



# Annual Report

For the year ended **30 June 2007**

**PAPAKURA DISTRICT COUNCIL**  
**ANNUAL REPORT**  
**2006/2007**

**Table of Contents**

	<b>Page</b>
Mayor and Councillors.....	2
Papakura District Ward Map.....	3
Papakura District Profile.....	4
Mayor and Chief Executive Officer’s Message.....	6
Statement of Compliance .....	9
Audit Report.....	10
Consolidated Statement of Financial Performance.....	12
Consolidated Statement of Movements in Equity .....	13
Consolidated Statement of Financial Position.....	14
Consolidated Statement of Cash Flows .....	16
Notes to the Financial Statements .....	19
 <b>Significant Activities and Statements of Service Performance</b>	
Democracy and Planning .....	63
Economic Development.....	68
Community Development .....	72
Cemeteries and Public Conveniences .....	76
Regulatory Services .....	80
Waste Management and Minimisation .....	85
Water Supply and Wastewater .....	89
Stormwater .....	93
Arts and Culture.....	100
Parks and Recreation.....	104
Transportation and Roothing.....	110

## Mayor and Councillors

### HIS WORSHIP THE MAYOR

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P O Box 272-1065  
Papakura

Papakura District Council  
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Email: [jrobertson@papakura.govt.nz](mailto:jrobertson@papakura.govt.nz)

### ARDMORE WARD COUNCILLORS

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Accent Health Club  
Accent Point Mall  
209 Great South Road  
Papakura  
Pone: (09) 298 2002  
Email: [raysgym@xtra.co.nz](mailto:raysgym@xtra.co.nz)

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Papakura  
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Email: [cconroy@xtra.co.nz](mailto:cconroy@xtra.co.nz)

### DRURY WARD COUNCILLORS

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19 Margan Place  
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Telephone: (09) 299 1769  
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Peter A Jones  
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Drury  
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### PAHUREHURE WARD COUNCILLORS

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P.O. Box 72-198  
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Nancy J Hawks JP  
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### RED HILL WARD COUNCILLORS

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Desmond M Heard  
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Email: [dmheard@xtra.co.nz](mailto:dmheard@xtra.co.nz)

### Papakura District Council Directory

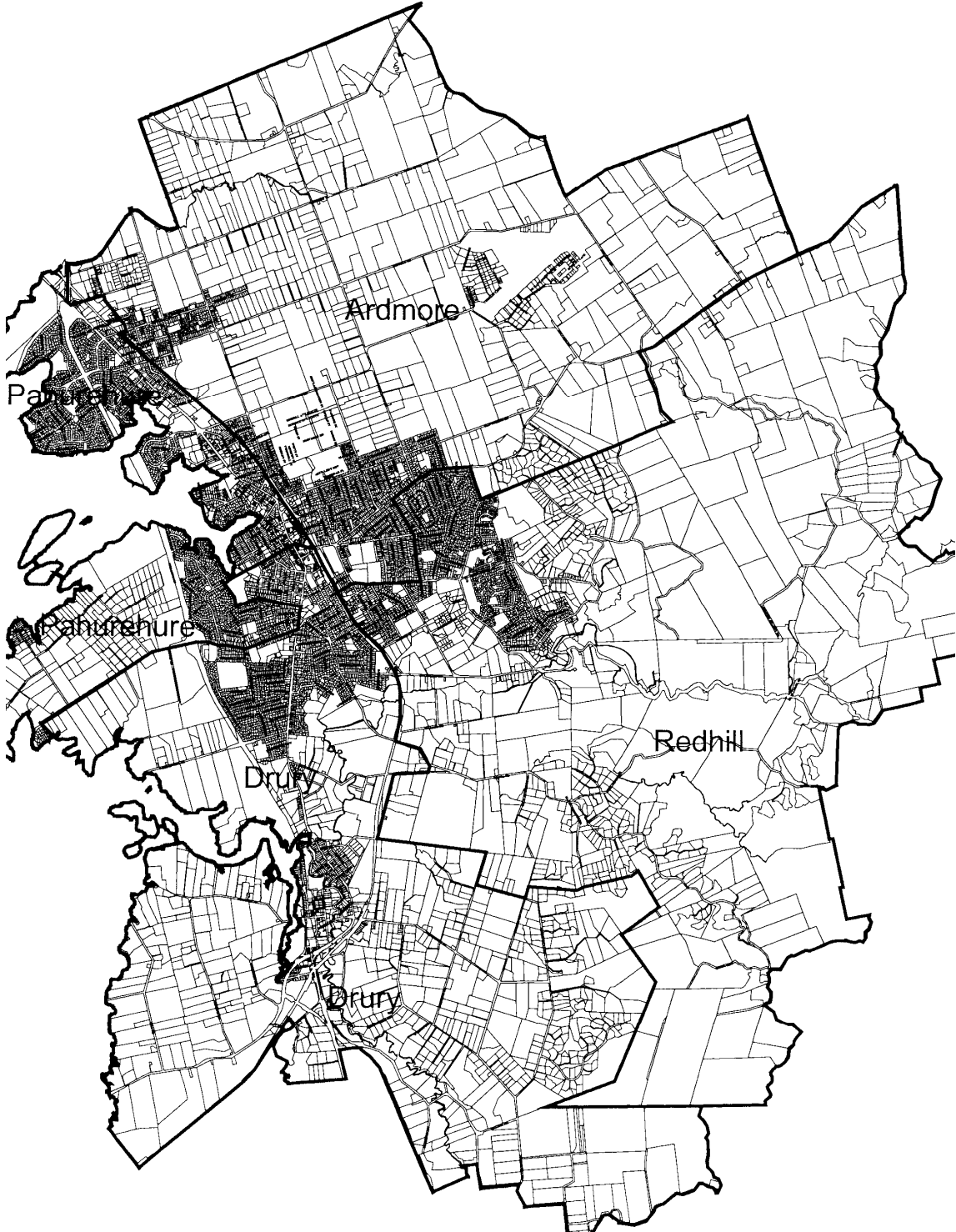
<b>Administration Office</b>	:	35 Coles Crescent, Papakura
<b>Postal Address</b>	:	Private Bag 7, Papakura
<b>Telephone</b>	:	(09) 295 1300
<b>Facsimile</b>	:	(09) 298 1906
<b>Email</b>	:	<a href="mailto:customerservices@papakura.govt.nz">customerservices@papakura.govt.nz</a>
<b>Web Site</b>	:	<a href="http://www.papakura.govt.nz">www.papakura.govt.nz</a>

**Auditor:** Audit New Zealand on behalf of the Auditor-General

**Solicitor:** Phillips Fox, 209 Queen Street Auckland

**Banker:** ANZ Banking Group (New Zealand) Ltd, Great South Road, Papakura

# Papakura District Ward Map



## Papakura District Profile

### **Te waha: The gateway**

The perfect blend of country and town, perched on the edge of the greater Auckland metropolitan area and ideally placed for those seeking lifestyle and opportunity.

A great place to live, work and play; a strategic gateway standing between urban Auckland and the rest of New Zealand, a crucial infrastructure touch point offering easy access to major arterial routes north and south. A District with its eye on the future, planning for phenomenal growth.

### **Papakura District Population**

At the 2006 Census of Population and Dwellings, the population of Papakura district was 45,183; up from 39,690 in 1996 and 40,668 at the 2001 Census. Between 2001 and 2006 Papakura's population increased 11.1 per cent.

### **Papakura People**

Based on 2006 Census information, if Papakura district were 100 people:

- 61 would be of European origin
- 26.5 would identify as Māori
- 10 would be of Pacific Island origin
- 8 would be Asian
- 1 would be of Middle Eastern origin
- 1 person would identify themselves as being from another ethnic background
- 25 would be under 15 years of age
- 10 would be over 65
- 48 would be men
- 52 would be women
- 4 would be unemployed
- 2 would have an income over \$100,000 per year
- 35 would have an income of less than \$10,000 per year
- 75 would speak one language
- 14 would speak two languages
- 2 would speak three or more languages
- 7 would speak Māori

### **Age profile**

Papakura's population has for some time included a higher number of young people than other similar districts. In the latest Census, this trend continues: a quarter of all residents are under the age of 15. People resident in the district have a median age of 32.9 years, lower than the national median age of 35.9.

### **Education**

Papakura is growing fast, and as it does the standard of education among people of working age is rising. At the 2006 Census, 5,136 people aged 15 years and over in Papakura district had a post-school qualification.

### **Ethnic groups**

From the middle of last century, people of European descent have been the most numerous ethnic group in Papakura. At the 2006 Census, a wide range of ethnic backgrounds were reported by respondents.

Ethnic groups (total responses)

European	26,223
Māori	11,376
Pacific peoples	4,380
Asian	3,501
Middle Eastern, Latin American, African	480
Other	3,783

### **Families**

At the 2006 Census, there were 11,778 families in Papakura district.

### **Households**

At the 2006 Census, there were 14,823 households in Papakura. The average household size in Papakura is 3.0 people.

### **Rental and Investment**

There is steady demand for residential rental properties. Rents vary according to location and proximity to amenities and facilities. The overall average weekly rent in Papakura is \$225.00.

### **Business**

In 2006, there were 3,695 business locations (geographic units) in Papakura district compared with 309,749 for all of New Zealand.

## Mayor and Chief Executive Officer's Message

### Overview

The 2006/2007 year is the first year of Progress Papakura, Council's first Long Term Council Community Plan (LTCCP) prepared under the provisions of the Local Government Act 2002 (LGA). Through the LTCCP, Council and community have developed a vision for growth over the next ten years and set in place a range of major projects aimed at enhancing quality of life in the district. The community outcomes identified in the LTCCP will drive Council's activities over the years and this is already reflected in the achievements over the last twelve months.

### Financial and Performance Result

Each year the Council measures what it has achieved through the Annual Report. The report also sets out the Council's financial position. Financially, the Council is in a strong position. The 2006-2007 financial year showed spending was managed well within the overall budget and there was a surplus in the general rates required which enabled the Council to cover some one-off costs such as the election without affecting 2007-2008 rates. Another highlight for the year is the significant improvement in the completion of the capital works programme – from 25% to 45%. This will continue to be a focus for the coming years. External debt at June was \$12 million, well below the budget of \$36.8 million. This result is a combination of two factors: the completion levels of the capital works programme; and better internal management of cash funds resulting in a 'just in time' approach to borrowing.

In addition to the strong financial result there were improvements in a number of other measures of Council's progress. Resource and building consents ensure proposals for developments, buildings and enhancements to properties are carried out in appropriate ways. Processing times for resource consents are a major focus for the Council. A total of 69 per cent of all resource consents in the past year were processed within national statutory deadlines. This is a significant improvement over previous years and we are on target to raise the figure to 90 per cent or more in the coming year. Most building consents – 87 per cent – are processed within established national guidelines for response times. The Council is on target to be accredited as a Building Consent Authority and processing times are expected to improve even more once the work involved with this is finished.

### Highlights

#### Accessible and cared for natural environment

With strong support from the community, Papakura District Council works hard to make sure our natural environment is preserved and protected. The Pahurehure Inlet Management Plan has been developed to guide the use and protection of the area, and is being progressively implemented. A growing system of coastal walkways is giving people recreation and leisure access to the inlet. The quality of stormwater entering the Manukau Harbour from the district is continually being improved. Together with the community, Council is looking after the small and precious remnant stands of native bush in the district, and Council enforces standards that protect significant trees from felling or deliberate damage. Courses for school children and for the community on composting, worm farming, and tips on waste minimisation all help the community reduce their impact on the environment.

User pays for rubbish collection was introduced in July 2006 and has since seen the volume of rubbish to landfill steadily reduce (down 22.7 per cent) with a corresponding increase in recycling volumes (up 14.6 per cent).

#### A safe and stable community

The Council is working on making public places as safe as possible through Crime Prevention, through Environmental Design (CPTED), and provides funding for the Proudly Papakura Trust which is tackling graffiti in the district. Papakura's Neighbourhood Support networks and Community Crimewatch patrols are also going from strength to strength with the support of the Council.

Safe and secure pool fencing is a major contributor to keeping children safe around water. Council swimming pool inspection staff are visiting every known private swimming pool in the district, and in the past two years, 66 per cent of all known pools in the district have been inspected. New school travel plans help keep children safe on their way to and from school, and help reduce traffic congestion.

There has also been a huge improvement in food safety standards in the district. We now have 140 establishments with an A or B grade and 53 are still completing certification.

#### Fostering involvement in arts and recreation

A new Arts and Culture Centre will be developed in Central Park, creating a place where many forms of artistic and cultural expression can come together. Already, consultation has begun on the form this centre should take, and how the project should be managed. Another high profile and very popular recent addition to Central Park is the new playground, opened in June.

Massey Park Aquatic Centre continues to attract strong patronage from the community and from school groups. Satisfaction with the availability of toilets and other facilities at parks, reserves and sports fields in the district is up 16 per cent on 2006, and overall, 81 per cent of people surveyed said they were happy with access and opportunities for recreation in the district.

#### Pride in Our community and heritage

Every year Council organises or supports a number of events that celebrate the many activities in the district. A total of 16 events were held in the last twelve months ranging from volunteer recognition, garden competitions and neat street competitions. These help foster a sense of community pride and belonging among residents.

64% of residents surveyed saw Papakura having a separate identity, 46% felt proud to tell people they live in Papakura, and 72% are satisfied with the quality of life in the district.

#### Town Centre as the heart of our district

The Streetscape programme approved by Council in the ten year plan is under way, and will transform the public part of the town centre. Throughout the central business area, there are improvements to stormwater systems, roading and footpaths. In the coming year, new street trees, seats, lights and other features will be added.

#### A well planned built environment

The last twelve months saw a number of key projects which enhanced the built environment – from the provision of walkways and cycleways, riparian planting of stormwater ponds, better neighbourhood development, quality of housing, through to better public transport and roading connections. Residents survey satisfaction results on the built environment recorded a 62% satisfaction rating on the built environment in general; 65% satisfaction rating on the quality of housing; 60% satisfaction rating on the way neighbourhoods have been planned and developed; and 57% satisfaction rating on how growth is being managed.

#### Healthy lifestyles

Papakura is well known for its many green spaces, parks and reserves. This is reflected in resident survey figures showing 76 per cent of locals are happy with access and recreational opportunities in the bush and forest areas in and around Papakura. In addition, Council has spent \$1.4 million in the last year to buy land for neighbourhood reserves to increase these reserves in existing areas. There has been a major tidy-up of the district's existing toilets and new toilets have been installed at Roselands shopping centre and Ray Small Park.

Establishing and improving walkways is also a feature of the 2006-2016 LTCCP. In the last twelve months five walkways have been created or enhanced in Margan's Bush, Katavic Park, Gills Avenue Esplanade, Central Park and Keri Downs.

Releasing the potential of our rangatahi

Papakura District Council has developed a Youth Leadership Forum to help develop the leadership abilities of our young people. The Papakura Youth Cafe has run once a week for most of the past year, giving talented young people a performance venue and giving others experience in hospitality roles and sound engineering for live performances. Visiting artists and groups have also helped inspire local young people.

Papakura District Council has worked closely with the Ministry of Education to plan for a \$92 million investment in new schools for the fast-growing Takanini area.

**Conclusion**

Council is well on its way towards achieving the goals and aspirations of the community embodied in Progress Papakura (LTCCP). 2006/2007 is the first year of the implementation of Progress Papakura and a good level of achievement has occurred. We thank the community for its continued support and engagement with the shaping of this district and look forward to seeing the results in the near future.

## Statement of Compliance

The Council and Management of Papakura District Council accept responsibility for the preparation of the Annual Report and the judgements used therein.

The Council and Management of Papakura District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

The Council of Papakura District Council hereby confirms that all statutory requirements in relation to the Annual Report for the year ended 30 June 2007 as outlined in the Local Government Act 2002, have been complied with.



J Robertson

Mayor

1 October 2007



T Stratton

Chief Executive Officer

1 October 2007

**AUDIT REPORT**  
**TO THE READERS OF**  
**PAPAKURA DISTRICT COUNCIL AND GROUP'S**  
**FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION**  
**FOR THE YEAR ENDED 30 JUNE 2007**

The Auditor-General is the auditor of Papakura District Council (the District Council) and group. The Auditor-General has appointed me, F Caetano, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group for the year ended 30 June 2007, including the financial statements.

**Unqualified Opinion**

In our opinion:

- √ The financial statements of the District Council and group on pages 12 to 62:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council and group's financial position as at 30 June 2007; and
    - the results of operations and cash flows for the year ended on that date.
- √ The service provision information of the District Council and group on pages 63 to 118 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- √ The District Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 1 October 2007, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

**Basis of Opinion**

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- √ determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;

- ✓ verifying samples of transactions and account balances;
- ✓ performing analyses to identify anomalies in the reported data;
- ✓ reviewing significant estimates and judgements made by the Council;
- ✓ confirming year-end balances;
- ✓ determining whether accounting policies are appropriate and consistently applied; and
- ✓ determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

## **Responsibilities of the Council and the Auditor**

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2007. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

## **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit we have no relationship with or interests in the District Council or any of its subsidiaries.



F Caetano  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand

### **Matters relating to the electronic presentation of the audited financial statements**

This audit report relates to the financial statements of Papakura District Council and Group for the year ended 30 June 2007 included on Papakura District Council's web site. The Council is responsible for the maintenance and integrity of the Papakura District Council's web site. We have not been engaged to report on the integrity of the Papakura District Council's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 1 October 2007 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Papakura District Council

**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2007**

Council Actual 2006 \$	Group Actual 2006 \$	Notes	Council		Group		
			Actual 2007 \$	Budget 2007 \$	Actual 2007 \$	Budget 2007 \$	
<b>COST OF ACTIVITIES</b>							
2,110,272	2,110,272	13	1,914,731	1,342,718	1,915,071	1,342,718	
7,354,695	7,354,695	14	7,596,948	5,887,440	7,600,316	5,887,440	
5,614,984	5,614,984	15	6,294,238	6,655,500	6,377,957	6,655,500	
13,459,206	13,456,704	15	14,771,073	15,044,393	14,652,036	15,044,393	
<b>28,539,157</b>	<b>28,536,655</b>		<b>30,576,990</b>	<b>28,930,051</b>	<b>30,545,380</b>	<b>28,930,051</b>	
<b>OTHER COSTS</b>							
453,840	453,840		511,039	511,039	511,039	511,039	
150,130	150,130		159,139	159,139	159,139	159,139	
<b>29,143,127</b>	<b>29,140,625</b>		<b>31,247,168</b>	<b>29,600,229</b>	<b>31,215,558</b>	<b>29,600,229</b>	
<b>REVENUE</b>							
21,031,293	21,031,293	16	22,307,951	22,359,961	22,307,951	22,359,961	
4,279,789	4,279,789	17	6,110,623	4,625,670	6,110,623	4,625,670	
4,233,737	4,233,737		3,759,707	8,487,542	3,759,707	8,487,542	
980,394	980,403		649,876	211,250	652,898	211,250	
172,288	172,288		196,847	170,000	196,847	170,000	
3,453,106	3,453,106	18	2,181,568	6,702,956	2,181,568	6,702,956	
147,929	148,521		51,731	0	51,884	0	
4,353,912	4,353,912	19	10,277,247	7,090,480	10,277,247	7,090,480	
98,533	98,533		734,745	0	734,745	0	
<b>38,750,981</b>	<b>38,751,582</b>		<b>46,270,295</b>	<b>49,647,859</b>	<b>46,273,470</b>	<b>49,647,859</b>	
<b>9,607,854</b>	<b>9,610,957</b>		<b>15,023,127</b>	<b>20,047,630</b>	<b>15,057,912</b>	<b>20,047,630</b>	

*The accompanying statement of accounting policy and notes form an integral part of these financial statements.*

**CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2007**

Council Actual 2006 \$	Group Actual 2006 \$	Notes	Council		Group	
			Actual 2007 \$	Budget 2007 \$	Actual 2007 \$	Budget 2007 \$
373,055,059	373,051,956		397,830,450	400,678,929	397,830,450	400,678,929
		Equity as at 1 July				
9,607,854	9,610,957		15,023,127	20,047,630	15,057,912	20,047,630
		Net Surplus/(Deficit) for the year				
5,770,457	5,770,457		0	0	0	0
		Increase in asset revaluation reserve				
9,397,080	9,397,080		1,459,505	0	1,459,505	0
		Increase/(Decrease) in fair value through equity reserve				
<hr/>	<hr/>		<hr/>	<hr/>	<hr/>	<hr/>
24,775,391	24,778,494		16,482,632	20,047,630	16,517,417	20,047,630
		<b>TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR</b>				
<hr/>	<hr/>		<hr/>	<hr/>	<hr/>	<hr/>
397,830,450	397,830,450		414,313,082	420,726,559	414,347,867	420,726,559
		<b>EQUITY AS AT 30 JUNE</b>	12			
<hr/>	<hr/>		<hr/>	<hr/>	<hr/>	<hr/>

*The accompanying statement of accounting policy and notes form an integral part of these financial statements.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2007**

Council and Group		Notes	Council		Group	
			Actual 2007	Budget 2007	Actual 2007	Budget 2007
Actual 2006			Actual 2007	Budget 2007	Actual 2007	Budget 2007
\$			\$	\$	\$	\$
	<b>ASSETS</b>					
	<b>Current Assets</b>					
11,715,764	Cash and Cash Equivalents	3	2,378,029	3,898,378	2,423,717	3,898,378
4,198,313	Trade and Other Receivables	4	7,285,382	3,674,024	7,286,280	3,674,024
76,621	Non-current Assets Held for Sale	8	10	0	10	0
<hr/>			<hr/>	<hr/>	<hr/>	<hr/>
15,990,698	<b>Total Current Assets</b>		9,663,421	7,572,402	9,710,007	7,572,402
	<b>Non-current Assets</b>					
67,632	Trade and Other Receivables	4	55,112	65,529	55,112	65,529
247,079	Intangible Assets	9	221,774	180,857	221,774	180,857
46,288,559	Other Financial Assets	7	47,748,064	43,393,763	47,748,064	43,393,763
368,278,273	Property, Plant and Equipment	10	398,822,198	416,610,111	398,831,020	416,610,111
<hr/>			<hr/>	<hr/>	<hr/>	<hr/>
414,881,543	<b>Total Non-current Assets</b>		446,847,148	460,250,260	446,855,970	460,250,260
<hr/>			<hr/>	<hr/>	<hr/>	<hr/>
430,872,241	<b>TOTAL ASSETS</b>		456,510,569	467,822,662	456,565,977	467,822,662
	<b>LIABILITIES</b>					
	<b>Current Liabilities</b>					
7,338,210	Trade and Other Payables	5	10,792,032	9,419,346	10,812,655	9,419,346
47,168	Provisions	6	44,364	47,779	44,364	47,779
3,073,655	Borrowings	11	6,105,408	10,329,096	6,105,408	10,329,096
<hr/>			<hr/>	<hr/>	<hr/>	<hr/>
10,459,033	<b>Total Current Liabilities</b>		16,941,804	19,796,221	16,962,427	19,796,221
	<b>Non-current Liabilities</b>					
12,717,786	Trade and Other Payables	5	18,552,223	0	18,552,223	0
725,661	Provisions	6	614,837	739,353	614,837	739,353
9,139,311	Borrowings	11	6,088,623	26,560,529	6,088,623	26,560,529
<hr/>			<hr/>	<hr/>	<hr/>	<hr/>
22,582,758	<b>Total Non-current Liabilities</b>		25,255,683	27,299,882	25,255,683	27,299,882
<hr/>			<hr/>	<hr/>	<hr/>	<hr/>
33,041,791	<b>TOTAL LIABILITIES</b>		42,197,487	47,096,103	42,218,110	47,096,103
<hr/>			<hr/>	<hr/>	<hr/>	<hr/>

*The accompanying statement of accounting policy and notes form an integral part of these financial statements.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2007**

Council and Group		Notes	Council		Group	
			Actual 2007 \$	Budget 2007 \$	Actual 2007 \$	Budget 2007 \$
397,830,450	<b>NET ASSETS</b>		414,313,082	420,726,559	414,347,867	420,726,559
	<b>REPRESENTED BY</b>					
397,830,450	<b>EQUITY</b>	12	414,313,082	420,726,559	414,347,867	420,726,559

*The accompanying statement of accounting policy and notes form an integral part of these financial statements.*

