

WAIROA DISTRICT COUNCIL

DRAFT ANNUAL PLAN

FOR THE YEAR ENDING 30 JUNE 2011

Plan is a DRAFT only and incomplete until decisions from the Special Council Meeting of 17 March 2010 are made.



2010/2011 DRAFT ANNUAL PLAN

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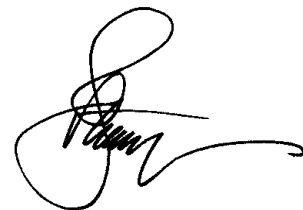
JOINT STATEMENT FROM THE MAYOR AND CHIEF EXECUTIVE OFFICER

This Annual Plan covers the second year of the 2009-2019 Long Term Council Community Plan (LTCCP).

Remaining text to be added in final plan.

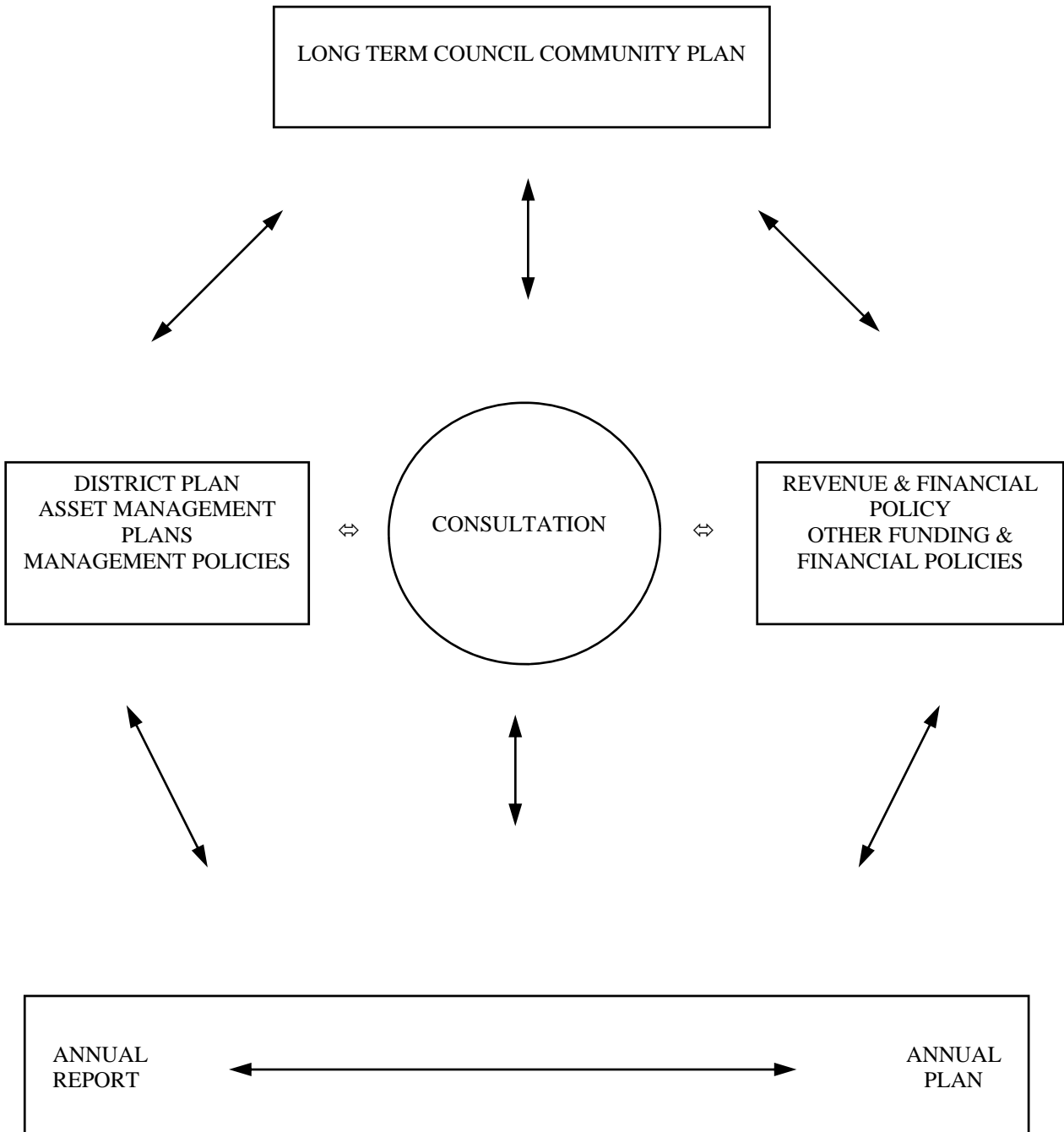


L. Probert, JP
MAYOR



P J Freeman
CHIEF EXECUTIVE OFFICER

RELATIONSHIP BETWEEN COUNCIL'S POLICIES AND PLANS



HIGHLIGHTS

Mahia Beach Community Wastewater Scheme

In December 2009 Council lodged resource consent for a revised proposal to service the Mahia Beach Community with a wastewater scheme. At the time of writing the Council was applying to the Hawke's Bay Regional Council to have the hearing of this resource consent referred directly to the Environment Court. The reason for this approach is that Council believes whatever the outcome of the resource consent hearing it is inevitable that an appeal will be made to the Environment Court. Recent amendments to the Resource Management Act allow direct referral in these cases which will save all submitters time and money from engaging in two separate processes.

Council's Draft Annual Plan makes the assumption that resource consent will be granted and work will commence in the 2010/11 financial year.

Opoutama Community Wastewater Scheme

In December 2009 Council lodged resource consent for a revised proposal to service the Opoutama Community with a wastewater scheme. A hearing is expected to be held in April/May 2010 and Council's Draft Annual Plan makes the assumption that resource consent will be granted and work will commence in the 2010/11 financial year. This project is interlinked with the Ormond Drive Deviation project outlined below because the dispersal site for treated effluent is intended to be on part of the proposed new legal road.

Ormond Drive Deviation

In December 2009 Council lodged Notice of Requirement for a designation to make a section of existing reserve land legal road. The designation proposal allows for the land to also be used for treated effluent disposal. A hearing is expected to be held in April/May 2010 and Council's Draft Annual Plan makes the assumption that resource consent will be granted and work will commence in the 2010/11 financial year.

It is unlikely that work will be completed before August 2010 and there are implications from this that are outlined below.

Ruawharawhara Urupa Road Closure

Council has an agreement with the trustees of Ruawharawhara Urupa to cease using the portion of their land that is currently part of Ormond Drive. The agreement requires Council to vacate the land by August 2010. Council is working towards a new road alignment as described above however this is unlikely to be constructed prior to August 2010. The implication for road users is that for a period of time between closure of this section of road and opening of the new road the route for people travelling to Mahia Peninsula will be via Mahanga Road and Kaiwaitau Road.

Regional Development Roothing Projects

For the past decade the district has benefited from a number of significant forestry-focussed roading projects that have been funded 100% by central government through the Tairāwhiti Regional Development Road Funding programme. 2010/11 sees the last of Council's projects under this programme with Waiatai Valley Road (\$240,000) and Riverina Road (\$80,000) both seeing significant pavement strengthening to accommodate anticipated heavy vehicle loads.

WAIROA DISTRICT COUNCIL 31 MARCH 2010

Mayor

Les Probert J.P.

Councillors

Benita Cairns

Denys Caves J.P.

Denise Eaglesome

Dave Evans

Jim Heron J.P.

Brian McKinnon

COMMITTEES

INTERIM MAORI COMMITTEE

Chairperson: Graeme Symes

Members: Sonya Smith
Tara Quineville
Gary Cooper
Pera Nikora
Monica Watson
Hoani Keefe

WATER PRODUCTION SUB COMMITTEE

Engineering Manager
Finance Manager
2 AFFCO Representatives

CREATIVE NZ LOCAL FUNDING

Sub Committee
(full delegation)

CITIZENS AWARD ASSESSMENT COMMITTEE

Sub Committee (full delegation)

MANAGEMENT STRUCTURE

Chief Executive Officer

Peter Freeman

ENGINEERING	FINANCE	ADMINISTRATION AND CIVIC	COMMUNITY/REGULATORY SERVICES
<p>NEIL COOK</p> <p>MANAGER: ENGINEERING</p> <p>Roads, Streets & Bridges</p> <p>Cemeteries</p> <p>Sports Grounds</p> <p>Reserves</p> <p>Airport Control</p> <p>Water Supply</p> <p>Sewage Management</p> <p>Stormwater Drainage</p> <p>Waste Management</p> <p>Street Lighting</p> <p>Traffic Management</p> <p>Asset Management</p>	<p>BILL SINDEN</p> <p>MANAGER: FINANCE</p> <p>Accounting Services</p> <p>Information Services</p> <p>Financial Management</p> <p>Revenue Collection</p> <p>Rating</p> <p>Risk Management</p>	<p>JAMES BATY</p> <p>MANAGER: ADMINISTRATION</p> <p>Secretarial Services</p> <p>Social Services</p> <p>Library</p> <p>Public Halls</p> <p>Pensioner Housing</p> <p>Recreation</p> <p>Official Information</p> <p>Information Centre</p> <p>Maori Liaison</p> <p>Records and Archives</p> <p>Human Resources</p> <p>Tourism</p> <p>Elections</p>	<p>PETER FREEMAN</p> <p>MANAGER: REGULATORY</p> <p>Subdivision</p> <p>Resource Planning</p> <p>Building Control</p> <p>Environmental Health</p> <p>Liquor Licensing</p> <p>Animal Control</p> <p>Bylaws</p> <p>Safer Communities</p> <p>Economic Development</p> <p>Emergency Management</p>

COMMUNITY OUTCOMES

During the planning process for the 2004-2014 LTCCP, the five Hawkes Bay Councils took a regional approach and worked collectively with the community to identify community outcomes. In recognising that the outcomes identified in 2004 were a regional response, Council sought active involvement in the development and confirmation of the Wairoa District's community outcomes upon which to establish the 2006-2016 Long Term Council Community Plan.

In May 2005 all households in the Wairoa District were sent a brochure introducing them to the community outcomes theme "Nga Kete e Toru ki Te Wairoa" (The Three Baskets of Knowledge) and reintroducing the regional community outcomes identified in 2004. A survey form was attached to this brochure.

Eighty-nine percent (89%) of survey respondents confirmed that the nine regional outcomes identified in 2004 were representative of Wairoa District community outcomes, with minor changes to two of the outcomes to remove "regional" references. The survey also provided an opportunity for respondents to rank the outcomes in importance from one to nine. This returned the following results for the Wairoa Community.

1. A strong, thriving and prosperous economy
2. A safe and secure community
3. A lifetime of good health and wellbeing
4. An environment that is appreciated, protected and sustained for future generations
5. Supportive, caring and valued communities
6. A safe and integrated transport system
7. Strong district leadership and a sense of belonging
8. Safe and accessible recreational facilities
9. A community that values and promotes its culture and heritage

It is important to note that Council is not solely responsible for the delivery of these community outcomes. Council will work with the community, key organisations and stakeholders to achieve the community outcomes together. Council's role therefore will vary, depending on the specific outcomes and the activities involved.

More information on the outcomes and the way in which Council will work towards achieving them can be found in the Long Term Council Community Plan 2009-2019 on Council's website or from Council's office.

Council Activities

Council Activities are divided into two strategic goal areas being:

- **Community Development & Participation**
Council's aim is to provide services and facilities to encourage community focus, ensuring access to information and leisure opportunities and to promote the expansion of the economy by encouraging tourism options and business development.
- **Safe Living Environment**
Council's aim is to provide services and facilities which contribute to community health and safety and ensure that the natural and physical resources of the district are preserved for future generations.

These are in turn supported by:

- **Management Services**
- **Investments**

In addition Council has grouped its activities into 8 "Key Activity Areas" and the table on the following page shows how these grouped "key activity areas" relate to the activities of Council, the strategic goal areas of Council, and shows where there is a direct linkage to the Community Outcomes identified in the LTCCP.

