



# PROGRESS PAPAKURA

## **2008/2009 ANNUAL PLAN AND LTCCP AMENDMENT**

Year Three, Papakura District Council Long Term Council Community Plan 2006 - 2016





## Mayor's welcome

Papakura District Council is committed to enhancing the District's environment and the well being of its residents.

The 2008 – 2009 Annual Plan represents the third year of the Council's ten year strategic plan. It consolidates much work which is already underway. We remain committed to working with the community to implement this plan.

The massive amount of work which has been completed as part of the town centre revitalisation project is just one example of the way in which we are delivering on the areas of improvement agreed to with the community. This year will see further focus on creating the heart of the District in the remaining areas of the Town Centre.

Council continues to invest heavily in the improvement of the District's infrastructure. Significant projects continue with upgrading of roads and stormwater and building new infrastructure to meet the needs of a fast growing District.

Major efforts are also underway to enhance the range and quality of our community facilities – providing a place with “lots to do”. Redevelopments will soon be underway at our major parks and Council continues to acquire land for the purposes of providing neighbourhood reserves ensuring sufficient green space for communities now and in the future.

Papakura is a dynamic, growing and increasingly prosperous area. Our current classic Kiwi “town” feel is highly valued by residents as is its mix of “the best of town and country” Maintaining these valued attributes in the face of rapid change is the major challenge for this community in the near future, as is dealing with law and order issues.

Thank you to those who took the time to consider the contents of our annual plan and the changes to the Long Term Council Community Plan. We are committed to bringing families and communities together and your thoughts and submissions are important to the Council as we continue to make Papakura a safer place to live, work and play.

Calum M Penrose  
Mayor, Papakura District Council





## CEO's message

Papakura District Council's 2008/2009 Annual Plan marks year three of the ten year plan set out in Progress Papakura, the 2006 – 2016 Long Term Council Community Plan (LTCCP).

Once again, we have reviewed the activities which we committed to in Progress Papakura. With the exception of some small adjustments allowing for time and cost factors, Council remains largely on track in fulfilling projects, identified through the community outcomes process, which will be of long term benefit to our community.

Significant progress has been made in relation to the Town Centre Revitalisation Project, with Broadway and Elliot Street (between Great South Road and East Street) having received new trees, lights, rubbish bins, footpath paving and cycle stands, along with changes to the road network.

We have replaced stormwater pipes and junctions in East Street, Elliot Street and Great South Road, and have completed road resurfacing in Broadway. Similar work has recently been completed in O'Shannessey Street to create a strong visual link with the rest of the town centre. In recent weeks the next stage incorporating the Village Green, Great South Road and the Town Square has commenced.

Council remains committed to the improvement of community facilities with the planned upgrade of our parks and reserves, and the enhancement of a number of recreational spaces including Massey Park and the Pahurehure Inlet. Work has also been brought forward to establish library facilities for Takanini and on ways to improve our existing Drury Library Service.

You will notice two technical adjustments to our LTCCP. Changes to our Development Contribution Policy take into account updated population and growth projections and the inclusion of water and wastewater provisions; while the Treasury Policy has been reviewed and the annual plan process gives the opportunity to make a technical correction.

After hearing from those who made submissions the net impact of the activities described above is an increase in rate requirement of 8.0% (after adjusting for growth). Much of this increase is related to the costs of servicing loans for capital projects as we build the facilities and infrastructure required to support a growing district. Just over 1.0% is related to projects for the ongoing work on the Pahurehure Inlet, specifically mangrove removal and technical studies to support a resource consent application for tidal gates. An additional 0.2% was added to the rates requirement through changes made in response to submissions.

Once again, the Annual Plan process provided the opportunity for the community to have a say in the future direction of Papakura. The LTCCP will be reviewed in 2009, and will provide another chance to have your say in the strategic direction of your District, your community.

Theresa Stratton,  
Chief Executive Officer  
Papakura District Council

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# Overview of Annual Plan

This is year three of Progress Papakura, the 2006 – 2016 Long Term Council Community Plan (LTCCP) for Papakura District Council.

It is another year of consolidation and implementation, one that continues to progress a wide range of activities agreed to in the LTCCP.

This annual plan will be the last one produced before a full review of the LTCCP is undertaken in 2009.

There have been some changes to projects since the introduction of the LTCCP which have in general been driven by the status of the projects in the current year (2007/2008) and the ability to deliver the current and proposed programmes. Amendments have been made to two Council policies contained within the LTCCP.

The Council has carefully considered the proposed work programme for the current year and has managed to hold the increase in rates to 8.0% compared to 2007-2008. The main factor contributing to the increase is an additional 6% for loans servicing – interest and principal repayments – reflecting the loans for major capital projects. Reclassification of the costs for the resource consent application for Tidal Gates on the Pahurehure Inlet and removal of mature mangroves from the Inlet have added around 1% extra to the rates required as well. There are increases proposed to the regulatory fees and charges that better reflect actual costs and to community facility charges in some areas.

## Key Areas of Interest

### Town Centre

Through the coming year we will continue to develop the Streetscape programme of enhancement for the Town Centre. Having completed a significant amount of work through East Street, Elliot Street and Great South

Road, work is now under way in O'Shannessey Street to create a strong visual link with the rest of the town centre, and work will also continue along the Great South Road.

Work will also be undertaken to improve amenity lighting throughout the Town Centre.

### Animal Control, Liquor Control, Parking Control

In 2008/2009 Council is increasing resourcing in the areas of animal control, liquor control and parking control. The additional revenue generated in the animal and parking areas will ensure that the costs of this increased resourcing will be offset. Additional resource applied to liquor control will enable some proactive education of license holders plus more enforcement activity.

### Libraries

The Council has brought forward funding for the establishment of a Takanini Branch Library in the year 2010. The estimated cost of this project has also been lifted to a more realistic level for a civic facility at a total of \$2.5million. This facility will provide a focal point for the Takanini community as well as providing a service for present and future generations.

Consultation will also be undertaken to ascertain how the Drury Library can be improved to meet the needs of the community.

### Transport and Roothing

Major projects in 2008/2009 include Railway Street West link land purchase, upgrades to both Porchester and Hingaia Road, realignment of Porchester/Ingram Road and continued streetscape work in the town centre. Funds have also been set aside for a local contribution to the upgrading of the Papakura Interchange by Transit NZ.

### Water Supply and Wastewater

The water supply and wastewater networks will be upgraded, as appropriate by United Water, to meet the requirements for greenfields development and growth in other urban areas. The development of Hingaia will require a completely new network whereas other areas generally extend the existing network. The biggest single item of expenditure is remediation of the land which was the site of the Drury Wastewater Treatment facility.

### Stormwater

A detailed four year study of existing and likely future stormwater management needs, the Integrated Catchment Management Plan, is now in its third year. Key physical projects include a man hole upgrade, a new tunnel and pipe connecting the Artillery Drive stormwater catchment with the Pahurehure Inlet, and work around the Kelvin Road area to upgrade stormwater drainage.

### Community Services

The 2008/2009 year will see Council continuing its efforts to enhance community facilities. Major projects will include the acquisition of land for the purpose of neighbourhood reserves, the redevelopment of Massey Park Stadium and recreational area and development of and an extension to McLennan Park alongside the McLennan housing development.

With the advent of the new Liquor Control in Public Places Bylaw, signage advising of liquor ban areas will be erected in the Town Centre and all Council controlled car parks, parks and reserves in the District.

Technical studies and a resource consent application will be undertaken into placing tidal gates in the Pahurehure Inlet. Further work will also occur with regard to the removal of mature mangroves from the inlet.

# Summary Overview of LTCCP Amendments

This Amendment relates to the Progress Papakura Long Term Council Community Plan (the LTCCP) for the 10 years commencing 1 July 2006, approved by Council on 26 June 2006, and should be read in conjunction with the LTCCP

## LTCCP Amendments

### Development Contributions Policy

The Development Contributions Policy (DCP) was first established in the LTCCP 2004-14 and was revised in the LTCCP 2006-16 which is the current version. It sets out how Council will require contributions from developers towards capital works for roading, public transport, stormwater and community facilities activities that are needed to meet the increased demand resulting from growth.

The capital works programme in the LTCCP has been updated along with current population and growth projections. A key change in the new version of the policy is the inclusion of the water supply and wastewater asset development activities in the DCP undertaken on Council's behalf by United Water. This change will provide greater transparency to the community about the costs of growth as the major infrastructure costs are now all in one place. The payment mechanism for consumers – payment of a connection charge – is not changing.

In taking a consistent approach with contributions for other types of infrastructure, the capital works programme for Water and Wastewater services has been allocated over a twenty year return period rather than the longer timeframe used by United Water. This has led to increases in the connection fee charges to be made compared with the 2007-2008 year.

### Treasury Policy

A technical change has been made to correct an error in the Treasury Management Policy. The change in the "Interest Rate Maturity Profile" limits was made with regard to the minimum and maximum ranges outlined in the current policies. This change is necessary because the current ranges are wrong leading to Council inadvertently breaching the policy limits.

## Development Contributions Policy

### Changes to assumptions on expected growth rates

The amendments to the Development Contributions Policy have resulted in changes to the financial forecasts for the 2008/09 through to the 2015/16 period of the LTCCP. In particular, the change to the growth units expected to occur during the period of the plan from 7,300 down to 6,946 in the period to 2016 and from 3,800 down to 2,160 in the period to 2026 have meant a recalculation of the development contribution charges per unit of demand. This change however did not result in major changes to the Statement of Financial Performance and Statement of Financial Position as the policy is still based on full recovery of expenditure related to growth. The only impact is a change in the timing of the receipt of development contributions which results in changes to the level of loan financing required on an annual basis. Based on the adopted LTCCP, the impact to 2016 means a potential redistribution of \$6.5 million of development contribution charges. Table Two shows the comparison between current and proposed charges.

### Inclusion of water and wastewater capital expenditure

The other change to the Development Contributions Policy is the inclusion of the Water and Wastewater capital expenditure projections for 2008 to 2016 of \$18.4 million and for 2017 to 2026 of \$13.6 million. Along with the capital expenditure projections, development contributions are also assessed for water and wastewater to fund the growth.

Currently, United Water International (UWI) recovers these costs via an infrastructure charge. From 1 July, the development contributions for water and wastewater outlined in the policy will replace these. The financing of capital expenditure will remain with UWI for the remaining period of the franchise.

On an annual basis, Council will account for changes in values to the water and wastewater network and on a three-yearly basis, account for the changes to the values resulting from the revaluation process. As a result, the current 2006 to 2016 LTCCP projections already include the projected changes in values for water and wastewater assets (Refer to Table Four).

Table One provides a comparison of capital expenditure projections contained in the Development Contributions Policy. The table shows that apart from the inclusion of water and wastewater growth capital projections, the capital expenditure forecasts in total (as well as the growth component) are largely in line with the current LTCCP.

**Table One**

Total Capital	LTCCP	Amendment
Stormwater	\$91.2m	\$99.2m
Roading	\$205.0m	\$212.1m
Community Infrastructure	\$76.3m	\$80.5m
Public Transport	\$9.8m	\$6.0m
Subtotal	\$382.3m	\$397.8m
Water and Wastewater	\$0.0m	\$32.0m
<b>Totals</b>	<b>\$382.3m</b>	<b>\$429.8m</b>

Growth Component of Capital Expenditure		
Stormwater	\$48.1m	\$57.3m
Roading	\$56.2m	\$53.4m
Community Infrastructure	\$48.4m	\$46.3m
Public Transport	\$3.7m	\$2.7m
Subtotal	\$156.4m	\$159.7m
Water and Wastewater (Note 1)	\$0.0m	\$32.0m
<b>Totals</b>	<b>\$156.4m</b>	<b>\$191.7m</b>

**Note 1:**

United Water International will continue to undertake the capital projects for water and wastewater on Council's behalf in line with the current franchise arrangements.

The following table provides a comparison between the current and new development contribution charges.

## Summary overview of LTCCP amendments

**Table Two**

Charges per Unit of Demand (Excluding GST)	Current Charges	Charges from 1/07/08
<b>Stormwater</b>		
Hingaia	\$4,968	\$7,637
Old Wairoa	\$4,096	\$6,860
Takanini North	\$2,968	\$3,625
Takanini South	\$3,700	\$6,779
Rest of Papakura	\$3,229	\$4,427
<b>Roading</b>		
District Wide	\$3,709	\$4,479
Hingaia 1a North	\$5,603	\$2,442
Hingaia 1a South	\$2,776	\$1,842
Hingaia Balance	\$393	\$8,625
Hingaia Balance – Papakura Interchange	\$0	\$490
Urban	\$672	\$656
Rural	\$495	\$385
<b>Community Infrastructure</b>		
District Wide	\$3,918	\$4,855
Public Transport		
<b>District Wide</b>	<b>\$289</b>	<b>\$256</b>
<b>Water and Wastewater (Note 2)</b>		
Hingaia	\$6,482	\$8,877
Urban	\$2,591	\$2,130

**Note 2:**

The water and wastewater development contributions will continue to be collected and administered by United Water International in line with the existing franchise arrangements.

The changes to the level of development contribution charges, the updated projections in the timing of development and the inclusion of the water and wastewater charges have resulted in a change to the total development and financial contributions revenue estimates for the remaining period of the LTCCP. The following table shows a comparison of development and financial contributions revenue Projections:

**Table Three**

	LTCCP	Amended Contributions (Excluding Water and Wastewater)	Amended Contributions (Water and Wastewater)	Amended Total Contributions (Revised LTCCP)
2008/2009	\$13.8m	\$18.5m	\$3.1m	\$21.6m
2009/2010	\$15.9m	\$21.9m	\$3.8m	\$25.7m
2010/2011	\$14.7m	\$17.3m	\$2.8m	\$20.1m
2011/2012	\$12.1m	\$19.7m	\$3.0m	\$22.7m
2012/2013	\$11.6m	\$19.7m	\$3.0m	\$22.7m
2013/2014	\$10.3m	\$19.4m	\$3.0m	\$22.4m
2014/2015	\$10.5m	\$14.0m	\$1.7m	\$15.7m
2015/2016	\$10.7m	\$6.2m	\$0.8m	\$7.0m
<b>Totals</b>	<b>\$99.6</b>	<b>\$136.7m</b>	<b>\$21.2m</b>	<b>\$157.9m</b>

### Comparison of Water and Wastewater Asset Value Projections:

The value of Council's water and wastewater assets at 30 June 2007 is \$66.8 million. The following table shows a comparison between the assumptions in value changes in the current LTCCP.

**Table Four**

	LTCCP Increase in Asset Values (Note 3)	Amendment Capital Expenditure	Estimated Revaluation Change
2008/2009	0	\$1.3m	
2009/2010	0	\$0.5m	
2010/2011	\$13.6m	\$3.2m	\$8.6m
Subtotal	\$13.6m	\$5.0m	\$8.6m
2011/2012	0	\$9.0m	
2012/2013	0	\$3.5m	
2013/2014	\$14.8m	0	\$2.3m
Subtotal	\$14.8m	\$12.5m	\$2.3m
2014/2015	0	\$0.8m	
2015/2016	0	\$0.1m	
<b>Total Changes</b>	<b>\$28.4m</b>	<b>\$18.4m</b>	<b>\$10.9m</b>

### Note 3:

The LTCCP's total increase in asset values of \$28.4m include additions to the network as well as increases in the value of the assets due to revaluation of the existing systems. Prior to the amendment, the changes in total value of the asset would have been updated in line with the revaluation cycle (currently three yearly). The net change of \$10.9million is the estimated increase in value as a result of the revaluation of the existing network and not a result of additions.

### Treasury Policy

There are no changes to financial projections resulting from the amendments to the policy. The changes are to ensure the limits are relevant for the public debt estimates for the period of the LTCCP. Table Five shows the current and the amended limits.

**Table Five**

	Current Limits	Amended Limits
<b>Interest Rate Maturity Profile Limits</b>	Minimum to Maximum	<b>Minimum to Maximum</b>
Less than 1 year	50% to 100%	15% to 100%
1 year to 3 years	30% to 70%	15% to 70%
3 years to 5 years	20% to 50%	15% to 50%
5 years to 10 years	0% to 40%	0% to 50%

# District Profile

## PAPAKURA IN PROFILE

The perfect blend of country and town, perched on the edge of the sprawling 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. The busy edge of the Auckland metropolis a District with its eye on the future, planning for phenomenal growth.

### Papakura is all these things and more

The human history of Papakura extends back 1000 years or more. In early times the name Papakura was applied to the stream which forms a small part of the northern boundary between Papakura and Manukau. The traditional name for the district is Wharekawa, while the site of the original European village of Papakura was known to Māori as Waipapa.

Papakura is 126 square kilometres in size and is just 32 km from downtown Auckland. Located south of Manukau and Auckland cities, close to Auckland International Airport and with major road networks, excellent rail and motorway access, Papakura maintains its role as a gateway for travel and commerce to the north and south and has preserved much of the character of its origins while becoming an ideal place in which to live and to do business.

The geography of the district encompasses fertile plains, the inlets and foreshores of the Manukau Harbour, and the rolling foothills of the Hunua Range; a relatively narrow but strategically well positioned narrow span of land between the Hauraki Gulf and the Manukau Harbour.

Much of the district – particularly in the west – is flat to rolling land. There is extensive peat soil in the Takanini area, which was once a vast wetland and peat bog. In the east, low-to-medium sized foothills lead out into the Hunua range.

### Who Are We?

In a 2006 census-night population of 45,138, Papakura had more people under the age of 15 than most other districts of New Zealand.

Our community is strong on clerical and labour skills and will develop more valuable knowledge-based resources as its younger members enter the work force.

These are the people of the next working generation, who have grown up with the personal computer, internet and other digital technologies that were little more than sci-fi fantasies for earlier generations.

### Education

Papakura has 43 pre-school and early childhood centres, 22 primary, intermediate and secondary schools and one composite school. Planning for Papakura District's population growth includes proposals for several new schools in the Takanini area over the coming decade.

Levels of education among the workforce are on the increase, meaning the skills needed by new businesses are becoming readily available among the local work force. A wide range of trade and industry-specific training providers are active in Papakura, and the district is actively encouraging approaches from tertiary institutions interested in establishing a presence here.

## Roads

The district offers excellent road access to and from State Highway One and the Auckland Motorway. Great South Road and Beach Road give fast, efficient access to three motorway interchanges at Takanini, Papakura and Drury and Great South Road, the main north-south artery before the motorway was established, runs directly through Takanini, Papakura town centre and Drury.

## Rail

Papakura is well served for passenger rail transport, meaning it is relatively easy for people to access the district for work and leisure purposes. Its railway station is the third busiest in the greater Auckland area, and recent passenger surveys found average week-day numbers in the region of 1,300 people using the Papakura station.

Commuters from Franklin District and even the northern Waikato today use Papakura's rail station and Park and Ride facility in significant – and increasing – numbers. They are attracted by secure parking, frequency of services and easier access than at other stations on the line.

With safe, free parking available beside the rail station and the upgraded Papakura rail station, this mode of transport is set to become even more attractive to locals and commuters from outside the district.

## Water and Waste Water

United Water is responsible for the supply of water and wastewater services to the district as part of a 30 year franchise agreement with the Council. There is a further 20 year right of renewal on the agreement. Papakura District Council retains ownership of the water and waste water network itself.

Greenfield residential developments in Hingaia and Takanini are a particular focus with new stormwater disposal systems being built to cope with growth.

## Living in Papakura

Papakura as a district is growing faster than the greater Auckland area, but it has been fortunate to retain its friendly character and much of the classic Kiwi “town” feel as the greater Auckland area intensifies housing and many new developments adopt an urban-metropolitan character.

In terms of residential real estate, Papakura truly offers “the best of town and country”. Property values in Papakura have risen sharply in the past few years as people in other areas look to relocate to the district for work, leisure or lifestyle reasons. During 2003 and 2004 Papakura house prices rose more than 27 per cent, evidence of a resurgence of popularity. With house prices nationally stabilising in 2005/2006, values remained strong in Papakura, which led the greater Auckland region.

## District profile

### Business in Papakura

More than 3,500 businesses are located in the Papakura district, employing just over 17,100 full time equivalent workers. The district is host to a wide range of established industries including dairy processing, quarrying, engineering, manufacturing, horticulture, the equestrian industry and a range of aerospace businesses that serve the growing aviation activity based around the Ardmore airport.

A vibrant and thriving central business district is clustered around Great South Road with a diverse range of retailers already active and many new businesses becoming established, while a number of major retailers have established in South Gate, a large format retail development northwest of the Papakura town centre along Great South Road at Takanini.

Quarries operated by Winstones and the Stevenson Group provide employment for a significant number of local people and over the years have boosted the local economy by millions of dollars.

Dairy processing has taken over from dairy production as the number of working farms has dwindled, and Papakura is now home to a major Fonterra plant, formerly operated by Anchor and now producing a wide range of Fonterra's globally-recognised brand names for domestic and export markets.

Transport and logistics companies are established at the western end of Takanini close to the motorway, where trucks can quickly and effectively access the north-bound and south-bound on-ramps.

Karaka is home to thoroughbred horse breeding and sales businesses.

### Recreation and leisure opportunities

Papakura is blessed with many opportunities for organised and informal recreation and leisure activities, and plans are under way to further enhance key sporting and recreation facilities.

The district offers well tended parks and green areas, including Central Park and Massey Park near the town centre and Bruce Pulman Park, host to a wide variety of sports clubs and codes.

Central Park is a pleasant established park adjacent to the town centre that regularly hosts community events including Carols in the Park each December and Papakura's popular free Movie in the Park.

Massey Park is home to rugby and athletics and features a large grandstand and floodlights for evening training or sporting activity. It will undergo a further transformation in coming years to enhance its suitability for community, regional and possibly national events.

Also at Massey Park, the District's Aquatic Centre also provides year-round fun for children and families and also offers serious swimmers excellent national-standard training facilities.

Other parks cater to a wide variety of organised sports including soccer, softball and touch rugby.

Based on 2006 Census information, if Papakura district was 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

# Democracy and Planning Activity Statement

## 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.

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 next year 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 matters progressing through this period are a new section of the District Plan dealing with the rural area and progressing the review of the District Plan.

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 year for this activity is on Town Centre Revitalisation, the development or redevelopment of railway stations at 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
- 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.
- Council will ensure a rural fire service is available to the rural area.

# Democracy and Planning

How we will monitor progress:

Measure	Target 2008/2009
1 Statutory requirements for the publication of agendas and minutes of Council meetings and public notices are met	100%
2 Council decision making is open and transparent	90% of agenda items are publicly available
3 Percentage of residents that consider Council's information is easy to understand	Baseline to be set
4 Percentage of residents that believe they are adequately informed about key issues relating to Council	54%
5 Numbers participating in key Council consultation processes	10% increase per annum in numbers participating in consultation on LTCCP/AP
6 Number of issues of District News to residents	Six per year
7 Number of hits on Council's website	10% increase per year
8 Percentage of local Maori organisations that consider they have an appropriate relationship with the Council	75%
9 Number of partnerships with central government that leverage additional local resources	Six
10 Urban Design Protocol is implemented	Undertake actions as outlined in action plan 2008/2009
11 Growth targets in Hingaia and Takanini are achieved	Regional Growth Strategy targets, updated by PDC Plan Change 10, are met
12 Rail stations are upgraded and developed	Agreement on location for Drury Station and Stabling

Measure	Target 2008/2009
13 Number of District Plan changes notified	Two per year
14 Percentage of District Plan appeals resolved in the Environment Court that support the Council's District Plan decisions	100%
15 Percentage of residents satisfied with the state of the built environment in the district	Baseline to be set
16 Response to fires in the rural area is effective	Rural fire alerts are responded to within one hour of notification
17 Civil Defence Emergency Coordinating Centre readiness	One exercise per year

# Democracy and Planning

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Activity Expenditure</b>	\$	\$	\$
Civil Defence and Emergency Management	190,421	172,155	191,808
Democratic Support	1,050,880	987,398	1,089,826
Elected Member Costs	372,880	392,405	416,880
Policy Planning	1,324,167	1,372,873	1,450,320
Strategic Projects	195,701	299,198	169,395
<b>Total Activity Expenditure</b>	<b>3,134,049</b>	<b>3,224,029</b>	<b>3,318,229</b>
<b>Funded By</b>			
<b>Activity Revenue</b>			
Fees and Charges	(7,500)	(7,957)	(17,500)
Rates	(3,169,049)	(3,307,372)	(3,408,229)
<b>Total Activity Revenue</b>	<b>(3,176,549)</b>	<b>(3,315,329)</b>	<b>(3,425,729)</b>
<b>Total Activity (Surplus)/Deficit</b>	<b>(42,500)</b>	<b>(91,300)</b>	<b>(107,500)</b>

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	\$	\$	\$
Other Capital Expenditure	5,000	42,436	40,000
<b>Total Capital Expenditure</b>	<b>5,000</b>	<b>42,436</b>	<b>40,000</b>
<b>Total Funding Required</b>	<b>(37,500)</b>	<b>(48,864)</b>	<b>(67,500)</b>
<b>Funded By</b>			
Movement in Loans	(5,000)	(5,305)	(5,000)
Transfer from Reserves	(65,000)	(37,131)	(35,000)
<b>Total Funding</b>	<b>(70,000)</b>	<b>(42,436)</b>	<b>(40,000)</b>
(Surplus)/Deficit	(107,500)	(91,300)	(107,500)
Transfer to Disaster Reserve	60,000	60,000	60,000
Transfer to Loan Repayment Reserve	47,500	31,300	47,500
<b>Total Funding (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Economic Development Activity Statement

## 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 district's interests in inter-regional and national economic development projects and fora 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.

How we will monitor progress:

Measure	Target 2008/2009
1 Number of events held in the district	Eight per year
2 Satisfaction of event organisers with Council's facilitation service	60%
3 Percentage growth in the number of businesses in the district	Growth is in line with regional average
4 Percentage growth in employment (Full Time Equivalents)	Growth is in line with regional average
5 The percentage growth in number of building consents issued for new industrial and commercial buildings	Growth is in line with regional average
6 The percentage growth in the value of building consents issued for new industrial and commercial buildings	Growth is in line with regional average
7 Percentage of business owners that consider the district a good place to operate in	60%

# Economic Development

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Activity Expenditure</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Business Assistance, Development and Promotion	157,000	219,606	172,000
Economic Development Support	513,812	319,705	534,134
Town Centre Promotion	143,000	146,404	168,000
<b>Total Activity Expenditure</b>	<b>813,812</b>	<b>685,715</b>	<b>874,134</b>
<b>Funded By</b>			
Activity Revenue			
BIZ Funding	0	(64,576)	0
Fees and Charges	(12,000)	(12,731)	(12,000)
Grants and Subsidies	(72,000)	(71,080)	(72,000)
Rates	(729,812)	(537,328)	(790,134)
<b>Total Activity Revenue</b>	<b>(813,812)</b>	<b>(685,715)</b>	<b>(874,134)</b>
<b>Total Funding (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Community Development Activity Statement

## 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.

# Community Development

## 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 upgrading the current stock to meet market demands and maintains the present stock to a reasonable standard according to a rolling schedule. The upgrades are 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.

A focus in the 2008/2009 year will be the provision of a Community House to support the consolidation of several Council owned facilities enabling community groups to focus on their core activities rather than property management.

## Key Service Levels

Council will make grants available to assist with the objectives of community groups - up to \$2,500 per grant.

Council will provide up to 71 well maintained units for rental for older persons of limited means.

### Fees and Charges

Some fees applying to this activity have been increased to better reflect costs of provision.