Papakura District Council

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2007**

Council	Group		Council		Group	
Actual	Actual		Actual	Budget	Actual	Budget
2006	2006		2007	2007	2007	2007
\$	\$		\$	\$	\$	\$
		<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
		<b>Cash provided from:</b>				
20,745,669	20,745,669	Rates	22,268,360	22,142,474	22,268,360	22,142,474
2,733,620	2,733,620	Charges for Services	4,386,649	4,373,963	4,386,649	4,373,963
5,533,799	5,533,799	Government Subsidies	4,139,610	8,383,033	4,139,610	8,383,033
952,537	952,546	Investment Income	690,000	209,209	693,022	209,209
330,135	330,135	Petrol Tax and Other Receipts	250,268	165,176	250,421	165,176
3,481,133	3,481,133	Development Contributions	2,192,444	6,702,956	2,192,444	6,702,956
237,404	237,404	Deposits Received	91,711	75,000	91,711	75,000
80,387	80,387	GST	61,442	0	61,442	0
<b>34,094,684</b>	<b>34,094,693</b>		<b>34,080,484</b>	<b>42,051,811</b>	<b>34,083,659</b>	<b>42,051,811</b>
		<b>Cash applied to:</b>				
20,293,594	20,299,319	Payments to Suppliers and Employees	22,098,037	23,329,358	22,042,994	23,329,358
958,666	958,666	Interest Paid	828,654	1,343,310	828,994	1,343,310
<b>21,252,260</b>	<b>21,257,985</b>		<b>22,926,691</b>	<b>24,672,668</b>	<b>22,871,988</b>	<b>24,672,668</b>
<b>12,842,424</b>	<b>12,836,708</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>11,153,793</b>	<b>17,379,143</b>	<b>11,211,671</b>	<b>17,379,143</b>
		<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
		<b>Cash provided from:</b>				
163,409	163,409	Investments	5,472	12,857	5,472	12,857
133,533	133,533	Proceeds from Sales of Property, Plant and Equipment	925,528	0	925,528	0
<b>296,942</b>	<b>296,942</b>		<b>931,000</b>	<b>12,857</b>	<b>931,000</b>	<b>12,857</b>
		<b>Cash applied to:</b>				
10,797,620	10,796,620	Additions to Property, Plant and Equipment	21,379,624	45,829,437	21,391,814	45,829,437
136,794	136,794	Additions to Intangible Assets	42,904	57,000	42,904	57,000
0	110	Investments Made	0	0	0	0
<b>10,934,414</b>	<b>10,933,524</b>		<b>21,422,528</b>	<b>45,886,437</b>	<b>21,434,718</b>	<b>45,886,437</b>
<b>(10,637,472)</b>	<b>(10,636,582)</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(20,491,528)</b>	<b>(45,873,580)</b>	<b>(20,503,718)</b>	<b>(45,873,580)</b>

*The accompanying statement of accounting policy and notes form an integral part of these financial statements.*

**CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2007**

Council Actual 2006 \$	Group Actual 2006 \$		Notes	Council		Group	
				Actual 2007 \$	Budget 2007 \$	Actual 2007 \$	Budget 2007 \$
0	0	Cash provided from:					
		Borrowings Raised		3,000,000	17,765,210	3,000,000	17,765,210
0	0			3,000,000	17,765,210	3,000,000	17,765,210
		Cash applied to:					
3,063,551	3,063,551	Borrowings Repaid		3,000,000	0	3,000,000	0
3,063,551	3,063,551			3,000,000	0	3,000,000	0
(3,063,551)	(3,063,551)	<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		<b>0</b>	<b>17,765,210</b>	<b>0</b>	<b>17,765,210</b>
(858,599)	(863,425)	Net Increase/(Decrease) in Cash Held		(9,337,735)	(10,729,227)	(9,292,047)	(10,729,227)
12,574,363	12,579,189	Opening Cash at 1 July		11,715,764	14,627,605	11,715,764	14,627,605
11,715,764	11,715,764	<b>CLOSING CASH BALANCE AT 30 JUNE</b>		<b>2,378,029</b>	<b>3,898,378</b>	<b>2,423,717</b>	<b>3,898,378</b>
		This is represented by:					
11,715,764	11,715,764	Cash and Cash Equivalents	3	2,378,029	3,898,378	2,423,717	3,898,378
11,715,764	11,715,764			2,378,029	3,898,378	2,423,717	3,898,378

*The accompanying statement of accounting policy and notes form an integral part of these financial statements.*

Papakura District Council

**CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)**  
**FOR THE YEAR ENDED 30 JUNE 2007**

Council Actual 2006 \$	Group Actual 2006 \$		Council		Group	
			Actual 2007 \$	Budget 2007 \$	Actual 2007 \$	Budget 2007 \$
<b>RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>						
9,607,854	9,610,957	Surplus/(Deficit) for the Year	15,023,127	20,047,630	15,057,912	20,047,630
<i>Add/(Deduct) Non-Cash Items:</i>						
7,354,695	7,354,695	Depreciation and Amortisation	7,596,948	5,887,440	7,600,316	5,887,440
(4,353,912)	(4,353,912)	Assets Vested in Council	(10,277,247)	(7,090,480)	(10,277,247)	(7,090,480)
(6,250)	(6,250)	Assets transferred to Council in lieu of debt owed	(5,883,699)	0	(5,883,699)	0
0	0	Movement in Provisions and Fair Value Assets	(114,329)	0	(114,329)	0
0	0	Increase/(Decrease) in Accounts Payable for non-cash items	5,877,449	0	5,877,449	0
<i>Add/(Deduct) movements in Working Capital:</i>						
355,654	361,404	(Increase)/Decrease in Receivables	(567,767)	(463,867)	(568,665)	(463,867)
(320,523)	(330,629)	Increase/(Decrease) in Accounts Payable/Other Liabilities	812,317	(1,599,914)	832,940	(1,599,914)
237,404	232,941	Increase/(Decrease) in Deposits	91,711	75,000	91,711	75,000
<i>Add/(Deduct) Items classified as Investing or Financing Activities:</i>						
(58,469)	(58,469)	Net (Gain)/Loss on Sale of Assets	(701,837)	0	(701,837)	0
(2,056)	(2,056)	Movement in Accounts Payable relating to Plant, Property and Equipment	(668,298)	523,334	(668,298)	523,334
28,027	28,027	Movement in Accounts Receivable relating to Investing Activities	(34,582)	0	(34,582)	0
<b>12,842,424</b>	<b>12,836,708</b>	<b>Net Cash Flow from Operating Activities</b>	<b>11,153,793</b>	<b>17,379,143</b>	<b>11,211,671</b>	<b>17,379,143</b>

*The accompanying statement of accounting policy and notes form an integral part of these financial statements.*

## Notes to the Financial Statements

### 1 STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2007

#### REPORTING ENTITY

Papakura District Council is a territorial local authority governed by the Local Government Act 2002. The Papakura District Council group (PDC) consists of Papakura District Council and its subsidiaries. All subsidiaries are 100% consolidated. For the year ended 30 June 2006, the Group financial statements included the Papakura District Enterprise Board which was wound up on 27 June 2006 and for the year ended 30 June 2007, the new Proudly Papakura Trust.

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

The financial statements of PDC are for the year ended 30 June 2007. The financial statements were authorised for issue by Council on 1 October 2007.

#### BASIS OF PREPARATION

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

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

This is the first set of financial statements prepared using NZ IFRS and comparatives for the year ended 30 June 2006 have been restated to NZ IFRS accordingly. Reconciliations of equity and net surplus/(deficit) for the year ended 30 June 2006 under NZ IFRS to the balances reported in the 30 June 2006 financial statements are detailed in note 2.

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 statement of financial position as at 1 July 2005 for the purposes of the transition to NZ IFRS.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of infrastructural assets, investment property and financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of PDC is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

#### STANDARDS AND INTERPRETATION ISSUED AND NOT YET ADOPTED

There are no standards, interpretations, and amendments that have been issued, but are not yet effective, that PDC has not yet applied.

#### SUBSIDIARIES

PDC consolidates as subsidiaries in the group financial statements all entities where PDC has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where PDC controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by PDC or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

PDC measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over PDC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If PDC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the statement of financial performance.

### **BASIS OF CONSOLIDATION**

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

PDC's investment in its subsidiaries are carried at cost in the PDC's own "parent entity" financial statements.

### **ASSOCIATES OR JOINT VENTURES**

PDC has no associate companies or joint venture entities.

### **REVENUE**

Revenue is measured at the fair value of consideration received.

#### **Rates revenue**

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

#### **Other revenue**

Traffic and parking infringements are recognised upon receipt of payment.

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

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

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash. The recorded revenue is the gross amount of the sale, including any fees payable for the transaction. Such fees are included in other expenses.

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

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

## **FINANCIAL AND DEVELOPMENT CONTRIBUTIONS**

The revenue recognition point for development and financial contributions is at the later of the point when PDC is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

## **CONSTRUCTION CONTRACTS**

PDC does not have any construction contracts.

## **BORROWING COSTS**

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

## **GRANT EXPENDITURE**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where PDC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the PDC's decision.

## **INCOME TAX**

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

## **LEASES**

### **Finance leases**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, PDC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether PDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### **Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### **TRADE AND OTHER RECEIVABLES**

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

Loans, including loans to community organisations made by PDC at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the statement of financial performance as a grant.

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

### **INVENTORIES**

PDC does not carry any inventories.

### **FINANCIAL ASSETS**

PDC classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

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

Purchases and sales of investments are recognised on trade-date, the date on which PDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the PDC has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price used is the current bid price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. PDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to

determine fair value for the remaining financial instruments.

The four categories of financial assets are:

• **Financial assets at fair value through profit or loss**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance date. After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the statement of financial performance.

Currently, PDC does not hold any financial assets in this category.

• **Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

• **Held to maturity investments**

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that PDC has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

Currently, PDC does not hold any financial assets in this category.

• **Financial assets at fair value through equity**

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- Investments that PDC intends to hold long-term but which may be realised before maturity. These are recognised at fair value which is deemed to equate to net asset backing; and
- Shareholdings that PDC holds for strategic purposes. PDC's investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in equity except for impairment losses, which are recognized in the statement of financial performance. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in statement of financial performance even though the asset has not been derecognised.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the statement of financial performance.

## **IMPAIRMENT OF FINANCIAL ASSETS**

At each balance sheet date PDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of financial performance.

## **ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES**

PDC uses derivative financial instruments to hedge exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, PDC does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. PDC designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

PDC documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. PDC also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of hedging derivatives is classified as a non-current asset if the remaining maturity of the hedged item is more than 12 months and as a current asset if the remaining maturity of the hedged item is less than 12 months.

### **• Fair value hedge**

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the statement of financial performance.

### **• Cash flow hedge**

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity through the statement of changes in equity and the ineffective portion of the gain or loss on the hedging instrument is recognised in the statement of financial performance.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in equity will be reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss. However, if PDC expects that all or a portion of a loss recognised directly in equity will not be recovered in one or more future periods, it will reclassify into profit or loss the amount that is not expected to be recovered.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the associated gains and losses that were recognised directly in equity will be included in the initial cost or carrying amount of the asset or liability.

For cash flow hedges other than those covered above, amounts that had been recognised directly in equity will be recognised in profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss (for example, when a forecast sale occurs).

If a hedging instrument expires or is sold, terminated, exercised or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When the forecast transaction is no longer

expected to occur any related cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will be recognised in the statement of financial performance. PDC does not currently apply hedge accounting.

#### **NON-CURRENT ASSETS HELD FOR SALE**

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of financial performance.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

#### **PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consists of:

**Operational assets** — These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

**Restricted assets** — Restricted assets are parks and reserves owned by PDC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

**Infrastructure assets** — Infrastructure assets are the fixed utility systems owned by PDC. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

**Rights to franchise assets** — Rights to franchise assets are the fixed utility systems owned by Council and operated by the franchise holder United Water International Pty Ltd for the provision of water and sewerage services in the district. Under the franchise agreement United Water International Pty Ltd is responsible for upgrading and maintaining the network so that at the end of the contract period (initial term 30 years), the network shall be in a better overall condition than the condition at the time the contract was commenced. Each asset type includes all items that are required for the network to function.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

#### **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to PDC and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

#### **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

#### **Subsequent costs**

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

## Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and motor vehicles, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	1-15% straight line
Roading Infrastructure	
• Land, formation and sub base	0% straight line
• Basecourse and unsealed roads	1.7-4.8% straight line
• Road surfacing	1.7-9.4% straight line
• Bridges and retaining walls	1% straight line
• Footpaths	3.0-6.4% straight line
• Kerb and channel, catch pits and minor culverts	1.4-2.1% straight line
• Streetlighting	4-10% straight line
• Traffic signals and signs	4-10% straight line
Stormwater Infrastructure	
• Pipe assets	1.2% straight line
• Other non-pipe assets	0-5% straight line
• Studies and Flowpath Mapping	10% straight line
Water and Sewer Infrastructure	0.83-2% straight line
Finance Lease Assets	25-33% straight line
Plant and Machinery	5-20% straight line
Motor Vehicles	20% diminishing value
Office Furniture and Equipment	10-20% straight line
Library Books	15% straight line

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

## Revaluation

Those asset classes that are revalued, are valued on a three yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems: At fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date PDC assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The most recent valuations performed were as follows:

- Rooding System infrastructure assets have been valued by Council's engineers as at 30 June 2005, and independently reviewed by valuers Opus International Consultants Limited. The valuation has established the optimised depreciated replacement cost of the assets, being the assessed cost of replacing the existing assets with replacement assets able to perform all the existing assets service outcomes. Rooding land is valued based on the average land value of the Papakura District as assessed by Quotable Value New Zealand Ltd in September 2000. Council does not intend to revalue rooding land in the future. Additions in the years between revaluations will be recorded at cost.
- Stormwater system infrastructure assets have been valued by Council's engineers as at 30 June 2006, and independently reviewed by valuers MWH New Zealand Ltd. The valuation has established the optimised depreciated replacement cost of the assets, being the assessed cost of replacing the existing assets with replacement assets able to perform all the existing assets service outcomes. Subsequent additions, Integrated Catchment Management Plans and

catchment studies have been recorded at cost.

- Sewerage and Water infrastructure assets have been valued by the franchise holder, United Water International Pty Ltd, as at 30 June 2005, and independently reviewed by valuers MWH New Zealand Ltd. The valuation has established the optimised depreciated replacement cost of the assets, being the assessed cost of replacing the existing assets with replacement assets able to perform all the existing assets service outcomes. Additions vested in Council by subdividers in the years between revaluations will be recorded at the amount determined by the cost to the subdivider.

#### **FINANCE LEASE ASSETS**

Finance Lease assets are valued at the lower of the fair value of the asset or the present value of the minimum lease payments.

#### **LAND AND BUILDINGS**

Land and buildings owned prior to 1 October 1991 have been valued by Valuation New Zealand as at that date. Subsequent additions have been recorded at cost. Reserves vested in Council by subdividers have been recorded at the amount determined by the cost to the subdivider.

#### **OFFICE FURNITURE AND EQUIPMENT, PLANT AND MACHINERY AND LIBRARY BOOKS**

Office furniture and equipment, plant and machinery and library books are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

#### **MOTOR VEHICLES AND WORK IN PROGRESS**

Motor vehicles and work in progress are valued at cost.

#### **ACCOUNTING FOR REVALUATIONS**

PDC accounts for revaluations of property, plant and equipment on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

#### **INTANGIBLE ASSETS**

##### **Goodwill**

PDC does not have any assets in this category.

##### **Software acquisition and development**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

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

##### **Easements**

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

## **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in statement of financial performance. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software 3 to 5 years.

## **FORESTRY ASSETS**

PDC does not have any assets in this category.

## **INVESTMENT PROPERTY**

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at its cost, including transaction costs.

After initial recognition, PDC measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of financial performance.

## **IMPAIRMENT OF NON-FINANCIAL ASSETS**

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance. For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of financial performance.

## **EMPLOYEE BENEFITS**

### **Short-term benefits**

Employee benefits that PDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, long service leave entitlements expected to be settled within 12 months, and sick leave.

PDC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that PDC anticipates it will be used by staff to cover those future absences.

### **Long-term benefits**

Long service leave - PDC does not have any long service leave entitlements.

### **Superannuation schemes**

Defined contribution schemes - Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance as incurred.

### **Defined benefit schemes**

PDC belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

### **PROVISIONS**

PDC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

### **FINANCIAL GUARANTEE CONTRACTS**

A financial guarantee contract is a contract that requires PDC to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability PDC will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if PDC assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

### **BORROWINGS**

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

### **EQUITY**

Equity is the community's interest in PDC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings
- Council Created reserves
- Restricted reserves (including fair value, hedging reserves and asset revaluation reserves)

Restricted and Council Created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by PDC.

Restricted reserves are those subject to specific conditions accepted as binding by PDC and which may not be revised by PDC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

### **GOOD AND SERVICE TAX (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### **BUDGET FIGURES**

The budget figures are those approved by the Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by PDC for the preparation of the financial statements.

### **COST ALLOCATION**

PDC has derived the cost of service for each significant activity of PDC using the cost allocation system outlined below.

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

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

### **CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

In preparing these financial statements PDC 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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### **INFRASTRUCTURAL ASSETS**

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

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets,

which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;

- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then PDC could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance. To minimise this risk PDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the PDC's asset management planning activities, which gives PDC further assurance over its useful life estimates. Experienced independent valuers perform or review the Council's infrastructural asset revaluations.

#### **LANDFILL POST-CLOSURE PROVISION**

Note 6 discloses an analysis of the exposure of PDC in relation to the estimates and uncertainties surrounding the landfill post-closure provision.

#### **CRITICAL JUDGEMENTS IN APPLYING PDC'S ACCOUNTING POLICIES**

Management has exercised the following critical judgements in applying the PDC's accounting policies for the period ended 30 June 2007:

##### **Classification of Property**

PDC owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the PDC's social housing policy. These properties are accounted for as property, plant and equipment.

## **2. EXPLANATION OF TRANSITION TO NEW ZEALAND EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (NZ IFRS)**

PDC's financial statements for the year ended 30 June 2007 are the first financial statements that comply with NZ IFRS. PDC has applied NZ IFRS in preparing these financial statements.

PDC's transition date is 1 July 2005. PDC prepared its opening NZ IFRS balance sheet at that date. The reporting date of these financial statements is 30 June 2007. The PDC's NZ IFRS adoption date is 1 July 2006.

In preparing these consolidated financial statements in accordance with NZ IFRS, PDC has applied the mandatory exceptions and certain optional exemptions from full retrospective application of NZ IFRS.

### **Exemptions from full retrospective application elected by PDC**

PDC has elected to apply the following optional exemptions from full retrospective application:

#### ***Business combinations exemption***

PDC has applied the business combinations exemption in NZ IFRS. It has not restated business combinations that took place prior to the 1 July 2005 transition date.

#### ***Designation of financial assets and financial liabilities exemption***

PDC designated various securities as financial assets at fair value through equity at the date of transition to NZ IFRS.

### **PDC is required to make the following mandatory exception from retrospective application:**

#### ***Estimates exception***

Estimates under NZ IFRS at 1 July 2005 are consistent with estimates made for the same date under previous NZ GAAP.

#### **Reconciliation of Equity**

The following table shows the changes in equity, resulting from the transition from previous NZ GAAP to NZ IFRS as at 1 July 2005 and 30 June 2006.

## RECONCILIATION OF CHANGES IN EQUITY FROM PREVIOUS NZ GAAP TO NZ IFRS

Note	1 July 2005 Council			1 July 2005 Group			30 June 2006 Council and Group			
	Previous	Effect on transition to		Previous	Effect on transition to		Previous	Effect on transition to		
	NZ GAAP	NZ IFRS	NZ IFRS	NZ GAAP	NZ IFRS	NZ IFRS	NZ GAAP	NZ IFRS	NZ IFRS	
	1 July 2005 \$	1 July 2005 \$	1 July 2005 \$	1 July 2005 \$	1 July 2005 \$	1 July 2005 \$	30 June 2006 \$	30 June 2006 \$	30 June 2006 \$	
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and Cash Equivalents	1	0	12,574,363	12,574,363	0	12,579,189	12,579,189	0	11,715,764	11,715,764
Trade and Other Receivables	2	0	4,590,762	4,590,762	0	4,587,062	4,587,062	0	4,198,313	4,198,313
Non-current Assets held for Sale	3	0	76,621	76,621	0	76,621	76,621	0	76,621	76,621
Cash and Deposits	1	1,336,403	(1,336,403)	0	1,341,229	(1,341,229)	0	2,493,615	(2,493,615)	0
Short Term Investments	1,2	11,249,367	(11,249,367)	0	11,249,367	(11,249,367)	0	9,234,259	(9,234,259)	0
Receivables	2	4,574,445	(4,574,445)	0	4,570,745	(4,570,745)	0	4,179,682	(4,179,682)	0
<b>Total Current Assets</b>		<b>17,160,215</b>	<b>81,531</b>	<b>17,241,746</b>	<b>17,161,341</b>	<b>81,531</b>	<b>17,242,872</b>	<b>15,907,556</b>	<b>83,142</b>	<b>15,990,698</b>
<b>Non-current Assets</b>										
Trade and Other Receivables	4	0	78,780	78,780	0	78,780	78,780	0	67,632	67,632
Intangible Assets	5	0	215,659	215,659	0	215,659	215,659	0	247,079	247,079
Other Financial Assets	6	0	37,043,481	37,043,481	0	37,043,481	37,043,481	0	46,288,559	46,288,559
Term Investments	4,6	44,833,598	(44,833,598)	0	44,833,598	(44,833,598)	0	58,031,419	(58,031,419)	0
Property, Plant and Equipment	3,5,7	355,615,457	(1,218,681)	354,396,776	355,616,457	(1,218,681)	354,397,776	371,113,030	(2,834,757)	368,278,273
<b>Total Non-current Assets</b>		<b>400,449,055</b>	<b>(8,714,359)</b>	<b>391,734,696</b>	<b>400,450,055</b>	<b>(8,714,359)</b>	<b>391,735,696</b>	<b>429,144,449</b>	<b>(14,262,906)</b>	<b>414,881,543</b>
<b>TOTAL ASSETS</b>		<b>417,609,270</b>	<b>(8,632,828)</b>	<b>408,976,442</b>	<b>417,611,396</b>	<b>(8,632,828)</b>	<b>408,978,568</b>	<b>445,052,005</b>	<b>(14,179,764)</b>	<b>430,872,241</b>

Papakura District Council

	1 July 2005 Council			1 July 2005 Group			30 June 2006 Council and Group			
	Previous NZ GAAP 1 July 2005 \$	Effect on transition to		Previous NZ GAAP 1 July 2005 \$	Effect on transition to		Previous NZ GAAP 30 June 2006 \$	Effect on transition to		
		NZ IFRS 1 July 2005 \$	NZ IFRS 1 July 2005 \$		NZ IFRS 1 July 2005 \$	NZ IFRS 1 July 2005 \$		NZ IFRS 30 June 2006 \$	NZ IFRS 30 June 2006 \$	
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Trade and Other Payables	8	0	7,011,391	7,011,391	0	7,016,620	7,016,620	0	7,338,210	7,338,210
Provisions	9	0	69,789	69,789	0	69,789	69,789	0	47,168	47,168
Borrowings	10	0	3,000,930	3,000,930	0	3,000,930	3,000,930	0	3,073,655	3,073,655
Accounts Payable	8	6,131,314	(6,131,314)	0	6,132,080	(6,132,080)	0	6,469,057	(6,469,057)	0
Deposits Held	8	522,308	(522,308)	0	526,771	(526,771)	0	759,712	(759,712)	0
Current Portion of Landfill Post-closure Costs	9	69,789	(69,789)	0	69,789	(69,789)	0	47,168	(47,168)	0
Current Portion of Term Liabilities	10	3,000,930	(3,000,930)	0	3,000,930	(3,000,930)	0	3,073,655	(3,073,655)	0
<b>Total Current Liabilities</b>		<b>9,724,341</b>	<b>357,769</b>	<b>10,082,110</b>	<b>9,729,570</b>	<b>357,769</b>	<b>10,087,339</b>	<b>10,349,592</b>	<b>109,441</b>	<b>10,459,033</b>
<b>Non-current Liabilities</b>										
Provisions	9	0	1,081,845	1,081,845	0	1,081,845	1,081,845	0	725,661	725,661
Trade and Other Payables	8	0	12,757,428	12,757,428	0	12,757,428	12,757,428	0	12,717,786	12,717,786
Borrowings	10	0	12,000,000	12,000,000	0	12,000,000	12,000,000	0	9,139,311	9,139,311
Landfill Post-closure Costs	9	1,081,845	(1,081,845)	0	1,081,845	(1,081,845)	0	725,661	(725,661)	0
Developer Contributions in Advance	8	235,293	(235,293)	0	235,293	(235,293)	0	0	0	0
Term Liabilities	10	12,000,000	(12,000,000)	0	12,000,000	(12,000,000)	0	9,139,311	(9,139,311)	0
<b>Total Non-current Liabilities</b>		<b>13,317,138</b>	<b>12,522,135</b>	<b>25,839,273</b>	<b>13,317,138</b>	<b>12,522,135</b>	<b>25,839,273</b>	<b>9,864,972</b>	<b>12,717,786</b>	<b>22,582,758</b>
<b>TOTAL LIABILITIES</b>		<b>23,041,479</b>	<b>12,879,904</b>	<b>35,921,383</b>	<b>23,046,708</b>	<b>12,879,904</b>	<b>35,926,612</b>	<b>20,214,564</b>	<b>12,827,227</b>	<b>33,041,791</b>
<b>NET ASSETS</b>		<b>394,567,791</b>	<b>(21,512,732)</b>	<b>373,055,059</b>	<b>394,564,688</b>	<b>(21,512,732)</b>	<b>373,051,956</b>	<b>424,837,441</b>	<b>(27,006,991)</b>	<b>397,830,450</b>

Annual Report 2006-2007

	1 July 2005 Council			1 July 2005 Group			30 June 2006 Council and Group		
	Previous NZ GAAP	Effect on transition		Previous NZ GAAP	Effect on transition		Previous NZ GAAP	Effect on transition	
		NZ IFRS	NZ IFRS		NZ IFRS	NZ IFRS		NZ IFRS	NZ IFRS
	1 July 2005	1 July 2005	1 July 2005	1 July 2005	1 July 2005	1 July 2005	30 June 2006	30 June 2006	30 June 2006
\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>REPRESENTED BY</b>									
Retained Earnings	283,831,465	(13,727,171)	270,104,294	283,828,362	(13,727,171)	270,101,191	292,794,739	(15,272,717)	277,522,022
Reserves	110,736,326	(7,785,561)	102,950,765	110,736,326	(7,785,561)	102,950,765	132,042,702	(11,734,274)	120,308,428
<b>EQUITY</b>	<b>394,567,791</b>	<b>(21,512,732)</b>	<b>373,055,059</b>	<b>394,564,688</b>	<b>(21,512,732)</b>	<b>373,051,956</b>	<b>424,837,441</b>	<b>(27,006,991)</b>	<b>397,830,450</b>

## **EXPLANATORY NOTES – CHANGES IN EQUITY**

### **1 Cash and Cash Equivalent**

These are deposits and term investments with maturities of no greater than three months. They were previously included in cash and deposits of \$1,336,403 for Council and \$1,341,229 for the Group in 2005, and \$2,493,615 in 2006, and short term investments of \$11,237,960 in 2005 and \$9,222,149 in 2006.