Key Activity Areas

Key Activity	Significant Activities	Strategic Area	Related Community Outcomes
1. Water Services	Water Reticulation Water Production Stormwater Drainage Sewerage	Safe Living Environment	A safe and secure community A lifetime of good health & wellbeing An environment that is appreciated, protected and sustained for future generations
2. Waste Management	Waste Management	Safe Living Environment	An environment that is appreciated, protected and sustained for future generations A safe and secure community A lifetime of good health & wellbeing
3. Transport	Roads Parking Airport	Safe Living Environment Safe Living Environment Community Development & Participation	A strong, prosperous & thriving economy A safe & integrated transport system
4. Community Facilities	Cemeteries Parks & Reserves Library Community Support Pensioner Housing	Safe Living Environment Community Development & Participation Community Development & Participation Community Development & Participation Community Development & Participation	A safe & secure community A lifetime of good health & wellbeing Safe and accessible recreational facilities A community that values and promotes its culture and heritage Supportive, caring & valued communities
5. Planning & Regulatory	Resource Planning Environmental Health Building Inspection Liquor Licensing Bylaw Control Emergency Management	Safe Living Environment	An environment that is appreciated, protected and sustained for future generations A safe and secure community A lifetime of good health and wellbeing
6. Leadership & Governance	Community Representation Maori Liaison Economic Development Visitor Information Centre	Community Development & Participation	All Outcomes A community that values and promotes its culture and heritage A strong, prosperous and thriving economy
7. Corporate Functions	Support Services Funds Management		All Outcomes
8. Trading Activities	Commercial Properties Council Controlled Organisations		All Outcomes

Activity Group One

WATER SERVICES

1. **Water Reticulation**
2. **Water Production**
3. **Stormwater Drainage**
4. **Sewerage**

Water Reticulation

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Effective and efficient management of the production and distribution of water to ensure that neither public health nor the environment is compromised
3. Match service provision in smaller communities with the communities desired level of service and ability to pay
4. Meet minimum grading under the New Zealand Drinking Water Standards appropriate to the population size for the Wairoa reticulation

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A strong, prosperous and thriving economy
2. A lifetime of good health and wellbeing

Service Levels and Targets

1. Water treatment, storage and reticulation systems are operational and there are no interruptions of more than 8 hours
2. Water quality meets Health Act requirements. Public Health Risk Management Plan for Wairoa supply audited and approved by District Health Board assessors
3. Council has current consents where required and there is full compliance with all consent conditions
4. An annually reducing trend in the volume of water lost in the system
5. An annually reducing trend in the volume of domestic water use per connection
6. No safety incidents reported through the CSR system
7. Fire hydrants maintained to meet the Fire Service code of practice
8. Budgeted expenditure (including any Council approved additional expenditure) not exceeded
9. Not less than 80% of the respondents rate the service as “fairly good or better” in the annual public satisfaction survey
10. A reducing number of complaints received through the Customer Service Request system

Funding

For Water Reticulation Council have determined the following revenue and funding regime as part of their **“Revenue and Financing Policy”**

Activity	Public/Private Benefit division	Charging Mechanism	Details
Water Reticulation	20% Public/80% Private	User fees and charges for metered supply. Uniform Annual Charge for those supplied	Council acknowledges the importance of a high standard of water supply in the interests of public health. These public benefits are less significant than the value placed on them by individual users, so fees and charges have been set to recover all costs.

Water Supply

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Effective and efficient management of the production and distribution of water to ensure that neither public health nor the environment is compromised
3. Match service provision in smaller communities with the communities desired level of service and ability to pay
4. Meet minimum grading under the New Zealand Drinking Water Standards appropriate to the population size for Wairoa ('C' or 'B' is the likely grading goal for Wairoa).

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A strong, prosperous and thriving economy
2. A lifetime of good health and wellbeing

Service Levels and Targets

1. Water treatment, storage and reticulation systems are operational and there are no interruptions of more than 8 hours
2. Water quality meets Health Act requirements. Public Health Risk Management Plan for Wairoa supply audited and approved by District Health Board assessors
3. Council has current consents where required and there is full compliance with all consent conditions
4. An annually reducing trend in the volume of water lost in the system
5. An annually reducing trend in the volume of domestic water use per connection
6. No safety incidents reported through the CSR system
7. Fire hydrants maintained to meet the Fire Service code of practice
8. Budgeted expenditure (including any Council approved additional expenditure) not exceeded
9. Not less than 80% of the respondents rate the service as "fairly good or better" in the annual public satisfaction survey
10. A reducing number of complaints received through the Customer Service Request system

Funding

For Water Production Council have determined the following revenue and funding regime as part of their "**Revenue and Financing Policy**"

Activity	Public/Private Benefit division	Charging Mechanism	Details
Water Production	0% Public 100% Private	User fees and charges for metered supply.	The benefits of the production of water were identified as comprising the access and supply for both private individuals and commercial users. All costs of production of water are absorbed within commercial supply arrangements or within reticulation charges.

Stormwater & Drainage

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Effective and efficient management of collection and disposal of stormwater to ensure that the capacity of available facilities are optimised and that the environment is not compromised
3. Continued development of stormwater systems to provide minimum levels of protection defined in Council's Engineering Code of Practice
4. Piping of urban open drains at a rate that reflects the community's ability to pay

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A safe and secure community
2. A lifetime of good health and wellbeing
3. An environment that is appreciated, protected and sustained for future generations

Service Levels and Targets

1. Stormwater systems functioning to the satisfaction of customers. Target for 2010/11 of 65% customer satisfaction
2. The number of known incidences of flooding due to inadequacies in the system reducing over time
3. The number of known incidences of flooding due to lack of maintenance reducing over time
4. Council has current consents for all required purposes and there has been full compliance with all the conditions of them throughout the year
5. There are no reported safety incidents through the Customer Service Request system
6. Budgeted expenditure (including any Council approved additional expenditure) not exceeded
7. Not less than 80% of the respondents rate the service as "fairly good or better" in the annual public survey

Funding

For stormwater and drainage Council have determined the following revenue and funding regime as part of their "**Revenue and Financing Policy**"

Activity	Public/Private Benefit division	Charging Mechanism	Details
Stormwater & Drainage	20% Public 80% Private	Uniform annual charges within affected areas.	Council reviewed the beneficiary division; in particular the private property benefit. Whilst it was acknowledged that there was public benefit derived by the urban roading network in the use of the drainage system, the private benefit was significantly greater.

Sewerage

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Effective and efficient management of collection and disposal of sewage and trade waste to ensure that the capacity of available facilities are optimised and that the environment is not compromised
3. Maintain and upgrade existing networks as required to meet growth needs and resource consent requirements
4. Address growth in Mahia by constructing collection, treatment and disposal facilities to a level agreed with the serviced communities

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A strong, prosperous and thriving economy
2. A lifetime of good health and wellbeing
3. An environment that is appreciated, protected and sustained for future generations

Service Levels and Targets

1. Sewerage systems operational at Wairoa, Tuai and Mahia. All blockages to be rectified within 8 hours
2. No significant overflows due to inadequate maintenance, measured through compliance with regional council consents
3. Council has current consents for all required purposes and there has been full compliance with all conditions of them during the year
4. There are no reported safety incidents through the Customer Service Request (CSR) system
5. Budgeted expenditure (including any Council approved additional expenditure) not exceeded
6. Not less than 80% of the respondents rate the service as “fairly good or better” in the annual public satisfaction survey
7. A reducing number of complaints received through the CSR system

Funding

For sewerage reticulation and treatment Council have determined the following revenue and funding regime as part of their “*Revenue and Financing Policy*”

Activity	Public/Private Benefit division	Charging Mechanism	Details
Sewerage	0% Public 100% Private	Uniform annual charge for those supplied	The private and public benefit of the services were reviewed with health being identified as a major public benefit while convenience was seen as a major private benefit. Council considered that the only beneficiaries were in fact the users.

WATER SERVICES						
<i>Forecast Statement of Cost of Service for the year ending 30 June 2011</i>						
BUDGET		COSIS	REVENUE	NET COST	2010/11	
2009/10		2010/11	2010/11	2010/11	PER LTCCP	VARIANCE
643,451	Water Reticulation	1,142,340	254,400	887,940	773,999	113,941
134,400	Water Production	867,670	728,620	139,050	143,424	(4,374)
269,120	Stormwater and Drainage	321,400	-	321,400	292,469	28,931
901,410	Sewerage	850,600	6,060	844,540	951,536	(106,996)
1,948,381		3,182,010	989,080	2,192,930	2,161,428	31,502
	Less internal allocation	236,640	236,640			
		2,945,370	752,440			
	Funded by					
1,519,581	Rates			1,649,440	1,747,201	(97,761)
492,300	Reserves			402,000	102,800	299,200
134,400	Depreciation not funded			141,490	143,424	(1,934)
2,146,281				2,192,930	2,161,428	31,502
	Projects					
185,000	Water Reticulation	96,980		96,980	96,985	(5)
214,100	Water Production	336,100		336,100	456,179	(120,079)
352,900	Stormwater & Drainage	132,200		132,200	132,180	20
4,800	Stormwater & Drainage - Loan Pay	5,800		5,800	5,800	-
280,000	Sewerage Mahia including Capitalised Interest\$108913	4,347,857		4,347,857	3349335	998,522
	Sewerage Other	359,200		359,200		
1,036,800		5,278,137		5,278,137	4,040,479	878,458
	Funded by					
4,800	Rates	89,337		89,337	5,800	83,537
	Subsidy	1,491,649		1,491,649	3,000,000	(1,508,351)
729,100	Reserves	774,500		774,500	924,679	(150,179)
302,900	Loans	2,922,651		2,922,651	110,000	2,812,651
1,036,800		5,278,137		5,278,137	4,040,479	1,237,658

Activity Group Two

WASTE MANAGEMENT

1. Waste Management

Waste Management

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Zero waste to landfill by 2010
3. To ensure that waste is handled in appropriate and environmentally sound ways consistent with all consent requirements
4. To ensure that individuals within the community understand the options and choices they can make for the disposal of waste
5. Council and community work together to minimise waste and create a clean environment
6. Waste is recognised as a valuable resource

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A safe and secure community
2. A lifetime of good health and wellbeing
3. An environment that is appreciated, protected and sustained for future generations

Service Levels and Targets

1. All approved bags collected weekly, provided they are at the roadside by 7.30am on the day of collection. Target—no valid complaints received
2. Changes to collection days are notified in the Wairoa Star in the week prior to the changed day
3. All approved recyclable material deposited kerbside in approved bins is collected weekly on the designated day. Target—no valid complaints received
4. Reduction in the total volume of waste. Target—not more than 2900 tonnes going into the landfill in 2010/11
5. Council has current consents for all required purposes and there has been full compliance with all conditions of them during the year
6. Every rural school will have the opportunity to be involved in waste reduction, reuse, recycling and recovery
7. A bi-annual newsletter for waste education to be published
8. Litter control bylaw in place
9. Fencing and screen planting along Fraser Street will be maintained
10. Vegetation clearance within the landfill will be undertaken twice annually
11. At least the current number of litter bins to be maintained and emptied frequently. Target—no complaints received
12. No safety issues reported
13. Budgeted expenditure (including any Council approved additional expenditure) not exceeded
14. Improve the satisfaction rating each year from 2007 score of 50% up to 80% by 2012 and maintain at 80% or above thereafter

Funding

For waste management Council have determined the following revenue and funding regime as part of their “Revenue and Financing Policy”

Activity	Public/Private Benefit division	Charging Mechanism	Details
Waste Management Refuse Collection	0% Public 100% Private	User Fees—Approved bags purchased by individuals from retail outlets	The benefits identified as public included improved environmental health and a clean environment whilst private benefits included household/firm management
Waste Management 1. Disposal of Waste 2. Recycling collection	10% Public 90% Private	Targeted rate User fees—(landfill tipping charges)	The benefits of providing for waste disposal include public health and environmental outcomes together with convenience and safe living. Other negative effects such as the loss of land, continued aftercare and the support of commercial operations were also identified.
Waste Management Waste Site Aftercare	100% Public 0% Private	Targeted rate	The potential for pollution from poorly managed closed landfills was noted as was the benefit to public health. The practicality of collecting directly from anyone after a landfill was closed resulted in the 100% public decision.