How we will monitor progress:

Measure	Target 2008/2009
1 Number of applications for community grants	30 applications per annum
2 Number of people assisted by the Citizens Advice Bureau	Baseline to be set
3 Average occupancy rate for Council housing	95%

# Community Development

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Activity Expenditure</b>	\$	\$	\$
Citizens Advice Bureau	85,739	87,148	93,115
Community Development and Safer Communities	712,608	603,793	797,711
Community Halls	83,844	85,653	89,988
Grants	205,525	141,126	143,525
Housing for the Elderly	304,997	315,307	283,801
<b>Total Activity Expenditure</b>	<b>1,392,713</b>	<b>1,233,027</b>	<b>1,408,140</b>
<b>Funded By</b>			
<b>Activity Revenue</b>			
Fees and Charges	(302,200)	(283,472)	(324,370)
Grants and Subsidies for Operating Expenditure	(65,000)	(68,958)	(65,000)
Rates	(1,027,613)	(881,197)	(1,019,370)
<b>Total Activity Revenue</b>	<b>(1,394,813)</b>	<b>(1,233,627)</b>	<b>(1,408,740)</b>
<b>Total Activity (Surplus)/Deficit</b>	<b>(2,100)</b>	<b>(600)</b>	<b>(600)</b>

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	\$	\$	\$
Community Halls	30,000	8,487	8,000
Community House Project	50,000	0	450,000
Children and Families Hub	0	159,135	150,000
Elizabeth Campbell Centre	6,000	13,261	0
Other Capital Expenditure	77,000	71,081	66,000
Redhill Community Centre	150,000	0	300,000
<b>Total Capital Expenditure</b>	<b>313,000</b>	<b>251,964</b>	<b>974,000</b>
<b>Total Funding Required</b>	<b>310,900</b>	<b>251,364</b>	<b>973,400</b>
<b>Funded By</b>			
Depreciation Applied to Capital Expenditure	(39,700)	(39,859)	(39,700)
Movement in Loans	(271,200)	(211,505)	(934,300)
<b>Total Funding</b>	<b>(310,900)</b>	<b>(251,364)</b>	<b>(974,000)</b>
(Surplus)/Deficit	0	0	(600)
Transfer to Loan Repayment Reserve	0	0	600
<b>Total Funding (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Cemeteries and Public Conveniences Activity Statement

## 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 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 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.

How we will monitor progress:

Measure	Target 2008 / 2009
1 Percentage of burials carried out within 24 hours of the time requested	100%
2 Provision of public conveniences	1 new or upgraded public convenience provided per year
3 Percentage of residents satisfied with the provision of public conveniences	75%

## Cemeteries and Public Conveniences

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Activity Expenditure</b>	\$	\$	\$
Cemetery	212,548	216,639	223,035
Public Conveniences	161,005	167,110	160,369
<b>Total Activity Expenditure</b>	<b>373,553</b>	<b>383,749</b>	<b>383,404</b>
<b>Funded By</b>			
<b>Activity Revenue</b>			
Fees and Charges	(99,700)	(105,362)	(109,700)
Grants and Subsidies	(2,627)	(2,776)	(2,627)
Rates	(286,926)	(291,311)	(286,777)
<b>Total Activity Revenue</b>	<b>(389,253)</b>	<b>(399,449)</b>	<b>(399,104)</b>
<b>Total Activity (Surplus)/Deficit</b>	<b>(15,700)</b>	<b>(15,700)</b>	<b>(15,700)</b>

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	\$	\$	\$
Cemeteries	2,500	2,642	2,500
Other Capital Expenditure	10,000	6,341	6,000
Renewal of Conveniences	120,000	126,814	120,000
<b>Total Capital Expenditure</b>	<b>132,500</b>	<b>135,797</b>	<b>128,500</b>
<b>Total Funding Required</b>	<b>116,800</b>	<b>120,097</b>	<b>112,800</b>
<b>Funded By</b>			
Depreciation Applied to Capital Expenditure	(19,900)	(19,900)	(19,900)
Movement in Loans	(110,100)	(113,397)	(106,100)
Transfer from Reserves	(2,500)	(2,500)	(2,500)
<b>Total Funding</b>	<b>(132,500)</b>	<b>(135,797)</b>	<b>(128,500)</b>
<b>(Surplus)/Deficit</b>	<b>(15,700)</b>	<b>(15,700)</b>	<b>(15,700)</b>
Transfer to Loan Repayment Reserve	15,700	15,700	15,700
<b>Total Funding (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Regulatory Services Activity Statement

## 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 seven 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. Council became a Building Control Authority at the end of 2007. This requirement has driven a substantial cost increase in this activity area as well as the need to respond to the accelerated period of growth. Fee increases will ensure that this activity is fully funded by applicants.

The Environmental Health activity carries out Council's public health and environmental responsibilities under the Health Act 1956 and other relevant statutes and by-laws. It 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.

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. Amendments to the Dog Control Act increased the level of service required especially with regard to aggressive and unregistered dogs. Funding of the dog control activity is from registration fees and rates.

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.

Council is increasing the resources in animal control, parking control and liquor control. This will allow an increase in the levels of service in each area. The focus in each area will be unlicensed dogs in animal control, parking by law enforcement for parking control and education and enforcement for liquor control.

## 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. It is intended to expand the pound as demand increases. 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.

# Regulatory Services

How we will monitor progress:

Measure	Target 2008/2009
1 Resource consents are processed within statutory deadlines	100%
2 Resource consents are monitored	100% of current consents monitored Progress on inspecting previously unmonitored consents
3 Building consents are processed within statutory deadlines	100%
4 Percentage of food handling premises inspected	100% twice a year
5 Percentage of licensed premises visited to ensure compliance with licensing conditions inspected	100% twice a year
6 Response to urgent noise control complaints	Attend 95% of urgent noise control complaints within one hour and 100% within 90 minutes
7 Percentage of private pools monitored annually	33%
8 Number of dogs impounded annually per registered dog population	Reduce compared to 2006 impound rate
9 Town centre parking control	Monitored during work days for at least four hours and two hours on Saturday
10 Parking at schools is controlled	Patrolled for parking compliance one day per week

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Activity Expenditure</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Animal Control	568,959	640,181	704,210
Building Control	1,368,881	1,405,001	1,546,802
Environmental Health, Liquor Licences, Noise Control	426,562	459,705	469,793
Parking Control	267,501	285,538	351,332
Resource Consents and Monitoring	1,491,185	1,575,890	1,957,430
<b>Total Activity Expenditure</b>	<b>4,123,088</b>	<b>4,366,315</b>	<b>5,029,567</b>
<b>Funded By</b>			
<b>Activity Revenue</b>			
Fees and Charges	(2,948,441)	(3,002,018)	(4,084,379)
Rates	(1,184,047)	(1,369,397)	(954,588)
<b>Total Activity Revenue</b>	<b>(4,132,488)</b>	<b>(4,371,415)</b>	<b>(5,038,967)</b>
<b>Total Activity (Surplus)/Deficit</b>	<b>(9,400)</b>	<b>(5,100)</b>	<b>(9,400)</b>

## Regulatory Services

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	\$	\$	\$
Other Capital Expenditure	0	0	32,000
<b>Total Capital Expenditure</b>	<b>0</b>	<b>0</b>	<b>32,000</b>
<b>Total Funding Required</b>	<b>(9,400)</b>	<b>(5,100)</b>	<b>22,600</b>
<b>Funded By</b>			
Transfer from Reserves	0	0	(32,000)
<b>Total Funding</b>	<b>0</b>	<b>0</b>	<b>(32,000)</b>
<b>(Surplus)/Deficit</b>	<b>(9,400)</b>	<b>(5,100)</b>	<b>(9,400)</b>
Transfer to Loan Repayment Reserve	9,400	5,100	9,400
<b>Total Funding (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Waste Management and Minimisation Activity Statement

## 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. The Waste Management Plan is being reviewed and will be released in the near future for public consultation. 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 implemented in July 2006 was direct charging for the collection of household waste. This has increased quantities of refuse being recycled and decreased household waste going to landfill.

## 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.

# Waste Management and Minimisation

How we will monitor progress:

Measure	Target 2008/2009
1 Response to missed rubbish or recycling collections	Collected within 24 hours
2 Reduction in household waste going to landfill	9 kg/household as measured through waste audit
3 Number of schools with a Wastebuster Club (aimed at motivating children to reduce waste)	2009 – 13 schools
4 Increase tonnage of household waste that is recycled	5% increase per annum
5 Annual inorganic collection for each household	Inorganic refuse collected within the week notified to household
6 Response to illegal dumping of rubbish	Resolved in 24 hours if there is a public health issue; otherwise within one week
7 Response to loose litter	Urgent cases resolved within 24 hours; otherwise weekly collection
8 Response to abandoned vehicles	Investigation commenced within two days Removal within two days of request to tow
9 Council closed landfills are monitored according to consents	100% compliance

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Activity Expenditure</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Administration and Overheads	551,009	601,807	589,540
Annual Inorganic Collection	338,200	327,818	289,700
Household Recycling Collection	369,000	356,462	370,000
Household Refuse Collection	740,000	785,065	623,000
Landfill Aftercare	63,464	54,319	234,780
Litter and Illegal Dumping Collection	390,000	390,411	498,000
<b>Total Activity Expenditure</b>	<b>2,451,673</b>	<b>2,515,882</b>	<b>2,605,020</b>
<b>Funded By</b>			
<b>Activity Revenue</b>			
Fees and Charges	(1,113,200)	(1,180,994)	(1,005,000)
Rates	(1,457,009)	(1,463,097)	(1,586,390)
<b>Total Activity Revenue</b>	<b>(2,570,209)</b>	<b>(2,644,091)</b>	<b>(2,591,390)</b>
<b>Total Activity (Surplus)/Deficit</b>	<b>(118,536)</b>	<b>(128,209)</b>	<b>13,630</b>

## Waste Management and Minimisation

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	\$	\$	\$
Litter Bin Replacement	85,000	84,872	193,000
<b>Total Capital Expenditure</b>	<b>85,000</b>	<b>84,872</b>	<b>193,000</b>
<b>Total Funding Required</b>	<b>(33,536)</b>	<b>(43,337)</b>	<b>206,630</b>
<b>Funded By</b>			
Transfer in Ratepayers Equity	100,536	109,059	(32,780)
Movement in Loans	(85,000)	(84,872)	(193,000)
<b>Total Funding</b>	<b>15,536</b>	<b>24,187</b>	<b>(225,780)</b>
<b>(Surplus/Deficit)</b>	<b>(18,000)</b>	<b>(19,150)</b>	<b>(19,150)</b>
Transfer to Loan Repayment Reserve	18,000	19,150	19,150
<b>Total Funding (Surplus/Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Monitoring of Water Supply and Wastewater Activity Statement

## 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 (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.

# Monitoring of Water Supply and Wastewater

## Key Service Levels

Council is not the provider of the water supply but it has set a key service standard that the supplier endeavours to 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 responded to within 1 hour and are targeted to 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 within 8 working days of receiving 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. A new pump station has been commissioned and once the surrounding land has been remediated Council will sell the site of the existing plant to WSL.

The construction of this additional infrastructure is being undertaken by UWI and WSL Services and is therefore not expected to have any direct impact on Council budgets.

## Changes from the LTCCP

This year for the first time Council has included the capital expenditure for water and wastewater infrastructure which meets the demands of growth within the development contributions policy regime. This means that all Council owned infrastructure is being treated in the same way and that developers will be able to accurately calculate the costs of developing in the growth areas based on this information.

How we will monitor progress:

Water Supply Measure		Target 2008/2009
1	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 and five yearly report produced within 6 months of receiving UWI's audited Annual report
2	United Water pricing to consumers is below average regional costs	Costs are below average
3	National drinking water quality standards are met	Aa standard achieved
Wastewater Supply Measure		Target 2008/2009
1	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 and five yearly report produced within 6 months of receiving UWI's audited Annual report
2	United Water tariffs are below average regional costs	Costs are below average
3	The condition grades for the wastewater networks are maintained as per the franchise agreement	Condition grades are in line with the franchise agreement

UWI takes part in the Auckland Water Industry Annual Performance Review on a voluntary basis. This report includes a range of performance measures of both UWI's individual performance and UWI's performance shown as a comparison with other Auckland Region operators. This report, which acts as a type of public accountability mechanism, may be accessed via Council's website or the UWI website.

## Monitoring of Water Supply and Wastewater

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Activity Expenditure</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Franchise Management and Monitoring	136,624	106,156	129,916	112,528	138,142	165,987	120,607	148,211	126,551	129,610
Interest Charge - Franchise Fee	0	0	1,077,356	1,073,388	1,069,085	1,064,415	1,059,348	1,053,851	1,047,886	1,041,415
<b>Total Activity Expenditure</b>	<b>136,624</b>	<b>106,156</b>	<b>1,207,272</b>	<b>1,185,916</b>	<b>1,207,227</b>	<b>1,230,402</b>	<b>1,179,955</b>	<b>1,202,062</b>	<b>1,174,437</b>	<b>1,171,025</b>
<b>Funded By</b>										
<b>Activity Revenue</b>										
Deferred Revenue Franchise Fee	0	0	(1,124,023)	(1,124,023)	(1,124,023)	(1,124,023)	(1,124,023)	(1,124,023)	(1,124,023)	(1,124,023)
Gain on Sale of Property	(495,000)	0	0	0	0	0	0	0	0	0
Development Contributions	0	0	(3,153,510)	(3,766,308)	(2,819,047)	(3,050,484)	(3,050,499)	(3,018,183)	(1,678,885)	(806,262)
Fees and Charges	0	0	0	0	0	0	0	0	0	0
Rates	(136,624)	(106,156)	(129,916)	(112,528)	(138,123)	(165,987)	(120,592)	(148,205)	(126,535)	(129,619)
<b>Total Activity Revenue</b>	<b>(631,624)</b>	<b>(106,156)</b>	<b>(4,407,449)</b>	<b>(5,002,859)</b>	<b>(4,081,193)</b>	<b>(4,340,494)</b>	<b>(4,295,114)</b>	<b>(4,290,411)</b>	<b>(2,929,443)</b>	<b>(2,059,904)</b>
<b>Total Activity (Surplus)/ Deficit</b>	<b>(495,000)</b>	<b>0</b>	<b>(3,200,177)</b>	<b>(3,816,943)</b>	<b>(2,873,966)</b>	<b>(3,110,092)</b>	<b>(3,115,159)</b>	<b>(3,088,349)</b>	<b>(1,755,006)</b>	<b>(888,879)</b>

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Capital Expenditure</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Hingaia Peninsular - Water	0	0	171,801	0	534,808	577,885	358,033	0	272,873	0
District wide - Water	0	0	0	63,550	493,312	1,813,481	0	0	0	89,250
Hingaia Peninsular - Wastewater	0	0	978,890	0	1,596,403	1,447,087	1,295,779	0	551,447	0
District Wide - Wastewater	0	0	152,709	446,968	606,436	5,312,684	1,800,000	0	0	0
<b>Total Capital Expenditure</b>	<b>0</b>	<b>0</b>	<b>1,303,400</b>	<b>510,518</b>	<b>3,230,959</b>	<b>8,971,137</b>	<b>3,453,812</b>	<b>0</b>	<b>824,320</b>	<b>89,250</b>
<b>Total Funding Required</b>	<b>(495,000)</b>	<b>0</b>	<b>(1,896,777)</b>	<b>(3,306,425)</b>	<b>356,993</b>	<b>5,861,045</b>	<b>338,653</b>	<b>(3,088,349)</b>	<b>(930,686)</b>	<b>(799,629)</b>
<b>Funded by</b>										
Transfer to Reserves	655,000	0	1,850,110	3,255,790	(411,931)	(5,920,653)	(403,328)	3,018,177	854,549	717,021
Transfer within Equity	(160,000)	0	46,667	50,635	54,938	59,608	64,675	70,172	76,137	82,608
<b>Total Funding (Surplus)/ Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Stormwater Activity Statement

## 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, bridge structures, culverts and overland flowpaths 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.

Levels of service for response to complaints about stormwater matters are as follows:

- 2008/2009 75% of complaints responded to within 3 days

## 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 four year study began in 2006 and is now in its third year. 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 10 years of the LTCCP.

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 of the LTCCP 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 2008/2009 year has a substantial investment in the preparation of an Integrated Catchment Management Plan for the district.

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 2008/2009 budget (year 3 of the LTCCP) have increased by approximately \$350,000 (net) from 2007/2008 (current year budget). The most significant components of this increased cost are loan costs (\$135,000), maintenance contract (\$76,000) and depreciation (\$145,000). Other changes are relatively minor in effect.

## 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.

# Stormwater

## Renewals

Renewal of existing assets is provided for at a minimum level of \$312,000 for the year. This is at the same level as last year which was an increased level of service on previous years. There is also \$360,000 provided to upgrade manholes. Renewals are funded by utilising depreciation.

## Upgrades for existing flooding and quality issues

The major projects in this category, in the 2008 year of the plan include:

- Elliot Street (\$930,000)
- Drury area (\$210,000)

## New Infrastructure for Growth

The major project in this category in the 2009 year of the plan, timed to coincide with expected growth, is:

- Artillery Drive tunnel (\$3,100,000)  
(Note: this project has been moved from the 2008 year and is expected to take two years to complete).

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

## Changes to LTCCP

- Artillery Drive Tunnel to Pahurehure Inlet - (\$3.1 million in 2007/2008).  
The LTCCP included \$2.7 million in 2006/07 and \$1.9 million in 2007/2008 for this capital project. Revised timelines now indicate that the project is unlikely to go ahead until 2008/2009 and the project cost has been revised to \$6.1m.

The changes to the capital projects outlined above have no impact on levels of service and operations.

How we will monitor progress:

Measure	Target 2008 / 2009
1 Development of integrated catchment management plan	Completed by 2010
2 Percentage of service requests for stormwater problems attended within three days	75%
3 Auditing and monitoring of flood hazard areas	50% complete by 2009
4 Maintenance and upgrade of the stormwater network	Complete upgrades as provided for in LTCCP
5 Reduce number of service failures (through network improvements)	220
6 Reduce flooding to habitable floors in the event of a 100 year storm	64
7 Reduce flooding to other types of private property in the event of a 100 year storm	2650

# Stormwater

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Activity Expenditure</b>	\$	\$	\$
Administration and Overheads	712,928	958,468	751,612
Depreciation	1,418,000	1,600,000	1,563,000
Forward Planning Projects	139,000	211,119	106,000
Interest Expense	502,000	730,000	637,000
Operations and Maintenance	461,065	536,875	547,000
<b>Total Activity Expenditure</b>	<b>3,232,993</b>	<b>4,036,462</b>	<b>3,604,612</b>
<b>Funded By</b>			
<b>Activity Revenue</b>			
Fees and Charges	(232,800)	(268,758)	(250,000)
Rates	(2,789,793)	(3,905,704)	(3,365,412)
<b>Total Activity Revenue</b>	<b>(3,022,593)</b>	<b>(4,174,462)</b>	<b>(3,615,412)</b>
<b>Total Activity (Surplus)/Deficit</b>	<b>210,400</b>	<b>(138,000)</b>	<b>(10,800)</b>

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Albert Street Stormwater Upgrade	0	32,511	30,000
Alfriston Stormwater Works	0	54,185	50,000
Artillery Drive Tunnel to Inlet	3,117,000	0	3,000,000
Coles Cres Pipe Work	0	487,665	0
Drury Industrial Flood Mitigation	0	216,740	210,000
Drury Triangle Pipe Work	467,550	0	0
Drury Triangle Pond	0	541,850	0
East Street Stormwater Upgrade 2	1,246,800	0	0
Elliot St Stormwater Quality (CDS Unit)	0	65,021	60,000
GIS New Data Capture	20,000	21,218	20,000
Greenhaven Ave Flood Protection (piping stream)	311,700	0	0
Integrated Catchment Management Plan	831,200	894,701	850,000

# Stormwater

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	\$	\$	\$
Kelvin Rd Upgrade	0	65,022	64,000
Manhole Upgrades	0	0	360,000
Marne Rd Stormwater Upgrade	415,600	0	0
Network Upgrades	311,700	325,110	311,700
Old Wairoa Rd - Stages 2B and 4	0	81,278	80,000
Pipeline Renewals	311,700	325,101	311,700
Piping Open Drain along railway	467,550	325,110	0
Preliminary Scoping Design	75,000	79,567	75,000
Risk Management/Critical Assets	100,000	31,827	150,000
Rosehill Stormwater Upgrade	41,560	379,295	0
Stage 2C Catchment Works	20,780	130,044	120,000
Stormwater Treatment Pond	100,000	0	30,000
<b>Total Capital Expenditure</b>	<b>7,838,140</b>	<b>4,056,245</b>	<b>5,722,400</b>

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
	\$	\$	\$
<b>Total Funding Required</b>	<b>8,048,540</b>	<b>3,918,245</b>	<b>5,711,600</b>
<b>Funding By</b>			
Development Contributions	(3,116,473)	(3,823,325)	(5,766,257)
Grants and Subsidies	(242,422)	(671,144)	(250,000)
Depreciation Applied	(1,418,000)	(1,600,000)	(1,563,000)
Movement in Loans	(2,968,655)	1,846,224	1,664,857
Transfer from Reserves	(476,590)	0	0
<b>Total Funding</b>	<b>(8,222,140)</b>	<b>(4,248,245)</b>	<b>(5,914,400)</b>
<b>(Surplus)/Deficit</b>	<b>(173,600)</b>	<b>(330,000)</b>	<b>(202,800)</b>
Transfer to Loan Repayment Reserve	173,600	330,000	202,800
<b>Total Funding (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Arts and Culture Activity Statement

## 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 Entertainment and Conference Centre; and support for arts and culture organisations such as the Papakura and Districts Historical Society. During the 2007/2008 year, at the request of the Papakura Arts Board, the Council took over operation of the Papakura Art Gallery and the Community Arts Centre to transition towards a professional service once the Arts and Culture Centre is developed.

This year Council also brought the management of the Hawkins Centre in-house in order to build up the professional performance side of the activities undertaken in the facility.

## 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 it 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 maintenance of all of its major facilities in this area.

In relation to the Library, there is recognition of the need for increased facility capacity as the district grows which was provided for in 2012. The Council has brought funding forward to 2010 recognising that significant growth will happen in the Takanini area earlier than 2012. The level of acquisitions is held constant for the year. Acquisitions are rates funded.

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. The development of a community led Arts and Cultural Center will remain a key focus for this area in the next year.

How we will monitor progress:

Measure	Target 2008 / 2009
1 Percentage of residents that use recreation and cultural facilities: <ul style="list-style-type: none"> <li>• Papakura Art Gallery</li> <li>• Papakura District Community Arts Centre</li> <li>• Papakura and Districts Museum</li> <li>• Hawkins Centre</li> </ul>	20% 10% 20% 20%
2 Number of library books borrowed per 10,000 population	7250
3 Active library members per population	65%
4 Number of library visitors	170,000 per annum
5 Percentage of residents satisfied with the library service	74%

## Arts and Culture

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Activity Expenditure</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Arts and Culture	205,161	755,279	369,795
Library	1,504,599	1,571,818	1,583,466
<b>Total Activity Expenditure</b>	<b>1,709,760</b>	<b>2,327,097</b>	<b>1,953,261</b>
<b>Funded By</b>			
<b>Activity Revenue</b>			
Fees and Charges	(50,100)	(53,151)	(209,100)
Rates	(1,676,360)	(2,365,646)	(1,760,861)
<b>Total Activity Revenue</b>	<b>(1,726,460)</b>	<b>(2,418,797)</b>	<b>(1,969,961)</b>
<b>Total Activity (Surplus)/Deficit</b>	<b>(16,700)</b>	<b>(91,700)</b>	<b>(16,700)</b>

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	\$	\$	\$
Arts and Culture Centre	1,000,000	0	18,000
Books	198,000	208,997	201,000
Hawkins Centre	11,500	10,079	20,000
Other Capital Expenditure	43,500	29,705	128,000
<b>Total Capital Expenditure</b>	<b>1,253,000</b>	<b>248,781</b>	<b>367,000</b>
<b>Total Funding Required</b>	<b>1,236,300</b>	<b>157,081</b>	<b>350,300</b>
<b>Funded By</b>			
Movement in Loans	(1,018,800)	(12,559)	(132,800)
Depreciation Applied to Capital Expenditure	(234,200)	(236,222)	(234,200)
<b>Total Funding</b>	<b>(1,253,000)</b>	<b>(248,781)</b>	<b>(367,000)</b>
<b>(Surplus)/Deficit</b>	<b>(16,700)</b>	<b>(91,700)</b>	<b>(16,700)</b>
Transfer to Loan Repayment Reserve	16,700	91,700	16,700
<b>Total Funding (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Parks and Recreation Activity Statement

## 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 of the LTCCP.
- 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.
- Council approved a range of new service levels for different playground typologies in the 2007/2008 year.

## 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 LTCCP 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 a 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.

Adjacent to the Aquatic Centre, Massey Park stadium is home to athletics and rugby and community events including the annual Papakura fireworks display. It is the subject of a re-development proposal aimed at enhancing its value as a district sporting venue. The proposed design of this redevelopment was separately consulted on at the same time as the Annual Plan.

The other major project in the 2009 year is the extension and development of McLennan Park alongside the McLennan housing development.

## Changes to the LTCCP

Capex funding set aside in the LTCCP to begin implementation of the Pahurehure Inlet Management Plan has been reclassified as operating expenditure as better information has become available. This change has added 1% to the rates in the 2008/2009 year.

# Parks and Recreation

How we will monitor progress:

Measure	Target 2008 / 2009
1 Number of visitors to the Aquatic Centre	250,000
2 Levels of service specified in the Aquatic Centre management contract are met	100% of service levels met
3 Percentage of Aquatic Centre users satisfied with the facilities and service	90%
4 Number of leisure visitors to the Recreation Centre	Baseline to be set
5 Adequacy of provision measures being developed for hard courts	Baseline to be set
6 Adequacy of provision measures being developed for sports fields and open spaces	Baseline to be set
7 Level of service for facilities (e.g. playgrounds) on parks	Baseline to be set
8 Percentage of residents satisfied with facilities on parks (playgrounds, toilets etc)	2008/2009 70%
9 Level of service for reserves Grass height on high amenity turf Grass height on amenity turf	Between 20mm & 50mm Between 25mm & 60mm
10 Percentage of residents satisfied with open space in the District	85%
11 New walkways and cycleways	To be confirmed

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Activity Expenditure</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Aquatic and Leisure Centre	1,375,011	1,445,176	1,396,324
Reserves	2,765,208	3,082,075	3,337,266
<b>Total Activity Expenditure</b>	<b>4,140,219</b>	<b>4,527,251</b>	<b>4,733,590</b>
<b>Funded By</b>			
<b>Activity Revenue</b>			
Fees and Charges	(7,510)	(7,936)	(7,510)
Rates	(4,254,709)	(4,693,668)	(4,882,080)
<b>Total Activity Revenue</b>	<b>(4,262,219)</b>	<b>(4,701,604)</b>	<b>(4,889,590)</b>
<b>Total Activity (Surplus)/Deficit</b>	<b>(122,000)</b>	<b>(174,353)</b>	<b>(156,000)</b>

## Parks and Recreation

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Barbeque Facilities	0	0	16,000
Bruce Pulman Park Projects	2,000,000	0	100,000
District Signage	75,000	79,260	75,000
Liquor Bylaw Signage	0	0	372,000
McLennan Park Extension	0	0	2,000,000
Neighbourhood Reserves	2,770,629	2,927,954	2,770,629
Open Space for Youth	65,000	68,692	65,000
Other Capital Expenditure	73,000	103,523	108,260
Park Amenity Improvements	60,000	63,407	60,000
Playground Development	81,000	85,599	81,000
Pool Operations	15,000	95,481	90,000
Pahurehure Management Plan	200,000	317,040	45,000
Recreation and Fitness Centre	6,000	74,263	71,000
Securing Reserve Carparks	150,000	0	0
Sportsfields-Land Acquisition/Development	3,000,000	0	0

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	\$	\$	\$
Sports Field Renovations	0	0	60,000
Stadium Development	500,000	3,170,400	1,000,000
Street Trees Planting	50,000	52,839	50,000
<b>Total Capital Expenditure</b>	<b>9,045,629</b>	<b>7,038,458</b>	<b>6,963,889</b>
<b>Total Funding Required</b>	<b>8,923,629</b>	<b>6,864,105</b>	<b>6,807,889</b>
Funded By			
Development and Financial Contributions	(4,564,503)	(6,496,277)	(8,130,731)
Vested Assets	(1,959,660)	(1,517,331)	(1,517,331)
Depreciation Applied to Capital Expenditure	(533,800)	(583,646)	(558,800)
Movement in Loans	(1,987,666)	1,558,749	3,242,973
<b>Total Funding</b>	<b>(9,045,629)</b>	<b>(7,038,505)</b>	<b>(6,963,889)</b>
<b>(Surplus)/Deficit</b>	<b>(122,000)</b>	<b>(174,400)</b>	<b>(156,000)</b>
Transfer to Loan Repayment Reserve	122,000	174,400	156,000
<b>Total Funding (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Transport and Rooding Activity Statement

## What We Do

The transportation and rooding activity manages the district's rooding network and associated infrastructure such as footpaths, parking facilities and street lighting. The key areas of focus over the 10 year programme of the LTCCP 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 improve 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 rooding and public transport initiatives in an integrated manner recognising, in particular, the Auckland Land Transport Plan
- 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 rooding connections.
- Physical environments enhance personal safety –by safe design of rooding 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 rooding, walking and cycling infrastructure is provided appropriately in new developments
- Rooding and public transport infrastructure is integrated and functions.

