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About this Annual Plan

This Annual Plan presents to you the South Taranaki District Council's programme for 2008/09 and highlights the differences to Year 3 (2008/09) of the current Ten Year Plan. The Year 3 projections were developed almost three years ago and a number of new Council policies and external events during that period have created an impact on the planned programme of works.

About our consultation

Residents were advised that the draft Annual Plan was available for comment from Thursday 10 April until Monday 12 May. The summary of the Annual Plan was made public through publishing in the South Taranaki Star and both the summary and full plan were available from our Administration Offices and the seven LibraryPlus sites across the district. Nineteen people took the opportunity to speak directly to the councillors at the Hearing of submissions and we received over 140 submissions.

All those who sent in comments will receive notification of the outcomes and a summary of decisions will be published in the Council's newsletter, SouthLink, within the South Taranaki Star during July.

Response to consultation

As a result of submissions from our residents and further investigations and refining by Council Officers the following decisions by the Council have been reflected in this Annual Plan:

Great Treasure Swap to cease

The Great Treasure Swap, the annual hard refuse collection within the urban areas, will not be provided in 2008/09 because it created an untidy impression of our towns to visitors and residents and created safety hazards for residents and contractors. We will investigate further alternative services that could be provided over the coming year.

Ohawe Toilets to be funded, Waihi Toilets deferred

Agreement has been reached with the Rangatapu Trustees to enable the Ohawe Beach public toilets to be upgraded in 2008/09. As a result funding is no longer available for new toilets at Waihi Beach but will be prioritised during Ten Year Plan discussions later in the year.

Waverley Toilets upgrade to be designed

Designs will be completed for upgrading the Waverley public toilets in 2008/09 with construction timed for 2009/10.

Eltham Town Hall

A heating upgrade was planned but if investigations prove that it is not necessary then the \$32,000 will be utilised to paint the frontage and reinstate the balustrade.

Grants and loans

- Taranaki Garden Trust will receive an additional \$3,000 taking their 2008/09 grant to \$5,000.
- Fast Forward will receive up to \$10,000 towards a feasibility study to improve equestrian facilities at the A&P Showgrounds.
- South Taranaki District Museum Trust will receive a loan of \$100,000 for two years.
- The Hawera Community Board will receive \$10,000 towards the upgrade of the Town Square to supplement the Community Board's Discretionary Fund allocations.

Changes to the Infrastructural Capital Projects Programme

- Kapuni Intake Works increased to \$3.134 million.
- Hawera Water Treatment Plant replacement increased to \$2.433 million.
- Inaha Headworks Study reduced to \$137,000.
- A further deep exploratory bore has been deferred to later years.
- Water supply network renewals reduced to \$420,000.
- Hawera Trunk Sewer works reduced to \$25,000.
- Boosted supply to PPCS changed to design only at \$46,000.
- Inaha network AC renewals deferred to later years.
- All Cold Creek works deferred until agreement reached with the Cold Creek Water Supply Company.
- Pressure control works in Hawera reduced to \$25,000.
- Scott Street reservoir mains works changed to design only at \$29,000.
- Kapuni filter refurbishment deferred.
- Inaha treatment plant improvements deferred until headworks complete.
- Wastewater renewals reduced to \$100,000.

Message from the Mayor

As Mayor of South Taranaki it is my privilege to present the Annual Plan for 2008/09. This Plan continues the strategic direction the Council set in its Ten Year Plan and reflects this district's exciting and prosperous future.

In particular I'm looking forward to implementing the Council's new Economic Development Strategy in the coming year. It reflects a more helpful and welcoming attitude to prospective and expanding businesses with the Council pulling out all the stops to attract new businesses to the district.

I want to stress the importance of our investment in infrastructure across the district. Water and wastewater targeted rates are increasing because major upgrades are underway to improve the reliability of our water supply; ensure our water meets national drinking water standards; and our wastewater discharges meet environmental standards. The Council is committed to following through with the Water Supply Strategy that is reflected in our Ten Year Plan developed in 2006.

The water shortages this summer have caused heartache for farmers and gardeners especially. I wish to acknowledge the many concerns that have been expressed to me from residents. The declaration of a drought in South Taranaki in March confirmed the severe effect the weather caused and gave some avenues for relief and counselling. We are very appreciative of the water conservation efforts that residents have undertaken. I know that it has not been easy but this summer's drought has been a big reminder for us not to take things like water for granted.

Another reason for congratulations is the way South Taranaki residents have got behind the recycling and greenwaste separation. We are the best in the Taranaki region which is not only good for the environment but of real value in keeping down our rates.

I am committed to pursuing remedial action for the Patea Freezing Works site and gaining funding from all the landowners involved for the long term clean up. The fire and aftermath was very upsetting for the Patea townspeople.

We have taken heed of comment that the Great Treasure Swap creates an untidy impression of our towns to visitors and residents and concluded the seven year service. We will investigate further alternative services that could be provided over the coming year.



Ross Dunlop
Mayor

Message from Chief Executive

Since the introduction of the revised Local Government Act in 2002, all councils have had to take a long-term view of their districts' needs and spending priorities. A key part of that process is the requirement to have a Ten Year Plan (or Long Term Council Community Plan) that is reviewed and revised every three years. In years two and three of the Ten Year Plan, an Annual Plan is required that updates budgets, levels of service and performance measures and explains the reasons for any variances from the Ten Year Plan.

This document contains the Council's work programme for Year 3 of the Ten Year Plan the Council adopted in June 2006.

In the 2008/09 year, we will spend \$32.5 million on running the district and a further \$49 million on capital works.

The key cost driver again this year is water and wastewater. For the last two years this Council has made water its number one priority and we are spending a further \$18.7 million on water upgrades in the 2008/09 year. Our residents have told us that this is what they want, but it has a cost.

Through efficiencies and other factors (eg bulk buying, deferrals and getting a better handle on costs) the rate increase has been reduced considerably to that originally projected in the Ten Year Plan.

The simple fact is that many of the costs the Council is faced with have risen higher than the rate of inflation. Like homeowners, the Council has been faced with rising energy, telecommunication costs as well as higher interest rates, which means it costs more to pay back what we borrow.

On average, an urban ratepayer using all services is facing an increase for the coming year of around \$125 to \$130. That's approximately \$2.50 a week or 35 cents a day. This represents very good value for money, particularly when compared with the cost of other utilities and household services.

As Chief Executive, it is up to me to ensure the extensive work programme we have is completed on time and on budget. Our managers and staff are committed to ensuring this occurs.



Craig Stevenson
Chief Executive

Key issues

About your rates

As signalled two years ago in our Ten Year Plan, rates are increasing, though not by as much as predicted. Not all ratepayers pay all the rates that the Council applies so most ratepayers are affected differently by the increases.

Below is a summary of the rate changes with the types of rates explained and on page 11 there are a number of examples of different property values for urban and rural ratepayers to show the effect on your total rates.

	2007/08	2008/09	Increase
UAGC	\$357	\$379	\$22
Property rates (general and roading)			5.3%
Urban water targeted rate	\$370	\$420	\$50
Urban metered rate per cubic metre	\$0.90	\$1.02	12 cents
Urban wastewater targeted rate	\$369	\$410	\$41
Kerbside Collection targeted rate	\$207	\$211	\$4
Rural Water – per cubic metre			
Waimate West	\$0.35	\$0.43	8 cents
Kaponga	\$0.52	\$0.62	10 cents
Inaha	\$0.51	\$0.55	4 cents
Pope	\$0.70	\$0.73	3 cents

An example of the rating impact on an urban property valued at \$160,000:

	2007/08 rates (\$)	2008/09 rates (\$)
Rates		
General	112.38	121.06
Roading	140.39	138.41
UAGC	357.00	379.00
Water	370.00	420.00
Wastewater	369.00	410.00
Kerbside Collection	207.00	211.00
Total Rates	1,555.77	1,679.47
Total dollar increase		\$123.70
Total percentage increase		8.1%

The Council charges both property rates (general and roading rates) and targeted rates for specific services. A brief description of the rating tools currently being utilised follow.

Uniform Annual General Charge (UAGC) is a set fee all ratepayers pay towards the following Council services – swimming pools, libraries, parks and reserves, halls, public toilets, cemeteries maintenance, events and 30% of tourism expenses.

The **General Rate** is calculated using the capital value of your property and so we have expressed its increase only as a percentage. It funds the following Council services – economic development, community development, 50% of tourism expenses, solid waste disposal, animal and nuisance services, 30% of consent expenses, 55% of licensing, environmental policy and emergency management.

The **Roading Rate** is also calculated using the capital value of your property and funds the maintenance of our roading network. Central government also helps fund this activity by providing a 50% subsidy on most roading works.

Urban water users either pay a separate targeted rate or a metered rate (for extraordinary users).

Urban wastewater charges are a separate targeted rate that all urban properties pay.

Kerbside Collection is the refuse and recycling service for urban properties and offered to properties along the collection routes and is a separate targeted rate.

Why rates are rising

A key driver for the rates increase is the **significant upgrade programme** in place for the district's water and wastewater systems, with \$27.5 million to be spent in 2008/09. These projects are loan funded and the interest and principal repaid by the users through the uniform annual charges and metered water rates. Loan funding means the repayments are spread over 25 years so future users are paying towards these services as the upgraded assets will have a long life. The proposed combined increase in the water and wastewater charges is \$91 and reflects higher interest costs to pay for the capital upgrade programme. Progress on the water and wastewater upgrades is described more fully later on this page and on pages 31-35.

A number of expenses are running at levels higher than the general **inflation** rate allowed for in the Ten Year Plan projections. These include higher energy costs, higher interest rates for debt financing, market rate increases for staff salaries and elected members' salaries (reasons for overheads increase). Our energy costs have jumped 25% in the coming year. The good news was that for several years the Council paid lower than market rates. Interest rates looking ahead for next year are 0.7% higher than that used in the Ten Year Plan projections. That means for our average debt during the year of \$77 million the repayments will cost \$500,000 more.

A smaller impact on the rates comes from **Council decisions** since the Ten Year Plan was adopted which includes the new Economic Development Strategy; increasing maintenance levels for footpaths and mowing for berms and maintenance of new gardens; increased maintenance of Council-owned buildings and the District Plan Change programme.

One particular Council decision, since the Ten Year Plan was adopted, has resulted in a **significant saving on rates**, more specifically on the kerbside collection rate with the introduction of the weekly recycling collection and the voluntary greenwaste bins. The district's recycling efforts, which are still increasing, mean less refuse is being transported to New Plymouth's landfill, the most expensive part in the disposal process. The water and wastewater charges are not as high as predicted in the Ten Year Plan because of the slower than predicted capital works programme. Another saving on rates is a 2.2% increase in rateable properties. While the district has not achieved population growth according to the latest census

statistics, the significant growth in building activity and subdivision has resulted in over 220 extra properties paying rates in the coming year.

About our water situation

This year's drought has stretched our current water resources to the limit and illustrates how precious this resource has become, not only in Taranaki but nationwide. For too many years we have relied on the abundance of water in our rivers and bores, assured of plentiful supplies by the geographic nature of the district with the majestic and prominent Mount Taranaki.

Even before this year's drought river levels had dropped and consumption had increased causing Council to investigate alternative supplies and provide a more robust supply and extra storage and interconnecting of supplies. The Council's Water Supply Strategy was adopted in time for the Ten Year Plan and outlines a significant upgrade programme across all 13 water supplies. Implementing the water supply strategy is the Council's number one priority. The strategy addresses our aging infrastructure through replacement of critical components; our reliability of supply through installing more reservoirs, interconnecting water schemes, leak detection and promoting water conservation; and our ability to meet the new drinking water standards by upgrading all of our water treatment plants.

Progress on implementing the strategy is now gathering pace with five new reservoirs under construction. Reservoirs at Waverley and Waimate West have been repaired and design works are underway for new water treatment plants at Hawera, Waverley/Waverley Beach and Patea. Construction of the plants will start during 2008/09. Trunk mains are being constructed to interconnect supplies and all water meters for the rural schemes are being replaced.



To date the bore exploration work across the district has only produced one viable source located near the Hawera water treatment plant. Once the production bore is constructed it is expected to produce 3,000 cubic metres a day. This may be on-line as early as next summer but may have to wait for the new treatment plant if more vigorous treatment is required.

The wastewater plant upgrades

Upgrade works for our wastewater schemes have included desludging of oxidation ponds; pump station upgrades around the district, and repairs and upgrades to pipelines. For 2008/09 more work is required on trunk pipelines including eliminating stormwater from getting into the pipes and creating greater flows for the treatment plant to cope with than necessary, lining the emergency pond at Hawera and network pipe renewals. Industries in Eltham and PPCS in Hawera are contributing towards the upgrades in Eltham and Hawera.

The long awaited wastewater pipeline from Eltham to Hawera has now received all its consents and construction will occur in 2008/09. For years we have struggled to meet the environmental standards for discharge from the Eltham wastewater treatment plant even with the additional anaerobic lagoon and wetlands. The waste from the dairy and meat processing

industries in Eltham (not including Riverlands as they have their own waste disposal ponds) is too great a quantity to break down sufficiently in a plant the size of Eltham. Hawera's treatment plant is much larger to enable faster and better break down which will meet our discharge consent conditions.

Recycling going strong and savings noted

Its a fact - South Taranaki residents are far better recyclers than our neighbours. Latest reports show that South Taranaki people divert 35% of potential rubbish away from the landfill, while Stratford manages 22% and New Plymouth 13%. This gives us confidence that our kerbside collection service with its dedicated 120 litre recycling wheelie bins and the voluntary greenwaste bins is working well and is easy to use. As a result we've been able to reduce the budget required to dispose of our refuse destined for the landfill and keep the kerbside collection charge to a small increase of \$4. This will be the first whole year of transporting our refuse to New Plymouth as the district's last landfill has had to close.

Implementing the new Economic Development Strategy

A significant new strategy for the district is the recently adopted Economic Development Strategy. The summary of the strategy, "Open for Business", was launched in February 2008 and highlights the opportunities to build on the district's strengths to ensure a prosperous and sustainable economy. The Council notes its core responsibilities which form the basic building blocks of economic growth; namely providing adequate infrastructure and facilities and to deliver regulatory services such as environmental planning, licensing and consents.

In addition the Council is committed to regional initiatives (skills strategy) and advocating for and then supporting central government programmes; working in partnership with organisations to further economic development and to take a leadership role where appropriate.

To implement the first stage of the strategy we have identified additional resourcing (\$71,000) for 2008/09 to develop a long range marketing strategy to promote our lifestyle and employment opportunities and a \$30,000 increase for our business incentive packages to prospective businesses.

The Hub gets underway

Construction of the first two stages of the Hub development, which includes the new netball courts and associated buildings will be constructed in the coming year. The new indoor stadium will be well underway with a scheduled completion date by the end of 2009. The majority of the \$14.879 million Council funding for the Hub will be expended on the first two stages. Fundraising to secure \$8 million will continue to meet the cost of the final



stages of the project. The Council's contribution towards The Hub is being funded by borrowing, with the interest and debt being repaid from excess earnings on the Council's Long Term Investment Fund. It is not a contributing factor in the increase in rates.

Aquatic Centre

The Powerco Aquatic Centre upgrade, which focuses on providing the “fun factor” and increasing family activities will also be completed in the 2008/09 year.

Significant variations

Eltham and Rawhitiroa swimming pool upgrades

When we compiled the Ten Year Plan, projections for the upgrade of Eltham and Rawhitiroa pools were made without knowing the detail of specific components. In consultation with the users and residents the upgrades have now been defined and can be completed for less funding.