SOLID WASTE						
<i>Forecast Statement of Cost of Service for the year ending 30 June 2011</i>						
BUDGET		COSTS	REVENUE	NET COST	2010/11	
2009/10		2010/11	2010/11	2010/11	PERLTCCP	VARIANCE
675,700	Waste Management	1,060,700	320,000	740,700	747,353	(6,653)
675,700		1,060,700	320,000	740,700	747,353	(6,653)
	Funded by					
635,700	Rates			740,700	747,353	(6,653)
40,000	Reserves			-		-
	Depreciation not funded			-		-
675,700				740,700	747,353	(6,653)
	Projects					
600,000	Waste Management	-		-		
-	Waste Management - loan paymt	5,500		5,500	5,500	(5,500)
600,000		5,500		5,500	5,500	(5,500)
	Funded by					
-	Rates	5,500		5,500	5,500	-
-	Reserves	-		-		
600,000	Loans	-		-		
600,000		5,500		5,500	5,500	-

Activity Group Three TRANSPORT

- 1. Roads
(District funded and subsidised)**
- 2. Parking**
- 3. Airport**

Roads (District funded & NZTA subsidised)

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. To meet the community's needs for safe and efficient movement of people and goods by maintaining and developing the District's roading network
3. Maintain the current network at "present day average" condition or better
4. Provision of a safe and affordable roading network that contributes to the outcomes of the Land Transport Management Act and the objectives of the Regional Land Transport Strategy
5. Ensure road safety continues to be a priority

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A strong, prosperous and thriving economy
2. A safe and integrated transport system

Service Levels and Targets

1. All renewal and new capital work planned for the year completed to the predetermined standard during the year
2. No more than 20 complaints received regarding sub-standard maintenance of footpaths or sub-standard cleaning of CBD area
3. Walking and Cycling Strategy in place and programme for implementation included in long term planning
4. All necessary resource consents obtained and all conditions complied with
5. The network will be accessible at all times other than when closed by slips or other natural events except when closed in accordance with approved notice
6. Road closures for events will be notified through Public Notices and residents of affected roads will be directly consulted
7. Average NAASRA counts across sealed network to be less than 100 (i.e. a "Fair" ride quality)
8. No more than 10% of the sealed road network to be assessed as "very poor"
9. A reducing number of accidents in each consequence category (fatal, injury, minor)
10. No accidents attributable to "engineering" aspects of the road network (eg: loose chip from reseals)
11. All necessary resource consents obtained and all conditions complied with
12. Budgeted expenditure (including any Council approved additional expenditure) not exceeded
13. Long term target is to have no less than 75% of the respondents consider the land transport service to be "fairly good, very good or better" as measured by the annual public satisfaction survey. 72% target for 2010/11

Funding

For roading Council have determined the following revenue and funding regime as part of their “*Revenue and Financing Policy*”

Activity	Public/Private Benefit division	Charging Mechanism	Details
Roading	66% Public 34% Private	Targeted rate based on property land value	The Council deliberated (September 2002) over the division of benefits derived from Council’s total roading activities (subsidised and non-subsidised). The Council concluded that a changed apportionment was appropriate. The amended division now gives weight to the increased usage of local roads by forestry operators but continues to recognise the district wide benefits relating to the economic and social purposes of maintaining an adequate roading network.

Parking

Activity Goal and Principal Objectives

1. To ensure that there is sufficient convenient, safe and secure parking for people visiting the Wairoa Central Business District
2. To maintain the current carparking facilities at “present day” average condition or better through the provision of capital development and maintenance of the established (existing) carparks

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A strong, prosperous and thriving economy
2. A safe and integrated transport system

Service Levels and Targets

1. All renewal and new capital work planned for the year completed to the predetermined standard during the year
2. No more than 10 complaints received regarding sub-standard maintenance of carparks
3. Budgeted expenditure (including any Council approved additional expenditure) not exceeded
4. Long term target is to have no less than 75% of the respondents consider the land transport service to be “fairly good, very good or better” as measured by the annual public satisfaction survey. 72% target for 2010/11

Funding

For carparking Council have determined the following revenue and funding regime as part of their “*Revenue and Financing Policy*”

Activity	Public/Private Benefit division	Charging Mechanism	Details
Car Parks	60% Public 40% Private	General rate based on property value	Based upon an assessment of public opinion Council decided that parking should remain free to be controlled by time restrictions.

Airport

Activity Goal and Principal Objectives

1. Adopt proactive maintenance techniques combined with a sustainable renewals and capital works programme and to ensure that all preventative maintenance, renewals and other programmed works are completed on time and within budget
2. Ensure the safe and efficient operation of the airport by providing the resources necessary to operate the Airport
3. Ensure that the airport remains operational at all times unless affected by adverse weather conditions
4. Ensure that activities undertaken at the airport are in accord with current Civil Aviation rules
5. Ensure that agreed levels of service are provided
6. Plan for the future by monitoring airport performance and need on an on-going basis to ensure it remains serviceable and meets community requirements

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A strong, prosperous and thriving economy
2. A safe and integrated transport system

Service Levels and Targets

1. The airport is maintained and available for use with no more than 10 closures per year
2. No health or safety incidents recorded at airport
3. All necessary resource consents obtained and all conditions complied with
4. Airport remains in Council ownership to provide a “lifeline” in time of need
5. Budgeted expenditure (including any Council approved additional expenditure) not exceeded
6. Not more than the number of complaints and requests for service received than the previous year

Funding

For the airport Council have determined the following revenue and funding regime as part of their “*Revenue and Financing Policy*”

Activity	Public/Private Benefit division	Charging Mechanism	Details
Airport	60% Public 40% Private	General rate based on property land value User fees and charges	The shortfall of fees and public benefits would continue to be funded from rating mechanisms.

TRANSPORT						
<i>Forecast Statement of Cost of Service for the year ending 30 June 2011</i>						
BUDGET		COSTS	REVENUE	NET COST	2010/11	
2009/10		2010/11	2010/11	2010/11	PER LTCCP	VARIANCE
23,700	Airport	58,000	33,960	24,040	24,895	(855)
4,395,028	Roading (Transfund assisted)	8,653,500	4,006,442	4,647,058	4,517,077	129,981
430,050	Roading (District funded)	486,400	14,100	472,300	456,370	15,930
49,060	Parking	50,700		50,700	51,356	(656)
4,897,838		9,248,600	4,054,502	5,194,098	5,049,698	144,400
	Funded by					
3,458,207	Rates			3,455,948	3,615,753	(159,805)
70,000	Reserves			274,600	74,620	199,980
1,369,631	Depreciation not funded			1,463,550	1,359,325	104,225
4,897,838				5,194,098	5,049,698	144,400
	Projects					
3,428,337	Roading (Transfund assisted)	2,744,500		2,744,500	2,744,472	28
346,000	Roading (District funded)	149,500		149,500	149,420	80
-	Airport	-		-	-	-
5,000	Parking	-		-	-	-
3,779,337		2,894,000		2,894,000	2,893,892	108
	Funded by					
5,000	Rates	-		-	-	-
1,158,835	Reserves	897,388		897,388	993,713	(96,325)
2,615,502	Subsidies	1,996,612		1,996,612	1,900,179	96,433
3,779,337		2,894,000		2,894,000	2,893,892	108

Activity Group Four COMMUNITY FACILITIES

1. **Cemeteries**
2. **Parks & Reserves**
3. **Library**
4. **Community Support**
Museum
Community Funding/Support
Community Centre
Community Halls
5. **Pensioner Housing**

Cemeteries

Activity Goal and Principal Objectives

1. To manage and provide land and facilities for the burial or interment of ashes of the dead and their remembrance suitable for the current and foreseeable needs of the community
2. To ensure that the cemetery is maintained to a standard that is consistent with the expectations of the community and shows respect for those interred
3. To provide a safe and efficient service through compliance with relevant legislation and Council policy

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A safe and secure community
2. A lifetime of good health and wellbeing
3. A community that values and promotes its culture and heritage

Service Levels and Targets

1. Plots available at Nuhaka, Wairoa and Ruakituri
2. Budgeted expenditure (including any Council approved additional expenditure) not exceeded
3. Not less than 80% of the respondents rate the service as “fairly good or better” in the annual public satisfaction survey

Funding

For cemeteries Council have determined the following revenue and funding regime as part of their “*Revenue and Financing Policy*”

Activity	Public/Private Benefit division	Charging Mechanism	Details
Maintenance of records	100% Public 0% Private	General rate based on property capital value	The cost of cemetery records maintenance is funded from rates recognising the statutory and public duty nature of these tasks.
Provision of plots & reserves Maintenance	71% Public 29% Private	General rate based on property capital value User fees and charges	Council is reconsidering its current policy with respect to user charges for all cemetery activity costs. A move to higher cost recovery is possible.

Parks & Reserves

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Providing a network of reserves and community facilities for the public to use and enjoy
3. Planning for the future including the adoption of proactive maintenance techniques combined with sustainable renewals and capital works programs and to ensure that all preventative maintenance, renewals and other programmed works are completed on time and within budget
4. Where possible partnering with groups and clubs within the community
5. Collaborating with the Department of Conservation and the Hawkes Bay Regional Council
6. Advocating in the interests of our people and communities

Community Outcomes

1. Safe and accessible recreational facilities

Service Levels and Targets

1. No sales of reserves or sports grounds
2. Public toilets continue to be available in the same locations as they are now
3. No parks closures
4. Not less than 80% of the respondents rate the service to be “fairly good, very good or better” in the annual public satisfaction survey
5. Playground safety standards met for all playgrounds
6. No complaints of inadequate lighting
7. Budgeted expenditure (including any Council approved additional expenditure) not exceeded

Funding

For parks & reserves Council have determined the following revenue and funding regime as part of their “*Revenue and Financing Policy*”

Activity	Public/Private Benefit division	Charging Mechanism	Details
Parks and Reserves	80% Public 20% Private	Targeted/separate rate based on property capital value User fees and charges	Council identified that its policy of cost related user charges for active recreation areas had resulted in a further decline in revenues. As the 20% user charges level was no longer achievable, budgets are now set for the unrecovered estimate of costs to be rates funded. Council is currently and actively reviewing these policies.

Library

Activity Goal and Principal Objectives

1. Promote the library to the wider community as a centre for information, ideas and works of the imagination
2. Explore and implement technologies that enhance communication, knowledge and information sharing; locally, nationally and internationally
3. Maintain collections, written and digital, so as to cater to the Wairoa community's needs, both current and future
4. Promote reading and encourage and support lifelong learning and literacy
5. Promote a 'living room away from home' - a space that people can use and relax in and utilise for debates, educational programmes and activities

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A community that values and promotes its culture and heritage
2. Safe and accessible recreational facilities
3. Supportive, caring and valued communities
4. A lifetime of good health and wellbeing

Service Levels and Targets

1. A maintained or increased number of library members
2. A maintained or increased number of library visits
3. A maintained or increased number of items issued
4. The library is accessible to users during displayed opening hours
5. Opportunities are provided to participate in the annual Eastern & Central Region Summer Reading Programme via newspaper and the Council website
6. All preventative maintenance, renewals and other programmed works are completed on time and within budget
7. Level of customer satisfaction through survey indicates a "fairly good, very good or better" minimum 80% approval rating

Funding

For the provision of a library service Council have determined the following revenue and funding regime as part of their "*Revenue and Financing Policy*"

Activity	Public/Private Benefit division	Charging Mechanism	Details
Library	60% Public 40% Private	Public benefits funded 100% from uniform annual charge User fees and charges	The full recovery of private benefits from use of the library has not been attempted as the Council considers that the resulting fee increases would be unacceptably high. The shortfall of fees and public benefits would continue to be funded from rating mechanisms.

Community Support

Activity Goal and Principal Objectives

Council's goal is to provide a co-ordinated response to the provision of recreational, health, safety, education and other community services. In order to achieve this goal, and defined community outcomes, Council will:

1. Ensure community events, facilities and funding are available to foster community identity and participation; and to encourage the use of community facilities
2. Allocate Council funding to organisations where appropriate
3. Work co-operatively with other organisations to share information, and to develop and monitor indicators and strategies to measure progress towards the District Vision and Community Outcomes
4. Enter into partnerships for the provision of community facilities and services to enhance the social, economic, environmental and cultural well-being of the Wairoa District as well as meet community outcomes

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A community that values and promotes its culture and heritage
2. Safe and accessible recreational facilities
3. Supportive, caring and valued communities

Service Levels and Targets

1. The number of customers visiting the Visitor Information Centre and level of customer satisfaction are the same or better than that of the previous year
2. Overall user satisfaction of community halls and facilities through survey indicates a "fairly good, very good or better" approval rating of not less than 80%
3. Council grants to funded organisations are paid in accordance with funding contracts/agreements
4. Funding contracts/agreements are reviewed annually/triennially in accordance with existing funding contract specifications
5. Residents are satisfied with value for money through rates on supporting community facilities and organisations with an approval rating of not less than 80%

Funding

For community support activities Council have determined the following revenue and funding regime as part of their "**Revenue and Financing Policy**"

Activity	Public/Private Benefit division	Charging Mechanism	Details
Community Support	100% Public 0% Private	General rate based on property capital value	Council has decided that it maintain community support to the general community and that a maximum percentage of rates levied be set, against which grants can be made.
Community Halls	100% Public 0% Private	General rate based on property capital value	Council has devolved responsibility for all but one (Tuai) or has leased (Wairoa) its district halls.

