan 95%

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Whakatāne - tanks, pump replacement, pipes, renewals, upgrades	2012-22	2,109,000	Loan 53% Development Contribution 5% Renewal 42%
Ōhope Treatment Plant upgrade	2012-16	1,550,000	Development Contribution 8% Loan 92%
Ōhope pump station upgrades and additional storage	2016-20	944,000	Loan 92% Development Contribution 8%
Ōhope pipe replacement	2012/13 2017/18 2021/22	800,000	Renewal 100%
Ōhope reticulation joint repairs, reticulation pipe replacements and rising mains	2013-20	700,000	Renewal 30% Loan 70%
Ōhope replacements/upgrades	2012-22	522,348	Development Contributions 4% Loan 45% Renewal 51%
Edgecumbe pump station upgrade and additional storage	2015-18	592,000	Loan 100%
Edgecumbe reticulation upgrades	2013-17	570,000	Loan 100%
Edgecumbe pump replacement	2012-20	36,000	Renewal 100%
Matatā Treatment Plant and reticulation construction	2012-16	7,100,000	Loan 33% Subsidy 67%
Matatā replacements	2017/18 2021/22	40,000	Renewal 100%
Murupara sewer reticulation renewal	2013-18 2021/22	1,000,000	Renewal 100%
Murupara replacement/upgrades/renewals	2012-22	420,000	Renewal 27% Loan 73%
Tāneatua ponds upgrade	2012/13	150,000	Loan 100%
Tāneatua reticulation renewal	2016/17 2021/22	400,000	Renewal 100%
Tāneatua replacement/upgrades/renewals	2012-22	52,000	Renewal 81% Loan 19%
Te Mahoe Treatment Plant upgrade filter replacements	2013/14	15,000	Renewal 100%
Total Sewage Treatment and Disposal		20,650,348	
WASTE			
Waste Disposal - Burma Road landfill restoration/organic waste composting/landfill leachate pump station	2012-22	215,000	Renewal 33% Loan 67%
Waste Recycling Park and Transfer Station improvements/replacements	2012-22	90,000	Renewal 55% Loan 45%
Total Waste		305,000	
COUNCIL TOTAL		168,896,984	

FORECAST FINANCIAL STATEMENTS

The following forecast financial statements are provided to give you an indication of our predicted financial position during the period of this LTP. Please note that actual results are likely to differ from those presented as situations change. We develop an Annual Plan on an annual basis to update our proposals with the latest information.

Statement of 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 predictability.

Statement of 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.

Statement of 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.

Statement of 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.

Statement of Reserve Balances

This identifies the reserve funds that we operate and the expected value of these funds including how much is in each fund at the start of the LTP period, how much we expected to come in or out of each fund during the term of the LTP, and then what the balance of each fund is expected to be at the end of the LTP term.

STATEMENT CONCERNING BALANCING THE BUDGET

The Council will not produce a balanced budget in each of the 10 years of the LTP. Having considered the overall impact of our financial management policies and decisions we believe it remains financially prudent.

In setting the budget we have had regard for the following matters:

- Maintaining levels of service.
- Maintaining service capacity and integrity of assets.
- Intergenerational equity.
- Compliance with the Council's revenue and financing policies.

The main reasons for the surplus are:

- NZTA grants for roading are largely used to fund capital expenditure.
- Other Central Government grants and subsidies are shown as income, whereas the capital items they fund are not included in the profit and loss statements.

Surpluses are reduced by:

- The policy to fund depreciation on infrastructural assets based on their 25 year renewal requirement.
- Reserves which may be used to fund one off expenditure.

The Council has set the expenditure and revenue at levels it considers appropriate to meet the funding needs of the District over the next 10 years and to meet the social, cultural, environmental and economic well-being of the community.

STATEMENT OF PROSPECTIVE COMPREHENSIVE INCOME

ANNUAL PLAN 2012 \$000		FORECAST FOR THE YEARS ENDED 30TH JUNE									
		2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
INCOME											
11,745	Revenue from activities (including volumetric charges for water supply)	12,481	13,043	13,508	13,978	14,673	15,022	15,601	16,081	16,678	17,497
9,540	Subsidies and Grants	6,347	7,463	11,838	8,545	8,156	7,527	7,931	7,617	7,811	9,255
8,804	General Rates ^{Note 1}	15,286	15,908	16,429	16,224	16,762	17,264	17,738	18,356	18,812	19,010
23,550	Targeted Rates (excluding volumetric charges for water supply) ^{Note 2}	18,934	19,742	20,214	21,372	22,709	23,890	24,221	25,275	26,106	26,737
740	Vested Assets	216	224	232	241	250	259	268	278	287	297
1,310	Gains on revaluation of Investment property	-	1,277	1,314	1,248	1,138	1,059	1,089	1,199	1,359	1,404
536	Development Contributions	465	483	500	515	534	553	572	592	615	638
76	Finance Income*	40	40	60	70	50	40	40	40	40	40
56,301	Total Income	53,769	58,180	64,096	62,192	64,271	65,614	67,460	69,438	71,709	74,878
EXPENDITURE											
23,881	Other Expenses	24,615	25,889	26,531	27,368	28,692	29,930	30,367	31,954	32,967	33,991
10,423	Personnel Costs	10,793	11,102	11,420	11,764	12,128	12,478	12,831	13,220	13,647	14,084
16,734	Depreciation and Amortisation ^{Note 3}	16,764	18,274	19,477	20,530	22,053	23,614	24,938	26,121	27,129	28,205
2,196	Finance Costs*	2,517	2,749	2,768	2,396	2,094	2,333	2,334	2,197	2,035	1,790
53,234	Total Expenditure	54,689	58,014	60,196	62,058	64,967	68,355	70,470	73,492	75,778	78,070
3,067	Net Surplus (Deficit)	(920)	166	3,900	134	(696)	(2,741)	(3,010)	(4,054)	(4,069)	(3,192)
OTHER COMPREHENSIVE INCOME											
14,726	Gains on asset revaluation	11,362	9,932	10,522	10,098	10,166	10,420	11,227	12,181	12,094	12,536
17,793	Total comprehensive income for the year	10,442	10,098	14,422	10,232	9,470	7,679	8,217	8,127	8,025	9,344

*Excludes Internal borrowing costs

NOTES TO THE STATEMENT OF PROSPECTIVE COMPREHENSIVE INCOME

ANNUAL PLAN 2012 \$000		FORECAST FOR THE YEARS ENDED 30TH JUNE									
		2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
NOTE 1: GENERAL RATES BY ACTIVITY											
2,597	Leadership	2,271	2,425	2,468	2,570	2,684	2,753	2,789	2,981	3,141	3,086
1,570	Community Safety	1,339	1,437	1,460	1,539	1,494	1,566	1,649	1,705	1,755	1,803
1,188	Environmental Sustainability	873	1,055	1,771	1,727	1,774	1,849	1,893	1,830	1,592	1,551
1,249	Arts and Culture	3,038	3,125	3,199	2,910	3,141	3,273	3,426	3,560	3,670	3,780
1,186	Recreation and Community Facilities	5,729	5,884	5,652	5,787	5,933	6,085	6,261	6,486	6,671	6,805
475	Community Property	631	623	671	781	715	789	727	794	848	811
133	Waste	501	500	517	535	597	622	633	653	678	689
	- Roads and Footpaths	-	-	-	-	-	-	-	-	-	-
	- Water Supply	-	-	-	-	-	-	-	-	-	-
	- Stormwater Drainage	253	367	408	400	418	442	456	477	507	526
18	Sewage Treatment and Disposal	14	14	15	16	17	18	18	19	20	20
90	Reportable Council-controlled organisations	56	58	60	62	65	67	69	71	74	76
(21)	Corporate and District Activities Funds Applied	442	280	68	(104)	(78)	(202)	(182)	(220)	(143)	(137)
320	Add operating reserve balances repaid	140	140	140	-	-	-	-	-	-	-
8,804	General Rates per Whole of Council FIS	15,286	15,908	16,429	16,224	16,762	17,264	17,738	18,356	18,812	19,010
485	Less Rates Penalties	586	567	585	673	630	650	669	690	717	740
8,319	General Rates Levied per Rating Statement	14,700	15,341	15,844	15,551	16,132	16,614	17,070	17,666	18,096	18,270