	Ten Year Plan funding	2008/09 funding
Eltham Pool	\$462,000	\$250,000
Rawhitiroa Pool	\$421,000	\$263,000

Patea swimming pool

We have deferred the sandblasting and repainting of the pool (\$42,000) in 2008/09 and included that work into the much larger upgrade planned for the following two years (2009/10). Instead a budget of \$20,000 has been allowed for the design, after consultation with the local community on the elements of the upgrade.

Hawera Motorcamp relocation and development

In 2006 the Council proposed that the Hawera motorcamp be relocated and rebuilt at a cost of \$3 million. Since then the Council has noted interest from the private sector to develop and manage the motorcamp so the capital amount has been reduced to \$500,000 for the purchase of a new site. The motorcamp was identified for relocation to provide additional space for the Hub project and because its site was no longer able to meet demand, in particular that of the larger campervans that are now so popular.

Waiinu Beach toilets

The Waiinu Beach is an extremely popular camping destination over the summer months and this year the single female and single male toilets (and associated sewerage system) did not cope with the crowd. An upgrade project estimated at \$180,000 has been included to remedy the situation for next summer.

Annual kerbside swap and collection service

The Council has decided to cease providing the annual kerbside swap and collection service, (promoted as the “Great Treasure Swap”). In making its decision the Council considered the general untidiness that the collection creates and the misuse of the service by some residents. The placing of prohibited materials, in particular demolition materials like roofing iron and boards with nails, had created unacceptable hazards for the public and for the contractors collecting the items.

While free swap days at the transfer stations for specific items eg whiteware, computers, furniture was promoted as an alternative service during the consultation phase, the Council has decided to investigate further over the next 12 months on how a service could be operated.

Nappy subsidy

The Council decided to continue with the free washable-nappy vouchers (worth \$135 each) for mothers with new babies. This initiative, worth \$25,000, was new last year and promotes an environmentally friendly option over disposable nappies.

Impact on your Rates

Below are six property examples to show the impact of the rates increases for 2008/09. The General Rate and the Rooding Rate are both applied to the capital value of a property to calculate the rates to be paid. The examples below do not include the rates you pay Taranaki Regional Council which is normally included in your rates invoice.

\$80,000 property	2007/08	2008/09
Rates		
General	56.19	60.53
Rooding	70.20	69.20
UAGC	357.00	379.00
Water	370.00	420.00
Wastewater	369.00	410.00
Kerbside Collection	207.00	211.00
Total Rates	1,429.39	1,549.73
Total dollar increase		\$120.35
Total percentage increase		8.42%

\$160,000 property	2007/08	2008/09
Rates		
General	112.38	121.06
Rooding	140.39	138.41
UAGC	357.00	379.00
Water	370.00	420.00
Wastewater	369.00	410.00
Kerbside Collection	207.00	211.00
Total Rates	1,555.77	1,679.47
Total dollar increase		\$123.69
Total percentage increase		8.0%

\$280,000 property	2007/08	2008/09
Rates		
General	196.67	211.86
Rooding	245.69	242.21
UAGC	357.00	379.00
Water	370.00	420.00
Wastewater	369.00	410.00
Kerbside Collection	207.00	211.00
Total Rates	1,745.36	1,874.07
Total dollar increase		\$128.71
Total percentage increase		7.4%

\$400,000 property	2007/08	2008/09
Rates		
General	280.96	302.65
Rooding	350.98	346.02
UAGC	357.00	379.00
Water	370.00	420.00
Wastewater	369.00	410.00
Kerbside Collection	207.00	211.00
Total Rates	1,934.94	2,068.67
Total dollar increase		\$133.73
Total percentage increase		6.9%

\$2,000,000 property	2007/08	2008/09
Rates		
General	1,404.78	1,513.26
Rooding	1,754.92	1,730.09
UAGC	357.00	379.00
Total Rates	3,516.70	3,622.35
Total dollar increase		\$105.65
Total percentage increase		3.00%

\$4,000,000 property	2007/08	2008/09
Rates		
General	2,809.55	3,026.52
Rooding	3,509.84	3,460.18
UAGC	357.00	379.00
Total Rates	6,676.39	6,865.70
Total dollar increase		\$189.30
Total percentage increase		2.84%

Democratic Process

The South Taranaki District has a Mayor elected across the district, 12 Councillors and 16 Community Board members elected from five wards – Hawera, Tangahoe, Egmont Plains, Eltham and Patea.

Another means of representation to the Council is the Iwi Liaison Committee, which provides an opportunity for four members from each Iwi within South Taranaki to discuss issues with three Councillors, including the Mayor and Deputy Mayor, before making recommendations to the Council. The four Community Boards and the Iwi Liaison Committee all have discretionary funding for community projects and assistance, the amount determined by the Council.

The Environment and Hearings Committee hears all notified resource consent applications on behalf of the Council with all other governance decision-making retained by the Council.

The Council's democratic process involves making decisions relating to the level and standard of the services; determining policies for its activities, investments, borrowings, capacity building for Māori, partnerships with other agencies, communicating with its residents; setting the rates and charges each year and the approval of each ten year plan and subsequent annual plans.

Performance Measures

- More than 80% of residents surveyed rate the performance of the Mayor and Councillors as satisfactory.
- More than 80% of residents surveyed strongly agree/agree that the Council provides quality services and facilities.
- 90% of projects and initiatives supported by Council funding contribute to the achievement of community outcomes.
- We will communicate fortnightly to the district's residents on issues of interest in a jargon-free manner via the SouthLink publication in the South Taranaki Star.
- For every consultation we will provide easy to read material, utilising Council's SouthLink publication for wide distribution to the district and frequent media releases to all local newspapers.

Highlights

The Council has begun preparing its next ten year plan and this will be a key focus for the elected members during the 2008/09 year, with formal public consultation planned for March 2009. The Ten Year Plan describes the level of service delivered by each of the Council activities and describes the planned renewals and upgrade projects. Every three years the ten year plan is updated for another three years with particular attention and detail included for the first three years. For the two years between developing ten year plans the Council approves two annual plans which largely follow the programmed works detailed in the ten year plan with some variations because time has elapsed and situations change.

The ten year plan also includes the Council's significant policies relating to borrowing, investments, revenue and financing (how each activity is funded ie which rating tool is applied – for example targeted rates versus property rates, uniform rates where everyone pays the same amount versus capital value based rates). These policies can only be amended through developing a new ten year plan. The Council has already indicated its intention to review the revenue and financing policy which is timely given the recent national rating inquiry.

Variations from the Ten Year Plan

There are no significant variations for the Democratic Process activity from the previous year however a number of additional expenses are associated with this activity since the 2006/16 Ten Year Plan was developed such as the Council's Public Liability Insurance (\$58,000) and the Long Term Investment Fund (LTIF) funds management expenses of \$238,000 (these are funded from the LTIF earnings, not rate funded). Increases associated with the direct costs for this activity relate to increased salaries for the elected members and support staff. This activity has increased overheads of \$60,000; the detail is explained on page 7.

Financial Summary – Democratic Process

2006/07 Actual		2007/08 Annual Plan budget	2008/09 Annual Plan budget	10 Year Plan projection for 2008/09
\$000's		\$000's	\$000's	\$000's
1,990	Activity Expenses	1,963	2,011	1,639
11	Activity Revenue	21	-	-
1,979	Net Cost of Service/(Surplus)	1,942	2,011	1,639
	Expenditure			
981	Reallocated Overheads	882	963	901
1,003	Direct Costs	1,081	1,042	738
-	Interest Paid	-	-	-
6	Depreciation	-	6	-
1,990	Total Activity Expenditure	1,963	2,011	1,639
-	Capital Improvements	-	-	-
(6)	Less Non Funded Depreciation	-	(6)	-
-	Loan Principal	-	-	-
1,984	Total Expenditure	1,963	2,005	1,639
	Funded By			
1,593	General Rates and Revenues	1,703	1,767	1,639
-	Grants and Subsidies	-	-	-
-	Targeted Rates	-	-	-
-	User Fees and Charges	21	-	-
-	Interest Received	-	-	-
11	Sundry Revenue	-	-	-
-	Transfers from Depreciation Reserve	-	-	-
-	Loans for Capital Expenditure	-	-	-
194	Utilising Other Reserves	239	238	-
186	Transfer from/(to) Operating Balances	-	-	-
1,984	Total Funding	1,963	2,005	1,639

Cultural Services

Cultural services include the following Council activities – cemeteries, libraries, arts and heritage services.

Cemeteries

We provide ten cemeteries around the district, at Opunake, Manaia, Kaponga, Eltham, Waihi, Ohawe, Hawera, Patea, Otakeho and Okaiawa and provide an annual grant to the Waverley Cemetery Board to assist with maintenance.

Libraries

We provide an extensive combined library and council service throughout the district, known as LibraryPlus facilities in Opunake, Eltham, Hawera, Kaponga, Manaia, Patea and Waverley. LibraryPlus users have access to the entire district library stock and can also interloan items from throughout New Zealand. We provide a free lending service to the community and books are delivered free of charge to those people who are housebound.

The Libraries are committed to developing children's literacy by providing a range of activities that promote children's reading and story writing. Access is provided to information technology with several free online databases available and public internet services available at each facility at a small cost.

Council services available at LibraryPlus facilities include payment of rates and accounts, enquiries about pensioner housing, burials, building consent applications, property file requests and community facility bookings. Six of the libraries act as agencies for the dissemination of visitor information and Eltham LibraryPlus provides New Zealand Postal Centre Services.

Arts & Heritage

The Council's Arts, Culture and Heritage Policy, adopted in 2006, provides the direction for this sub-activity. An Arts Coordinator facilitates and promotes community participation in creative activities by providing a point of coordination for the creative community, facilitating the increased visibility of the arts within the district and supporting creative activities and organisations.

The Council, in partnership with the South Taranaki District Museum Trust, provides district heritage services through the management of the South Taranaki District Museum, providing support and advice to individuals and communities that wish to preserve their taonga, objects and archives, as well as the promotion of the district's heritage, the museum and its activities.

Performance Measures

- To achieve 90% resident satisfaction for these services.
- Library membership is retained at no less than 50% of residents within the district.
- Greenspace contract inspections for cemeteries to result in 96% compliance.
- The number of visitors to the South Taranaki District Museum in 2008/09 will increase by 10% on the previous year's volumes.
- One signature arts event staged annually.

Highlights

The Ronald Hugh Morrieson Awards – a literary competition organised by the Council's library service for secondary students will be celebrating its 21st anniversary.

The South Taranaki District Museum in Patea will be upgraded which will involve re-aligning and re-cladding the roof; renovating the interior construction of a larger, climate-controlled archive space and storage facilities and a modern, architecturally-designed frontage. Two new permanent exhibitions will be introduced: Te Whenua and New Zealand Wars. The upgraded building, which is still owned by the South Taranaki District Museum Trust, will include a temporary exhibitions space so that up to four new exhibitions can be shown each year. Work is expected to begin in September 2008 and be completed by January 2009.

Variations from the Ten Year Plan

The significant variations within the Cultural Services activity include transfers of funding for the arts and museum services from the Community and Social Development activity within the 2006/16 Ten Year Plan. These services were realigned to the Cultural Services activity in 2007/08.

The remainder of the variations relate to increased salary costs under direct costs and additional overheads which are explained further on page 7.

Financial Summary – Cultural Services

2006/07 Actual		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
\$000's				
	Cemeteries			
444	Expenditure	417	447	422
88	Income	72	73	77
356	Net Cost of Cemeteries	345	374	345
	Libraries			
2,131	Expenditure	2,067	2,223	1,944
77	Income	63	70	27
2,054	Net Cost of Libraries	2,004	2,153	1,917
	Arts			
-	Expenditure	64	71	-
-	Income	-	-	-
0	Net Cost of Arts	64	71	0
	South Taranaki Museum			
-	Expenditure	350	185	-
-	Income	-	-	-
0	Net Cost of South Taranaki Museum	350	185	0

2006/07 Actual		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	Total Group			
2,575	Activity Expenses	2,898	2,926	2,366
165	Activity Revenue	135	143	104
2,410	Net Cost of Service/(Surplus)	2,763	2,783	2,262
	Expenditure			
752	Reallocated Overheads	705	808	631
1,504	Direct Costs	1,832	1,783	1,459
46	Interest Paid	56	60	44
273	Depreciation	305	275	232
2,575	Total Activity Expenditure	2,898	2,926	2,366
447	Capital Improvements	228	283	279
(54)	Less Non Funded Depreciation	(77)	(83)	-
6	Loan Principal	11	11	26
2,974	Total Expenditure	3,060	3,137	2,671
	Funded By			
2,257	General Rates and Revenues	2,506	2,700	2,305
33	Grants and Subsidies	-	-	-
-	Targeted Rates	-	-	-
103	User Fees and Charges	135	143	104
-	Interest Received	-	-	-
29	Sundry Revenue	-	-	-
453	Transfers from Depreciation Reserve	239	294	262
-	Loans for Capital Expenditure	-	-	-
-	Utilising Other Reserves	180	-	-
99	Transfer from/(to) Operating Balances	-	-	-
2,974	Total Funding	3,060	3,137	2,671

Recreation and Leisure

Swimming pools operated by the Council from December to March each year are situated in Waverley, Patea, Manaia, Eltham, Kaponga and Rawhitiroa. A paddling pool is situated at Opunake beach. An all year indoor pool, as well as a seasonal outdoor heated pool, is situated at Hawera. An annual contribution is made to the Opunake Baths Society which, in conjunction with the Opunake High School, provides a heated indoor pool for use by the public outside of school hours.

We aim to provide a safe environment for swimming and offer free entry to all users of the Council-owned swimming pools, with the exception of the Hawera pool complex.

Council-owned halls are provided in Opunake, Manaia, Kaponga, Eltham, Normanby, Hawera and Waverley. Bookings are made through the Council offices and LibraryPlus locations. We also assist rural halls throughout the district with an annual grant of \$1,500 per hall.

Parks and reserves - We maintain 695 hectares of sportsfields, open parks and reserves, as well as owning seven motorcamps throughout the district. Maintenance of the parks and reserves is contracted out and monitored regularly. The motorcamps are under a range of operations, from leasehold to freedom camping. There are 31 playgrounds around the district, which are being upgraded to meet appropriate safety standards.

Toilets - We provide 38 public toilets throughout the district, situated near the general business districts, sports grounds, beaches and recreational reserves. The toilets are kept clean and hygienic to the New Zealand Standards with safety of users a key priority.

Performance Measures

- Public satisfaction with these facilities is not less than 90%.
- Water quality for pools complies with New Zealand standards.
- The rural pool season will operate for at least ten weeks each year.
- No entry fee will be charged for rural pools, although a community charge may be agreed with the local Community Board.
- Attendance at the Hawera Aquatic Centre increases by 1% per year.
- Greenspace contract inspections to result in 96% compliance.
- Development plans will be completed for King Edward Park (Hawera) and Aotea Park (Waverley) by 30 June 2009.
- Improvements to Thoumine Park (Kaponga) as contained in the Development Action Plans will be completed by November 2008.
- Halls review completed by 30 September 2008.
- Completion of all capital projects contained in Appendix 1 will be within the budget and timeframes allocated.
- Toilet contract inspections to result in 95% compliance for contract specifications.

Highlights about the service

The Powerco Aquatic Centre upgrade, which focuses on providing the “fun factor” and increasing family activities will be completed in the 2008/09 year.

Construction of the first two stages of the Hub development will be well advanced. The new netball courts and associated buildings will be completed by mid 2008. The construction of the new indoor stadium is expected to be well underway with a scheduled completion date by end of 2009. The majority of the \$14.879 million Council funding for the Hub will be expended on the first two stages. Fundraising to secure \$8 million will continue to meet the cost of the final stages of the project

The development of a new camping ground in Hawera will be actively pursued with private enterprise, at a location yet to be determined.