## Negative Effects

The provision of additional rooding 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 per cent 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
- 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 of the LTCCP 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 the 2008/2009 budget year have increased by \$241,000 from 2007/2008 (current year budget). While there are changes up and down, the most significant components of this increased cost are loan costs (\$235,000) and depreciation (\$103,000). Throughout the 10 year period of the LTCCP one of the most significant cost drivers is the capital works programme which in turn leads to escalating costs of loan servicing and depreciation.

It should be noted that Land Transport New Zealand subsidises a number of the maintenance items. Maintenance is undertaken by contractors on Council's behalf.

# Transport and Roothing

## 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 key projects that can be classified as renewal items are:

- Intersection resurfacing (\$211,000)
- Footpath renewal (\$123,000)
- Signalised intersection renewal (\$210,000)
- Road strengthening (\$950,000)
- Area Wide Pavement Treatment (\$1,030,000)
- Chip seals (\$718,000)
- Thin Asphaltic Surfacing (\$501,000)
- Signs (\$553,000)
- Bridge and culvert renewal (\$53,000)

### 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:

- Wood Street/Gt South Road intersection improvement (\$50,000)
- Porchester Rd/Ingram St realignment (\$500,000)
- Overhead to underground power – district wide (\$205,000)
- Bus shelters (\$45,000)
- Street light upgrades (\$307,000)
- Cameras at signalised intersections (\$200,000)
- Rural road improvements (\$225,000)
- Footpath construction (\$53,000)
- Road widening (\$123,000)
- Kerb and channel programme (\$50,000)
- Minor safety projects (\$450,000)
- Turning heads (\$184,000)
- Town centre amenity lighting (\$800,000)
- Town centre pavement and stormwater (\$1,580,000)

### **New infrastructure for growth**

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

- Railway St West Link (\$4,100,000)
- Ingram Pictor Realignment (\$50,000)
- Hingaia/Hildene/Pararekau projects (\$1,762,000)
- Porchester Rd (\$1,050,000)
- Porchester Rd land purchase (\$117,000)
- Papakura Interchange (\$1,000,000)
- Misc subdivision work (\$123,000)
- Takanini grade separation (\$250,000)
- Construction of walkways (\$287,000)
- Implementation of cycleways (\$200,000)

### **Changes to LTCCP**

A number of changes have been made to the Roothing and Capital works programme since the LTCCP was adopted in June 2006. These changes reflect better information about appropriate timing and sequencing of projects especially those that are driven by growth and the Council's increased priority given to Town Centre Revitalisation. Large changes to either costs or to include new projects over the ten years include:

- a new project costing \$4.1 m for the Railway Street West link in 2008/09,
- a reduction from \$11.8 m to \$5.233m in the costs to upgrade the Clevedon Railway Bridge in 2010/2011,
- an increase in costs for a grade separated rail crossing at Takanini from \$11m to \$24m over years 2009-2011

The Papakura Interchange project is included for the first time with costs spread over the next three years..

# Transport and Roothing

How we will monitor progress:

Measure	Target 2008 – 2009
1 Transport Strategy and Corridor Studies are completed	Completion 2007
2 Percentage of the District's sealed network with roughness exceeding 150 NAASRA counts	<4%
3 Road condition measure: average roughness value of sealed urban roads	<90* * Very good <80; Fair <80-120; Poor >120
4 Road condition measure: average roughness value of sealed rural roads	<100*
5 Walking and cycling strategy is completed	Strategy adopted by Council
6 Percentage of urban pedestrian crossings enhanced with facilities for hearing and sight impaired	60%
7 Percentage of residents satisfied with provision for pedestrians in rural areas	40%
8 Percentage of residents satisfied with provision for pedestrians in urban areas	80%
9 Percentage of residents that perceive train stations and bus stops to be safe	Increase in safety perceptions Day – 75% Night – 30%
10 Number of LTNZ black spots resolved through safety related works	Two per year
11 Number of road safety education projects on key road safety issues	>Four per year

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Activity Expenditure</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Administration and Overheads	1,170,333	1,552,132	1,266,951
Depreciation	3,347,800	3,897,800	3,500,000
Forward Planning Projects	798,000	570,764	484,000
Interest Expense	705,000	1,125,601	940,000
Operations and Maintenance	2,777,271	2,960,370	3,011,906
Safety Projects	83,000	92,298	189,000
Street Cleaning	235,750	241,643	246,000
<b>Total Activity Expenditure</b>	<b>9,117,154</b>	<b>10,440,608</b>	<b>9,637,857</b>
<b>Funded By</b>			
<b>Activity Revenue</b>			
Fees and Charges	(6,500)	(6,896)	(10,350)
Grants and Subsidies for Operating Expenditure	(1,346,642)	(1,306,302)	(1,412,139)
Rates	(6,267,637)	(7,982,353)	(6,991,518)
<b>Total Activity Revenue</b>	<b>(7,620,779)</b>	<b>(9,295,551)</b>	<b>(8,414,007)</b>
<b>Total Activity (Surplus)/Deficit</b>	<b>1,496,375</b>	<b>1,145,057</b>	<b>1,223,850</b>

## Transport and Roading

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
5 Way Interchange-Clevedon Rd	512,500	0	0
Area Wide Pavement Treatment	953,250	656,638	1,030,000
Bridges and Culverts	51,250	52,951	53,000
Cameras at Signalised Intersections	56,375	0	200,000
Central Station Park and Ride	358,750	0	0
Chip Seals	666,250	714,421	717,500
Clevedon Railway Bridge	102,500	52,544	0
Construction-Signalised Intersections	205,000	210,125	210,000
Construction of Walkways	343,375	393,975	287,000
District Directional Signage	0	0	400,000
Dominion Road to Old Wairoa	51,250	0	0
Footpath Construction	51,250	52,531	53,000
Footpath Surface Renewal	123,000	126,075	123,000
Glenora Rd Stage 1	0	722,851	0
Great South Rd/Beach Rd Intersection	1,127,500	0	0

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Hildene Rd	0	216,616	210,330
Hingaia Rd/M'way Pararekau Rd Midblocks	51,250	0	0
Hingaia Rd/Pararekau Intersection	51,250	0	1,500,000
Hingaia-M'way-Pararekau Rd	52,037	53,337	52,037
Hunua and Boundary Rds Intersection Improvement	0	420,240	0
Implementation of Mill Rd Corridor and Related Projects	0	1,050,600	150,000
Implementation of Cycleway	184,500	199,616	200,500
Ingham - Prictor Realignment	0	0	50,000
Ingham Street Widening	0	157,591	500,000
Intersection Improvement-Wellington St/Great South	51,250	52,530	0
Intersection Improvement-Wood St/Great South Rd	51,250	262,650	50,000
Intersection Resurfacing	205,000	210,121	211,150
Kerb and Channel	246,410	256,562	250,000
Land Purchase	0	528,400	0
LATM Schemes	51,250	52,531	0

## Transport and Roading

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	\$	\$	\$
Le Havre Place Gobi Block Replacement	60,000	0	0
Manuroa/Great South Rd Int	0	0	50,000
Manuroa Road Gobi Block Replacement	250,000	0	0
Minor Safety Projects	237,800	243,745	450,000
New link via Railway St West	0	315,180	100,000
Old Wairoa Rd Extension	0	0	50,000
Other Capital Expenditure	60,475	88,311	60,375
Overhead to Underground Power	205,000	210,122	205,000
Papakura Interchange	0	0	1,000,000
Porchester Rd-Manukau Boundary	82,000	0	0
Porchester Rd Construction	816,413	1,046,923	1,050,000
Porchester Rd-Manukau Boundary	80,000	0	0
Porchester Rd	296,400	120,475	117,000

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Quarry Rd Route Improvement	0	315,181	0
Railway St West Link - Land purchase	0	0	4,000,000
Realignment of Papakura Clevedon Rd	0	367,710	0
Revitalisation of Ron Keat/Clevedon Rd	0	52,530	0
Road Widening	123,000	126,075	123,000
Rural Road Improvements	225,500	630,360	225,500
Signs Renewal	123,000	0	133,250
Streetlight Upgrades	307,500	315,187	307,500
Strengthening Subsidy	768,750	945,552	950,000
Subdivision Development	123,000	126,075	123,000
Takanini Grade Separation	102,500	210,120	200,000
Takanini Station Land Purchase and Upgrade	50,000	0	0
Thin Asphaltic Surfacing	461,250	499,045	501,500

## Transport and Roothing

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Town Centre Amenity Lighting	788,152	429,474	800,000
Town Centre Revitalisation	40,366	0	0
Town Centre Revitalisation-Rail/Clevedon	666,250	0	0
Turning Heads	184,500	189,108	184,500
Upgrade Pavement and Stormwater - Broadway	1,537,500	1,575,900	1,580,000
<b>Total Capital Expenditure</b>	<b>13,135,803</b>	<b>14,249,978</b>	<b>18,458,142</b>

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
	\$	\$	\$
<b>Total Funding Required</b>	<b>14,632,178</b>	<b>15,395,035</b>	<b>19,681,992</b>
<b>Funded By</b>			
Development Contributions	(3,481,961)	(3,520,839)	(4,599,414)
Grants and Subsidies for Capital Projects	(4,678,561)	(3,929,908)	(4,220,871)
Recovery of Capital Costs	0	(104,010)	0
Vested Assets	(10,260)	(717,446)	(717,000)
Depreciation Applied	(2,147,124)	(2,619,857)	(2,250,000)
Movement in Loans	(1,154,731)	(2,450,888)	(6,907,707)
Transfer from Reserves	(2,136,866)	(1,143,878)	0
<b>Total Funding</b>	<b>(13,609,503)</b>	<b>(14,486,826)</b>	<b>(18,694,992)</b>
<b>(Surplus)/Deficit</b>	<b>1,022,675</b>	<b>908,209</b>	<b>987,000</b>
Transfer to Loan Repayment Reserve	178,000	369,734	263,000
<b>Total Funding (Surplus)/Deficit*</b>	<b>1,200,675</b>	<b>1,277,943</b>	<b>1,250,000</b>

\* This deficit is depreciation not required to be funded as the related works are anticipated to be funded by Land Transport NZ

# Statement of Prospective Financial Performance

For the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Cost of Activities</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Finance Costs	1,313,220	2,958,016	3,493,338	4,068,426	4,541,523	5,158,638	6,080,941	6,830,294	7,371,661	8,061,502
Depreciation and Amortisation	6,121,100	6,905,127	6,443,300	6,752,000	7,120,000	7,568,300	7,878,300	8,297,300	8,604,300	9,072,300
Employee Benefits	7,184,000	7,839,329	8,096,500	8,174,500	8,174,500	8,174,500	8,174,500	8,174,500	8,174,500	8,174,500
Other Expenditure	15,814,547	16,365,544	16,938,212	17,795,786	18,994,332	20,028,339	20,679,726	21,646,288	22,713,130	23,460,022
<b>Total Gross Cost of Services of Activities</b>	<b>30,432,867</b>	<b>34,068,016</b>	<b>34,971,350</b>	<b>36,790,712</b>	<b>38,830,355</b>	<b>40,929,777</b>	<b>42,813,467</b>	<b>44,948,382</b>	<b>46,863,591</b>	<b>48,768,324</b>
<b>Other Costs</b>										
Museum Levies	393,000	595,164	678,843	694,456	710,421	726,769	743,478	761,326	779,593	798,314
MOTAT Levies	134,000	213,241	259,152	265,113	271,206	277,448	283,826	290,640	297,613	304,761
<b>Total Operating Costs</b>	<b>30,959,867</b>	<b>34,876,421</b>	<b>35,909,345</b>	<b>37,750,281</b>	<b>39,811,982</b>	<b>41,933,994</b>	<b>43,840,771</b>	<b>46,000,348</b>	<b>47,940,797</b>	<b>49,871,399</b>

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Revenue</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Rates Revenue	23,625,771	27,777,263	26,240,612	28,049,543	30,151,863	32,146,614	33,874,302	36,053,808	37,843,457	39,548,133
Charges for Services	4,866,851	4,905,909	7,255,624	7,589,048	7,804,590	7,938,466	8,096,226	8,265,178	8,437,453	8,613,963
Government Grants, Subsidies and Sponsorships	6,407,252	6,050,182	6,022,637	6,207,312	8,669,079	5,250,405	6,569,717	5,957,330	6,315,684	6,136,594
Investment Interest	236,167	211,250	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Petroleum Tax	174,250	178,606	190,000	194,940	199,618	204,808	210,338	215,807	221,202	226,732
Development/Financial Contributions	11,162,937	13,840,441	21,649,912	25,721,262	20,096,737	22,650,087	22,650,087	22,372,447	15,692,319	6,979,980
Assets Vested in Council	1,969,920	2,235,777	2,234,331	3,167,515	4,876,981	1,607,526	1,751,787	374,100	379,712	385,408
Gain on Sale of Property	495,000	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>48,938,148</b>	<b>55,199,428</b>	<b>63,603,116</b>	<b>70,939,620</b>	<b>71,808,868</b>	<b>69,807,906</b>	<b>73,162,457</b>	<b>73,248,670</b>	<b>68,899,827</b>	<b>61,900,810</b>
<b>Net Surplus/(Deficit) for the year</b>	<b>17,978,281</b>	<b>20,323,007</b>	<b>27,693,771</b>	<b>33,189,339</b>	<b>31,996,886</b>	<b>27,873,912</b>	<b>29,321,686</b>	<b>27,248,322</b>	<b>20,959,030</b>	<b>12,029,411</b>

- (1) Charges for Services in the 2008/2009 Annual Plan have increased from the amount in the LTCCP due to the introduction of the International Financial Reporting Standards requirement to account for deferred Franchise Fee income of \$1.2 million, and an increase in total Regulatory Services fees such as building and resource consent revenue.
- (2) From 2008/2009, Development/Financial Contributions estimates include Water and Wastewater development contributions currently administered by United Water International Ltd.

# Statement of Prospective Movements in Ratepayers Equity

For the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Ratepayers Equity as at 1 July	446,841,242	460,352,968	467,628,326	498,224,614	531,413,953	583,543,571	614,119,569	643,441,255	689,739,120	713,431,445
Net Surplus/(Deficit) for the year	17,978,281	20,323,007	27,693,771	33,189,339	31,996,886	27,873,912	29,321,686	27,248,322	20,959,030	12,029,411
Increase in Asset Revaluation Reserve	21,641,940	3,055,281	2,902,517	0	20,132,732	2,702,086	0	19,049,543	2,733,295	0
<b>Total Recognised Revenues and Expenses for the year</b>	<b>39,620,221</b>	<b>23,378,288</b>	<b>30,596,288</b>	<b>33,189,339</b>	<b>52,129,618</b>	<b>30,575,998</b>	<b>29,321,686</b>	<b>46,297,865</b>	<b>23,692,325</b>	<b>12,029,411</b>
<b>Ratepayers Equity as at 30 June</b>	<b>486,461,463</b>	<b>483,731,256</b>	<b>498,224,614</b>	<b>531,413,953</b>	<b>583,543,571</b>	<b>614,119,569</b>	<b>643,441,255</b>	<b>689,739,120</b>	<b>713,431,445</b>	<b>725,460,856</b>

# Statement of Prospective Funding

For the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Sources Of Funding</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Surplus/(Deficit) from Operations	17,978,281	20,323,007	27,693,771	33,189,339	31,996,886	27,873,912	29,321,686	27,248,322	20,959,030	12,029,411
Non-cash items										
Depreciation not Funded	1,200,676	1,277,943	1,250,000	1,345,452	1,409,630	1,483,940	1,572,173	1,659,256	1,738,740	1,815,361
Depreciation applied to Expenditure	4,641,724	5,347,471	4,914,600	5,128,991	5,433,982	5,809,169	6,032,160	6,365,383	6,594,237	6,986,986
Non-operational Sources of Funding										
Loans Raised	8,033,752	1,630,563	5,186,077	4,006,733	17,452,769	0	0	0	0	1,304,273
Transfer from Reserves	2,879,956	1,410,542	268,500	260,296	613,535	6,196,423	569,019	177,606	271,232	202,711
Transfers within Equity	160,000	0	32,780	0	0	0	0	0	0	0
<b>Total Sources of Funding</b>	<b>34,894,389</b>	<b>29,989,526</b>	<b>39,345,728</b>	<b>43,930,811</b>	<b>56,906,802</b>	<b>41,363,444</b>	<b>37,495,038</b>	<b>35,450,567</b>	<b>29,563,239</b>	<b>22,338,742</b>
Funding Applied										
Purchase and Construction of Property, Plant and Equipment	32,688,071	28,472,261	36,445,331	39,440,225	55,515,201	28,415,667	35,225,705	24,653,607	22,135,179	19,292,753
Loans Repaid	0	0	0	0	0	11,456,683	586,626	5,781,597	4,375,654	0
Transfer to Reserve Funds	2,105,782	1,408,206	2,853,730	4,401,324	1,297,806	1,392,385	1,578,669	4,905,549	2,936,330	2,923,123
Transfers within Equity	100,536	109,059	46,667	89,262	93,795	98,709	104,038	109,814	116,076	122,866
<b>Total Funding Applied</b>	<b>34,894,389</b>	<b>29,989,526</b>	<b>39,345,728</b>	<b>43,930,811</b>	<b>56,906,802</b>	<b>41,363,444</b>	<b>37,495,038</b>	<b>35,450,567</b>	<b>29,563,239</b>	<b>22,338,742</b>
<b>Net Funding Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Statement of Prospective Public Debt

For the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Opening Balance</b>	<b>35,293,431</b>	<b>41,462,423</b>	<b>35,234,006</b>	<b>40,420,083</b>	<b>44,426,816</b>	<b>61,879,585</b>	<b>50,422,902</b>	<b>49,836,276</b>	<b>44,054,679</b>	<b>39,679,025</b>
Movement in Loans	8,033,752	1,630,563	5,186,077	4,006,733	17,452,769	(11,456,683)	(586,626)	(5,781,597)	(4,375,654)	1,304,273
<b>Closing Balance</b>	<b>43,327,183</b>	<b>43,092,986</b>	<b>40,420,083</b>	<b>44,426,816</b>	<b>61,879,585</b>	<b>50,422,902</b>	<b>49,836,276</b>	<b>44,054,679</b>	<b>39,679,025</b>	<b>40,983,298</b>

# Schedule of Cost of Activities by Activity

For the years ending 30 June 2008 to 30 June 2009

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
	\$	\$	\$
Democracy and Planning	3,134,049	3,224,029	3,318,229
Economic Development	813,812	685,715	874,134
Regulatory Services	4,123,088	4,366,315	5,029,567
Transportation and Roading	9,117,154	10,440,608	9,637,857
Monitoring of Water and Wastewater	136,624	106,156	1,207,272
Stormwater	3,232,993	4,036,462	3,604,612
Waste Management and Minimisation	2,451,673	2,515,882	2,605,020
Parks and Recreation	4,140,219	4,527,251	4,733,590
Arts and Culture	1,709,760	2,327,097	1,953,261
Community Development	1,392,713	1,233,027	1,408,140
Cemeteries and Public Conveniences	373,553	383,749	383,404
Museum Levies	393,000	595,164	678,843
MOTAT Levies	134,000	213,241	259,152
Property and Other	312,009	347,060	341,599
Less Internal Borrowing	(504,780)	(125,335)	(125,335)
<b>Total Operating Costs</b>	<b>30,959,867</b>	<b>34,876,421</b>	<b>35,909,345</b>

# Statement of Prospective Financial Position

For the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Assets</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Current Assets</b>										
Cash and Cash Equivalents	5,272,665	2,218,089	2,194,815	3,650,162	5,350,288	7,125,661	9,159,675	11,481,776	13,913,052	16,480,678
Trade and Other Receivables	3,899,424	4,440,078	4,428,534	4,713,787	5,020,733	5,302,618	5,552,298	5,863,295	6,123,101	6,372,215
Non-Current Assets held for Sale	0	0	10	10	10	10	10	10	10	10
<b>Total Current Assets</b>	<b>9,172,089</b>	<b>6,658,167</b>	<b>6,623,359</b>	<b>8,363,959</b>	<b>10,371,031</b>	<b>12,428,289</b>	<b>14,711,983</b>	<b>17,345,081</b>	<b>20,036,163</b>	<b>22,852,903</b>
<b>Non-Current Assets</b>										
Trade and Other Receivables	51,879	37,387	53,222	52,181	51,076	49,902	48,656	47,333	45,929	44,438
Contributions for Future Water / Wastewater Asset Development	0	0	1,850,110	5,105,900	4,693,969	0	0	1,388,165	2,242,714	2,959,735
Intangible Assets	279,358	287,815	301,207	518,618	505,720	516,597	436,439	366,499	394,474	393,830
Other Financial Assets	57,953,033	43,393,763	47,748,064	47,748,064	47,748,064	47,748,064	47,748,064	47,748,064	47,748,064	47,748,064
Property Plant and Equipment	473,208,572	487,534,783	511,942,602	544,413,416	612,954,247	636,492,823	663,920,386	699,396,176	715,632,375	725,853,472
<b>Total Non-Current Assets</b>	<b>531,492,842</b>	<b>531,253,748</b>	<b>561,895,205</b>	<b>597,838,179</b>	<b>665,953,076</b>	<b>684,807,386</b>	<b>712,153,545</b>	<b>748,946,237</b>	<b>766,063,556</b>	<b>776,999,539</b>
<b>Total Assets</b>	<b>540,664,931</b>	<b>537,911,915</b>	<b>568,518,564</b>	<b>606,202,138</b>	<b>676,324,107</b>	<b>697,235,675</b>	<b>726,865,528</b>	<b>766,291,318</b>	<b>786,099,719</b>	<b>799,852,442</b>

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Liabilities</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Current Liabilities</b>										
Trade and Other Payables	10,293,448	10,520,745	10,865,712	11,446,779	12,084,826	12,715,070	13,315,808	13,970,842	14,584,822	15,133,430
Provisions	41,432	34,413	40,373	37,773	35,158	32,528	29,878	27,210	24,522	21,814
Borrowings	13,622,394	12,066,037	10,005,021	11,006,704	15,369,896	12,530,726	12,384,069	10,938,670	9,844,756	10,170,825
<b>Total Current Liabilities</b>	<b>23,957,274</b>	<b>22,621,195</b>	<b>20,911,106</b>	<b>22,491,256</b>	<b>27,489,880</b>	<b>25,278,324</b>	<b>25,729,755</b>	<b>24,936,722</b>	<b>24,454,100</b>	<b>25,326,069</b>
<b>Non-Current Liabilities</b>										
Trade and Other Payables	0	0	18,408,254	18,353,316	18,293,708	18,229,033	18,158,861	18,082,724	18,000,116	17,910,486
Contributions for Future Water / Wastewater Asset Development	0	0	0	0	0	1,226,684	1,630,012	0	0	0
Provisions	541,405	532,515	559,528	523,501	487,259	489,889	453,438	416,743	379,789	342,558
Borrowings	29,704,789	31,026,949	30,415,062	33,420,112	46,509,689	37,892,176	37,452,207	33,116,009	29,834,269	30,812,473
<b>Total Non-Current Liabilities</b>	<b>30,246,194</b>	<b>31,559,464</b>	<b>49,382,444</b>	<b>52,296,929</b>	<b>65,290,656</b>	<b>57,837,782</b>	<b>57,694,518</b>	<b>51,615,476</b>	<b>48,214,174</b>	<b>49,065,517</b>
<b>Total Liabilities</b>	<b>54,203,468</b>	<b>54,180,659</b>	<b>70,293,950</b>	<b>74,788,185</b>	<b>92,780,536</b>	<b>83,116,106</b>	<b>83,424,273</b>	<b>76,552,198</b>	<b>72,668,274</b>	<b>74,391,586</b>
<b>Net Assets</b>	<b>486,461,463</b>	<b>483,731,256</b>	<b>498,224,614</b>	<b>531,413,953</b>	<b>583,543,571</b>	<b>614,119,569</b>	<b>643,441,255</b>	<b>689,739,120</b>	<b>713,431,445</b>	<b>725,460,856</b>
<b>Represented By</b>										
<b>Ratepayers Equity</b>	<b>486,461,463</b>	<b>483,731,256</b>	<b>498,224,614</b>	<b>531,413,953</b>	<b>583,543,571</b>	<b>614,119,569</b>	<b>643,441,255</b>	<b>689,739,120</b>	<b>713,431,445</b>	<b>725,460,856</b>

# Statement of Prospective Capital Expenditure

For the years ending 30 June 2008 to 30 June 2009

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan
<b>Capital Expenditure By Significant Activity</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Democracy and Planning - Other	5,000	42,436	40,000
Regulatory Services - Improved Level of Service	0	0	32,000
Transportation and Roding - Improved Level of Service	7,258,436	8,064,412	7,383,257
Transportation and Roding - Growth	2,064,955	2,294,247	4,614,536
Transportation and Roding - Other	3,812,412	3,891,319	6,460,349
Monitoring of Water and Wastewater - Growth	0	0	1,303,400
Stormwater - Improved Level of Service	4,440,038	2,078,493	3,318,992
Stormwater - Growth	2,774,702	1,435,911	2,002,840
Stormwater - Other	623,400	541,841	400,568
Waste Management and Minimisation - Improved Level of Service	85,000	84,872	193,000
Parks and Recreation - Improved Level of Service	7,841,721	6,834,757	2,924,833
Parks and Recreation - Growth	1,203,908	203,701	4,039,056
Arts and Culture - Improved Level of Service	1,253,000	248,781	367,000
Community Development - Improved Level of Service	313,000	251,964	974,000
Cemeteries and Public Conveniences - Improved Level of Service	2,500	2,642	2,500
Cemeteries and Public Conveniences - Other	130,000	133,155	126,000
Property and Other - Improved Level of Service	879,999	2,363,730	2,263,000
<b>Total Capital Expenditure</b>	<b>32,688,071</b>	<b>28,472,261</b>	<b>36,445,331</b>