NOTES TO THE STATEMENT OF PROSPECTIVE COMPREHENSIVE INCOME (CONTINUED)

ANNUAL PLAN 2012 \$000		FORECAST FOR THE YEARS ENDED 30TH JUNE									
		2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
NOTE 2: TARGETED RATES BY ACTIVITY											
415	Leadership	263	280	281	295	317	317	326	350	350	361
-	- Community Safety	-	-	-	-	-	-	-	-	-	-
-	- Environmental Sustainability	-	-	-	-	-	-	-	-	-	-
1,693	Arts and Culture	-	-	-	-	-	-	-	-	-	-
4,342	Recreation and Community Facilities	331	347	361	388	410	431	449	468	479	491
-	- Community Property	-	-	-	-	-	-	-	-	-	-
4,190	Waste	3,883	3,656	3,779	3,891	4,326	4,444	4,550	4,686	4,848	4,979
6,899	Roads and Footpaths	7,897	8,188	8,390	8,921	9,381	9,758	9,908	10,452	10,649	10,791
1,896	Water Supply	2,029	2,169	2,219	2,324	2,459	2,569	2,644	2,697	2,818	2,919
2,025	Stormwater Drainage	2,313	2,340	2,421	2,627	2,695	2,743	2,852	2,988	3,150	3,264
1,956	Sewage Treatment and Disposal	2,133	2,675	2,673	2,833	3,024	3,529	3,389	3,527	3,701	3,816
135	Reportable Council-controlled organisations	85	87	90	93	97	100	104	107	111	115
23,551	Total Targeted Rates per Whole of Council FIS	18,934	19,742	20,214	21,372	22,709	23,890	24,221	25,275	26,106	26,737
2,830	Volumetric charges for water supply	3,041	3,251	3,328	3,482	3,685	3,851	3,966	4,043	4,225	4,376
26,381	Targeted Rates Levied per Rating Statement	21,975	22,993	23,542	24,854	26,394	27,741	28,187	29,318	30,331	31,113
NOTE 3: DEPRECIATION AND AMORTISATION											
-	- Leadership	-	-	-	-	-	-	-	-	-	-
1	Community Safety	41	42	52	54	56	81	108	102	106	109
-	- Environmental Sustainability	-	-	-	-	-	-	-	-	-	-
260	Arts and Culture	312	322	332	344	356	368	377	392	410	427
1,634	Recreation and Community Facilities	1,595	1,655	1,704	1,778	1,854	1,918	1,984	2,054	2,130	2,208
605	Community Property	771	795	821	815	848	875	889	908	898	919
73	Waste	80	97	113	111	107	101	105	108	112	116
8,098	Roads and Footpaths	8,006	8,608	9,270	10,075	10,965	11,849	12,459	13,142	13,666	14,162
1,908	Water Supply	1,893	2,006	2,104	2,188	2,320	2,436	2,581	2,706	2,844	2,974
939	Stormwater Drainage	931	976	1,047	1,130	1,193	1,247	1,312	1,400	1,483	1,583
1,363	Sewage Treatment and Disposal	1,349	2,006	2,104	2,188	2,320	2,436	2,581	2,706	2,844	2,974
33	Reportable Council-controlled organisations	38	39	40	41	43	44	45	47	49	50
1,820	Corporate & District Activities Funds Applied	1,748	1,728	1,890	1,806	1,991	2,259	2,497	2,556	2,587	2,683
16,734	Total Depreciation and Amortisation	16,764	18,274	19,477	20,530	22,053	23,614	24,938	26,121	27,129	28,205

RECONCILIATION OF FUNDING IMPACT STATEMENT TO STATEMENT OF COMPREHENSIVE INCOME

ANNUAL PLAN 2012 \$000		FORECAST FOR THE YEARS ENDED 30TH JUNE									
		2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
TOTAL OPERATING INCOME											
Per Activity Funding Impact Statement											
3,014	Leadership	2,537	2,770	2,752	2,868	3,073	3,074	3,119	3,410	3,495	3,451
3,405	Community Safety	3,119	3,291	3,346	3,490	3,512	3,653	3,805	3,932	4,063	4,191
1,740	Environmental Sustainability	1,441	1,641	2,376	2,353	2,422	2,518	2,584	2,544	2,332	2,317
3,072	Arts and Culture	3,138	3,226	3,308	3,023	3,260	3,399	3,558	3,694	3,813	3,926
8,292	Recreation and Community Facilities	8,967	9,209	9,172	9,389	9,748	9,959	10,368	10,687	11,075	11,571
1,181	Community Property	1,367	1,380	1,450	1,584	1,543	1,640	1,601	1,694	1,779	1,772
5,597	Waste	5,834	5,652	5,841	6,023	6,576	6,775	6,948	7,163	7,415	7,623
9,862	Roads and Footpaths	11,225	11,715	12,048	12,574	13,089	13,629	13,851	14,596	14,862	15,251
4,790	Water Supply	5,191	5,544	5,676	5,942	6,286	6,564	6,759	6,896	7,206	7,463
2,225	Stormwater Drainage	2,766	2,915	3,044	3,250	3,345	3,425	3,556	3,722	3,925	4,069
2,183	Sewage Treatment and Disposal	2,504	3,060	3,072	3,247	3,455	3,975	3,850	4,007	4,200	4,334
464	Reportable Council-controlled organisations	344	356	397	410	425	430	436	447	460	470
841	Corporate & District Activities	1,197	1,053	894	637	638	520	564	550	654	686
46,665	Total Operating Income	49,629	51,811	53,376	54,790	57,373	59,562	60,998	63,342	65,278	67,125
56,301	Total Income per proposed Statement of Prospective Income:	53,769	58,180	64,096	62,192	64,271	65,614	67,460	69,438	71,709	74,878
(9,636)	Variance	(4,140)	(6,368)	(10,719)	(7,402)	(6,898)	(6,052)	(6,463)	(6,096)	(6,430)	(7,753)
Made up of:											
1,310	Gains on revaluation of Investment property	-	1,277	1,314	1,248	1,138	1,059	1,089	1,199	1,359	1,404
740	Vested Assets	216	224	232	241	250	259	268	278	287	297
7,050	Subsidies and Grants for capital expenditure	3,458	4,386	8,671	5,399	4,977	4,180	4,534	4,027	4,169	5,412
536	Development and Financial Contributions	465	483	500	515	534	553	572	592	615	638