Pensioner Housing

Activity Goal and Principal Objectives

The Pensioner Housing Activity Goal is to:

1. Manage and maintain the pensioner housing assets to a standard and at a cost acceptable to the community and tenants
2. Provide accommodation to those who are unable to access private sector rental properties

In order to meet these goals and desired outcomes Council will:

1. Manage all tenancies in accordance with the Residential Tenancy Act
2. Ensure all prospective tenants meet eligibility criteria
3. Regularly inspect pensioner housing units
4. Carry out pre and post occupancy inspections

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A safe and secure community
2. Supportive, caring and valued communities

Service Levels and Targets

1. Level of occupancy of the existing units. Target—not less than 75% occupancy annually
2. All renewal and new capital work planned for the year completed to the predetermined standards required within the year
3. Annual inspections are conducted to identify any internal or external maintenance issues
4. 100% compliance with relevant legislation and Council policy
5. The number of reported health or safety incidents is the same or less than the previous year
6. The cost related to this activity did not exceed the approved budget
7. 95% of all requests for service and complaints dealt with within the specified timeframes
8. Less than 10 complaints from tenants per annum
9. No Tenancy Tribunal related disputes with any of the tenants

Funding

For pensioner housing Council have determined the following revenue and funding regime as part of their “*Revenue and Financing Policy*”

Activity	Public/Private Benefit division	Charging Mechanism	Details
Pensioner housing	100% Private	User market rental charges	Council recognised that all flats would not be full at all times and therefore any short-fall in revenue would be funded from general rates. Council noted that the term “market rental” was appropriate and these would be charged.

COMMUNITY FACILITIES						
<i>Forecast Statement of Cost of Service for the year ending 30 June 2011</i>						
BUDGET		COSTS	REVENUE	NET COST	2010/11	
2009/10		2010/11	2010/11	2010/11	PER LTCCP	VARIANCE
699,270	Parks & Reserves	715,600	15,500	700,100	739,835	(39,735)
304,340	Library	317,953	15,500	302,453	325,865	(23,412)
87,000	Museum	90,340	-	90,340	90,000	340
55,200	Community Support	97,876	36,676	61,200	49,200	12,000
234,000	Community Centre	242,980	-	242,980	240,000	2,980
17,800	Community Halls	24,400	-	24,400	18,768	5,632
74,100	Visitor Information Centre	265,423	132,900	132,523	77,006	55,517
7,400	Pensioner Housing	73,000	90,000	(17,000)	(8,580)	(8,420)
81,675	Cemeteries	125,500	31,400	94,100	89,639	4,461
1,560,785		1,953,072	321,976	1,631,096	1,621,733	9,363
	Funded by					
1,555,785	Rates			1,623,796	1,616,733	7,063
-	Reserves			-	-	-
5,000	Depreciation not funded			7,300	5,000	2,300
-						
1,560,785				1,631,096	1,621,733	9,363
	Projects					
15,000	Parks & Reserves	20,000		20,000	-	20,000
45,000	Library	35,000		35,000	35,000	-
	Cemetery	33,270		33,270	33,270	-
33,000	Pensioner Housing	35,488		35,488	35,488	-
93,000		123,758		123,758	103,758	20,000
	Funded by					
-	Rates	10,000		10,000		10,000
93,000	Reserves	113,758		113,758	103,758	10,000
93,000		123,758		123,758	103,758	20,000

Activity Group Five PLANNING & REGULATORY

- 1. Resource Planning**
- 2. Environmental Health**
- 3. Bylaw Compliance**
 - Dog Control**
 - Livestock Control**
 - General**
- 4. Building Control**
- 5. Liquor Licensing**
- 6. Safer Communities**
- 7. Emergency Management**

Resource Planning

Activity Goals and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. To have in place a District Plan that meets the needs of the community, provides some certainty to developers and meets the requirements of the Resource Management Act 1991
3. To have the capacity to assess and process Resource Consent applications in accordance with statutory timeframes
4. To provide high quality information, advice and analysis to Council in order to facilitate the sustainable management of natural resources
5. To manage natural resources sustainably using available statutes, plans and processes
6. To monitor and revise the District Plan to ensure community outcomes are achieved and natural resources are managed in a sustainable manner
7. To implement the Wairoa Coastal Strategy to ensure its goals and objectives are achieved
8. To revise and update the District Profile on a regular basis so that information remains current
9. To ensure all resource consent applications are processed in accordance with statutory requirements so as to limit Council's potential exposure to litigation

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. An environment that is appreciated, protected and sustained for future generations
2. A safe and secure community

Service Levels and Targets

1. No Council resource consent or land use consent decisions subsequently overturned by the Environment Court
2. No instances where legal proceedings have succeeded against the Council, alleging that it has acted unlawfully or has been negligent in the exercise of its responsibilities
3. No actual or potential claims that have had to be notified to the Council's insurers
4. No health or safety incidents
5. The cost related to this activity did not exceed the approved budget
6. 100% of applications for consent dealt with within specified timeframes

Funding

For resource planning Council have determined the following revenue and funding regime as part of their “*Revenue and Financing Policy*”.

Activity	Public/Private Benefit division	Charging Mechanism	Details
Resource planning Planning, policy and management	100% Public 0% Private	General rate based upon property capital value	It is a statutory requirement to maintain a District Plan and the benefits accrue to all residents equally.
Consent applications	30% Public 70% Private	General rate based upon property capital value User fees and charges	Public benefits result from the opportunity for access into the process and this results in wider benefits to the community.
Consent monitoring	0% Public 100% Private	User Fees and charges	A larger benefit accrues to the consent applicant and therefore a proportion of the cost of obtaining these benefits together with their ongoing monitoring is a private cost.

Environmental Health

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are implemented such that Council meets its requirements and statutory obligations
2. To ensure that all premises registered in terms of the Health Act are inspected on a regular basis and hygiene practices promoted and that food for human consumption is safe, wholesome and free from adulteration
3. To provide an efficient customer service, particularly with regard to the matter of investigating and resolving complaints
4. To utilise and monitor external contractors to deliver key environmental services which the Council is not able to carry out
5. To fulfil an Environmental Health role within Council's structure in the event that emergencies or other unusual circumstances arise
6. To minimise adverse effects on public health in the community
7. To ensure all environmental health functions are carried out within timeframe and budget

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A safe and secure community
2. A lifetime of good health and wellbeing

Service Levels and Targets

1. 100% of all registered premises inspected during the year
2. No sickness outbreaks that are known to have been caused or are suspected to have been caused by persons purchasing contaminated food, or by the inadequate management (or of some other failing) of the public services
3. 100% of all complaints about unreasonable noise are responded to in accordance with legislation, regulations and Council policy
4. No health or safety incidents
5. The cost related to this activity did not exceed the approved budget
6. Not less than 95% of all complaints dealt with within the specified timeframes

Funding

For environmental health Council have determined the following revenue and funding regime as part of their "**Revenue and Financing Policy**".

Activity	Public/Private Benefit division	Charging Mechanism	Details
Environmental health Licensing of premises	50% Public 50% Private	General rate based upon property capital value User fees and charges	The recovery of the full private benefit portion of the charges is not possible. The unfunded portion of this cost together with the public benefit portion will be funded from a general rate.
Monitoring of public health	100% Public 0% Private	General/separate rate based upon property capital value	The individual beneficiaries of this activity are not possible to identify accurately and therefore the private benefit portion shall be funded from a general rate.

Bylaw Compliance—Dog Control

Activity Goal and Principal Objectives

1. To apply the enforcement provisions of the Dog Control Act 1996 and its amendments, which may include infringement notices (instant fines), prosecutions and other powers to enforce dog owner obligations and Act requirements
2. To ensure that dogs are controlled such that there is no threat to people or property
3. To ensure that complaints relating to dogs are responded to and suitable solutions found to resolve the complaint
4. To ensure that dog owners are aware of the obligations of dog ownership
5. All statutory dog control functions are carried out within timeframe and budget

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. An environment that is appreciated, protected and sustained for future generations
2. A safe and secure community
3. A lifetime of good health and wellbeing

Service Levels and Targets

1. All known dogs registered by 30th June each year
2. Annual Report about the administration of the Council’s policy and dog control practices adopted by 30 August each year
3. Council responds in accordance with legislation to 100% of complaints in relation to instances of:
 - Dogs attacking persons or animals
 - Dogs rushing at persons, animals or vehicles
 - Dogs causing serious injury
 - Dogs at large and an immediate disturbance or threat to wildlife
4. No health or safety incidents
5. The cost related to this activity did not exceed the approved budget
6. Not less than 95% of all complaints dealt with within the specified timeframe
7. Not less than 70% of the respondents rate the service as “fairly good or better” in the annual public satisfaction survey

Funding

For dog control Council have determined the following revenue and funding regime as part of their *“Revenue and Financing Policy”*.

Activity	Public/Private Benefit division	Charging Mechanism	Details
Ranging and control	10% Public 90% Private	General rate based upon property capital value User fees and charges	Council determined that the ownership of dogs gave rise to two effects. Dog ownership conferred private benefits but also was related to the “exacerbator” effect arising from the nuisance created by roaming dogs. A small proportion of dog control costs relating to the stray control operations of Council gave rise to a small residual public benefit.

Bylaw Compliance—Livestock Control

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. To ensure that livestock are controlled such that there is no threat to people or property
3. To ensure that complaints relating to animal nuisances are responded to and suitable solutions found to resolve the complaint
4. To ensure that Council owned stock paddocks are maintained to an appropriate standard
5. All statutory livestock control functions are carried out within timeframe and budget

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A safe and secure community

Service Levels and Targets

1. At least 10% less complaints received about wandering stock than in the previous year
2. At least 10% less stock impounded than in the previous year
3. No complaints received about the manner in which the Council has carried out its “Livestock Control” responsibilities
4. The number of reported health or safety incidents are the same or less than the previous year
5. The cost related to this activity did not exceed the approved budget
6. Not more than the number of complaints received in the previous year
7. Not less than 95% of all complaints dealt with within the specified timeframe
8. Not less than 70% of the respondents rate the service as “fairly good or better” in the annual public satisfaction survey

Funding

For livestock control Council have determined the following revenue and funding regime as part of their “*Revenue and Financing Policy*”.

Activity	Public/Private Benefit division	Charging Mechanism	Details
Ranging and control	100% Public 0% Private	General rate based upon property capital value	The recovery of the private/exacerbator created costs of animal control is not readily achievable. Council will endeavour to increase recoveries of the activities where costs can be identified and targeted to individuals. Feral animal control will remain a cost on the District’s ratepayers.
Pounds	86% Public 14% Private	General rate based upon property capital value Fees, Fines and Pound charges	

Bylaw Compliance—General

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. An environment that is appreciated, protected and sustained for future generations
2. A safe and secure community
3. A lifetime of good health and wellbeing

Service Levels and Targets

1. No occasions when Council has had to formally enforce compliance with any of its bylaws, or institute legal action under them during the year
2. No Court decisions against the Council on the basis that any Council bylaw is, or the Council's enforcement of it has been, unreasonable or ultra vires
3. The cost related to this activity did not exceed the approved budget
4. Not less than 95% of all complaints dealt with within the specified timeframes

Funding

For bylaw/parking control Council have determined the following revenue and funding regime as part of their *“Revenue and Financing Policy.”*

Activity	Public/Private Benefit division	Charging Mechanism	Details
Bylaw/Parking control Statutory administrative duties and policy	95% Public 5% Private	General rate based upon property capital value User fees and charges	The administrative duties associated with bylaw activities conferred a wide public benefit with a small residual private benefit.
Bylaw enforcement	80% Public 20% Private	General rate based upon property capital value User fees and charges	Enforcement is in response to public demand

Building Control

Activity Goal and Principal Objectives

The Building Control Activity Goal is:

- An acceptable standard of building development within the District through the positive application of the Building Act 2004 and Act processes

Council's objectives are to:

1. Ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. Ensure new and existing buildings within the District comply with the appropriate standards and codes
3. Meet statutory deadlines for building consents processed under the Building Act 2004
4. Employ effective, user-friendly consent handling and associated administrative processes
5. Keep developers aware of issues that will affect their projects
6. Promote the construction of safe and healthy buildings and ensure they are maintained in a safe and sanitary state
7. Maintain a register of swimming pools within the District
8. Have policies and procedures in place for the completion of audit on building warrants of fitness to ensure that building owners are complying with the requirements of compliance schedules
9. Have policies and procedures in place for the completion of audit of independently qualified persons to ensure that they are performing in compliance with the Building Act 2004
10. Ensure adequate staff are employed to complete all of the above
11. Ensure staff receive adequate training to enable them to complete work to an acceptable standard
12. Ensure that Building Consent activities are carried out within budget

Community Outcomes

The community outcomes to which this activity primarily contributes to are:

1. A strong, prosperous and thriving economy
2. An environment that is appreciated, protected and sustained for future generations
3. A safe and secure community
4. A lifetime of good health and wellbeing