# Statement of Prospective Cash Flows

For the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Cash Flows from Operating Activities</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash provided from:										
Rates	23,608,351	27,641,295	26,794,333	28,004,232	30,103,281	32,102,527	33,835,719	36,004,519	37,803,029	39,508,664
Charges for Services	4,842,104	4,741,481	9,439,835	7,389,137	7,589,249	7,741,258	7,922,285	8,047,386	8,256,570	8,440,927
Investment Income	235,321	209,246	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Government Subsidies	6,363,919	5,947,585	6,314,121	6,180,038	8,639,729	5,223,467	6,545,876	5,927,612	6,290,887	6,112,831
Petrol Tax and Other Receipts	172,250	173,870	190,000	194,940	199,618	204,808	210,338	215,807	221,202	226,732
Development/Financial Contributions	11,162,937	13,840,441	18,496,402	21,954,954	17,277,709	19,599,603	19,599,603	19,354,270	14,013,450	6,173,709
Deposits Received	0	0	200,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	46,384,882	52,553,918	61,444,691	63,783,301	63,869,586	64,931,663	68,173,821	69,609,594	66,645,138	60,522,863
Cash applied to:										
Payment to Suppliers and Employees	23,198,008	25,103,017	26,576,085	26,805,548	27,898,420	29,049,951	29,778,811	30,743,499	31,857,018	32,653,820
Interest Paid	1,334,741	2,957,976	3,403,500	3,972,808	4,545,629	5,033,303	5,955,606	6,704,959	7,246,326	7,945,840
	24,532,749	28,060,993	29,979,585	30,778,356	32,444,049	34,083,254	35,734,417	37,448,458	39,103,344	40,599,660
<b>Net Cash Inflow from Operating Activities</b>	<b>21,852,133</b>	<b>24,492,925</b>	<b>31,465,106</b>	<b>33,004,945</b>	<b>31,425,537</b>	<b>30,848,409</b>	<b>32,439,404</b>	<b>32,161,136</b>	<b>27,541,794</b>	<b>19,923,203</b>

## Statement of Prospective Cash Flows for the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Cash Flows from Investing Activities</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash provided from:</b>										
Investments	793	842	0	0	0	0	0	0	0	0
Proceeds from sales of Property, Plant and Equipment	655,000	0	0	0	0	0	0	0	0	0
Advance Repaid	12,857	13,650	1,041	1,105	1,173	1,246	1,323	1,404	1,491	1,583
	668,650	14,492	1,041	1,105	1,173	1,246	1,323	1,404	1,491	1,583
<b>Cash applied to:</b>										
Additions to Property, Plant and Equipment	30,382,714	26,855,938	33,382,815	35,181,995	47,016,865	17,419,271	29,695,220	23,930,986	20,548,001	18,502,387
Addition to Intangible Assets	37,000	0	0	375,441	162,488	198,328	124,867	127,856	188,354	159,046
	30,419,714	26,855,938	33,382,815	35,557,436	47,179,353	17,617,599	29,820,087	24,058,842	20,736,355	18,661,433
<b>Net Cash (Outflow) from Investing Activities</b>	<b>(29,751,064)</b>	<b>(26,841,446)</b>	<b>(33,381,774)</b>	<b>(35,556,331)</b>	<b>(47,178,180)</b>	<b>(17,616,353)</b>	<b>(29,818,764)</b>	<b>(24,057,438)</b>	<b>(20,734,864)</b>	<b>(18,659,850)</b>

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Cash Flow from Financing Activities</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash provided from:										
Borrowing Raised	8,033,752	1,630,563	5,186,077	4,006,733	17,452,769	0	0	0	0	1,304,273
	8,033,752	1,630,563	5,186,077	4,006,733	17,452,769	0	0	0	0	1,304,273
Cash applied to:										
Borrowings Repaid	0	0	0	0	0	11,456,683	586,626	5,781,597	4,375,654	0
	0	0	0	0	0	11,456,683	586,626	5,781,597	4,375,654	0
<b>Net Cash Inflow from Financing Activities</b>	<b>8,033,752</b>	<b>1,630,563</b>	<b>5,186,077</b>	4,006,733	17,452,769	(11,456,683)	(586,626)	(5,781,597)	(4,375,654)	(1,304,273)
Net Increase/(Decrease) in Cash and Cash Equivalents	134,821	(717,958)	3,269,409	1,455,347	1,700,126	1,775,373	2,034,014	2,322,101	2,431,276	2,567,626
Opening Cash and Cash Equivalents	5,137,844	2,936,047	(1,074,594)	2,194,815	3,650,162	5,350,288	7,125,661	9,159,675	11,481,776	13,913,052
<b>Closing Balance at 30 June</b>	<b>5,272,665</b>	<b>2,218,089</b>	<b>2,194,815</b>	<b>3,650,162</b>	<b>5,350,288</b>	<b>7,125,661</b>	<b>9,159,675</b>	<b>11,481,776</b>	<b>13,913,052</b>	<b>16,480,678</b>
This is Represented by Cash and Cash Equivalents	5,272,665	2,218,089	2,194,815	3,650,162	5,350,288	7,125,661	9,159,675	11,481,776	13,913,052	16,480,678
	5,272,665	2,218,089	2,194,815	3,650,162	5,350,288	7,125,661	9,159,675	11,481,776	13,913,052	16,480,678

## Statement of Prospective Cash Flows for the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Reconciliation of Surplus for the year to Net Cash Flow from Operating Activities</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Surplus/(Deficit) for the Year</b>	<b>17,978,281</b>	<b>20,323,007</b>	<b>27,693,771</b>	<b>33,189,339</b>	<b>31,996,886</b>	<b>27,873,912</b>	<b>29,321,686</b>	<b>27,248,322</b>	<b>20,959,030</b>	<b>12,029,411</b>
<i>Add/(Deduct) Non-Cash Items:</i>										
Depreciation and Amortisation	6,121,100	6,905,127	6,443,300	6,752,000	7,120,000	7,568,300	7,878,300	8,297,300	8,604,300	9,072,300
Assets Vested in Council	(1,969,920)	(2,235,777)	(2,234,331)	(3,167,515)	(4,876,981)	(1,607,526)	(1,751,787)	(374,100)	(379,712)	(385,408)
Development Contributions	0	0	(3,153,510)	(3,766,308)	(2,819,028)	(3,050,484)	(3,050,484)	(3,018,177)	(1,678,869)	(806,271)
<i>Add/(Deduct) movements in Working Capital:</i>										
(Increase)/Decrease in Receivables	(192,334)	(455,381)	3,037,422	(284,212)	(305,841)	(280,711)	(248,434)	(309,674)	(258,402)	(247,623)
Increase/(Decrease) in Accounts Payable/Other Liabilities	708,443	(8,506)	(996,761)	436,397	488,409	514,323	440,142	488,130	440,239	367,456
Increase/(Decrease) in Deposits	0	0	200,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<i>Add/(Deduct) Items classified as Investing or Financing Activities:</i>										
Net (Gain)/Loss on Sale of Assets	(495,000)	0	0	0	0	0	0	0	0	0
Movement in Accounts Payable relating to Property, Plant and Equipment	(298,437)	(35,545)	475,215	(204,756)	(227,908)	(219,405)	(200,019)	(220,665)	(194,732)	(156,662)
<b>Net Cash Flow from Operating Activities</b>	<b>21,852,133</b>	<b>24,492,925</b>	<b>31,465,106</b>	<b>33,004,945</b>	<b>31,425,537</b>	<b>30,848,409</b>	<b>32,439,404</b>	<b>32,161,136</b>	<b>27,541,794</b>	<b>19,923,203</b>

# Statement of Accounting Policies

## For the year ending 30 June 2009

This plan is Papakura District Council's final 2008/2009 annual plan, prepared in accordance with section 95 of the Local Government Act 2002 and complies with the requirements of FRS 42.

Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

The information contained in the financial statements is not able to be used for any purposes other than to give an indication of the magnitude of Council's financial requirements for the period of the plan.

There is a low to medium level degree of uncertainty attached to the financial information as outlined in the forecasting assumptions.

The 2008/2009 final annual plan was adopted and authorised for issue by Council on 24 June 2008.

### Reporting Entity

Papakura District Council is a territorial local authority governed by the Local Government Act 2002. The Papakura District Council group (Papakura District Council) consists of Papakura District Council and its subsidiaries. All subsidiaries are 100% consolidated. For the year ended 30 June 2007, the Group financial statements included the Proudly Papakura Trust.

In accordance with Clause 8(2) of Schedule 10 of the Local Government Act 2002 the financial statements cover the activities of Council only.

The primary objective of Papakura District Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Papakura District Council has designated itself and the

group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZIFRS).

The financial statements of Papakura District Council are for the year ending 30 June 2009. The financial statements were authorised for issue by Council on 24 June 2008.

### Basis of Preparation

The financial statements of Papakura District Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, section 95 and Part 2 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.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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 Papakura District Council 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.

# Statement of accounting policies for the year ending 30 June 2009

## 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 Papakura District Council has not yet applied.

## Subsidiaries

Papakura District Council consolidates as subsidiaries in the group financial statements all entities where Papakura District Council 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 Papakura District Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Papakura District Council 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.

Papakura District Council 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 Papakura District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If Papakura District Council'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.

This plan does not present information on any of Council's subsidiaries.

## 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.

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

This plan does not present information on any of Council's subsidiaries and as a result no consolidated information is presented.

## Associates or Joint Ventures

Papakura District Council 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.

Papakura District Council receives government grants from Land Transport New Zealand, which subsidises part of Papakura District Council'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 Papakura District Council 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 Papakura District Council 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

Papakura District Council 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 Papakura District Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Papakura District Council's decision.

# Statement of accounting policies for the year ending 30 June 2009

## 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, Papakura District Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

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

### Operating leases

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

## Cash and cash equivalents

Cash and cash equivalents includes cash 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 Papakura District Council 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 Papakura District Council 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

Papakura District Council does not carry any inventories.

## Financial assets

Papakura District Council 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 Papakura District Council 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 Papakura District Council 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. Papakura District Council 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.

# Statement of accounting policies for the year ending 30 June 2009

The four categories of financial assets are:

## 1. 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, Papakura District Council does not hold any financial assets in this category.

## 2. 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.

## 3. Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Papakura District Council 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, Papakura District Council does not hold any financial assets in this category.

## 4. 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 Papakura District Council intends to hold long-term but which may be realised before maturity. These are recognized at fair value which is deemed to equate to net asset backing; and
- Shareholdings that Papakura District Council holds for strategic purposes. Papakura District Council'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 Papakura District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of financial performance.

#### Accounting for derivative financial instruments and hedging activities

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

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

The 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. Papakura District Council 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).

Papakura District Council 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. Papakura District Council 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.

## Statement of accounting policies for the year ending 30 June 2009

- 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 Papakura District Council 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 recognized 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. Papakura District Council 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 Papakura District Council 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 Papakura District Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.
- **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 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.

# Statement of accounting policies for the year ending 30 June 2009

## 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 Papakura District Council and the cost of the item can be measured reliably.

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

## Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are 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 Papakura District Council 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:

<b>Buildings</b>	<b>1-15% straight line</b>
<b>Roading Infrastructure</b>	
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
<b>Stormwater Infrastructure</b>	
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 Papakura District Council 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:

- Roading 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. Roading 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 roading 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.

# Statement of accounting policies for the year ending 30 June 2009

## Motor Vehicles and Work in Progress

Motor vehicles and work in progress are valued at cost.

### Accounting for revaluations:

Papakura District Council accounts for revaluations of property, plant and equipment on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of 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

Papakura District Council 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 Papakura District Council, 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 33%

### Forestry assets

Papakura District Council 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, Papakura District Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of 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 Papakura District Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, long service leave entitlements expected to be settled within 12 months, and sick leave.

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

### Long-term benefits

Long service leave

Papakura District Council 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.

# Statement of accounting policies for the year ending 30 June 2009

## Defined benefit schemes

Papakura District Council 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

Papakura District Council 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 Papakura District Council 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 Papakura District Council 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 Papakura District Council 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 Papakura District Council 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 Papakura District Council.

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

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

### 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 Papakura District Council for the preparation of the financial statements.

### Cost allocation

Papakura District Council has derived the cost of service for each significant activity of Papakura District Council 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 Papakura District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments 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:

## Statement of accounting policies for the year ending 30 June 2009

### 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 modeling 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 Papakura District Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance. To minimise this risk Papakura District Council'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 modeling are also carried out regularly as part of the Papakura District Council's asset management planning activities, which gives Papakura District Council 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 Papakura District Council in relation to the estimates and uncertainties surrounding the landfill post-closure provision.

Critical judgments in applying Papakura District Council's accounting policies

Management has exercised the following critical judgments in applying the Papakura District Council's accounting policies for the period ending 30 June 2009.

### Classification of property

Papakura District Council 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 Papakura District Council's social housing policy. These properties are accounted for as property, plant and equipment.

# Significant Forecasting Assumptions and Risks

Schedule 10 (section 11) of the Local Government Act 2002 contains provisions relating to 'significant forecasting assumptions'. The Act requires that Council identifies the significant forecasting assumptions and risks underlying the financial estimates. Where there is a high level of uncertainty, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions.

The Council has made a number of assumptions in preparing this Annual Plan LTCCP Amendment. These assumptions are necessary as the planning term for the LTCCP is 10 years and the assumptions ensure that all estimates and forecasts are made on the same basis.

## Significant forecasting assumptions and risks

Forecasting assumptions	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
<p>Growth forecasts: The population of the District is estimated to double by 2050. For the period of this plan, growth is expressed in 'planning area units' or 'equivalent households'. It is anticipated that an extra 6,946 equivalent households' will occur over the 2008 – 2016 period and an extra 2,160 over the 2016 – 2026 period.</p>	<p>That growth is higher than projected, putting increased pressure on Council to provide additional infrastructure and services.</p>	Low	Low	<p>On average, growth is estimated at over 800 equivalent households' per year for the 2008 to 2016 period of this plan.</p> <p>Where growth requires extra infrastructure, Council will require development contributions for this work.</p>
	<p>That growth is lower than projected, putting pressure on Council to maintain existing infrastructure and services.</p>	Medium	Low	<p>Council plans for growth over a twenty year period and reviews the plans on a three-yearly review basis in line with the LTCCP. As a result the impact of growth being higher or lower than expected is likely to be minimal as these will be picked up during the three-yearly review. Should Council be in a situation where growth is significantly higher or lower than projections, it will be forced to review earlier than the three-yearly review due to the impacts on the development contributions being levied. However this will only be the case if the total growth yield for the twenty year period changes significantly. Any change that doesn't result in a change in the overall yield is unlikely to have any material impact on the financial projections.</p> <p>The growth forecasts also drive the timing of the capital works programme. Any significant changes to these will result in changes to the timing of the projects which is updated on an annual basis at Annual Planning time.</p>

Forecasting assumptions	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
Resource consents - Conditions of resource consents held by Council will not be altered significantly.	Conditions of resource consent are altered significantly and without sufficient warning.	Low	Low	The likelihood of this occurring is minimal as a result of Council's programme of developing integrated catchment management plans with respect to stormwater.
	Work is not performed in accordance with the conditions of the consent.	Low	Low	Council's water and wastewater operations are currently undertaken by United Water Ltd.
				Council does not operate any open landfills. Council has a number of closed landfills for which consents have been granted for a term longer than the period of this plan. Council's other landfills still undergoing the consenting process will not have a material impact on the financial projections.
Inflation - Council has used the BERL forecasts of price level changes to calculate the impact of inflation on specific types of expenses in the plan.	That actual inflation will be significantly different from the assumed inflation.	Low Years (1-3)	Low Years (1-3)	Inflation is affected by external economic factors.
		Medium Years (4-10)	Medium Years (4-10)	Council's costs and the income required to fund those costs will increase by the rate of inflation unless efficiency gains can be made.  While individual cost indices will at times vary from what has been included in this plan, the Council has relied on the Reserve Bank use of monetary controls to keep inflation within the 1.5 to 3% range.

## Significant forecasting assumptions and risks

Forecasting assumptions	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
<p>Interest – Interest on term debt is calculated at 8.0% per annum. Interest on investments is calculated at 6.25%.</p>	<p>That interest rates will change from those used in the calculations.</p>	<p>Medium</p>	<p>Medium</p>	<p>Interest rates on borrowed funds are largely influenced by factors external to the New Zealand economy. Council will be a 'net borrower' in the period of this LTCCP. Therefore any changes to interest rates on borrowing will have an impact.</p> <p>Council is projecting an increase in debt (internal and external) to fund its capital works programme with levels projected from \$18 million to \$80 million over the period of this plan.</p> <p>Based on projected debt levels, a 1% increase/decrease in interest rates will mean a movement of \$10,000 per year for every \$1 million of debt.</p>
<p>Land Transport New Zealand (LTNZ) requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs.</p> <p>The LTNZ subsidy Council has used in the LTCCP is 44% for all years of the plan for the base programme and a range of 44% to 60% for the capital programmes.</p>	<p>Changes in subsidy rate and variation in criteria for inclusion in subsidised works programme.</p>	<p>Low</p>	<p>Medium</p>	<p>LTNZ funding priorities may change as a result of the Land Transport Management Act 2003. Variations in subsidy are possible given the new Government priority given to Auckland roads.</p> <p>A 1% decrease in subsidy in the operating programme will increase Council's cost by \$60,000 to \$100,000 per annum.</p> <p>A 1% decrease in subsidy in the capital programme will increase Council's borrowing and will further result in increased loan repayment and interest costs.</p>

Forecasting assumptions	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
Asset Revaluations and Impacts on Depreciation – These projections include a three yearly estimate to reflect the change in asset valuations. This estimate is based on current information.	The actual revaluation may be higher or lower than the estimates.	High	Low	Variation in values expected to be low unless valuation methodology changes.  Revaluations affect the carrying value of fixed and infrastructure assets and the depreciation charge in the year subsequent to the revaluation. The financial effect of the uncertainty is unable to be quantified.
Funding sources – Sources of funds are as per the revenue and financing policy.	That some user charges may not be achievable.	Low	Low	Levels of charges have been set at previously achieved levels and modified by future projections based on a set of assumptions. The financial impact is unlikely to be material as some user charges under budget will be likely to be offset by some user charges over budget.
Depreciation on planned asset acquisitions – The following average depreciation rates have been used for planned asset acquisition: Buildings 1.5% Roads 3.1% Water 0% Wastewater 0% Stormwater 1.3% Fittings 10% Computers 20% Plant vehicles 20%	That more detailed analysis of planned capital works once complete may alter the depreciation expense.	Low	Low	Council has an asset management planning and upgrade programme in place. Asset capacity and condition is monitored, with replacement works being planned in accordance with standard asset management and professional practices. Depreciation is calculated in accordance with normal accounting and asset management practices.

## Significant forecasting assumptions and risks

Forecasting assumptions	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
<p>Asset life – Useful life of assets is as recorded in asset management plans or based upon professional advice.</p> <p>Please refer Statement of Accounting Policies, Depreciation Policy.</p>	<p>That assets wear out earlier or later than estimated.</p>	<p>Low</p>	<p>Low</p>	<p>Asset life is based upon estimates of engineers and valuers.</p> <p>Asset replacements - Capital projects could be brought forward in event of early expiration of assets affecting interest costs. (Depreciation expense would also increase). The negative impacts would be at least partially offset by other assets lasting longer than estimated.</p> <p>Council's capital programme is reviewed on an annual basis and any major financial impacts will be taken into account at that point.</p>

### Balanced Budget Requirement

Council, having regard to the matters set out in section 100 (2) (a) - (d) of the Local Government Act 2002, considers that it is financially prudent to set operating revenues at significantly higher levels than operating expenses throughout the 10-year plan to ensure that sufficient revenue is generated to repay loans in accordance with the Liability Management Policy and to provide funding for the capital programme.

# Funding Impact Statement and Rating Policy

## Funding Impact Statement

The revenue and financing mechanisms to be used to cover the estimated expenses of Council are outlined in the Revenue and Financing Policy. Information relating to those mechanisms for the period covered by this annual plan is presented in the following table:

Revenue and Financing Mechanisms (GST exclusive)	2007/2008 Budget	2008/2009 LTCCP	2008/2009 Proposed
<b>Operating Funding Sources</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates	23,625,771	27,777,263	26,240,612
Charges for Services	4,866,851	4,905,909	7,255,624
Government Grants, Subsidies & Sponsorship	1,486,269	1,449,130	1,551,766
Investment Interest	236,167	211,250	10,000
Petroleum Tax	174,250	178,606	190,000
<b>Total Operating Funding Sources</b>	<b>30,389,308</b>	<b>34,522,158</b>	<b>35,248,002</b>
<b>Capital Funding And Financing Sources</b>			
External Loans	8,033,752	1,630,563	5,186,077
Government Grants & Subsidies	4,920,983	4,601,052	4,470,871
Depreciation	4,641,724	5,347,471	4,914,600
From Reserves	2,879,956	1,410,542	268,500
Development/Financial Contributions	11,162,937	13,840,441	21,649,912
Vested Assets	1,969,920	2,235,777	2,234,331
Gain on Sale of Property	\$495,000	0	0
<b>Total Capital Funding and Financing Sources</b>	<b>34,104,272</b>	<b>29,065,846</b>	<b>38,724,291</b>

The level of funding from each of the revenue and financing mechanisms listed above is consistent with the aggregate amounts recorded in the Activity Statements section of this annual plan.

# Funding impact statement and rating policy

## Rating Policy

### 1. Introduction

The rating policy outlines how Council will allocate the rates funding requirement among the ratepayers of the district for the period covered by this annual plan.

Rates are set under the provisions of the Local Government (Rating) Act 2002.

### 2. Objectives

Objectives of the Council's rating policy are:

- a) To provide adequate income to allow Council to meet its goals and objectives
- b) To ensure the rate take is spread equitably and fairly across the district, with each ratepayer making a reasonable contribution.
- c) To ensure that the rating model is easily understood by all, simple to administer and justifiable.
- d) To protect and encourage the productive use of non-residential land (effected by means of a rates remission policy).
- e) To ensure that the rating model acts to encourage and does not discourage business initiatives within the district.
- f) To minimise the impact on individual ratepayers of any rating changes.

### 3. Policy Changes

The following is a summary of the main changes to rating policy for the 2008/2009 year and reflects the policy outlined in the 2006-2016 LTCCP.

Note that relationships between differentials may differ from those shown in the 2006-2016 LTCCP due to adjustments to take account of differing valuation increases for rating groups following the 2006 district revaluation.

- a) The Uniform Annual General Charge (UAGC) will be set for 2008/2009 at a level to provide 23.0% of Council's overall rates requirement. This represents an increase of 0.5 % compared to last year (22.5% in 2007/2008).
- b) Continuing the process commenced in previous years of better alignment between rates costs and benefits received (while also taking into account other factors such as ability to pay) , the share of total rates paid by business ratepayers will be further reduced. This is implemented by way of a decrease in the business differential factor for 2008/2009.
- c) For rural properties the base differential factor will be increased to 65% of the residential rate for the 2008/2009 year (compared to 63% for 2007/2008). The level of the step differential rate relative to the residential rate will remain unchanged. This change is to achieve equity between the rating of the domestic use component of rural properties and urban residential properties and will also more closely align rates charges with benefits received.
- d) The rating of the Drury business group has been progressively aligned with that of the general business group over a period of three years with the groups being merged for the 2008/2009 year. Therefore, for the 2008/2009 year, properties previously rated within the Drury business group will be rated at the full business differential (compared to 98% for 2007/2008)
- e) The differential factor applying to commercial activities rated within the Business in Residential and Business in Rural zones are being increased from 45% to 75% of the general business rate over 10 years from 2006/2007. For the 2008/2009 year the Business in Residential and Business in Rural differential will be 54% of the Business Differential (compared to 51% for 2007/2008).

#### 4. Property Valuations

Properties are independently revalued every three years with the most recent revaluation occurring in 2006. Property values from this valuation took effect for rating purposes from the 2007/2008 year.

#### 5. Projected Rates Requirement

Table Five details the amounts to be recovered from each rate type based on the total projected rates requirement.

#### 6. Uniform Annual General Charge

- A Uniform Annual General Charge (UAGC) will be applied to each separately used or inhabited part of a rating unit. (A definition of a separately used or inhabited part of a rating unit appears under part 8 of this section)
- The amount of the UAGC will be determined annually to yield an amount equivalent to the percentages of total rates detailed in Table Six.

#### 7. General Rate

- location of the rating unit in terms of zones within the Papakura District Plan;
- land value; and
- use of the land.

**Table Five**

Projected Rates Requirement (GST inclusive)	2007/2008 Budget	2008/2009 LTCCP	2008/2009 Budget
	\$	\$	\$
Uniform Annual General Charge	6,062,350	7,187,367	6,823,660
General Rate (LV based)	19,794,158	23,015,096	21,502,431
Karaka Community Centre Uniform Annual Charge	5,859	6,216	12,713
Papakura Commercial Promotion Targeted Rate	123,750	131,286	123,814
Auckland War Memorial Museum Targeted Rate	442,125	669,560	768,671
Museum of Transport and Technology Targeted Rate	150,750	239,896	291,286
<b>TOTAL</b>	<b>26,578,992</b>	<b>31,249,421</b>	<b>29,522,574</b>

**Table Six**

Uniform Annual General Charge	2007/2008 Budget	2008/2009 LTCCP	2008/2009 Budget
As % of Total Rates	22.8%	23.0%	23.1%

## Funding impact statement and rating policy

For the Residential, Residential in Business Zones, and Rural rating groups land value based differential rates are set. In these cases a base differential rate applies for the portion of property value up to a specified step value with the balance of the property value assessed at a lower step differential rate.

For the 2008/2009 year the step values are:

- Residential / Residential in Business Zones rating groups: \$320,000
- Rural rating group: \$1,450,000

The step values have been adjusted from those shown in the 2006-2016 LTCCP following the 2006 district revaluation by the average land value change for residential and rural properties respectively.

Table Seven opposite shows the General Rate as it will be levied on a differential basis.

Differential rating group factors have been adjusted from those shown in the 2006-2016 LTCCP following the 2006 district revaluations to eliminate the impact of differing average increases in property values for each rating group and ensure congruence with the relativities outlined in this policy.

**Table Seven**

Rating Group Factors	2007/2008 Budget	2008/2009 LTCCP	2008/2009 Proposed
<b>Residential / Residential in Business Zones</b>			
- base differential	1.00	1.00	1.00
- step differential	0.75	0.75	0.75
<b>Rural</b>			
- base differential	0.63	0.66	0.65
- step differential	0.41	0.42	0.41
Business (General)	3.43	4.42	3.39
Drury Business (Rated within Business (General) from 2008/2009)	3.37	not applicable	not applicable
Business in Residential Zones	1.75	2.38	1.83
Business in Rural Zones	1.75	2.38	1.83

## 8. Definitions

### 8.1 Rating Groups

The rating groups established for the purpose of applying the General Rate on a differential basis are defined as follows:

#### **Residential**

All rating units located in the following District Plan Zones:

- Urban Residential 1,2,3,4,5,6,7,8 & 9
- Ardmore Aerodrome Zone (Lots 1to 24 DP 173310)
- Any zone not included within any other rating group

With the exception of that portion of any rating unit used for industrial or commercial purposes, which will be rated under the Business in Residential rating group.

#### **Residential in Business Zones**

The portion of rating units which would otherwise fall into the Business (General) rating group except for the fact that they are used for residential purposes.