RECONCILIATION OF FUNDING IMPACT STATEMENT TO STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

ANNUAL PLAN 2012 \$000		FORECAST FOR THE YEARS ENDED 30TH JUNE									
		2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
TOTAL OPERATING EXPENDITURE											
Per Activity Funding Impact Statement:											
1,611	Leadership	1,586	1,778	1,738	1,822	1,985	1,930	1,942	2,188	2,224	2,149
1,439	Community Safety	1,863	2,015	1,978	2,078	2,049	2,117	2,187	2,259	2,340	2,422
1,480	Environmental Sustainability	1,199	1,270	1,584	1,374	1,355	1,391	1,403	1,423	1,428	1,472
1,042	Hazard Management	-	-	-	-	-	-	-	-	-	-
1,314	Arts and Culture	1,225	1,283	1,322	1,377	1,206	1,247	1,286	1,327	1,374	1,420
4,805	Recreation and Community Facilities	4,862	5,020	5,203	5,007	5,182	5,263	5,459	5,608	5,815	5,947
653	Community Property	699	716	704	724	727	734	749	771	793	818
4,523	Waste	4,619	4,620	4,770	4,938	5,462	5,635	5,795	5,969	6,168	6,357
6,274	Roads and Footpaths	6,459	6,878	6,912	7,205	7,334	7,633	7,759	8,310	8,350	8,778
1,909	Water Supply	1,950	2,024	2,103	2,238	2,387	2,545	2,637	2,741	2,864	2,953
1,791	Stormwater Drainage	2,363	2,536	2,708	2,935	3,067	3,211	3,319	3,468	3,652	3,768
1,025	Sewage Treatment and Disposal	1,089	1,370	1,385	1,585	1,724	2,181	1,987	2,077	2,185	2,247
422	Reportable Council-controlled organisations	425	415	429	445	457	501	544	560	580	596
9,572	Corporate & District Activities	10,427	10,703	10,993	11,211	11,464	11,908	12,013	12,361	12,832	13,015
37,859	Total Operating Expenditure	38,766	40,628	41,829	42,939	44,399	46,296	47,080	49,062	50,605	51,942
53,234	Total Expenditure per proposed Statement of Prospective Income:	54,689	58,014	60,196	62,058	64,967	68,355	70,470	73,492	75,778	78,070
(15,375)	Variance	(15,923)	(17,386)	(18,367)	(19,119)	(20,568)	(22,059)	(23,390)	(24,430)	(25,173)	(26,128)
Made up of:											
(1,359)	Cost of Internal Borrowing	(841)	(978)	(1,295)	(1,676)	(1,843)	(2,030)	(2,143)	(2,403)	(2,815)	(3,063)
16,734	Depreciation	16,764	18,274	19,477	20,530	22,053	23,614	24,938	26,121	27,129	28,205
-	Inflation difference between overheads and recoveries	-	90	185	265	358	475	595	712	859	986
Other Comprehensive Income											
14,726	Gains on asset revaluation	11,362	9,932	10,522	10,098	10,166	10,420	11,227	12,181	12,094	12,536
17,793	PER TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10,442	10,098	14,422	10,232	9,470	7,679	8,217	8,127	8,025	9,344

PROJECTED STATEMENT OF CHANGES IN EQUITY

ANNUAL PLAN 2012 \$000		FORECAST FOR THE YEARS ENDED 30TH JUNE									
		2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
436,737	Accumulated Funds at the start of the year	439,804	438,884	439,050	442,950	443,084	442,388	439,647	436,637	432,583	428,514
3,067	Net Surplus for the year	(920)	166	3,900	134	(696)	(2,741)	(3,010)	(4,054)	(4,069)	(3,192)
439,804	Accumulated Funds at the end of the year	438,884	439,050	442,950	443,084	442,388	439,647	436,637	432,583	428,514	425,322
165,488	Asset Revaluation Reserves at the start of the year	180,214	191,576	201,508	212,030	222,128	232,294	242,714	253,941	266,122	278,216
14,726	Revaluation of Assets	11,362	9,932	10,522	10,098	10,166	10,420	11,227	12,181	12,094	12,536
180,214	Asset Revaluation Reserves at the end of the year	191,576	201,508	212,030	222,128	232,294	242,714	253,941	266,122	278,216	290,752
620,018	Equity at the end of the year	630,460	640,558	654,979	665,211	674,681	682,360	690,578	698,705	706,730	716,074

STATEMENT OF PROSPECTIVE FINANCIAL POSITION

ANNUAL PLAN 2012 \$000		FORECAST FOR THE YEARS ENDED 30TH JUNE									
		2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
PUBLIC EQUITY											
428,219	Retained Earnings	426,361	425,487	423,325	421,951	420,572	416,173	411,416	405,407	398,760	392,600
11,585	Restricted Equity	12,523	13,563	19,625	21,133	21,816	23,474	25,221	27,176	29,754	32,722
180,214	Asset Revaluation Reserves	191,576	201,508	212,030	222,128	232,294	242,714	253,941	266,122	278,216	290,752
620,018	Total Public Equity	630,460	640,558	654,979	665,211	674,681	682,360	690,578	698,705	706,730	716,074
CURRENT ASSETS											
1,944	Cash and Cash Equivalents	53	538	701	547	497	98	608	769	251	401
911	Other Current Assets	180	186	192	198	205	212	219	226	235	243
7,437	Trade and other Receivables	7,500	7,740	7,988	8,259	8,548	8,839	9,131	9,432	9,772	10,114
10,292	Total Current Assets	7,733	8,464	8,881	9,005	9,251	9,149	9,958	10,428	10,257	10,758
NON-CURRENT ASSETS											
-	Term Investments	100	100	100	100	100	100	100	100	100	100
44,024	Investment Property	44,024	45,301	41,290	35,745	36,883	37,942	39,031	40,230	41,589	42,993
627,891	Property, Plant and Equipment	637,151	644,033	650,363	659,529	671,283	680,065	686,085	688,410	691,609	696,041
1,326	Other Non-Current Assets	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
673,241	Total Non Current Assets	682,775	690,934	693,253	696,875	709,767	719,607	726,716	730,240	734,799	740,634
683,533	Total Assets	690,508	699,398	702,133	705,879	719,017	728,757	736,674	740,668	745,056	751,392
CURRENT LIABILITIES											
8,648	Trade and Other Payables	9,000	9,288	9,585	9,911	10,258	10,607	10,957	11,318	11,726	12,136
1,344	Employee Benefit Liabilities	1,500	1,548	1,598	1,652	1,710	1,768	1,826	1,886	1,954	2,023
4,000	Borrowings	4,775	4,618	3,412	2,722	3,046	3,208	3,134	2,675	2,260	1,908
13,992	Total Current Liabilities	15,275	15,454	14,595	14,285	15,013	15,582	15,917	15,880	15,940	16,067

ANNUAL PLAN 2012 \$000		FORECAST FOR THE YEARS ENDED 30TH JUNE									
		2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
NON-CURRENT LIABILITIES											
984	Provisions	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
47,750	Borrowings	42,974	41,561	30,707	24,501	27,411	28,871	28,206	24,077	20,343	17,171
789	Other Non-Current Liabilities	800	826	852	881	912	943	974	1,006	1,042	1,079
49,523	Total Non-Current Liabilities	44,774	43,387	32,559	26,382	29,323	30,814	30,180	26,083	22,385	19,250
620,018	Net Assets	630,460	640,557	654,979	665,212	674,681	682,361	690,577	698,705	706,730	716,074

NOTES TO THE STATEMENT OF PROSPECTIVE FINANCIAL POSITION

ANNUAL PLAN 2012 \$000		FORECAST FOR THE YEARS ENDED 30TH JUNE									
		2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
NET INVESTMENT IN COUNCIL CONTROLLED ORGANISATIONS											
560	Whakatane Airport	661	795	836	866	907	1,900	2,056	2,148	2,420	2,720
-	- Local Government Funding Agency*	100	100	100	100	100	100	100	100	100	100
560	Net Investment	761	895	936	966	1,007	2,000	2,156	2,248	2,520	2,820

* Council intends to become a guarantee shareholder of the Local Government Funding Agency in the year ended 30 June 2013. The shareholding includes a number of component parts and requirements including: unpaid subscribed capital, further equity commitments, investment in convertible borrower notes, and to enter into guarantees. Until the date of actual investment an account of the future commitments and guarantees cannot be taken and has not been quantified in these forecast financial statements.