A strategy to increase participation in sports and active recreation across the district will be developed and implemented in partnership with Sport Taranaki and key sporting codes.

In 2006 a study to determine the physical feasibility of the development of a coastal walkway was completed. In 2008/09 the Council will commence consultation with stakeholders to establish the level of support for the concept. The promotion of some easily accessible coastal walks will also be undertaken as a trial to determine interest.

Variations from the Ten Year Plan

Significant variations for the Recreation and Leisure activity largely relate to changes in the capital improvement projects and are listed below (a full list of the capital projects to be undertaken is included in Appendix 1). However this activity is also affected by an increase in overheads (explained further on page 7); additional programmed maintenance in the district's parks, campgrounds and halls; additional contract expenses related to district berm mowing (\$48,000) and toilet cleaning (\$44,000), a more realistic income projection for the Hawera aquatic centre (less \$50,000) and higher interest fees for the capital expenditure. In the Ten Year Plan the Hub expenditure for 2008/09 was included within the Parks budget and has now been separated for greater transparency.

Capital works projects variations:

Rawhitiroa pool upgrade	Reduced from \$421,000 to \$263,000
Eltham pool upgrade	Reduced from \$462,000 to \$250,000
Patea pool sandblast/repair	Reviewed and incorporated into major upgrade work in 2009/10
Patea pool design	Brought forward \$20,000 for planned upgrade in 2009/10
Manaiia pool lifeguard seat	Deleted \$4,000 as seating not required
Motorcamp development	Reviewed with \$500,000 allocated for property purchase. The budget from previous years of \$2,565,000 to develop the motorcamp has been deleted as interest from private development will be pursued.
Normanby Hall interior decoration and heating	Deferred from 2007/08 (\$103,000)
Hawera Community Centre refurbishment project	Reduced from \$179,000 to \$100,000
Ohawe Beach toilets	Re-introduced for upgrading at \$80,000
Normanby Domain playground	Deferred from 2007/08 and reduced from \$51,000 to \$35,000
Normanby School playground	Reduced from \$32,000 to \$10,000, taking into account the investment in the Evans Park playground in Normanby
Naumai Park signage	Part of parks renewals which have reduced from \$77,000 to \$45,000

Opunake Beach	New stabilisation design (\$20,000)
Opunake Lake	New retaining wall (\$10,000)
Waiinu Campground toilets	New toilet block and sewerage system (\$180,000)

Financial Summary – Recreation & Leisure

2006/07 Actual		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	Halls			
674	Expenditure	387	459	366
69	Income	28	36	31
605	Net Cost of Halls	359	423	335
	Parks and Reserves			
2,529	Expenditure	2,171	2,120	2,385
182	Income	182	190	3,153
2,347	Net Cost of Parks and Reserves	1,989	1,930	(768)
	Pools			
641	Expenditure	1,080	1,209	1,061
17	Income	268	218	16
624	Net Cost of Pools	812	991	1,045
	The Hub			
277	Expenditure	149	538	-
-	Income	1,500	2,500	-
277	Net Cost of The Hub	(1,351)	(1,962)	0
	Toilets			
161	Expenditure	255	305	242
-	Income	-	-	-
161	Net Cost of Toilets	255	305	242
	Cinema 2			
-	Expenditure	74	87	-
-	Income	39	80	-
0	Net Cost of Cinema 2	35	7	0
	Total Group			
4,282	Activity Expenses	4,116	4,718	4,054
268	Activity Revenue	2,017	3,024	3,200
4,014	Net Cost of Service/(Surplus)	2,099	1,694	854
	Expenditure			
330	Reallocated Overheads	307	346	294
3,254	Direct Costs	2,937	2,860	2,245
177	Interest Paid	314	864	794
521	Depreciation	558	648	721
4,282	Total Activity Expenditure	4,116	4,718	4,054

2006/07 Actual		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	\$000's			
2,107	Capital Improvements	9,330	13,479	12,018
(273)	Less Non Funded Depreciation	(286)	(392)	(307)
176	Loan Principal	63	63	222
6,292	Total Expenditure	13,223	17,868	15,987
	Funded By			
2,427	General Rates and Revenues	2,682	2,835	2,890
-	Grants and Subsidies	-	-	-
-	Targeted Rates	-	-	-
238	User Fees and Charges	517	524	243
-	Interest Received	-	-	-
30	Sundry Revenue	1,500	2,500	2,958
893	Transfers from Depreciation Reserve	272	539	631
2,150	Loans for Capital Expenditure	7,731	10,481	8,412
(33)	Utilising Other Reserves	521	989	853
587	Transfer from/(to) Operating Balances	-	-	-
6,292	Total Funding	13,223	17,868	15,987

District Economy

The District Economy activity is delivered through Economic Development and Tourism functions. We offer a business advisory service to assist both new ventures and existing operations to expand or improve their competitiveness and businesses wishing to relocate to South Taranaki. We work in partnership with the regional economic development and tourism agency, Venture Taranaki, to deliver training, access business grants and sponsorship, and develop and promote the district's business and tourism services. The Council also works with government and education providers to support access to education and training to develop the capacity of individuals to participate in our economic growth.

We operate a centralised i-SITE office under the Hawera Water Tower (which has Visitor Information Network (VIN) accreditation) and satellite information services from six of the LibraryPlus facilities around the district to promote tourism within the area. The i-SITE is open seven days per week, every day of the year except for Christmas Day.

A minimum of eleven events, aimed to attract residents and visitors to the district, are managed or supported by the Council.

Performance Measures

- Tourism numbers will increase by 5% each year and will be measured by increased visitor enquiries.
- Biannual ranking of Visitor Information Network (VIN) accreditation for Information South Taranaki Office is maintained and improved from 86%.
- A minimum of 95% satisfaction in the service provided by the i-SITE, as determined by the continual customer survey.
- One delegation from our sister city in Harbin, China will be received every two years.
- An educational or business exchange to Harbin, China will be facilitated every two years.
- By managing break-even or better for Council-arranged premier venue shows.
- 90% of participants surveyed at key parks events are satisfied or very satisfied with the event.
- Organising committees are satisfied with the assistance provided by the Council for community based events.
- Three new businesses, other than retailers, to be established in the district.
- 80% of new or emerging businesses supported by business incentive grants are successfully operating 12 months after grants are approved.
- District Marketing Plan completed by March 2009.

Highlights about the service

To encourage new business investment and development of existing business in the district there will be a focus on promoting and marketing South Taranaki through a range of mediums. This emphasis is consistent with the Economic Development Strategy adopted by the Council in 2007 and is part of a staged implementation plan.

Work will continue on bids to secure regional, national and international events to the region and to ensure that South Taranaki plays an active role in hosting components of such events, including the University Games and World Rugby Cup.

The successful mystery shopper survey which was conducted on the Hawera central business district retailers will be repeated in the 2008/09 year.

Variations from the Ten Year Plan

Significant variations for the District Economy activity equate to \$140,000 of additional expenditure which includes promotions and marketing resourcing for implementing the Economic Development Strategy of \$71,000, additional funding for local economic development initiatives (\$30,000) and \$20,000 of additional overheads (explained on page 7).

Financial Summary – District Economy

2006/07 Actual		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	Economic Development			
629	Expenditure	617	515	296
-	Income	-	-	-
629	Net Cost of Economic Development	617	515	296
	Tourism			
550	Expenditure	591	581	567
87	Income	74	67	75
463	Net Cost of Tourism	517	514	492
	Total Group			
1,179	Activity Expenses	1,208	1,096	863
87	Activity Revenue	74	67	75
1,092	Net Cost of Service/(Surplus)	1,134	1,029	788
	Expenditure			
149	Reallocated Overheads	116	132	115
941	Direct Costs	985	838	679
89	Interest Paid	107	126	69
-	Depreciation	-	-	-
1,179	Total Activity Expenditure	1,208	1,096	863
-	Capital Improvements	-	-	-
-	Less Non Funded Depreciation	-	-	-
8	Loan Principal	22	22	47
1,187	Total Expenditure	1,230	1,118	910

2006/07 Actual		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	Funded By			
766	General Rates and Revenues	854	980	806
-	Grants and Subsidies	-	-	-
-	Targeted Rates	-	-	-
79	User Fees and Charges	74	67	75
-	Interest Received	-	-	-
8	Sundry Revenue	-	-	-
-	Transfers from Depreciation Reserve	-	1	-
1,350	Loans for Capital Expenditure	250	-	-
-	Utilising Other Reserves	52	70	29
(1,016)	Transfer from/(to) Operating Balances	-	-	-
1,187	Total Funding	1,230	1,118	910

Community and Social Development

The Community and Social Development activity is made up of services aimed at supporting and involving the district's communities to achieve outcomes they desire for themselves. Support includes the development and realisation of community strategies and projects which recognise the communities' priorities, community capacity building, development of partnerships, funding assistance and the provision of affordable pensioner housing.

The Council has a nominated budget within the Ten Year Plan for grants and discretionary funding for the four Community Boards and the Iwi Liaison Committee. We administer the Rural Travel Fund on behalf of Sport and Recreation New Zealand and the Creative Community grants on behalf of Creative New Zealand.

Pensioner housing

The Council has pensioner housing units in Opunake, Eltham, Manaia, Kaponga, Patea and Hawera. Presbyterian Support Central manages the occupancy of the units and the daily maintenance on behalf of the Council, and provides regular contact, advocacy and coordination of activities for the residents.

Regional road safety programme

The Council delivers the regional road safety programme through a contract with Land Transport New Zealand and works with the community to identify and address road safety issues within the region.

Services to young people

A Youth Development Facilitator was appointed in February 2007. The facilitator works with young people to complete projects of significance to youth. This position is funded by the Ministry of Youth Development for an initial two year period.

Performance Measures

- The diversity of groups and individuals participating in community planning and completion of initiatives will be increased, with an additional three groups who would not normally participate in community planning being engaged each year.
- A minimum of two new partnerships which result in positive contributions to the district's cultural, social, economic and environmental outcomes will be established.
- The percentage of funding contributed by external agencies and funding providers to initiatives completed by the Council or by the Council in partnership with other agencies is increased by 3% per annum.
- 90% of projects and initiatives supported by Council funding contribute to the achievement of Community Outcomes.
- 90% pensioner housing tenant satisfaction, measured through an annual survey.
- At least 95% occupancy for pensioner housing.
- At least two external funding applications for capital upgrades of pensioner housing per year.
- The Regional Road Safety Programme is delivered in accordance with the contract with Land Transport New Zealand.

Highlights about the service

Development of new strategies following the review and prioritisation of the Community Outcomes in June 2008 will form a major part of the work of the Community Development Unit in 2008/09. The Unit will work with individual communities and district stakeholders to develop strategies and initiatives to achieve the priority outcomes.

The Council will investigate options for the retention of the Youth Development role as an ongoing and valuable function of the Council.

The Council will continue to work in partnership with land owners and the Taranaki Regional Council to prepare a plan for remediation work at the Patea Freezing Works site and will pursue funding assistance to implement the plan.

A district wide passenger transport service was introduced by the Taranaki Regional Council in July 2007 for an 18 month trial period. We will continue to support, promote and monitor the use of this service until the end of the trial period in December 2008 and will advocate for its continued service.

The Council will work with the Regional Future Taranaki partnership to support three regional projects – Working Together for a Smokefree Taranaki; Safe Families, Safer Communities; and a Regional Skills Strategy.

Variations from the Ten Year Plan

The significant variations for the Community and Social Development activity relate to expenditure reducing overall because the expenses associated with the arts and museum services have been transferred to the Cultural Services activity since the Ten Year Plan was developed. However additional expenses, compared to last year, have been necessary to correct a salary omission in last year's budget and to accommodate our contribution to the regional community outcomes reporting process. The additional organisation overheads, described on page 7, have added a further \$54,000 since 2007/08.

Financial Summary – Community & Social Development

2006/07 Actual		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	Community Development			
1,287	Expenditure	993	1,177	1,485
82	Income	45	29	80
1,205	Net Cost of Community Development	948	1,148	1,405
	Pensioner Housing			
184	Expenditure	105	91	-
20	Income	104	19	-
164	Net Cost of Pensioner Housing	1	72	0
	Regional Road Safety			
101	Expenditure	171	284	-
155	Income	190	284	-
(54)	Net Cost of Regional Road Safety	(19)	0	0

2006/07 Actual		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	Total Group			
1,572	Activity Expenses	1,269	1,552	1,485
257	Activity Revenue	339	332	80
1,315	Net Cost of Service/(Surplus)	930	1,220	1,405
	Expenditure			
375	Reallocated Overheads	326	370	316
1,166	Direct Costs	897	1,148	1,125
-	Interest Paid	-	-	-
31	Depreciation	46	34	44
1,572	Total Activity Expenditure	1,269	1,552	1,485
60	Capital Improvements	228	160	92
-	Less Non Funded Depreciation	-	-	-
-	Loan Principal	-	-	-
1,632	Total Expenditure	1,497	1,712	1,577
	Funded By			
1,231	General Rates and Revenues	932	1,096	1,355
237	Grants and Subsidies	325	312	-
-	Targeted Rates	-	-	-
-	User Fees and Charges	14	20	80
-	Interest Received	-	-	-
20	Sundry Revenue	-	-	-
-	Transfers from Depreciation Reserve	46	159	92
250	Loans for Capital Expenditure	-	-	-
4	Utilising Other Reserves	180	125	50
(110)	Transfer from/(to) Operating Balances	-	-	-
1,632	Total Funding	1,497	1,712	1,577

Environment and Development

Consents – Planning and Building

Consent activities cover the processing of applications for building and resource consents and monitoring of consent conditions, including enforcement functions. The Council issues approximately 1,300 building consents and 250 resource consents each year.

Environmental Policy

The Council's principal environmental document is the District Plan. The District Plan provides the planning framework for the protection and development of the district's environment. The Council has a District Plan review programme in place to ensure the Plan is reflecting the needs of the district. Other environmental policy responsibilities include Significant Natural Areas, Reserves and Bylaws.

Licensing

Licensing activities cover environmental health, liquor licensing, bylaw administration, noise control and environmental education functions. The Council processes about 220 food and health registrations and issues or renews about 150 Manager Certificates and about 200 liquor licenses each year for premises and special events.

Animal Control

Animal Control activities cover the registration of dogs, administration of the Dog Control Act, the Council's Dog Control Policy and bylaws. The Council registers approximately 5,000 dogs each year. This service also deals with some general nuisance issues.

Emergency Management

Emergency Management activities cover civil defence and rural fire control. The Council provides civil defence functions through the Taranaki Regional Council and must ensure the Council can respond to a civil defence emergency in respect of the services it provides to our residents. The rural fire function provides for the control and response to rural vegetation fires, to ensure public safety and to reduce damage to property including native bush and commercially planted forests.

Performance Measures

Encourage responsible development

We will aim to reduce impediments to those people who want to responsibly develop land, buildings or businesses. In 2008/09 we will deliver this by:

- Implementing the Urban Growth Strategy by providing more areas for residential, commercial and industrial development in and around Hawera and Normanby.
- Implementing the results of the Responsible Development audit of the District Plan and central and local government eco-efficiency and climate change initiatives.
- Continuing with the adopted District Plan Change Programme.

Provide a safe environment for our residents

We aim to ensure that the requirements of environmental legislation, including monitoring of our environment, are met. In 2008/09 we will deliver this by:

- Adopting a Liquor Strategy for South Taranaki.
- Monitoring resource consents for compliance.