### **2 Current Trade and Other Receivables**

This comprises the category previously called receivables of \$4,574,445 for Council and \$4,570,745 for the group in 2005 and \$4,179,682 in 2006, the reclassification of the current portion of community loans of \$11,407 in 2005 and \$12,110 in 2006 previously included in short term investments, and the reversal of a general doubtful debt provision of \$4,910 in 2005 and a further \$1,611 in 2006 no longer provided for under NZ IFRS.

### **3 Non-current assets held for sale**

This comprises land Council had identified as being available for sale and therefore to be included as a current asset of \$76,621 after impairment write-off for both the 2005 and 2006 years. The land was previously included in property plant and equipment.

### **4 Non-current Trade and other receivables**

This comprises the portion of community loans due for repayment in one year's time or more and was previously included in term investments. Under previous NZ GAAP community loans were valued at the original loan principal amount, less loan payments received, being \$90,496 in 2005 and \$78,386 in 2006. NZ IAS 39 now requires the loan initially be recognised at fair value and subsequently measured at amortised cost. Accordingly the loan has been valued at the net present value of expected future repayments, using market interest rates for instruments with a similar credit rating as the discount factor. The effect has been a reduction in the receivable carrying value to \$78,780 in 2005 and \$67,632 in 2006.

### **5 Intangible assets**

This comprises computer software previously included as property, plant and equipment. Under NZ IFRS computer software is now reclassified as intangible assets of \$215,659 in 2005 and \$247,079 in 2006 after impairment write-off.

### **6 Other financial assets**

This comprises shares Council holds in Watercare Services Limited and the New Zealand Government Insurance Corporation Limited. These previously formed part of term investments of \$44,743,102 in 2005 and \$57,953,033 in 2006. These are now valued at fair value of \$37,043,481 in 2005 and \$46,288,559 in 2006 which is deemed to equate to the net asset backing value being the valuation method previously applied. The change in value reflects the impact of NZ IFRS on the value of the net asset backing of the shares in Watercare Services limited.

### **7 Property, plant and equipment**

This comprises the category previously titled fixed assets, reduced by computer software of \$242,199 in 2005 and \$261,368 in 2006 now included as intangible assets, land identified as held for sale of \$976,490 in both years now included as non-current assets held for sale, and for the 2006 year, by depreciation of \$1,596,899 charged for the first time on water and wastewater assets. Refer also note 2 of Explanatory Notes – Reconciliation of Surplus.

### **8 Trade and other payables**

This combines accounts payable of \$6,131,314 Council and \$6,132,082 Group for 2005 and \$6,469,057 in 2006, deposits held of \$522,308 Council and \$526,771 Group in 2005 and \$759,712 in 2006, developer contributions in advance of \$235,293 in 2005 and \$0 in 2006, the portion of reserve funds now reclassified as liabilities under NZ IFRS requirements of \$85,940 in 2005 and

\$67,799 in 2006 and the new liability for the deferred franchise fee income of \$12,793,964 in 2005 and \$12,757,428 in 2006, into the one category, trade and other payables.

**9 Provisions**

This renames the category previously known as landfill post-closure costs of \$1,151,634 in 2005 and \$772,829 in 2006.

**10 Borrowings**

This renames the category previously known as term liabilities of \$15,000,930 in 2005 and \$12,212,966 in 2006.

**RECONCILIATION OF SURPLUS FOR THE YEAR ENDED 30 JUNE 2006**

		Council Previous NZ GAAP 30 June 2006 Notes	Group Previous NZ GAAP 30 June 2006	Effect on transition to NZ IFRS 30 June 2006	Council NZ IFRS 30 June 2006	Group NZ IFRS 30 June 2006
		\$	\$	\$	\$	\$
<b>COST OF ACTIVITIES</b>						
Finance Costs	1	1,022,785	1,022,785	1,087,487	2,110,272	2,110,272
Depreciation and Amortisation	2	5,770,039	5,770,039	1,584,656	7,354,695	7,354,695
Other Expenditure		19,074,190	19,071,688	0	19,074,190	19,071,688
<hr/>						
<b>Total Gross Cost of Services of Activities</b>		<b>25,867,014</b>	<b>25,864,512</b>	<b>2,672,143</b>	<b>28,539,157</b>	<b>28,536,655</b>
<hr/>						
<b>OTHER COSTS</b>						
Museum Levies		453,840	453,840	0	453,840	453,840
MOTAT Levies		150,130	150,130	0	150,130	150,130
<hr/>						
<b>TOTAL OPERATING COSTS</b>		<b>26,470,984</b>	<b>26,468,482</b>	<b>2,672,143</b>	<b>29,143,127</b>	<b>29,140,625</b>
<hr/>						
<b>REVENUE</b>						
Rates Revenue		21,031,406	21,031,406	(113)	21,031,293	21,031,293
Charges for Services	3	3,109,874	3,109,874	1,169,915	4,279,789	4,279,789
Government Grants/Subsidies/Sponsorships		4,233,737	4,233,737	0	4,233,737	4,233,737
Investment Income		980,394	980,403	0	980,394	980,403
Petroleum Tax		172,288	172,288	0	172,288	172,288
Financial and Development Contributions	4	3,481,133	3,481,133	(28,027)	3,453,106	3,453,106
Miscellaneous Income		146,967	147,559	962	147,929	148,521
Gain on Sale of Property		98,533	98,533	0	98,533	98,533
Assets Vested in Council		4,353,912	4,353,912	0	4,353,912	4,353,912
<hr/>						
<b>TOTAL REVENUE</b>		<b>37,608,244</b>	<b>37,608,845</b>	<b>1,142,737</b>	<b>38,750,981</b>	<b>38,751,582</b>
<hr/>						
<b>NET SURPLUS/(DEFICIT) FOR YEAR</b>		<b>11,137,260</b>	<b>11,140,363</b>	<b>(1,529,406)</b>	<b>9,607,854</b>	<b>9,610,957</b>
<hr/>						

## **EXPLANATORY NOTES – RECONCILIATION OF SURPLUS**

### **1 Finance Costs**

In 1997 Council received a Franchise Fee of \$13 million when it awarded the franchise for the operation of its water and wastewater services to United Water International Pty Ltd. This was previously recognised as revenue upon receipt but NZ IFRS now requires the fee to be amortised over the 50 year life of the franchise agreement. As a result, annual revenue is recognised as income from charges for services as disclosed in note 3 below, and the associated finance charge of \$1,087,487 is now included in finance costs.

### **2 Depreciation and Amortisation**

Costs increased due to the introduction for the first time, of a depreciation charge on water and wastewater assets. These assets are owned by Council and operated under a franchise agreement by United Water International Pty Ltd. Under the terms of the franchise, the franchise holder is responsible for upgrading and maintaining the network so that at the end of the contract period the network shall be in a better overall condition than the condition at the time the contract was commenced. On this basis depreciation on these assets was previously 0%. The impact of this change increased Council's depreciation for the year by \$1,596,899. Total depreciation was also reduced by \$38,765 for a reduction in the depreciation charge on computer software for the year due to an increase in the impairment provision for these assets at 1 July 2005, the date of transition to NZ IFRS.

### **3 Charges for Services**

Previously cemetery revenue for maintenance in perpetuity was accounted for as income in the year it was received and then transferred to the cemetery maintenance reserve. Under NZ IFRS, this income is now treated as income received in advance, forms part of the trade and other payables category in the Statement of Financial Position and is recognised as revenue only at the time that it is applied to maintenance expenditure. The increase in revenue for the 2006 year is the prior year income applied to maintenance expenditure this year, and therefore is included as revenue income for the year. In addition deferred income of \$1,124,023 from the Franchise fee received from United Water International Ltd has been included for the first time under NZ IFRS.

### **4 Development Contributions**

Previously development contributions were accounted for as income in the year they were received and were then transferred to the applicable contribution reserve account. Under NZ IFRS, to the extent that this income is to meet capital expenditure yet to be incurred, it is now treated as income received in advance, and forms part of the trade and other payables category in the Statement of Financial Position. The impact of this on the 2005/06 financial year is to reduce the amount of contributions received by \$28,027 being the portion of contributions received during the year that will be used to meet capital works still to be undertaken.

**STATEMENT OF CASH FLOWS**

On transition to NZ IFRS the statement of cash flows for the year ended 30 June 2006 was adjusted as follows:

1. Deposits with maturities less than three months now form part of cash and cash equivalents. These were previously shown as movements in investments, in the cash flows from investing activities section of the statement. This change has impacted on the statement of cash flows for the year ended 30 June 2006 as follows:

- The balance of cash and cash equivalents increased by \$11,237,960 at 30 June 2005 and \$9,222,149 at 30 June 2006.
- Cash provided from investments decreased in the 2006 year by \$2,015,811.

2. Reclassification of Capital Contributions as cash provided from operating activities. These were previously shown in cash provided from investing activities. This change has impacted on the statement of cash flows for the year ended 30 June 2006 as follows:

- Cash provided from operating activities increased, and cash provided from investing activities decreased by \$3,481,133 in the 2006 year.

There have been no other material adjustments to the statement of cash flows for the year ended 30 June 2006, on transition to NZ IFRS.

## Annual Report 2006-2007

### 3. CASH AND CASH EQUIVALENTS

#### (i) As at 30 June 2007

	Effective Interest Rate (%)	Carrying Amount \$	Fair Value \$
<b>Council</b>			
Cash at Bank and in Hand	5.5	194,780	194,780
Call Deposits	7.9	2,183,249	2,183,249
Short Term Deposits maturing three months or less from acquisition	N/A	0	0
<b>Total Cash and Cash Equivalents</b>		<b>2,378,029</b>	<b>2,378,029</b>

#### **Group**

Cash at Bank and in Hand	0-5.5	196,851	196,851
Call Deposits	7.9	2,226,866	2,226,866
Short Term Deposits maturing three months or less from acquisition	N/A	0	0
<b>Total Cash and Cash Equivalents</b>		<b>2,423,717</b>	<b>2,423,717</b>

#### (ii) As at 30 June 2006

	Effective Interest Rate (%)	Council and Group	
		Carrying Amount \$	Fair Value \$
Cash at Bank and in Hand	3	128,742	128,742
Call Deposits	6	2,364,873	2,364,873
Short Term Deposits maturing three months or less from acquisition	6.7	9,222,149	9,222,149
<b>Total Cash and Cash Equivalents</b>		<b>11,715,764</b>	<b>11,715,764</b>

Cash at bank and in hand and call deposits are highly liquid and show at cost which is equivalent to fair value. The carrying value of short term deposits with maturity dates of three months or less approximates their fair value. The effective interest on cash balances varies between 5.5% and 7.9%. (2006 3%-6.7%) Council also has the use of a \$100,000 overdraft facility (2006 \$100,000). This facility is unsecured, with an interest rate at balance date of 11.65% (2006 11.15%). At 30/6/07 the amount of overdraft drawn down was \$0 (2006 \$0). Council policy is to manage its funds so as to avoid incurring overdraft charges, reducing the effective rate of interest for the year to 0% (2006 0%).

The Council only places its investments with institutions with a high credit rating. It also reduces its exposure to risk by giving preference to conservative investment policies. Average Interest earned for the year was 7.5% (2006 7.4%).

Papakura District Council

	Council		Group	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>4. TRADE AND OTHER RECEIVABLES</b>				
Rates Receivable	1,367,186	1,161,506	1,367,186	1,161,506
Accrued Interest	0	40,124	0	40,124
General Debtors	3,409,110	523,759	3,410,008	523,759
Prepayments	1,487,034	1,165,103	1,487,034	1,165,103
GST Receivable	453,659	292,693	453,659	292,693
Transfund New Zealand Subsidy	704,426	1,131,816	704,426	1,131,816
Community Loans	56,036	79,742	56,036	79,742
	<hr/>	<hr/>	<hr/>	<hr/>
	7,477,451	4,394,743	7,478,349	4,394,743
			0	0
<b>Less Provision for Impairment of Receivables</b>	(136,957)	(128,798)	(136,957)	(128,798)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Receivables</b>	<b>7,340,494</b>	<b>4,265,945</b>	<b>7,341,392</b>	<b>4,265,945</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Less Non-current Portion</b>				
Community Loans	55,112	67,632	55,112	67,632
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Non-current Portion</b>	<b>55,112</b>	<b>67,632</b>	<b>55,112</b>	<b>67,632</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Current Portion</b>	<b>7,285,382</b>	<b>4,198,313</b>	<b>7,286,280</b>	<b>4,198,313</b>
	<hr/>	<hr/>	<hr/>	<hr/>

The carrying value of trade and other receivables approximates their fair value. There is no concentration of credit risk as general rates and general debtors covers a large number of customers. No provision for impairment is made for rates receivable as Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debt.

The face value of Community Loans is \$85,024 (2006 \$90,496). Fair value of \$56,036 (2006 \$79,742) has been determined using cash flows discounted at a rate based on variable first mortgage housing rates applicable at the time the loan interest rates were last reviewed being 10.29% (2006 9.55%). Council believes this rate fairly reflects the loan recipient's risk factors.

As of 30 June 2007 and 2006, all overdue receivables, except for rates receivable, have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. The impairment provision has been calculated based on expected losses for Council's pool of debtors. Expected losses have been determined based on a review of specific debtors.

## Annual Report 2006-2007

	Council		Group	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>5. TRADE AND OTHER PAYABLES</b>				
Trade Payables	4,017,399	5,100,385	4,036,039	5,100,385
Accrued Payroll	112,895	102,090	112,895	102,090
Annual Leave Liability	445,418	376,888	445,418	376,888
Rates in Advance	425,224	281,989	425,224	281,989
Payments in Advance	9,202,918	677,504	9,202,918	677,504
Deposits and Bonds	851,423	759,712	851,423	759,712
Amounts due to Related Parties	1,571,192	0	1,571,192	0
GST	0	0	1,983	0
Deferred Franchise Fee Income	12,717,786	12,757,428	12,717,786	12,757,428
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Accounts Payable</b>	<b>29,344,255</b>	<b>20,055,996</b>	<b>29,364,878</b>	<b>20,055,996</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Less Non-current Portion</b>				
Deferred Franchise Fee Income	12,674,774	12,717,786	12,674,774	12,717,786
Developers Contributions in Advance	5,877,449	0	5,877,449	0
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Non-current Portion</b>	<b>18,552,223</b>	<b>12,717,786</b>	<b>18,552,223</b>	<b>12,717,786</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Current Portion</b>	<b>10,792,032</b>	<b>7,338,210</b>	<b>10,812,655</b>	<b>7,338,210</b>
	<hr/>	<hr/>	<hr/>	<hr/>

Trade and Other Payables are non-interest bearing and normally settled on 30-day terms, therefore the carrying value approximates their fair value.

Contractors' deposits and other monies are held by the Council as security for damage contingencies. Developer Performance Bonds are held pending satisfactory completion or performance of approved works.

### Movement in Deferred Franchise Fee Income Liability

Opening Balance	12,757,428	12,793,964	12,757,428	12,793,964
Finance Charge	1,084,381	1,087,487	1,084,381	1,087,487
Less Revenue Recognised	(1,124,023)	(1,124,023)	(1,124,023)	(1,124,023)
	<hr/>	<hr/>	<hr/>	<hr/>
Closing Balance	<b>12,717,786</b>	<b>12,757,428</b>	<b>12,717,786</b>	<b>12,757,428</b>
	<hr/>	<hr/>	<hr/>	<hr/>

The above liability is for the deferred future income of the franchise fee received from United Water International Ltd for the right to use Council's water and wastewater assets. The \$13,000,000 fee covers the right to use the assets for a 50 year period discounted at 8.5% (2006 8.5%). The liability is reviewed annually and was last reviewed in September 2007.

Papakura District Council

	Council		Group	
	2007 \$	2006 \$	2007 \$	2006 \$
<b>6. PROVISIONS</b>				
Financial Guarantees	0	0	0	0
Landfill Aftercare Provision	659,201	772,829	659,201	772,829
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Provisions</b>	<b>659,201</b>	<b>772,829</b>	<b>659,201</b>	<b>772,829</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Less Non-current Portion</b>				
Financial Guarantees	0	0	0	0
Landfill Aftercare Provision	614,837	725,661	614,837	725,661
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Non-current Portion</b>	<b>614,837</b>	<b>725,661</b>	<b>614,837</b>	<b>725,661</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Current Portion</b>	<b>44,364</b>	<b>47,168</b>	<b>44,364</b>	<b>47,168</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Movement in Landfill Post-Closure Provision</b>				
Opening Balance	772,829	1,151,634	772,829	1,151,634
Effect of Unwinding of Discount	47,915	69,789	47,915	69,789
Effect of Change in Interest Rate	(17,445)	(5,312)	(17,445)	(5,312)
Movement in Estimated Future Post-closure Costs	(144,098)	(443,282)	(144,098)	(443,282)
	<hr/>	<hr/>	<hr/>	<hr/>
Closing Balance	659,201	772,829	659,201	772,829
	<hr/>	<hr/>	<hr/>	<hr/>

The above provision is for the estimated future costs of ongoing maintenance and monitoring of the closed landfills at Hunua Gorge, Piggott's, Waimana and Elliott Street. The provision includes the best estimate of future costs for the landfills through to the year 2032, discounted at 6.73% (2006 6.20%) being the 10 year bond rate at the time of calculation plus Council's margin. The provision is reviewed annually and was last reviewed in August 2007.

As at 30 June 2006 and 2007 Council was not acting as guarantor for any community organisation bank loans.

**7. OTHER FINANCIAL ASSETS**

(i) As at 30 June 2007	Effective Interest Rate (%)	Council and Group	
		Carrying Amount \$	Fair Value \$
Shares in Watercare Services Ltd	0	47,644,918	47,644,918
Shares in New Zealand Local Government Insurance Corporation	0	103,146	103,146
<b>Total Other Financial Assets</b>		<b>47,748,064</b>	<b>47,748,064</b>

## Annual Report 2006-2007

(i) As at 30 June 2006	Effective Interest Rate (%)	Council and Group	
		Carrying Amount \$	Fair Value \$
Shares in Watercare Services Ltd	0	46,195,801	46,195,801
Shares in New Zealand Local Government Insurance Corporation	0	92,758	92,758
<b>Total Other Financial Assets</b>		<b>46,288,559</b>	<b>46,288,559</b>

Shares are shown at net asset backing of the entity concerned which equates to fair value.

- Watercare Services Limited

During the 1998/9 year Council was vested with 9,667,225 of the total 260,693,164 shares in Watercare Services Limited. These shares have been valued in Council's accounts at \$4.93 per share being the net asset backing of the shares at 30 June 2007 (2006 \$4.78). The legislation vesting the shares stipulates that council cannot sell their shares, and that Watercare Services Limited is prohibited from paying a dividend to its shareholders.

- New Zealand Local Government Insurance Corporation Ltd

Council has 37,103 shares valued at net asset backing of \$2.78 per share (2006 \$2.50).

8. NON-CURRENT ASSETS HELD FOR SALE	Council		Group	
	2007 \$	2006 \$	2007 \$	2006 \$
Land	10	76,621	10	76,621
	10	76,621	10	76,621

The decrease in non-current assets held for sale is the result of the sale during the year of property in Wood Street. The 2007 balance comprises the agreed sale price of property at the Hunua Gorge Landfill.

Papakura District Council

9. INTANGIBLE ASSETS  
2007 COUNCIL

	Opening Cost	Opening Accumulated Amortisation and Impairment	Opening Carrying amount	Current Year Additions	Current Year Disposals	Current Year Impairment/ Amortisation Charges (Net)	Closing Cost	Closing Accumulated Amortisation and Impairment	Closing Carrying Amount
Computer Software	1,271,477	(1,024,398)	247,079	50,404	(61,221)	(14,488)	1,260,660	(1,038,886)	221,774
	1,271,477	(1,024,398)	247,079	50,404	(61,221)	(14,488)	1,260,660	(1,038,886)	221,774

2007 GROUP

	Opening Cost	Opening Accumulated Amortisation and Impairment	Opening Carrying amount	Current Year Additions	Current Year Disposals	Current Year Impairment/ Amortisation Charges (Net)	Closing Cost	Closing Accumulated Amortisation and Impairment	Closing Carrying Amount
Computer Software	1,271,477	(1,024,398)	247,079	50,404	(61,221)	(14,488)	1,260,660	(1,038,886)	221,774
	1,271,477	(1,024,398)	247,079	50,404	(61,221)	(14,488)	1,260,660	(1,038,886)	221,774

2006 COUNCIL AND GROUP

	Opening Cost	Opening Accumulated Amortisation and Impairment	Opening Carrying amount	Current Year Additions	Current Year Disposals	Current Year Impairment/ Amortisation Charges (Net)	Closing Cost	Closing Accumulated Amortisation and Impairment	Closing Carrying Amount
Computer Software	1,173,996	(958,337)	215,659	97,481	0	(66,061)	1,271,477	(1,024,398)	247,079
	1,173,996	(958,337)	215,659	97,481	0	(66,061)	1,271,477	(1,024,398)	247,079

Annual Report 2006-2007

10. PROPERTY, PLANT AND EQUIPMENT  
2007 Council and Group

	Opening Cost/ Revaluation	Opening Accumulated Depreciation/ Impairment Charges	Opening Carrying amount	Current Year Additions	Current Year Disposals/ Transfers	Current Year Impairment Charges	Current Year Depreciation net of disposals	Revaluation Surplus	Closing Cost/ Revaluation	Closing Accumulated Depreciation/ Impairment Charges	Closing Carrying Amount
<b>Council Infrastructure Assets</b>											
Roading System	193,995,361	(3,259,463)	190,735,898	14,973,952	0	0	(3,061,738)	0	208,969,313	(6,321,201)	202,648,112
Stormwater System	65,693,176	0	65,693,176	3,721,176	0	0	(1,463,266)		69,414,352	(1,463,266)	67,951,086
Total Infrastructure Assets	259,688,537	(3,259,463)	256,429,074	18,695,128	0	0	(4,525,004)	0	278,383,665	(7,784,467)	270,599,198
<b>Council Rights to Franchise Assets</b>											
Sewerage System	32,109,735	(813,194)	31,296,541	2,580,303	0	0	(843,652)	0	34,690,038	(1,656,846)	33,033,192
Water System	30,945,305	(783,705)	30,161,600	1,139,911	0	0	(802,640)	0	32,085,216	(1,586,345)	30,498,871
Total Rights to Franchise Assets	63,055,040	(1,596,899)	61,458,141	3,720,214	0	0	(1,646,292)	0	66,775,254	(3,243,191)	63,532,063
<b>Council Finance Lease Assets</b>											
Computers and Photocopiers	275,587	(62,621)	212,966	72,342	0	0	(91,277)	0	347,929	(153,898)	194,031
Total Finance Lease Assets	275,587	(62,621)	212,966	72,342	0	0	(91,277)	0	347,929	(153,898)	194,031
<b>Council Restricted Assets</b>											
Land	17,640,110	0	17,640,110	3,681,540	0	0	0	0	21,321,650	0	21,321,650
Buildings	16,660,977	(2,411,528)	14,249,449	946,029	0	0	(302,474)	0	17,607,006	(2,714,002)	14,893,004
Total Restricted Assets	34,301,087	(2,411,528)	31,889,559	4,627,569	0	0	(302,474)	0	38,928,656	(2,714,002)	36,214,654
<b>Council Operational Assets</b>											
Land	1,179,113	0	1,179,113	0	(76,839)	0	0	0	1,102,274	0	1,102,274
Buildings	12,023,979	(2,081,045)	9,942,934	2,276,109	(2,970)	0	(302,374)	0	14,297,118	(2,383,419)	11,913,699
Office Furniture and Equipment	1,893,670	(1,459,321)	434,349	244,325	(54,687)	0	(88,660)	0	2,083,308	(1,547,981)	535,327
Plant and Machinery	3,240,771	(1,832,935)	1,407,836	1,335,577	(7,048)	0	(310,782)	0	4,569,300	(2,143,717)	2,425,583
Motor Vehicles	389,173	(173,170)	216,003	119,646	(107,727)	0	8,322	0	401,092	(164,848)	236,244
Library Books	1,576,373	(1,094,399)	481,974	195,958	(75,223)	0	(85,284)	0	1,697,108	(1,179,683)	517,425
Total Operational Assets	20,303,079	(6,640,870)	13,662,209	4,171,615	(324,494)	0	(778,778)	0	24,150,200	(7,419,648)	16,730,552