PROSPECTIVE STATEMENT OF CASH FLOWS

ANNUAL PLAN 2012 \$000		FORECAST FOR THE YEARS ENDED 30TH JUNE									
		2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
CASH FLOW FROM OPERATING ACTIVITIES											
Cash will be provided from:											
32,354	Rates and Service Charges	34,220	35,650	36,643	37,595	39,470	41,154	41,960	43,631	44,918	45,746
536	Development Contributions	465	483	500	515	534	553	572	592	615	638
1,929	Sundry Income	2,137	2,217	2,283	2,312	2,521	2,453	2,601	2,692	2,778	2,835
9,816	User Fees	10,344	10,826	11,225	11,666	12,152	12,569	13,000	13,389	13,900	14,662
9,540	Subsidies & Grants	6,347	7,463	11,838	8,545	8,156	7,527	7,931	7,617	7,811	9,255
76	Interest Income - External	40	40	60	70	50	40	40	40	40	40
5,177	Regional Council Rates	5,475	5,704	5,863	6,015	6,315	6,585	6,714	6,981	7,187	7,319
59,428	Total Operating Cash Provided	59,028	62,382	68,412	66,719	69,198	70,881	72,817	74,942	77,249	80,496
Cash will be applied to:											
33,891	Suppliers and Employees	34,978	36,551	37,500	38,669	40,345	41,922	42,701	44,664	46,090	47,537
2,196	Interest on Public Debt	2,517	2,749	2,768	2,396	2,094	2,333	2,334	2,197	2,035	1,790
5,177	Regional Council Rates	5,475	5,704	5,863	6,015	6,315	6,585	6,714	6,981	7,187	7,319
41,264	Total Operating Cash Applied	42,970	45,004	46,131	47,080	48,754	50,840	51,749	53,842	55,312	56,646
18,164	Net Cashflows from Operating Activities	16,058	17,378	22,281	19,638	20,444	20,041	21,069	21,100	21,937	23,850
CASH FLOW FROM INVESTING ACTIVITIES											
Cash will be provided from:											
350	Proceeds from sale of property, plant and equipment	609	264	12,811	8,289	-	-	-	-	-	-
350	Total Investing Cash Provided	609	264	12,811	8,289	-	-	-	-	-	-
Cash will be spent on:											
20,695	Purchase of property, plant and equipment	14,457	15,588	22,869	21,186	23,727	22,062	19,820	16,351	18,307	20,175
-	Purchase of investments	100	-	-	-	-	-	-	-	-	-
20,695	Total Investing Cash Applied	14,557	15,588	22,869	21,186	23,727	22,062	19,820	16,351	18,307	20,175
(20,345)	Net Cashflows from Investing Activities	(13,948)	(15,324)	(10,058)	(12,897)	(23,727)	(22,062)	(19,820)	(16,351)	(18,307)	(20,175)

ANNUAL PLAN 2012 \$000		FORECAST FOR THE YEARS ENDED 30TH JUNE									
		2013 \$000	2014 \$000	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000
CASH FLOW FROM FINANCING ACTIVITIES											
Cash will be provided from:											
12,521	Loans raised	3,920	4,446	7,108	6,313	7,402	7,656	4,366	4,314	4,027	3,456
12,521	Total Financing Cash Provided	3,920	4,446	7,108	6,313	7,402	7,656	4,366	4,314	4,027	3,456
Cash will be spent on:											
3,643	Repayment of public debt	7,921	6,015	19,168	13,208	4,169	6,034	5,105	8,902	8,175	6,981
3,643	Total Financing Cash Applied	7,921	6,015	19,168	13,208	4,169	6,034	5,105	8,902	8,175	6,981
8,878	Net Cashflows from financing activities	(4,001)	(1,569)	(12,060)	(6,895)	3,233	1,622	(739)	(4,588)	(4,148)	(3,525)
6,697	Net increase (decrease) in cash held	(1,891)	485	163	(154)	(50)	(399)	510	161	(518)	150
(4,753)	Plus opening cash balance	1,944	53	538	701	547	497	98	608	769	251
1,944	Closing Cash Position	53	538	701	547	497	98	608	769	251	401

COUNCIL RESERVES

GENERAL OPERATING RESERVES	ACTIVITY	PURPOSE
General Rates and Revenues	General Council	For General Rate funded Surpluses or Deficits
Roading Rate	Roads and Footpaths	For Rooding Rate funded Surpluses or Deficits
Refuse Collection rate	Waste	For Refuse Collection Rate funded Surpluses or Deficits
Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits (excluding Matatā and Murupara schemes)
Wastewater - Matatā 1	Sewage Treatment and Disposal	For Matatā Wastewater operational Surpluses or Deficits
Wastewater - Murupara	Sewage Treatment and Disposal	For Murupara Wastewater Rate funded Surpluses or Deficits
Water	Water	For Water Rate funded Surpluses or Deficits (excluding Murupara, Plains and Ruatahuna schemes)
Water - Murupara	Water	For Murupara Water Rate funded Surpluses or Deficits
Water - Plains	Water	For Plains Water Rate funded Surpluses or Deficits
Water - Ruatahuna	Water	For Ruatahuna Water Rate funded Surpluses or Deficits
Dog Control	Animal Control	For Animal Control Operating Surpluses or Deficits
Parking Enforcement	Parking	For Parking Enforcement Operating Surpluses or Deficits
Pensioner Housing	Pensioner Housing	For Pensioner Housing Operating Surpluses or Deficits
Airport Whakatāne	Whakatāne Airport	For Whakatāne Airport Operating Surpluses or Deficits
Whakatāne Stormwater	Stormwater	For Whakatāne Stormwater Rate funded Surpluses or Deficits
Ōhope Stormwater	Stormwater	For Ōhope Stormwater Rate funded Surpluses or Deficits
Edgecumbe Stormwater	Stormwater	For Edgecumbe Stormwater Rate funded Surpluses or Deficits
Matatā Stormwater	Stormwater	For Matatā Stormwater Rate funded Surpluses or Deficits
Murupara Stormwater	Stormwater	For Murupara Stormwater Rate funded Surpluses or Deficits
Tāneatua Stormwater	Stormwater	For Tāneatua Stormwater Rate funded Surpluses or Deficits
Te Teko Stormwater	Stormwater	For Te Teko Stormwater Rate funded Surpluses or Deficits
Te Mahoe Stormwater	Stormwater	For Te Mahoe Stormwater Rate funded Surpluses or Deficits
Disaster Mitigation	Stormwater	For Disaster Mitigation/Stormwater Rate funded Surpluses or Deficits
Car parks Development	Parking	For the Development of Carparks in the District
Sand mining Royalties	General Council	Income received from sandmining company for access over Council reserve
Museum Collections	Exhibitions, Research, Storage & Archives	For the purchase of Assets for the Museum Collection
Galatea Reserve Development	General Council	For amenities within the Galatea and Murupara areas
Disabled Facilities	Pensioner Housing	For the improvement of Disabled Facilities throughout the District
Te Mahoe Water - special	Water	For the purchase of Capital Expenditure for the Te Mahoe Water scheme
Asset Divestment	General Council	Surplus funds from the Divestment of Council Assets
Leaky Homes Reserve	Building	To fund weather tight claims
Roading Storm Damage Reserve	Roads and Footpaths	To fund costs associated with storm damage to the Councils Rooding network
General Disaster Reserve	General Council	To fund costs associated with a disaster within the District