#### **Rural**

All rating units located in the following District Plan Zones:

- Rural Papakura
- Rural Papakura (Drury Subdivision Area)
- Rural Papakura (Hill Subdivision Area)
- Rural Residential

- Rural Takanini/Drury
- Karaka Centre
- Nature Conservation Area
- Hingaia Education Zone

With the exception of that portion of any rating unit used for business purposes and which would, due to the nature of the activity, require a resource consent for the zone the rating unit is located within, which will be rated under the Business in Rural Zones rating group

#### **Business General**

All rating units located in the following District Plan Zones:

- Urban Commercial 1, 2, 3 & 4
- Urban Industrial 1,2,3, & 4
- Mixed Use 1
- Quarry
- Ardmore Aerodrome Zone (excluding Lots 1to 24 DP 173310)

The rating unit located at 53 Parkhaven Drive, valuation reference 37401-17501.

With the exception of that portion of any rating unit used for residential purposes, which will be rated under the Residential rating group.

# Funding impact statement and rating policy

## Business in Residential Zones

The portion of rating units which would otherwise fall into the Residential rating group except for the fact that they are used for an industrial or commercial purpose.

With the exception of the rating unit located at 53 Parkhaven Drive, valuation reference 37401-17501.

## Business in Rural Zones

The portion of rating units which would otherwise fall into the rural rating group except for the fact that they are used for a business purpose which would, due to the nature of the activity, require a resource consent for the zone the rating unit is located within.

## 8.2 Separately used or inhabited rating units

Council defines a separately used or inhabited part of a rating unit as:

Any part of a rating unit that is separately used or inhabited by the ratepayer, or by any other person having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or any other agreement. Separately used or inhabited parts include:

- Properties used for residential purposes which contain multiple houses, flats, or units capable of separate habitation, each of which will be considered a separately used or inhabited part.
- Commercial premises containing separate shops, offices, warehouses, or other distinct components capable of separate occupation or operation, each of which will be considered a separately used or inhabited part unless used jointly for a particular business activity.

- Properties which have parts rated under different rating differential groups (for example, sites with both residential and commercial use).
- Properties comprising vacant land will be considered as being a single separately used or inhabited part.
- Properties used for commercial accommodation purposes (e.g. motels, hotels etc) will be considered as a single separately used or inhabited part unless they incorporate: (i) manger or owners accommodation, (ii) a restaurant , or (iii) any other separate business activity able to operate independently accommodation purpose, in which case each of these activities will represent an additional separately used or inhabited part.

## 9. Targeted Rates

### 9.1 Karaka Community Centre Uniform Annual Charge

A targeted uniform annual charge is set covering costs associated with the maintenance of the Karaka Community Centre. This rate, which is set in relation to all land located within the Karaka Community Centre Area, is levied as a uniform annual charge on each rating unit.

### 9.2 Papakura Commercial Promotion Targeted Rate

A targeted rate is set to provide funding for promotion of the Papakura Central Business Area. This rate, which is set in relation to all rating units located within the Papakura Commercial Area described in Plan Number 456 and rated within the Business rating group, is assessed at a rate in the dollar based on the land value (LV) of the rating unit.

### 9.3 Auckland War Memorial Museum Targeted Rate

A targeted rate is set to cover the Auckland War Memorial Museum levy. This rate, which is set in relation to all rateable land in the district, is assessed at a uniform rate in the dollar based on the capital value (CV) of the rating unit.

### 9.4 Museum of Transport & Technology Targeted Rate

A targeted rate is set to cover the Museum of Transport & Technology levy. This rate, which is set in relation to all rateable land in the district, is assessed at a uniform rate in the dollar based on the capital value (CV) of the rating unit.

## 10. Instalment Due Dates

Rates are invoiced and due for payment in four instalments. A ratepayer may elect to pay weekly, fortnightly or monthly by automatic payment through the banking system. Rates can also be paid by direct debit and other banking methods.

The due dates for payment of rates instalments are as follows:

Installment No.	Due Date
1	1 September
2	1 December
3	1 March
4	1 June

Payments must be received on or before the due date, or where this day falls on a weekend or public holiday, the next working day.

## 11. Penalties

In accordance with Sections 57 and 58 of the Local Government (Rating) Act 2002:

A penalty charge of 10% will be added to the amount of rates remaining unpaid for each instalment after the due date. The dates upon which the 10% penalty charge will be added to any rates remaining unpaid for each instalment will be the day after the due date for each instalment.

A penalty of 10% of the amount of rates assessed in any financial year that are unpaid after the 30th of June will be added on the day following that date.

Note: The amount of unpaid rates to which a penalty is added includes:

- (a) Any additional charges previously added to the amount of unpaid rates under Section 132 of the Rating Powers Act 1998; and
- (b) Any penalties previously added to unpaid rates under Section 58 of the Local Government (Rating) Act 2002.

## 12. Discount for the early payment of rates

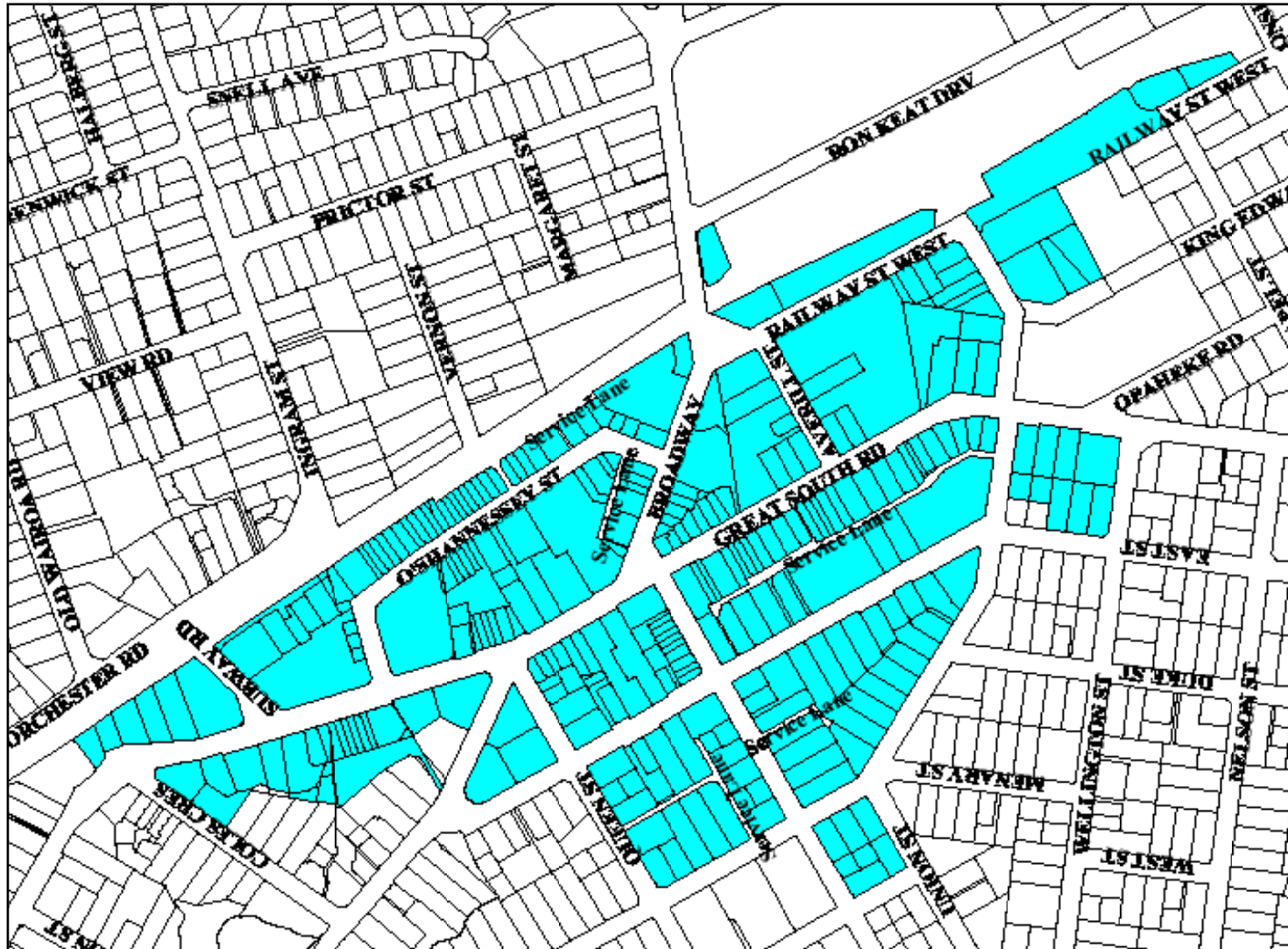
In accordance with Section 55 of the Local Government (Rating) Act 2002 a discount will be allowed if all rates assessed for the year plus arrears are paid in full on or before the due date of the 1<sup>st</sup> instalment for that year.

The discount rate is subject to annual review and adjustment based on prevailing market interest rates.

For the 2008/2009 year a discount of 5% will apply.



# Papakura Commercial Area Plan (No. 456)



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# Remission and Postponement of Rates

## 1. Remission of Penalties

### Objective of the Policy

The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the due date.

### Conditions and Criteria

Penalties may be remitted where the application meets the following criteria:

1. Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness or accident of a family member as at the due date.
2. Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.
3. Remission of instalment penalty (incurred after 1 July 2006) where rates are paid within seven days of due date and no penalties for late payment have been incurred within the preceding two years.
4. Where Council agrees to a schedule of regular payments by way of direct debit or automatic payment covering rates for a particular year, any instalment penalties incurred for that years rates will be remitted provided that no payments are missed or dishonoured.
5. Applications for remission of penalties in other extenuating circumstances will be considered on their merits and remission may be granted where in the opinion of Council it is just and equitable to do so.
6. Applications for remission of penalties must be in writing outlining circumstances under which remission is sought.
7. The Council may remit small balances due to cash rounding.

## Remission and postponement of rates

### 2. Remission of Uniform Annual General Charges and Specified Targeted Rates for Contiguous Rating Units in Separate Ownership, Used Jointly as a Single Business Entity

#### Objective of the Policy

The policy provides for rates remission where multiple uniform annual general charges or uniform targeted rates are levied on contiguous, separately owned rating units which are occupied by the same ratepayer, whether owner or lessee, who is using the rating units jointly as a single property and as a single business entity.

#### Conditions and Criteria

Rates may be remitted where the application meets the following criteria:

1. The rating units must be contiguous and occupied by the same ratepayer who is the owner or lessee of each unit and who uses them jointly as a single property and as a single business entity.
2. Council may remit any uniform annual general charges or uniform targeted rates levied on the rating units if it considers it to be reasonable to do so.
3. The ratepayer must make application annually to Council on the prescribed form prior to the due date for payment of rates instalment 1 for the year concerned.

### 3. Remission of Uniform Annual General Charges and Specified Targeted Rates on Rating Units which are:

- (a) Separately used by one occupier for both business and residential purposes; or
- (b) Used for residential purposes and which include a separately inhabited part occupied by a dependent member of the family of the owner of the rating Unit.

#### Objective of the Policy

The policy is to provide for the possibility of rates remission where two or more uniform annual general charges and/or uniform targeted rates for specified services is assessed on a rating unit because the rating unit comprises more than one separately used or inhabited part where either:

- (a) The rating unit is separately used or occupied by one occupier for both residential and business purposes; or
- (b) the rating unit is used for residential purposes and includes a separately inhabited part occupied by a dependent member of the family of the owner of the rating unit.

#### Conditions and Criteria

Rates may be remitted where the application meets the following criteria:

1. The rating units in (a) must be occupied (either as owner or lessee) by the same person(s) and separately used by that/those person(s) for his/her or other business and residence; or –
2. The rating units in (b) above must be used as the owner's residence but also contain a minor flat or other residential accommodation unit which is inhabited by a member of the owner's family who is dependent on the owner for financial support ( eg a granny flat).

3. The owner(s) of the rating unit must complete and provide to the Council a statutory declaration stating that the conditions to either (1) or (2) above apply. Such a declaration will be effective for three years or until the conditions cease to be met, whichever is earlier. A fresh declaration must be completed and provided in order to qualify for consideration for remission beyond the first three year period.
4. The rates which may be remitted are as follows:  
  
For rating units in both (a) and (b) above, any uniform annual general charge and/or uniform targeted rate for waste management services assessed in respect of the rating unit, apart from the first of each.
5. The ratepayer must make application annually to the Council on the prescribed form prior to the due date for payment of rates instalment 1 for the year concerned.

# Remission and postponement of rates

## 4. Postponement of Rates due to Extreme Financial Hardship

### Objective of the Policy

To assist ratepayers experiencing extreme financial circumstances which affect their ability to pay their rates.

### Conditions and Criteria

Rates will be postponed where the application meets the following criteria:

- (1) When considering whether extreme financial circumstances exist, all of the ratepayers personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
- (2) The ratepayer must be the current owner of the rating unit and have owned or resided on the property or another property within the Papakura District for not less than two years.
- (3) The rating unit must be used solely for residential purposes.
- (4) The Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
- (5) The ratepayer must not own any other rating units or investment properties or other realisable assets.
- (6) The ratepayer must make application to the Council on the prescribed form.

- (7) Even if the rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.
- (8) The ratepayer must make acceptable arrangements for payment of future rates
- (9) The Council may add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers Council's administration and financial (including interest) costs.\
- (10) The policy will apply from the beginning of the rating year in which the application is made although Council may consider backdating past the rating year in which the application is made depending on circumstances.

Any postponed rates will be postponed until:-

- (1) the death of the ratepayer(s); or
- (2) until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- (3) until the ratepayer(s) ceases to use the property as his/her residence; or
- (4) until a date specified by the Council as determined by the Council in any particular case.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title.

## 5. Remission and Postponement of Rates on Māori Freehold Land

There is no Māori freehold land within the Papakura District.

Notwithstanding, section 102(4)(f) of the Local Government Act 2002 requires Council to establish a policy on the remission and postponement of rates on Māori freehold land.

Accordingly for the purposes of establishing a policy, there is no remission or postponement of rates on Māori freehold land.

## Remission and postponement of rates

### 6. Postponement of Rates on Farmland

#### Objective of the Policy

To encourage owners of farmland to continue productive farming businesses rather than subdividing or otherwise using their land for residential purposes.

#### Conditions and Criteria

Rates will be postponed where the application meets the following criteria:

1. The rating unit must be rated within the Rural differential rating group; and
2. The ratepayer must be the current owner of the rating unit and the property must have been used for farming purposes for not less than two years.
3. The rating unit must be used principally for the purposes of a farming business. Council considers that a farming business may include, but is not limited to, livestock farming, bloodstock, horticulture and viticulture. It will be up to the applicant to show that their enterprise is being conducted as a business venture rather than simply defraying the costs of their lifestyle. It will then be a decision of Council as to whether the applicant is, in its view, conducting a productive farming business or not. Council may request any information it needs from the applicant in support of their application.
4. The policy will not apply to rural land that is being used as a lifestyle block.

5. The ratepayer must make application annually to the Council on the prescribed form prior to the due date for payment of rates instalment 1 for the year concerned.

If an application is approved, postponement of up to 20% of rates, excluding uniform charges, will be granted.

At the end of three years following postponement of rates for a particular year, any postponed rates for that year will be remitted if the rating unit has not been sold or subdivided. If the rating unit is sold or subdivided within the three year period any outstanding postponed rates and interest will be payable at the time of that sale or subdivision.

Postponed rates will be registered as a charge against the land so that, in the event that the property is sold, the Council has first call against the proceeds of that sale. The ratepayer will be required to sign an agreement to these conditions.

## 7. Remission of Uniform Annual General Charges and Specified Targeted Rates for Rating Units in the same ownership, used jointly as a Single Business Entity for the purposes of a farming business

### Objective of the Policy

The policy is to provide for the possibility of rates remission where two or more uniform annual general charges or uniform targeted rates for waste management are levied on separately owned rating units which are occupied by the same ratepayer who is using the rating units as a single business entity for the purposes of a farming business.

### Conditions and Criteria

Rates may be remitted where the application meets the following criteria:

1. The rating unit must be occupied by the same ratepayer who is the owner of each unit and who uses them jointly as a single business entity for the purposes of farming.
2. The Council may consider reducing or cancelling any targeted rates for waste management on such rating units, where each of the rating units do not separately use the waste management collection services.
3. The Council may consider reducing or cancelling any uniform annual general charges levied on the rating units if it considers it to be reasonable to do so.
4. The ratepayer must make application annually to the Council on the prescribed form prior to the due date for payment of rates instalment 1 for the year concerned.

# Remission and postponement of rates

## 8. Remission of Rates on land protected for natural conservation purposes

### Objective of the Policy

To encourage owners to take measures to protect areas of land for natural conservation purposes for the benefit of future generations.

### Conditions and Criteria

Rates may be remitted where the application meets the following criteria:

1. A mechanism must be in place which provides for enduring protection of the land concerned, such as:
  - an open space covenant under the Queen Elizabeth the Second National Trust Act 1977
  - a conservation covenant or protected private land agreement under the Reserves Act 1977
  - any other covenant or agreement which in the opinion of Council provides enduring protection for the land
2. The ratepayer must provide copies of documentation creating the protection mechanism along with confirmation that, and how, any conditions of the mechanism are being complied with.
3. Qualifying land will not include any area put to active use, including but not limited, to residential accommodation, commercial activities, grazing or other farming activity.
4. Separate rating valuations will be prepared for the qualifying protected land and the balance of property.
5. Remission of 100% of rates, excluding uniform charges, will be granted only in respect of the protected area..
6. The ratepayer must make application annually to the Council on the prescribed form prior to the due date for payment of rates instalment 1 for the year concerned.

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# Amendment to the LTCCP 2006 / 2016

This Amendment relates to the Progress Papakura Long Term Council Community Plan (the LTCCP) for the 10 years commencing 1 July 2006, approved by Council on 26 June 2006, and should be read in conjunction with the LTCCP

## Summary Overview of LTCCP Amendments

### Development Contributions Policy

The Development Contributions Policy (DCP) was first established in the LTCCP 2004-14 and was revised in the LTCCP 2006-16 which is the current version. It sets out how Council will require contributions from developers towards capital works for roading, public transport, stormwater and community facilities activities that are needed to meet the increased demand resulting from growth.

The capital works programme in the LTCCP has been updated along with current population and growth projections. A key change is the inclusion of the water supply and wastewater asset development activities in the DCP undertaken on Council's behalf by United Water. This change will provide greater transparency to the community about the costs of growth as the major infrastructure costs are now all in one place. The payment mechanism for consumers – payment of a connection charge – is not changing.

In taking a consistent approach with contributions for other types of infrastructure, the capital works programme for Water and Wastewater services has been allocated over a twenty year return period rather than the longer timeframe used by United Water. This has led to increases in the connection fee charges to be made compared with the 2007-2008 year.

### Treasury Policy

A technical change has been made to correct an error in the Treasury Management Policy. A change in the "Interest Rate Maturity Profile" limits has been made with regard to the minimum and maximum ranges outlined in the current policies. This change is necessary because the current ranges are wrong leading to Council inadvertently breaching the policy limits.

## Decision of the Council

The changes proposed in the Statement of Proposal included in the 2008/2009 Draft Annual Plan and Amendment LTCCP have been adopted in their entirety in this Amendment to the LTCCP 2006/2016.

## Development Contributions Policy

### Changes to assumptions on expected growth rates

The amendments to the Development Contributions Policy have resulted in changes to the financial forecasts for the 2008/09 through to the 2015/16 period of the LTCCP. In particular, the change to the growth units expected to occur during the period of the plan from 7,300 down to 6,946 in the period to 2016 and from 3,800 down to 2,160 in the period to 2026 have meant a recalculation of the development contribution charges per unit of demand. This change however did not result in major changes to the Statement of Financial Performance and Statement of Financial Position as the policy is still based on full recovery of expenditure related to growth. The only impact is a change in the timing of the receipt of development contributions which results in changes to the level of loan financing required on an annual basis. Based on the adopted LTCCP, the impact to 2016 means a potential redistribution of \$6.5 million of development contribution charges. Table Two shows the comparison between the original LTCCP and the charges in this adopted amendment.

### Inclusion of water and wastewater capital expenditure

The other change to the Development Contributions Policy is the inclusion of the Water and Wastewater capital expenditure projections for 2008 to 2016 of \$18.4 million and for 2017 to 2026 of \$13.6 million. Along with the capital expenditure projections, development contributions are also assessed for water and wastewater to fund the growth.

Currently, United Water International (UWI) recovers these costs via an infrastructure charge. From 1 July, the development contributions for water and wastewater outlined in the policy will replace these. The financing of capital expenditure will remain with UWI for the remaining period of the franchise.

On an annual basis, Council will account for changes in values to the water and wastewater network and on a three-yearly basis, account for the changes to the values resulting from the revaluation process. As a result, the current 2006 to 2016 LTCCP projections already include the projected changes in values for water and wastewater assets (Refer to Table Four).

Table One provides a comparison of capital expenditure projections contained in the Development Contributions Policy. The table shows that apart from the inclusion of water and wastewater growth capital projections, the capital expenditure forecasts in total (as well as the growth component) are largely in line with the current LTCCP.

**Table One**

Total Capital	LTCCP	Amendment
Stormwater	\$91.2m	\$99.2m
Roading	\$205.0m	\$212.1m
Community Infrastructure	\$76.3m	\$80.5m
Public Transport	\$9.8m	\$6.0m
Subtotal	\$382.3m	\$397.8m
Water and Wastewater	\$0.0m	\$32.0m
<b>Totals</b>	<b>\$382.3m</b>	<b>\$429.8m</b>

## Amendment to the LTCCP 2006 / 2016

Growth Component of Capital Expenditure	LTCCP	Amendment
Stormwater	\$48.1m	\$57.3m
Roading	\$56.2m	\$53.4m
Community Infrastructure	\$48.4m	\$46.3m
Public Transport	\$3.7m	\$2.7m
Subtotal	\$156.4m	\$159.7m
Water and Wastewater (Note 1)	\$0.0m	\$32.0m
<b>Totals</b>	<b>\$156.4m</b>	<b>\$191.7m</b>

### Note 1:

United Water International will continue to undertake the capital projects for water and wastewater on Council's behalf in line with the current franchise arrangements.

The following table provides a comparison between the current and amended development contribution charges.

**Table Two**

Charges per Unit of Demand (Excluding GST)	Current Charges	New Charges
<b>Stormwater</b>		
Hingaia	\$4,968	\$7,637
Old Wairoa	\$4,096	\$6,860
Takanini North	\$2,968	\$3,625
Takanini South	\$3,700	\$6,779
Rest of Papakura	\$3,229	\$4,427
<b>Roading</b>		
District Wide	\$3,709	\$4,479
Hingaia 1a North	\$5,603	\$2,442
Hingaia 1a South	\$2,776	\$1,842
Hingaia Balance	\$393	\$8,625
Hingaia Balance – Papakura Interchange	\$0	\$490
Urban	\$672	\$656
Rural	\$495	\$385
<b>Community Infrastructure</b>		
District Wide	\$3,918	\$4,855
<b>Public Transport</b>		
District Wide	\$289	\$256
<b>Water and Wastewater (Note 2)</b>		
Hingaia	\$6,482	\$8,877
Urban	\$2,591	\$2,130

**Note 2:**

The water and wastewater development contributions will continue to be collected and administered by United Water International in line with the existing franchise arrangements.

The proposed changes to the level of development contribution charges, the updated projections in the timing of development and the inclusion of the water and wastewater charges have resulted in a change to the total development and financial contributions revenue estimates for the remaining period of the LTCCP. The following table shows a comparison of development and financial contributions revenue Projections:

**Table Three**

	LTCCP	New Contributions (Excluding Water and Wastewater)	New Contributions (Water and Wastewater)	New Total Contributions (Revised LTCCP)
2008/2009	\$13.8m	\$18.5m	\$3.1m	\$21.6m
2009/2010	\$15.9m	\$21.9m	\$3.8m	\$25.7m
2010/2011	\$14.7m	\$17.3m	\$2.8m	\$20.1m
2011/2012	\$12.1m	\$19.7m	\$3.0m	\$22.7m
2012/2013	\$11.6m	\$19.7m	\$3.0m	\$22.7m
2013/2014	\$10.3m	\$19.4m	\$3.0m	\$22.4m
2014/2015	\$10.5m	\$14.0m	\$1.7m	\$15.7m
2015/2016	\$10.7m	\$6.2m	\$0.8m	\$7.0m
<b>Totals</b>	<b>\$99.6</b>	<b>\$136.7m</b>	<b>\$21.2m</b>	<b>\$157.9m</b>

**Comparison of Water and Wastewater Asset Value Projections:**

The value of Council's water and wastewater assets at 30 June 2007 is \$66.8 million. The following table shows a comparison between the assumptions in value changes in the current LTCCP.

**Table Four**

	LTCCP Increase in Asset Values (Note 3)	Amendment Capital Expenditure	Estimated Revaluation Change
2008/2009	0	\$1.3m	
2009/2010	0	\$0.5m	
2010/2011	\$13.6m	\$3.2m	\$8.6m
Subtotal	\$13.6m	\$5.0m	\$8.6m
2011/2012	0	\$9.0m	
2012/2013	0	\$3.5m	
2013/2014	\$14.8m	0	\$2.3m
Subtotal	\$14.8m	\$12.5m	\$2.3m
2014/2015	0	\$0.8m	
2015/2016	0	\$0.1m	
<b>Total Changes</b>	<b>\$28.4m</b>	<b>\$18.4m</b>	<b>\$10.9m</b>

## Amendment to the LTCCP 2006 / 2016

### Note 3:

The LTCCP's total increase in asset values of \$28.4m include additions to the network as well as increases in the value of the assets due to revaluation of the existing systems. Prior to the amendment, the changes in total value of the asset would have been updated in line with the revaluation cycle (currently three yearly). The net change of \$10.9million is the estimated increase in value as a result of the revaluation of the existing network and not a result of additions.

### Treasury Policy

There are no changes to financial projections resulting from the amendments to the policy. The changes have been made to ensure the limits are relevant for the public debt estimates for the period of the LTCCP. Table Five shows the current and the new limits.