Papakura District Council

2007 Council and Group

	Opening Cost/ Revaluation	Opening Accumulated Depreciation/ Impairment Charges	Opening Carrying amount	Current Year Additions	Current Year Disposals/ Transfers	Current Year Impairment Charges	Current Year Depreciation net of disposals	Revaluation Surplus	Closing Cost/ Revaluation	Closing Accumulated Depreciation/ Impairment Charges	Closing Carrying Amount
<b>Council Work in Progress</b>											
Work in Progress	4,626,324	0	4,626,324	10,409,349	(3,483,973)	0	0	0	11,551,700	0	11,551,700
Total Work in Progress	4,626,324	0	4,626,324	10,409,349	(3,483,973)	0	0	0	11,551,700	0	11,551,700
<hr/>											
<b>Total Council Property, Plant and Equipment</b>	382,249,654	(13,971,381)	368,278,273	41,696,217	(3,808,467)	0	(7,343,825)	0	420,137,404	(21,315,206)	398,822,198
<hr/>											
<b>Subsidiaries Property, Plant and Equipment</b>											
Office Furniture and Equipment	0	0	0	12,190	0	0	(3,368)	0	12,190	(3,368)	8,822
Total Subsidiaries	0	0	0	12,190	0	0	(3,368)	0	12,190	(3,368)	8,822
<hr/>											
<b>Total Group Property, Plant and Equipment</b>	382,249,654	(13,971,381)	368,278,273	41,708,407	(3,808,467)	0	(7,347,193)	0	420,149,594	(21,318,574)	398,831,020
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Annual Report 2006-2007

2006 Council and Group

	Opening Cost/ Revaluation	Opening Accumulated Depreciation/ Impairment Charges	Opening Carrying amount	Current Year Additions	Current Year Disposals/ Transfers	Current Year Impairment Charges	Current Year Depreciation net of disposals	Revaluation Surplus	Closing Cost/ Revaluation	Closing Accumulated Depreciation/ Impairment Charges	Closing Carrying Amount
<b>Council Infrastructure Assets</b>											
Roading System	185,842,238	0	185,842,238	8,153,123	0	0	(3,259,463)	0	193,995,361	(3,259,463)	190,735,898
Stormwater System	55,417,060	0	55,417,060	5,746,864	0	0	(1,241,205)	5,770,457	65,693,176	0	65,693,176
Total Infrastructure Assets	241,259,298	0	241,259,298	13,899,987	0	0	(4,500,668)	5,770,457	259,688,537	(3,259,463)	256,429,074
<b>Council Rights to Franchise Assets</b>											
Sewerage System	31,337,245	0	31,337,245	772,490	0	0	(813,194)	0	32,109,735	(813,194)	31,296,541
Water System	30,106,240	0	30,106,240	839,065	0	0	(783,705)	0	30,945,305	(783,705)	30,161,600
Total Rights to Franchise Assets	61,443,485	0	61,443,485	1,611,555	0	0	(1,596,899)	0	63,055,040	(1,596,899)	61,458,141
<b>Council Finance Lease Assets</b>											
Computers and Photocopiers	0	0	0	275,587	0	0	(62,621)	0	275,587	(62,621)	212,966
Total Finance Lease Assets	0	0	0	275,587	0	0	(62,621)	0	275,587	(62,621)	212,966
<b>Council Restricted Assets</b>											
Land	17,620,040	0	17,620,040	55,070	(35,000)	0	0	0	17,640,110	0	17,640,110
Buildings	16,660,977	(2,131,212)	14,529,765	0	0	0	(280,316)	0	16,660,977	(2,411,528)	14,249,449
Total Restricted Assets	34,281,017	(2,131,212)	32,149,805	55,070	(35,000)	0	(280,316)	0	34,301,087	(2,411,528)	31,889,559
<b>Council Operational Assets</b>											
Land	1,179,113	0	1,179,113	0	0	0	0	0	1,179,113	0	1,179,113
Buildings	11,837,985	(1,811,862)	10,026,123	185,994	0	0	(269,183)	0	12,023,979	(2,081,045)	9,942,934
Office Furniture and Equipment	1,817,689	(1,321,306)	496,383	88,364	(12,383)	0	(138,015)	0	1,893,670	(1,459,321)	434,349
Plant and Machinery	2,741,610	(1,621,713)	1,119,897	539,161	(40,000)	0	(211,222)	0	3,240,771	(1,832,935)	1,407,836
Motor Vehicles	359,440	(121,646)	237,794	29,733	0	0	(51,524)	0	389,173	(173,170)	216,003
Library Books	1,597,096	(1,125,930)	471,166	176,675	(197,398)	0	31,531	0	1,576,373	(1,094,399)	481,974
Total Operational Assets	19,532,933	(6,002,457)	13,530,476	1,019,927	(249,781)	0	(638,413)	0	20,303,079	(6,640,870)	13,662,209

Papakura District Council

2006 Council and Group

	Opening Cost/ Revaluation	Opening Accumulated Depreciation/ Impairment Charges	Opening Carrying amount	Current Year Additions	Current Year Disposals/ Transfers	Current Year Impairment Charges	Current Year Depreciation net of disposals	Revaluation Surplus	Closing Cost/ Revaluation	Closing Accumulated Depreciation/ Impairment Charges	Closing Carrying Amount
<b>Council Work in Progress</b>											
Work in Progress	6,013,712	0	6,013,712	2,347,699	(3,735,087)	0	0	0	4,626,324	0	4,626,324
Total Work in Progress	6,013,712	0	6,013,712	2,347,699	(3,735,087)	0	0	0	4,626,324	0	4,626,324
<b>Total Council Property, Plant and Equipment</b>	362,530,445	(8,133,669)	354,396,776	19,209,825	(4,019,868)	0	(7,078,917)	5,770,457	382,249,654	(13,971,381)	368,278,273
<b>Subsidiaries Property, Plant and Equipment</b>											
Office Furniture and Equipment	1,000	0	1,000	0	(1,000)	0	0	0	0	0	0
Total Subsidiaries	1,000	0	1,000	0	(1,000)	0	0	0	0	0	0
<b>Total Group Property, Plant and Equipment</b>	362,531,445	(8,133,669)	354,397,776	19,209,825	(4,020,868)	0	(7,078,917)	5,770,457	382,249,654	(13,971,381)	368,278,273

## Annual Report 2006-2007

	Notes	Council and Group Carrying Amount		Council and Group Fair Values	
		2007 \$	2006 \$	2007 \$	2006 \$
<b>11 BORROWINGS</b>					
		<b>Effective Interest Rate</b>			
<b>Current</b>					
Bank Overdraft	0%	0	0	0	0
Secured Loans	5.52%	3,000,000	3,000,000	3,000,000	3,000,000
Secured Loans	8.56%	3,000,000	0	3,000,000	0
Finance Lease Liability		105,408	73,655	105,408	73,655
Total Current Borrowings		<b>6,105,408</b>	<b>3,073,655</b>	<b>6,105,408</b>	<b>3,073,655</b>
<b>Non-Current</b>					
Secured Loans					
- Amounts due between one and two years	6.75%	3,000,000	3,000,000	3,000,000	3,000,000
- Amounts due between two and three years	6.74%	3,000,000	3,000,000	3,000,000	3,000,000
- Amounts due between three and four years	0%	0	3,000,000	0	3,000,000
- Amounts due in five years or more	0%	0	0	0	0
Finance Lease Liability					
- Amounts due between one and two years		83,112	81,790	83,112	81,790
- Amounts due between two and three years		5,511	57,521	5,511	57,521
Total Non-current Borrowings		<b>6,088,623</b>	<b>9,139,311</b>	<b>6,088,623</b>	<b>9,139,311</b>

### Bank Overdraft

Council has the use of a \$100,000 overdraft facility (2006 \$100,000). This facility is unsecured, with an interest rate at balance date of 11.65% (2006 11.15%). Council policy is to manage its funds so as to avoid incurring overdraft charges reducing the effective rate of interest for the year to 0% (2006 0%).

### Secured Loans

The Loans are secured over a deemed special rate. Interest rates range from 5.52% to 8.56% (2006 5.52% to 6.85%), with a weighted average of 6.89% (2006 6.44%). Council has no floating interest rate debt, all interest is at fixed rates. Council manages its borrowings in accordance with its Treasury Policy adopted as part of its Long Term Council Community Plan for 2006-2016.

	Council and Group	
	2007 \$	2006 \$
<b>Movement in Secured Loans during the year</b>		
Opening Balance at 1 July	12,000,000	15,000,930
Plus Loans Raised	3,000,000	0
Less Loans Repaid	(3,000,000)	(3,000,930)
Closing Balance of Secured Loans	<b>12,000,000</b>	<b>12,000,000</b>

Papakura District Council

	Council and Group	
	2007	2006
	\$	\$
<b>Finance Lease Liability</b>		
Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.		
<b>Analysis of Finance Lease Liability</b>		
Total Minimum lease payments are payable		
Not later than one year	120,263	92,571
Between one and two years	88,170	92,571
Between two and three years	5,802	60,456
	<hr/>	<hr/>
Total minimum lease payments	214,235	245,598
Future finance charges	(20,204)	(32,632)
	<hr/>	<hr/>
Present value of minimum lease payments	<b>194,031</b>	<b>212,966</b>
	<hr/>	<hr/>
<b>Present value of minimum lease payments are payable</b>		
Not later than one year	105,408	73,655
Between one and two years	83,112	81,790
Between two and three years	5,511	57,521
	<hr/>	<hr/>
Total	194,031	212,966
Current	105,408	73,655
Non-Current	88,623	139,311
	<hr/>	<hr/>
Total	194,031	212,966
	<hr/>	<hr/>
<b>Loans from Council's Reserves</b>		
2003/04 Capital Works Loan - Maturing 2028/29	2,008,570	2,117,702
2003/04 Operating Expenditure Loan - Maturing 2013/14	84,451	94,493
2003/04 Redemption Loan - Maturing from 2012 to 2031	946,865	1,017,568
2005/06 Redemption Loan - Maturing from 2010 to 2028	2,498,602	2,624,605
2005/06 Capital Works Loan - Maturing from 2016 to 2036	1,870,143	1,931,403
	<hr/>	<hr/>
<b>Closing Balance of Loans raised from Council's Reserves</b>	<b>7,408,631</b>	<b>7,785,771</b>
	<hr/>	<hr/>

Loans from Council's reserves represent borrowings Council has made from its reserve funds. As these loans have not been raised from an external source they do not form part of the borrowings figures above. Should these loans be refinanced in the future from an external source this would then increase Council's borrowings liability by the amount still outstanding on the loans at that time.

## Annual Report 2006-2007

### 12. RATEPAYERS EQUITY

Ratepayers Equity is the community's interest in the Council and is measured as being the value of total assets less total liabilities. To enable the specified uses Council makes of its equity to be identified, ratepayers equity is classified into a number of component parts as follows:

	Council		Group	
	2007 \$	2006 \$	2007 \$	2006 \$
<b>RETAINED EARNINGS</b>				
<b>Movement in the Retained Earnings during the year</b>				
Opening balance as at 1 July	277,522,022	270,104,294	277,522,022	270,101,191
Net Surplus/(Deficit) for the Year	15,023,127	9,607,854	15,057,912	9,610,957
Increase in Asset Revaluation Reserve	0	5,770,457	0	5,770,457
Increase in Fair Value Through Equity Reserve	1,459,505	9,397,080	1,459,505	9,397,080
<b>Appropriations (to)/from Reserves</b>				
Asset Revaluation Reserve	0	(5,770,457)	0	(5,770,457)
Fair Value Through Equity Reserve	(1,459,505)	(9,397,080)	(1,459,505)	(9,397,080)
Other Restricted Reserves	(1,191,703)	(1,668,401)	(1,191,703)	(1,668,401)
Council Created Reserves	0	(521,725)	0	(521,725)
<b>Total Appropriations (to)/from Reserves</b>	<b>13,831,424</b>	<b>7,417,728</b>	<b>13,866,209</b>	<b>7,420,831</b>
<b>Closing Retained earnings</b>	<b>291,353,446</b>	<b>277,522,022</b>	<b>291,388,231</b>	<b>277,522,022</b>
<b>COUNCIL CREATED RESERVES</b>				
Opening Balance as at 1 July	2,529,588	2,007,863	2,529,588	2,007,863
Transfers (to)/from Retained Earnings	0	521,725	0	521,725
<b>Closing Council Created Reserves</b>	<b>2,529,588</b>	<b>2,529,588</b>	<b>2,529,588</b>	<b>2,529,588</b>
<b>RESTRICTED RESERVES</b>				
Restricted Reserves comprise:				
<b>Asset Revaluation Reserve</b>				
Opening Balance as at 1 July	87,384,805	81,614,348	87,384,805	81,614,348
Revaluation Gains/(Losses)	0	5,770,457	0	5,770,457
<b>Closing Balance</b>	<b>87,384,805</b>	<b>87,384,805</b>	<b>87,384,805</b>	<b>87,384,805</b>

Papakura District Council

	Council		Group	
	2007 \$	2006 \$	2007 \$	2006 \$
<b>Fair Value Through Equity Reserve</b>				
Opening Balance as at 1 July	18,409,851	9,012,771	18,409,851	9,012,771
Valuation of Shares-Gains/(Losses) taken to Equity	1,459,505	9,397,080	1,459,505	9,397,080
<b>Closing Balance</b>	<b>19,869,356</b>	<b>18,409,851</b>	<b>19,869,356</b>	<b>18,409,851</b>
<b>Other Restricted Reserves</b>				
Opening Balance as at 1 July	11,984,184	10,315,783	11,984,184	10,315,783
Net Increase in Other Reserves	1,191,703	1,668,401	1,191,703	1,668,401
<b>Closing Balance</b>	<b>13,175,887</b>	<b>11,984,184</b>	<b>13,175,887</b>	<b>11,984,184</b>
<b>Closing Restricted Reserves</b>	<b>120,430,048</b>	<b>117,778,840</b>	<b>120,430,048</b>	<b>117,778,840</b>
<b>TOTAL EQUITY</b>	<b>414,313,082</b>	<b>397,830,450</b>	<b>414,347,867</b>	<b>397,830,450</b>
<b>Other Restricted Reserves Comprise:</b>				
Cemetery Reserves	285,463	285,463	285,463	285,463
Financial Contribution Reserves	10,553,632	9,317,682	10,553,632	9,317,682
Development Contribution Reserves	970,411	999,964	970,411	999,964
Depreciation Reserves	906,677	921,371	906,677	921,371
Arts and Culture Reserve	394,815	394,815	394,815	394,815
Other Reserves	64,889	64,889	64,889	64,889
	<b>13,175,887</b>	<b>11,984,184</b>	<b>13,175,887</b>	<b>11,984,184</b>
<b>13. FINANCE COSTS</b>	<b>Notes</b>			
Interest on Bank Borrowings		776,890	933,854	777,230
Unwinding Discount/Interest change on Landfill Provision	6	30,470	64,477	30,470
Unwinding Discount on Deferred Franchise Fee Revenue		1,084,381	1,087,487	1,087,487
Finance Lease Interest		22,990	24,454	22,990
<b>Total Finance Costs</b>		<b>1,914,731</b>	<b>2,110,272</b>	<b>1,915,071</b>

## Annual Report 2006-2007

	Notes	Council		Group	
		2007 \$	2006 \$	2007 \$	2006 \$
<b>14. DEPRECIATION AND AMORTISATION</b>					
Net Depreciation and Amortisation after Disposals	9 & 10	7,358,313	7,144,978	7,361,681	7,144,978
Plus Depreciation on Disposals		238,635	209,717	238,635	209,717
<b>Total Depreciation and Amortisation</b>		<b>7,596,948</b>	<b>7,354,695</b>	<b>7,600,316</b>	<b>7,354,695</b>
<b>15. EMPLOYEE BENEFITS AND OTHER EXPENDITURE</b>					
<b>Employee Benefits</b>					
Salaries and Wages		6,214,903	5,544,839	6,298,622	5,544,839
Increase/(Decrease) in Employee Benefit Liabilities		79,335	70,145	79,335	70,145
<b>Total Employee Benefits</b>		<b>6,294,238</b>	<b>5,614,984</b>	<b>6,377,957</b>	<b>5,614,984</b>
<b>Other Expenditure</b>					
Severance Payments (2007 no payments, 2006 1 payment)		0	46,750	0	46,750
Audit Fees for Financial Statement Audit		100,000	88,000	102,000	88,000
Audit Fees for NZ IFRS Transition		9,000	0	9,000	0
Audit Fees - LTCCP		0	59,800	0	59,800
Other Services - Audit New Zealand		0	0	0	0
Donations		143,428	126,666	143,428	126,666
Lease Charges for Operating Leases		89,465	155,395	89,465	155,395
Impairment of Property, Plant and Equipment		0	0	0	0
Impairment of Intangible Assets		14,488	66,061	14,488	66,061
Loss on Sale of Assets		32,908	58,469	32,908	58,469
Other Operating Expenditure		14,381,784	12,858,065	14,260,747	12,855,563
<b>Total Other Expenditure</b>		<b>14,771,073</b>	<b>13,459,206</b>	<b>14,652,036</b>	<b>13,456,704</b>
<b>16. RATES REVENUE</b>					
General Rates		21,338,712	20,112,410	21,338,712	20,112,410
Auckland Museum Target Rate		512,694	473,647	512,694	473,647
MOTAT Targeted Rate		159,977	153,416	159,977	153,416
Commercial Promotion Rate		107,587	110,599	107,587	110,599
Karaka Hall Rate		5,135	5,208	5,135	5,208
Rates Penalties		459,141	468,688	459,141	468,688
Rates Discount Allowed		(198,542)	(115,201)	(198,542)	(115,201)
Penalties Remitted		(53,394)	(99,249)	(53,394)	(99,249)
Community and Sporting Group Remissions		0	(5,878)	0	(5,878)
Farmland Postponements Remissions		(18,853)	0	(18,853)	0
Residential in Business Zone Remissions		0	(43,076)	0	(43,076)
Conservation Area Remissions		(1,093)	(2,150)	(1,093)	(2,150)
Refuse Uniform Charge Remissions for vacant land		0	(23,868)	0	(23,868)
Uniform Annual Charge Remissions		(3,413)	(3,253)	(3,413)	(3,253)
<b>Total Rates Revenue</b>		<b>22,307,951</b>	<b>21,031,293</b>	<b>22,307,951</b>	<b>21,031,293</b>

Papakura District Council

	Council		Group	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>17. CHARGES FOR SERVICES</b>				
User Charges	1,946,322	855,771	1,946,322	855,771
Deferred Franchise Fee Income	1,124,023	1,124,023	1,124,023	1,124,023
Impairment of Receivables	(5,930)	(2,859)	(5,930)	(2,859)
Regulatory Revenue	2,767,049	2,062,090	2,767,049	2,062,090
Infringements and Fines	279,159	240,764	279,159	240,764
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Charges for Services</b>	<b>6,110,623</b>	<b>4,279,789</b>	<b>6,110,623</b>	<b>4,279,789</b>
	<hr/>	<hr/>	<hr/>	<hr/>

	Council and Group	
	2007	2006
	\$	\$
<b>18. FINANCIAL AND DEVELOPMENT CONTRIBUTIONS</b>		
<b>Resource Management Act 1991</b>		
Subdivision Reserve Contributions	1,195,950	1,764,036
Stormwater Levy Reserve Contributions	0	13,003
Off Street Parking Contributions	0	0
Roading Reserve Contributions	40,000	190,917
<b>Local Government Act 2002</b>		
Development Contributions	945,618	1,485,150
	<hr/>	<hr/>
<b>Total Financial and Development Contributions</b>	<b>2,181,568</b>	<b>3,453,106</b>
	<hr/>	<hr/>

**19. ASSETS VESTED IN COUNCIL**

Assets vested in Council are assets created by subdividers as part of the development of subdivisions by way of water, sewer and stormwater reticulation systems, roads and public reserves. The value of assets included in Council's assets register this year total \$10,277,247 (2006 \$4,353,912), and arise from development works undertaken throughout the District.

The value of the assets received is included in the Statement of Financial Performance. As the amount included in the statement is represented by assets received, it does not represent funds available to Council to offset future expenditure.

**20. REMUNERATION**

The Chief Executive Officer of the Papakura District Council received a total remuneration package of \$221,727 (Previous year \$213,851). This includes the use of a vehicle. The value of the benefit for the year (market value plus FBT) was \$20,708 (Previous year \$21,255).

The changes from the previous year are due to an increase in the annual salary.

Key Staff reporting directly to the Chief Executive receive a combined total remuneration package of \$828,749 (Previous Year \$745,969).



## Papakura District Council

### 22. SIGNIFICANT VARIANCES FROM BUDGET

This statement compares this year's results with those of the Long Term Council Community Plan (LTCCP) adopted by Council for the 2006/07 financial year. During the course of a year, circumstances can occur which give rise to variances from the original budget. Significant variances are considered to be those where the discrepancy between actual results for the activity and the budget is greater than both \$50,000 and 10% of the budget, or where the amount of the variance is of itself considered significant.

The following are the significant variances in the Statement of Financial Performance between Council's actual results and the budgets:

<b>Finance Costs</b>	Actual cost \$1,914,731	Budget cost \$1,342,718
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The increase in costs is the net result of 2005/06 loans being raised from internal sources rather than externally as was anticipated in the LTCCP, the delay in carrying out some capital expenditure planned to be funded from loans and the new interest charge on the Franchise Fee arising for the first time in this annual report due to the transition to NZ IFRS.

<b>Depreciation and Amortisation</b>	Actual cost \$7,596,948	Budget cost \$5,887,440
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The increase arises from the inclusion this year of a depreciation charge on water and wastewater assets. This was not anticipated at the time the LTCCP was prepared.

<b>Government Grants / Subsidies / Sponsorships</b>	Actual income \$3,759,707	Budget income \$8,487,542
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Actual revenue is lower than the budgeted amount by over \$4 million and is primarily due to the delays in the completion of the capital works that attract grants and subsidies mainly in the Transportation and Roading activity.

<b>Investment Income</b>	Actual income \$649,876	Budget income \$211,250
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The increase in revenue is largely due to increased interest rates and a delay in a number of capital works projects which resulted in a higher level of funds invested than anticipated in the budget.

<b>Assets Vested in Council</b>	Actual income \$10,277,247	Budget income \$7,090,480
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Assets with a value of \$10,277,247 have been vested in Council by developers in the District. The budget was based on an assessment of the level of development work to be undertaken in the district by developers. The timing of this work is outside the control of Council and where delays occur the income from vested assets is likewise delayed. The amount relates to assets and reserves received by Council and no cash payment has been made either to or from Council. As such, this figure does not represent funds available to Council to offset future expenditure.

<b>Gain on Sale of Property</b>	Actual income \$734,745	Budget income \$0
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The income is more than budget due to the sale of vacant sections in Coles Crescent finally coming through. This was originally budgeted for in previous years.

<b>Financial and Development Contributions</b>	Actual income \$2,181,568	Budget income \$6,702,956
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Financial and Development contributions have been collected from developers within the district totalling \$2,181,568. These comprise contributions collected under the provisions of the Resource Management Act totalling \$1,235,950, and those collected under the Local Government Act 2002 of \$945,618. The budget was based on an assessment of the level of development work to be undertaken in the district by developers. The timing of this work is outside the control of Council and where differences in timing occurs this is reflected in the income from contributions.

<b>Fair Value Through Equity Reserve</b>	Actual income \$1,459,505	Budget income \$0
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Council values its shares annually based on each Company's net asset backing. The movement in share valuation comprises the following:

- **New Zealand Local Government Insurance Corporation.**

The shares were valued at 30 June 2006 at \$2.50 per share. The net asset backing of the shares established as at the Company's 31 December 2006 balance date is now \$2.78 resulting in an increase in value of Council's 37,103 shares of \$10,388.

- **Watercare Services Limited.**

The shares had previously been vested in Council and were valued at 30 June 2006 at \$4.78 per share. The net asset backing of the shares at 30 June 2007 is now \$4.93 resulting in an increase in value of Council's 9,667,225 shares of \$1,449,117.