RESTRICTED RESERVES	ACTIVITY	PURPOSE
Subdivision Contributions - Whakatāne	General Council	To fund capital expenditure in the Whakatāne Ward
Subdivision Contributions - Ōhope	General Council	To fund capital expenditure in the Ōhope Ward
Subdivision Contributions - Edgecumbe	General Council	To fund capital expenditure in the Edgecumbe Ward
Subdivision Contributions - Matatā	General Council	To fund capital expenditure in the Matatā Ward
Subdivision Contributions - Murupara	General Council	To fund capital expenditure in the Murupara Ward
Subdivision Contributions - Rural	General Council	To fund capital expenditure in the Rural Ward
Harbour Capital Fund	Ports & Harbour	For Ports & Harbour Operating Surpluses or Deficits
Harbour Land Sales	Ports & Harbour	Funds set aside from the sale of Harbour assets
Development Contributions - Stormwater	Stormwater	To fund growth related stormwater capital expenditure
Development Contributions - Water	Water	To fund growth related Water capital expenditure
Development Contributions - Wastewater	Sewage Treatment and Disposal	To fund growth related Wastewater capital expenditure
Development Contributions - Community Infrastructure	Arts & Culture, Recreation & Community Facilities	To fund growth related Community Infrastructure
Development Contributions - Parks, Gardens and Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related Parks, Gardens and Reserves capital expenditure
Development Contributions - Solid Waste	Waste	To fund growth related Solid Waste capital expenditure
Development Contributions - Roothing	Roads and Footpaths	To fund growth related Roothing capital expenditure
Capital Contributions - Roothing	Roads and Footpaths	Financial contributions for Roothing capital projects
DEPRECIATION RESERVES	ACTIVITY	PURPOSE
Water	Water	To fund the renewal of Water assets
Wastewater	Sewage Treatment and Disposal	To fund the renewal of Wastewater assets
Stormwater	Stormwater	To fund the renewal of Stormwater assets
Refuse Disposal	Waste	To fund the renewal of Refuse Disposal assets
Libraries	Libraries	To fund the renewal of Library assets
Museum	Exhibitions, Research, Storage & Archives	To fund the renewal of Museum assets
Parks and Gardens & Sportsfields	Parks, Reserves, Recreation & Sports Fields	To fund the renewal of Parks and Gardens & Sportsfields assets
Cemeteries & Crematoria	Cemeteries & Crematorium	To fund the renewal of Cemeteries & Crematorium assets
Swimming Pools	Aquatic Centres	To fund the renewal of Aquatic Centre assets
Halls	Halls	To fund the renewal of Halls assets
Public Conveniences	Public Conveniences	To fund the renewal of Public Conveniences assets
Pensioner Housing	Pensioner Housing	To fund the renewal of Pensioner Housing assets
Strategic & Investment Property	Commercial Property	To fund the renewal of Commercial Property assets
Corporate Property	Corporate & District Activities	To fund the renewal of Corporate Property assets
Information Management	Corporate & District Activities	To fund the renewal of Information Management assets
Port	Ports & Harbour	To fund the renewal of Port & Harbour assets
Roothing	Roads and Footpaths	To fund the renewal of Roothing assets
Airport - Whakatāne	Whakatāne Airport	To fund the renewal of Whakatāne Airport assets

RESERVE BALANCE FORECAST 2012-22

Notes:

- The forecast reserve balances have not been adjusted for inflation. Figures are stated in 2013 dollars.
- () depicts an overdrawn reserve account balance.

	30 JUNE 2012	2012/13 TRANSFERS \$000		30 JUNE 2013	2013/14 TRANSFERS \$000		30 JUNE 2014	2014/15 TRANSFERS \$000		30 JUNE 2015	2015/16 TRANSFERS \$000		30 JUNE 2016	2016/17 TRANSFERS \$000		30 JUNE 2017	2017/18 TRANSFERS \$000	
		IN	OUT		IN	OUT		IN	OUT		IN	OUT		IN	OUT		IN	OUT
GENERAL OPERATING RESERVES																		
General Rates and Revenues	(526)	256	(120)	(390)	256	(115)	(249)	256	(109)	(102)	116	(105)	(92)	116	(105)	(81)	116	(104)
Roading Rate	(97)	-	(4)	(102)	-	(5)	(107)	-	(6)	(112)	-	(6)	(119)	-	(7)	(125)	-	(8)
Refuse Collection rate	(84)	100	(2)	14	1	-	15	1	-	16	1	-	16	1	-	17	1	-
Wastewater	236	135	-	371	18	-	388	20	-	408	22	(1)	430	25	(1)	454	27	(1)
Wastewater - Matatā ¹	(86)	-	(23)	(109)	-	101	(8)	-	28	20	-	(65)	(45)	-	(234)	(278)	-	(267)
Wastewater - Murupara	25	1	(5)	21	1	(10)	11	1	-	12	1	-	13	1	-	13	1	-
Water	157	40	(175)	21	38	(6)	53	19	-	72	30	-	102	32	-	135	8	-
Water - Murupara	(6)	-	-	(6)	-	-	(6)	-	-	(7)	-	-	(7)	-	-	(8)	-	-
Water - Plains	930	42	-	973	47	-	1,020	53	-	1,073	59	-	1,132	65	-	1,197	72	-
Water - Ruatahuna	2	-	-	2	-	-	3	-	-	3	-	-	3	-	-	3	-	-
Dog Control	51	2	-	54	3	-	56	3	-	59	3	-	62	4	-	66	4	-
Parking Enforcement	366	80	(92)	354	82	(92)	344	83	(92)	335	83	(60)	357	84	(60)	382	85	(60)
Pensioner Housing	180	6	(78)	108	5	-	114	5	(49)	69	6	-	75	6	-	81	7	-
Airport Whakatāne	(294)	-	(197)	(491)	-	(219)	(710)	-	(151)	(861)	-	(164)	(1,025)	-	(175)	(1,201)	-	(236)
Whakatāne Stormwater	(198)	100	(7)	(105)	80	(3)	(28)	-	(1)	(29)	-	(2)	(31)	-	(2)	(33)	-	(2)
Ōhope Stormwater	(25)	-	(1)	(26)	-	(1)	(27)	-	(1)	(29)	-	(2)	(30)	-	(2)	(32)	-	(2)
Edgecumbe Stormwater	16	1	-	17	1	-	18	1	-	19	1	-	20	1	-	21	1	-
Matatā Stormwater	(9)	-	-	(9)	-	-	(9)	-	-	(10)	-	(1)	(10)	-	(1)	(11)	-	(1)
Murupara Stormwater	2	-	-	2	-	-	2	-	-	2	-	-	2	-	-	3	-	-
Tāneatua Stormwater	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Te Teko Stormwater	(2)	-	-	(2)	-	-	(2)	-	-	(2)	-	-	(2)	-	-	(2)	-	-
Te Mahoe Stormwater	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disaster Mitigation	79	2	(80)	1	-	-	1	-	-	1	-	-	1	-	-	1	-	-
Car parks Development	32	1	-	34	2	-	35	2	-	37	2	-	39	2	-	42	3	-
Sand mining Royalties	58	3	-	61	3	-	64	3	-	67	4	-	71	4	-	75	5	-
Museum Collections	22	1	-	23	1	-	24	1	-	25	1	-	26	2	-	28	2	-
Galatea Reserve Development	1	-	-	1	-	-	1	-	-	2	-	-	2	-	-	2	-	-
Disabled Facilities	7	-	-	7	-	-	8	-	-	8	-	-	8	-	-	9	1	-
Te Mahoe Water - special	262	12	(15)	258	12	(15)	255	13	(15)	253	14	(15)	251	14	(15)	250	15	(15)
Asset Divestment	522	637	(438)	721	289	(346)	664	7,147	(6,608)	1,203	6,572	(6,293)	1,481	80	(150)	1,411	81	(140)
Leaky Homes Reserve	(94)	150	(1)	55	156	-	212	165	-	376	175	-	551	186	-	737	199	-
Roading Storm Damage Reserve	-	281	-	281	295	-	577	312	-	889	332	-	1,220	353	-	1,573	378	-
General Disaster Reserve	-	-	-	-	-	-	-	-	-	-	154	-	154	163	-	317	225	-
	1,527	1,850	(1,238)	2,139	1,290	(711)	2,719	8,085	(7,004)	3,797	7,576	(6,714)	4,655	1,139	(752)	5,046	1,231	(836)

¹ Matatā Wastewater is not yet established as a rating scheme and therefore costs have been attributed to an operating reserve until the scheme has been defined.