**Table Five**

	Current Limits	New Limits
<b>Interest Rate Maturity Profile Limits</b>	Minimum to Maximum	<b>Minimum to Maximum</b>
Less than 1 year	50% to 100%	15% to 100%
1 year to 3 years	30% to 70%	15% to 70%
3 years to 5 years	20% to 50%	15% to 50%
5 years to 10 years	0% to 40%	0% to 50%

## Statement of Prospective Financial Performance for the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Cost of Activities</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Finance Costs	1,313,220	2,958,016	3,493,338	4,068,426	4,541,523	5,158,638	6,080,941	6,830,294	7,371,661	8,061,502
Depreciation and Amortisation	6,121,100	6,905,127	6,443,300	6,752,000	7,120,000	7,568,300	7,878,300	8,297,300	8,604,300	9,072,300
Employee Benefits	7,184,000	7,839,329	8,096,500	8,174,500	8,174,500	8,174,500	8,174,500	8,174,500	8,174,500	8,174,500
Other Expenditure	15,814,547	16,365,544	16,938,212	17,795,786	18,994,332	20,028,339	20,679,726	21,646,288	22,713,130	23,460,022
<b>Total Gross Cost of Services of Activities</b>	<b>30,432,867</b>	<b>34,068,016</b>	<b>34,971,350</b>	<b>36,790,712</b>	<b>38,830,355</b>	<b>40,929,777</b>	<b>42,813,467</b>	<b>44,948,382</b>	<b>46,863,591</b>	<b>48,768,324</b>
<b>Other Costs</b>										
Museum Levies	393,000	595,164	678,843	694,456	710,421	726,769	743,478	761,326	779,593	798,314
MOTAT Levies	134,000	213,241	259,152	265,113	271,206	277,448	283,826	290,640	297,613	304,761
<b>Total Operating Costs</b>	<b>30,959,867</b>	<b>34,876,421</b>	<b>35,909,345</b>	<b>37,750,281</b>	<b>39,811,982</b>	<b>41,933,994</b>	<b>43,840,771</b>	<b>46,000,348</b>	<b>47,940,797</b>	<b>49,871,399</b>

# Amendment to the LTCCP 2006 / 2016

## Statement of Prospective Financial Performance for the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates Revenue	23,625,771	27,777,263	26,240,612	28,049,543	30,151,863	32,146,614	33,874,302	36,053,808	37,843,457	39,548,133
Charges for Services	4,866,851	4,905,909	7,255,624	7,589,048	7,804,590	7,938,466	8,096,226	8,265,178	8,437,453	8,613,963
Government Grants, Subsidies and Sponsorships	6,407,252	6,050,182	6,022,637	6,207,312	8,669,079	5,250,405	6,569,717	5,957,330	6,315,684	6,136,594
Investment Interest	236,167	211,250	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Petroleum Tax	174,250	178,606	190,000	194,940	199,618	204,808	210,338	215,807	221,202	226,732
Development/Financial Contributions	11,162,937	13,840,441	21,649,912	25,721,262	20,096,737	22,650,087	22,650,087	22,372,447	15,692,319	6,979,980
Assets Vested in Council	1,969,920	2,235,777	2,234,331	3,167,515	4,876,981	1,607,526	1,751,787	374,100	379,712	385,408
Gain on Sale of Property	495,000	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>48,938,148</b>	<b>55,199,428</b>	<b>63,603,116</b>	<b>70,939,620</b>	<b>71,808,868</b>	<b>69,807,906</b>	<b>73,162,457</b>	<b>73,248,670</b>	<b>68,899,827</b>	<b>61,900,810</b>
<b>Net Surplus/(Deficit) for the year</b>	<b>17,978,281</b>	<b>20,323,007</b>	<b>27,693,771</b>	<b>33,189,339</b>	<b>31,996,886</b>	<b>27,873,912</b>	<b>29,321,686</b>	<b>27,248,322</b>	<b>20,959,030</b>	<b>12,029,411</b>

- (1) Charges for Services in the 2008/2009 Annual Plan have increased from the amount in the LTCCP due to the introduction of the International Financial Reporting Standards requirement to account for deferred Franchise Fee income of \$1.2 million, and an increase in total Regulatory Services fees such as building and resource consent revenue.
- (2) From 2008/2009, Development/Financial Contributions estimates include Water and Wastewater development contributions currently administered by United Water International Ltd.

## Statement of Prospective Movements in Ratepayers Equity for the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Ratepayers Equity as at 1 July	446,841,242	460,352,968	467,628,326	498,224,614	531,413,953	583,543,571	614,119,569	643,441,255	689,739,120	713,431,445
Net Surplus/(Deficit) for the year	17,978,281	20,323,007	27,693,771	33,189,339	31,996,886	27,873,912	29,321,686	27,248,322	20,959,030	12,029,411
Increase in Asset Revaluation Reserve	21,641,940	3,055,281	2,902,517	0	20,132,732	2,702,086	0	19,049,543	2,733,295	0
<b>Total Recognised Revenues and Expenses for the year</b>	<b>39,620,221</b>	<b>23,378,288</b>	<b>30,596,288</b>	<b>33,189,339</b>	<b>52,129,618</b>	<b>30,575,998</b>	<b>29,321,686</b>	<b>46,297,865</b>	<b>23,692,325</b>	<b>12,029,411</b>
<b>Ratepayers Equity as at 30 June</b>	<b>486,461,463</b>	<b>483,731,256</b>	<b>498,224,614</b>	<b>531,413,953</b>	<b>583,543,571</b>	<b>614,119,569</b>	<b>643,441,255</b>	<b>689,739,120</b>	<b>713,431,445</b>	<b>725,460,856</b>

# Amendment to the LTCCP 2006 / 2016

## Statement of Prospective Funding for the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Sources Of Funding</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Surplus/(Deficit) from Operations	17,978,281	20,323,007	27,693,771	33,189,339	31,996,886	27,873,912	29,321,686	27,248,322	20,959,030	12,029,411
Non-cash items										
Depreciation not Funded	1,200,676	1,277,943	1,250,000	1,345,452	1,409,630	1,483,940	1,572,173	1,659,256	1,738,740	1,815,361
Depreciation applied to Expenditure	4,641,724	5,347,471	4,914,600	5,128,991	5,433,982	5,809,169	6,032,160	6,365,383	6,594,237	6,986,986
Non-operational Sources of Funding										
Loans Raised	8,033,752	1,630,563	5,186,077	4,006,733	17,452,769	0	0	0	0	1,304,273
Transfer from Reserves	2,879,956	1,410,542	268,500	260,296	613,535	6,196,423	569,019	177,606	271,232	202,711
Transfers within Equity	160,000	0	32,780	0	0	0	0	0	0	0
<b>Total Sources of Funding</b>	<b>34,894,389</b>	<b>29,989,526</b>	<b>39,345,728</b>	<b>43,930,811</b>	<b>56,906,802</b>	<b>41,363,444</b>	<b>37,495,038</b>	<b>35,450,567</b>	<b>29,563,239</b>	<b>22,338,742</b>
<b>Funding Applied</b>										
Purchase and Construction of Property, Plant and Equipment	32,688,071	28,472,261	36,445,331	39,440,225	55,515,201	28,415,667	35,225,705	24,653,607	22,135,179	19,292,753
Loans Repaid	0	0	0	0	0	11,456,683	586,626	5,781,597	4,375,654	0
Transfer to Reserve Funds	2,105,782	1,408,206	2,853,730	4,401,324	1,297,806	1,392,385	1,578,669	4,905,549	2,936,330	2,923,123
Transfers within Equity	100,536	109,059	46,667	89,262	93,795	98,709	104,038	109,814	116,076	122,866
<b>Total Funding Applied</b>	<b>34,894,389</b>	<b>29,989,526</b>	<b>39,345,728</b>	<b>43,930,811</b>	<b>56,906,802</b>	<b>41,363,444</b>	<b>37,495,038</b>	<b>35,450,567</b>	<b>29,563,239</b>	<b>22,338,742</b>
<b>Net Funding Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Statement of Prospective Public Debt for the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Opening Balance</b>	<b>35,293,431</b>	<b>41,462,423</b>	<b>35,234,006</b>	<b>40,420,083</b>	<b>44,426,816</b>	<b>61,879,585</b>	<b>50,422,902</b>	<b>49,836,276</b>	<b>44,054,679</b>	<b>39,679,025</b>
Movement in Loans	8,033,752	1,630,563	5,186,077	4,006,733	17,452,769	(11,456,683)	(586,626)	(5,781,597)	(4,375,654)	1,304,273
<b>Closing Balance</b>	<b>43,327,183</b>	<b>43,092,986</b>	<b>40,420,083</b>	<b>44,426,816</b>	<b>61,879,585</b>	<b>50,422,902</b>	<b>49,836,276</b>	<b>44,054,679</b>	<b>39,679,025</b>	<b>40,983,298</b>

# Amendment to the LTCCP 2006 / 2016

## Statement of Prospective Financial Position for the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Assets</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Current Assets</b>										
Cash and Cash Equivalents	5,272,665	2,218,089	2,194,815	3,650,162	5,350,288	7,125,661	9,159,675	11,481,776	13,913,052	16,480,678
Trade and Other Receivables	3,899,424	4,440,078	4,428,534	4,713,787	5,020,733	5,302,618	5,552,298	5,863,295	6,123,101	6,372,215
Non-Current Assets held for Sale	0	0	10	10	10	10	10	10	10	10
<b>Total Current Assets</b>	<b>9,172,089</b>	<b>6,658,167</b>	<b>6,623,359</b>	<b>8,363,959</b>	<b>10,371,031</b>	<b>12,428,289</b>	<b>14,711,983</b>	<b>17,345,081</b>	<b>20,036,163</b>	<b>22,852,903</b>
<b>Non-Current Assets</b>										
Trade and Other Receivables	51,879	37,387	53,222	52,181	51,076	49,902	48,656	47,333	45,929	44,438
Contributions for Future Water / Wastewater Asset Development	0	0	1,850,110	5,105,900	4,693,969	0	0	1,388,165	2,242,714	2,959,735
Intangible Assets	279,358	287,815	301,207	518,618	505,720	516,597	436,439	366,499	394,474	393,830
Other Financial Assets	57,953,033	43,393,763	47,748,064	47,748,064	47,748,064	47,748,064	47,748,064	47,748,064	47,748,064	47,748,064
Property Plant and Equipment	473,208,572	487,534,783	511,942,602	544,413,416	612,954,247	636,492,823	663,920,386	699,396,176	715,632,375	725,853,472
<b>Total Non-Current Assets</b>	<b>531,492,842</b>	<b>531,253,748</b>	<b>561,895,205</b>	<b>597,838,179</b>	<b>665,953,076</b>	<b>684,807,386</b>	<b>712,153,545</b>	<b>748,946,237</b>	<b>766,063,556</b>	<b>776,999,539</b>
<b>Total Assets</b>	<b>540,664,931</b>	<b>537,911,915</b>	<b>568,518,564</b>	<b>606,202,138</b>	<b>676,324,107</b>	<b>697,235,675</b>	<b>726,865,528</b>	<b>766,291,318</b>	<b>786,099,719</b>	<b>799,852,442</b>

## Statement of Prospective Financial Position for the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Liabilities</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Current Liabilities</b>										
Trade and Other Payables	10,293,448	10,520,745	10,865,712	11,446,779	12,084,826	12,715,070	13,315,808	13,970,842	14,584,822	15,133,430
Provisions	41,432	34,413	40,373	37,773	35,158	32,528	29,878	27,210	24,522	21,814
Borrowings	13,622,394	12,066,037	10,005,021	11,006,704	15,369,896	12,530,726	12,384,069	10,938,670	9,844,756	10,170,825
<b>Total Current Liabilities</b>	<b>23,957,274</b>	<b>22,621,195</b>	<b>20,911,106</b>	<b>22,491,256</b>	<b>27,489,880</b>	<b>25,278,324</b>	<b>25,729,755</b>	<b>24,936,722</b>	<b>24,454,100</b>	<b>25,326,069</b>
<b>Non-Current Liabilities</b>										
Trade and Other Payables	0	0	18,408,254	18,353,316	18,293,708	18,229,033	18,158,861	18,082,724	18,000,116	17,910,486
Contributions for Future Water / Wastewater Asset Development	0	0	0	0	0	1,226,684	1,630,012	0	0	0
Provisions	541,405	532,515	559,528	523,501	487,259	489,889	453,438	416,743	379,789	342,558
Borrowings	29,704,789	31,026,949	30,415,062	33,420,112	46,509,689	37,892,176	37,452,207	33,116,009	29,834,269	30,812,473
<b>Total Non-Current Liabilities</b>	<b>30,246,194</b>	<b>31,559,464</b>	<b>49,382,844</b>	<b>52,296,929</b>	<b>65,290,656</b>	<b>57,837,782</b>	<b>57,694,518</b>	<b>51,615,476</b>	<b>48,214,174</b>	<b>49,065,517</b>
<b>Total Liabilities</b>	<b>54,203,468</b>	<b>54,180,659</b>	<b>70,293,950</b>	<b>74,788,185</b>	<b>92,780,536</b>	<b>83,116,106</b>	<b>83,424,273</b>	<b>76,552,198</b>	<b>72,668,274</b>	<b>74,391,586</b>
<b>Net Assets</b>	<b>486,461,463</b>	<b>483,731,256</b>	<b>498,224,614</b>	<b>531,413,953</b>	<b>583,543,571</b>	<b>614,119,569</b>	<b>643,441,255</b>	<b>689,739,120</b>	<b>713,431,445</b>	<b>725,460,856</b>
<b>Represented By</b>										
<b>Ratepayers Equity</b>	<b>486,461,463</b>	<b>483,731,256</b>	<b>498,224,614</b>	<b>531,413,953</b>	<b>583,543,571</b>	<b>614,119,569</b>	<b>643,441,255</b>	<b>689,739,120</b>	<b>713,431,445</b>	<b>725,460,856</b>

# Amendment to the LTCCP 2006 / 2016

## Statement of Prospective Cash Flows for the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Cash Flows from Operating Activities</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash provided from:										
Rates	23,608,351	27,641,295	26,794,333	28,004,232	30,103,281	32,102,527	33,835,719	36,004,519	37,803,029	39,508,664
Charges for Services	4,842,104	4,741,481	9,439,835	7,389,137	7,589,249	7,741,258	7,922,285	8,047,386	8,256,570	8,440,927
Investment Income	235,321	209,246	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Government Subsidies	6,363,919	5,947,585	6,314,121	6,180,038	8,639,729	5,223,467	6,545,876	5,927,612	6,290,887	6,112,831
Petrol Tax and Other Receipts	172,250	173,870	190,000	194,940	199,618	204,808	210,338	215,807	221,202	226,732
Development/Financial Contributions	11,162,937	13,840,441	18,496,402	21,954,954	17,277,709	19,599,603	19,599,603	19,354,270	14,013,450	6,173,709
Deposits Received	0	0	200,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	46,384,882	52,553,918	61,444,691	63,783,301	63,869,586	64,931,663	68,173,821	69,609,594	66,645,138	60,522,863
Cash applied to:										
Payment to Suppliers and Employees	23,198,008	25,103,017	26,576,085	26,805,548	27,898,420	29,049,951	29,778,811	30,743,499	31,857,018	32,653,820
Interest Paid	1,334,741	2,957,976	3,403,500	3,972,808	4,545,629	5,033,303	5,955,606	6,704,959	7,246,326	7,945,840
	24,532,749	28,060,993	29,979,585	30,778,356	32,444,049	34,083,254	35,734,417	37,448,458	39,103,344	40,599,660
<b>Net Cash Inflow from Operating Activities</b>	<b>21,852,133</b>	<b>24,492,925</b>	<b>31,465,106</b>	<b>33,004,945</b>	<b>31,425,537</b>	<b>30,848,409</b>	<b>32,439,404</b>	<b>32,161,136</b>	<b>27,541,794</b>	<b>19,923,203</b>

## Statement of Prospective Cash Flows for the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Cash Flows from Investing Activities</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash provided from:</b>										
Investments	793	842	0	0	0	0	0	0	0	0
Proceeds from sales of Property, Plant and Equipment	655,000	0	0	0	0	0	0	0	0	0
Advance Repaid	12,857	13,650	1,041	1,105	1,173	1,246	1,323	1,404	1,491	1,583
	668,650	14,492	1,041	1,105	1,173	1,246	1,323	1,404	1,491	1,583
<b>Cash applied to:</b>										
Additions to Property, Plant and Equipment	30,382,714	26,855,938	33,382,815	35,181,995	47,016,865	17,419,271	29,695,220	23,930,986	20,548,001	18,502,387
Addition to Intangible Assets	37,000	0	0	375,441	162,488	198,328	124,867	127,856	188,354	159,046
	30,419,714	26,855,938	33,382,815	35,557,436	47,179,353	17,617,599	29,820,087	24,058,842	20,736,355	18,661,433
<b>Net Cash (Outflow) from Investing Activities</b>	<b>(29,751,064)</b>	<b>(26,841,446)</b>	<b>(33,381,774)</b>	<b>(35,556,331)</b>	<b>(47,178,180)</b>	<b>(17,616,353)</b>	<b>(29,818,764)</b>	<b>(24,057,438)</b>	<b>(20,734,864)</b>	<b>(18,659,850)</b>

# Amendment to the LTCCP 2006 / 2016

## Statement of Prospective Cash Flows for the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Cash Flow from Financing Activities</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash provided from:										
Borrowing Raised	8,033,752	1,630,563	5,186,077	4,006,733	17,452,769	0	0	0	0	1,304,273
	8,033,752	1,630,563	5,186,077	4,006,733	17,452,769	0	0	0	0	1,304,273
Cash applied to:										
Borrowings Repaid	0	0	0	0	0	11,456,683	586,626	5,781,597	4,375,654	0
	0	0	0	0	0	11,456,683	586,626	5,781,597	4,375,654	0
<b>Net Cash Inflow from Financing Activities</b>	<b>8,033,752</b>	<b>1,630,563</b>	<b>5,186,077</b>	4,006,733	17,452,769	(11,456,683)	(586,626)	(5,781,597)	(4,375,654)	(1,304,273)
Net Increase/(Decrease) in Cash and Cash Equivalents	134,821	(717,958)	3,269,409	1,455,347	1,700,126	1,775,373	2,034,014	2,322,101	2,431,276	2,567,626
Opening Cash and Cash Equivalents	5,137,844	2,936,047	(1,074,594)	2,194,815	3,650,162	5,350,288	7,125,661	9,159,675	11,481,776	13,913,052
<b>Closing Balance at 30 June</b>	<b>5,272,665</b>	<b>2,218,089</b>	<b>2,194,815</b>	<b>3,650,162</b>	<b>5,350,288</b>	<b>7,125,661</b>	<b>9,159,675</b>	<b>11,481,776</b>	<b>13,913,052</b>	<b>16,480,678</b>
This is Represented by Cash and Cash Equivalents	5,272,665	2,218,089	2,194,815	3,650,162	5,350,288	7,125,661	9,159,675	11,481,776	13,913,052	16,480,678
	5,272,665	2,218,089	2,194,815	3,650,162	5,350,288	7,125,661	9,159,675	11,481,776	13,913,052	16,480,678

## Statement of Prospective Cash Flows for the years ending 30 June 2008 to 30 June 2016

	2007/2008 Annual Plan	2008/2009 LTCCP	2008/2009 Annual Plan	2009/2010 LTCCP	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP	2013/2014 LTCCP	2014/2015 LTCCP	2015/2016 LTCCP
<b>Reconciliation of Surplus for the year to Net Cash Flow from Operating Activities</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Surplus/(Deficit) for the Year</b>	<b>17,978,281</b>	<b>20,323,007</b>	<b>27,693,771</b>	<b>33,189,339</b>	<b>31,996,886</b>	<b>27,873,912</b>	<b>29,321,686</b>	<b>27,248,322</b>	<b>20,959,030</b>	<b>12,029,411</b>
<i>Add/(Deduct) Non-Cash Items:</i>										
Depreciation and Amortisation	6,121,100	6,905,127	6,443,300	6,752,000	7,120,000	7,568,300	7,878,300	8,297,300	8,604,300	9,072,300
Assets Vested in Council	(1,969,920)	(2,235,777)	(2,234,331)	(3,167,515)	(4,876,981)	(1,607,526)	(1,751,787)	(374,100)	(379,712)	(385,408)
Development Contributions	0	0	(3,153,510)	(3,766,308)	(2,819,028)	(3,050,484)	(3,050,484)	(3,018,177)	(1,678,869)	(806,271)
<i>Add/(Deduct) movements in Working Capital:</i>										
(Increase)/Decrease in Receivables	(192,334)	(455,381)	3,037,422	(284,212)	(305,841)	(280,711)	(248,434)	(309,674)	(258,402)	(247,623)
Increase/(Decrease) in Accounts Payable/Other Liabilities	708,443	(8,506)	(996,761)	436,397	488,409	514,323	440,142	488,130	440,239	367,456
Increase/(Decrease) in Deposits	0	0	200,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<i>Add/(Deduct) Items classified as Investing or Financing Activities:</i>										
Net (Gain)/Loss on Sale of Assets	(495,000)	0	0	0	0	0	0	0	0	0
Movement in Accounts Payable relating to Property, Plant and Equipment	(298,437)	(35,545)	475,215	(204,756)	(227,908)	(219,405)	(200,019)	(220,665)	(194,732)	(156,662)
<b>Net Cash Flow from Operating Activities</b>	<b>21,852,133</b>	<b>24,492,925</b>	<b>31,465,106</b>	<b>33,004,945</b>	<b>31,425,537</b>	<b>30,848,409</b>	<b>32,439,404</b>	<b>32,161,136</b>	<b>27,541,794</b>	<b>19,923,203</b>

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# Development contributions policy

## 8.1 Introduction

- 8.1.1 The Local Government Act 2002 requires Council to manage its general financial dealings prudently and in a manner that promotes the current and future interests of the community. In order to make adequate and effective provision in its Long Term Council Community Plan to meet its capital expenditure needs resulting from growth, Council may have a Development Contributions Policy as a component of its Funding and Financial Policies in its Long Term Council Community Plan.
- 8.1.2 This amendment to the Long Term Council Community Plan replaces the 2006 Development Contributions Policy with this Development Contribution Policy. This Development Contributions Policy will apply to developments where applications for resource consents (land-use and subdivision consents), building consents, or authorisations for service connection are granted on or after 1 July 2008. Council may also use this Development Contributions Policy to update existing assessments that remain unpaid in terms of Schedule, clause A.2.3 and where updating of contributions payable to Council has been provided for under prior Development Contribution policies.
- 8.1.3 The Development Contributions Policy allows Council to require a development contribution from developers where the effect of the development is to require new or additional assets or assets of increased capacity for which Council must incur (or has already incurred) capital expenditure to provide for community facilities. The incurred capital expenditure itself must be to appropriately provide for community facilities, which are specifically in the case of Papakura District network infrastructure (stormwater, roading and public transport), and community infrastructure.
- 8.1.4 United Water operates and manages water supply and wastewater services in the Papakura District under the Franchise Agreement which was entered into in 1997. Under the Franchise Agreement, the water supply and wastewater networks continue to be owned by Council and all additions are vested in Council. The Development Contributions Policy allows Council to require a development contribution from developers where the effect of the development is to require new or additional assets or assets of increased capacity for which Council must incur (or has already incurred) capital expenditure to provide for water supply and wastewater network infrastructure.
- 8.1.5 Funding Council's capital expenditure for growth with development contributions must be considered alongside Council's other funding tools, in order to provide predictability and certainty about the sources and levels of funding.
- 8.1.6 The Schedules to the Development Contributions Policy specify:
- The development contributions required from development for capital expenditure for growth for stormwater, roading, community infrastructure, public transport activities, water supply and wastewater services.
  - The event that will give rise to a requirement for a development contributions upon granting a resource consent, building consent, or authorisation for service connection.
  - The conditions and criteria that apply on the requirement for development contributions.
  - Statement on Goods and Services Tax (GST).

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8.1.7 The Notes to the Contributions Model and the full Contributions Model (the methodology which demonstrates, explains, and justifies how calculations for the development contributions are made) are available for inspection at the Council Offices and Sir Edmund Hillary Library.

### 8.2 Relationship between “Development Contributions” and “Financial Contributions”

8.2.1 The Development Contributions Policy does not supersede the requirement for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan, and the requirement to meet the standards and specifications in the District Development Code.

8.2.2 “Development Contributions” under the Local Government Act 2002 (LGA 2002) are different from “Financial Contributions” under the Resource Management Act 1991 (RMA 1991).

8.2.3 Development contributions may be required from development to meet the capital expenditure for community facilities resulting from growth, in accordance with the capital expenditure programme. Financial contributions may also be required from development to avoid, remedy, or mitigate the localised adverse effects of the development on the environment.

8.2.4 Council already has in place financial contributions policies, objectives, and rules in the District Plan (refer to Operative Papakura District Plan: Part 10, Section 3 - Urban Papakura, Part 6; and Part 8, Section 2 - Rural Papakura).

8.2.5 However, the financial contributions policies, objectives, and rules in the District Plan do not provide for the capital expenditure for the growth allocated to the District under the Auckland Regional Growth Strategy, and Southern Sector Agreement over the next 20 years.

8.2.6 Neither do the financial contributions policies, objectives, and rules in the District Plan meet Council’s funding and financial policy obligations with regards to the funding of capital expenditure for growth under the LGA 2002.

8.2.7 Council has developed a comprehensive growth management strategy for the District in order to meet these growth management and funding and financial responsibilities by facilitating and where appropriate coordinating development, and providing infrastructure in a timely and affordable manner so:

- That growth within Papakura will take place in Papakura Central, Takanini, Hingaia, and Rural Papakura in a staged but simultaneous manner as detailed in the Southern Sector Agreement and Strategic Plan.
- That the capital expenditure for growth will be affordable for Council, community, and those undertaking developments.
- That as far as is practicable the growth will be financially self-supporting.

8.2.8 The Development Contributions Policy builds-on and complements the development agreements over parts of the greenfields growth areas in the District, but will apply to all areas of the District.

8.2.9 As such, development contributions will be required from development under the Development Contributions Policy to meet the growth component of the capital expenditure resulting from the following activities:

- Stormwater.
- Roothing.
- Community infrastructure.
- Public transport.
- Water Supply.
- Wastewater.

8.2.11 Council will not require a development contribution to the extent that:

1. it has required a financial contribution in relation to the same development for the same purpose, or
2. where the developer will fund or otherwise provide the same community facilities subject to prior agreement with Council, or
3. Council will receive funding for community facilities from third parties (for example, Land Transport New Zealand).

### 8.3 Costs, Benefits, and Sustainable Development

8.3.1 Papakura is experiencing growth from both greenfields development and intensification. In March 2001 Council agreed to accommodate an additional 52,000 people, on an existing population of 42,000 people, over the next 50 years as part of the Auckland Regional Growth Strategy and Southern Sector Agreement.

8.3.2 The growth projection has been adjusted for changes in Takanini and Hingaia based on current yields and development plans.

8.3.3 The capital expenditure programme to meet this demand relates to the community outcomes process of this Long Term Council Community Plan, improvements to the networks and consideration of the development programme.

8.3.4 Council has used the Contributions Model to assess the impact of growth on its future finances, and separated the costs of stormwater, roading, community infrastructure, public transport, water supply and wastewater capital works projects between capital expenditure for Growth and capital expenditure for Non-Growth (such as improved levels of service, deferrals and renewals).

8.3.5 Funding the capital expenditure for growth for stormwater, roading, community infrastructure, public transport, water supply and wastewater capital works projects from development contributions is considered transparent, consistent, and equitable for developers, the community and Council.

8.3.6 Council considers that requiring an appropriate level of development contributions from development, applied alongside other funding tools, is the best overall solution in achieving community outcomes, while balancing the costs and benefits in terms of funding between developers, the community and Council.

8.3.7 Providing appropriately for community facilities in anticipation of growth is a core Council obligation in the promotion of the social, economic, environmental wellbeing of the community, in the present and for the future. As such the Development Contributions Policy will provide predictability and certainty about the sources and levels of funding for the costs of growth, and continue to ensure the sustainable development of the District as a whole, without negatively impacting on growth.

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## 8.4 Role of Council

8.4.1 Council considers its role in the provision of stormwater, roading, community infrastructure, and public transport activities as a part of its historic, growth management, and sustainable development obligations to the District. Although Council does not provide water supply and wastewater services, it owns the water supply and wastewater assets and has an interest in ensuring that appropriate funding is made available to accommodate increased demand caused by growth.

8.4.2 Council will, therefore, continue to provide stormwater, roading, community infrastructure and public transport activities and continue to own its water supply and wastewater assets, for the following reasons:

### 8.4.2.1 Legislative Requirement

Council has extensive powers, duties, and functions conferred upon it by central government providing both mandatory and discretionary responsibilities.

### 8.4.2.2 Growth Management

To manage the growth of the District in a timely, co-ordinated, cost-effective, and equitable manner.

### 8.4.2.3 To Ensure Public Access

These are activities Council has chosen to fund and/or provide to ensure they are available at reasonable cost and in the required quantity.

### 8.4.2.4 To Meet Community Expectation

Community expectation is measured through yearly Annual Plan processes, and annual performance measures such as random telephone and mail surveys to residents and ratepayers. These processes assist in Council's decision-making in relation to the provision of individual services. Community expectation will also be given effect through the preparation and subsequent reviews of the Long Term Council Community Plan.

### 8.4.2.5 To Enhance Community Identity

When the Papakura District was formed this was recognition of the strength of community interest and the level of 'sense of belonging' within the community. Council has continued to strengthen the 'sense of community' with a range of recreational facilities as well as national leadership in the way that services are being provided to the community.