Service Levels and Targets

1. Accreditation as a Building Consent Authority obtained and no compliance issues raised by the Building Consents Authority subsequently
2. No claims against the Council notified to Council's insurers during the year
3. Number of consents still needing Code of Compliance Certificate. Target—10% reduction annually
4. No unfenced or non-complying swimming pools identified during the year
5. Council responds to 100% of all known illegal or unauthorised buildings or instances of illegal or unauthorised building work identified during the year
6. No instances where legal proceedings have been taken against, or have been threatened to be taken against, the Council, alleging that it has acted unlawfully or has been negligent in the exercise of its responsibilities
7. The agreed level of service achieved with the total cost being met from fees and charges and no rate input, except for Council's statutory administrative duties (and then for a sum that does not exceed the amount in the approved annual budget)
8. 100% of consents processed within the prescribed times

Funding

For building control Council have determined the following revenue and funding regime as part of their ***“Revenue and Financing Policy.”***

Activity	Public/Private Benefit division	Charging Mechanism	Details
Building Inspection Statutory administration	100% Public 0% Private	General rate based upon property capital value	Benefit accrues to community as a whole in terms of meeting statutory requirements and standards.
Consent inspection	0% Public 100% Private	Fees and charges	Benefits accrue entirely and directly to the consent holder

Liquor Control

Activity Goal and Principal Objectives

1. To ensure that relevant legislation, regulations and bylaws are monitored and enforced such that Council meets its requirements
2. To ensure liquor control produces positive health outcomes for the community as a whole
3. Ensure appropriate resources are available to meet the legislative requirements of the activity
4. Monitor activity to ensure interventions are resulting in the maintenance/improvement of a safe living environment and community outcomes are being met

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. An environment that is appreciated, protected and sustained for future generations
2. A safe and secure community
3. A lifetime of good health and wellbeing

Service Levels and Targets

1. 100% of all "On, Off and Club" licensed premises inspected during the year
2. Council responds in accordance with legislation to 100% of all known unlicensed liquor premises or other activities in contravention of the requirements of the Sale of Liquor Act 1989
3. Council responds in accordance with legislation to 100% of all situations where licences have to be suspended or revoked during the year
4. The cost related to this activity did not exceed the approved budget
5. Not less than 95% of all complaints dealt with within the specified timeframe

Funding

For liquor control/licensing Council have determined the following revenue and funding regime as part of their "**Revenue and Financing Policy**".

Activity	Public/Private Benefit division	Charging Mechanism	Details
Liquor Control/Licensing Statutory administration	64% Public 36% Private	General rate based upon property capital value User fees and charges	Legislative limits are such that Council must recover the unfunded portion of user fees and charges from rates.

Emergency Management

Activity Goal and Principal Objectives

The activity goal is to promote and protect the safety of the community. The principal objectives of the Emergency Management Activity are to ensure:

1. Relevant legislation, regulations and bylaws are monitored and enforced so that Council meets legislative requirements
2. Communities are well prepared for emergencies
3. Communities are responsible with respect to rural fire and civil defence activities and/or emergencies
4. There is an appropriately resourced and trained network of volunteers for Emergency Management purposes
5. There is appropriate leadership in an emergency/adverse event with quick response times and effective decision making

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A lifetime of good health and wellbeing
2. A safe and secure community
3. An environment that is appreciated, protected and sustained for future generations

Service Levels and Targets

1. Warden Groups are established in all Civil Defence sectors
2. Rural Fire Plan maintained and meets statutory and local requirements
3. Response plans and SOP's are current and reflect perceived threats
4. Non-declared and declared events are responded to and recovered from efficiently and affectively in accordance with Hawke's Bay Civil Defence Emergency Management Plans
5. All preventative maintenance, renewals and other programmed works are completed on time and within budget
6. 90% of rural fire-fighting costs recovered
7. 100% of claims on the National Rural Fire-Fighting Fund are successful
8. A Duty Officer is on call 24/7 for 365 days of the year

Funding

For emergency management Council have determined the following revenue and funding regime as part of their "**Revenue and Financing Policy**".

Activity	Public/Private Benefit division	Charging Mechanism	Details
Emergency Management Civil Defence	100% Public 0% Private	General rate based upon property capital value	Costs incurred in the civil defence and fire activities are as a consequence of statutory and other requirements. The beneficiaries are all of the District's residents and the properties that they own.
Fire Control	100% Public 0% Private	General rate based upon property capital value	

PLANNING & REGULATORY						
<i>Forecast Statement of Cost of Service for the year ending 30 June 2011</i>						
BUDGET		COSTS	REVENUE	NET COST	2010/11	
2009/10		2010/11	2010/11	2010/11	PER LTCCP	VARIANCE
298,190	Resource Planning	315,870	18,800	297,070	300,355	(3,285)
114,240	Environmental Health	138,938	12,000	126,938	120,887	6,051
79,760	Building Inspection	379,220	268,991	110,229	72,847	37,382
13,140	Liquor Licensing	31,049	9,500	21,549	14,881	6,668
108,430	Bylaw Control	298,175	195,200	102,975	107,986	(5,011)
319,510	Emergency Management	333,503	17,500	316,003	285,858	30,145
933,270		1,496,755	521,991	974,764	902,814	71,950
	Funded by					
770,080	Rates			833,064	757,976	75,088
123,190	Reserves			123,000	123,538	(538)
40,000	Depreciation not funded			18,700	21,300	(2,600)
933,270				974,764	902,814	71,950
	Projects					
25,000	Regulatory - vehicle ourchase	-		-		-
-	Regulatory - Sound level meter	-		-		-
-	Regulatory - dog control	-		-		-
15,000	Emergency Management	52,000		52,000	60,000	(8,000)
-						
40,000		52,000		52,000	60,000	(8,000)
	Funded by					
-	Rates	-		-		-
30,000	Reserves	52,000		52,000	60,000	(8,000)
10,000	Asset Sales	-		-		-
40,000		52,000		52,000	60,000	(8,000)

Activity Group Six LEADERSHIP & GOVERNANCE

1. **Community Representation**
2. **Maori Liaison**
3. **Economic Development**

Community Representation

Activity Goal and Principal Objectives

1. To ensure participation in the provision of effective representation and governance for and on behalf of the District
2. To ensure the provision of triennially elected Council of one Mayor and six representatives
3. To ensure people participate in the decision making processes of the elected Council and regular opportunities are provided for community involvement and participation
4. To ensure Council and Councillor representatives' roles are effectively and efficiently performed in the best interests of the whole community
5. To ensure the effective and efficient servicing of the Council
6. To ensure the timely provision of advice and understanding of issues relevant to Maori and Tangata Whenua

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A strong, prosperous and thriving economy
2. A safe and integrated transport system
3. A community that values and promotes its culture and heritage
4. Safe and accessible recreational facilities
5. Supportive, caring and valued communities
6. Strong district leadership and a sense of belonging
7. A safe and secure community
8. A lifetime of good health and wellbeing
9. An environment that is appreciated, protected and sustained for future generations

Service Levels and Targets

1. Business conducted in confidence is kept to a minimum, and where decisions are deemed to not be of a sensitive nature, confidential items are released as public information
2. Council's Code of Conduct, Policies and other such documentation are available to the public on request and /or from Council's website
3. Council activities meet legislative requirements
4. The roles of Councillors, the Chief Executive Officer and all other Officers of the Council are clearly defined
5. Lines of accountability and delegation are defined
6. No complaints are upheld against Council for not publicly consulting via the special consultative procedure when it was legally required to do so
7. Opportunities are provided for community groups, ratepayers, tangata whenua and stakeholders to fully participate in consultation and the development and fostering of community outcomes
8. The costs related to this activity did not exceed the approved budget
9. Mayor and Councillors "not very good or poor" rating in annual survey is less than 10%
10. Council staff "not very good or poor" rating in annual survey is less than 10%

Funding

For community representation Council have determined the following revenue and funding regime as part of their "**Revenue and Financing Policy**".

Activity	Public/Private Benefit division	Charging Mechanism	Details
Community representation	100% Public 0% Private	Uniform Annual General Charge	Because the Wairoa District Council is representative of all of the district and the benefits are available to all citizens, the Council believes there is a 100% public benefit.

Maori Liaison

Activity Goal and Principal Objectives

The principal goal of Maori Liaison is to provide qualified strategic and social policy advice on matters that impact on Tangata Whenua, and the wider Maori Community, to Council and Management in the pursuit of sound well-founded decisions

The principal objectives of Maori Liaison are to ensure:

1. All Council decisions on matters that impact on Tangata Whenua and the Maori Community are supported by robust analysis covering the four well beings
2. Decisions are evidence based, transparent and future focussed
3. Tangata Whenua and the Maori Community are included in Council decision making processes
4. Decisions and policies of Council are clearly communicated publicly and internally regarding matters that impact on Tangata Whenua and the Maori Community

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A community that values and promotes its culture and heritage

Service Levels and Targets

1. The required number of nominated representatives are received within established timeframes and appointments made to Council's Maori Committee
2. No less than bi-monthly meetings of the Maori Committee are scheduled, advertised and conducted on the advertised day
3. Maori Committee meetings, public meetings and special consultative meetings provide opportunities for Maori to contribute to the decision making process
4. Consultation meetings and hui relating to Iwi, Hapu, Marae and the wider community are scheduled as required
5. Agreed levels of service are achieved within budget
6. Council offices are open during the hours displayed
7. All complaints are responded to within established timelines

Funding

For the Maori liaison activity Council have determined the following revenue and funding regime as part of their "**Revenue and Financing Policy**".

Activity	Public/Private Benefit division	Charging Mechanism	Details
Maori Liaison	100% Public 0% Private	Uniform Annual General Charge	The Council is committed to providing the best possible representation for the Maori Community. The Council believes that the services of an in-house Maori liaison officer and the continuance of the Maori Committee are vital to ensure a direct connection with the process of focusing the Council's delivery of services to Maori. The benefit is 100% public as the result of effective Maori liaison and equitable delivery of Council services to Maori will be the equal provision of all services to all members of the community.

Economic Development

Activity Goal and Principal Objectives

Council's goal is to provide an economic environment conducive to growth of a strong and diverse economy that enhances the community's values, resources, environment and lifestyle. In order to achieve this goal and defined community outcomes, Council will:

1. Ensure transport and infrastructure planning is co-ordinated for each community
2. Ensure active participation in the Tairāwhiti Development Partnership and achievement of key partnership outcomes
3. Ensure Council plans and processes support the development of strategies for sustainable economic development
4. Support programmes aimed at restoring the productivity of Māori land and other marginal land types
5. Ensure the local delivery of national business development programmes
6. Encourage local networking and clusters
7. Attract new investment
8. Continue to provide a Visitor Information Centre
9. Develop visitor and recreational amenities
10. Maintain funding support for destination marketing
11. Ensure responsible environmental practices are encouraged
12. Encourage enhancement of the town centre to ensure Wairoa retains an attractive retail centre

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. A strong, prosperous and thriving economy

Service Levels and Targets

1. The number of new businesses that have been established in the District during the year
2. The number of visitors to the Visitor Information Centre. Target—not less than 5% more p.a.
3. An annual reduction in, or at least no increase in, the number of unemployed compared with the end of the previous year
4. The cost related to this activity did not exceed the proposed budget
5. The Council is satisfied that it (or the relevant community group) has received during the year all of the financial assistance to which it (or they) were entitled, in order to assist the economic development of the District and the Region
6. All complaints dealt with within the prescribed timeframes

Funding

For the funding of economic development Council have determined the following revenue and funding regime as part of their *“Revenue and Financing Policy”*.

Activity	Public/Private Benefit division	Charging Mechanism	Details
Economic Development	100% Public 0% Private	30% funded from Uniform Annual General Charge and 70% funded from General rate based on property capital value	Council concluded that identification of the private beneficiaries for this activity was not practicable and that the total costs should be funded from a property based valuation rate. Consideration is to be given to the separation of Tourism development from the District development for funding policy purposes.