	30 JUNE 2018	2018/19 TRANSFERS \$000		30 JUNE 2019	2019/20 TRANSFERS \$000		30 JUNE 2020	2020/21 TRANSFERS \$000		30 JUNE 2021	2021/22 TRANSFERS \$000		30 JUNE 2022	
		IN	OUT		IN	OUT		IN	OUT		IN	OUT		
	(69)	116	(104)	(57)	116	(103)	(44)	116	(102)	(31)	116	(101)	(16)	General Rates and Revenues
	(133)	-	(8)	(141)	-	(9)	(150)	-	(10)	(159)	-	(10)	(170)	Roading Rate
	18	1	-	19	1	-	21	1	-	22	1	-	23	Refuse Collection rate
	481	29	(1)	509	31	(1)	540	35	(1)	575	37	(1)	611	Wastewater
	(545)	-	(282)	(828)	-	(303)	(1,131)	-	(332)	(1,463)	-	(354)	(1,817)	Wastewater - Matatā¹
	14	1	-	15	1	-	16	1	-	17	1	-	18	Wastewater - Murupara
	143	9	-	151	9	-	161	10	-	171	11	-	182	Water
	(8)	-	-	(8)	-	(1)	(9)	-	(1)	(10)	-	(1)	(10)	Water - Murupara
	1,269	76	-	1,346	83	-	1,429	93	-	1,522	99	-	1,621	Water - Plains
	3	-	-	3	-	-	4	-	-	4	-	-	4	Water - Ruatahuna
	70	4	-	74	5	-	79	5	-	84	5	-	89	Dog Control
	406	75	(410)	71	64	(60)	75	65	(60)	80	66	(60)	86	Parking Enforcement
	88	7	-	96	9	-	104	8	-	112	10	-	122	Pensioner Housing
	(1,436)	-	(326)	(1,763)	-	(325)	(2,087)	-	(418)	(2,505)	-	(460)	(2,966)	Airport Whakatāne
	(35)	-	(2)	(37)	-	(2)	(39)	-	(3)	(42)	-	(3)	(44)	Whakatāne Stormwater
	(34)	-	(2)	(36)	-	(2)	(38)	-	(2)	(40)	-	(3)	(43)	Ōhope Stormwater
	22	1	-	24	1	-	25	2	-	27	2	-	28	Edgecumbe Stormwater
	(12)	-	(1)	(12)	-	(1)	(13)	-	(1)	(14)	-	(1)	(15)	Matatā Stormwater
	3	-	-	3	-	-	3	-	-	3	-	-	3	Murupara Stormwater
	-	-	-	-	-	-	-	-	-	-	-	-	-	Tāneatua Stormwater
	(2)	-	-	(2)	-	-	(2)	-	-	(3)	-	-	(3)	Te Teko Stormwater
	-	-	-	-	-	-	-	-	-	-	-	-	-	Te Mahoe Stormwater
	1	-	-	1	-	-	1	-	-	1	-	-	1	Disaster Mitigation
	44	3	-	47	3	-	50	3	-	53	3	-	56	Car parks Development
	80	5	-	85	5	-	90	6	-	96	6	-	102	Sand mining Royalties
	29	2	-	31	2	-	33	2	-	35	2	-	38	Museum Collections
	2	-	-	2	-	-	2	-	-	2	-	-	2	Galatea Reserve Development
	9	1	-	10	1	-	11	1	-	11	1	-	12	Disabled Facilities
	250	15	(15)	249	15	(15)	249	16	(15)	249	16	(15)	250	Te Mahoe Water - special
	1,352	76	(176)	1,253	73	(143)	1,183	71	(185)	1,068	63	(198)	934	Asset Divestment
	936	211	-	1,147	225	-	1,372	244	-	1,617	260	-	1,877	Leaky Homes Reserve
	1,951	401	-	2,352	428	-	2,780	465	-	3,245	496	-	3,741	Roading Storm Damage Reserve
	542	239	-	781	254	-	1,035	377	-	1,413	402	-	1,814	General Disaster Reserve
	5,439	1,272	(1,327)	5,385	1,326	(965)	5,750	1,521	(1,130)	6,140	1,597	(1,207)	6,530	

	30 JUNE 2012	2012/13 TRANSFERS \$000		30 JUNE 2013	2013/14 TRANSFERS \$000		30 JUNE 2014	2014/15 TRANSFERS \$000		30 JUNE 2015	2015/16 TRANSFERS \$000		30 JUNE 2016	2016/17 TRANSFERS \$000		30 JUNE 2017	2017/18 TRANSFERS \$000	
		IN	OUT		IN	OUT		IN	OUT		IN	OUT		IN	OUT		IN	OUT
RESTRICTED RESERVES																		
Subdivision Contributions - Whakatāne	418	18	(66)	369	17	(32)	354	17	(40)	332	14	(158)	188	10	(32)	166	10	-
Subdivision Contributions - Ōhope	118	5	(15)	108	3	(109)	2	-	(48)	(46)	-	(3)	(49)	-	(3)	(52)	-	(3)
Subdivision Contributions - Edgumbe	39	2	-	40	2	-	42	2	-	45	2	-	47	3	-	50	3	-
Subdivision Contributions - Matatā	16	1	-	17	1	-	17	1	-	18	1	-	19	1	-	20	1	-
Subdivision Contributions - Murupara	5	-	-	5	-	-	5	-	-	6	-	-	6	-	-	6	-	-
Subdivision Contributions - Rural	24	1	-	25	1	-	27	1	-	28	2	-	30	2	-	31	2	-
Harbour Capital Fund	3,141	2,255	(1,914)	3,482	2,327	(1,832)	3,977	2,400	(1,884)	4,493	2,439	(2,402)	4,531	2,491	(2,128)	4,894	2,528	(2,134)
Harbour Land Sales	4,176	190	-	4,366	213	-	4,579	5,367	-	9,947	1,678	-	11,625	665	-	12,290	744	-
Development Contributions - Stormwater	266	128	(30)	365	134	(49)	449	137	(142)	444	140	(66)	518	146	(39)	626	154	(68)
Development Contributions - Water	267	31	(28)	270	32	(25)	278	32	(100)	209	21	(396)	(166)	19	(668)	(815)	19	(49)
Development Contributions - Wastewater	(634)	168	(67)	(533)	168	(85)	(450)	168	(67)	(349)	168	(108)	(288)	168	(88)	(208)	168	(58)
Development Contributions - Community Infrastructure	425	79	(1)	503	84	(10)	577	90	(4)	663	95	(57)	701	100	(21)	780	107	(34)
Development Contributions - Parks, Gardens and Reserves	1,441	88	(67)	1,461	93	(71)	1,483	99	(59)	1,524	107	(39)	1,591	114	(37)	1,668	124	(37)
Development Contributions - Solid Waste	197	18	-	215	19	-	234	21	-	255	23	-	277	24	-	302	27	-
Development Contributions - Roading	1,642	145	(2)	1,784	157	(2)	1,940	168	(103)	2,005	177	(133)	2,049	181	(229)	2,001	190	(39)
Capital Contributions - Roading	44	2	-	46	2	-	49	3	-	51	3	-	54	3	-	57	3	-
	11,585	3,131	(2,190)	12,523	3,253	(2,215)	13,563	8,506	(2,447)	19,625	4,870	(3,362)	21,133	3,927	(3,245)	21,816	4,080	(2,422)
DEPRECIATION RESERVES																		
Water	895	1,014	(1,051)	859	1,028	(586)	1,301	1,045	(523)	1,823	1,061	(934)	1,950	1,109	(531)	2,529	1,155	(483)
Wastewater	373	668	(727)	313	627	(523)	417	643	(269)	791	667	(118)	1,340	832	(717)	1,455	840	(668)
Stormwater	465	205	(285)	386	171	(297)	260	168	(856)	(428)	188	(423)	(663)	188	(271)	(746)	191	(453)
Refuse Disposal	142	11	(10)	143	12	-	156	12	-	168	11	-	179	6	(15)	170	(15)	(25)
Libraries	10	125	(125)	10	125	(125)	11	126	(125)	11	126	(125)	12	126	(125)	12	126	(125)
Museum	(80)	20	(3)	(63)	20	(3)	(46)	20	(2)	(28)	20	(1)	(9)	20	-	11	21	-
Parks and Gardens & Sportsfields	295	439	(588)	145	591	(300)	436	598	(606)	429	605	(374)	659	610	(696)	573	591	(1,196)
Cemeteries & Crematoria	24	44	-	69	46	(41)	73	47	(18)	103	50	(3)	150	52	(39)	163	54	(62)
Swimming Pools	(33)	122	(36)	54	177	(62)	170	184	(46)	308	192	(67)	432	200	(50)	583	205	(243)
Halls	370	125	(110)	385	179	(86)	477	221	(273)	425	225	(50)	600	228	(330)	499	230	(117)
Public Conveniences	125	96	(22)	198	100	(15)	283	103	(87)	299	106	(54)	351	107	(123)	336	109	(90)
Pensioner Housing	283	97	(51)	329	101	(32)	398	104	(97)	405	107	(28)	483	110	(115)	478	111	(107)
Strategic & Investment Property	(26)	-	(1)	(28)	-	(1)	(29)	-	(1)	(30)	-	(2)	(32)	-	(2)	(34)	-	(2)
Corporate Property	235	477	(230)	482	490	(284)	689	505	(537)	657	517	(387)	788	501	(1,137)	152	470	(1,019)
Information Management	1,193	1,004	(1,566)	630	844	(1,873)	(399)	789	(626)	(236)	785	(535)	14	857	(690)	181	932	(944)
Port	768	403	(159)	1,012	418	(187)	1,243	429	(45)	1,627	417	(1,405)	639	374	(1,385)	(371)	370	(35)
Roading	377	1,871	(1,967)	281	1,863	(1,944)	200	2,099	(1,981)	317	2,556	(2,329)	544	2,549	(2,130)	962	2,559	(2,160)
Airport - Whakatāne	(312)	37	(65)	(340)	37	(80)	(383)	37	(39)	(384)	37	(31)	(378)	37	(40)	(380)	37	(39)
	5,104	6,758	(6,996)	4,865	6,829	(6,439)	5,257	7,130	(6,131)	6,257	7,670	(6,866)	7,059	7,906	(8,396)	6,573	7,986	(7,768)