- Investigate measures to reduce dog incidents.
- Support and play an active role in the Regional Civil Defence Emergency Management Group.
- Ensure the Council can respond to a Civil Defence Emergency within the district in respect of key services the Council provides.

Provide an efficient and consistent customer service

We will focus on our customers, with an emphasis on consistent advice, meeting timeframes, reducing ‘surprises’ and offering affordable costs. In 2008/09 we will:

- Review our Environmental Health service in accordance with the Domestic Food Review.
- Commence work toward Phase Two of Accreditation under the Building Act.
- Ensure all known dogs are registered and/or court action taken against dog owners who fail to register their dogs.
- Undertake a Clear Towns Policy by inspecting properties for unknown unregistered dogs in the following towns: Eltham, Opunake and Waverley and uplift unregistered dogs.
- Process applications and requests within the following timeframes.

Timeframe	Application/Request
10 minutes	Respond to Rural Fire Pager Notifications
1 hour	Attend Rural Fires (where significant)
4 hours	Investigate Dog Attack Incidents, Rushing Incidents, Stock on Roads
1 working day	Investigate Urgent Nuisance Customer Service Requests, Dog Roaming Incidents, Dog Barking Incidents
2 working days	Express Resource Consents
5 working days	Survey Plans, Fire Permits, Investigate General Nuisance Customer Service Requests
7 working days*	Liquor Licences
10 working days	Non-Notified Land Use Consents, LIMs, Food and Health Registrations
15 working days	Non-Notified Subdivision Consents, Building Consents, PIMs
70 working days	Notified Resource Consents

* From receipt of all required reports and information.

Develop Industry-Leading Initiatives and Products

- In 2008/09 we will review our practice relating to fencing of swimming pools.

Increase Community Awareness of Environmental Issues

We aim to focus on educating the community on environmental issues and participate in regional and national environmental initiatives. In 2008/09 we will deliver this by:

- Implementing initiatives and projects in the Environmental Education Strategy.
- Educating landowners on rural fires.
- Educating the building industry on practitioner licensing, in conjunction with central government.

Highlights for 2008/09

The government's Domestic Food Review is due to be finalised in the middle of 2008. This will result in a significant change to our food and health premise registration regime. Early work (during 07/08) educating the district's current food and health licence holders on the proposed changes will assist in the transition for those businesses.

Implementing the "New Way" for the animal services function will be commenced this year. This involves concentrating on problem dogs and their owners. There will be a specific focus on a number of urban area inspecting properties for unregistered dogs through the "Clear Towns Policy", including the education of dog owners across the district.

Variations from the Ten Year Plan

The variations for the Environment and Development activity relate to the following:

- Extra resourcing costs to meet our requirements for Building Act Accreditation of \$55,000
- Extra resourcing costs to meet the new domestic food legislation changes of \$40,000
- An increase in expenditure to resource the ten year District Plan Change Programme of \$50,000
- Extra revenue will be collected from Consents, Animal Services and Parking recoveries of \$84,000

This activity is also affected by increasing organisational overheads (\$153,000) which are explained on page 7.

Financial Summary – Environment & Development

2006/07 Actual		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	Animal and Nuisance Control			
680	Expenditure	574	637	578
301	Income	236	276	242
379	Net Cost of Animal and Nuisance Control	338	361	336
	Consents			
1,089	Expenditure	952	1,052	912
668	Income	508	535	473
421	Net Cost of Consents	444	517	439

2006/07 Actual		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	Emergency Management			
453	Expenditure	319	373	293
16	Income	30	30	25
437	Net Cost of Emergency Management	289	343	268
	Environmental Policy			
223	Expenditure	226	296	255
12	Income	2	2	2
211	Net Cost of Environmental Policy	224	294	253
	Licensing			
318	Expenditure	308	332	300
108	Income	99	108	101
210	Net Cost of Licensing	209	224	199
	Total Group			
2,763	Activity Expenses	2,379	2,690	2,338
1,105	Activity Revenue	875	951	843
1,658	Net Cost of Service/(Surplus)	1,504	1,739	1,495
	Expenditure			
1,005	Reallocated Overheads	906	1,059	864
1,726	Direct Costs	1,473	1,599	1,474
-	Interest Paid	-	-	-
32	Depreciation	-	32	-
2,763	Total Activity Expenditure	2,379	2,690	2,338
5	Capital Improvements	35	-	-
(32)	Less Non Funded Depreciation	-	(32)	-
-	Loan Principal	-	-	-
2,736	Total Expenditure	2,414	2,658	2,338
	Funded By			
1,463	General Rates and Revenues	1,384	1,587	1,445
2	Grants and Subsidies	-	-	-
-	Targeted Rates	-	-	-
1,073	User Fees and Charges	875	951	843
-	Interest Received	-	-	-
30	Sundry Revenue	-	-	-
-	Transfers from Depreciation Reserve	35	-	-
-	Loans for Capital Expenditure	-	-	-
-	Utilising Other Reserves	120	120	50
168	Transfer from/(to) Operating Balances	-	-	-
2,736	Total Funding	2,414	2,658	2,338

Water Supply Services

The Council owns eight urban and five rural water supplies and aims to deliver potable quality water suitable for human, animal and industrial consumption 24 hours a day, seven days a week taking into account outages for maintenance and breakdowns. The water supplies are maintained to appropriate standards to ensure public health standards are met for the district's residents and enable fire fighting capacity in Hawera. We currently comply with the bacteriological criteria of the 'Drinking Water Standards for New Zealand 2005'. To fully comply with the whole standard will require higher performance and significant improvements to our water supplies.

Performance Measures

- Compliance with 2005 Drinking Water Standards New Zealand for populations over 5,000 people by 2010.
- Compliance with 2005 Drinking Water Standards New Zealand for populations under 5,000 people by 2015.
- 100% compliance with resource consents held for water intake and discharges.
- 100% compliance with bacteriological criteria of Drinking Water Standards New Zealand 2005 until each water supply is upgraded to reach 100% compliance with the full 2005 Standard.
- Continuous supply, with fewer than two outages per year of less than ten hours duration.
- Completion of all capital projects within the allocated years and estimated budgets.
- We will maintain 20% reservoir storage at the Scott Street reservoir in Hawera for fire fighting.

Highlights about the service

Standards of service and operational flexibility will be improved by the completion of new reservoir storage at Skeet Road (Hawera system), Eltham, Waimate West and Inaha. The completion of a production borehole at Skeet Road will also add to the water resources available.

The design of the new Kapuni water treatment plant, which supplies Hawera, will be completed and construction will commence during the year, with commissioning in 2010. New treatment plants for Patea and Waverley will be constructed which will significantly improve the quality of the water supplied to customers to meet the drinking water standards.

Extensive works will continue around leak detection and water conservation will be actively promoted.

Variations from the Ten Year Plan

Significant variations for the water supply services activity mostly relate to delays in timing of some of the upgrade projects and some additional works have been identified to interconnect water supplies and improve the effectiveness of treatment plants and water networks. These additional projects are designed to give us a more robust system as described in the Council's water supply strategy. Delays have occurred because sufficient time for investigations, designs and tendering was not built-in to the Ten Year Plan projections. In the last year a significant number of projects have progressed for construction to either start in 2007/08 or 2008/09 and some projects have been brought forward to gain economies of scale eg bulk reservoir contract saved \$700,000 on the contract price.

Hawera Water Supply

Projects delayed taking place in 2008/09

- The new river intake structure and pipeline to the water treatment plant.
- The construction of the new production borehole at Skeet Road.
- The new treatment plant design will be finalised and construction commenced (estimated 18 months to complete).

Projects brought forward

- The new reservoirs at Skeet Road which were brought forward to the 2007/08 will be finished in 2008/09 year and provide additional security of supply.

Additional projects

- Water supply trunk mains linking the Hawera and Waimate West areas have been identified and will be constructed to give operational flexibility. They will also help to increase the security of supply across the district.
- The design works for modifications to the town reticulation which will ensure the Scott Street reservoir can be used efficiently and that the pressure in town can be managed more effectively.

Eltham Water Supply

Projects delayed taking place in 2008/09

- The new town reservoir was part of a large reservoir contract and is now under construction. It will be finished in 2008/09 year and provide additional security of supply.
- Some further water treatment plant improvements will be carried out, but standby power generation has been delayed as a mobile unit has been procured to cover several sites.

Projects brought forward

- The construction of a further storage of water at the treatment plant has been advanced from 2011/12 to improve the operation of the treatment plant. Together with new pumping plant to supply the town reservoir.

Projects deferred

- Following initial investigations work to replace the trunk main has been deferred.

Patea Water Supply

Projects delayed taking place in 2008/09

- The treatment plant upgrade has taken longer than anticipated as a treatment plant trial has been undertaken. The contract will be combined with the Waverley water treatment plant upgrade for maximum efficiency.

Waverley/Waverley Beach Water Supply

Projects delayed taking place in 2008/09

- The treatment plant upgrade has taken longer than anticipated as a treatment plant trial has been undertaken. The contract will be combined with the Patea water treatment plant upgrade for maximum efficiency.

Waimate West Water Supply

Projects delayed taking place in 2008/09

- Installation of replacement water meters and backflow preventers will now be finished in mid 2008/09.
- Pressure reducing valve replacements have been more costly than anticipated. The most critical installations have been upgraded and others will be completed on a rolling programme over future years.

Additional projects

- Negotiations with the Regional Council to renew the resource consent for water abstraction resulted in works on the treatment plant to minimise wastewater from the process.
- It now seems likely that the water treatment plant will need rebuilding to meet the statutory water quality requirements. Expenditure is now being focused on gathering data for an efficient design and only making essential improvements to the old treatment plant.

Projects brought forward

- The construction of the reservoir has been included in the larger contract with significant cost benefits which has effected the very timing slightly. The reservoir will still commence in 2007/08 and be completed in 2008/09.

Inaha Water Supply

Projects delayed taking place in 2008/09

- The two exploratory boreholes have not found suitable water resources so no production borehole will be constructed. However, additional surface water resources have been identified and these will be progressed in 2008/09.
- Some upgrades to the treatment process have been delayed, but should be designed during 2008/09 when any additional water resources have been secured.
- The construction of the reservoir has been included in the larger contract with significant cost benefits. The reservoir will still commence in 2007/08 and be completed in 2008/09.
- Pressure reducing valve replacements have been more costly than anticipated the work in 2008/09 will complete the replacement of all of these valves.
- Installation of replacement water meters and backflow preventers will now be finished in mid 2008/09.

Projects deferred

- Network renewals for AC pipe, budgeted at \$200,000 as no urgent renewals have been identified.

Cold Creek Water Supply

No interim agreement has been reached with the Cold Creek Water Supply Company so the capital projects that were identified have been deferred.

Financial Summary – Water Supply Services

2006/07 Actual \$000's		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	Urban Water Schemes			
4,370	Expenditure	3,929	4,941	5,897
4,083	Income	3,830	4,691	5,718
287	Net Cost of Urban Water Schemes	99	250	179
	Pope Water Scheme			
71	Expenditure	33	45	31
46	Income	33	45	31
25	Net Cost of Pope Water Scheme	0	0	0
	Inaha Water Scheme			
565	Expenditure	489	562	641
372	Income	419	562	641
193	Net Cost of Inaha Water Scheme	70	0	0
	Waimate West Water Scheme			
1,711	Expenditure	1,755	2,067	2,308
1,195	Income	1,475	2,067	2,075
516	Net Cost of Waimate Water Scheme	280	0	233
	Cold Creek and Nukumarū Water Schemes			
-	Expenditure	149	206	149
-	Income	-	57	-
0	Net Cost of Cold Creek and Nukumarū Water Schemes	149	149	149
	Total Group			
6,717	Activity Expenses	6,355	7,821	9,026
5,696	Activity Revenue	5,757	7,422	8,465
1,021	Net Cost of Service/(Surplus)	598	399	561
	Expenditure			
1,292	Reallocated Overheads	1,059	1,180	1,106
2,837	Direct Costs	2,459	2,992	2,613
368	Interest Paid	427	1,197	2,447
2,220	Depreciation	2,410	2,452	2,860
6,717	Total Activity Expenditure	6,355	7,821	9,026
2,262	Capital Improvements	16,135	18,091	18,409
(123)	Less Non Funded Depreciation	(499)	(149)	(149)
505	Loan Principal	86	86	1,458
9,361	Total Expenditure	22,077	25,849	28,744

2006/07 Actual \$000's		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	Funded By			
-	General Rates and Revenues	-	-	-
-	Grants and Subsidies	-	-	-
5,495	Targeted Rates	5,757	7,293	8,465
94	User Fees and Charges	-	72	-
-	Interest Received	-	-	-
107	Sundry Revenue	-	57	-
2,067	Transfers from Depreciation Reserve	1,900	1,477	1,471
(20)	Less Non Funded Vested assets			
700	Loans for Capital Expenditure	14,319	16,700	18,374
-	Utilising Other Reserves	-	-	-
918	Transfer from/(to) Operating Balances	101	250	434
9,361	Total Funding	22,077	25,849	28,744

Water by Meter Charges

Water Supply (per cubic metre)	Annual Plan 2007/08	Annual Plan 2008/09	Ten Year Plan 2008/09
Urban	\$0.90	\$1.02	\$1.44
Waimate West	\$0.35	\$0.43	\$0.56
Inaha	\$0.51	\$0.55	\$0.70
Pope	\$0.70	\$0.73	\$0.84

Water Targeted Rate

	Annual Plan 2007/08	Annual Plan 2008/09	Ten Year Plan 2008/09
Water Urban targeted rate	\$370	\$420	\$550

Roading and Stormwater Network

We are a "Road Controlling Authority" and are legally responsible for the control of the district's roading network. The daily management, operation and maintenance of the network is contracted out with capital expenditure projects competitively tendered to ensure best value for money. Through the maintenance and annual improvement programme we aim to provide a sustainable roading system which allows for safe and efficient travel throughout the district at a reasonable cost. We aim to have a concrete footpath on at least one side of streets within built-up areas and are renewing footpaths to ensure safe walking access around our towns.

We deliver the Regional Community Road Safety Programme on behalf of the Taranaki Region with a Memorandum of Understanding with New Plymouth and Stratford District Councils.

Performance Measures

- To complete the approved subsidised roading programme to Land Transport New Zealand's (LTNZ) technical and safety audit standards.
- To ensure public roads are closed for no longer than 24 hours, unless reopening is prevented by a natural disaster.
- Three kilometres of new footpaths completed each year.
- 2.4 kilometres of existing footpath are reconstructed.
- 75% customer satisfaction with the local roads, footpaths and stormwater network as measured by the National Research Bureau survey.
- General maintenance programme completed within the budget of \$3 million to contract specifications.
- 100 kilometres of reseal and second coat seal at an average price below \$18,925 per kilometre.
- Fifteen kilometres of area-wide pavement treatment within the budget of \$1.88 million, with a resulting roughness count less than 80.
- Three kilometres of seal widening within the budget of \$271,500.
- The number of fatal and injury accidents due to road conditions decreases each year.
- All new stormwater installations will comply with the '1 in 20 year' return period standard.
- Blockages to the stormwater network will be cleared within one day.
- Emergency work will be attended by the Council's contractors within two hours of reporting.

Highlights about the service

Bridges

The bridges targeted for replacement are Bridge 123 on Wiremu Road and Bridge 143 on Parihaka Road. Bridge 123 has been recently assessed as having a high benefit cost ratio and Bridge 143 needs replacement because of extensive corrosion.

Roading and Footpaths

A list of the new footpaths planned, footpaths to be renewed, seal extensions and area-wide pavement treatment to take place in 2008/09 is included as Appendix 2.