## Annual Report 2006-2007

### 23. STATEMENT OF COMMITMENTS

	Council		Group	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>(a) Capital Commitments</b>				
Central Business District Stormwater Improvements	150,000	0	150,000	0
Broadway Rail Overbridge	110,000	0	110,000	0
Overhead to Underground Power	380,000	0	380,000	0
Hinau Road/Hingaia Road Signalised Intersection	1,220,000	0	1,220,000	0
Mills/Popes/Wedding Intersection	260,000	0	260,000	0
Great South Road/Beach Intersection	1,080,000	0	1,080,000	0
Signalised Intersections	197,000	0	197,000	0
Town Centre Streetscape Upgrade	1,910,000	0	1,910,000	0
Sundry Minor Roading Projects less than \$100,000	145,000	0	145,000	0
Purchase Freehold Property	0	19,860	0	19,860
Porchester/Subway Intersection	0	638,000	0	638,000
Hildene Road Land	0	1,621,080	0	1,621,080
Opaheke/Settlement Roundabout	0	376,000	0	376,000
Waimana Reserve Trunk Line	0	5,094,000	0	5,094,000
Tanah Merah Drive Pipe Network	0	90,000	0	90,000
Integrated Catchment Management Plan	0	681,000	0	681,000
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Capital Commitments</b>	<b>5,452,000</b>	<b>8,519,940</b>	<b>5,452,000</b>	<b>8,519,940</b>
	<hr/>	<hr/>	<hr/>	<hr/>

#### (b) Operating Lease Commitments on Office Equipment

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

Not later than one year	65,562	119,343	65,562	119,343
Later than one year but not later than two years	55,077	67,372	55,077	67,372
Later than two years but not later than five years	38,544	87,101	38,544	87,101
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Operating Commitments</b>	<b>159,183</b>	<b>273,816</b>	<b>159,183</b>	<b>273,816</b>
	<hr/>	<hr/>	<hr/>	<hr/>

### 24. CONTINGENT LIABILITIES

(a) Council owns the Hunua Landfill which was operated on behalf of Council by contractors who are still managing the monitoring. One of the conditions of the resource consent Council was granted to operate the Hunua Landfill was the provision of a cash bond in favour of the Auckland Regional Council. This is to provide for early closure, environmental remediation and postclosure care, and to ensure compliance with the performance and monitoring programmes and standards under the terms of the consent.

The bond is provided by way of an irrevocable letter of credit in favour of the Auckland Regional Council rather than the provision of a cash bond. The previous letter of credit provided by Council's banker has expired and Council is currently in the process of establishing a new letter of credit for \$929,643 (2006 \$929,643).

(b) Council is subject to no claims in respect of weathertightness building defects that were advised to it by the Weathertight Home Resolution Service (WHRS) as at 22 August 2007. WHRS is reporting no current claims on the website.

Council's uninsured exposure inclusive of legal costs is \$50,000 per new claim. Based on the number of known claims, Council's maximum potential liability is \$0.

(c) Council along with other councils in the Auckland Region is part of the Civil Defence Emergency Management Group. The Group has agreed to enter into a \$10 million bank facility that would be drawn upon in the event of an emergency event occurring in the region. Council's share of the facility is 3.5%.

(d) Papakura District Council has become aware of a potential legal issue regarding the charging of trade waste. This issue is dependent upon the interpretation of legislation. On the basis of legal advice obtained, Council considers the likelihood of any financial impact to be remote.

## Papakura District Council

### 25. EVENTS SUBSEQUENT TO BALANCE DATE

This Annual Report reflects the results of Council's activities for the year ended 30 June 2007 and its financial position as at that date. No events have occurred subsequent to balance date which would have a significant impact on the Council's position at 30 June 2007 as provided in this report.

### 26. RELATED PARTY TRANSACTIONS

There were no material related party transactions requiring disclosing between the Council and its related parties during the year ended 30 June 2007, apart from those shown below

	2007	2006
	\$	\$
<b>Watercare Services Limited</b>		
Amount owing by Papakura District Council at 30 June 2007	1,396,615	0
Services provided by Watercare Services Limited	6,247,688	145,932
Services provided by Papakura District Council	0	0
<b>Proudly Papakura Trust</b>		
Amount owing by Papakura District Council at 30 June 2007	0	0
Services provided by Proudly Papakura Trust	180,000	0
Services provided by Papakura District Council	0	0
<b>Papakura District Enterprise Board</b>		
Amount owing by Papakura District Council at 30 June 2007	0	0
Services provided by Papakura District Enterprise Board	0	35,319
Services provided by Papakura District Council	0	0
<b>Auckland Regional Transport Network Ltd</b>		
Amount owing by Papakura District Council at 30 June 2007	0	0
Services provided by Auckland Regional Transport Network Ltd	0	0
Services provided by Papakura District Council	0	152,000

During the 2005/06 financial year the Papakura District Enterprise Board was wound up and Council sold its share holding in the Auckland Regional Transport Network Ltd. Therefore neither of these were related parties during the 2006/07 financial year.

#### Key Management Personnel

Key management personnel received salaries and other short term employee benefits of \$1,392,514 (2006 \$1,280,937). Key management personnel include the Mayor, Councillors, Chief Executive Officer and Directors reporting directly to the Chief Executive Officer.

### 27. STATEMENT OF INVOLVEMENT IN COUNCIL CONTROLLED ORGANISATIONS

Papakura District Enterprise Board was a subsidiary of the Papakura District Council as the Council appointed and removed Trustees. The Trust was wound up on 27 June 2006.

The Local Government Act 2002 requires Council Controlled Organisations to prepare an Annual Statement of Intent and to establish key performance indicators, against which actual performance can be measured. As the Trust was in the process of being wound up, Papakura District Council resolved on 25 October 2005 to exempt the Trust from being a Council Controlled Organisation in accordance with section 7 of the Local Government Act 2002. The Financial Statements for the Trust for the period 1 July 2005 to 27 June 2006 (the date of winding up) received an unqualified Audit Opinion.

During the year to 30 June 2007 the Proudly Papakura Trust, which is a Council Organisation in terms of the Local Government Act 2002 was formed. Council does not have any Council Controlled Organisations at 30 June 2007.

### 28. PROCESSES FOR MAORI TO CONTRIBUTE TO THE DECISION-MAKING PROCESSES OF COUNCIL

During the current financial year, Council and Mana Whenua established a forum, Te Kaitiaki Roopu o Papakura, for discussion of issues of mutual interest. Council appointed four elected members to the Forum. Five iwi and hapu are currently represented on the Forum with three other groups still considering what role they might play. The Roopu has terms of reference that have been accepted by the Council and the Manawhenua members. While the Forum is a collaborative meeting, with all parties responsible for their own decision making, the minutes of the Forum are presented to Council as part of the formal agenda.

Council has continued to engage with the wider Maori community through hui-a-iwi and through discussion with a Maori community group known as Whaitiaki. This group was formed through the Community outcomes process, when Maori decided that the Council-led process was not going to cover all of the issues important to the Maori community. In the current year, Council contributed to, and supported the development by Whaitiaki of, the Maori Outcomes Plan which sits alongside, and is aligned to, the Council developed Community Plan. Two members of Whaitiaki, one of whom also is the Chairman of the Kaitiaki Roopu are also appointed members of Council's LTTCP committee.

## Annual Report 2006-2007

### 29. FINANCIAL INSTRUMENT RISKS

Council is risk adverse and seeks to minimise exposure from its treasury activities. Council's finance function in relation to treasury activity is a risk management function and does not undertake any treasury activity that is unrelated to the underlying cashflows and exposures of Council, or is purely speculative in nature.

#### Market Risk

- **Price Risk**

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. At balance date Council held no financial instruments subject to price risk.

- **Currency Risk**

Currency risk is the risk that the value of the financial instrument will fluctuate due to changes in foreign exchange rates. Council is not exposed to currency risk as it does not enter into foreign currency transactions.

- **Interest Rate Risk**

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates, and investments made at fixed interest rates, expose Council to fair value interest rate risk. The interest rates on Council's investments are disclosed in note 3 and on borrowings in note 11.

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowing and investments issued at variable interest rates would expose Council to cash flow interest rate risk. Council has no borrowing or investments at variable interest rates.

#### Credit Risk

Credit risk is the risk that a third party will default on its obligation to Council, causing it to incur a loss. Council has no significant concentrations of credit risk as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

#### Liquidity Risk

Liquidity Risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. To meet its liquidity requirements Council has a committed credit line of \$10,000,000 (2006 \$0) and manages its investments and borrowings in line with its Treasury Management Policy adopted as part of its Long Term Council Community Plan.

The maturity profiles of Council's investments and borrowing are disclosed in note 3 and 11.

### 30. SUMMARY COST OF SERVICES

#### Expenditure

	Council		Group	
	2007	2006	2007	2006
	\$	\$	\$	\$
Democracy and Planning	2,537,937	2,865,647	2,537,937	2,865,647
Economic Development	647,441	564,753	647,441	564,753
Community Development	1,166,906	1,109,025	1,166,906	1,109,025
Cemeteries and Public Conveniences	338,027	271,394	338,027	271,394
Regulatory Services	3,880,902	3,130,939	3,880,902	3,130,939
Waste Management and Minimisation	2,290,934	2,038,830	2,290,934	2,038,830
Water Supply and Wastewater	2,813,785	2,926,663	2,813,785	2,926,663
Stormwater	3,329,372	2,683,127	3,329,372	2,683,127
Arts and Culture	1,628,180	1,468,144	1,628,180	1,468,144
Parks and Recreation	3,905,959	3,393,419	3,905,959	3,393,419
Transportation and Roading	8,191,750	8,063,168	8,191,750	8,063,168
Museum and MOTAT Levies	670,178	603,970	670,178	603,970
Sundry Expenditure	387,744	246,339	356,134	243,837
Less Internal Charges	(541,947)	(222,291)	(541,947)	(222,291)
	31,247,168	29,143,127	31,215,558	29,140,625
<b>Total Expenditure</b>	31,247,168	29,143,127	31,215,558	29,140,625

## Papakura District Council

	Council		Group	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>Income</b>				
Democracy and Planning	18,053	27,732	18,053	27,732
Economic Development	77,532	111,069	77,532	111,069
Community Development	403,061	336,193	403,061	336,193
Cemeteries and Public Conveniences	161,869	167,103	161,869	167,103
Regulatory Services	3,074,436	2,324,050	3,074,436	2,324,050
Waste Management and Minimisation	989,972	250	989,972	250
Water Supply and Wastewater	1,124,023	1,124,023	1,124,023	1,124,023
Stormwater	289,982	863,619	289,982	863,619
Arts and Culture	59,428	53,763	59,428	53,763
Parks and Recreation	38,511	131,448	38,511	131,448
Transportation and Roothing	3,541,216	3,432,775	3,541,216	3,432,775
Other Charges for Services	115,423	82,430	115,423	82,430
Rates Revenue	22,307,951	21,031,293	22,307,951	21,031,293
Investment Income	1,191,823	1,202,685	1,194,845	1,202,694
Petrol Tax	196,847	172,288	196,847	172,288
Financial and Development Contributions	2,181,568	3,453,106	2,181,568	3,453,106
Miscellaneous Income	28,555	7,000	28,708	7,592
Assets Vested in Council	10,277,247	4,353,912	10,277,247	4,353,912
Gain on Sale of Property	734,745	98,533	734,745	98,533
Less Internal Charges	(541,947)	(222,291)	(541,947)	(222,291)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Income</b>	46,270,295	38,750,981	46,273,470	38,751,582
	<hr/>	<hr/>	<hr/>	<hr/>

Each significant activity is stated gross of internal costs and revenue. In order to fairly reflect the total external operations for the Council in the Statement of Financial Performance, these transactions are eliminated as shown above.

### 31. CAPITAL MANAGEMENT

The Council's capital is its equity, or ratepayers funds, which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act), requires Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewal and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the Treasury Policy in Council's LTCCP.

Council has the following Council Created reserves:

- Specific Purpose Reserves

Specific Purpose Reserves are funds set aside for future expenditure such as Motor Vehicle and Computer replacements.

- Loan Repayment Reserve

The Loan Replacement Reserve is a fund set aside to meet loan repayments as they fall due.

- Self Insurance Reserve

The Self Insurance Reserve is a fund set aside for unforeseen natural disaster events.

## DEMOCRACY AND PLANNING

### What we do

This activity group focuses on future planning for the District and the decision making processes of Council. There are four activities within this group of activities: Democracy Services, Policy Planning, Strategic Projects, and Civil Defence and Emergency Management.

The Democracy Services activity has particular responsibility for provision of advice and support to elected members and community engagement and consultation. Over the ten year period of Progress Papakura, the main driver of budget change is the triennial elections in 2007, 2010 and 2013 and preparation of updated Long Term Council Community Plans in 2009, 2012 and 2015.

The Policy Planning activity covers the development and management of changes to the District Plan and the statutory process associated with such changes, the preparation of structure plans and consultation associated with these processes and participation in projects that contribute to the land planning framework for the Auckland region. In the early years of this plan, the main focus of activity is the development and management of the statutory process of District Plan changes that implement Papakura District's commitments in the Regional Growth Strategy. The other key matter progressing through this period is the development of a new section of the District Plan dealing with the rural area. Looking out, the District Plan must be reviewed every ten years which begins in 2009 for Papakura.

The Strategic Projects activity encompasses a range of cross-organisation projects which have significant implications for the District. There is an emphasis on the management of these projects as they move from conception to implementation. The emphasis in the next three years for this activity is on Town Centre Revitalisation, the development or redevelopment of railway stations at Papakura, Takanini and Drury and ensuring the initial implementation stages of key growth projects are consistent with Council's intended strategic direction.

The Civil Defence and Emergency Management activity is concerned with planning to provide an effective emergency capability for the District as part of a regional system of defence, and delivering a rural fire service.

### Why we do it

The purpose of the Council, as expressed in the Local Government Act 2002 is to enable democratic local decision making and action by, and on behalf of, the community and to promote the social, economic, environmental and cultural wellbeing of the community, in the present and for the future. This purpose, and the ideals of democracy and sustainability which underpin it, are a significant driver of the activities in this group. The Planning activities are also underpinned by the objectives of the Resource Management Act 1991, and the Emergency Management and Civil Defence activity responds to the requirements expressed in the Civil Defence Emergency Management Act 2002.

This activity group supports achievement of most Community Outcomes to the extent that the Council provides for achievement of any particular outcome.

The activity group directly contributes to the achievement of the following community outcomes:

- Sustainable recreational use of the natural environment
- Encouraging access to the natural environment and recreational opportunities through integrated physical infrastructure
- Physical environments which enhance personal safety
- A range of quality housing in well-planned neighbourhoods available throughout the District
- People living and working in the District are aware of and influence decision-making that affects the community
- A variety of accessible and attractive places and opportunities for recreational activity catering for people of all ages and abilities
- Identification and protection of important cultural and heritage sites
- A vibrant and attractive town centre
- A strong business presence and a variety of leisure opportunities in the town centre area
- The town centre has a distinctive identity embraced by residents

Papakura District Council

- A District infrastructure that is sustainable and caters for the community’s diverse needs and activities
- New developments that are designed to enhance people’s quality of life, health and social connectedness
- Integrated and efficient roading and public transport infrastructure
- A balance of beauty and functionality in our built environment
- Promoting healthy lifestyle choices through the way we plan and use our environment

**Negative Effects**

It is considered that the absence of these activities would have a negative impact on community wellbeing and that there are generally no negative consequences of these activities.

**Key Service Levels**

- Council’s decision making processes will be widely communicated and easily accessible to the community. The level of service provided for in the LTCCP is that all Council information will be available in line with the statutory requirements.
- Council will also publish additional information about its activities on a bi-monthly basis. This will be delivered to every household.
- Requests to Council for plan changes (to the District Plan) will be processed to meet statutory requirements.
- Rail stations will upgraded at Papakura and Takanini and a new station will be designed for Drury.
- Council will ensure a rural fire service is available to the rural area

**How we will monitor progress**

Measure	Target 2006/07–2008/09	Result
Statutory requirements for the publication of agendas and minutes of Council meetings and public notices are met	100%	<b>2007 Achieved - 100%</b> 2006 New measure for 2007
Council decision making is open and transparent	90% of agenda items are publicly available	<b>2007 Not achieved - 87%</b> 2006 New measure for 2007
Percentage of residents that consider Council’s information is easy to understand	Baseline to be set	<b>2007 - 71%</b> 2006 New measure for 2007
Percentage of residents that believe they are adequately informed about key issues relating to Council	54%	<b>2007 Not achieved - 51%</b> 2006 Not achieved - 48%
Numbers participating in key Council consultation processes	10% increase in numbers participating in consultation on LTCCP	<b>2007 Not achieved - 60%</b> 2006 Baseline - 62% (% of survey respondents participating)
Number of issues of District News to residents	Six per year	<b>2007 Achieved - 6</b> 2006 New measure for 2007
Number of hits on Council’s website	10% increase per year	<b>2007 Not achieved 337,536</b> 2006 Baseline 419,928

Annual Report 2006-2007

Measure	Target 2006/07–2008/09	Result
Percentage of local Maori organisations that consider they have an appropriate relationship with the Council	75%	<b>2007 Not measured – have established formal relationships with five iwi groups</b> 2006 New measure for 2007
Number of partnerships with central government that leverage additional local resources	Six	<b>2007 Achieved - 6</b> 2006 Achieved - 6
Urban Design Protocol is implemented	Complete Action Plan in 2006/07 Undertake actions as outlined in action plan 2007/08/09	<b>2007 Achieved – Input into Walking and Cycling Strategy, Graffiti Trust, and Town Centre Revitalisation.</b> 2006 New measure for 2007
Growth targets in Hingaia and Takanini are achieved	Regional Growth Strategy targets, updated by PDC Plan Change 10, are met	<b>2007 In progress - Plan changes proceeding.</b> 2006 In progress – Plan changes proceeding.
Rail stations are upgraded and developed	<ul style="list-style-type: none"> <li>• Upgrade of Papakura Station complete</li> <li>• Agreement on the location for the Drury Station and Stabling</li> <li>• Agreement on the location of a station for Takanini and the development of a design concept</li> </ul>	<p><b>2007 Achieved – opening August 2007.</b> 2006 New measure for 2007</p> <p><b>2007 In progress – agreement on location expected early-mid 2008.</b> 2006 New measure for 2007</p> <p><b>2007 In progress – location incorporated in Takanini Plan Change 1A. Timetable for design concept yet to be established by ARTA.</b> 2006 New measure for 2007</p>
Number of District Plan changes notified	Two per year	<b>2007 Achieved - 4</b> 2006 New measure for 2007
Percentage of District Plan appeals resolved in the Environment Court that support the Council's District Plan decisions	100%	<b>2007 Achieved – No appeals</b> 2006 New measure for 2007
Percentage of residents satisfied with the state of the built environment in the District	Baseline to be set	<b>2007 - 63%</b> 2006 New measure for 2007
Response to fires in the Rural area is effective	Rural fire alerts are responded to within one hour of notification	<b>2007 Achieved - 100%</b> 2006 New measure for 2007
Civil Defence Emergency Coordinating Centre readiness	One exercise per year	<b>2007 Achieved – Participation in Regional Avian Influenza Pandemic exercise.</b> 2006 New measure for 2007

Papakura District Council

**DEMOCRACY AND PLANNING  
STATEMENT OF COST OF SERVICES  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
	<b>Activity Expenditure</b>		
139,941	Civil Defence and Emergency Management	148,735	160,129
875,889	Democratic Support	814,598	889,946
323,504	Elected Member Costs	350,651	369,880
1,408,674	Policy and Planning	1,135,067	1,182,037
111,194	Strategic Projects	88,886	242,905
6,445	Loss on Disposal of Assets	0	0
<hr/>		<hr/>	<hr/>
<b>2,865,647</b>	<b>Total Activity Expenditure</b>	<b>2,537,937</b>	<b>2,844,897</b>
<hr/>		<hr/>	<hr/>
	<b>Funded by</b>		
2,825,724	Rates	2,579,884	2,897,397
24,360	Fees and Charges	13,856	7,500
3,372	Grants and Subsidies	4,197	0
0	Transfer from/(to) Reserves	(60,000)	(60,000)
<hr/>		<hr/>	<hr/>
<b>2,853,456</b>	<b>Total Funding</b>	<b>2,537,937</b>	<b>2,844,897</b>
<hr/>		<hr/>	<hr/>
12,191	Plus Non-funded Depreciation (refer note below)	0	0
<hr/>		<hr/>	<hr/>
<b>2,865,647</b>		<b>2,537,937</b>	<b>2,844,897</b>
<hr/>		<hr/>	<hr/>

**DEMOCRACY AND PLANNING  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
29,733	Vehicle	0	0
1,952	Plant and Equipment	702	5,000
25,800	Software	0	0
0	Other (refer note below)	0	110,000
154,522	Loan Repayments	0	0
25,743	Transfer to Loan Reserves	21,396	31,300
<hr/>			
<b>237,750</b>	<b>Total Capital Expenditure</b>	<b>22,098</b>	<b>146,300</b>
<hr/>			
	<b>Funded by</b>		
25,743	Rates	22,098	31,300
0	Loans Raised	0	115,000
212,007	Funding from Reserves / Internal Borrowing	0	0
<hr/>			
<b>237,750</b>	<b>Total Funding</b>	<b>22,098</b>	<b>146,300</b>
<hr/>			

**Non-funded Depreciation**

In the 2006 year, non-funded depreciation arose where the depreciation charge exceeded that provided for in the Annual Plan. In this activity the non-funded depreciation was part of the overhead charge allocated from other areas in Council. There is no non-funded depreciation in the 2007 year.

**Other Capital Expenditure**

Other capital expenditure was for an urban design project to be undertaken in Coles Mill Lane. Following the sale of a portion of the property, the project will not now be undertaken.

## **ECONOMIC DEVELOPMENT**

### **What we do**

This activity covers the provision of business support and information, facilitation of events and filming, marketing and promotion of the district, and securing central government support for the District's economic development needs.

### **Why we do it**

This activity contributes to economic well being as follows:

- Providing business support and information contributes to business growth in the District enhancing the range of local employment opportunities for residents and building greater economic prosperity
- Provision and facilitation of events provides cultural, arts and recreational activities that have an economic impact for local businesses and residents and enriches the range of recreational activities in the District
- Marketing and promotion of the District fosters community pride and can contribute to greater economic prosperity through business attraction/retention
- Liaison and advocacy for the District's interests in inter-regional and national economic development projects and contributes to the effective targeting of resources to meet the District's needs

In addition, this activity also contributes to a number of community outcomes:

- Pride in our community and heritage: events contribute to a sense of community pride and belonging
- Marketing and promotion helps build a strong and positive identity
- Town Centre as heart of the District: business support activities assist the development of a strong business presence
- Promotion and events enhance the vibrancy and identity of the town centre
- Releasing the potential of our rangatahi: advocacy and liaison with central government to ensure a range of educational and vocational opportunities are available to young people and youth initiatives are encouraged and supported

### **Negative Effects**

It is considered that the absence of this activity would have a negative impact on community wellbeing and that there are generally no significant negative effects of the activity. As this activity is largely discretionary, the opportunity cost of the activity may be considered to be a negative effect.

### **Key Service Levels**

- The Council will facilitate at least eight events per year.
- The number of attendees at the Enterprise training workshops will meet the targets set in the contract with NZTE

**How we will monitor progress**

<b>Measure</b>	<b>Target 2006/07–2008/09</b>	<b>Result</b>
Number of events held in the District	Nine per year	<b>2007 Achieved – 16</b> 2006 Not Achieved - 8
Satisfaction of event organisers with Council's facilitation service	60%	<b>2007 In progress – survey to be implemented 2007/08</b> 2006 New measure for 2007
Number of small businesses attending Council's business training	NZTE contract targets are met	<b>2007 Not measured – Council no longer contracted by NZTE</b> 2006 New measure for 2007
Percentage growth in the number of businesses in the District	Growth is in line with regional average	<b>2007 Not Achieved -</b> <b>Papakura 1.4%</b> <b>Region 2.5%</b> 2006 Achieved – Papakura 3.8% Region 3.4%
Percentage growth in employment (Full Time Equivalents)	Growth is in line with regional average	<b>2007 Not Achieved –</b> <b>Papakura 6.5%</b> <b>Region 8.4%</b> <b>(% change is for 2 year period 2004-2006)</b> 2006 Statistics not available
The percentage growth in number of building consents issued for new industrial and commercial buildings	Growth is in line with regional average	<b>2007 Not Achieved -</b> <b>Papakura -37%</b> <b>Region -12%</b> 2006 New measure for 2007
The percentage growth in the value of building consents issued for new industrial and commercial buildings	Growth is in line with regional average	<b>2007 Not Achieved -</b> <b>Papakura 0%</b> <b>Region 37%</b> 2006 New measure for 2007
Percentage of business owners that consider the District a good place to operate in	60%	<b>2007 Not Achieved - 55%</b> 2006 Achieved – 61%

Papakura District Council

**ECONOMIC DEVELOPMENT  
STATEMENT OF COST OF SERVICES  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
	<b>Activity Expenditure</b>		
197,610	Business Assistance, Development and Promotion	198,344	207,000
257,113	Economic Development Support	316,854	300,551
110,030	Town Centre Promotion	129,137	138,000
0	Loss on Disposal of Assets	3,106	0
<hr/>		<hr/>	<hr/>
<b>564,753</b>	<b>Total Activity Expenditure</b>	<b>647,441</b>	<b>645,551</b>
<hr/>		<hr/>	<hr/>
	<b>Funded by</b>		
460,109	Rates Revenue	569,909	505,682
35,944	BIZ Funding	0	60,869
53,646	Grants and Subsidies	62,983	67,000
21,479	Fees and Charges	14,549	12,000
(6,852)	Transfer to Reserves	0	0
<hr/>		<hr/>	<hr/>
<b>564,326</b>	<b>Total Funding</b>	<b>647,441</b>	<b>645,551</b>
<hr/>		<hr/>	<hr/>
427	Plus Non-funded Depreciation (refer note below)	0	0
<hr/>		<hr/>	<hr/>
<b>564,753</b>		<b>647,441</b>	<b>645,551</b>
<hr/>		<hr/>	<hr/>

**ECONOMIC DEVELOPMENT  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
3,696	Furniture and Fittings	3,304	0
<b>3,696</b>	<b>Total Capital Expenditure</b>	<b>3,304</b>	<b>0</b>
<b>Funded by</b>			
3,696	General Rates	3,304	0
<b>3,696</b>	<b>Total Funding</b>	<b>3,304</b>	<b>0</b>

**Non-funded Depreciation**

In the 2006 year, non-funded depreciation arose where the depreciation charge exceeded that provided for in the Annual Plan. In this activity the non-funded depreciation was part of the overhead charge allocated from other areas in Council. There is no non-funded depreciation in the 2007 year.