Depreciation for infrastructural assets has been funded on a 25 year renewal forecast basis. This means that whilst some reserve accounts reflect a surplus or deficit at the end of the 10 year LTP period these reserves are expected to return to a neutral balance over the 25 year period for which funding requirements have been determined.

	30 JUNE 2018	2018/19 TRANSFERS \$000		30 JUNE 2019	2019/20 TRANSFERS \$000		30 JUNE 2020	2020/21 TRANSFERS \$000		30 JUNE 2021	2021/22 TRANSFERS \$000		30 JUNE 2022	
		IN	OUT											
	176	11	-	186	11	-	198	13	-	210	14	-	224	Subdivision Contributions - Whakatāne
	(55)	-	(3)	(58)	-	(24)	(82)	-	(5)	(88)	-	(6)	(93)	Subdivision Contributions - Ōhope
	53	3	-	56	3	-	59	4	-	63	4	-	67	Subdivision Contributions - Edgecumbe
	22	1	-	23	1	-	24	2	-	26	2	-	28	Subdivision Contributions - Matatā
	7	-	-	7	-	-	8	-	-	8	1	-	9	Subdivision Contributions - Murupara
	33	2	-	35	2	-	37	2	-	40	3	-	42	Subdivision Contributions - Rural
	5,288	2,602	(2,125)	5,764	2,661	(2,152)	6,273	2,729	(1,819)	7,183	3,015	(1,825)	8,373	Harbour Capital Fund
	13,033	783	-	13,817	851	-	14,668	955	-	15,623	1,019	-	16,641	Harbour Land Sales
	711	157	(127)	741	161	(78)	824	169	(69)	925	176	(67)	1,034	Development Contributions - Stormwater
	(845)	19	(50)	(875)	19	(55)	(911)	19	(59)	(950)	19	(61)	(992)	Development Contributions - Water
	(97)	168	(64)	7	173	(25)	156	183	(15)	324	194	(19)	500	Development Contributions - Wastewater
	852	111	(21)	942	118	(21)	1,039	128	(1)	1,166	137	(1)	1,301	Development Contributions - Community Infrastructure
	1,754	128	(39)	1,843	136	(37)	1,943	149	(37)	2,054	157	(39)	2,172	Development Contributions - Parks, Gardens and Reserves
	329	28	-	357	31	-	388	34	-	421	36	-	458	Development Contributions - Solid Waste
	2,152	198	(39)	2,312	212	(39)	2,484	231	(39)	2,676	244	(39)	2,881	Development Contributions - Roothing
	61	4	-	64	4	-	68	4	-	73	5	-	77	Capital Contributions - Roothing
	23,474	4,215	(2,468)	25,221	4,383	(2,431)	27,176	4,622	(2,044)	29,754	5,026	(2,057)	32,722	
	3,201	1,155	(1,874)	2,482	1,162	(388)	3,256	1,222	(409)	4,070	1,259	(961)	4,368	Water
	1,627	864	(292)	2,200	906	(112)	2,993	964	(294)	3,663	989	(887)	3,765	Wastewater
	(1,008)	191	(767)	(1,584)	191	(536)	(1,929)	191	(476)	(2,214)	191	(437)	(2,460)	Stormwater
	129	(17)	(15)	97	(20)	(25)	53	(21)	-	31	(24)	(30)	(23)	Refuse Disposal
	13	126	(125)	14	126	(125)	15	126	(125)	16	126	(125)	17	Libraries
	33	23	-	55	24	-	79	26	-	105	27	-	132	Museum
	(31)	575	(893)	(348)	575	(774)	(547)	575	(1,129)	(1,101)	575	(825)	(1,350)	Parks and Gardens & Sportsfields
	155	53	(82)	126	53	(49)	130	53	(58)	125	53	(70)	108	Cemeteries & Crematoria
	545	207	(109)	642	215	(69)	787	226	(95)	919	232	(181)	969	Swimming Pools
	613	236	(142)	707	240	(238)	708	238	(373)	573	234	(241)	567	Halls
	354	111	(38)	427	116	(51)	492	117	(178)	431	116	(112)	435	Public Conveniences
	483	112	(88)	507	115	(63)	559	115	(227)	446	114	(25)	536	Pensioner Housing
	(36)	-	(2)	(38)	-	(2)	(40)	-	(3)	(43)	-	(3)	(46)	Strategic & Investment Property
	(398)	477	(394)	(315)	472	(663)	(505)	464	(577)	(619)	469	(316)	(466)	Corporate Property
	170	1,037	(615)	592	1,132	(520)	1,204	1,114	(528)	1,791	1,122	(635)	2,278	Information Management
	(36)	378	(130)	212	397	(138)	471	391	(984)	(122)	380	(998)	(740)	Port
	1,361	2,575	(2,130)	1,805	2,603	(1,943)	2,465	2,646	(1,913)	3,197	2,678	(2,159)	3,716	Roothing
	(382)	37	(83)	(428)	37	(54)	(445)	37	(138)	(545)	37	(143)	(651)	Airport - Whakatāne
	6,793	8,140	(7,779)	7,153	8,344	(5,750)	9,746	8,484	(7,507)	10,723	8,578	(8,148)	11,155	

STATEMENT OF ACCOUNTING POLICIES

These statements provide the principles that we have applied in preparing our financial statements. They are designed to help you understand the detail behind our calculations and forecasts.

REPORTING ENTITY

Whakatāne District Council is a territorial authority governed by the Local Government Act 2002.

