



**SPECIAL MEETING**

**OF COUNCIL**  
*(Adoption of Draft 2010-2011  
Annual Plan)*

**WEDNESDAY**

**17 MARCH 2010**

**9.00 am**

WAIROA DISTRICT COUNCIL

**SPECIAL MEETING OF COUNCIL**  
***To Adopt the Draft 2010-2011 Annual Plan***

to be held in the Council Chambers,  
Coronation Square, Wairoa

TUESDAY 17 MARCH AT 9.00 AM

**PART 1**  
**A G E N D A**

**CHAIRMAN:** His Worship the Mayor Mr L Probert

**COUNCILLORS**

B Cairns, D Caves, D Eaglesome, J Heron, B McKinnon, D Evans

CIVIC PRAYER

APOLOGIES

CALLS FOR CONFLICT OF INTEREST

Public Forum

General Items

1-11 **DRAFT ANNUAL PLAN 2010-2011** **F01.24**  
(Draft Annual Plan Under Separate Cover)

**NB:** Plan is a Draft only and incomplete until decisions from the Special Council are made.

**Exclusion of the Public**

**Recommended:** That pursuant to Section 48 (1) of the Local Government Information and Meetings Act 1987, the public be excluded on the following grounds:

That the exclusion of the public from the whole or relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in:

S7 (2)(b) Protect information where the making available of the information-

- (i) Would disclose a trade secret; or
- (ii) Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;



<b>REPORT TO: COUNCIL</b>	
<b>DATE: 17 MARCH 2010</b>	
<b>SUBJECT: DRAFT ANNUAL PLAN 2010-2011</b>	<b>FILE REF: F01.24</b>
<b>AUTHOR: W SINDEN, FINANCE MANAGER</b>	<b>ATTACHMENTS:</b> 1. Financial Summaries
<b>RELATED COMMUNITY OUTCOME(S):</b> A strong prosperous and thriving economy. A safe and secure community. A lifetime of good health and well-being. An environment that is appreciated, protected and sustained for future generations. Supportive, caring and valued communities. A safe and integrated transport system. Strong district leadership and a sense of belonging. Safe and accessible recreational facilities. A community that values and promotes its culture and heritage.	<b>RELATED COUNCIL ACTIVITY:</b> Corporate Services

**PURPOSE:**

The purpose of this report is for Council to resolve that the Draft Annual Plan for the year ending 30 June 2011 be adopted as a Statement of Proposal and submitted to the special consultative procedure under sections 85 and 95 of the Local Government Act 2002.

**CURRENT SITUATION:**

Council has considered the draft budgets at workshops or briefing sessions held in March 2010. Council must now consider adopting the Draft Annual Plan 2010-2011 as a Statement of Proposal for the year ending 30 June 2011 prior to releasing to the public for consultation under the special consultative procedure outlined in the Local Government Act 2002.

Please note, the final Annual Plan 2010-2011 is required to be adopted prior to 1 July 2010. The proposed timetable is set out below: -

- |               |   |
|---------------|---|
| 17 March 2010 | Council adopts the Draft Annual Plan 2010-2011 as a Statement of Proposal |
| 30 March 2010 | Consultation period for special consultative procedure begins             |
| 30 April 2010 | Consultation period ends and submissions from the public close            |
| 25 May 2010   | Council hears submissions   |
| 8 June 2010   | Council adopts the final Annual Plan 2010-2011                            |

The Draft Annual Plan 2010-2011 incorporates the decisions on the level of expenditure for each activity, along with the strategic intent, expected outcomes, service level and targets for each of the eight activity groups of Council. Summary financial statements and reconciliation to the LTCCP 2010/11 forecasts are included within the document.

Council will have limited ability to respond to submissions on the Draft Annual Plan that would make significant changes to the scope of activities, priorities, expenditure, or levels of service, where those decisions would make the adopted Plan inconsistent with the adopted LTCCP.

Significant changes to the LTCCP cannot be effected through the Draft Annual Plan alone or as a result of submissions or decisions on the Draft Annual Plan. Where there are significant variations

from the LTCCP, an amendment to the LTCCP would be required to accompany or precede the Annual Plan adoption and implementation.

**ASSESSMENT OF SUSTAINABILITY:**

Adoption of the Draft Annual Plan 2010-2011 contributes to the sustainability of the Wairoa District by helping to achieve the specified community outcomes noted above.

**FINANCIAL IMPLICATIONS:**

The cost associated to the Annual Plan process will be met from existing budgets.

**ASSESSMENT OF SIGNIFICANCE:**

This matter is one of significance requiring consultation under the Local Government Act 2002.