## COMMUNITY DEVELOPMENT

### What we do

The Community Development activity encompasses a wide range of community orientated activities. It includes the Community Development activity, Safer Communities activity, Older Persons Housing, Community Halls, and Citizens Advice Bureau. The Safer Communities activity includes support for anti-graffiti vandalism activities and the neighbourhood support network.

### Why we do it

This activity contributes to a wide range of the Community Outcomes themes as follows:

- Safe and stable community: Safer Communities' primary focus is on crime prevention and Community Development is about creating a sense of belonging for all
- Pride in our community and heritage: crime erodes a sense of pride
- A well planned built environment: Older Persons' Housing provides a valuable social wellbeing and adds to the diversity of housing stock available in the District
- Healthy Lifestyles: Support for a number of organisations with a health focus
- Releasing the potential of our rangatahi: young people is one of the strategic priorities for Community Development. The Local Crime Prevention Plan has a focus on truancy and youth crime.

Specific community outcomes to which there is a contribution from these activities are:

- There is minimal graffiti and littering in the District
- Residents demonstrate commitment to the long-term wellbeing of the District
- Papakura District has a strong and positive identity
- The District's infrastructure is sustainable and caters for the communities diverse needs and activities
- People and communities have access to a range of appropriate health services and resources
- Youth development is supported by role models and mentors
- Quality facilities and events encourage youth participation in recreation and leisure activities
- Youth initiatives within the District are encouraged and supported

### Negative Effects

It is considered that the absence of these activities would have a negative impact on community wellbeing and that there are generally no significant negative effects of these activities. As this activity is largely discretionary, the opportunity cost of the activity may be considered to be a negative effect. In relation to Older Persons Housing, Council is gradually raising rentals to a level where there are no costs to ratepayers in order to ensure that there is equity of treatment between different groups within the community.

### Asset Management

#### Older Persons Housing

Council does not consider it appropriate to play a lead role in the provision of older persons housing. In common with the situation in many areas, the current stock was developed because central government policy was to support such developments by providing interest free loans for this purpose. Accordingly, no assessment has been made of future demand for this service. Council is intending to upgrade the current stock to meet market

demands and maintains the present stock to a reasonable standard according to a rolling schedule. The upgrades are expected to be funded utilising central government funding available for this purpose. Council uses contractors for maintenance.

#### Community Halls

Council does not consider that the provision of community halls is the best way to provide support for an urban community. There is therefore no assessment of future demand leading to the provision of more halls although depreciation is being fully funded on these assets and maintenance is funded from rental income. Maintenance is undertaken by contractors on Council's behalf in line with a scheduled programme of maintenance. There are no plans to undertake renewal of these assets. Maintenance costs are funded utilising depreciation reserves.

Provision is made in the Option Packages for a project to support the consolidation of several Council owned facilities into a Children and Families hub in 2009 and in 2012 it is projected that the population will warrant provision of a Community centre.

#### Key Service Levels

- Council will make grants available to assist with the objectives of community groups - up to \$2,000 per grant.
- Council will provide up to 71 well maintained units for rental for older persons of limited means.

#### How we will monitor progress

Measure	Target 2006/07-2008/09	Result
Number of applications for community grants	30 applications per annum	<b>2007 Achieved – 65</b> 2006 New measure for 2007
Number of people assisted by the Citizens Advice Bureau	Baseline to be set	<b>2007 – 12,002</b> 2006 New measure for 2007
Average occupancy rate for Council housing	95%	<b>2007 Achieved – 97%</b> 2006 New measure for 2007

Papakura District Council

**COMMUNITY DEVELOPMENT  
STATEMENT OF COST OF SERVICES  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
	<b>Activity Expenditure</b>		
63,957	Citizens Advice Bureau	62,954	81,061
393,162	Community Development and Safer Communities	635,536	536,111
252,262	Community Halls	59,645	75,846
143,398	Grants	138,220	123,025
256,246	Housing for the Elderly	270,551	288,826
<hr/>		<hr/>	<hr/>
<b>1,109,025</b>	<b>Total Activity Expenditure</b>	<b>1,166,906</b>	<b>1,104,869</b>
<hr/>		<hr/>	<hr/>
	<b>Funded by</b>		
848,293	Rates	763,845	772,669
257,726	Fees and Charges	287,065	267,200
77,537	Grants and Subsidies	115,996	65,000
(137,600)	Transfer within Activities	0	0
<hr/>		<hr/>	<hr/>
<b>1,045,956</b>	<b>Total Funding</b>	<b>1,166,906</b>	<b>1,104,869</b>
<hr/>		<hr/>	<hr/>
34,160	Housing for the Elderly (Surplus)/Deficit for the year	0	0
28,909	Plus Non-funded Depreciation (refer note below)	0	0
<hr/>		<hr/>	<hr/>
<b>1,109,025</b>		<b>1,166,906</b>	<b>1,104,869</b>
<hr/>		<hr/>	<hr/>

**COMMUNITY DEVELOPMENT  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

Actual 2006 \$		Actual 2007 \$	Budget 2007 \$
0	Elizabeth Campbell Hall	7,000	5,500
2,277	Furniture and Equipment	0	0
20,017	Graffiti Prevention Strategy - Target Hardening	0	40,000
112,344	Hall Upgrades	4,230	36,000
0	Other Capital Expenditure	20,284	34,200
0	Upgrade Don Street Flats (refer note below)	3,475	795,000
930	Transfer to Loan Reserves	0	600
<hr/>			
<b>135,568</b>	<b>Total Capital Expenditure</b>	<b>34,989</b>	<b>911,300</b>
<hr/>			
<b>Funded by</b>			
134,638	Rates	1,859	600
930	Fees and Charges	0	0
0	Grants and Subsidies	0	720,000
0	Funding from Reserves / Internal Borrowing	22,165	160,610
0	Depreciation	10,965	30,090
<hr/>			
<b>135,568</b>	<b>Total Funding</b>	<b>34,989</b>	<b>911,300</b>
<hr/>			

**Non-funded Depreciation**

In the 2006 year non-funded depreciation arose where the depreciation charge exceeded that provided for in the Annual Plan. In this activity the non-funded depreciation arose from Council policy of not funding depreciation on Recreational Assets in accordance with Council's Recreational Asset Maintenance Programme which ensures all assets are adequately maintained. There is no non-funded depreciation in the 2007 year.

**Upgrade Don Street Flats**

The upgrade of Don Street Flats is to be largely funded by way of a suspensory loan from Housing New Zealand. Subsequent to balance date Council received notification that the loan has been approved and the upgrade will now take place in the 2007/08 financial year.

## **CEMETERIES AND PUBLIC CONVENIENCES**

### **What we do**

The Council is the only provider of toilet facilities dedicated solely for the use of the public. Council also provides toilet facilities in a number of community facilities that have varying degrees of public use. The maintenance and operation of the public toilets provided by the Council is contracted to external service providers. The maintenance and operation of semi-public toilets are generally managed by the different organisations responsible for the different facilities.

The Council manages two cemeteries within the District, these being the Papakura Cemetery and the Papakura South Cemetery.

### **Why we do it**

These activities make a significant contribution to broad community well-being with a strong public health emphasis. Both elements generate environmental and social wellbeing. The open space aspects of cemeteries contribute to environmental and social wellbeing. It is considered that the absence of these activities would have a negative impact on community wellbeing and that there are no negative consequences of these activities.

This activity does not have a strong relationship to the Community Outcomes with the only direct connection being that cemeteries contribute to the “pride in our community identity and heritage” outcome theme by connecting the community to its past.

### **Key service levels**

- Council will provide open access for burials to all requesting this service within at least 24 hours of the time requested.
- Council provides public conveniences in defined public locations that are cleaned either daily or weekly dependent on the level of use.

### **Negative Effects**

Public toilets, and to a lesser extent cemeteries, generate negative environmental effects through the generation of wastewater in the case of public toilets and the potential for some groundwater pollution in the case of cemeteries. These effects are relatively minor and are managed through appropriate asset management. The negative effects of these activities are far outweighed by the public benefits.

### **Asset Management**

#### **Cemeteries**

Council has assessed the need for cemeteries based on current trends with an allowance for the impact of increasing growth. This assessment is set out in the 2005 Assessment of Sanitary Services. The two cemeteries in Papakura have sufficient developed capacity to provide interments, at current rates, for more than the next 50 years. While the Papakura cemetery is now closed except to those who have purchased plots in earlier years, the Papakura South cemetery has developed capacity until approximately 2012.

The next development area will provide capacity for a further 9 years. Work is budgeted to begin on the new development area from 2011. Funding for this development will be a combination of loans funding, reserves contributions and developer contributions. The cemeteries are maintained by contractors and maintenance is funded through rates.

**Public Conveniences**

The demand and need for public conveniences is shaped by public opinion as opposed to professionally developed standards. As such, Council has developed a Draft Public Conveniences Policy that provides a framework to guide the provision of public conveniences. In conducting the 2005 Assessment of Sanitary Services, Council decided that more public conveniences were required to meet the needs of the current and future population and that upgrading of a number of existing facilities was also needed. Council uses contractors to clean and maintain the toilet blocks.

In the next five years Council has identified priorities for public conveniences additions and renewals as follows:

- 2005/06 Roselands Shopping Centre (renewal)
- 2006/07 Ray Small Park (new)
- 2007/08 Town Centre (new)
- 2008/09 Coles Crescent (Village Green) (renewal)
- 2009/10 Bruce Pulman Park (new)

**How we will monitor progress**

Measure	Target 2006/07–2008/09	Result
Percentage of burials carried out within 24 hours of the time requested	100%	<b>2007 Achieved – 100%</b> 2006 New measure for 2007
Provision of public conveniences	1 new or upgraded public convenience provided per year	<b>2007 Achieved – 2</b> 2006 New measure for 2007
Percentage of residents satisfied with the provision of public conveniences	75%	<b>2007 Not Achieved – 35%</b> 2006 New measure for 2007

Papakura District Council

**CEMETERIES AND PUBLIC CONVENIENCES  
STATEMENT OF COST OF SERVICES  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
	<b>Activity Expenditure</b>		
185,374	Cemetery	186,137	201,169
86,020	Public Conveniences	151,890	140,756
<hr/>		<hr/>	
<b>271,394</b>	<b>Total Activity Expenditure</b>	<b>338,027</b>	<b>341,925</b>
<hr/>		<hr/>	
	<b>Funded by</b>		
137,827	Rates	176,158	239,598
167,103	Fees and Charges	159,242	99,700
0	Grants and Subsidies	2,627	2,627
(46,758)	Transfer to/(from) Reserves	0	0
<hr/>		<hr/>	
<b>258,172</b>		<b>338,027</b>	<b>341,925</b>
<hr/>		<hr/>	
13,222	Plus Non-funded Depreciation (refer note below)	0	0
<hr/>		<hr/>	
<b>271,394</b>		<b>338,027</b>	<b>341,925</b>
<hr/>		<hr/>	

**CEMETERIES AND PUBLIC CONVENIENCES  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
3,295	Cemetery Development	5,622	15,500
7,973	Conveniences Renewal Programme	254,765	240,000
0	Other Capital Expenditure	6,460	10,000
10,345	Transfer to Loan Reserves	10,700	12,700
<hr/>			
<b>21,613</b>	<b>Total Capital Expenditure</b>	<b>277,547</b>	<b>278,200</b>
<hr/>			
<b>Funded by</b>			
10,345	Rates	10,700	12,700
0	Loans Raised	0	237,200
11,268	Funding from Reserves / Internal Borrowing	260,225	15,500
0	Depreciation	6,622	12,800
<hr/>			
<b>21,613</b>	<b>Total Funding</b>	<b>277,547</b>	<b>278,200</b>
<hr/>			

**Non-funded Depreciation**

In the 2006 year, non-funded depreciation arose where the depreciation charge exceeded that provided for in the Annual Plan. In this activity the non-funded depreciation was part of the overhead charge allocated from other areas in Council. There is no non-funded depreciation in the 2007 year.

## REGULATORY SERVICES

### What we do

The Regulatory Services activity group encompasses the consenting processes of Council and the enforcement of a range of legislation for which Council is responsible. There are four activities within this group of activities: Resource Consents and Monitoring, Building Control, Environmental Health, Animal Control and Parking Control.

The Resource Consents and Monitoring activity administers the provisions of the District Plan and processes resource consent applications, monitors resource consents and undertakes enforcement actions under the Resource Management Act 1991 and local by-laws. Over the next ten years there will be increasing levels of activity with the District experiencing what is expected to be a long period of growth and development particularly in the identified new growth areas of Takanini and Hingaia. Council will also lift levels of service to meet statutory deadlines for resource consents. Fees will be increased slightly to manage this change in levels of service.

The Building Control activity carries out Council's statutory functions under the Building Act 2004 and the Fencing of Swimming Pools Act. The changes to the Building Act in 2004 have significantly increased the levels of statutory assessment and monitoring of building projects. The existing building regulatory structure and systems for both the public and private sectors are being significantly overhauled. The new regulatory structure, with Council required to become a Building Control Authority, must be in place by the end of 2007. This requirement is driving a substantial cost increase in this activity area as well as the need to respond to the accelerated period of growth. Fee increases are recommended to ensure that this activity is fully funded by applicants.

This Environmental Health activity carries out Council's public health and environmental responsibilities under the Health Act 1956 and other relevant statutes and by-laws. The environmental health function includes the licensing and monitoring of premises where food is prepared, liquor license reporting and inspection of premises as required under the Sale of Liquor Act, and controlling excessive noise. Resources are being increased in this area to increase the levels of service in particular in the area of inspection of premises.

The Animal Control activity carries out Council's statutory responsibility for Animal Control with a particular focus on dogs. The Dog Control Act 1996, Impounding Act 1955 and relevant bylaws provide Council the authority to deliver this service. The amendments to the Dog Control Act have increased the level of service required especially with regard to aggressive and unregistered dogs. Funding the dog control activity is primarily from registration fees but there is also a substantial element of rates funding.

The Parking Control activity carries out Council's statutory parking enforcement responsibilities under the Transport Act 1962 and Land Transport (Road User) Rule 2004 and other relevant statutes and Council bylaws. The focus is to enforce compliance with parking control provisions and also to enforce vehicle safety legislation by issuing infringement notices. Levels of service are expected to remain consistent through the next ten years

although an increased population is likely to lead to more personnel to maintain this level of service in the latter years of the plan.

### **Why we do it**

The activities within this group are all statutory responsibilities of Council aimed at improving the overall wellbeing of the community. The community outcomes to which these activities contribute are:

- There is sustainable recreational use of the natural environment
- Access to the natural environment and recreational opportunities is encouraged through integrated physical infrastructure (e.g. roading, walkways)
- Our physical environments enhance personal safety
- A range of quality housing in well-planned neighbourhoods is available throughout the District
- Our important cultural and heritage sites are known and protected
- The town centre is vibrant and attractive
- Beauty and functionality are balanced in our built environment

### **Negative Effects**

Regulatory services are, in most cases, in place to manage the negative effects of other activities. It is considered that the absence of these activities would have a negative impact on community wellbeing and that there are generally no significant negative effects of these activities, although it is important the Council manages the activities to deliver a timely service so as not to impact on economic wellbeing.

### **Key service levels**

- Resource consents will be processed within statutory timeframes
- Building consents will be processed within statutory timeframes
- All food handling premises will be inspected twice per year
- Noise complaints will be responded to in the following timeframes:
  - 95% within one hour
  - 100% within 90 minutes
- Swimming pools will be checked for compliance on a 3 yearly cycle

### **Asset Management**

Council owns a dog pound facility as a minority partner with Manukau City Council. This facility is operating at close to capacity currently. There are proposals to expand the shared dog pound in 2007/08 to accommodate more dogs due to population growth and increasing numbers of aggressive and wandering dogs. This proposal will need to be confirmed by both Councils.

Management of all aspects of the facility (e.g. maintenance and cleaning) is contracted. This service is funded using a combination of rates and user charges. Any increase to the facility will be funded by a combination of development contributions and loans.

**How we will monitor progress**

Measure	Target 2006/07–2008/09	Result
Resource consents are processed within statutory deadlines	100%	<b>2007 Not Achieved – 69%</b> 2006 Not Achieved - Non-notified 33% Notified 20%
Resource consents are monitored	<ul style="list-style-type: none"> <li>• 100% of current consents monitored</li> <li>• Progress on inspecting previously unmonitored consents</li> </ul>	<b>2007 Achieved – 100%</b> 2006 New measure for 2007 <b>2007 Achieved – 100%</b> 2006 New measure for 2007
Building consents are processed within statutory deadlines	100%	<b>2007 Not Achieved – 87%</b> 2006 Not Achieved – 88%
Percentage of food handling premises inspected	100% twice a year	<b>2007 Achieved – 100% twice</b> 2006 Not Achieved – 100% once
Percentage of licensed premises visited to ensure compliance with licensing conditions inspected	100% twice a year	<b>2007 Not Achieved – 76% once</b> 2006 Not Achieved – 100% once
Response to urgent noise control complaints	Attend 95% of urgent noise control complaints within one hour and 100% within 90 minutes	<b>2007 Achieved – 100%</b> 2006 Achieved – 100%
Percentage of private pools monitored annually	33%	<b>2007 Achieved – 58%</b> 2006 Not Achieved – 32%
Number of dogs impounded annually per registered dog population	Reduce compared to 2006 impound rate	<b>2007 Not Achieved – 17%</b> 2006 Baseline – 16%
Town centre parking control	Monitored during work days for at least four hours and two hours on Saturday	<b>2007 Achieved</b> 2006 New measure for 2007
Parking at schools is controlled	Patrolled for parking compliance one day per week	<b>2007 Achieved</b> 2006 New measure for 2007

**REGULATORY SERVICES  
STATEMENT OF COST OF SERVICES  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
	<b>Activity Expenditure</b>		
412,931	Animal Control	516,593	524,191
843,765	Building Control	1,261,818	1,334,435
380,137	Environmental Health, Liquor, Dangerous Goods	369,480	420,241
170,406	Parking Control	238,328	261,544
1,323,700	Resource Consents and Monitoring	1,494,683	1,483,949
<hr/>			
<b>3,130,939</b>	<b>Total Activity Expenditure</b>	<b>3,880,902</b>	<b>4,024,360</b>
<hr/>			
	<b>Funded by</b>		
813,716	Rates	806,466	1,194,669
2,324,050	Fees and Charges	3,074,436	2,829,691
(22,448)	Transfer to Reserves	0	0
<hr/>			
<b>3,115,318</b>	<b>Total Funding</b>	<b>3,880,902</b>	<b>4,024,360</b>
<hr/>			
15,621	Plus Non-funded Depreciation (refer note below)	0	0
<hr/>			
<b>3,130,939</b>		<b>3,880,902</b>	<b>4,024,360</b>
<hr/>			

**REGULATORY SERVICES  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
0	Other Capital Expenditure	6,134	10,000
2,123	Furniture and Fittings	0	0
4,130	Transfer to Loan Reserves	0	5,100
<b>6,253</b>	<b>Total Capital Expenditure</b>	<b>6,134</b>	<b>15,100</b>
<b>Funded by</b>			
6,253	Rates Revenue	6,134	15,100
<b>6,253</b>	<b>Total Funding</b>	<b>6,134</b>	<b>15,100</b>

**Non-funded Depreciation**

In the 2006 year, non-funded depreciation arose where the depreciation charge exceeded that provided for in the Annual Plan. In this activity the non-funded depreciation was part of the overhead charge allocated from other areas in Council, and from the Building control and Resource Consent areas. There is no non-funded depreciation in the 2007 year.

## **WASTE MANAGEMENT AND MINIMISATION**

### **What we do**

Council manages all solid waste activities, promotes solid waste minimisation and manages closed landfills. The policy guiding this activity is the Waste Management Plan 2004. Key activities within this group include collecting and disposing of household waste to controlled landfill, encouraging recycling through the provision of a recycling collection, dealing appropriately with illegal dumping collection and disposal, litter, landfill aftercare and inorganic waste through an annual inorganic collection. Waste minimisation education and encouragement is also an important activity within this group.

A key change being implemented from July 2006 is direct charging for the collection of household waste. This is expected to increase quantities of refuse being recycled and decrease household waste going to landfill. This is the most significant change in the waste programme and budget and is expected to result in a net reduction of \$1,000,000 per annum in cost to ratepayers.

### **Why we do it**

The waste management and minimisation activity makes a contribution to community wellbeing with a strong environmental and public health emphasis. There is a direct contribution to the following community outcomes:

- People take collective responsibility for our natural environment
- Our physical environments enhance personal safety
- There is minimal graffiti and littering in the District

The collection and disposal of most non-commercial solid waste is a traditional responsibility of Councils in urban areas. In addition, Councils have a statutory obligation to develop and implement a Waste Management Plan and are legally required to manage closed landfills and hazardous sites.

### **Negative Effects**

The generation of waste and its disposal to landfill has significant negative environmental and economic (on-going financial cost to the community) effects. The key environmental effect is the leachate produced which contaminates the land and groundwater systems. The use of the land for landfill also prevents its availability for productive uses. This activity also aims to minimise these negative effects through the minimisation of waste generation and the responsible management of closed landfills.

### **Key Service Levels**

- All domestic refuse will be collected weekly
- An inorganic refuse collection will be undertaken once per year
- Council's closed landfills will be monitored in line with the requirements of the relevant resource consent conditions

**How we will monitor progress**

Measure	Target 2006/07–2008/09	Result
Response to missed rubbish or recycling collections	Collected within 24 hours	<b>2007 Achieved – Refuse 100% Not Achieved – Recycling, below 100% for 2 of 8 months measured.</b>  2006 New measure for 2007
Reduction in household waste going to landfill	2006/07 9 kg / week / household as measured through waste audit	<b>2007 Achieved – 6.9kg/wk</b>  2006 Not Achieved – 9.3kg/wk
Number of schools with a Wastebuster Club (aimed at motivating children to reduce waste).	2007 – 6 schools 2008 – 10 schools 2009 – 13 schools	<b>2007 Achieved – 12</b>  2006 New measure for 2007
Increase tonnage of household waste that is recycled	5% increase per annum	<b>2007 Achieved – 15%</b>  2006 Baseline – 3351 tonnes
Annual inorganic collection for each household	Inorganic refuse collected within the week notified to household	<b>2007 Achieved</b>  2006 New measure for 2007
Response to illegal dumping of rubbish	Resolved in 24 hours if there is a public health issue; otherwise within one week	<b>2007 Achieved -100%</b>  2006 New measure for 2007
Response to loose litter	Urgent cases resolved within 24 hours; otherwise weekly collection	<b>2007 Achieved -100%</b>  2006 New measure for 2007
Response to abandoned vehicles	<ul style="list-style-type: none"> <li>• Investigation commenced within two days</li> <li>• Removal within two days of request to tow</li> </ul>	<b>2007 Not Achieved - 97%</b> 2006 New measure for 2007  <b>2007 Not Achieved - 30%</b> 2006 New measure for 2007
Council closed landfills are monitored according to consents	100% compliance	<b>2007 Achieved – 100%</b>  2006 Achieved – 100%

**WASTE MANAGEMENT AND MINIMISATION  
STATEMENT OF COST OF SERVICES  
FOR THE YEAR ENDED 30 JUNE 2007**

Actual 2006 \$		Actual 2007 \$	Budget 2007 \$
	<b>Activity Expenditure</b>		
599,006	Administration and Overheads	578,241	539,349
246,345	Annual Inorganic Collection	313,002	303,000
284,932	Household Recycling Collection	390,971	336,000
894,435	Household Refuse Collection	575,093	740,000
(240,337)	Landfill Aftercare	43,213	51,521
254,449	Litter and Illegal Dumping Collection	390,414	368,000
<hr/>			
<b>2,038,830</b>	<b>Total Activity Expenditure</b>	<b>2,290,934</b>	<b>2,337,870</b>
<hr/>			
	<b>Funded by</b>		
155,174	Rates Revenue	1,300,962	1,344,149
2,256,595	Refuse Rates	0	0
250	Fees and Charges	989,972	1,113,200
(378,805)	Non-funded time value of money	0	0
0	Transfer to/(from) Reserves	0	(119,479)
<hr/>			
<b>2,033,214</b>	<b>Total Funding</b>	<b>2,290,934</b>	<b>2,337,870</b>
<hr/>			
5,616	Plus Non-funded Depreciation (refer note below)	0	0
<hr/>			
<b>2,038,830</b>		<b>2,290,934</b>	<b>2,337,870</b>
<hr/>			

**WASTE MANAGEMENT AND MINIMISATION  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
0	Litter Bin Replacement	96,083	85,000
39,338	Loan Principal Repayments	0	0
14,992	Transfer to Loan Reserves	7,098	13,900
<hr/>		<hr/>	<hr/>
<b>54,330</b>	<b>Total Capital Expenditure</b>	<b>103,181</b>	<b>98,900</b>
<hr/>		<hr/>	<hr/>
	<b>Funded by</b>		
14,992	Rates Revenue	7,098	13,900
39,338	Transfer from Reserves	96,083	0
0	Loans Raised	0	85,000
<hr/>		<hr/>	<hr/>
<b>54,330</b>	<b>Total Funding</b>	<b>103,181</b>	<b>98,900</b>
<hr/>		<hr/>	<hr/>

**Non-funded Depreciation**

In the 2006 year, non-funded depreciation arose where the depreciation charge exceeded that provided for in the Annual Plan. In this activity the non-funded depreciation was part of the overhead charge allocated from other areas in Council. There is no non-funded depreciation in the 2007 year.