Variations from the Ten Year Plan

A significant variation for the roading and stormwater network activity is a reduction in the capital improvements budget for stormwater of \$479,000. This is balanced with additional wastewater works in Hawera to reduce inflow and infiltration of stormwater into the wastewater system.

The remaining \$100,000 budget will include design and implementation of stormwater solutions within the Manaia and Opunake catchments. An additional operational budget of \$70,000 is included for the clearing of open drains in Opunake.

Financial Summary – Roading & Stormwater Network

2006/07 Actual		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	Roading			
12,519	Expenditure	9,572	10,179	9,252
14,297	Income	11,351	12,187	11,254
(1,778)	Net Cost of Roading	(1,779)	(2,008)	(2,002)
	Stormwater			
881	Expenditure	744	876	794
0	Income	0	0	0
881	Net Cost of Stormwater	744	876	794
	Eltham Drainage Scheme			
8	Expenditure	13	9	14
0	Income	13	9	14
8	Net Cost of Eltham Drainage Scheme	0	0	0
	Total Group			
13,408	Activity Expenses	10,329	11,064	10,060
14,297	Activity Revenue	11,364	12,196	11,268
(889)	Net Cost of Service/(Surplus)	(1,035)	(1,130)	(1,208)
	Expenditure			
487	Reallocated Overheads	342	378	360
8,597	Direct Costs	5,552	6,118	5,166
490	Interest Paid	524	545	518
3,834	Depreciation	3,911	4,023	4,016
13,408	Total Activity Expenditure	10,329	11,064	10,060
8,273	Capital Improvements	7,708	7,924	7,759
(693)	Less Non Funded Depreciation	(635)	(732)	(540)
672	Loan Principal	106	106	395
21,660	Total Expenditure	17,508	18,362	17,674

2006/07 Actual		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	Funded By			
2,382	General Rates and Revenues	2,348	2,383	2,263
8,496	Grants and Subsidies	5,889	6,541	5,371
5,403	Targeted Rates	5,475	5,535	5,897
38	User Fees and Charges	-	-	-
-	Interest Received	-	-	-
360	Sundry Revenue	-	120	-
4,205	Transfers from Depreciation Reserve	3,276	3,335	3,354
550	Loans for Capital Expenditure	520	200	789
(400)	Less Non Funded Vested assets	-	-	-
-	Utilising Other Reserves	-	-	-
626	Transfer from/(to) Operating Balances	-	248	-
21,660	Total Funding	17,508	18,362	17,674

Waste Services

Wastewater

Wastewater services include the collection, piping, treatment and disposal of all wastewater from both residents and businesses served by the Council's wastewater systems located in Hawera (includes Normanby), Eltham, Patea, Waverley, Opunake, Manaia, Kaponga and Wai-inu Beach. The treated wastewater is discharged to natural waters (streams, rivers or the ocean) or onto land in accordance with resource consent conditions to ensure public health standards are met.

Performance Measures

- We will comply with our resource consents for all facilities 100% of the time, including the restoration of closed landfills.
- Completion of all capital projects in Appendix 1 within the budget and timeframes allocated.
- Scheduled maintenance of the piped network is completed by Council's contractors as per contract specifications and timeframes.
- Customer satisfaction for wastewater services will be greater than 90%.
- Inflow/Infiltration will reduce by at least 5% each year for the next three years.

Highlights about the service

The pipeline between Eltham and Hawera will be built during 2008-09 allowing Eltham's sewage to be pumped to the Hawera wastewater treatment plant for treatment which will meet the Taranaki Regional Council's consent conditions. Eltham's industries are contributing towards the pipeline construction.

A suitable site for future disposal of sludge from the district's wastewater treatment ponds will be investigated.

A trade waste bylaw for the district is under development. Consultation and implementation of the new bylaw is planned for 2008-09.

Variations from the Ten Year Plan

The variations for the wastewater activity largely relate to changes in timing from that projected in the Ten Year Plan. A summary of changes is below:

- The Eltham to Hawera pipeline project has been delayed from 2006/07 to now occur in 2008/09 because of appeals to the resource consent process.
- The dedicated pipeline for PPCS in Hawera was not foreseen when the Ten Year Plan was developed and its completion will occur in 2008/09.
- Sludge disposal from the Hawera wastewater treatment plant planned for 2007/08 has been delayed for a further year to 2009/10.
- Work to rectify inflow and infiltration of stormwater into the Hawera wastewater system (\$492,000) was not budgeted in the Ten Year Plan and offsets a reduction in the 2008/09 stormwater capital budget.
- Works relating to the Hawera western trunk upgrade, main trunk capacity and upgrades to the Kaponga and Manaia wastewater plants will carry over into 2008/09 from previous years' planned budgets.

- A budget of \$314,600 for lining the Hawera emergency storage pond has been allowed.

Solid Waste Management

This activity includes the kerbside collection services available to urban centres and houses en-route; transfer stations around the district for depositing recycling, refuse, hazardous substances and greenwaste, along with the disposal to recycling agencies; landfills and suitable space for greenwaste.

In managing the district's rubbish, the Council provides an urban collection service for refuse and recyclables, a voluntary greenwaste collection service, the disposal of rubbish through transfer stations around the district and the transfer of recyclables to appropriate facilities. The Council has a responsibility to protect the public health of the district and maintain environmental standards for the region. Part of this role is to manage and restore the closed landfills around the district. Another key role for the Council is minimising the amount of refuse destined for landfills by encouraging recycling.

Performance Measures

- Customer satisfaction for solid waste collection services will be greater than 90%.
- Rubbish transferred to landfills will reduce by 5% each year.
- Recycling quantities will increase by 5% each year.
- Kerbside collections of refuse and recycling will occur as scheduled.
- We will comply with our resource consents for all facilities 100% of the time.
- Completion of capital projects in Appendix 1 within 2008/09 and within budget.

Highlights about the service

The Council has ceased providing the annual kerbside swap and collection service. The Council has considered the general untidiness that the collection creates and the misuse of the service by some residents. The placing of prohibited materials, in particular demolition materials like roofing iron and boards with nails, have created unacceptable hazards for the public and the contractors collecting the items

During consultation the Council proposed to hold free swap days at the transfer stations for specific items which would include whiteware, computers, etc. However, further time is required to investigate how this may operate and investigations will continue over the next 12 months.

The Council will continue to provide the free washable-nappy vouchers (worth \$135 each) for mothers with new babies. This initiative, budgeted at \$25,000, was new last year and promotes an environmentally friendly option over disposable diapers, which is intended to reduce the quantity of refuse in landfills.

Variations from the Ten Year Plan

As anticipated the trend of reducing our refuse destined for landfills has continued and the rates required for solid waste disposal reduces to \$174,000 from \$943,000 indicated in the Ten Year Plan. A further variation includes completing the Patea Landfill rehabilitation (\$130,000) as the landfill's operation was extended while the Hawera transfer station extension was completed.

Financial Summary – Waste Services

2006/07 Actual		2007/08 Annual Plan budget \$000's	2008/09 Annual Plan budget \$000's	10 Year Plan projection for 2008/09 \$000's
	Solid Waste Collection			
1,433	Expenditure	1,745	1,728	1,893
1,100	Income	1,599	1,653	1,893
333	Net Cost of Solid Waste Collection	146	75	0
	Solid Waste Disposal			
1,857	Expenditure	1,578	1,498	2,269
1,472	Income	1,215	1,251	1,512
385	Net Cost of Solid Waste Disposal	363	247	757
	Urban Wastewater Schemes			
4,116	Expenditure	3,644	3,825	4,470
2,795	Income	3,464	6,674	3,846
1,321	Net Cost of Urban Wastewater Schemes	180	(2,849)	624
	Total Group			
7,406	Activity Expenses	6,967	7,051	8,632
5,367	Activity Revenue	6,278	9,578	7,251
2,039	Net Cost of Service/(Surplus)	689	(2,527)	1,381
	Expenditure			
1,006	Reallocated Overheads	750	841	760
4,577	Direct Costs	4,166	3,921	4,609
592	Interest Paid	746	1,025	1,614
1,231	Depreciation	1,305	1,264	1,649
7,406	Total Activity Expenditure	6,967	7,051	8,632
2,456	Capital Improvements	5,593	8,973	862
(184)	Less Non Funded Depreciation	(165)	(116)	(89)
1,201	Loan Principal	150	150	1,108
10,879	Total Expenditure	12,545	16,058	10,513
	Funded By			
380	General Rates and Revenues	303	174	943
-	Grants and Subsidies	-	-	-
3,838	Targeted Rates	4,019	4,362	5,158
1,223	User Fees and Charges	1,391	1,461	1,881
-	Interest Received	-	-	-
306	Sundry Revenue	868	3,755	211
3,657	Transfers from Depreciation Reserve	1,653	532	999
-	Loans for Capital Expenditure	3,923	5,435	783
(20)	Less Non Funded Vested assets	-	-	-
-	Utilising Other Reserves	-	-	-
1,495	Transfer from/(to) Operating Balances	388	339	538
10,879	Total Funding	12,545	16,058	10,513

Funding Impact Statement

Annual Plan Revenue				Annual Plan Revenue	Ten Year Plan Revenue
2007/08 (GST Excl)	Source	Categories	Explanation 2008/09 Rates	2008/09 (GST Excl)	2008/09 (GST Excl)
			(Rates GST Incl)		
	RATES				
4,092,205	General	Diff Category 1	0.07566c per \$ of Capital Value	4,507,995	4,992,210
78,473	General	Diff Category 2	0.05675c per \$ of Capital Value	84,662	121,578
20,289	General	Diff Category 3	0.03783c per \$ of Capital Value	21,858	35,792
180,915	General	Diff Category 4	0.18916c per \$ of Capital Value	218,590	235,271
4,371,882	Sub Total General			4,833,105	5,384,851
3,805,091	UAGC		\$379.00 Per Separately Used or Inhabited Part of Rating Unit	4,145,458	4,234,818
	Less Rates Subsidy				
8,176,973	Total General & UAGC Rates			8,978,564	9,619,669
	Targeted Rates				
5,112,637	Roading	Diff Category 1	0.08650c per \$ of Capital Value	5,153,924	5,456,050
98,041	Roading	Diff Category 2	0.06488c per \$ of Capital Value	96,793	132,874
25,349	Roading	Diff Category 3	0.04325c per \$ of Capital Value	24,990	39,118
226,028	Roading	Diff Category 4	0.21626c per \$ of Capital Value	249,911	257,130
5,462,055				5,525,618	5,885,172
13,639,028	Total General, UAGC and Roothing Rates			14,504,182	15,504,841
2,610,151	Urban Water	District Wide	\$420.00 per connected Rating Unit	3,002,081	3,896,762
	Urban Water	District Wide	\$210.00 per serviceable Rating Unit		
1,219,858	Urban Water	Metered Consumers	\$1.02c per cubic metre	1,616,505	1,821,158
	Urban Water	Riverlands	\$0.74c per cubic metre		
	Urban Water	Meter Charge	\$50.00 per Metered Property		
1,474,580	Rural Water	Waimate West	\$0.43c per cubic metre	2,067,461	2,075,779
	Rural Water	Kaponga Farmers	\$0.62c per cubic metre		
417,429	Rural Water	Inaha	\$0.55c per cubic metre	560,502	638,897
1,668	Loan Repayment Rates (Inaha only)	Identified Rating Units	\$0.0523c per \$ of Land Value	1,572	1,668
33,400	Rural Water	Pope	\$0.73c per cubic metre	45,377	30,772
5,757,086	Total Water			7,293,498	8,465,036

Annual Plan Revenue 2007/08 (GST Excl)	Source	Categories	Explanation 2008/09 Rates	Annual Plan Revenue 2008/09 (GST Excl)	Ten Year Plan Revenue 2008/09 (GST Excl)
2,546,256	Wastewater	District Wide	\$410.00 per connected Rating Unit	2,837,935	3,373,690
	Wastewater	District Wide	\$205.00 per serviceable Rating Unit		
1,472,743	Kerbside Collection	District Wide	\$211.00 Separately Used or Inhabited Part of Rating Unit	1,524,454	1,784,332
13,200	Eltham Drainage Rate	Class A Land	\$0.01973c per \$ of Land Value	9,000	13,911
	Eltham Drainage Rate	Class B Land	\$0.01283c per \$ of Land Value		
	Eltham Drainage Rate	Class C Land	\$0.00691c per \$ of Land Value		
9,789,285	Total Water, Wastewater and Kerbside Collection Targeted Rates			11,664,886	13,636,969
23,428,313	Total Rates Levied			26,169,068	29,141,810
120,000	Rates Penalties			135,000	120,000
23,548,313	Total All Rates			26,304,068	29,261,810
3,176,000	Fees and Charges			3,346,000	3,384,134
-	Development Contributions			-	-
-	Financial Contributions			-	-
7,306,000	Income from Investments			7,306,000	7,636,019
120,000	Dividends			140,000	120,000
6,439,000	Subsidies			7,088,000	5,699,797
2,823,000	Other			6,916,000	3,389,224
43,412,313	Total Operating Revenue			51,100,068	49,490,984
(38,816,000)	Less Operating Expenses			(42,209,000)	(41,530,360)
4,596,313	Operating Surplus/(Deficit)			8,891,068	7,960,624
		As per Income Statement			

Rating Policy

Introduction

All figures for Rates and Charges as shown are inclusive of GST. The revenue raised in each instance is the net revenue available to the Council after accounting for GST to central government.

The operating expenses of the Council for 2008/09 total \$42,209,000 and will be provided by the various mechanisms outlined within this Funding Impact Statement. In addition to operating expenditure, the Council has a capital works programme of \$49,158,000 programmed for 2008/09. The full programme is included as Appendix 1 in the Annual Plan.

A separately used or inhabited part of a rating unit, is defined as any part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement. Council acknowledges however that specific circumstances can exist which may make the strict imposition of the definition inequitable for some ratepayers or contrary to other council policies. Council is currently reviewing the application of the definition to ensure it is applied fairly.

General Rate

The Council proposes to set a general rate based on the capital value of each rating unit within the district. The general rate will be set on a different basis using land use to determine the categories. The differential categories, which also apply to the roading rate, are explained as follows:

Category 1 (differential 1.00)

- Residential - all rating units used primarily for residential purposes.
- Rural - all rating units used primarily or predominantly for the purposes of agriculture, viticulture, horticulture or silviculture.
- Rural Commercial - all rating units used for commercial or industrial purposes situated in any part of the district, except Hawera and areas of the former Hawera County situated within 500 metres of the former Hawera Borough boundary (this category includes the distribution networks of utility companies).
- Industrial - all rating units used for industrial purposes with a capital value of less than \$40 million.

Category 2 (differential 0.75)

- Industrial - all rating units used for industrial purposes with a capital value of \$40 million or more.

Reason for differential: properties greater than this value do not receive proportionately more services.

Category 3 (differential 0.50)

- Hydro-electric - all rating units used for the generation of hydro-electric power.

Reason for differential: this isolated site receives few benefits from Council services.

Category 4 (differential 2.5)

- Hawera Businesses - all rating units used for commercial or industrial purposes located within Hawera and including areas of the former Hawera County that are located within 500 metres of the former Hawera Borough boundary.

Reason for differential: these properties pay the additional urban upgrade loan required for the Hawera central business district urban upgrade.

Properties which have more than one use (or where there is doubt on the relevant primary use) will be placed in a category which is the highest differential factor. Note that subject to the rights of objection to the rating information database set out in Section 28 of the Local Government (Rating) Act 2002, the Council is the sole determiner of the categories.