**RECOMMENDATION(S):** That

1. Council receives the report.
2. Council adopts the Draft Annual Plan for the year ending 30 June 2011 as a Statement of Proposal for submission under the special consultative procedure, as required under sections 85 and 95 of the Local Government Act 2002.
3. Council adopts the draft timetable, and confirms the dates, times and venues for meetings to be held in the district to discuss the Draft Annual Plan 2010-2011 (Statement of Proposal) for the year ending 30 June 2011.



W Sinden  
**FINANCE MANAGER**

**FORECAST STATEMENT OF FINANCIAL PERFORMANCE( Including Mahia Sewerage)**

*For the year ending 30 June 2011*

	Compared to 2009-2010 Budget Decreases in Cost	Increases in Cost
HIGHLIGHTS	\$000's	\$000's
Average overall rates increases of 6.79% down 3.9% on LTCCP	-582	
Decrease in NZLTA subsidy		395
Transfer from District Development Fund in line with previous years practice to augment rural roading	-200	
Increase in Building Fees of 25% to counter cost increases in Regulatory placing fees 25% lower than other proximate councils	-42	
Full year impact of increases in dog Licences	-45	
Increase in interest received due to more intensive management of call monies and STD's	-270	
Increase in Water Services production and reticulation due to increased production costs		72
Increase in Water Services production and reticulation due to sale of water charges		47
Decrease in solid waste revenue		50
Increase in Visitor Information Centre Costs		51
Increase in Building Inspection costs		52
Decrease in Support Services Costs	-71	
Increase in Interest Payable Mahia Wastewater Treatment Scheme		109
Forecast Capital Expenditure Mahia Wastewater Treatment Scheme		4347
Forecast Subsidy Drawdown Mahia Wastewater Treatment Scheme	-1492	
Forecast Loan Drawdown Mahia Wastewater Treatment Scheme	-2922	

### FORECAST STATEMENT OF FINANCIAL PERFORMANCE( Including Mahia Sewerage)

For the year ending 30 June 2011

	BUDGET 2009/10	BUDGET 2010/11	2010/11 PER LTCCP	VARIANCE 2009/10 (-)=Decrease	VARIANCE (-)=Decrease LTCCP
<b>REVENUES</b>					
Rates	8,698,938	9,158,393	9,528,902	459,455	(370,509)
Subsidies	6,508,214	7,545,479	9,002,731	1,037,265	(1,457,252)
Petrol Tax	70,000	70,000	70,000	-	-
Fees and Charges	1,760,795	1,913,691	1,958,894	152,896	(45,203)
Investment Income	1,133,835	1,432,500	1,205,028	278,665	227,472
	<u>18,191,782</u>	<u>20,120,063</u>	<u>21,765,555</u>	<u>1,928,281</u>	<u>(220,678)</u>
	<u>18,191,782</u>	<u>20,120,063</u>	<u>21,765,555</u>	<u>1,928,281</u>	<u>(220,678)</u>
<b>EXPENDITURE</b>					
Water Services	2,821,111	2,945,370	3,040,898	124,259	(95,528)
Solid Waste	1,005,700	1,060,700	1,113,323	55,000	(52,623)
Transport	8,811,230	9,248,600	9,176,154	437,350	72,446
Community Facilities	1,851,710	1,953,072	1,930,806	101,362	22,266
Planning & Regulatory	1,377,610	1,496,755	1,393,108	119,145	103,647
Leadership & Governance	1,378,730	1,447,298	1,451,054	68,548	(3,756)
Investments	73,070	57,510	85,228	(15,560)	(27,718)
Corporate	53,500	40,500	74,612	(13,000)	(34,112)
	<u>17,372,701</u>	<u>18,249,805</u>	<u>18,265,183</u>	<u>877,104</u>	<u>15,378</u>
	<u>17,372,701</u>	<u>18,249,805</u>	<u>18,265,183</u>	<u>877,104</u>	<u>15,378</u>
Net Surplus (Deficit) on Operations	819,081	1,870,258	3,500,372	1,051,177	(205,300)