## **WATER SUPPLY AND WASTEWATER**

### **What Council does**

Council does not operate a water supply or a sewerage reticulation and disposal system. Council's role is limited to one of monitoring delivery of services and co-ordination of delivery of other services and infrastructure. Operation of the franchise agreement is monitored by annual independent reviews of the franchise holder's pricing structure and five-yearly reviews of the condition of the assets. The water and wastewater network assets (namely the pipes, pumps and associated equipment) remain in public ownership.

### **What United Water does**

The water supply and sewerage reticulation and disposal system is operated by United Water International Pty Ltd (UWI) under a long-term franchise agreement: the Papakura District Water and Wastewater Franchise Agreement. This is essentially a facilities maintenance and operations contract under which UWI is responsible for all aspects of delivering these services within the district (including administration and billing). The contract term is 30 years with provision for renewal for a further 20 years and the agreement was signed in 1997.

The agreed objectives of the Franchise are to: (abridged)

- (a) "...maximise the benefits accruing to the customers of the supplier consistent with a fair commercial return to the Supplier and the resumption of possession of the Infrastructural Assets by PDC at the end of the term in an overall condition better than the initial condition..."
  
- (b) "..... exercising its commercial judgement act as a good steward of the infrastructural Assets ..... for the benefit of the ratepayers of Papakura District"

Water quality is assessed by the Ministry of Health and Watercare Services Limited (WSL) and the results monitored by Council.

### **Why we do it**

Ensuring there is provision of water and wastewater services supports Council's responsibilities in the social, economic and environmental wellbeings. Under the terms of the Franchise Agreement, Council's key role is one of monitoring and this directly supports the Community Outcome "The District's infrastructure is sustainable and caters for the community's diverse needs and activities".

### **Negative Effects**

While the water and wastewater services may generate some negative effects, Council's role in monitoring delivery of these services is not considered to have a negative effect. It is considered that the absence of this activity would have a negative impact on community wellbeing.

### **Key Service Levels**

Council is not the provider of the water supply but it has set a key service standard that the supplier must meet – Water is to be provided to every household in the reticulated area at the Aa standard.

UWI, as the service provider has developed a customer charter which sets out key service levels as follows:

- quality of drinking water is maintained with respect to taste, odour and colour
- planned interruptions to supply will be notified at least 3 days in advance
- unplanned interruptions to supply will be restored within 3 hours

Council is not the provider of the waste water service but it has set a key service standard that the supplier must meet – A waste water service must be provided to all households in the urban area.

UWI's key service levels as expressed in their customer charter are:

- Overflows or blockages in the wastewater main will be responded to within 3 hours
- New water meters will be installed upon payment.

### **Asset Management**

A key factor in the Franchise Agreement is the contractual requirement that UWI has for ongoing management and development of the infrastructure. Council cannot normally therefore directly influence the nature or timing of development projects other than through its separate regulatory role.

The proposed future development of the Hingaia Peninsula will require additional water and wastewater infrastructure.

The Drury Wastewater Treatment Plant is also nearing the end of its economic life. Council has come to an agreement with UWI and WSL to disestablish this plant and to construct a pump station and trunk main for delivery of the wastewater from these areas to the WSL facility at Mangere. Council has agreed to sell the site of the existing plant to WSL for this purpose.

The construction of this additional infrastructure will be undertaken by UWI and WSL and is therefore not expected to have any direct impact on Council budgets. However Council is currently examining the funding mechanisms used to charge developers for the costs of such infrastructure.

**How we monitor progress**

**Water Supply**

<b>Measure</b>	<b>Target 2006/07–2008/09</b>	<b>Result</b>
The performance of the Water and Wastewater Franchise agreement is monitored annually and five yearly	Annual monitoring report produced for Council within 3 months of receiving UWI's audited Annual report  Five yearly report produced within 6 months of receiving UWI's audited Annual report	<b>2007 Achieved – Mar 07</b> 2006 Achieved – Apr 06  <b>2007 Report due 2007/08</b>
United Water pricing to consumers is below average regional costs	Costs are below average	<b>2007 Achieved</b> 2006 Achieved
National drinking water quality standards are met	Aa standard achieved	<b>2007 Achieved – Aa</b> 2006 Achieved – Aa

**Wastewater**

<b>Measure</b>	<b>Target 2006/07–2008/09</b>	<b>Result</b>
The terms of the water and wastewater franchise agreement are monitored annually and five yearly	Annual monitoring report produced for Council within 3 months of receiving UWI's audited Annual report  Five yearly report produced within 6 months of receiving UWI's audited Annual report	<b>2007 Achieved – Mar 07</b> 2006 Achieved – Apr 06  <b>2007 Report due 2007/08</b>
United Water tariffs are below average regional costs	Costs are below average	<b>2007 Achieved</b> 2006 Achieved
The condition grades for the wastewater networks are maintained as per the franchise agreement	Condition grades are in line with the franchise agreement	<b>2007 Review due Dec 2007</b>

**WATER SUPPLY AND WASTEWATER  
STATEMENT OF COST OF SERVICES  
FOR THE YEAR ENDED 30 JUNE 2007**

Actual 2006 \$		Actual 2007 \$	Budget 2007 \$
	<b>Activity Expenditure</b>		
1,839,176	Franchise Management and Monitoring	1,729,404	194,856
1,087,487	Interest Charge - Franchise Fee	1,084,381	0
<b>2,926,663</b>	<b>Total Activity Expenditure</b>	<b>2,813,785</b>	<b>194,856</b>
	<b>Funded by</b>		
205,719	Rates Revenue	43,470	194,856
1,124,023	Deferred Revenue Franchise Fee	1,124,023	0
<b>1,329,742</b>	<b>Total Funding</b>	<b>1,167,493</b>	<b>194,856</b>
1,596,921	Plus Non-funded Depreciation (refer note below)	1,646,292	0
<b>2,926,663</b>		<b>2,813,785</b>	<b>194,856</b>

**SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

No Capital Expenditure was incurred.

**Non-funded Depreciation**

Non-funded depreciation arises where the depreciation charge exceeds that provided for in the Annual Plan. In both years the non-funded depreciation is depreciation on the assets managed by United Water International Limited. This depreciation charge is introduced for the first time in this Annual Report due to the transition to NZ IFRS. It was not anticipated at the time the budget was prepared and therefore is not funded for either the 2006 or 2007 year. The 2006 year non-funded depreciation also included part of the overhead charge allocated from other areas in Council.

## STORMWATER

### What we do

Effective management of the District stormwater infrastructure allows the Council to manage the risks to property and people from flooding, and to improve environmental outcomes through the quality of stormwater run-off entering our streams and harbour.

The current public stormwater infrastructure includes 10 water quality treatment plants, 163 kilometres of pipe networks, 3300 inspection hatches and numerous open channels.

In addition to management of the stormwater infrastructure, Council delivers community education programmes to communicate the importance of water and the water-related environment.

### Why we do it

This activity supports the Community Outcomes in the following areas:

- Sustainable recreational use of the natural environment – through quality improvements to the natural water environment
- Physical environments enhance personal safety – through protection from flooding
- The District's infrastructure is sustainable and caters for the community's diverse needs and activities

### Negative Effects

The Stormwater activity largely exists to manage the negative effects of other activities which may generate flooding problems and water quality issues. The activity itself may generate negative environmental effects from the piping of waterways or creation of stormwater ponds impacting on the current ecological condition. However, it is considered that the absence of the activity would have a major negative impact on community wellbeing.

### Key Service Levels

Maintaining and developing drainage systems for the collection and disposal of stormwater. The Council ensures that all primary piped systems installed in the urban area (both private and public) meet the 1 in 5 year storm design standard. Similarly, that open channels and overland flowpaths meet the 1 in 100 year storm design standard and bridge structures and culverts meet the 1 in 100 year storm design standard. The level of service in both rural and urban catchments is increasing in line with the priorities identified through the condition rating assessment process.

Council is increasing the levels of service regarding a substantive response to complaints about Stormwater matters as follows:

2006/07	68% of complaints responded to within 3 days
2007/08	71% of complaints responded to within 3 days
2008/09	75% of complaints responded to within 3 days. No service level has been set in relation to the balance of complaints.

### **Asset Management**

The assessment of current provision of services and future demand for stormwater management is an on-going process that is being developed on several fronts. From a planning perspective, the key process is one of integrated catchment studies: a district-wide study integrating all aspects of stormwater in order to set the framework for managing for future growth and addressing existing water-related issues. This study is expected to take four years to complete. The Integrated Catchment Management Plan (ICMP) will provide valuable background information which will guide the Council's investment decisions in stormwater infrastructure for both new development areas and existing areas with stormwater and water related environmental issues.

In order to improve service standards and manage infrastructure more effectively and efficiently, it is planned to move from basic to advanced asset management practice. The works involved in this commitment will be carried out during the next 10 years.

In terms of physical assets, Council's Asset Management Plans relate to only those assets owned by Council including stormwater pipes, open public drains, culverts on public drains, stopbanks, outfall structures and water quality devices including treatment ponds. There is a substantial capital works programme over the next ten years to provide infrastructure timed to meet existing growth predictions and address current problems of inadequate stormwater provision. Council's in-house team acts as contract managers for all maintenance and renewal or new asset projects.

### **Key Financial Information**

The first three years of the ten year period have a substantial investment in the preparation of the Integrated Catchment Management Plan for the District. This study commenced in 2005/06 and is expected to take four years to complete. The total cost of the initial study, including the current year, is \$3.966 million. The contribution from Auckland Regional Holdings funds is expected to be \$2.974 million over this same period.

The capital works programme timing has been structured taking into account:

- The availability of the data from the ICMP – so that where projects are able to be delayed to utilise this information they are programmed for the later years of the LTCCP
- The expected demands of growth in the District- so that new infrastructure provision meets the needs of new development
- The need to address existing flooding or water quality issues – so that the highest priority problem areas are addressed in the early years of the LTCCP

### **Operational costs**

Operational costs for the 2006/07 baseline budget (year 1 of the LTCCP) have increased by approximately \$630,000 from 2005/06. The most significant component of this increased cost is loan costs (\$288,000) and depreciation (\$332,000). Other changes are relatively minor in effect. This pattern is repeated throughout the 10 year period as the effect of the capital works programme escalates both loan costs and depreciation.

### **Capital costs**

The key categories of expenditure in the capital works programme are to address renewing existing assets, upgrades for existing flooding and quality issues, new infrastructure for growth and long term planning projects.

### **Renewals**

Renewal of existing assets is provided for at a minimum level of \$300,000 for the first four years, rising to \$400,000 for the next 4 years and \$500,000 for the remaining two years. The increase recognises both the growth in the asset base and the need to raise the level of service over a period of time. Renewals are funded by utilising depreciation.

### **Upgrades for existing flooding and quality issues**

The major projects in this category, in the first three years of the plan include:

- Elliott Street (\$1.74 million 2009-2011)
- Rosehill (\$646,000 2008-2010)
- Drury area (\$616,000 2009-2011)
- Takanini South (\$1.83 million 2007-2012)
- Marne Road (\$766,000 2007-2008)
- Kelvin Road (\$749,000 2009-2011)
- Town Centre (\$500,000 2007)

### **New Infrastructure for growth**

The major projects in this category in the first three years of the plan, timed to coincide with expected growth, are:

- Chichester Drive – underway (\$300,000 2007)
- Old Wairoa Road (\$2.6 million– spread over most of the 10 years)
- Croskery – area 2c (\$130,000 2008-2009)
- Artillery Drive tunnel (\$4.6 million 2007-2009)

Growth projects are funded either directly by developers or over time through developer contributions.

**How we will monitor progress**

<b>Measure</b>	<b>Target 2006/07–2008/09</b>	<b>Result</b>
Development of integrated catchment management plan	Completed by 2010	<b>2007 In progress</b> 2006 New measure for 2007
Percentage of service requests for stormwater problems attended within three days	2006-07 68% 2007-08 71% 2008-09 75%	<b>2007 Achieved – 86%</b> 2006 Achieved – 72%
Auditing and monitoring of flood hazard areas	50% complete by 2009	<b>2007 In progress</b> 2006 In progress
Maintenance and upgrade of stormwater network	Complete upgrades as provided for in LTCCP	<b>2007 Not Achieved – delayed projects to continue during 2007/08</b> 2006 New measure for 2007
Reduce number of service failures through network improvements	2006-07 – 240 2007-08 – 230 2008-09 – 220	<b>2007 Achieved</b> 2006 New measure for 2007
Reduce flooding to habitable floors in the event of a 100 year storm	2006-07 – 70 2007-08 – 67 2008-09 – 64	<b>2007 Measurement process in development</b> 2006 New measure for 2007
Reduce flooding to other types of private property in the event of a 100 year storm	2006-07 – 2800 2007-08 – 2725 2008-09 – 2650	<b>2007 Measurement process in development</b> 2006 New measure for 2007

**STORMWATER  
STATEMENT OF COST OF SERVICES  
FOR THE YEAR ENDED 30 JUNE 2007**

Actual 2006 \$		Actual 2007 \$	Budget 2007 \$
	<b>Activity Expenditure</b>		
641,572	Administration and Overheads	834,936	812,181
1,241,205	Depreciation	1,463,266	1,448,000
114,002	Forward Planning Projects	186,590	169,000
294,602	Operations and Maintenance	389,500	368,000
391,746	Interest	455,080	508,000
<hr/>			
<b>2,683,127</b>	<b>Total Activity Expenditure</b>	<b>3,329,372</b>	<b>3,305,181</b>
<hr/>			
	<b>Funded by</b>		
2,271,779	Rates Revenue	2,736,910	2,687,681
0	Fees and Charges	208,462	233,500
276,257	Depreciation	384,000	384,000
<hr/>			
<b>2,548,036</b>	<b>Total Funding</b>	<b>3,329,372</b>	<b>3,305,181</b>
<hr/>			
135,091	Plus Non-funded Depreciation (refer note below)	0	0
<hr/>			
<b>2,683,127</b>		<b>3,329,372</b>	<b>3,305,181</b>
<hr/>			

Papakura District Council

**STORMWATER  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
0	Alfriston Stormwater Works	0	75,000
7,546	Arimu Road Stormwater Upgrade	244,667	0
0	Artillery Drive Tunnel to Inlet (refer note below)	0	2,750,000
4,050	CBD Stormwater Improvement	841,926	1,190,000
362,667	Chichester Road Pipework	480	300,000
149,019	Condition Survey and Criticality Study	0	0
320	Drury Stormwater Pipe Upgrade	0	49,000
6,739	Drury Triangle (refer note below)	22,800	1,000,000
890	Furniture and Fittings	5,595	0
142,334	GIS Data Capture and Validation	109,843	75,000
0	Greenhaven Ave Flood Protection (Piping Stream)	0	300,000
875	Hingaia Catchment Management Plan - Stage 1a (refer note below)	0	1,900,000
0	Hingaia North Catchment Land and Structures	1,444,597	1,610,000
369,994	Integrated Catchment Management Plans (refer note below)	718,665	1,822,800
21,698	Longford Park Pond Improvement	0	0
0	Marne Road Stormwater Upgrade	0	350,000
0	Network Upgrade	268,927	300,000
0	Old Wairoa Road Sub-catchment Network	156,550	0
436,171	Old Wairoa/Artillery Drive Pond	4,751	0
40,250	Overland Flow Paths and Hazard Mapping Study	0	0
96,626	Pipe Network for Tanah Merah Drive	110,122	0
170,360	Pipeline Renewals	29,582	300,000
0	Piping Open Drain along Railway	0	40,000
58,303	Piping Watercourse - Old Wairoa Road	0	0
55,810	Preliminary Scoping Design for future works	42,525	75,000
0	Rain Gauges	2,227	45,000
17,126	Rangi Road Pond	0	0
13,376	Recontour Westholm Way Stormwater	524	60,000
0	Risk Management/Critical Assets	28,646	100,000
225,967	Spartan Catchment Works	0	0
6,770	Stormwater Modelling Tool	0	0
0	Takanini South Sub-catchment Network	22,012	0
121,450	Waimana Reserve-Takanini Road Trunk Line (refer note below)	6,174,218	5,115,000
35,748	Term Liabilities Repaid	0	0
341,955	Transfer to Loan Reserves	173,160	222,600
<b>2,686,044</b>	<b>Total Capital Expenditure</b>	<b>10,401,817</b>	<b>17,679,400</b>

**STORMWATER  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

Actual 2006 \$		Actual 2007 \$	Budget 2007 \$
	<b>Funded by</b>		
890	Rates Revenue	173,160	222,600
863,619	Subsidy	81,520	1,028,250
0	Assets Vested in Council	0	800,000
626,364	Depreciation	1,064,000	1,064,000
420,072	Contribution Reserve	0	1,643,399
775,099	Funding from Reserves / Internal Borrowing	9,083,137	4,108,090
0	Loans Raised	0	8,813,061
<b>2,686,044</b>	<b>Total Funding</b>	<b>10,401,817</b>	<b>17,679,400</b>

**Non-funded Depreciation**

In the 2006 year, non-funded depreciation arose where the depreciation charge exceeded that provided for in the Annual Plan. In this activity the non-funded depreciation was part of the overhead charge allocated from other areas in Council, and from the Stormwater activity. There is no non-funded depreciation in the 2007 year.

**Artillery Drive Tunnel to Inlet**

This project, which is linked to the development of the area, has been delayed and is now programmed for the construction season in 2008.

**Drury Triangle**

The project is currently underway and is at the design and tender stage.

**Hingaia Catchment Management Plan - Stage 1a**

The project timetable is driven by developers and is therefore out of the control of Council.

**Integrated Catchment Management Plans**

The project was revised due to changes in the timing of the external funding.

**Waimana Reserve-Takanini Road Trunk Line**

The project has been completed and enables further development to occur in the Takanini area. Detail design works identified that a different magnitude of treatment device was required than was originally anticipated for the project, which is reflected in the difference between the actual cost and the original budget cost.

## **ARTS AND CULTURE**

### **What we do**

The Arts and Culture activity has two main areas: provision of facilities and services such as the Sir Edmund Hillary Library and Hawkins Events and Conference Centre; and support for arts and culture organisations such as the Papakura Arts Board and Papakura and Districts Historical Society.

### **Why we do it**

This activity contributes to the following specific Community Outcomes:

- The District has well developed and maintained centres for arts and recreation activities
- Papakura District has a strong and positive identity
- Our important cultural and heritage sites are known and protected
- People have access to and are encouraged to participate in a range of activities that promote personal health and wellbeing
- Quality facilities and events encourage youth participation in recreation and leisure activities

### **Negative Effects**

It is considered that the absence of these activities would have a negative impact on community wellbeing and that there are generally no significant negative effects of these activities. While the provision of library services is seen by the majority of the community as a core Council service, other elements of this activity group are regarded as more discretionary. The opportunity cost of the discretionary aspects of this activity may be considered to be a negative effect.

### **Key Service Levels**

The service levels for the Library are that the Library is open for six days a week for between 7 to 11 hours per day.

### **Asset Management**

Council has not yet developed an overarching Arts and Culture strategy and, in the absence of any nationally agreed standards for the level of provision in relation to Arts and Cultural activities, the focus for asset management in the Arts and Culture activity area is generally on appropriate maintenance and renewal of current assets. Council contracts the management and maintenance of all of its major facilities in this area.

Council has a view that there is an under provision of cultural facilities in the District and has proposed that it supports the community development of a major facility. This is provided for in the Arts and Culture budget package.



Papakura District Council

**ARTS AND CULTURE  
STATEMENT OF COST OF SERVICES  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
	<b>Activity Expenditure</b>		
129,971	Arts and Culture	243,627	171,352
1,319,729	Library	1,376,611	1,502,141
18,444	Loss on Disposal of Assets	7,942	0
<b>1,468,144</b>	<b>Total Activity Expenditure</b>	<b>1,628,180</b>	<b>1,673,493</b>
	<b>Funded by</b>		
1,186,845	Rates Revenue	1,568,752	1,623,393
53,763	Fees and Charges	59,428	50,100
<b>1,240,608</b>	<b>Total Funding</b>	<b>1,628,180</b>	<b>1,673,493</b>
227,536	Plus Non-funded Depreciation (refer note below)	0	0
<b>1,468,144</b>		<b>1,628,180</b>	<b>1,673,493</b>

**ARTS AND CULTURE  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
0	Arts and Culture Centre (refer note below)	0	2,000,000
0	eLGAR Cataloguing System	0	100,000
83,348	Hawkins Centre Equipment	33,741	119,000
176,675	Library Books	195,958	200,000
5,224	Other Capital Expenditure	20,813	39,300
19,645	Transfer to Loan Reserves	14,802	16,700
<b>284,892</b>	<b>Total Capital Expenditure</b>	<b>265,314</b>	<b>2,475,000</b>
<b>Funded by</b>			
139,390	Rates Revenue	21,518	16,700
144,000	Depreciation	243,255	226,200
1,502	Funding from Reserves / Internal Borrowing	541	0
0	Loans Raised	0	2,232,100
<b>284,892</b>	<b>Total Funding</b>	<b>265,314</b>	<b>2,475,000</b>

**Non-funded Depreciation**

In the 2006 year, non-funded depreciation arose where the depreciation charge exceeded that provided for in the Annual Plan. In this activity the non-funded depreciation was part of the overhead charge allocated from other areas in Council. There is no non-funded depreciation in the 2007 year.

**Arts and Culture Centre**

Consultation on the concept has been completed and the project is now proceeding to the next stage. The delay in construction is mainly due to the extra work undertaken to assess the community's requirements for the new facility.

## **PARKS AND RECREATION**

### **What we do**

The Parks and Recreation activity encompasses the provision of parks and reserves (and associated facilities) and recreation facilities such as the Aquatic Centre and Recreation Centre. The budget for the activity includes maintenance and operations, renewals, capital works, and management.

### **Why we do it**

The activity group directly contributes to the achievement of the following community outcomes:

- Appropriate recreational facilities are available around water and forest areas
- Sustainable recreational use of the natural environment
- Encouraging access to the natural environment and recreational opportunities through integrated physical infrastructure
- Physical environments which enhance personal safety
- A range of quality housing in well-planned neighbourhoods available throughout the District
- The district has well developed and maintained centres for arts and recreation activities
- A variety of accessible and attractive places and opportunities for recreational activity catering for people of all ages and abilities
- People are healthy through involvement in recreational activity
- Identification and protection of important cultural and heritage sites
- Papakura District has a strong and positive identity
- District infrastructure that is sustainable and caters for the community's diverse needs and activities
- New developments that are designed to enhance people's quality of life, health and social connectedness
- A balance of beauty and functionality in our built environment
- Promoting healthy lifestyle choices through the way we plan and use our environment
- People have access to and are encouraged to participate in a range of activities that promote personal health and wellbeing
- Quality facilities and events encourage youth participation in recreation and leisure activities

### **Negative Effects**

It is considered that the absence of this activity would have a negative impact on community wellbeing and that there are generally no significant negative effects of the activity. As this activity has many discretionary elements (e.g. the levels of service may vary hugely for maintenance of a reserve), the opportunity cost of the discretionary elements of the activity may be considered to be a negative effect. The aquatic centre is a large user of energy. The use of fossil fuels to generate this energy has a negative impact on the environment.

### **Key Service Levels**

- Council will provide swimming facilities at the Massey Park Aquatic Centre that meet the levels of service provided in the management contract (note: there is an extensive list of service levels in the contract across a wide range of issues).