LEADERSHIP & GOVERNANCE						
<i>Forecast Statement of Cost of Service for the year ending 30 June 2011</i>						
BUDGET		COSTS	REVENUE	NET COST	2010/11	
2009/10		2010/11	2010/11	2010/11	PER LTCCP	VARIANCE
1,171,000	Community Representation	1,192,750	-	1,192,750	1,209,228	(16,478)
120,300	Maori Liaison	131,248	-	131,248	128,481	2,767
87,450	Economic Development	123,300	-	123,300	91,165	32,135
1,378,750	Total	1,447,298	-	1,447,298	1,428,874	18,424
	Funded by					
1,378,750	Rates			1,447,298	1,428,874	18,424
-	Reserves			-		-
-	Depreciation not funded			-		-
1,378,750				1,447,298	1,428,874	18,424
	Projects					
-		-		-		-
-		-		-	-	-
	Funded by					
-	Rates	-		-		-
-	Reserves	-		-		-
-		-		-	-	-

Activity Group Seven CORPORATE FUNCTIONS

1. **Management**
2. **Administration**
3. **Financial Management**
4. **Property Management**
5. **Asset Management**
6. **Information Systems**
7. **Corporate & Funds Management**
8. **Council Controlled Organisations**

Corporate Functions—Support Services

Activity Goal and Principal Objectives

1. To provide effective and efficient internal support services to all parts of Council
2. To assist all Council departments by means of support services to ensure that all statutory obligations are met
3. To actively support the implementation, development and enforcement of policy relating to support services
4. To provide a reliable information systems environment
5. To ensure Council is provided with sound financial information and advice, with a view to Council making reliable decisions on strategic direction

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. All outcomes

Funding

For management activities Council have determined the following revenue and funding regime as part of their “*Revenue and Financing Policy*”.

Activity	Public/Private Benefit division	Charging Mechanism	Details
Management	100% Public 0% Private	Overhead recovery over non service cost centres	All related costs are included in overheads which are absorbed within Council operational costs

SUPPORT SERVICES						
<i>Forecast Statement of Operating Costs and Revenue for the year ending 30 June 2011</i>						
BUDGET		COSTS	REVENUE	NET COST	2010/11	
2009/10		2010/11	2010/11	2010/11	PER LTCCP	VARIANCE
207,860	Management	219,547	-	219,547	222,540	(2,993)
754,600	Administration Services	803,156	7,700	795,456	828,769	(33,313)
900,200	Financial Services	796,713	20,000	776,713	811,844	(35,131)
517,352	Information Services	489,775	-	489,775	492,877	(3,102)
594,800	Engineering Services	622,278	-	622,278	709,186	(86,908)
2,974,812		2,947,812	27,700	2,903,769	3,065,216	(161,447)
	Funded by					
13,000	Rates			-	34,112	(34,112)
55,000	Reserves			-		-
2,879,812	Overhead Allocation			2,903,769	3,031,104	(127,335)
2,947,812				2,903,769	3,065,216	(161,447)
	Projects					
59,000	Information Services			72,500	67,500	5,000
30,000	Engineering			90,000	90,000	-
25,000	Corporate Services			-		-
114,000				162,500	157,500	5,000
	Funded by					
25,000	Asset Sales			40,000	45,000	(5,000)
89,000	Reserves			50,000	112,500	(62,500)
114,000				90,000	157,500	(67,500)
	This statement records the cost of operating Council's administrative and support functions and other costs not directly attributable to any activity. These costs are all allocated via the overhead allocation process to the significant activities so that the net cost of Support Services is nil					

Property Management

Activity Goal and Principal Objectives

1. To ensure that Council retains property required to meet its needs
2. To maintain its property holdings in good condition to maintain the value of Council's investment

Community Outcomes

The community outcomes to which this activity primarily contributes are

1. All outcomes

Service Levels and Targets

1. Report to Council on any new sales or purchases
2. All maintenance and renewal work completed within budget and to agreed standard
3. Compliance with all health and safety standards
4. The level of service was achieved for not more than the approved budget for the year
5. Not more than the number of requests for service than in the previous year

Funding

For property management activities Council have determined the following revenue and funding regime as part of their *“Revenue and Financing Policy..*

Activity	Public/Private Benefit division	Charging Mechanism	Details
Corporate property	100% Public 0% Private	General rate based upon land value	Council owned and occupied property was identified as conferring public benefits and all related costs are included in overheads that are absorbed within Council operational costs

Corporate and Funds Management

Activity Goal and Principal Objectives

1. To maintain adequate cash reserves as a prudent public entity
2. To invest in equity, property and treasury investments to maximise return on investment
3. To invest in equity, property etcetera to meet the strategic and social needs of the district

Community Outcomes

The community outcomes to which this activity primarily contributes are:

1. All Outcomes

Service Levels and Targets

1. Quarterly reports on investments provided to Council
2. Regular reporting to Council on key investment targets
3. Interest income meets or exceeds budgeted level
4. The level of service was achieved for not more than the approved budget for the year

Funding

For funds management activities Council have determined the following revenue and funding regime as part of their “*Revenue and Financing Policy*..

Activity	Public/Private Benefit division	Charging Mechanism	Details
Funds Management	0% Public cost 0% Private cost 100% Public Benefit	Interest on funds invested	The purpose is to generate a positive return on funds invested for the ratepayers of the Wairoa district

INVESTMENTS						
<i>Forecast Statement of Operating Costs and Revenue for the year ending 30 June 2011</i>						
BUDGET		COSTS	REVENUE	NET COST	2010/11	
2009/10		2010/11	2010/11	2010/11	PER LTCCP	VARIANCE
37,370	Property	182,610	159,000	23,610	49528	(25,918)
(967,335)	Funds Management	25,000	1,272,800	(1,247,800)	(1,018,528)	(229,272)
(125,000)	Dividends		125,000	(125,000)	(125,000)	-
(55,300)	Corporate	15,500	70,800	(55,300)	(55,300)	-
(1,110,265)		223,110	1,627,600	(1,404,490)	(1,149,300)	(255,190)
	Less Internal Reallocation	125,100	125,100			(1,428,100)
		98,010	1,502,500			
	Funded by					
(652,565)	Rates			(704,190)	(447,900)	(256,290)
12,800	Depreciation not funded			13,900	12,800	1,100
(670,500)	Reserves			(714,200)	(714,200)	-
(1,310,265)				(1,404,490)	(1,149,300)	(255,190)
	Description of Statement					
	This statement records the operating costs and revenues of Investments owned by the Council					
	Projects					
-	Corporate Property			13,000	10,000	3,000
26,000	Sundry Property			14,300	21,917	(7,617)
26,000				27,300	31,917	(4,617)
	Funded by					
15,400	Reserves			19,800	14,417	5,383
10,600	Rates			7,500	17,500	(10,000)
26,000				27,300	31,917	(4,617)

Council Controlled Organisations

Principle Objectives

1. To ensure the company is profitable and all financial targets are met
2. To ensure the company has a positive cash flow
3. To ensure the governance of the company is effective

Service Levels and Targets

1. To achieve target net profit, as per Statement of Intent
2. To provide a dividend of 50% of tax paid profit
3. Maintain a return on equity as per Statement of Intent
4. Maintaining a current ratio > 1 (current assets/current liabilities)
5. Cost of debt servicing to be less than 20% of revenue (interest/total sales)
6. Maintain a 45% equity ratio (equity/total assets)

Funding

For Council controlled organisations there should be no Council funding involved other than the initial equity invested

Activity	Public/Private Benefit division	Charging Mechanism	Details
Council controlled organisations	0% Public Cost 100% Private Cost 100% Public Benefit	Commercial revenues from activities undertaken	The purpose is to generate a positive return on equity invested for the ratepayers of the Wairoa district

PROSPECTIVE FINANCIAL STATEMENTS

- **Statement of Financial Performance**
- **Statement of Financial Position**
- **Statement of Changes in Equity**
- **Statement of Cash Flows**
- **Proposed Project Expenditure**
- **Reserves**
- **Accounting Policies**
- **Funding Impact Statement**

SOME FINANCIALS TO BE CONFIRMED AT SPECIAL COUNCIL MEETING OF 17 MARCH 2010 AND INCLUDED IN FINAL DRAFT FOR PUBLIC CONSULTATION

FORECAST STATEMENT OF FINANCIAL PERFORMANCE				
<i>For the year ending 30 June 2011</i>				
BUDGET		BUDGET	2010/11	
2009/10		2010/11	PER LTCCP	VARIANCE
	REVENUES			
8,698,938	Rates	9,158,393	9,528,902	(370,509)
6,508,214	Subsidies	7,545,479	9,002,731	(1,457,252)
70,000	Petrol Tax	70,000	70,000	-
1,760,795	Fees and Charges	1,913,691	1,958,894	(45,203)
1,153,835	Investment Income	1,432,500	1,205,028	227,472
18,191,782		20,120,063	21,765,555	(1,645,492)
-				
18,191,782		20,120,063	21,765,555	(1,645,492)
	EXPENDITURE			
2,821,111	Water Services	2,945,370	3,040,898	(95,528)
1,005,700	Solid Waste	1,060,700	1,113,323	(52,623)
8,811,250	Transport	9,248,600	9,176,154	72,446
1,851,710	Community Facilities	1,953,072	1,930,806	22,266
1,377,610	Planning & Regulatory	1,496,755	1,393,108	103,647
1,378,750	Leadership & Governance	1,447,298	1,451,054	(3,756)
73,070	Investments	57,510	85,228	(27,718)
53,500	Corporate	40,500	74,612	(34,112)
17,372,701		18,249,805	18,265,183	(15,378)
819,081	Net Surplus (Deficit) on Operations	1,870,258	3,500,372	(1,630,114)
	Plus Profit on sale fixed assets		-	
	Plus Revaluation increase		22,184,166	(22,184,166)
819,081			25,684,538	(23,814,280)

PROSPECTIVE STATEMENT OF FINANCIAL POSITION					
<i>For the year ending 30 June 2011</i>					
BUDGET		Notes	BUDGET	2010/11	
2009/10			2010/11	PER LTCCP	VARIANCE
	CURRENT ASSETS				
2,729,081	Cash and cash equivalents		2,358,942	3,430,108	(1,071,166)
38,000	Inventories		38,000	38,000	-
3,300,000	Trade & other receivables		2,175,000	3,897,237	(1,722,237)
-	Available for sale financial asset		-	-	-
12,065,766	Financial assets at fair value		13,873,796	11,603,336	2,270,460
18,132,847	Total Current Assets		18,445,738	18,968,681	(522,943)
	LESS CURRENT LIABILITIES				
4,293,539	Trade & other payables		4,063,000	4,807,637	(744,637)
-	Current Portion - Term Liabilities	1	-	-	-
4,293,539	Total Current Liabilities		4,063,000	4,807,637	(744,637)
13,839,308	Working Capital		14,382,738	14,161,044	221,694
	NON CURRENT ASSETS				
172,726,153	Property, Plant & Equipment		175,608,000	198,248,978	(22,640,978)
25,040	Loans & other receivables		25,040	58,157	(33,117)
1,250,000	Investments in Subsidiary		1,250,000	1,250,000	-
130,000	Biological asset - forestry		117,947	140,660	(22,713)
52,000	Intangible Assets		40,343	52,000	(11,657)
22,992	Available for sale financial assets		22,992	22,992	-
188,045,493			191,447,060	213,933,831	(22,486,771)
	LESS TERM LIABILITIES				
1,427,900	Term Debt	1	2,923,000	1,537,900	1,385,100
1,034,196	Provisions for other liabilities		1,070,405	1,127,996	(57,591)
185,583,397	Net Assets		187,453,655	211,267,935	(23,814,280)
	Represented by				
185,583,397	Equity & Reserves	2	187,453,655	211,267,935	(23,814,280)
185,583,397			187,453,655	211,267,935	(23,814,280)

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY					
BUDGET 2009/10			BUDGET 2010/11	2010/11 PER LTCCP	VARIANCE
184,764,316	Public Equity Opening Balance		185,583,397	185,583,397	-
819,081	Plus: Total Comprehensive Income for year		1,870,258	25,684,538	(23,814,280)
185,583,397			187,453,655	211,267,935	(23,814,280)
	adjustment		-		
185,583,397	Closing Balance		187,453,655	211,267,935	(23,814,280)