The proposed General Rates (in cents per dollar of capital value) for 2008/09 are:

Category 1	(0.07566 in cents per dollar of capital value) raising	\$4,507,995
Category 2	(0.05675 in cents per dollar of capital value) raising	\$84,662
Category 3	(0.03783 in cents per dollar of capital value) raising	\$21,858
Category 4	(0.18916 in cents per dollar of capital value) raising	\$218,590
	Total	\$4,833,105

Comparative 2007/08, \$4,371,882, an increase of 10.5%.

Uniform annual general charge

In addition to the general rate collected on a differential basis, the Council will set a uniform annual general charge on each separately used or inhabited part of a rating unit.

The proposed uniform annual general charge for 2008/09 will be:

- \$379.00 per portion of rating unit.
- Raising \$4,145,458.
- Comparative 2007/08 \$357.00, an increase of 6.2%.

Targeted rates

These are for the following services; roading, water, wastewater disposal and kerbside refuse collection.

Roading rate

The Council proposes to set a roading rate based on the capital value of each rating unit within the district. The roading rate will be set on a differential basis using land use to determine the categories. The differential categories are explained as follows:

The Rounding Rates (in cents per dollar of capital value) for 2008/09 will be:

Category 1	(0.08650 in cents per dollar of capital value) raising	\$5,153,924
Category 2	(0.06488 in cents per dollar of capital value) raising	\$96,793
Category 3	(0.04325 in cents per dollar of capital value) raising	\$24,990
Category 4	(0.21626 in cents per dollar of capital value) raising	\$249,911
	Total	\$5,525,618

Comparative 2007/08, \$5,462,055, an increase of 1.2%.

Differentials based on location

The Council will use this matter to:

- Assess rates on rating units for water supply, wastewater disposal and the refuse collection rates.

Availability of service

Urban water supply rate:

The differential categories for the uniform water supply rates are:

- Connected - any rating unit that is connected to a Council operated waterworks.
- Serviceable - any rating unit that is not connected to a Council operated waterworks, but is within 100 metres of such waterworks.

Wastewater disposal rate:

The differential categories for the wastewater disposal rate are:

- Connected - any rating unit that is connected to a public wastewater disposal drain.
- Serviceable - any rating unit that is not connected to a public wastewater disposal drain, but is within 30 metres of such a drain.

Kerbside collection rate:

The differential categories for the refuse collection rates are:

- Urban - any rating unit situated within the urban area of Rahotu, Opunake, Kaponga, Eltham, Pungarehu, Manaia, Ohawe, Hawera, Patea and Waverley to which the Council is prepared to provide the service.
- Rural - any rating unit situated within the rural area that are on the collection route and which have requested the Council to provide the service.

Urban water targeted rate

The Council proposes to set a targeted rate for water supply on the basis of a targeted rate for separately used or inhabited part of a rating unit throughout the district where rating units are connected to urban water supply schemes or for which connection is available.

The charge will be set on a differential basis based on the availability of service (the categories being 'connected' and 'serviceable'). Rating units that are not connected and which are not serviceable will not be liable for the rate.

The rates for 2008/09 are:

- Connected \$420.00
- Serviceable \$210.00
- Raising \$3,002,081

Comparatives for 2007/08, Connected \$370.00 and Serviceable \$185.00.

Metered supply

The Council proposes to set a targeted rate for water supplied from these urban schemes that is based on volumes of water supplied through water meters. The Council in accordance with a special agreement will set a targeted rate for water supplied to Riverlands Eltham that is based on volumes of water supplied via meter.

The rates for 2008/09 are as follows:

- Price per cubic metre from urban supplies 1.02c
- Price per cubic metre for Riverlands Eltham 0.74c
- Raising \$1,616,505

Comparatives for 2007/08 were, 0.90c (urban supplies), and Riverlands 0.66c.

Water meter servicing charge

The Council proposes to set a targeted rate for maintaining water meters within the urban supplies. Every metered connection within Councils Water Billing System will be charged the annual fee, in conjunction with their periodic charge for water consumed. This charge is in addition to the rate per cubic metre charged for water consumed.

The rate for 2008/09 will be:

- Meter charge \$50.00
- Raising \$34,400

Comparative for 2007/08 was \$50.00.

Rural water supplies

The Council will set targeted rates for rural water supplies on the basis of volumes of water supplied through water meters.

The rates for 2008/09 are:

- Waimate West 0.43c per cubic metre raising \$2,067,461
- Waimate West – Kaponga Farmers 0.62c per cubic metre
- Inaha 0.55c per cubic metre raising \$560,502
- Pope 0.73c per cubic metre raising \$45,377

Comparatives for 2007/08, Waimate West 0.35c, Waimate West (Kaponga Farmers) 0.52c, Inaha 0.51c and Pope 0.70c.

Only properties directly connected to the supplies will be liable for these charges. The exception being in Kaponga, where certain farming properties are considered direct

consumers of the Waimate West supply and are liable for the targeted rate of 0.62c, even though their properties are indirectly connected to that supply.

Inaha targeted rate for loan charge

The Council proposes to set a targeted rate on two specifically identified Eltham rural rating units, for which Council has borrowed capital on their behalf, to fund the original construction of the Inaha rural water supply. The properties are situated on Rowan Road and Eltham Road and the Council proposes the targeted rate to be based on land value.

The estimated rates for 2008/09 are:

- A rate in the dollar of 0.0523c on land value.
- Raising \$1,572.

Comparative for 2007/08 was 0.0555c, raising \$1,668.

Wastewater targeted rate

The Council proposes to set a targeted rate for wastewater for each separately used or inhabited part of a rating unit throughout the district where properties are connected to a scheme or for where connection is available.

The charge will be set on a differential basis based on the availability of service (the categories are 'connected' and 'serviceable'). Rating units not connected to the schemes and not serviceable will not be liable for these rates.

The rates for 2008/09 are:

- Connected \$410.00
- Serviceable \$205.00
- Raising \$2,837,935

Comparatives for 2007/08, Connected \$369.00 and Serviceable \$184.50.

Eltham drainage area

The Council proposes to set targeted rates to carry out Drainage Maintenance Works within the Eltham Drainage area.

There are three differentials for differing classes of land as follows:

1. All land classified Class A - Differential 1.00. A targeted rate in the dollar on land value of \$0.01973c per \$ of land value.
2. All land classified Class B - Differential 0.65. A targeted rate in the dollar on land value of \$0.01283c per \$ of land value.
3. All land classified Class C - Differential 0.35. A targeted rate in the dollar on land value of \$0.00691c per \$ of land value.

Total Raising \$9,000.

Comparative for 2007/08

Class A \$0.02894c, Class B \$0.01881c and Class C \$0.01013c raising \$13,200

Kerbside collection rates

The Council proposes to set a targeted rate for kerbside collection on the following basis:

- Urban – on every separately used or inhabited part of a rating unit situated within the urban areas of Pungarehu, Rahotu, Opunake, Kaponga, Eltham, Manaia, Ohawe, Hawera, Patea and Waverley to which Council is prepared to provide the service.
- Rural – on every separately used or inhabited part of a rating unit situated within the rural area which is on the collection route and which have requested Council to provide a service.

The rates for 2008/09 are:

- Urban \$211.00
- Rural \$211.00
- Raising \$1,524,454

Comparative for 2007/08 was \$207.00 rural and urban.

User fees and charges

Identified throughout various activities within this Annual Plan are User Fees and Charges totalling \$3,346,000. These are shown as funding mechanisms within the financial tables for certain activities.

District income

Contained within the Prospective Income Statement on page 51 of the Annual Plan is income of \$8,031,000 that is designated as district-wide income and not directly attributable to any one specific activity of the Council.

The largest portion of this is earnings projected of \$7,306,000 on the Long Term Investment Fund. From those projected earnings, the Council applies \$3,870,000 as a direct subsidy on the Uniform Annual General Charge, the Roothing Rate and General Rates. Council also intends that \$2,448,000 from the earnings be invested back into the fund for the purpose of inflation-proofing for the year. The remaining \$987,000 will be transferred to the Community Projects Reserve.

Due dates for payment of rates

All rates will be payable in four instalments due on:

1st instalment	27 August 2008
2nd instalment	26 November 2008
3rd instalment	25 February 2009
4th instalment	27 May 2009

Penalties

A charge of 10% will be applied on so much of any instalment that has been assessed after 1 July 2008, which remains unpaid after the due date of each instalment.

Early payment discount

The Council will allow a discount of 3% where a ratepayer pays the year's rates in full on or before the due date of the first instalment for the year. This will be 27 August 2008.

Payment locations

The rates shall be payable at any of the following branches during normal business hours:

Opunake LibraryPlus, Napier Street, Opunake
Eltham LibraryPlus, High Street, Eltham
Kaponga LibraryPlus, Egmont Street, Kaponga
Hawera Administration Centre, Albion Street, Hawera
Hawera LibraryPlus, High Street, Hawera
Manaia LibraryPlus, South Road, Manaia
Patea LibraryPlus, Egmont Street, Patea
Waverley LibraryPlus, Weraroa Road, Waverley

Prospective Income Statement

Actual 2006/07 \$000's		Annual Plan 2007/08 \$000's	Annual Plan 2008/09 \$000's	Ten Year Plan 2008/09 \$000's
Income				
13,633	General Rates and Rooding Targeted Rates	13,639	14,504	15,505
6,324	Water, Wastewater and Kerbside Collection Targeted Rates	6,642	7,374	9,069
3,008	Water by Meter Rates	3,147	4,291	4,568
130	Penalties	120	135	120
Other Income:				
3,013	User Charges & Fees	3,176	3,346	3,384
8,812	Subsidies & Grants	6,439	7,088	5,700
167	Dividends	120	140	120
1,395	Sundry Income	2,403	6,466	3,211
705	Interest - General	420	450	178
7,220	Earnings - Long Term Investment Fund	7,306	7,306	7,636
(1,575)	Less Internal Borrowing			
42,832	Total Income	43,412	51,100	49,491
Expenditure				
6,717	Water	6,355	7,821	9,026
7,406	Waste Services	6,967	7,051	8,632
13,408	Rooding & Stormwater	10,329	11,064	10,060
1,990	Democratic Process	1,963	2,011	1,639
4,282	Recreation and Leisure	4,116	4,718	4,054
2,575	Cultural Services	2,898	2,926	2,366
1,572	Community Development	1,269	1,552	1,485
1,179	District Economy	1,208	1,096	863
2,763	Environment and Development	2,379	2,690	2,338
981	Other	1,332	1,280	1,067
(1,575)	Less Internal Borrowing			
41,298	Total Activities Expenditure*	38,816	42,209	41,530
1,534	Surplus before tax	4,596	8,891	7,961
-	Taxation			
1,534	Surplus after tax	4,596	8,891	7,961

*Specific disclosure of interest paid and depreciation included in operating expenditure

313	Interest	2,276	3,896	5,565
9,108	Depreciation	9,611	9,702	10,338

Prospective Statement of Changes in Equity

Actual 2006/07		Annual Plan 2007/08	Annual Plan 2008/09	Ten Year Plan 2008/09
\$000's		\$000's	\$000's	\$000's
531,954	Opening Equity as at 1 July	537,077	557,834	507,011
1,534	Net Surplus (Deficit) for Year	4,596	8,891	7,961
25,880	Total Recognised Revenues and Expenses for the Year	4,596	8,891	7,961
-	Revaluations and Adjustments	-	-	37,081
557,834	Closing Equity as at 30 June	541,673	566,725	552,053

Prospective Balance Sheet

Actual 2006/07 \$000's		Annual Plan 2007/08 \$000's	Annual Plan 2008/09 \$000's	Ten Year Plan 2008/09 \$000's
	Current Assets			
2,525	Cash and Bank	864	1,890	5,733
9,110	Other	3,853	3,853	9,384
11,635	Total Current Assets	4,717	5,743	15,117
	Non Current Assets			
79,707	Investments	103,829	95,526	104,700
479,849	Property, Plant and Equipment	500,018	553,881	540,584
559,556	Total Non Current Assets	603,847	649,407	645,284
571,191	Total Assets	608,564	655,150	660,401
	Current Liabilities			
6,906	Accounts Payable	4,225	6,350	4,477
637	Employee Entitlements	547	625	400
683	Other	533	720	533
8,226	Total Current Liabilities	5,305	7,695	5,410
	Non Current Liabilities			
5,047	Term Liabilities	61,499	80,649	102,691
84	Landfill Aftercare Provision	87	81	247
5,131	Total Non Current Liabilities	61,586	80,730	102,938
13,357	Total Liabilities	66,891	88,425	108,348
557,834	Total Equity (Assets Less Liabilities)	541,673	566,725	552,053

Prospective Net Cash Flows

from Operating, Investing and Financial Activities

Actual 2006/07		Annual Plan 2007/08 \$000's	Annual Plan 2008/09 \$000's	Ten Year Plan 2008/09 \$000's
\$000's				
	Cash Flows From Operating Activities			
	Cash was provided from:			
23,146	Rates	23,548	26,304	29,262
1,407	Collection of Agency Rates	1,320	1,421	1,320
169	Dividends	120	140	120
12,263	Other Revenue	12,018	16,900	12,295
761	Interest on Investments	7,726	7,756	7,814
<u>37,746</u>		<u>44,732</u>	<u>52,521</u>	<u>50,811</u>
	Cash was applied to:			
30,123	Payments to Suppliers & Employees	26,930	28,610	25,628
1,381	Agency Rates paid over	1,320	1,421	1,320
184	Interest paid on Term Debt	2,276	3,896	5,565
<u>31,688</u>		<u>30,526</u>	<u>33,927</u>	<u>32,513</u>
<u>6,058</u>	Net Cash from Operating Activities	<u>14,206</u>	<u>18,594</u>	<u>18,298</u>
	Cash Flows From Investing Activities			
	Cash was provided from:			
492	Proceeds from the Sale of Fixed Assets			
3,830	Net cash inflow from investment			
<u>4,322</u>		<u>-</u>	<u>-</u>	<u>-</u>
	Cash was applied to:			
-	Net cash outflow to investment	5,734	4,528	2,971
15,563	Purchase and Development of Fixed Assets	39,552	49,158	39,583
<u>15,563</u>		<u>45,286</u>	<u>53,686</u>	<u>42,554</u>
<u>(11,241)</u>	Net Cash From Investing Activities	<u>(45,286)</u>	<u>(53,686)</u>	<u>(42,554)</u>

Assumptions

General Information Considered when Preparing this Plan:

Item	Issue	Risk	Level of Risk and Uncertainty	Commentary and Financial Effect of the Uncertainty if Significant
Natural and biological disasters	No allowance has been made for the repair of infrastructure damaged by any future natural disasters occurring over the life of the plan.	That a disaster occurs.	Low	The Council is a member of the Local Authority Protection Programme - which provides cover up to 40% of damage to major infrastructure assets should a natural disaster occur. The Council also has sufficient cash resources to cope with the type of natural disasters most likely to occur - eg. flooding, storms. The Council has emergency plans in place and has formulated a plan to cope with any pandemic situation.
Changes in policy direction and priorities	Local government elections in October 2007.	That a change in direction will occur.	Low	The election of a new Council could affect the approach described in the Ten Year Plan. Changes will be addressed through variations to the plan if necessary or timed to coincide with the next plan review. A district-wide Economic Development Strategy was adopted on 11 June 2007, financial impacts from this strategy have affected this Annual Plan and are explained as variations under the District Economy activity, further financial impacts will be addressed in subsequent Long Term Plan reviews. Many of the significant capital projects within the plan are part of a long-term strategy to bring Council's infrastructure up to date to ensure compliance with legislative requirements.
External factors	Significant legislation affecting the Council will occur.	That the Council will be unable to plan for legislative changes as they occur.	Low	Limited impact as the Council will have time to plan and implement as required. Some allowance has been made for the impact of the Domestic Food Review, any further impact will be addressed in the next Ten Year Plan review.