### 8.4.2.6 As Part of Partnership with Central Government

Council is in partnership with Central Government in various ways and there are situations where Council has been able to assist at the local level.

### 8.4.2.7 No-one Else will Provide the Service

These are activities where, if Council were to stop providing a service no alternative provider would appear.

#### 8.4.2.8 To Enhance Community Safety

Community safety applies to activities that relate to the protection of the community. In some instances, there is a statutory responsibility to provide this service but the level of service is higher than the statutory minimum requirements.

### 8.5 Distribution of Demand

8.5.1 Council considers it appropriate that development contributions are required from development according to the distribution of demand served by capital expenditure for growth for stormwater, roading, community infrastructure, public transport, water supply and wastewater activities.

8.5.2 Council has allocated the Growth component of capital works projects only among the units of demand generated by new development.

8.5.3 Allocation of demand will occur on a catchment basis which may be part or all of the District as appropriate. Council has used broad catchments to provide a practical means of allocating the benefits from public works to meet demand from development for community facilities. Averaging of the demand from different types of development has been used between the various activities to derive an equivalent average with an appropriate means of measuring the units of demand.

#### 8.5.4 Community Infrastructure and Public Transport

Community infrastructure and public transport capital works projects have been identified as a district wide catchment.

#### 8.5.5 Stormwater

The stormwater catchments have been determined by geo-physical assessment to determine the boundaries of stormwater catchments in the District, and the capital works projects required in each catchment to manage stormwater. The distribution of demand for Council's stormwater facilities has been assumed to be uniformly distributed throughout each stormwater catchment. Refer to Appendix C - Stormwater Catchment Map.

#### 8.5.6 Roothing

Certain roading capital works projects have been identified as having a district wide catchment whereas other roading capital works projects have been identified as serving the demand of smaller geographical areas (Refer to Appendix D - Roothing Catchments Map). Council will take a development contribution from all development using the district wide catchment and will also take a development contribution at the applicable rate for the local catchment in which the development occurs.

#### 8.5.7 Water Supply and Wastewater Services

The existing urban areas of the District have been included in the Papakura Urban Catchment together with the Takanini greenfields development areas as these are serviced by additions to an existing network. The Hingaia development areas have been included in a separate catchment as these will be serviced by a new network. Refer to Appendix F - Water and Wastewater Catchment Map.

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### 8.6 Significant Assumptions

8.6.1 Significant assumptions underlying the calculation of the Schedule to the Development Contributions Policy are as follows:

#### 8.6.2 Projected Growth

That growth will continue at least for the next 20 years in terms of the Auckland Regional Growth Forum, Southern Sector Agreement, and Strategic Plan, and that there will be an increase of 6,946 household units / equivalent household units over the 2008 - 2016 Long Term Council Community Plan period and a further increase of approximately 2,160 household units / equivalent household units over the following ten year period. This is a particularly critical assumption, since Council is dependent on the timely receipt of contributions from those undertaking development to service debt. The Hingaia catchment has been modeled on a 20-year rolling growth projection to share the costs of growth on an equitable basis and to manage the development risk to Council.

#### 8.6.3 Best Available Knowledge

That the capital expenditure costs are based on the best available knowledge at the time of preparation and largely represent a “rough order of costs” rather than specific estimates. These will be refined in subsequent years as in some cases policies become clearer and in others there is an improved knowledge of an asset. The capital works programme for growth makes no allowance for changes in the scope or costs of projects, or for changes in the pattern and distribution of development.

#### 8.6.4 Development Negotiations and Agreements

Ongoing negotiations with potential developers and the subsequent preparation of formal agreements, have provided Council with an understanding of the costs of development and what an equitable share of costs between developers, the community and Council should be.

#### 8.6.5 Growth Areas in the District

That growth within Papakura will take place in Papakura Central, Takanini, Hingaia, and rural areas in a staged but simultaneous manner generally as detailed in the Southern Sector Agreement and Strategic Plan but subject to modification for market conditions and progress with implementation of District Plan plan changes.

#### 8.6.6 Growth Affordability

That managed growth within all these areas is affordable and that Council's share (for example contributions to trunk services) is able to be financed predominantly through the capital expenditure programme, supported by development contributions in parallel with Council's core business and other projects.

#### 8.6.7 Growth Supports Growth

That Council's policy as detailed in the Funding and Financial Policy, is to ensure as far as practicable that new growth is financially self-supporting with the costs being recovered through development contributions from those undertaking development. Council acknowledges that for trunk services which either extend physically

or in capacity beyond a particular development that Council may have to act as banker for these services and recover costs in stages from development. The Council accepts that a certain level of development exists in Papakura for which services have been provided for at the time that the Development Contributions Policy commences. The Council assumes development contributions will only be required on development over and above that existing prior to the granting of a resource consent, a building consent or an authorisation for service connection.

8.6.8 Expectation that Contributions will be taken

That the Long Term Council Community Plan contains programmes which Council is funding, where it expects to receive contributions for the growth related proportion of capital expenditure.

8.6.9 Community Facilities Built in Anticipation of Growth

That Council's Development Contributions Policy will allow Council to recover the growth proportion of historical capital expenditure that Council has already incurred to provide community facilities in anticipation of growth.

#### Financial and Administrative Assumptions

8.6.10 That all figures in the Development Contributions Policy and Schedule to the Development Contributions Policy are in today's dollars and that there has been no allowance made for inflation for roading, public transport, stormwater and community facilities.. However, allowance has been made for inflation of capital costs for water and wastewater networks.

8.6.11 The rates of development contributions may include net interest on funds required to implement Council's capital works programme (including allowance for development contributions received under this Policy).

8.6.12 That the incomes generated from rates will be sufficient to meet the operating costs of capital expenditure into the future.

8.6.13 Operating expenditure will be allocated across the rating base of the District.

8.6.14 That there will be an impact from the capital expenditure on operating expenditure and an allowance has been made for this based on the type of asset.

8.6.15 That all Land Transport New Zealand subsidies will continue at present levels and that eligibility criteria will remain unchanged.

8.6.16 That methods of service delivery will remain substantially unchanged.

#### Key Risks

8.6.17 That the growth assumptions are not met resulting in delayed development.

8.6.18 That there is a lag between expenditure being incurred by Council and contributions received from those undertaking developments.

8.6.19 That the costs of the capital expenditure programmes are greater than expected.

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## 8.7 Capital Expenditure for Community Facilities

8.7.1 Council will require development contributions where the effect of a development (including the cumulative effect) requires Council to incur capital expenditure to appropriately provide for new or additional assets or assets increased capacity. This also includes historical capital expenditure Council has already incurred in anticipation of growth.

8.7.2 In 1999 Council developed a comprehensive growth management strategy, which identified the estimated capital expenditure to Council for capital works projects resulting from the growth allocated to the District as part of the Auckland Regional Growth Strategy and Southern Sector Agreement. This growth has been detailed for a 20 year period in Council's Contributions Model with revisions and adjustments as considered appropriate.

8.7.3 The Contributions Model has been built up from a capital works project component level, and calculates over a 20-year period the contributions, that will be required from new development to meet the capital expenditure for growth for stormwater, roading, community infrastructure, public transport activities, water supply and wastewater services.

8.7.4 Council considers that most capital works projects service demand from Growth and Non-Growth components (such as Improved Levels of Service, deferrals and renewals). In determining the appropriate split Council has considered many factors including but not limited to the following:

- Separation of each project into components with differing Growth and Non-Growth splits.
- The application of benefits from each component of each project.
- Projected population growth, and the anticipated pattern and distribution of development.
- Existing population and development.
- Anticipated infrastructural needs.
- Adequacy of existing services.
- The life of benefits associated with each project.
- Consideration of the incremental effects of proposed projects not proceeding.
- Consistency across the District.

8.7.5 The Contributions Model is based on the considered assessment of the distribution of benefits of the Growth components of Council's capital works projects among units of demand which arise from new development. The split that has been made between the Growth and Non-Growth components of the capital works projects have been tested and accepted by the development community in development agreements over greenfields growth areas in the District.

8.7.6 Development contributions will only be required to meet the Growth components of capital works projects, with Council funding the Non-Growth components from other sources.

8.7.7 The capital expenditure for growth is derived from the Contributions Model as part of the preparation of the Long Term Council Community Plan.

8.7.8 The projections in the Long Term Council Community Plan are based on the assumption that the demand on Council's community facilities caused by the growth of the District will be met in accordance with the Contributions Model. These costs are to be financed predominantly by way of loans and from contributions required from developments.

8.7.9 Estimated Capital Expenditure And Funding For Growth

TABLE 1 - ESTIMATED CAPITAL EXPENDITURE AND FUNDING FOR GROWTH is derived from the Contributions Model, and summarises:

- The total estimated capital expenditure to meet increased demand for community facilities resulting from growth over the next 20 years or to completion of development of the Hingaia area; and
- The proportion of total estimated capital expenditure to meet increased demand for community facilities resulting from growth which will be funded from development contributions and other funding sources.

8.7.10 Council may update the Development Contributions Policy on an annual basis to take account of:

- Any changes to the significant assumptions to the Development Contributions Policy.
- Any changes in policy as Council continues to develop and implement its growth management strategy.
- Any changes in the capital works programme for growth.
- Any changes in the pattern and distribution of development in the District.
- The regular reviews of the Contributions Model, Funding and Financial Policy, and the Long Term Council Community Plan.

## Schedule to Development Contributions Policy

TABLE 1 - Estimated Total Capital Expenditure and Funding for Growth

Community Facility	Total Cost of Capital Works Project	Other Sources of Funding	Total Non-Growth Component	Total Growth Component
Stormwater	\$99,170,416		\$41,913,627	\$57,256,789
Roading	\$212,100,874	\$75,118,917*	\$83,046,436	\$53,935,521
Community Infrastructure	\$80,457,718		\$34,143,222	\$46,314,496
Public Transport	\$6,008,041	\$1,923,698**	\$1,420,491	\$2,663,852
Water Supply & Wastewater	\$32,046,407		NA	\$32,046,407
<b>TOTAL</b>	<b>\$429,783,456</b>	<b>\$77,042,616</b>	<b>\$160,523,776</b>	<b>\$192,217,064</b>

Notes:

\* Funding from Land Transport New Zealand

\*\* Funding assumed from Public Transport Funding Bodies

8.7.11 Stormwater  
The Council stormwater activity provides and maintains stormwater reticulation and catchment management systems that provides effective management of the disposal of stormwater, including the capital works programme detailed in the LTCCP.

8.7.12 Roading  
The Council roading activity is for the provision of a safe and cost effective network of roads to satisfy the current and future growth needs of road users. This includes the need for roading to form part of a safe and efficient regional and national system of transport including the capital works programme detailed in the LTCCP.

#### 8.7.13 Community Infrastructure

Council and other agencies have made large investments in additional community infrastructure in the District to cater for future demand. This infrastructure includes the Aquatic Centre, the Hawkins Centre, Sir Edmund Hillary Library, Massey Park and the development of Bruce Pulman Park. The Strategic Plan has also identified the growing importance of public resources, including libraries and recreation facilities in supporting the quality of life in the District including the capital works programme detailed in the LTCCP.

#### 8.7.14 Public Transport

Council is planning significant rail station improvements in the District, including improved vehicular and walking access and the provision of park and ride areas, in order to meet the environmental wellbeing community outcome of 'a well integrated transport system' as identified in the Long Term Council Community Plan including the capital works programme detailed.

#### 8.7.15 Water Supply

The water supply network will be upgraded, as appropriate by United Water, to meet the requirements for greenfields development and growth in other urban areas. The development of Hingaia is based on a completely new network whereas other areas utilize an existing network as the base for additional work to meet demand.

#### 8.7.16 Wastewater

The wastewater network will be upgraded, as appropriate by United Water, to meet the requirements for greenfields development and growth in other urban areas. The development of Hingaia is based on a completely new network whereas other areas utilize an existing network as the base for additional work to meet demand.

### A.1 Requirement for Development Contributions

A.1.1 Development contributions shall be required from new development in the form of money for capital expenditure for growth for the following activities:

1. stormwater.
2. roading.
3. community infrastructure.
4. public transport activities.
5. water supply and wastewater.

A.1.2 A development will be assessed against the Development Contributions Policy in accordance with the procedures outlined in sections A.1 to A.8.

A.1.3 The requirement for a development contribution is subject to the Credits procedure in A.3 and the Review, Remission and Postponement procedure in A.5.

A.1.4 Subject to clause A.1.5, Residential, Mixed-Used and Non-Residential development will be assessed on the additional units of demand created by the development in accordance with Appendix A - Assessment of Demand and Appendix B - Catchments and Development Contributions.

## Schedule to Development Contributions Policy

- A.1.5 This clause only applies in respect of community facilities for which Council is unable to reasonably seek development contributions from third parties. Where Council is providing or has already provided community facilities to accommodate the development of land based on the units of demand which it reasonably anticipates could be developed on the land, and where a developer provides a substantially less intensive development on that land, Council may require development contributions to be paid at a level based on the units of demand for which Council is providing or has already provided appropriate community facilities.
- A.1.6 There are two categories of non-residential development.
1. “Non-Residential A” will be used for most non-residential development.
  2. “Non-Residential B” will be used where Council, in its discretion, considers that this classification is more appropriate having regard to the nature of the development.
- A.1.7 Non-residential sheds and farm buildings associated with rural activities on the site will not incur a development contribution unless they generate demand on current or proposed community facilities.
- A1.8 Where development does not create demand at the time of assessment, no credits for that development will be allowed in the future.

### A.2 Timing

- A.2.1 Development contributions for stormwater, roading, community infrastructure, and public transport activities will be assessed by Council officers on application for:
1. A subdivision consent under the Resource Management Act 1991;
  2. Any other resource consent under the Resource Management Act 1991;
  3. A building consent under the Building Act 2004; or
  4. An authorisation for a service connection.
- A.2.2 Development contributions for water supply and wastewater activities will be assessed by United Water officers, under delegated authority from Council, on application for an authorisation for a service connection.
- A.2.3 A new assessment may be made on each and every event described above. Each assessment will remain valid and may be paid within 12 months of the date of assessment. If payment is not received within this time, Council or United Water (as the case may be) may, at its discretion, review its assessment.
- A.2.4 A development contribution for stormwater, roading, community infrastructure, and public transport activities must be paid prior to:
1. In the case of a subdivision consent, the issue of the section 224(c) certificate.
  2. In the case of any other resource consent, prior to the commencement of the resource consent.
  3. In the case of a building consent, prior to the issue of the code compliance certificate.
  4. In the case of a service connection, prior to the connection.

- A.2.5 Unless the development contribution for stormwater, roading, community infrastructure, and public transport activities has been paid in full, the Council may:
1. In the case of a subdivision consent, withhold the section 224(c) certificate.
  2. In the case of any other resource consent, prevent the commencement of the resource consent.
  3. In the case of a building consent, withhold the code compliance certificate.
  4. In the case of a service connection, withhold the service connection.
  5. Register the outstanding development contribution as a charge on the subject land under the Statutory Charges Registration Act 1928.
- A.2.6 A development contribution for water supply and wastewater activities must be paid prior to the service connection being made for those activities.
- A.2.7 Unless the development contribution water supply and wastewater activities has been paid in full, United Water may withhold the service connection and United Water, under delegated authority from Council, may register the outstanding development contribution as a charge on the subject land under the Statutory Charges Registration Act 1928.

### A.3 Credits

- A.3.1 Credits are expressed in units of demand and may reduce the net increase in the number of units of demand created by a development. Credits can only be used for developments on the same site (except as provided for under clause A.3.2.4 for water supply and wastewater services network connections only) and for the same activity and cannot be used to reduce the number of units of demand to less than zero.

- A.3.2 Credits towards development contributions will be considered by Council on a case by case basis taking into account the following matters:

- A.3.2.1 The level of units of demand of existing development on the site. Where multiple existing uses can be established, Council will have regard to the most intensive use. The existing development must have been lawfully established and cannot be transferred to another site except as provided in clause A.3.2.4. Where the existing development has been demolished, the credit will stay with the site for 5 years from the date of the demolition.

Vacant land (that is land without buildings) is deemed to have a credit of one existing unit of demand per certificate of title for that land except that outside the Papakura Urban Catchment, existing sections will receive no credit for water supply and wastewater activities.

The maximum credit for existing units of demand awarded for Non-Residential B activities will be the lesser of:

1. The units of demand calculated based on the existing site area developed; or

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2. The units of demand attributable to an area twice the gross floor area of the existing buildings on the site.

A.3.2.2. Monies paid or assessed in relation to the same development for the same purpose by prior:

1. Financial contributions taken under the District Plan.
2. Agreements with Council (non-water supply and non-wastewater community facilities).
3. Agreements with United Water (water supply and wastewater community facilities).
4. Development contributions.

A.3.2.3. Works and/or services undertaken to provide capital works to upgrade network infrastructure for growth.

A.3.2.4 Where an existing high demand water supply service connection is transferred to another site within the District for the same user, a credit may be allowed at the sole discretion of United Water provided that the transfer has no significant additional demand on the network and the relevant sub-catchments with a limit of the reduction in demand on the water supply network at the existing site.

### A.4 Special Assessments and Development Agreements

A.4.1 Council or United Water (as the case may be), in its discretion, may require a developer to provide a special assessment where a proposed development has a significantly different impact than is envisaged in the averaging implicit in the Contributions Model. Council may use the special assessment to calculate the appropriate demand factor for determining the development contribution.

A.4.2 Where it is in the best interests of all parties, Council may enter into a development agreement with the developer. The development agreement must clearly state the departure from the standard processes and calculations, and the reasons for these differences. United Water will also be a party to any development agreement which concerns water supply and wastewater development contributions.

### A.5 Review, Remission and Postponement

A.5.1 An applicant may formally request Council to:

- review the development contributions required on the development concerned.
- reduce in whole or in part any of the development contribution required on the development concerned.
- waive or modify any part of this policy.

A.5.2 Any such request shall be made by notice in writing to Council within 28 working days after the developer has been advised in writing of the amount of development contribution required on the development, setting out the reasons for the request.

#### A.5.3 In undertaking the review:

- Council will as soon as reasonably practicable consider the request.
- Council may determine whether to hold a hearing for the purposes of the review, and if so, give at least 5 working days notice to the applicant of the commencement date, time, and place, of that hearing.
- Council may, at its discretion, uphold, increase, reduce, postpone or cancel the original amount of development contributions required on the development; or waive or modify any requirement of this policy.
- Council will communicate its decision in writing to the applicant within 10 working days of any determination or hearing.
- Council may delegate this role to Council Officers.

#### A.5.4 In making its decision Council may consider any relevant matter, including, but not limited to the following matters:

1. The Development Contributions Policy.
2. The Contributions Model.
3. Council's Funding and Financial Policy.
4. The extent to which the value and nature of works proposed by the applicant reduces the need for works proposed by Council in its capital works programme.
5. Whether the development supports Council's wider objectives.
6. Whether the Credits Procedure in A.3 has been applied correctly.
7. Whether the development has been correctly assessed as a Residential, Mixed-Use, Non-Residential A or Non-Residential B activity.
8. Its contractual arrangements with United Water.
9. Any other matters Council considers relevant.

#### A.6 Statement on Goods and Services Tax (GST.)

A.6.1 All assessments are exclusive of GST and do not constitute an invoice for the purposes of the Goods and Services Tax Act 1985. GST will be added to the invoice at the time of supply as required by the Goods and Services Act 1985.

A.6.2 The time of supply shall be the earlier of:

1. Council or United Water issuing an invoice to the developer; or
2. The payment of the development contribution in accordance with this Policy.

#### A.7 Development Contributions Planning Tables and Planning Maps

A.7.1 Development contributions shall be required from development for capital expenditure for growth for stormwater, roading, community infrastructure, public transport, water supply and wastewater in accordance with the tables, maps, and procedures specified in this Schedule.

##### A.7.2 Units of Demand

Council has apportioned the cost of capital works projects between Growth and Non-Growth components (such as Improved Level of Service, deferrals and renewals) after allowances for other sources of funding, such as the subsidy from Land Transport New Zealand. The Growth component of capital expenditure has been allocated to growth on the basis of units of demand generated by new development only.

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### A.7.3 Assessment and Calculation of Development Contributions Required from Development

The total units of demand for development shall be assessed in accordance with Appendix A - Assessment of Units of Demand.

The Development Contribution payable will then be determined by multiplying the number of units of demand by the development contribution payable for each activity by reference to Appendix B - Catchments and Development Contributions.

### A.7.4 Catchment Maps

Refer to Appendix C for a map showing the boundaries of the Stormwater Catchments.

Refer to Appendix D for a map showing the boundaries of the Roding Catchments.

Refer to Appendix E for a map showing the boundary of the Opaheke Area.

Refer to Appendix F for a map showing the boundaries of the Water Supply and Wastewater Catchments.

## Appendix A Assessment of Units of Demand

Table 1: Community Facilities (non-water supply and non-wastewater)

Form of Development	
Subdivision Consent	Demand Factor
One site (Residential and Non-Residential Rural development)	1.0 unit of demand for each site created
Non-Residential B development in the Opaheke Area	0.8 units of demand for each 500m <sup>2</sup> of site area
Non-Residential A, Non-Residential B (other than in the Opaheke Area) and Mixed-Use development	1.0 unit of demand for each 500m <sup>2</sup> of site area
Other Resource Consents, Building Consents or Service Connections	
One household unit (other than in a Mixed-Use development)	1.0 unit of demand for each household unit
One minor household unit (other than one minor household in a Mixed-Use development)	0.5 units of demand for each minor household unit
Non-Residential A or Mixed-Use development	0.8 units of demand for each 185m <sup>2</sup> of gross floor area
Non-Residential B development in the Opaheke Area	0.8 units of demand for each 500m <sup>2</sup> of site area
Non-Residential B development (other than in the Opaheke Area)	1.0 unit of demand for each 500m <sup>2</sup> of site area

Table 2: Community Facilities (water supply and wastewater)

Form of Development	
Service Connections	Demand Factor
Residential (including minor household units)	1.0 units of demand for each household unit
Non-Residential A, Non-Residential B and Mixed-Use development	1.0 units of Demand per 25 litres per minute peak demand supply

## Development contributions policy

Note, there is a proposed change in the draft LTCCP 2009 -2019. You can view it [here](#).

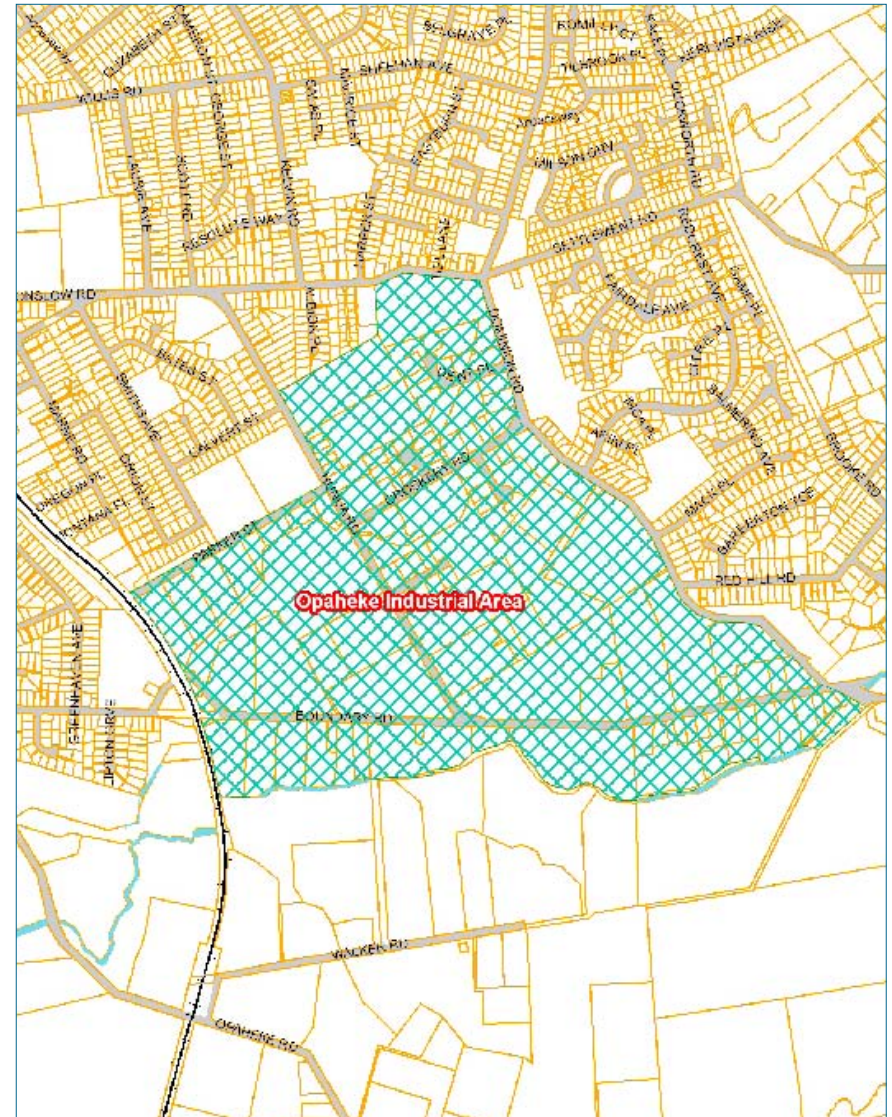
### Appendix B Catchments and Development Contribution (excluding GST)

	Development Contribution per unit of demand
<b>Stormwater</b>	
Hingaia	\$7,637
Old Wairoa	\$6,860
Takanini North	\$3,625
Takanini South	\$6,779
Rest of Papakura	\$4,427
<b>Roading</b>	
District Wide	\$4,479
Hingaia 1a North	\$2,442
Hingaia 1a South	\$1,842
Hingaia Balance	\$8,625
Hingaia Balance – Papakura Interchange	\$490
Urban	\$656
Rural	\$385
<b>Community Infrastructure</b>	
District Wide	\$4,855
<b>Public Transport</b>	
District Wide	\$256
<b>Water Supply &amp; Wastewater</b>	
Hingaia Peninsular	\$2,130
Papakura Urban	





Appendix E Opaheke Area Map





## Definitions

In the Development Contributions Policy and the Schedule to the Development Contributions Policy, unless the context otherwise requires:

activity	has the same meaning set out in section 5 of the Local Government Act 2002
Auckland Regional Growth Strategy	means the Auckland Regional Growth Strategy approved by the Auckland Regional Council in November 1999.
catchment	means an area of the District that is subject to development contributions as identified by this policy and includes any future development which extends such catchment areas.
community facilities	has the same meaning set out in section 5 of the Local Government Act 2002
Contributions Model	means the Development Contributions model adopted by Council which underpins the Development Contributions Policy.
community infrastructure	has the same meaning set out in section 197 of the Local Government Act 2002.
development	has the same meaning set out in section 197 of the Local Government Act 2002.