## FORECAST STATEMENT OF FINANCIAL PERFORMANCE( Including Mahia Sewerage)

*For the year ending 30 June 2011*

Structural Percentages

BUDGET 2009/10	Structural %	REVENUES	BUDGET 2010/11	Structural %	2010/11 PER LTCCP	Structural %
8,698,938	47.8%	Rates	9,158,393	45.5%	9,528,902	43.8%
6,508,214	35.8%	Subsidies	7,545,479	37.5%	9,002,731	41.4%
70,000	0.4%	Petrol Tax	70,000	0.3%	70,000	0.3%
1,760,795	9.7%	Fees and Charges	1,913,691	9.5%	1,958,894	9.0%
1,153,835	6.3%	Investment Income	1,432,500	7.1%	1,205,028	5.5%
<b>18,191,782</b>			<b>20,120,063</b>		<b>21,765,555</b>	
<b>18,191,782</b>	100.0%		<b>20,120,063</b>	100.0%	<b>21,765,555</b>	100.0%
<b>EXPENDITURE</b>						
2,821,111	16.2%	Water Services	2,945,370	16.1%	3,040,898	16.6%
1,005,700	5.8%	Solid Waste	1,060,700	5.8%	1,113,323	6.1%
8,811,250	50.7%	Transport	9,248,600	50.7%	9,176,154	50.2%
1,851,710	10.7%	Community Facilities	1,953,072	10.7%	1,930,806	10.6%
1,377,610	7.9%	Planning & Regulatory	1,496,755	8.2%	1,393,108	7.6%
1,378,750	7.9%	Leadership & Governance	1,447,298	7.9%	1,451,054	7.9%
73,070	0.4%	Investments	57,510	0.3%	85,228	0.5%
53,500	0.3%	Corporate	40,500	0.2%	74,612	0.4%
<b>17,372,701</b>	100.0%		<b>18,249,805</b>	100.0%	<b>18,265,183</b>	100.0%
819,081		Net Surplus (Deficit) on Operations	1,870,258	9.3%	3,500,372	16.1%

**FORECAST STATEMENT OF FINANCIAL PERFORMANCE( Including Mahia Sewerage)**

*For the year ending 30 June 2011*

**Changes Year on Year**

	BUDGET 2009/10	BUDGET 2010/11	2010/11 PER LTCCP	VARIANCE 2009/10 (-)=Decrease	VARIANCE (-)=Decrease	VARIANCE 2009/10 %	VARIANCE LTCCP	VARIANCE 2009/10 %	VARIANCE LTCCP %
<b>REVENUES</b>									
Rates	8,698,938	9,158,393	9,528,902	459,455	(370,509)	5.3%		5.3%	-3.9%
Subsidies	6,508,214	7,545,479	9,002,731	1,037,265	(1,457,252)	15.9%		15.9%	-16.2%
Petrol Tax	70,000	70,000	70,000	-	-	0.0%		0.0%	0.0%
Fees and Charges	1,760,795	1,913,691	1,958,894	152,896	(45,203)	8.7%		8.7%	-2.3%
Investment Income	1,153,835	1,432,500	1,205,028	278,665	227,472	24.2%		24.2%	18.9%
	<u>18,191,782</u>	<u>20,120,063</u>	<u>21,765,555</u>	<u>1,928,281</u>	<u>- 1,645,492</u>	<u>10.6%</u>		<u>10.6%</u>	<u>-7.6%</u>
	<u>18,191,782</u>	<u>20,120,063</u>	<u>21,765,555</u>	<u>1,928,281</u>	<u>- 1,645,492</u>	<u>10.6%</u>		<u>10.6%</u>	<u>-7.6%</u>
<b>EXPENDITURE</b>									
Water Services	2,821,111	2,945,370	3,040,898	124,259	(95,528)	4.4%		4.4%	-3.1%
Solid Waste	1,005,700	1,060,700	1,113,323	55,000	(52,623)	5.5%		5.5%	-4.7%
Transport	8,851,710	9,248,600	9,176,154	437,350	72,446	5.0%		5.0%	0.8%
Community Facilities	1,377,610	1,953,072	1,930,806	101,362	22,266	5.5%		5.5%	1.2%
Planning & Regulatory	1,378,750	1,496,755	1,393,108	119,145	103,647	8.6%		8.6%	7.4%
Leadership & Governance	73,070	1,447,298	1,451,054	68,548	(3,756)	5.0%		5.0%	-0.3%
Investments	53,500	57,510	85,228	(15,560)	(27,718)	-21.3%		-21.3%	-32.5%
Corporate		40,500	74,612	(13,000)	(34,112)	-24.3%		-24.3%	-45.7%
	<u>17,372,701</u>	<u>18,249,805</u>	<u>18,265,183</u>	<u>877,104</u>	<u>(15,378)</u>	<u>5.0%</u>		<u>5.0%</u>	<u>-0.1%</u>
	<u>17,372,701</u>	<u>18,249,805</u>	<u>18,265,183</u>	<u>877,104</u>	<u>(15,378)</u>	<u>5.0%</u>		<u>5.0%</u>	<u>-0.1%</u>
<b>Net Surplus (Deficit) on Operations</b>	<b>819,081</b>	<b>1,870,258</b>	<b>3,500,372</b>	<b>1,051,177</b>	<b>(1,630,114)</b>				