The principal accounting policies adopted in the preparation of this financial report are set out below.

The financial report consists of the financial statements of Whakatāne District Council (the Council) and includes the Whakatāne Airport, which is a 50/50 joint equity venture between the Council and the Ministry of Transport and a 35/65 joint venture between the Council and P F Olsen Ltd, a forest management and harvesting company, regarding a forestry block at Onepu on land vested to the Council.

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

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). They comply with FRS

42 Prospective Financial Statements, as appropriate for public benefit entities.

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

The financial statements use closing balances from the period ending 30 June 2011; estimates have been restated accordingly if required. These financial statements have been prepared on a historical basis, modified by the revaluation of land and buildings, certain infrastructural assets, financial instruments (including derivative instruments) investment property, and forestry assets.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data. The functional currency of the Council is New Zealand dollars.

Cost of service for each significant activity is determined as follows. Specifically attributable costs are charged directly. Indirect costs are apportioned using appropriate cost drivers such as actual usage and staff numbers.

The financial statements were authorised for issue on 29 February 2012 by Council resolution. The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Joint Ventures and Associates

For jointly controlled assets Council recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its share of liabilities and expenses incurred jointly, and income from the sale or use of its share of the output of the joint venture.

REVENUE RECOGNITION

Revenue is measured at fair value of the consideration received.

Rates

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Rates collected on behalf of the Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements as the Council is acting as an agent for BOPRC. Rates collected on behalf of the BOPRC are 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.

Revenue from water rates by meter is recognised on an accrual basis.

Licences and permits

Revenue derived from licences and permits is recognised on application.

Development contributions

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise financial contributions are transferred to reserves until such time the Council provides, or is able to provide, the service.

Sales of goods

Revenue from sales of goods is recognised when a product is sold to the customer.

Provision 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.

Rental revenue

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

Interest income

Interest income is recognised using the effective interest method.

Dividend income

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

Vested assets

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

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are paid.

Grants and subsidies

Grants and subsidies are recognised when the conditions of the grant or subsidy have been met.

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

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

FINANCE COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred. The Council has not capitalised borrowing costs associated with funding capital works in progress which represents a departure from NZ IAS 23: Borrowing Costs however it is in line with the decision of the Accounting Standards Review Board to indefinitely defer the adoption of NZ IAS 23 for public benefit entities.

INCOME TAX

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit or taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

LEASES

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not the title is eventually transferred.

At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

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 and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

TRADE AND OTHER RECEIVABLES

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost, less any provision for impairment.

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.

FINANCIAL ASSETS

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council and group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council and group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive income.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

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 are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Held-to-maturity Investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Fair Value Through other Comprehensive Income

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. The Council and group includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

IMPAIRMENT OF FINANCIAL ASSETS

At each balance sheet date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of comprehensive income.

DERIVATIVE FINANCIAL INSTRUMENTS

The Council uses derivative financial instruments (interest rate swaps) to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date.

The associated gains or losses of these derivatives are recognised in the statement of comprehensive income.

NON-CURRENT ASSETS HELD FOR SALE

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of comprehensive income. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of:

Operational assets

These include land, buildings, library books, plant and equipment, museum collection and motor vehicles.

Restricted assets

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

Infrastructural assets

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

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land, buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

On transition to NZ IFRS, Whakatāne District Council elected to use the fair value of land under roads as at 1 July 2006 as deemed cost. Land under roads is no longer revalued.

The Council assesses the carrying values of its re-valued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are re-valued.

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation

reserve, this balance is expensed in the statement of comprehensive income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of comprehensive income will be recognised first in the statement of comprehensive income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of

the asset. Gains and losses on disposals are reported net in the statement of comprehensive income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all buildings, bridges and other structures and diminishing value for motor vehicles, plant and equipment, office equipment and furnishings. Land is non depreciable. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

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

Infrastructure assets:	Years:
Roading:	
Land – road reserve	N/A
Road formation	N/A
Pavement Basecourse	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

Infrastructure assets:	Years:
Roading:	
Street lighting	10-50
Footpaths	20-50
Bridges – concrete	100
Bridges – wooden	30
Car-parks	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
Infrastructure assets:	
Wharves:	
Wharves (concrete)	50
Stormwater:	
Stormwater lines	80
Manholes	70-80
Open drains and channels	50-90
Pump stations – structure	80-100

Stormwater:	
Pump station – contents	12-40
Retention dams	80-90
Floodgates	50
Sewerage:	
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
Refuse	
Whakatāne landfill	8.5
Murupara landfill	2
Operational assets:	
Years:	
Museum assets	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	4-5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

INTANGIBLE ASSETS

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

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.

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.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive income.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software 4 - 5 years 25% - 20%

IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. 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 an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For re-valued assets the impairment loss is recognised against the revaluation reserve for that class of asset.

Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of comprehensive income.

For assets not carried at a re-valued amount, the total impairment loss is recognised in the statement of comprehensive income.

The reversal of an impairment loss on a re-valued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of comprehensive income, a reversal of the impairment loss is also recognised in the statement of comprehensive income.

For assets not carried at a re-valued amount the reversal of an impairment loss is recognised in the statement of comprehensive income.

INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of comprehensive income.

FOREST ASSETS

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains and losses arising on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the statement of comprehensive income.

The costs to maintain forestry assets are included in the statements of comprehensive income.

CREDITORS AND OTHER PAYABLES

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

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. 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.

EMPLOYEE BENEFITS

Short-term benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Council anticipates it will be used by staff to cover those future absences.

Long-term benefits

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement,
- The likelihood that staff will reach the point of entitlement and contractual entitlement information; and,
- The present value of the estimated future cash flows.

The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation scheme

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit incurred.

THIRD PARTY TRANSFER POLICY

The council collects monies for other organisations including Bay of Plenty Regional Council and the Inland Revenue Department. Where collections are processed through the Council's books, any monies held are shown as accounts payable in the balance sheet. Amounts collected on behalf of third parties are not recognised as revenue, but commission earned from acting as agent is recognised as revenue.

PUBLIC EQUITY

Public Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. Reserves are a component of equity generally representing a particular use for which various parts of equity have been assigned.

The components of equity are:

- Retained earnings;
- Restricted reserves;
- Asset revaluation reserve.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserve

This reserve relates to the revaluation of property, plant and equipment to fair value.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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.

GOODS AND SERVICES TAX

All items in the financial statements are stated exclusive of GST, except for receivables and creditors and other payables, which are presented inclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

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

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

INDEPENDENT AUDITOR'S REPORT

To the readers of Whakatane District Council's Long-term Plan for the ten years commencing 1 July 2012

The Auditor-General is the auditor of Whakatane District Council (the District Council). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to report on the Long-Term Plan (LTP), on her behalf. We have audited the District Council's LTP incorporating pages 1 to 266 dated 27 June 2012 for the ten years commencing 1 July 2012.

The Auditor General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Opinion

In our opinion the District Council's LTP incorporating pages 1 to 266 dated 27 June 2012 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view :

- **the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and**
- **the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 27 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the District

Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues and implications it faces and provides for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the District Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;

- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the District Council

The District Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The District Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement.

The District Council's responsibilities arise from Section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

Independence

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the District Council.

Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

Matters Relating to the Electronic Presentation of the Report to readers of the Long-Term Plan

This audit report relates to the Long-Term Plan of Whakatane District Council for the ten years commencing 1 July 2012 included on the Council's website. The Council is responsible for the maintenance and integrity of its website. We have not been engaged to report on the integrity of the Council's website. We accept no responsibility for any changes that may have occurred to the Long-Term Plan since they were initially presented on the website.

The audit report refers only to the Long-Term Plan named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the Long-Term Plan. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Long-Term Plan as well as the related audit report dated 27 June 2012 to confirm the information included in the audited Long-Term Plan presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.