General Forecasting Assumptions:

Item	Issue	Risk	Level of Risk and Uncertainty	Commentary and Financial Effect of the Uncertainty if Significant
Inflation	To comply with FRS 42 - Prospective Financial Information, the Council must include an allowance for inflation in its Long Term Plan.	That inflation will be different from that predicted.	Low	Inflation has been predicted using estimates provided by the Bureau for Economic Research (BERL) as approved by the Office of the Auditor-General. The Annual Plan reflects the latest inflation estimates.
Population growth	Nil or negligible population growth included.	That the population will decline.	Low	The projects included in the plan reflect the expectation that the district will experience some localised growth in industry and residential units, but only limited population growth. We have assumed 20% growth for utility services and solid waste collection services in the Hawera area to accommodate increased subdivision connections and industrial growth, 5% added demand for services in the Opunake coastal area due to subdivision and an increase in holiday home owners and 5% required capacity in the Eltham area for industrial growth over the next 20 years.

General financial forecasting assumptions:

Item	Issue	Risk	Level of Risk and Uncertainty	Commentary and Financial Effect of the Uncertainty if Significant
Borrowing interest rate and timing of drawdowns	The forecast of 7.7% reflects the low rate the Council can borrow at, due to the low risk attributed to local authority debt. Projects occur as forecast.	That interest rates will differ from those used. That project timing will change.	Low	As a number of the projects cover more than one year loans are planned to be drawn down at the end of each of the years they are planned to occur. Due to the significant size of planned Council debt, the Council is utilising the services of professional debt managers to effectively manage debt and interest rate risk in accordance with the Liability Management Policy.

Item	Issue	Risk	Level of Risk and Uncertainty	Commentary and Financial Effect of the Uncertainty if Significant
Earnings rate on Long Term Investment Fund	8% reflecting the diversified earnings capability for the Long Term Investment Fund.	That the earnings rate will not be achieved.	Medium	As the Council's Long Term Investment Fund grows in accordance with the policy to inflation-proof it, earnings on the diversified fund are expected to continue to exceed fixed rate returns.
Interest received general investments	6% reflecting the short-term nature of these deposits.	That the interest rate will not be achieved.	Low	The forecast interest rate is approximately 2-2.5% in excess of the forecast inflation rate. This is consistent with the current status of such deposits.
Revaluation of non-current assets	Revaluations of fixed assets have been planned in a three yearly cycle in accordance with the Council's accounting policies and will occur in 2008/09, 2011/12 and 2014/15.	Actual revaluation differs from those in the forecast.	Low	The revaluations have been estimated using the Bureau for Economic Research (BERL) price level adjustors approved by the Office of the Auditor-General. As the revaluations are timed to coincide with subsequent Ten Year Plan reviews, the impact during the life of this plan is negligible.

General financial forecasting assumptions:

Item	Issue	Risk	Level of Risk and Uncertainty	Commentary and Financial Effect of the Uncertainty if Significant
Capital expenditure projects	Projects have been identified and planned at a high level using the best information available as at the date of the forecast.	That project components will differ from those outlined in the plan.	Low	A significant part of the Council's Water Asset Programme from Year Two onwards was dependent upon the results of exploratory work during Year One. This Annual Plan reflects the change in timing of some projects as variations to Year 3.
Useful asset life	The useful asset life reflects the best estimate available as at forecast date and is based upon current asset information held.	That the useful asset life information held is incomplete.	Medium	Details relating to the Council's current estimates of useful asset life are recorded within the depreciation note in the accounting policies. An updated identification, assessment and valuation was completed in March/April 2006 and the results are incorporated within this plan.

Item	Issue	Risk	Level of Risk and Uncertainty	Commentary and Financial Effect of the Uncertainty if Significant
Depreciation	Depreciation has been calculated on the revalued asset values (updated and recalculated after each revaluation) as per the Council's accounting policies.	Revaluation adjustments are different to those forecast. That detailed components of new assets will be different from the average for the class, requiring different depreciation rates.	Medium	The depreciation cost will depend on the projects completed. Changes in project detail as highlighted in the capital expenditure projects' assumption will impact on the depreciation calculation. Depreciation of new assets has been calculated using the current average rate of depreciation for each asset class.
Funding replacement assets	The availability of funds for future replacement of significant assets.	That the funds will not be available.	Low	The Council funds asset replacement through a variety of sources, as detailed in the Revenue and Financing Policy, with loans being utilised for major capital works. Throughout the plan, the Council operates within the prudent parameters of its Liability Management Policy.
Currency movements and related asset values	A moderate portion of the infrastructural capital projects involve components sourced directly from overseas.	That the exchange rate will decline adversely.	Low	It is considered that sufficient provision has been made in this area as likely exchange rate movements are included in the BERL inflation adjustors used in compiling the plan.

Statement of Accounting Policies

Entity Statement

South Taranaki District Council (the Council) is a territorial local authority governed by the Local Government Act 2002. The consolidated financial statements are for the Council, its subsidiary, Novus Contracting Limited (100% owned) and its associate, Apex Consultants Limited (30% owned). The Council and its subsidiaries are domicile and registered in New Zealand.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared to comply with the requirements of the Local Government Act 2002 and generally accepted accounting practice in New Zealand. For reporting purposes, Council is a public benefit entity.

2006/07 was the Council's first year in complying with the New Zealand Equivalent to International Financial Reporting Standards (NZ IFRS) and NZ IFRS 1 has been applied. The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS Balance Sheet at 1 July 2005 for the purposes of the transition to NZ IFRS. An explanation of how the transition to NZ IFRS has affected the reported financial position and financial performance of Council and the group is provided in note 22.

The financial statements are prepared using the historical cost basis except for assets and liabilities which are recorded at fair value. These are detailed in the specific policies below. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars.

Specific Accounting Policies

The following accounting policies, which materially affect the measurement of results and financial position, have been applied.

1. Consolidation of Subsidiaries

Subsidiaries are all entities over which Council has the power to govern the financial and operating policies, generally with more than fifty percent of the voting rights. Novus Contracting Limited has been consolidated using the purchase method, the company is inactive. The purchase method is used to consolidate subsidiaries and controlled entities. This method involves adding together corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All significant inter-entity transactions have been eliminated.

An associate is an entity over which Council has significant influence but does not control. Apex Consultants Limited has been consolidated using the equity method. The equity method initially recognises the investment at cost and then accounts for Council's share of the profit or loss.

2. Budgets

The budget figures for 2008/09 are updated from the South Taranaki District Council's 2006/16 Long Term Council Community Plan.

3. Revenue

- Revenue from rates is recognised at the time the rates are levied.
- Government grants and subsidies are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.
- Revenue from other services is recognised when the services have been rendered to a third party.
- Sales of goods are recognised when goods are delivered.
- Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.
- Dividends are recognised when the shareholders' rights to receive payment have been established and are recognised, net of imputation credits.
- Other grants, bequests and assets vested in the Council are recognised when control over the asset is obtained.
- Capital contributions for assets are recognised as revenue when received. Vested assets are recognised as revenue at the fair value of the assets at the time of vesting.

4. Allocation of overheads

All support centre costs are passed onto activity centres as overheads. The basis of recovery is usage based on the step method.

5. Foreign currency - exchange differences

Foreign currency transactions have been converted into New Zealand dollars at the rate of exchange at the date of the transaction. Gains or losses on exchange have been recognised in the Income Statement.

6. Goods and service tax (GST)

GST has been excluded from all items in the financial statements except accounts receivable and accounts payable. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

7. Income tax

Income tax expense is charged in the Income Statement in respect of the current year's surplus after allowance for permanent differences.

Deferred taxation is the amount of income taxes payable (or receivable) in future years in respect of temporary differences (i.e. where the accounting treatment differs from the Inland Revenue Department's requirements). Deferred taxation is determined using the full provision method. Deferred tax assets are only recognised when recovery is probable.

8. Financial instruments

The Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, debtors, creditors and loans. All financial instruments are recognised in the Balance Sheet and all revenues and expenses in relation to financial instruments are recognised in the Income Statement.

Unless otherwise covered by a separate policy, all financial instruments are shown at their fair value.

9. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with the original maturities of three months or less. It includes all funds held for the day-to-day management of the Council and does not include funds set aside for specific purposes (eg Reserve Funds).

10. Accounts receivable

Accounts receivable are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of accounts receivable is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the agreement. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

11. Inventories

Inventories are valued at the lower of cost (determined on a first-in first-out basis) and net realisable value. This valuation includes allowances for slow moving and obsolete inventories.

12. Investments

- Investments in bank deposits are recognised at cost plus accrued interest. This is considered fair value.
- Long term receivables and advances are recognised at cost plus accrued interest.
- Investments in associates are recognised at cost.
- The Council's interest in the Joint Wanganui District Council's Forestry Committee is valued at fair value, using the discounted cash flow method. Movements in fair value will be taken through equity.
- The ABN-AMRO Craigs investments and other shares are valued at fair value. Where there is an active market, fair value is determined by reference to published prices. Otherwise fair value is determined by using a variety of valuation techniques. Movements in fair value will be taken through equity.

13. Property, plant and equipment

- Property, plant and equipment consist of operational assets, restricted assets and infrastructure assets.
- All assets are recorded at cost/valuation less accumulated depreciation (with the exception of land which is not depreciated).
- For those assets that are revalued, the change in valuation is credited or debited to the asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Income Statement. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Income Statement will be recognised first in the Income Statement up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset. Additions subsequent to revaluations are recorded at cost.
- Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the income statement. When revalued assets are sold, the amount included in asset revaluation reserves in respect of those assets is transferred to retained earnings.

Operational assets

- These include land, building, motor vehicles, plant and equipment, and library books.
- Land and buildings are valued at fair value, as determined from market based evidence, by Quotable Value New Zealand Limited at 30 June 2007. The previous valuation carried out at 30 June 2004 was considered deemed cost at the date of transition to NZ IFRS.
- Motor vehicles, library books and plant and equipment are valued at cost less accumulated depreciation.

Restricted assets

- These are assets owned by the Council that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.
- Land and buildings are valued at fair value, as determined from market based evidence, by Quotable Value New Zealand Limited, Registered Valuers, as at 30 June 2007. The previous valuation carried out at 30 June 2004 was considered deemed cost at the date of transition to NZ IFRS.
- Parks and Recreation Assets were valued at fair value by Maunsell AECOM as at 1 July 2005. Valuations are carried out on a three-yearly cycle.
- Heritage and Cultural Assets were valued at fair value by Ian J Burgess, Registered Valuer, Quotable Value New Zealand Limited, as at 1 July 2001. This is considered deemed cost.

Infrastructural assets

- These are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function.
- Infrastructural assets (excluding land) have all been valued at optimised depreciated replacement cost by Maunsell AECOM as at 1 July 2005. Valuations are carried out on a three-yearly cycle.
- Infrastructural land was valued at market value by Maunsell AECOM as at 1 July 2005. Valuations are carried out on a three-yearly cycle.
- Certain infrastructural assets and land have been vested in the Council as part of the subdivisional consent process. The vested asset has been valued at the latest appropriately certified government valuation or at a mutually agreed market value or at a value determined through arbitration. Vested infrastructural assets have been based on the actual quantities of infrastructural components vested and current "in the ground" cost of providing identical services.
- All other assets are valued at historical cost less accumulated depreciation.

14. Depreciation

Depreciation rates for fixed assets are as follows:

Operational assets

Depreciation rates for Operational Assets are based on a straight line basis.

Buildings	1.11 - 6.67%
Motor Vehicles	12.50 - 20.00%
Plant & Equipment	6.67 - 20.00%
Information Systems Equipment	25.00%
Library Books	10.00 - 20.00%
Furniture and Fittings	20.00%
Office Equipment	10.00% - 33.33%

Infrastructural assets

Roading

Provision has been made for depreciation of those significant components of the roading asset, based on their remaining lives. The significant component depreciation rates are as follows:

Traffic Facilities, Signs and Markings	10 - 60 years	1.60 - 10.00%
Bridges	100 years	1.00%
Footpaths	15 - 50 years	2.00 - 6.70%
Pavement Surfacing	8 - 16 years	6.25 - 12.50%
Drainage and Culverts	50 years	2.00%
Roading Basecourse	75 years	1.30%

Water, sewerage and stormwater reticulation systems

Provision has been made for depreciation of components of the assets based on their remaining life.

Water Reticulation	60 - 80 years	1.25 - 1.60%
Water Treatment Plants	15 - 100 years	1.00 - 6.70%
Sewerage Reticulation	50 - 100 years	1.00 - 2.00%
Sewerage Treatment Plants	15 - 100 years	1.00 - 6.70%
Stormwater Pipes	50 - 70 years	1.40 - 2.00%

Restricted assets

Heritage and cultural assets

Provision has been made for depreciation of components of the assets based on their remaining life.

5 - 250 years	0.40 - 20%
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Parks and recreation assets

Provision has been made for depreciation of components of the assets based on their remaining life.

2 - 80 years	1.25 - 50%
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Assets under construction

Assets under construction are not depreciated. All costs are initially capitalised as work in progress. On completion, the cost is transferred to the relevant asset class and is then depreciated.

15. Intangible assets

- The Council has entered into an agreement with Fonterra for the disposal of effluent via the company's outfall. This has been recorded at cost and is amortised on a straight line basis over the life of the agreement (16 years).
- Software licences are recognised at cost, amortised on a straight line basis over the life of the licence (two to five years).

16. Impairment of assets

At each balance date the Council assesses whether there is any objective evidence that any asset has been impaired. Any impairment losses are recognised in the Income Statement.

17. Financial liabilities

Financial liabilities (creditors, income in advance, loans, bonds and deposits) are initially recognised at fair value. These are subsequently recognised at amortised cost.

18. Employee entitlements

Provision is made for employee benefits accumulating as a result of services rendered. Provision is made in respect of the Council's liability for annual leave and sick leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay, while other provisions have been calculated on an actuarial basis at current rates of pay.

19. Landfill post-closure costs

- As operator of the district landfills, the Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.
- The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements, known improvements in technology and all other costs associated with landfill post-closure.
- Amounts provided for landfill post-disclosure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.
- The estimated length of time needed for post-closure care is an additional 15 years for the Hawera Landfill and four years for Opunake, Eltham, Patea, Waverley, Waiinu and Manaia landfills as at 30 June 2007.
- The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the Council.

20. Community loans

The Council has acted as guarantor for a number of sports clubs. These are valued in the Council's financial statements at fair value, taking into account the likelihood of the Council being required to make payment on these loans.

21. Public equity

Public equity is the community's interest in the Council, as measured by the value of total assets less total liabilities. Equity is dis-aggregated and classified to enable a clearer identification of the various components:

- Accumulated balances comprise accumulated surpluses over the years.
- Restricted and Statutory Reserves are those funds subject to external restrictions accepted as binding by the Council, which may not be revised by the Council without reference to the courts or a third party.
- Investment Revaluation Reserves comprise accumulated valuation increments.
- Asset Revaluation Reserves comprise accumulated revaluation increments.

22. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Balance Sheet. The leased assets are depreciated over the period the Council is expected to benefit from their use.

23. Statement of cash flows

- Cash means cash balances on hand, held in bank accounts, deposits on demand and other highly liquid investments in which the Council invests as part of its day-to-day cash management.
- Operating Activities include cash received from all income sources and record the payments made for the supply of goods and services. Agency transactions (for example, the collection of regional council rates) are recognised as receipts and payments in the statement of cash flows given that they flow through the Council's main bank account.
- Investing Activities are those activities relating to the acquisition and disposal of non-current assets.
- Financing Activities comprise activities that change the equity and debt capital structure of the Council.