Note 4

Funding of the operating (deficit)/surplus disclosed in the Prospective Income Statement is via:

	2010/11	2010/11	VARIANCE
<u>Funding Source</u>	<u>1,870,258</u>	<u>PER LTCCP</u> 3,500,372	<u>(1,630,114)</u>
Depreciation not funded	1,644,940	1,541,849	103,091
Renewals funded by rates	(112,337)	(28,800)	(83,537)
Adjustment to equity	-	-	-
Capital subsidy	(3,488,261)	(4,900,179)	1,411,918
Reserve funding	85,400	(113,242)	198,642
	<u>(1,870,258)</u>	<u>(3,500,372)</u>	<u>1,630,114</u>

**PROSPECTIVE STATEMENT OF FINANCIAL POSITION**

For the year ending 30 June 2011

BUDGET 2009/10	Notes	BUDGET 2010/11	2010/11 PER LTCCP	VARIANCE
<b>CURRENT ASSETS</b>				
2,729,081	Cash and cash equivalents	2,358,942	3,430,108	(1,071,166)
38,000	Inventories	38,000	58,000	-
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
<u>18,132,847</u>	Total Current Assets	<u>18,445,738</u>	<u>18,968,681</u>	<u>(522,943)</u>
<b>LESS CURRENT LIABILITIES</b>				
4,293,539	Trade & other payables	4,063,000	4,807,637	(744,637)
-	Current Portion 1	-	-	-
<u>4,293,539</u>	Total Current Liabilities	<u>4,063,000</u>	<u>4,807,637</u>	<u>(744,637)</u>
13,839,308	Working Capital	14,382,738	14,161,044	221,694
<b>NON CURRENT ASSETS</b>				
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	-
<u>188,045,493</u>		<u>191,447,060</u>	<u>213,933,831</u>	<u>(22,486,771)</u>
<b>LESS TERM LIABILITIES</b>				
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)
<u>185,583,397</u>	Net Assets	<u>187,453,655</u>	<u>211,267,935</u>	<u>(23,814,280)</u>
185,583,397	Represented by Equity & Reser 2	187,453,655	211,267,935	(23,814,280)
<u>185,583,397</u>		<u>187,453,655</u>	<u>211,267,935</u>	<u>(23,814,280)</u>

**PROSPECTIVE STATEMENT OF CHANGES IN EQUITY**

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

## PROSPECTIVE STATEMENT OF CASH FLOWS

For the year ending 30 June 2011

BUDGET 2009/10	Notes	BUDGET 2010/11	2010/11 PER LTCCP	VARIANCE
<b>OPERATING ACTIVITIES</b>				
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
<u>8,375,509</u>	Other revenue	<u>9,563,870</u>	<u>11,068,125</u>	<u>(1,504,255)</u>
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
<u>92,814</u>	Less Interest	-	<u>99,964</u>	<u>(99,964)</u>
13,666,841	Payments to Suppliers & Employees	14,492,674	14,345,890	146,784
<u>92,814</u>	Interest Paid	-	<u>99,964</u>	<u>(99,964)</u>
13,759,655		14,492,674	14,445,854	46,820
<u>4,432,127</u>	Net Cash Flow from Operations	<u>6,752,389</u>	<u>7,319,701</u>	<u>- 567,312</u>
<b>INVESTING ACTIVITIES</b>				
Cash will be provided from				
35,000	Sale of Assets	10,000	45,000	(35,000)
<u>481,048</u>	Sale of Short term Investments	<u>370,139</u>	<u>612,431</u>	<u>(242,292)</u>
516,048		380,139	657,431	(277,292)
Cash will be applied to				
<u>5,655,837</u>	Asset purchases & formation	8,617,288	7,202,988	1,414,300
<u>(130,463)</u>	Increase in Loans & Advances		33,117	(33,117)
<u>150,000</u>	Investments purchased	<u>1,808,030</u>	<u>150,000</u>	<u>1,658,030</u>
5,675,374		10,425,318	7,386,105	3,039,213
<u>(5,159,326)</u>	Net Cash Flows from Investing	<u>(10,045,179)</u>	<u>(6,728,674)</u>	<u>(3,316,505)</u>
<b>FINANCING ACTIVITIES</b>				
Cash will be provided from				
902,900	Loans Raised	2,922,651	110,000	2,812,651
Cash will be applied to				
-	Loans Repaid	-	-	-
<u>902,900</u>	Net Cash Flows from Financing	<u>2,922,651</u>	<u>110,000</u>	<u>2,812,651</u>
<u>175,701</u>	Net Increase/(Decrease)	<u>(370,139)</u>	<u>701,027</u>	<u>(1,071,166)</u>
2,553,380	Plus opening bank balance	2,729,081	2,729,081	-
<u>2,729,081</u>	Bank balance at end of year	<u>2,358,942</u>	<u>3,430,108</u>	<u>(1,071,166)</u>