PROSPECTIVE STATEMENT OF CASH FLOWS					
<i>For the year ending 30 June 2011</i>					
BUDGET		Notes	BUDGET	2010/11	
2009/10			2010/11	PER LTCCP	VARIANCE
OPERATING ACTIVITIES					
Cash will be provided from					
8,698,938	Rates	3	10,283,393	9,528,902	754,491
125,000	Dividends Received		125,000	125,000	-
992,335	Interest Received		1,272,800	1,043,528	229,272
8,375,509	Other revenue		9,563,870	11,068,125	(1,504,255)
18,191,782			21,245,063	21,765,555	(520,492)
Cash will be applied to					
17,372,701	Operations Expenditure		18,480,344	18,265,183	215,161
3,613,046	Less Depreciation		3,987,670	3,819,329	168,341
92,814	Less Interest		-	99,964	(99,964)
13,666,841	Payments to Suppliers & Employees		14,492,674	14,345,890	146,784
92,814	Interest Paid		-	99,964	(99,964)
13,759,655			14,492,674	14,445,854	46,820
4,432,127	Net Cash Flow from Operations		6,752,389	7,319,701	- 567,312
INVESTING ACTIVITIES					
Cash will be provided from					
35,000	Sale of Assets		10,000	45,000	(35,000)
481,048	Sale of Short term Investments		370,139	612,431	(242,292)
516,048			380,139	657,431	(277,292)
Cash will be applied to					
5,655,837	Asset purchases & formation		8,617,288	7,202,988	1,414,300
(130,463)	Increase in Loans & Advances			33,117	(33,117)
150,000	Investments purchased		1,808,030	150,000	1,658,030
5,675,374			10,425,318	7,386,105	3,039,213
(5,159,326)	Net Cash Flows from Investing		(10,045,179)	(6,728,674)	(3,316,505)
FINANCING ACTIVITIES					
Cash will be provided from					
902,900	Loans Raised		2,922,651	110,000	2,812,651
Cash will be applied to					
-	Loans Repaid		-	-	-
902,900	Net Cash Flows from Financing		2,922,651	110,000	2,812,651
175,701	Net Increase/(Decrease)		(370,139)	701,027	(1,071,166)
2,553,380	Plus opening bank balance		2,729,081	2,729,081	-
2,729,081	Bank balance at end of year		2,358,942	3,430,108	(1,071,166)

NOTE 2	RESERVES (included in Equity)				
BUDGET			BUDGET	2010/11	
2009/10			2010/11	PER LTCCP	VARIANCE
	Special Funds Reserves				
15,045,571	Balance at 1 July		15,768,740	15,297,511	471,229
2,723,365	Transfer to Special Funds Reserve		2,685,263	2,373,165	312,098
437,600	Plus Interest on Special Funds Reserve		464,500	467,400	(2,900)
2,909,025	Transfer from Special Funds Reserve		2,575,546	2,775,596	(200,050)
15,297,511			16,342,957	15,362,480	980,477
	Commitments against Reserve Funds				
225,000	(Carried Forward)		552,983	225,000	-
	Sinking Fund Reserve				
-	Balance at 1 July		5,040	5,040	-
4,800	Transfer to Sinking Fund Reserve		31,300	31,300	-
240	Plus Interest on Sinking Fund		1,817	1,817	-
-	Transfer from Sinking Fund Reserve		-	-	-
5,040			38,157	38,157	-
	Asset Revaluation Reserve				
51,159,753			51,159,753	73,343,919	(22,184,166)
66,462,304	TOTAL RESERVES		67,540,867	88,744,556	(21,203,689)
EXPLANATORY NOTE ON RESERVES					
Special Funds Reserves			Sinking Fund Reserves		
These funds have been established by Council to provide for future liabilities. Special funds established to date are as under:			These reserves were established under statutory obligations as required when loans were raised. These funds may only be used to retire the particular loan for which they were established. With the changes to the		
District Development Reserve			LGA 1974 in 1996 with the introduction of the Local		
Public Debt Repayment Reserve			Government Amendment (No 3) Act this statutory obligation		
Restructuring/Retirement Reserve			to establish sinking funds has been removed. Council		
Vehicle and Asset Replacement Reserve			continues to provide for debt repayment by this means.		
Tuai Village Reserve					
Information Systems Reserve			Asset Revaluation Reserve		
Disaster Recovery/Self Insurance Reserve			This reserve was established as a result of the		
Water Production Reserve			revaluation of Council's Assets as at 30 June 1993, 1997,		
Asset Depreciation Reserves			1999, 2002 and 2006.		
Wairoa Township Infrastructural Reserve			This reserve recognises the increase in value of		
Depreciation Reserves (Infrastructural Assets)			those assets and may not be able to be converted		
			to cash due to the restrictions placed on many of		
			Council's assets.		

Note 1	TERM DEBT				
BUDGET			BUDGET	2010/11	
2009/10			2010/11	PER LTCCP	VARIANCE
525,000	Term Debt as at 1 July			1,427,900	(1,427,900)
902,900	Loans raised during the year		2,922,561	110,000	2,812,561
1,427,900			2,922,561	1,537,900	1,384,661
-	Loans repaid during the year		-	-	-
1,427,900			2,922,561	1,537,900	1,384,661
5,040	Less Sinking Fund held		-	38,157	- 38,157
1,422,860	Net Term Debt as at 30 June		2,922,561	1,499,743	1,422,818
-	Term Debt payable during the following year		-	-	-
1,427,900	Term portion of Term Debt		2,922,561	1,537,900	1,384,661
1,427,900			2,922,561	1,537,900	1,384,661
	Term portion of Term Debt due for payment or redemption in the following periods				
-	One to two years		-	-	-
-	Two to three years		-	-	-
-	Three to four years		-	-	-
-	Four to five years		-	-	-
1,427,900	Five years and over		2,922,561	1,537,900	-
1,427,900			2,922,561	1,537,900	-
	Public Debt is secured by rate in a dollar over all rateable property in the District				

PROPOSED PROJECTS/INITIATIVES

The following projects/initiatives have been considered by Council as priority projects and are included in the 2010-/11 Draft Annual Plan

PROJECT/INITIATIVE	PROJECTED COST	FUNDING SOURCE
Library—Book Purchases	35,000	Depreciation Reserves/Rates
Parks & Reserves—New Seating/Picnic Areas on Riverbank	20,000	District Development Reserve
Pensioner Housing	35,488	District Development Reserve
Cemetery	33,270	District Development Reserve
Planning—Reserves Management Plans/Mahia Archaeology Project	120,000	District Development Reserve
Emergency Management—New Vehicle	52,000	Asset Sale/Depreciation Reserve
Subsidised Roding Renewals	2,340,200	Subsidy/Depreciation Reserve
Subsidised Roding—Regional Projects	404,300	100% Subsidised
District Roding—New Footpaths/Streetlights	116,600	District Development Reserve
District Roding—Footpath renewal	21,900	Depreciation Reserve
District Roding—Upgrade Mobility Crossings	11,000	Subsidy/Depreciation Reserve
Sewerage—Renewals	276,000	Depreciation Reserves
Sewerage—New equipment	83,200	District Development Reserve
Sewerage—Mahia Scheme	4348000	Subsidy/Loan
Stormwater—Renewals	22,200	Depreciation Reserve
Stormwater—Piping Open Drains Wairoa	110,000	Loan
Water Reticulation—Renewals	96,980	Depreciation Reserves
Water Production—Renewals	114,300	Depreciation reserves
Water Production—UV Disinfection	221,800	District Development Reserve
Information Centre—Replace Awning	2,500	Rates
Property	18,000	Depreciation Reserves/Rates
Vehicle Replacements	90,000	Asset Sales/Depreciation Reserves
Computer Services Renewals	72,500	Depreciation Reserves
	Total	
		<u>8645038</u>

Reconciliation to LTCCP 2010/11 forecasts

	Rates Requirement by Activity		
	Annual Plan 2010/11	LTCCP 2010/11	Variance More/(Less)
Water Services	1738777	1,753,001	
Waste Management	746200	752,853	
Transport	3455948	3,593,266	
Community Facilities	1633796	1,619,933	
Planning & Regulatory	833064	757,976	
Leadership & Governance	1447298	1,428,874	
Investments & Corporate	(704190)	(383,488)	
Overall Rates Requirement	<u>\$9150893</u>	<u>\$9,522,415</u>	

STATEMENT OF ACCOUNTING POLICIES

Reporting entity

Wairoa District Council (WDC) is a territorial local authority in New Zealand governed by the Local Government Act 2002. The Council group consists of Wairoa District Council and its 100% owned subsidiary, Quality Roading and Services (Wairoa) Ltd (QRS Ltd).

The primary objective of WDC is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly WDC has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Basis of Preparation

The financial statements of the Wairoa District Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with the New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructure assets, investment property, biological assets and financial instruments.

The financial statements have been presented in New Zealand dollars. Foreign exchange transactions are translated into New Zealand dollars using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

Basis of consolidation

The consolidated financial statements include the Council and its subsidiary QRS Ltd. The financial statements of QRS Ltd are accounted for using the purchase method, which involves adding together corresponding assets, liabilities, revenue and expenses on a line-by-line basis. All significant inter-entity transactions, balances and unrealised gains are eliminated on consolidation. Accounting policies of QRS Ltd have been changed to ensure consistency with the policies adopted by the group.

WDC's investment in its subsidiary is carried at cost in WDC's own "parent entity" financial statements.

Revenue

Revenue is measured at the fair value of consideration received.

Rates revenue

Rates are set annually by a resolution from 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 receivable.

Interest Revenue

Interest income is recognised in the period in which it is earned.

Dividend Revenue

Revenue is recognised when the right to receive payment is established.

Other Revenue

Water billing revenue is recognised on an accrual basis. Unbilled usage as a result of unread meters at year-end, is accrued on an average usage basis.

WDC receives government grants from Land Transport New Zealand, which subsidises part of WDC's costs in maintaining the local road infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total service to be provided.

Sales of goods are recognised when a product is sold to the customer.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in WDC are recognised as revenue when control over the asset is obtained.

Revenue on construction contracts is recognised progressively over the period of each contract. The amount included in the income statement, and the value of the contract work in progress are established by assessment of the individual contracts taking into account the proportion of work completed, cost analysis and estimated final results.

When the contract income cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

Income Tax

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arose 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 the accounting profit nor the taxable profit or loss.

Current and deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the tax is charged or credited directly to equity.

Leases

Operating Lease

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 or cash equivalents

Cash or cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less.

Trade and Other Receivables

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method less an allowance for any uncollectible amounts.

An allowance for uncollectible receivables is established when there is objective evidence that WDC will not be able to collect all amounts due according to the original terms of receivables.

Inventories

Inventories are stated at the lower of cost (on a first in first out basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Financial Assets

Wairoa District Council classifies its financial assets into the four categories as detailed under A, B C and D below. The classification depends on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at each reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case the transaction costs are recognised in the income statement.

Purchases and sales of financial assets are recognised on trade-date, the date on which WDC 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 WDC has transferred substantially the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on the quoted market prices at the balance sheet date. The quoted price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. WDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

A. Financial assets at fair value through profit and loss

This category has two sub categories: financial assets held for trading, and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Included in this category are short-term investments, which are valued at fair value.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the income statement.

Council has classified its investments as financial assets at fair value through profit and loss. The portfolio includes investments in local authority and government stock, registered bank bills and bonds, and corporate stocks and bonds. The reason for the classification is that the investments were acquired for the purpose of selling and trading in the near term, and they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a pattern of short-term profit-taking. In addition, there is a quoted market price in an active market where fair value can be reliably measured.

B. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Included in this category are sinking funds that are valued at amortised cost. Community loans are included at amortised cost.

Gains and losses when the asset is impaired or derecognised are recognised in the income statement.

C. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available for sale or not designated in any of the other categories. Available for sale financial assets are held at fair value with gains or losses recognised directly in equity with the exception of impairment losses that are recognised in the income statement. In the event of impairment, any cumulative losses previously recognised in equity, will be removed from equity and recognised in the income statement, even though the asset has not been derecognised.

Impairment of Financial Assets

At each balance date WDC 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 income statement.

Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Non-current assets held for sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets held for sale are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Property, Plant & Equipment

Property, Plant & Equipment consists of:

Operational Assets – These include land, buildings, library books, plant and equipment and motor vehicles

Restricted assets – Restricted assets are parks and reserves owned by WDC that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets - Infrastructure assets are the fixed utility systems owned by WDC. 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 & Equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

Additions of an item of property, plant and equipment are recognised at 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 disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the income statement. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with the item will flow to WDC and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment for WDC other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Our subsidiary company QRS Ltd. uses the diminishing value basis for depreciating plant, equipment and motor vehicles, office equipment and furniture, and computer hardware.

The useful lives and associated depreciation rates of major assets have been estimated as follows:

**Property, Plant & Equipment
Estimated Life**

Years

Quarries	30-40
Buildings	30-40
Other Improvements	10-50
Plant, Equipment & Vehicles	4-10
Library Collections	2-10
Office Equipment, Furniture & Fittings	5-10
Computer Equipment	3-5

SEWERAGE	Life years	STORMWATER	Life years	WATER SUPPLY	Life years
Structures	50	Reticulation piping	40-80	Structures	50
Oxidation ponds	40	Culverts	40-80	Pumps	10-15
Pipes	40-80	Manholes/Sumps	30-100	Pump Stations	30
Manholes	30-100	Open Drains	Not depreciated	Reticulation Piping	30-80
Pumps	10-15			Meters/Valves	15
Pump Stations	40			Hydrants	30-50
Treatment Plants	30-40			Resource Consents	20-25
Resource Consents	25			Reservoirs	80
				Telemetry	5
ROADS		Bridges/Retaining Structures	50-80		
Top Surface (seal)	13-15	Footpaths	25-50		
Base course (sealed roads)	70-100	Kerbs	25-50		
Formation	Not depreciated	Streetlights	50		
Unsealed Roads	Not depreciated	Signs	20		

Application of the estimated useful economic lives of assets are subject to change depending on the individual circumstances of the asset, particularly when assets are revalued and the valuers provide an annual depreciation figure.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluation

Those asset classes that are revalued are valued on a five yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If there is a material difference then a revaluation is performed.