24. Critical accounting estimates and assumptions

In preparing these financial statements the Council 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 or future events that are believed to be reasonable under the circumstances. These 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 detailed below.

Infrastructural assets

There are a number of assumptions and estimates used when performing the depreciated replacement cost valuation. These include:

- the physical deterioration and condition of an asset. This is mainly for the assets that are not visible (e.g. underground utilities). There are ongoing physical inspections and condition modelling assessments to improve information on these assets.
- Estimating any obsolescence or surplus capacity of any asset.
- Estimates are made determining the remaining useful lives over which the assets will be depreciated. Published guidelines, component design lives and local conditions have been used to assist with the estimation of the remaining useful lives.

Appendix 1 Capital Projects

This table shows the financial commitment from the Ten Year Plan for the coming year and the revised commitment contained in this Annual Plan after considering the programme further.

Activity	Sub-activity	Area	Project	2008/09 Annual Plan	Ten Year Plan for 2008/09	Source of Funds		
Cultural Services	Library	District	Library books	173,000	207,000	Library – Capital Replacement Reserves		
			Furniture renewals	29,100		Library – Capital Replacement Reserves		
			Building renewals	51,000	51,000	Property – Capital Replacement Reserves		
			Sub total Library	253,100	258,000			
	Cemeteries	District	Various cemetery berms	11,000	11,000	Cemetery – Capital Replacement Reserves		
		Hawera	Extension plans and work	11,000	11,000	Cemetery – Capital Replacement Reserves		
			Lowering device	8,000		Cemetery – Capital Replacement Reserves		
			Sub total Cemeteries	30,000	22,000			
			TOTAL CULTURAL SERVICES	283,100	280,000			
	Recreation and Leisure	Pools	Hawera	Pool upgrade – new family activities	631,000	631,000	Community Projects Reserve	
Pool upgrade				1,000,000		Community Projects Reserve		
Plant and equipment renewals				50,000		Pools – Capital Replacement Reserves		
			Eltham	Pool upgrade	250,000	462,000	Community Projects Reserve	
			Rawhitiroa	Pool upgrade	263,000	421,000	Community Projects Reserve	
			Kaponga	Upgrade design work	21,000	21,000	Community Projects Reserve	
			Patea	Sandblast and design		42,000	Community Projects Reserve	
				Upgrade design work	20,000		Community Projects Reserve	
			Waverley	Lifeguard seating	4,000	4,000	Pools – Capital Replacement Reserves	
			Manaia	Lifeguard seating		4,000	Pools – Capital Replacement Reserves	
				Sub total Pools	2,239,000	1,585,000		
			Halls	Hawera	Refurbish whole complex	100,000	179,000	Halls – Capital Replacement Reserves
				Eltham	Replace heating	32,000	32,000	Halls – Capital Replacement Reserves
			Normanby	Interior decoration and heating	103,000		Halls – Capital Replacement Reserves	
		Sub total Halls	235,000	211,000				

Activity	Sub-activity	Area	Project	2008/09 Annual Plan	Ten Year Plan for 2008/09	Source of Funds
Parks and Reserves	Sportsfields and Parks	Eltham	Undersowing	5,000	5,000	Parks – Capital Replacement Reserves
		District	Renewals	25,000	77,000	Parks – Capital Replacement Reserves
		District	Tree planting	53,000	53,000	Parks – Capital Replacement Reserves
		District	Signage	20,000		Reserve Contributions Reserve
		District	New tracks		32,000	Reserve Contributions Reserve
	Beach Access	Opunake	Beach Stabilization	20,000		Parks – Capital Replacement Reserves
	Reserves	Opunake	Opunake Lake Retaining Wall	10,000		Reserve Contributions Reserve
	Boatramps	Opunake	Boat ramp upgrade		21,000	Parks – Capital Replacement Reserves
	Motorcamp	Hawera	Land purchase	500,000		Parks – Capital Replacement Reserves
	Playground	Kowhai Place	Playground equipment replacement	32,000	32,000	Reserve Contributions Reserve
		Normanby School	Playground equipment refurbishment	10,000	32,000	Reserve Contributions Reserve
		Row Playground	Playground equipment replacement		53,000	Reserve Contributions Reserve
		Dallison Park	Playground equipment replacement	30,000	42,000	Reserve Contributions Reserve
		Normanby Domain	Playground equipment refurbishment	35,000		Reserve Contributions Reserve
			Sub total Parks and reserves	740,000	347,000	
	The Hub	District	Multi sports stadium	10,000,000	9,858,000	Community Projects Reserve
			Sub total The Hub	10,000,000	9,858,000	
	Toilets	District	Renewals per planned programmed		17,000	Parks – Capital Replacement Reserve
		Waiinu Beach	New toilets and sewerage system	180,000		Parks – Capital Replacement Reserve
		Ohawe Beach	New toilet block	80,000		Parks – Capital Replacement Reserve
	Waverley	Toilet design for upgrade	5,000		Parks – Capital Replacement Reserve	
		Sub total Toilets	265,000	17,000		
		Total Recreation & Leisure	13,479,000	12,018,000		

Activity	Sub-activity	Area	Project	2008/09 Annual Plan	Ten Year Plan for 2008/09	Source of Funds	
Community and Social Development	Pensioner Housing	District	Renewals	150,000	92,000	Property – Capital Replacement Reserve	
	Community Partnerships	Hawera	Hawera town square upgrade	10,000		Parks – Capital Replacement Reserve	
			Total Community & Social Development	160,000	92,000		
Water Supply Services	Rural Water	Waimate West	Raw water source	0		Waimate West Water – Capital Reserve	
			Water treatment plant	726,900	737,000	Waimate West Water – Capital Reserve	
			Water supply storage	1,371,100		Waimate West Water – Capital Reserve	
			Water supply trunk mains	2,172,000	190,000	Waimate West Water – Capital Reserve	
			Water supply network	430,400	282,000	Waimate West Water – Capital Reserve	
			Sub total Waimate West Water	4,700,400	1,209,000		
		Inaha	Raw water source	136,900		Inaha Water – Capital Reserve	
			Water treatment plant	200,000	823,000	Inaha Water – Capital Reserve	
			Water supply storage	965,400		Inaha Water – Capital Reserve	
			Water supply trunk mains	336,300		Inaha Water – Capital Reserve	
			Water supply network	93,500	217,000	Inaha Water – Capital Reserve	
			Sub total Inaha Water	1,732,100	1,240,000		
		Cold Creek	Water treatment plant		38,000	Cold Creek Water Supply Scheme	
			Water supply network			Cold Creek Water Supply Scheme	
			Sub total Cold Creek Water	0	38,000		
		Urban Water	Hawera	Raw water source	3,558,700		Urban Water – Capital Replacement Reserve
				Water treatment plant	2,433,500	9,784,000	Urban Water – Capital Replacement Reserve
				Water supply storage	1,139,600	1,084,000	Urban Water – Capital Replacement Reserve
				Water supply trunk mains	719,898		Urban Water – Capital Replacement Reserve
				Water supply network	578,400		Urban Water – Capital Replacement Reserve
				Sub total Hawera Water	8,430,000	10,868,000	
	Eltham	Water treatment plant	380,200	542,000	Urban Water – Capital Replacement Reserve		
		Water supply storage	1,294,400		Urban Water – Capital Replacement Reserve		
		Water trunk mains	117,600	2,546,000	Urban Water – Capital Replacement Reserve		
		Sub total Eltham Water	1,792,200	3,088,000			

Activity	Sub-activity	Area	Project	2008/09 Annual Plan	Ten Year Plan for 2008/09	Source of Funds
		Opunake	Raw water source		163,000	Urban Water – Capital Replacement Reserve
			Water supply trunk mains		1,354,000	Urban Water – Capital Replacement Reserve
			Sub total Opunake West Water	0	1,517,000	
		Patea	Raw water source	66,400		Urban Water – Capital Replacement Reserve
			Water treatment plant	487,600		Urban Water – Capital Replacement Reserve
			Sub total Patea Water	554,000	0	
		Waverley/ Waverley Beach	Water treatment plant	390,400		Urban Water – Capital Replacement Reserve
			Sub total Waverley Water	390,400	0	
		District Renewals	Water supply network	492,000	649,000	Urban Water – Capital Replacement Reserve
			Sub total District Water	492,000	649,000	
			Water	18,091,100	18,409,000	
Roading & Stormwater Network	Roading	District	Area Wide Pavement Treatment	2,169,000	1,970,000	Roading Rates
			Maintenance chip seals	2,171,000	1,988,000	Roading Rates
			Bridge renewals and development	424,000	326,000	Roading Rates
			Other cyclic renewals	455,000	835,000	Roading Rates
			Footpaths, lighting and street improvements	740,000	761,000	Roading Rates
			Safety projects and seal widening	1,269,000	1,154,000	Roading Rates
			Other capital works	561,000	146,000	Roading Rates
			Sub total Rooding	7,789,000	7,180,000	
	Stormwater	District	New projects	70,000	579,000	Stormwater – Capital Replacement Reserve
			Investigations Opunake & Manaia	30,000		Stormwater – Capital Replacement Reserve
		Waverley	Wareroa Road	22,000		Stormwater – Capital Replacement Reserve
			Cnr Gloag Street and Weraroa Road	11,500		Stormwater – Capital Replacement Reserve
			Wilson Street and Weraroa Road	1,800		Stormwater – Capital Replacement Reserve
			Sub total Stormwater Network	135,300	579,000	

Activity	Sub-activity	Area	Project	2008/09 Annual Plan	Ten Year Plan for 2008/09	Source of Funds
			Total Rooding and Stormwater Network	7,924,300	7,759,000	
Waste Services	Solid Waste	Disposal	General upgrades		79,000	Solid Waste – Capital Replacement Reserve
		Patea	Landfill rehabilitation	130,600		Solid Waste – Capital Replacement Reserve
			Greenwaste landfill	25,000		Solid Waste – Capital Replacement Reserve
		Collection	BIns		126,000	Solid Waste – Capital Replacement Reserve
			Sub total Solid Waste	155,600	205,000	
	Wastewater	Hawera & Normanby	Western trunk additions	130,800		Wastewater – Capital Replacement Reserve
			Western trunk upgrade	255,800		Wastewater – Capital Replacement Reserve
			Western trunk main capacity	24,400		Wastewater – Capital Replacement Reserve
			Stabilisation of abandoned Western trunk sewer	59,500		Wastewater – Capital Replacement Reserve
			Inflow and infiltration	492,500		Wastewater – Capital Replacement Reserve
			Lining emergency pond	314,600		Wastewater – Capital Replacement Reserve
		Eltham	General renewals		21,000	Wastewater – Capital Replacement Reserve
			Eltham/Hawera pipeline	6,993,700		Wastewater – Capital Replacement Reserve
		Patea	Victoria Street pump station		42,000	Wastewater – Capital Replacement Reserve
		Kaponga	Upgrade wastewater treatment plant	1,700		Wastewater – Capital Replacement Reserve
		Maniaia	Upgrade wastewater treatment plant	28,700		Wastewater – Capital Replacement Reserve
		Opunake	General renewals		42,000	Wastewater – Capital Replacement Reserve
		Wai inu				Wastewater – Capital Replacement Reserve
		Waverley	Lupton Street pump station		42,000	Wastewater – Capital Replacement Reserve
		District	New sewer connections	90,000		Wastewater – Capital Replacement Reserve
			Trade Waste S::Can	70,000		Wastewater – Capital Replacement Reserve
			Condition assessment and remedials	100,000	256,000	Wastewater – Capital Replacement Reserve
			Pipe renewals	256,100	254,000	Wastewater – Capital Replacement Reserve
			Sub total Wastewater	8,817,800	657,000	
			Total Waste Services	8,973,400	862,000	

Activity	Sub-activity	Area	Project	2008/09 Annual Plan	Ten Year Plan for 2008/09	Source of Funds
Other Items						
		Corporate Information Systems	Computer Purchases	152,000	157,000	Information Systems – Capital Replacement Reserve
		Sundry Property	Building renewals		6,000	Information Systems – Capital Replacement Reserve
			Hawera Administration Building heating upgrade	50,000		Information Systems – Capital Replacement Reserve
			Hawera Administration Building carpet replacement	45,000		Information Systems – Capital Replacement Reserve
			Sub total Other Items	247,000	163,000	
			CONSOLIDATED TOTAL	49,157,900	39,583,000	

Appendix 2 – Roading Activity Schedule

Area Wide Pavement Treatment

Road	Area	Section	Additional treatment	Length (metres)
Kahui Road	Rahotu	1.1km to 2.17	Includes widening	1,070
Wiremu Road	Rahotu	North from Ngariki bridge 113	Includes widening	1,500
Opua Road	Rahotu	2 km to 3.2 km	Includes widening	1,200
Eltham Road	Kaponga	Melville Road West		1,000
Kokiri Road	Manaia	North from bridge		1,000
Manaia Road	Manaia	400 metres north of Thomas Road	Includes widening	1,500
Meremere Road	Hawera	From Whakamaru Road	Includes widening	1,100
Glover Road	Hawera	Goodson Road to urban boundary	Includes widening	1,000
Ohangai Road	Hawera	Turuturu Road to Ngarongo Road		1,370
High Street	Hawera	Waihi Road to Disraeli Street		300
Upper Stuart Road	Eltham	Finnerty Road south	Includes widening	870
Mountain Road	Te Roti	From SH3	Includes widening	1,521
Fraser Road	Eltham	Fraser Road to Quinns Road	Includes widening	1,520
Kohi Road	Waverley	Top of hill to bridge		600

Footpath and kerb and channel renewals

Street	Town	Section	Footpaths/ Vehicle crossing	Kerb and Channel	Storm water	Total
Victoria Street	Kaponga	Egmont Street to Riverside Drive	\$55,200	\$58,300	\$46,100	\$159,600
Egmont Street	Kaponga	Victoria Street to Swadling Street	\$68,300	\$53,100	\$34,900	\$156,300
South Road	Rahotu	Lower Kahui Road to town boundary	\$107,900	\$94,200	\$63,500	\$265,600
Egmont Street	Kaponga	Park Lane to Victoria Street	\$60,300	\$53,100	\$34,900	\$148,300
South Road	Rahotu	Gregory Road to Lower Kahui Road	\$53,500	\$39,400	\$62,100	\$155,000

Seal Extensions

Tangahoe Valley Road – approximately 1 km

Taumataitahi Road – approximately 1 km

New Footpath Schedule for 2008/09

Street	Town	Side of street	Section	Length (metres)
Pitt Street	Normanby	South	Wynard to Grey Streets	181
Kate Street	Normanby	East	Mawhitiwhiti to Chute Streets	180
Gore Street	Normanby	East	Mawhitiwhiti to Chute Streets	182
Ketermarae Road	Normanby	South	Mawhitiwhiti to Waihi Road	184
Alison Street	Opunake	West	Dorset to Deiffenbach	80
Manchester Street	Patea	West	End of footpath to Gloucester	80
Gloucester Street	Patea	South	Manchester to end of road	40
Brassey Street	Waverley	North	Swinbourne to Suther Street	115
Hussey Street	Waverley	North	Swinbourne to Suther Street	115
Patukukupa Street	Manaia	North	Pedestrian crossing to preschool	100
Kaipī Street	Manaia	South	Full length	500
Beech Place	Hawera	North	Walkway to Kamahi Avenue	84
Albert Street	Hawera	West	Fantham Street to end of kerb	100
Burnside Avenue	Hawera	South	End to No. 9	30