## ESTIMATES 2010/2011

<u>DEPARTMENT</u>	<u>2010/11</u> <u>REQUIREMENT</u> <u>EX RATES</u>	<u>2009/10</u> <u>EQUIVALENT</u>	<u>CHANGE IN</u> <u>ACTIVITY</u> <u>COST</u>	
<b>GOVERNANCE</b>				
COUNCIL	1192750	1171000	21750	1.9%
MAORI LIAISON	131248	120300	10948	9.1%
ECONOMIC DEVELOPMENT	123300	87450	35850	41.0%
	<u>1447298</u>	<u>1378750</u>	<u>68548</u>	<u>5.0%</u>
<b>COMMUNITY FACILITIES</b>				
COMMUNITY SUPPORT	384844	376200	8644	2.3%
LIBRARY	302453	304340	(1887)	-0.6%
VISITOR INFORMATION CENTRE	132523	74100	58423	78.8%
COMMUNITY HALLS	24400	17800	6600	37.1%
PARKS & RESERVES	700100	699270	830	0.1%
CEMETERIES	94100	81675	12425	15.2%
PENSIONER HOUSING	(17000)	7400	(24400)	-329.7%
	<u>1621420</u>	<u>1560785</u>	<u>60635</u>	<u>3.9%</u>
<b>PLANNING &amp; REGULATORY</b>				
BUILDING INSPECTION	110229	79760	30469	38.2%
DISTRICT PLANNING	177070	178190	(1120)	-0.6%
ENVIRONMENTAL HEALTH	126938	114240	12698	11.1%
LIQUOR LICENSING	21549	13140	8409	64.0%
EMERGENCY MANAGEMENT	316003	319510	(3507)	-1.1%
BYLAW ENFORCEMENT	99975	96430	3545	3.7%
	<u>851764</u>	<u>801270</u>	<u>50494</u>	<u>6.3%</u>
<b>TRANSPORT</b>				
AIRPORT	24040	23700	340	1.4%
ROADING SUBSIDISED	4447058	4395028	52030	1.2%
ROADING NON SUB.	397700	360050	37650	10.5%
PARKING	50700	49060	1640	3.3%
	<u>4919498</u>	<u>4827838</u>	<u>91660</u>	<u>1.9%</u>
<b>WATER SERVICES</b>				
STORMWATER & DRAINAGE	274600	222020	52580	23.7%
WATER RETICULATION	710440	643451	66989	10.4%
WATER PRODUCTION	139050	134400	4650	3.5%
	<u>1124090</u>	<u>999871</u>	<u>124219</u>	<u>12.4%</u>
<b>SOLID WASTE</b>				
WASTE MANAGEMENT	740700	635700	105000	16.5%
SEWERAGE MAHIA REMOVED	666840	554110	112730	20.3%
SEWERAGE MAHIA	108913		108913	
	<u>1516453</u>	<u>1189810</u>	<u>326643</u>	<u>27.5%</u>
<b>PROPERTY AND CORPORATE</b>				
CORPORATE	<u>(713900)</u>	<u>(677135)</u>	<u>(36765)</u>	<u>5.4%</u>
STAFF HOUSING	(200)	1800	(2000)	-111.1%
CAMPING GROUND	23300	19260	4040	21.0%
ADMINISTRATIVE PROPERTY	0	0	0	
COMMERCIAL PROPERTY	(1650)	(1850)	200	-10.8%
ENTERPRISE BUILDING	(4240)	(440)	(3800)	863.6%
SUNDRY PROPERTY	8000	7000	1000	14.3%
FORESTRY	11500	18200	(6700)	-36.8%
	<u>0</u>	<u>0</u>	<u>0</u>	
	<u>36710</u>	<u>43970</u>	<u>(7260)</u>	<u>-16.5%</u>
	<u>10,803,333</u>	<u>10,138,159</u>	<u>665174</u>	<u>6.56%</u>