- New walkways and cycleways will be provided over the 10-year period. The extent of provision is dependent on community views.
- The grass length on parks and reserves will be maintained at between 20mm and 50mm for high amenity areas or 25mm and 60mm for other areas.
- Information is being gathered on the appropriate levels of service and corresponding measures for the provision of hard courts, sports fields, open space and playgrounds.

### **Asset Management**

Council owns and manages an extensive network of parks, reserves and associated recreational facilities.

In relation to sportsfields, there are 14 parks with sportsfields in the District. Assessments of provision for current population show a level of provision in excess of regional standards. The focus for Council in the ten year period of the plan is on the provision of new fields located in the areas currently underprovided or where there is new population (e.g. Hingaia). Funding will be either through development contributions or financial contributions.

Council owns 33 parks with play areas containing recreational equipment. Assessment of current provision indicates that there is currently a level of under provision when compared with national averages. The playground areas are also unevenly distributed throughout the District. There is an accelerated programme of playground provision in the early years of the LTCCP in order to address some of these issues as well as continued provision of new assets in the latter years to respond to a growing population. Funding for these assets is generally provided via financial contributions.

There are 99 passive recreation reserves throughout the District. While the total level of provision per capita is relatively high (6ha per 1000), much of this area is not readily available for passive recreation. Council's key focus in the early years of the LTCCP is on opportunities for the provision of neighbourhood reserves. Maintenance on all Council reserves is undertaken under contract.

The Recreation Centre and Aquatic Centre are both maintained through its management contract in order to continue to provide the same level of service throughout the period of the LTCCP.

The Aquatic Centre is not considered to be at capacity usage currently. There is a proposal to consider a significant upgrade of facilities in the budget packages but this is to respond to expected service demands rather than to provide access.

This group of activities contributes primarily to the cultural and social wellbeing of the community and the only negative impacts arise through the opportunity cost of the activity.

**How we will monitor progress**

<b>Measure</b>	<b>Target 2006/07–2008/09</b>	<b>Result</b>
Number of visitors to the Aquatic Centre	250,000	<b>2007 Not Achieved – 193,091</b> 2006 Not Achieved – 210,841
Levels of service specified in the Aquatic Centre management contract are met	100% of service levels met	<b>2007 Not Achieved – 90%</b> 2006 Achieved - 90%
Percentage of Aquatic Centre users satisfied with the facilities and service	90%	<b>2007 Achieved - 90%</b> 2006 Achieved – 100%
Number of leisure visitors to the Recreation Centre	Baseline to be set	<b>2007 – 78,622</b> 2006 New measure for 2007
Adequacy of provision measures being developed for hard courts	Baseline to be set	<b>2007 Measure in development</b> 2006 New measure for 2007
Adequacy of provision measures being developed for sports fields and open spaces	Baseline to be set	<b>2007 Measure in development</b> 2006 New measure for 2007
Level of service for facilities (e.g. playgrounds) on parks	Baseline to be set	<b>2007 Measure in development</b> 2006 New measure for 2007
Percentage of residents satisfied with facilities on parks (playgrounds, toilets etc)	2006/07 - 57% 2007/08 – 65% 2008/09 – 70%	<b>2007 Achieved – 57%</b> 2006 Not Achieved – 46%
Level of service for reserves <ul style="list-style-type: none"> <li>• Grass height on high amenity turf</li> </ul>	Between 20mm and 50mm	<b>2007 Not Achieved – 93%</b> 2006 New measure for 2007
<ul style="list-style-type: none"> <li>• Grass height on amenity turf</li> </ul>	Between 25mm and 60mm	<b>2007 Not Achieved – 93%</b> 2006 New measure for 2007
Percentage of residents satisfied with open space in the District	85%	<b>2007 Achieved – 85%</b> 2006 Not Achieved – 83%
New walkways and cycleways	To be confirmed	<b>2007 – 5 new walkways</b> 2006 New measure for 2007

**PARKS AND RECREATION  
STATEMENT OF COST OF SERVICES  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
	<b>Cost of Services</b>		
2,239,539	Reserves	2,625,458	2,488,990
1,146,267	Aquatic Centre	1,278,002	1,330,781
7,613	Loss on Disposal of Assets	2,499	0
<hr/>		<hr/>	<hr/>
<b>3,393,419</b>	<b>Total Activity Expenditure</b>	<b>3,905,959</b>	<b>3,819,771</b>
<hr/>		<hr/>	<hr/>
	<b>Funded by</b>		
2,906,606	Rates Revenue	3,890,624	3,812,261
6,448	Fees and Charges	15,335	7,510
6,181	Transfer from Reserves	0	0
<hr/>		<hr/>	<hr/>
2,919,235	<b>Total Funding</b>	3,905,959	3,819,771
<hr/>		<hr/>	<hr/>
474,184	Plus Non-funded Depreciation (refer note below)	0	0
<hr/>		<hr/>	<hr/>
<b>3,393,419</b>		<b>3,905,959</b>	<b>3,819,771</b>
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Papakura District Council

**PARKS AND RECREATION  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
0	Amenity Blocks	55,686	168,000
2,200	Barrier Free Improvements	0	50,000
0	District Signage	0	75,000
400	Fencing etc Slippery/Hingaia	0	0
19,411	Fencing Prince Edward Park	0	0
21,974	Foreshore Access	81,435	0
25,169	Massey Park Stadium Upgrade	42,527	0
0	Neighbourhood Reserves (refer note below)	1,654,566	6,026,007
0	Other Capital Expenditure	1,352	108,000
0	Open Space for Youth	37,484	65,000
24,287	Park Amenity Improvements	154,905	60,000
0	Pahurehure Management Plan	29,992	174,000
85,809	Plant and Equipment	0	0
108,466	Playground Development	140,615	161,000
0	Pool Operations	258,229	231,000
0	Recreation and Fitness Centre	15,238	15,000
206,949	Revitalisation Central Park	38,578	904,000
0	Skateboard Facilities	96,661	0
34,287	Sportsfields - Land Acquisition/Development (refer note below)	6,394	6,063,000
0	Stadium Development	0	500,000
0	Street Trees Planting	28,677	100,000
0	Town Centre Landmarks	14,355	0
123,608	Loan Principal Repayments	0	0
148,927	Transfer to Loan Reserves	33,534	73,800
<b>801,487</b>	<b>Total Capital Expenditure</b>	<b>2,690,228</b>	<b>14,773,807</b>
<b>Funded by</b>			
248,857	Rates Revenue	33,534	73,800
0	Depreciation	479,900	479,900
0	Contributions	0	3,737,909
125,000	Donation	23,176	0
0	Vested Assets	0	3,165,000
427,630	Funding from Reserves / Internal Borrowing	2,153,618	2,569,500
0	Loan Raised	0	4,747,698
<b>801,487</b>	<b>Total Funding</b>	<b>2,690,228</b>	<b>14,773,807</b>

**PARKS AND RECREATION  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

**Non-funded Depreciation**

In the 2006 year non-funded depreciation arose where the depreciation charge exceeded that provided for in the Annual Plan. In this activity the non-funded depreciation arose from Council policy of not funding depreciation on recreational assets in accordance with Council's Recreational Asset Maintenance Programme which ensures all assets are adequately maintained. There is no non-funded depreciation in the 2007 year.

**Neighbourhood Reserves**

The budget was provided in order to meet any reserve requirements identified in Council's Open Space Strategy. The strategy has been completed and sites identified. An acquisition strategy has been approved by Council and implementation commenced in September 2006.

**Sportsfields - Land Acquisition/Development**

The project has been delayed due to the process to secure the land. Negotiations are currently underway and are expected to be finalised in late 2007.

## TRANSPORTATION AND ROADING

### What do we do

The transportation and roading activity manages the District's roading network and associated infrastructure such as footpaths, parking facilities and street lighting. The key areas of focus over the 10 year programme are:

- Further developing the work done on Asset Management Plans to guide Council's future asset investment decisions
- Ongoing maintenance and renewal of the existing asset base with moves to improving the levels of service over the 10 year period
- Providing new infrastructure timed to meet the expected growth demands
- Working with ARTA, Territorial Authorities and other relevant bodies in the Auckland region to plan and implement roading and public transport initiatives in an integrated manner
- Ongoing road safety initiatives in conjunction with Land Transport New Zealand

### Why we do it

This activity supports the Council's Community Outcomes in the following areas:

- Access to the natural environment and recreational opportunities is encouraged through integrated physical infrastructure – by provision of walking and cycling infrastructure and appropriate roading connections
- Physical environments enhance personal safety – by safe design of roading and transport infrastructure and community education initiatives
- People are healthy through involvement in recreational activity – by ensuring walking and cycling facilities are provided
- The town centre is vibrant and attractive – by ensuring the transport network is integrated with the other enhancement projects in the town centre
- The District's infrastructure is sustainable and caters for the community's needs and activities
- New developments are designed to enhance people's quality of life, health and social connectedness - by ensuring that roading, walking and cycling infrastructure is provided appropriately in new developments
- Roding and public transport infrastructure is integrated and functions

### Negative Effects

The provision of additional roading and therefore the increase in traffic generation has negative environmental effects such as the impact on water quality (pollutants from roads run-off into waterways), air quality (pollution from vehicle emissions), and the long term impacts of vehicle emissions on climate change. There are also negative public health effects from vehicle emissions.

The negative impacts are offset by the focus on encouraging public transport and other alternative transport modes such as walking and cycling within this activity. An efficient transport network is essential to the social and economic wellbeing of the community and it is considered that these benefits outweigh the negative impacts.

### **Key Service Levels**

- Less than 4% of the District's sealed roads will have a roughness exceeding 150 NAASRA counts
- The average roughness value of sealed urban roads will be less than 90 where very good is less than 80, fair is between 80 and 120, and poor is over 120
- The average roughness of sealed rural roads will be less than 100 where very good is less than 80, fair is between 80 and 120, and poor is over 120
- Council will upgrade urban pedestrian crossings to include enhanced facilities for the visually and hearing impaired (60% by 2009)
- Council will complete upgrade works to resolve safety issues on 2 LTNZ black spots per year

### **Asset Management**

The assessment of current provision of services and future demand for assets required for the transportation and roading activity is a process that is being developed on several fronts. In addition to the on-going steps to develop advanced asset management plans for the roading network, there is a focus in the early years of the LTCCP on strategic studies to fully understand future needs.

The capital development programme is geared to respond to the needs of the District to provide infrastructure for growth; to ensure that the programme of renewals maintains or improves the level of service from existing assets and to pursue a programme of upgrades to existing assets to meet new standards or community expectations.

There is a substantial capital works programme over the next ten years to provide infrastructure timed to meet existing growth predictions and address current problems.

### **Financial Overview**

The key financial impacts over the 10 year period arise from a significant capital works programme and the consequent increases in the loan servicing and depreciation costs. The capital works programme is driven by:

- The need to provide infrastructure for growth
- Increases in the renewal programme to improve the levels of service from existing assets
- Upgrades of existing assets to meet new standards and/or community expectation.

In addition, increased levels of expenditure for functions such as street cleaning, lighting, footpath and road maintenance are signalled through the 10 year period and require Council decision.

### **Operational costs**

Operational costs for 2006/07 baseline budget (year 1 of the LTCCP) have increased by \$720,000 from 2005/06. The most significant component of this increased cost is loan costs (\$239,000) and depreciation (\$437,000). Throughout the 10 year period one of the most significant cost drivers is the capital works programme which in turn leads to escalating costs of loan servicing and depreciation.

The only other significant item is the provision of \$150,000 for the eastern corridor study which has emerged from the Southern Sector Transport Group as a key piece of work that is required. This is a two year project.

It should be noted that Land Transport New Zealand subsidises a number of the maintenance items and also subsidy is expected for the eastern corridor study. Maintenance is undertaken by contractors on Council's behalf.

### **Capital costs**

The key categories of expenditure in the capital works programme are to address renewing existing assets, upgrades or improvements to existing assets and new infrastructure for growth. Projects have been categorised into these three areas below, although it should be noted that categorisation is based on the principal driver for the project and many projects include other elements e.g. a growth project may well include an element of upgrade to existing infrastructure.

### **Renewals**

The projects that can be classified as renewal items are:

- Intersection resurfacing (\$3.2 million over 10 years) <sup>1</sup>
- Clevedon Road railway bridge (\$11.96 million 2007-2010)
- Footpath renewal (\$1.3 million over whole 10 year period)
- Signalised intersection renewal (\$2.2 million over 10 year period)
- Road strengthening (\$11.74 million over whole 10 year period) <sup>1</sup>
- Area wide pavement treatment (\$7.95 million over whole 10 year period) <sup>1</sup>
- Chip seals (\$8.5 million over whole 10 year period) <sup>1</sup>
- Thin asphaltic surfacing (\$6.1 million over whole 10 year period) <sup>1</sup>
- Lighting walkways (\$205,000 over whole 10 year period)
- Bridge and culvert renewal (\$593,000 over whole 10 year period)

### **Upgrades or improvements to existing asset provision**

Key projects in the capital works programme that are primarily to upgrade or improve existing asset provision are:

- Local Area Traffic Management (LATM) schemes (\$550,000 over 10 years)
- Wood Street/Great South Road intersection improvement (\$314,000 years 2008-2009)
- Wellington Street/Great South Road intersection improvement (\$375,000 years 2009-2010)
- Overhead to underground power – district wide (\$2.2 million over 10 year period)
- Quarry Road route improvements (\$3.3 million over 10 year period)
- Bus shelters (\$543,000 over 10 year period)
- Streetlight upgrades (\$3.3 million over 10 year period)
- Mill/Popes intersection improvement (\$300,000 year 2007)
- District signage (\$150,000 year 2007)
- Prictor/Clevedon Road (\$1.2 million year 2007)
- Great South Road/Beach Road intersection (\$450,000 year 2007)
- Cameras at signalised intersections (\$275,000 spread through 10 year period)

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<sup>1</sup> It should be noted that these renewal budgets have been significantly increased through the 10 year period to improve levels of service and catch-up on the backlog of work.

- Rural road improvements (\$7.98 million over 10 year period)
- Footpath construction (\$800,000 over 10 year period)
- Road widening (\$1.2 million over 10 year period)
- Kerb and channel programme (\$2.565 million over 10 year period)
- Minor safety projects (\$2.32 million over 10 year period)
- Ron Keat/Clevedon Road intersection (\$250,000 years 2009-2010)
- Central Station Park and Ride (\$700,000 years 2007-2008)
- Takanini Station – land purchase and construction (\$1.5 million years 2007-2008)

### **New Infrastructure for Growth**

Key projects in the capital works programme that are primarily driven by the need to provide infrastructure for growth are:

- Hunua/Boundary Road intersection (\$400,000 year 2009)
- New link via Railway Street West (\$650,000 years 2007-2009)
- Railway/Clevedon Road intersection (\$750,000 years 2007-2008)
- Ingram Street widening (\$150,000 year 2009)
- Great South Road/Walters/Longford intersection (\$850,000 years 2012-2013)
- Dominion Road extension (\$750,000 years 2008, 2011 and 2012)
- Old Wairoa Road extension (\$650,000 years 2008 and 2010)
- Realignment of Papakura Clevedon Road (\$400,000 years 2008-2009)
- Hingaia/Hildene/Pararekau projects (\$5.778 million spread through 10 year period)
- Mill Road corridor (\$11.9 million over 10 year period)
- Porchester Road (\$3.227 million over 10 year period)
- Porchester Road land purchase (\$524,000 years 2008-2010)
- Porchester Road – Manukau boundary (\$640,000 over 10 year period)
- Miscellaneous subdivision work (\$1.2 million over 10 year period)
- Glenora Road land (\$1.938 million over 10 year period)
- Multistorey carparks (\$5 million years 2011-2014)

Council is also seeking feedback from the community regarding increases to levels of service relating to areas such as footpaths, road signs, mowing rural roads etc. in the Infrastructure budget package.

**How we will monitor progress**

<b>Measure</b>	<b>Target 2006/07–2008/09</b>	<b>Result</b>
Transport Strategy and Corridor Studies are completed	Completion 2007	<b>2007 In progress –</b> <b>Mill Road Corridor study due for preparation September 2007</b> <b>Transportation and Strategy Study due for completion August 2007</b> 2006 New measure for 2007
Percentage of the District's sealed network with roughness exceeding 150 NAASRA counts	<4%	<b>2007 Achieved –</b> <b>Urban 1.3% Rural 0.3%</b> 2006 Achieved – Urban 1.8% Rural 1.2%
Road condition measure: average roughness value of sealed urban roads	<90* * Very good <80; Fair <80-120; Poor >120	<b>2007 Not Achieved – 91</b> 2006 Not Achieved – 92
Road condition measure: average roughness value of sealed rural roads	<100*	<b>2007 Achieved – 99</b> 2006 Not Achieved – 101
Walking and cycling strategy is completed	Strategy adopted by Council	<b>2007 Achieved – September 2006</b> 2006 Completed
Percentage of urban pedestrian crossings with facilities for hearing and sight impaired	60%	<b>2007 Achieved – 88%</b> 2006 Achieved - 60%
Percentage of residents satisfied with provision for pedestrians in rural areas	40%	<b>2007 Achieved – 42%</b> 2006 Not Achieved – 33%
Percentage of residents satisfied with provision for pedestrians in urban areas	80%	<b>2007 Not Achieved – 76%</b> 2006 Not Achieved – 73%
Percentage of residents that perceive train stations and bus stops to be safe	Increase in safety perceptions Day – 75% Night – 30%	Day: <b>2007 Achieved - 75%</b> 2006 Not Achieved – 73% Night: <b>2007 Not Achieved – 22%</b> 2006 Not Achieved – 20%
Number of LTNZ black spots resolved through safety related works	Two per year	<b>2007 Not Achieved – 1 commenced</b> 2006 Achieved – 5
Number of road safety education projects on key road safety issues	>Four per year	<b>2007 Achieved - 5</b> 2006 New measure for 2007

**TRANSPORTATION AND ROADING  
STATEMENT OF COST OF SERVICES  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
	<b>Activity Expenditure</b>		
969,400	Administration and Overheads	1,214,521	1,387,049
3,263,872	Depreciation	3,071,470	3,195,000
607,413	Forward Planning Projects	492,331	636,000
2,409,394	Operations and Maintenance	2,676,531	2,607,304
145,554	Safety Projects	49,934	77,000
247,560	Street Cleaning	232,178	230,000
419,975	Interest	454,785	525,000
<hr/>		<hr/>	<hr/>
<b>8,063,168</b>	<b>Total Activity Expenditure</b>	<b>8,191,750</b>	<b>8,657,353</b>
<hr/>		<hr/>	<hr/>
	<b>Funded by</b>		
5,624,482	Rates Revenue	5,198,937	5,780,986
7,325	Fees and Charges	48,832	6,500
1,338,110	Grants and Subsidies	1,330,042	1,277,205
361,153	Depreciation	473,700	473,700
0	Transfer to/(from) Reserves	21,277	0
<hr/>		<hr/>	<hr/>
<b>7,331,070</b>	<b>Total Funding</b>	<b>7,072,788</b>	<b>7,538,391</b>
<hr/>		<hr/>	<hr/>
732,098	Plus Non-funded Depreciation (refer note below)	1,118,962	1,118,962
<hr/>		<hr/>	<hr/>
<b>8,063,168</b>		<b>8,191,750</b>	<b>8,657,353</b>
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Papakura District Council

**TRANSPORTATION AND ROADING  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>Actual 2006 \$</b>		<b>Actual 2007 \$</b>	<b>Budget 2007 \$</b>
21,840	5 Way Interchange Clevedon Road Land/Construction (refer note below)	354,926	1,200,000
1,900	Alfriston Road Intersection	493	0
4,521	Ardmore Roding Upgrade	0	0
566,762	Area Wide Pavement Treatment	527,130	580,000
1,335,789	Beach Road/Elliot Street Intersection	98,183	0
2,731	Boundary Road Upgrade	469,812	0
40,511	Bridges and Culverts	0	50,000
45,560	Bus Shelters and Embayments	4,348	0
20,861	Central Station Park and Ride	49,819	350,000
522,697	Chipseals	600,066	600,000
28,562	Clevedon Railway Bridge	278,645	50,000
32,450	Construction Signalised Intersections	169,972	200,000
18,802	Construction/Implementation of Cycleways	0	299,000
0	District Directional Signage	151,015	150,000
0	Dominion Road Extension and Improvements Papakura/Clevedon Road	0	50,000
50,311	Footpath Construction	49,438	50,000
71,102	Footpath Surface Renewal	169,232	120,000
3,966	Furniture and Fittings	17,434	0
181,321	Gatland Road Cemetery Roding	0	0
0	General Turning Heads	94,498	180,000
0	Glenora Road Stage 1	0	552,901
92,988	Great South/Beach Road Intersection	128,950	450,000
55,895	Great South/Norrie/Waihoehoe Intersection	1,327	0
0	Hildene Road (refer note below)	4,433,095	1,621,080
0	Hinau/Hingaia Road Signalised Intersection	301,438	500,000
34,777	Hingaia Road/Motorway/Pararekau Road (refer note below)	52,073	1,200,000
15,532	Improvement Great South Road/Walters/Longford Drive	9,420	40,000
0	Improvement Mill Road corridor and related projects	0	200,000
9,396	Ingram Street Widening	22,340	0
0	Intersection Improvement Mill/Popes/Wedding	0	300,000
0	Intersection Resurfacing	250,247	200,000
237,732	Kerb and Channel Programme	234,940	237,500
644	LATM Schemes	35,900	115,000
15,138	Lighting Walkways	15,165	0
3,051	Mill/East Tamaki Road Study	0	0
0	Mill Road Corridor	47,633	0
227,819	Minor Safety Projects	228,301	232,000
0	New Link via Railway Street	0	50,000
35,521	Opapeke/Settlement Road Roundabout	0	0
0	Other Capital Expenditure	0	59,000
0	Overhead to Underground Power	52,161	200,000
0	Porchester Road Manukau Boundary	0	388,000
53,709	Quarry Road Route Improvements	37,421	300,000
0	Renewals (Maketu) Bridge	52,000	0
0	Revitalisation Wellington Street	37,196	0
152,820	Road Widening	41,152	120,000
0	Rural Road Improvements	414,588	500,000

**TRANSPORTATION AND ROADING  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

Actual 2006 \$		Actual 2007 \$	Budget 2007 \$
0	Settlement Opaheke Intersection	333,269	0
322,534	Streetlight Upgrades	298,104	300,000
474,462	Strengthening Subsidy	660,185	600,000
155,993	Subdivision Development	48,528	120,000
0	Subway/Great South Road	325,395	67,000
73,746	Subway/Porchester Road Intersection Improvement	688,111	149,000
26,800	Takanini Grade Separation	55,030	100,000
0	Takanini Station Land Purchase and Upgrade	0	500,000
478,825	Thin Asphaltic Surfacing	426,196	425,000
319,736	Town Centre Amenity Lighting	70,911	80,409
271,975	Town Centre Revitalisation	251,231	183,136
0	Town Centre Revitalisation King Edward Avenue	89,514	0
1,250	Town Centre Revitalisation Railway/Clevedon	137,274	100,000
0	Town Centre Streetscape Upgrade (refer note below)	205,689	1,500,000
27,500	Transport Security and Monitoring Installation	37,625	0
27,968	Waihoehoe/Fitzgerald Intersection Improvement	0	0
0	Walkway Construction	0	330,000
22,179	Loan Repayments	0	0
196,906	Transfer to Loan Reserves	76,402	157,300
<b>6,284,582</b>	<b>Total Capital Expenditure</b>	<b>13,133,822</b>	<b>15,756,326</b>
<b>Funded by</b>			
3,966	Rates Revenue	76,402	207,300
0	Contributions	0	1,321,648
2,058,636	Transfund New Zealand Subsidy	2,162,342	5,377,460
0	Assets Vested in Council	0	3,125,480
2,398,025	Depreciation	1,602,338	1,602,338
28,704	Development Cost Recovery	0	99,000
1,795,251	Funding from Reserves / Internal Borrowing	9,292,740	2,394,739
0	Loan Raised	0	1,628,361
<b>6,284,582</b>	<b>Total Funding</b>	<b>13,133,822</b>	<b>15,756,326</b>

**Non-funded Depreciation**

In the 2006 year non-funded depreciation arose where the depreciation charge exceeded that provided for in the Annual Plan. In this activity the non-funded depreciation was part of the overhead charge allocated from other areas in Council, increased depreciation charges following revaluation of the assets and allowance for future Transfund New Zealand subsidies offsetting the cost of asset renewals to Council. The only non-funded depreciation in the 2007 year is for future Transfund New Zealand subsidies.

**TRANSPORTATION AND ROADING  
SCHEDULE OF CAPITAL EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2007**

**5 Way Interchange Clevedon Road Land/Construction**

The project is underway and should be completed by June 2008.

**Hildene Road**

The projects are part of the roading and stormwater management necessary to enable the proposed developments in the area to proceed. The roading components of the project went well ahead of schedule due to the changes in the development timetable whilst a portion of the stormwater component of the project has been delayed.

**Hingaia Road/Motorway/Pararekau Road**

The project timetable is driven by developers and is therefore out of the control of Council.

**Town Centre Streetscape Upgrade**

The project is underway and should be completed by June 2008.