Increases in asset carrying amounts due to revaluation increase revaluation reserves in equity. Decreases in asset carrying amount decrease revaluation reserves in equity only to the extent that the class of asset has sufficient to absorb the reduction. All other decreases are charged to the income statement. If a revaluation increase reverses a decrease previously recognised in the income statement, the increase is recognised first in the income statement to reverse any previous reduction.

Operational land and buildings

Operational land and buildings were valued at fair value effective from 30 June 2005. Under NZ IFRS, WDC has elected to use the fair value of operational land and buildings as at 30 June 2005 as deemed cost. Operational land and buildings are no longer revalued.

Restricted land and buildings

Restricted land and buildings were valued at fair value effective from 30 June 2005. Under NZ IFRS, WDC has elected to use the fair value of restricted land and buildings as at 30 June 2005 as deemed cost. Restricted land and buildings are no longer revalued.

Infrastructure asset classes: roads, water reticulation, sewerage reticulation and stormwater systems:

Infrastructure assets are carried at fair value on a depreciated replacement cost basis as assessed by an independent valuer. At balance date WDC assesses the carrying values of its infrastructure assets to ensure that they do not differ materially from the assets' fair value. If there is a material difference, then the off-cycle asset classes are revalued. Any additions since valuation are carried at depreciated cost.

Land under Roads

Land under roads was valued on the basis of fair value of adjacent land as at 30 June 2005. Under NZ IFRS, WDC has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost.

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.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by WDC are recognised as an intangible asset. Direct costs include software development, employee costs and an appropriate portion of relevant overheads.

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 that the asset is derecognised. The amortisation charge for each period is recognised in the income statement.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	3 years	33%
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Forestry Assets

Forestry assets are independently valued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on the initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the income statement.

Investment Property

Initially investment properties are measured at cost including transaction costs, and are independently revalued annually to fair value. Gains or losses arising from changes in fair values of investment properties are included in the income statement in the year that they arise.

Investment properties are derecognised when they have been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains or losses on the derecognition of an investment property are recognised in the income statement in the year of derecognition

Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

For a revalued asset, the impairment loss is recognised in the revaluation reserve for that class of asset. For an asset carried at cost, the impairment loss is recognised in the income statement.

Employee Benefits

Short-term benefits

Employee benefits which WDC 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, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months and sick leave.

WDC recognises a liability for sick leave based on entitlements accrued at balance date, which WDC expects employees to use in future periods. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that WDC anticipates it will be used by staff to cover for future absences.

Long Service Leave and retirement leave

The provision for long service leave is the amount of future benefits that employees have earned in return for their service in the current and prior periods.

Provision for expected future payments for gratuities and long service leave are based on amounts WDC expects to pay out for services provided to date and are discounted at an appropriate discount rate.

Defined Contribution Pension Plan obligations are recognised as an expense in the Income Statement as incurred.

Provisions

WDC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the obligation. 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 discount 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.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they occur.

Public/Ratepayers Equity

Public equity represents the net worth of the Council as measured by the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

Restricted & Council Created 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 WDC.

Restricted reserves are those subject to specific conditions accepted as binding by WDC and which may not be revised by WDC 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 or from these reserves are at the discretion of the Council.

Goods and Services Tax (GST)

All amounts in the financial statements are exclusive of GST, with the exception of receivables and payables that are stated at GST-inclusive amounts. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

Overhead Cost allocation

WDC has derived the cost of service for each significant activity using cost allocation systems outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical Accounting Estimates and Assumptions

In preparing these financial statements WDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations on future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill Aftercare

WDC has assumed that the aftercare provision for Wairoa Landfill is operative until 2031, based upon the resource consent issued by the Hawkes Bay Regional Council. WDC has a responsibility under the resource consent to provide for ongoing maintenance and monitoring of the landfill site.

The cash outflows for landfill post-closure are expected to occur within the next 25 years. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 3%.

Infrastructure Assets

There are a number of assumptions and estimates used when performing DRC valuations over infrastructure assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then WDC could be over or under estimating the annual depreciation charge recognised as an expense in the income statement. To minimise this risk WDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of WDC's asset management planning activities, which give WDC further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

Changes in Accounting Policies:

There have been no changes in accounting policies since the last audited financial statements.

PROSPECTIVE FINANCIAL INFORMATION

This plan contains financial information which shows the budgeted expenditure and sources of funds for the 2010/11 financial year. Prospective financial information can be either a forecast or a projection. A forecast is based on assumptions which Council reasonably expects to occur, whereas a projection is based on one or more hypothetical but realistic assumptions.

The financial information for the 2010/11 financial year is considered to be a “forecast”.

The following assumptions have been made in preparing this plan:

- Interest rates for sinking fund investments will not fall significantly below 7%
- There will be no change in the value of investment properties when they are re-valued annually for the years ending 30 June 2007 and 2008.
- The number of Council full time equivalent employees will remain consistent with current levels

The actual results are likely to vary from the information disclosed and such variations may be material. This prospective financial information is prepared under the Local Government Act 2002 for the purpose of enabling the public to participate in the decision making process. This information may not be appropriate for purposes other than described.

The assumptions underlying the preparation of this prospective financial information are as at 30.06.2010. No actual results have been incorporated in this prospective financial information. Once the Annual Plan is finalised Council does not intend to update this prospective financial information.

Policy on Replacement of Assets Compliance with Local Government Act 2002

The following policy was adopted on 30th August, 2006

Depreciation:

The Local Government Act 2002 requires all Territorial Local Authorities to fund the loss of service potential (i.e. depreciation). Wairoa District Council has reviewed its assets and advises that the following assets will be depreciated but not funded for replacement.

1. Community Halls
2. Housing
3. Camping Ground
4. Water Production (associated with Affco Ltd supply agreement)
5. Roothing (Transfund subsidised portion of roading)
6. Ruakituri and Tuai Fire appliances
7. Cemeteries

The above assets will be maintained on an ongoing basis at a level that meets the needs of the community. Where appropriate Council will cover each asset with an insurance cover for fire, earthquake and natural catastrophe. Non-funding of depreciation associated with (4) is in line with an agreement entered into between Council and Affco in 1984.

The effects of this decision are that:

1. The current assets will be available for many years to come.
2. Once an asset reaches the point where it is considered unsafe to use then that asset will be removed. Any decision to provide a replacement service will be considered as a new service at that time and will be the subject of consultation.
3. Should any asset under this policy be the subject of an insurance claim then, prior to reinstatement, Council will decide whether reinstatement of the asset should proceed or whether the service should be discontinued at the time of loss.
4. By not funding loss of service potential (depreciation) there is a reduction in rates payable by the present ratepayers. This reduction is as listed below.
5. In respect of (4) above the effect would be that in the event of asset renewal, Council would only be required to rebuild an asset that can produce 50% of the existing facility, unless Affco wished to participate in a further joint venture.

Depreciation not funded:

		BUDGET\$
1.	Community Halls	5500
2.	Staff Housing	5100
3.	Camping Ground	8800
4.	Water Production	141490
5.	Roothing	1463550
6.	Rural Fire appliances	18700
7.	Cemeteries	1800
	Total	<u>1644940</u>

FUNDING IMPACT STATEMENT

Various sections of the Local Government (Rating) Act 2002 refer to the Funding Impact Statement. These sections require:

- the basis of setting the general rate i.e. land, annual or capital value (Section 13).
- any category or categories that will be used for differentiating the general rate (Section 14)
- the function or functions for which a targeted rate will be set (Section 16).
- any category or categories of land that will be used to set a targeted rate on a differential basis or determine whether a property will be liable for a targeted rate (Section 17).
- any factor that will be used to calculate liability for a targeted rate (Section 18).
- an indication that Council wishes to set a charge for water supply by volume of water consumed if Council is intending to do so (Section 19).

TO BE CONFIRMED AT SPECIAL COUNCIL MEETING OF 17 MARCH 2010 AND INCLUDED IN FINAL DRAFT FOR PUBLIC CONSULTATION

Definition of Separately Used or Occupied:

For the purposes of this provision, a separately used or inhabited part of a rating unit is defined as:

A separately used or inhabited part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use. Separately used or inhabited parts include:

- A residential property that contains two or more separately occupiable units, flats or houses each of which is separately inhabited or is capable of separate inhabitation.
- A commercial, or other non-residential property that contains separate residential accommodation in addition to its commercial, farming or other primary use,
- A commercial premises that contains separate shops, kiosks or other retail or wholesale outlets, each of which is operated as a separate business or is capable of operation as a separate business.
- An office block which contains several sets of offices, each of which is used by a different business or which is capable of operation as separate businesses.

Council has recognised that there are certain instances where the above situations will occur, but in circumstances that do not give rise to separate uses or inhabitations. These specific instances are:

- Where a business, farm, orchard, vineyard or horticultural operation contains accommodation on a rent-free basis for the owner, staff or share milkers associated with the enterprises' productive operation.
- Where a residential property contains not more than one additional separately inhabited part and where members of the owner's family inhabit the separate part on a rent-free basis.
- Where an orchard, vineyard or horticultural operation contains a stall for the sale to goods produced solely by the operation or a residence that provides accommodation on a rent-free basis for the owner and staff of the operation.

RECONCILIATION OF FUNDING IMPACT STATEMENT TO LTCCP

TO BE CONFIRMED AT SPECIAL COUNCIL MEETING OF 17 MARCH 2010 AND INCLUDED IN FINAL DRAFT FOR PUBLIC CONSULTATION

OFFICIAL INFORMATION

Wairoa District Council, P.O. Box 54, Coronation Square, Wairoa
Phone (06) 8387309 Fax (06) 8388874
e-mail: @wairoadc.govt.nz

DOCUMENTS HELD BY COUNCIL

The Council holds a variety of documents spread between its departments. All requests for Official Information in the first instance should be addressed to:

Administration Manager, Wairoa District Council, Wairoa

POLICY MANUALS/DOCUMENTS

The following documents contain policies, principles, rules or guidelines under which the Council makes recommendations and decisions:

District Plans

Council's planning documents consist of the Wairoa District Plan - Urban Sector and Wairoa District Plan - Rural Sector. These have been reviewed and the result is the adopted Wairoa District Plan.

Local Government Act 2002 and Amendments

This Act sets out the powers and functions of Regional Councils and Territorial Local Authorities.

Local Government Official Information and Meetings Act 1987

This Act sets out the regulations relating to Official Information and Meeting Procedures for Local Bodies.

Long Term Council Community Plan 2009-2019

Wairoa District Policy Manual (currently under review)

This contains the policy decisions of Council.

Civil Defence Plan

The Civil Defence Plan is a management plan for Civil Defence emergencies within the Community. It is designed to minimise the effect of a major disaster on the population and to restore normal services back to the Community as soon as possible.

Rural Fire Plan

The Rural Fire Plan is a management plan for Rural Fire emergencies within the Community. It is designed to provide the necessary procedures and co-ordination to effectively respond and deal with fires in the rural area of the District.

Standing Orders (NZS 9202 - 2001)

Rules of conduct and standards for debate at meetings of Council.

Asset Management Plans

- a Sewerage Systems
- b Stormwater Systems
- c Water Production Systems
- d Water Reticulation Systems
- e Rooding

COUNCIL DIRECTORY AS AT 31 MARCH 2008

EXECUTIVE STAFF

Chief Executive Officer	P. J. Freeman
Manager Administration	J. Baty
Manager Engineering	N. Cook
Manager Finance	B. Sinden

POSTAL ADDRESS

PO Box 54
Wairoa 4160

LOCATION

Coronation Square
97-103 Queen Street
Wairoa 4108

TELEPHONE

(06) 838 7309

FACSIMILE

(06) 838 8874

EMAIL

info@wairoadc.govt.nz

WEB

www.wairoadc.govt.nz

AUDITORS

Ernst & Young
PO Box 490, Wellington 6140
On behalf of the Auditor-General

BANKERS

Westpac Banking Corporation
Marine Parade, Wairoa 4108

SOLICITORS

I. R. McDonald
Barristers & Solicitors
Locke Street, Wairoa 4108

INSURANCE BROKERS

Jardine Risk Consultants Ltd
PO Box 11145, Wellington 6142