Franchise Agreement	means the 'Papakura District Water and Wastewater Franchise Agreement' dated 23 April 1997 between Council and United Water and includes any variations to that agreement.
Goods and Services	means goods and services tax under the Goods and Tax Services Tax Act 1985.
gross floor area	means the sum of the gross area of the several floors of all buildings on a site, measured from the exterior faces of exterior walls, or from the centre lines of walls separating two abutting buildings or, in the absence of walls, from the exterior edge of the floor but excluding: <ul style="list-style-type: none"> <li>(a) Car parking, vehicle access and manoeuvring areas/ramps;</li> <li>(b) Pedestrian facilities approved by the Council which are open to the public, are accessed directly from a public place and have an overhead clearance of not less than 3m;</li> <li>(c) Space for stairs, ramps, walkways, escalators and elevators: <ul style="list-style-type: none"> <li>(i) essential to the operation of a through site link, or</li> </ul> </li> </ul>

# Development contributions policy

	(ii) servicing a floor or part of a floor used only for car parking or loading;		
	(d) Plant and equipment enclosures on the roof; and		
household unit	a building or part of a building intended to be used as an independent residence and includes any apartment, townhouse, dwelling unit or home unit.	non-residential activities	means activities other than residential activities. In this Policy, non-residential activities are divided into Non-Residential A and Non-Residential B activities.
LGA 2002	means the Local Government Act 2002.		Non-Residential A activities include but are not limited to:
Long Term Council	means the Papakura District Council - Long Term		<ul style="list-style-type: none"> <li>• Commercial activities</li> <li>• Retailing activities</li> <li>• Financial activities</li> <li>• Educational activities</li> <li>• Religious activities</li> <li>• Sporting activities</li> <li>• Rural activities</li> </ul>
Community Plan	Council Community Plan - 2006-2016		Non-Residential B activities include but are not limited to:
minor household unit	means a household unit of not more than 60m <sup>2</sup> gross floor area which is to be used for dependant relatives of occupiers of the principal household unit on the same allotment.		<ul style="list-style-type: none"> <li>• Industrial activities</li> <li>• Manufacturing activities</li> <li>• Rural activities</li> </ul>
mixed-use activities	means activities comprising of both a residential component and a non-residential component.		
network infrastructure	has the same meaning set out in section 197 of the Local Government Act 2002	Opaheke Area	means that area as shown in Appendix E
		Peak Demand	means the design maximum demand for water supplied at a connection to the water supply network.

planning area unit	means the unit(s) in the Contributions Model which demarcate Papakura District.	separate certificate of title could be issued without further consent of the Council;
residential activities	means activities comprising solely of one or more household units. It includes residential accommodation for physical, psychological or social support. It does not include (for example) motels, hotels, motor and tourist lodges, or retirement villages.	being in any case the smaller land area of (i) or (ii); or
RMA 1991	means the Resource Management Act 1991.	(b) An area of land which is composed of two or more contiguous lots held together in one certificate of title in such a way that the lots cannot be dealt with separately or without prior consent of the Council; or
rural activities	means a land based activity which involves primary production and which relies on the productive capacity of natural resources and includes horse breeding and training, horticulture and other intensive forms of farming (including intensive farming carried out under building cover).	(c) An area of land which is comprised in two or more contiguous lots held in two or more certificates of title where such titles are:
Schedule 13	means Schedule 13 of the Local Government Act 2002.	(i) subject to a condition imposed under Section 37 of the Building Act 1991 or Section 643 of the Local Government Act 1974; or
service connection	has the same meaning set out in section 197 of the Local Government Act 2002	(ii) held together in such a way that they cannot be dealt with separately without the prior consent of the Council; or
site	means:	(d) An area of land which is:
	(a) An area of land which is:	(i) partly made up of land which complies with (a), (b) or (c) above; and
	(i) comprised in a single certificate of title; or	
	(ii) contained in a single lot on an approved survey plan of subdivision for which a	

<p>(ii) partly made up of an interest in any airspace above or subsoil below a road:</p> <p>where (i) and (ii) are adjacent and are held together in such a way that they cannot be dealt with separately without the prior consent of the Council; or</p>		<p>(f) In the case of land subdivided under the Unit Titles Act 1972 or the cross lease system, "site" shall be deemed to be each of the intended separate certificates of title as set out on a survey plan approved by Council subject to the unit development or cross lease.</p>
<p>(e) An area of land which is:</p> <p>(i) partly made up of land which complies with (a), (b) or (c) above; and</p> <p>(ii) partly made up of an interest in any airspace above or subsoil below a road:</p> <p>where (i) and (ii) are adjacent and are held together in such a way that they cannot be dealt with separately without the prior consent of the Council; or</p>	<p>Southern Sector Agreement means the agreement dated 30 July 2001 between the Auckland Regional Council, Franklin District Council, Manukau City Council, and Papakura District Council.</p> <p>unit/s of demand</p> <p>United Water</p> <p>working day</p>	<p>means those units set out in Schedule 13 of the Local Government Act 2002 or any legislation substituted.</p> <p>means United Water International Pty. Limited</p> <p>means a day of the week other than:</p> <p>(a) a Saturday, a Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's Birthday, Labour Day, and Auckland Anniversary Day.</p> <p>(b) a day in the period commencing with 20 December in a year and ending with 10 January in the following year.</p>

# Contents: Treasury Policy

(Replaces pages 103 to 116 of Volume 4 of the 2006/2016 LTCCP)

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# Treasury policy

## 1. Philosophy

The Papakura District Council (“Papakura District Council, The Council”) incurs risks arising from debt raising, investments and associated interest rate management activity.

Papakura District Council carries out its borrowing and investment activities (referred to in this document as treasury activity) within its finance function.

Papakura District Council’s broad objectives in relation to treasury activity are as follows:

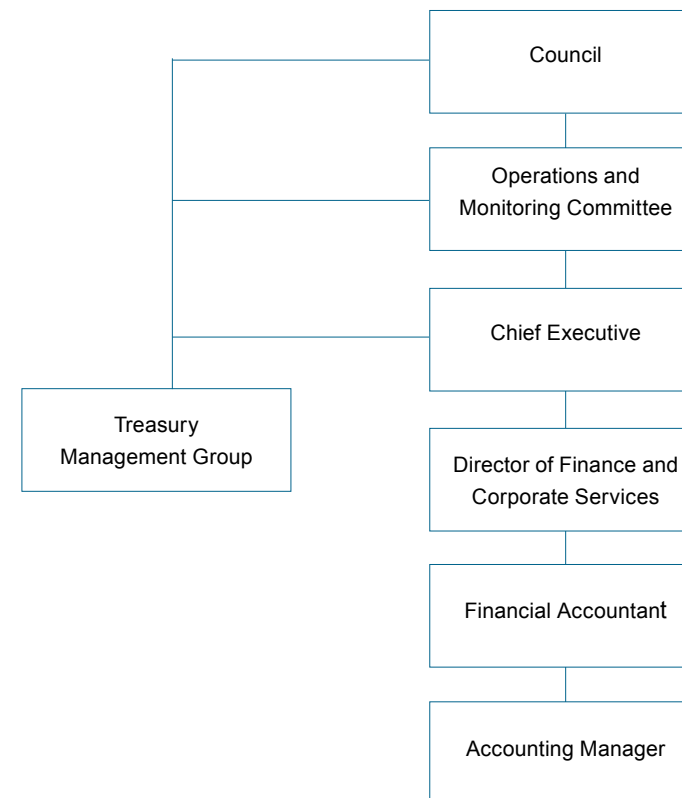
- Compliance with the Local Government Act 2002 and amendments thereto, and other relevant local authority legislation.
- Develop and maintain professional relationships with the financial markets.
- Manage all of Council’s investments within treasury policy parameters ensuring that investments are made in liquid and credit worthy investments.
- Raise appropriate finance, in terms of both maturity and interest rate.
- Effectively manage the overall cash position of the Council.
- Provide timely and accurate reporting on treasury activities including appropriate performance measurement.

Papakura District Council’s finance function in relation to treasury activity is a risk management function and Papakura District Council does not undertake any treasury activity that is unrelated to the underlying cashflows and exposures of Papakura District Council or is purely speculative in nature.

## 2. Structure

### 2.1 Treasury Organisational Structure

The organisation chart for treasury activity is as follows:



## 2.2 Treasury Responsibilities

The key responsibilities of the above positions are as follows:

### **COUNCIL**

- Approve treasury policy (incorporating borrowing and investment management policies) document.
- Approve amendments to various control limits, bank facilities and approved instruments.
- Approve hedging strategies outside policy parameters after recommendation from Operations and Monitoring Committee.
- Approve amendments to treasury policy after reviewing recommendations from Operations and Monitoring Committee.
- Review financial covenant control limits on an annual basis.

### **OPERATIONS AND MONITORING COMMITTEE**

- Review the treasury management process through regular standard reporting including compliance with policy, procedures and risk limits.
- Review formally on a three yearly basis, the treasury policy document and make any recommendation for change, to Council.
- Review hedging strategies outside policy parameters and make recommendations to Council.

### **CHIEF EXECUTIVE**

- Recommend amendments to the treasury policy to Operations and Monitoring Committee after reviewing recommendations from Treasury Management Group.
- Overview treasury risk management processes through monitoring of regular reporting.

### **TREASURY MANAGEMENT GROUP**

- Review regular treasury reports to ensure compliance by treasury with policies, procedures and risk limits.
- Overall responsibility for setting risk management strategies in relation to the implementation of this treasury policy.
- Oversee the management of Council's relationship with financial institutions.
- Oversee the negotiation of borrowing facilities with bankers, the appointment of brokers/arrangers/managers.
- The Treasury Management Group ("TMG") meets at least quarterly to review the risk management strategies in place and other treasury related issues as appropriate. Members of the TMG are Director of Finance and Corporate Services, Financial Accountant, Accounting Manager and a representative of Papakura District Council's Independent Treasury Advisor (if one is appointed) as an ex-officio member

### **DIRECTOR OF FINANCE AND CORPORATE SERVICES**

- Report treasury activities to Chief Executive, TMG and Council.
- Manage Council's relationship with financial institutions
- Negotiate borrowing facilities with bankers, appoint brokers/arrangers/managers.
- Responsibility to rectify any deal ticket discrepancies.
- Approve bids for stock tenders.
- Approve deal tickets.

# Treasury policy

- Backup dealer in Financial Accountant's absence.
- Approve journals prepared by Financial Accountant.

## FINANCIAL ACCOUNTANT

- Day-to-day management responsibility for borrowing and investment activity.
- Responsible for keeping TMG and Director of Finance and Corporate Services informed of significant treasury activity and market trends.
- Assist in managing Council's relationship with financial institutions.
- Review Council's daily cash flow position and cash flow forecasts.
- Liaise with brokers/arrangers/managers for issue of debt; co-ordinate tenders if handled in-house.
- Execute borrowing, investment and related risk management activities.
- Complete deal tickets for all transactions.
- Reconcile external confirmations to internal records for transactions undertaken by other Council officers.
- Review and approve bank reconciliations.
- Review credit standing of investments on a regular basis.
- Produce reports and work papers on treasury activity.
- Approve journals prepared by Accounting Manager.

## ACCOUNTING MANAGER

- Reconcile external confirmations to internal records for transactions undertaken by other Council officers.
- Arrange payment and receipt of approved treasury transactions.

- Check and reconcile direct debits/credits.
- Prepare journals.
- Reconcile bank statements.

## 3. Liability Management

### 3.1 General Policy

Council exercises its flexible and diversified borrowing powers within the Local Government Act 2002. Council approves the borrowing programme by resolution during the Annual Planning process.

A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:

- the period of indebtedness is less than 91 days or
- the goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council.

Council borrows through a variety of market mechanisms which primarily comprise the issue of stock, issuing debentures, through accessing the capital markets and direct bank borrowing.

In evaluating any new or renewal of existing borrowings (in relation to source, term, size and pricing) the Director of Finance and Corporate Services takes into account the following:

- The size and the economic life of the project.
- The impact of the new debt on the borrowing limits.
- Relevant margins under each borrowing source.
- Council's overall debt maturity profile, to avoid concentration of debt at reissue/rollover time.

- Prevailing interest rates relative to term for both stock issuance and bank borrowing and management's view of future interest rate movements.
- Available term from bank and stock issuance.
- Legal documentation and financial covenants.

### 3.2 Borrowing Limits

In managing its borrowings, Council determines appropriate control limits based on the following covenants:

- The gross interest expense of all borrowings will not exceed a specified percentage of total annual rates income. The maximum limit is 20%.
- Net Debt will not exceed a specified percentage of Total Revenue. The maximum limit is 200%.
- A control ratio of EBIT/Net Interest (EBIT has to be a multiple of net interest) will be determined. The minimum limit is 5:1.
- A ratio of net cash inflow from operating activities to gross annual interest expense is specified. The minimum limit is 5:1.

The applicable control limits will be set by the full Council and reviewed on an annual basis.

### 3.3 Liquidity and Credit Risk Management

Council's ability to readily attract cost effective borrowing is largely driven by its ability to maintain a strong balance sheet as well as its ability to rate, to manage its image in the market, and its relationship with its banker(s).

To ensure funds are available on repayment of debt, reserves may be maintained in liquid assets and/or funds will be available through committed bank facilities.

To minimise the risk of large concentrations of debt maturing or being reissued in periods where credit margins are high for reasons within or beyond Council's control, Council's preference is that where the total amount of Council's debt allows, debt is spread over a band of maturities and pricing so that:

- No more than 50% of total borrowing or a maximum of \$30 million, whichever is the greater, is subject to refinancing in any rolling 12 month period.

### 3.4 Interest Rate Risk Management

Interest is incurred on any bank funding facility, issuance of local authority stock and other borrowing arrangements. This policy recognises that the longer the term of borrowing, the greater the interest rate risk. Longer term fixed rate borrowings may be of benefit if market interest rates rise, but equally may not allow Papakura District Council to take advantage of periods of low interest rates.

A balance is achieved through having variable terms with regard to interest rate resets. The table below outlines the minimum and maximum hedged or fixed rate exposure requirements within various time buckets. The Director of Finance and Corporate Services ("DFC") is responsible for developing risk management strategies for approval by the Treasury Management Group ("TMG"). Any hedging outside the parameters detailed below or for longer than 10 years must be reviewed by the Operations and Monitoring Committee ("OMC") and approved by the Council, before initiation.

# Treasury policy

## INTEREST RATE MATURITY PROFILE LIMIT

Note: The following policy limits apply where total borrowing exceeds \$30 million. Debt below the minimum threshold of \$30 million can be operated outside the minimum and maximum ranges.

	Minimum Fixed Rate	Maximum Fixed Rate
Less than 1 year	15%	100%
1 year to 3 years	15%	70%
3 years to 5 years	15%	50%
5 years to 10 years	0%	50%

The following interest rate risk management instruments (refer glossary for definitions) may be used for interest rate risk management activity.

- Forward rate agreements.
- Interest rate swaps.
- Interest rate collar type option strategies.

Selling interest rate options for the primary purpose of generating premium income is not permitted because of its speculative nature.

### 3.5 Security

Council offers deemed rates as security for general borrowing programmes. From time to time, with prior Council approval, security may be offered by providing a charge over one or more of Council's assets.

### 3.6 Repayment

Council repays borrowings from general funds or reserves established for this purpose.

### 3.7 Contingent Liabilities

Council from time to time provides financial guarantees to organisations, groups or bodies for recreational and community purposes. Prior to loan approval management reviews the latest audited financial reports and cashflow forecasts.

Council limits its total loan guarantees provided to 5% of total annual rates income net of GST, and ensures that guarantees to individual organisations, groups and bodies, are limited to a maximum of 10% of the total guarantees given by Council.

Where possible Council registers a charge over the organisation's building. Financial statements are received annually.

Should the guarantee be called upon, Council will take immediate steps to recover the money.

Policy 3.7 does not apply to any guarantees provided to Watercare.

## 4. Investment

### 4.1 Investment Mix

Council maintains investments in the following financial assets:

- loans advances (covered in Section 4.3);
- shares in Watercare Services Ltd Local Government Insurance Corporation (covered in Section 4.4); and
- financial investments (covered in section 4.5).

## 4.2 General Policy

Council's philosophy in the management of investments is to optimise returns in the long term while balancing risk and return considerations. Council recognises that as a responsible public authority any investments that it does hold should be low risk, giving preference to conservative investment policies and avoiding speculative investments.

It also recognises that lower risk generally means lower returns.

Council does not hold financial investments other than those involving general and specific reserves and cash management balances. In its financial investment activity, Council's primary objective when investing is the protection of the investment capital value and to minimise the risk of loss. Accordingly, only credit worthy counterparties are acceptable. Council's policy on managing credit risk is contained in Section 4.6.

Within the credit constraints contained in Section 4.6, Council also seeks to:

- Optimise investment return.
- Ensure investments are liquid and sufficiently flexible.
- Diversify the mix of financial investments.
- Manage potential capital losses due to interest rate movements if investments need to be liquidated before maturity.

## 4.3 Loan Advances

Loan advances include loans to recreational and community organisations which further the Council's community objectives.

Internal loan advances are made from specific reserves for specific Council purposes. Before raising external borrowings, management firstly reviews its ability to make loans internally from existing reserves.

All loan advances are approved by Council.

External loan advances are secured by first mortgage over that organisation's property. Interest earned is credited to the Parks Capital Reserve Account which is used for the purchase and development of community parks and reserves.

The DFC reviews performance of these investments on a regular basis to ensure objectives are being achieved and that interest and principal repayments are being made in accordance with the loan agreement. Exceptions are reported to OMC on a timely basis.

Council's policy is that it does not intend to dispose of these investments before maturity.

## 4.4 Shares

The shares in Local Government Insurance Corporation (LGIC) were acquired by virtue of Council being a local authority. The purpose of the company in which almost all local authorities are shareholders is to ensure that adequate insurance arrangements are available to local authorities at the lowest possible cost. The shares in LGIC are held as the shares are not readily transferable.

Annual Reports are received and reviewed by Council. Election of Directors takes place at the AGM held at the Local Government New Zealand annual conference. The Council votes by proxy. Council's policy is to review the continuance of the LGIC scheme on a regular basis.

In 1998/99 Council was vested with shares in Watercare Services Ltd. Legislation vesting the shares in Council stipulates that Council cannot sell the shares and that Watercare Services Ltd cannot pay a dividend to its shareholders.

# Treasury policy

## 4.5 Financial Investments

Council maintains financial investments for the primary reasons below:

- Invest proceeds from the sale of assets.
- Invest amounts allocated to general and specific reserves e.g. disaster reserve.
- Invest funds allocated for approved future expenditure. Invest surplus cash and working capital funds (see Section 6).

## 4.6 Credit Risk

Council's primary objective when investing is the protection of its investment. Accordingly, only credit worthy counterparties are acceptable. Investments can only be made with the following counterparties unless there is prior approval by the full Council.

- New Zealand registered banks with a Standard and Poor's ("S&P") long term credit rating (or accepted equivalent) of 'A+' or better with an individual limit of \$20 million per individual entity.
- Other entities that have an S&P credit rating (or accepted equivalent) of 'A' or better, unrated local authorities that give general security over rates or State Owned Enterprises with a rating of BBB or better, subject to a maximum of \$5 million for any one entity.

## 4.7 Interest Rate and Liquidity Risk Management

The TMG sets interest rate risk management strategy by monitoring the interest rate markets on a regular basis, evaluating the outlook and determines the interest rate profile to adopt for investments. In general terms Council will look to use surplus funds to decrease its overall level of borrowings by proactive management of its bank facilities.

Liquidity risk management is implemented by ensuring that any investments are capable of being liquidated. Committed bank facilities are also held to assist in the management of short term funding requirements as well as contributing to the funding of core debt.

## 5. Foreign Exchange Policy

Council may incur foreign exchange exposures through the occasional purchase of foreign exchange denominated plant, equipment and services. All significant commitments defined as an exposure in excess of NZD50,000 equivalent are hedged using foreign exchange contracts, once expenditure is approved by management and/or the Council, under relevant delegation.

## 6. Cash Management

From time to time, Council has daily cashflow surpluses and borrowing requirements due to the mismatch of daily receipts and payments. All cash inflows and expenses pass through bank accounts controlled by the finance function.

Finance maintains a daily cash forecast. Daily bank account balances and transaction logs are taken from the Council's transactional banker.

Generally any cash to be invested for longer than three months is covered by Section 4 of this policy.

Cash management activities must be undertaken within the following parameters:

- Cash management instruments are limited to:
  - Call deposits with registered banks.
  - Negotiable instruments with a maturity less than three months.
  - Term deposits with registered banks (less than three months).
- Cash may only be invested with approved counterparties as detailed in Section 4.6.
- If practical, a targeted minimum of \$200,000 is invested at call.
- Council may have bank overdraft facilities. However any overdraft facilities are utilised as little as practical.

Interest rate risk management on cash management balances is not permitted.

## 7. Performance Measurement and Reporting

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective and objective measures. The predominant subjective measure is the overall quality of treasury management information including the development of Key Performance Indicators (KPI's) by the Chief Executive and Management Team. In accordance with standard practice the reporting of Papakura District Council's treasury activity will be provided as part of the monthly financial reporting process.

## 8. Reporting

The following reports are produced:

Report Name	Frequency	Prepared by	Recipient
Cash Forecast Report	Daily	Accounting Manager	Financial Accountant
Treasury Spreadsheet	Daily	Accounting Manager	Financial Accountant
Treasury Report	Monthly	Financial Accountant	Director of Finance Operations and Monitoring Committee
Limits Report (included within Treasury Report)	Once a month, reported daily on an exceptions basis	Financial Accountant	Director of Finance Operations and Monitoring Committee
Budget Report	Quarterly	Financial Accountant	Operations and Monitoring Committee
Statement of Public Debt	Annually	Financial Accountant	Council

# Treasury policy

## 9. Delegated Authorities and Key Controls

### 9.1 Delegated Authorities

Activity	Responsibility
Alter policy document	Council
Authorise bank facilities	Council
Open/close bank accounts	Cheque signatories
Cheque signatories	As approved by Council
Direct funds transfer signatories (eg electronic approval of transfers between accounts)	Cheque Signatories
Develop investment and borrowing strategies	Treasury Management Group
Manage investments	Director of Finance and Corporate Services
Approve loans within annual Council approvals	Chief Executive
Implementing TMG developed strategy and related risk management	Director of Finance and Corporate Services
Transfer of Stock/Register new issues	Seal register signatories
Approve risk management strategies outside policy parameters	Council
Approve annual borrowing programme	Council

### 9.2 Key Internal Controls

Council's systems of internal controls over treasury activity include:

- Adequate segregation of duties among the core treasury functions of deal execution, confirmation, settling and accounting/ reporting. There are a small number of people involved in treasury activity and accordingly strict segregation of duties is not always achievable. The risk from this is minimised by the following processes:
  - a documented approval process for treasury activity.
  - regular management reporting.
- Organisational, systems, procedural and reconciliation controls to ensure:
  - all treasury activity is bona fide and properly authorised.
  - checks are in place to ensure Council's accounts and records are updated promptly, accurately and completely.

More specifically, key internal controls are as follows:

### 9.3 General

Organisational controls

- The Chief Executive has overall responsibility to ensure appropriate structures, procedures and controls to support treasury activity are in place.
- All treasury activity is undertaken in accordance with approved delegations contained within the treasury policy.
  - Cheque / electronic banking signatories
- Signatories approved by Council.

- Dual signatures are required for all cheques and electronic transfers. Access to the electronic banking system is limited and password protected.

Cheques must be in the name of the counterparty crossed "Not Transferable" via the Council bank account and paid to order.

Authorised personnel

All counterparties are provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations.

Recording of deals

- All deals are recorded on properly formatted deal tickets by the initiator and approved by the DFC. Deal summary records for borrowing, investments, interest rate risk management and cash management transactions are maintained and updated promptly following completion of transaction.

Confirmations

- All inward confirmations are received and checked by someone other than the initiator against the approved deal ticket and treasury spreadsheet records to ensure accuracy.
- Deals, once confirmed, are filed (deal ticket and attached confirmation) in deal date order.
- Any discrepancies arising during deal confirmation checks which require amendment to the Council records are signed off by the DFC.

Settlement

- A facsimile signed by two cheque signatories is provided to banks who have direct debiting authority. A confirmation letter is received next day and checked to the authorised deal ticket.
- For direct payments, the transaction originator is denied access to transaction data after transaction approval is granted.

Reconciliations

- Any discrepancies arising during bank statement reconciliation are dealt with by the Accounting Manager and signed off by the Financial Accountant.
- Any discrepancies arising during deal confirmation checks are dealt with by the Financial Accountant and signed off by the DFC.
- The Financial Accountant reviews the monthly reconciliation of the treasury spreadsheet to the general ledger, carried out by the Accounting Manager.
- Interest income as per the treasury spreadsheet is reconciled by the Financial Accountant to bank statements to ensure income is received.

#### **9.4 Borrowing and Investments**

In addition to the controls listed in Section 9.2, the following controls apply to borrowings and investments:

- Investment activity is undertaken within counterparty limits specified in this policy.

# Treasury policy

- Normally financial investments are held to maturity date. Where investments are liquidated prior to maturity, approval is obtained from the DFC.
- All deliverable certificates of investment (eg bank bills) are held with Council's dealing bank.
- NZ Government stock, Treasury bills, local authority stock and debentures are registered with Computershare. The Council receives notice of the stocks transferred into its name from Computershare. This notice is checked to the Council's treasury spreadsheet.
- Borrowing activity is undertaken within borrowing limits specified in this policy.
- All borrowing is undertaken with either the Council's banker(s), by private placement or by using a competitive bidding process.

## 9.5 Incidental Arrangements

In addition to the controls listed under Section 9.2, the following controls apply to incidental arrangements:

- The use of incidental arrangements is confined to managing interest rate risk of Council's borrowing and investments and are used within the confines of the parameters and instruments specified in this policy.
- Standard master agreements for incidental arrangements are completed by Council with its dealing banks.

## Glossary

### Approved Risk Management Instruments

- Forward rate agreements ("FRA").
- Interest rate swap ("IRS").
- Interest rate collar.

### Examples of the use of Derivative Products

#### Forward Rate Agreement

An agreement between Papakura District Council and counterparty (usually a bank) protecting Papakura District Council against a future adverse interest rate movement. Papakura District Council and the counterparty agree to a notional future principal amount, the future interest rate, the date and the benchmark rate, which is contained on the Reuters system.

#### Objective

To provide Papakura District Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period. A Forward Rate Agreement (FRA) typically applies to a 3-month period, starting at some point within the next 12 months.

#### Example

Papakura District Council wishes to provide certainty on a portion of its floating rate borrowings over the event risk posed by an expected change in monetary policy at a point in the future. A borrower's FRA is purchased in say, March, at 6.00% for protection through the June to September period. It is described as a 3X6 FRA, ie the rate applies to a borrowing for 3 months starting in 3 months time.

**Outcome**

If on the rate set date in June, the 3-month interest rate has climbed to, say, 8.00%, Papakura District Council receives the difference between this and the FRA rate of 6.00%. It then borrows at 8.00%, the payment received making the effective borrowing rate 6.00%, plus its margin.

**Interest Rate Swap**

An interest rate swap is an agreement between Papakura District Council and a counterparty (usually a bank) protecting Papakura District Council against a future adverse interest rate movement. Papakura District Council pays (or receives) a fixed interest rate and receives (or pays) a floating interest rate. The parties agree to a notional principal amount, the future interest rate, the settlement dates and the benchmark floating rate, which is usually off the Reuters page containing the daily rate sets for BKBM (bank bill reference rates).

**Objective**

To provide Papakura District Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period. Floating rate sets are typically every 3 or 6 months over the life of the swap.

**Example**

Papakura District Council fixes its interest rate for 3 years at 6.50%, on a quarterly basis on a portion of its planned borrowings by entering into a 3 year 6.50% fixed rate swap. The floating rate reference is 3 month BKBM.

**Outcome**

On a swap-reset date, the 3 month bank bill rate is at, say 4.75%. Papakura District Council borrows from its bank the principal, for 3 months at 4.75% plus Papakura District Council's margin. At the same time the bank pays Papakura District Council 4.75% on the principal amount for a 3 month period. Papakura District Council then pays the bank 6.50% on the principal amount for a 3 month

period. This means that Papakura District Council's effective interest rate is 6.50% plus its margin. In practice cashflows would be netted off if the swap and the underlying borrowing facility were with the same bank.

**Interest Rate Collar**

The combined purchase (or sale) of a cap or a floor with the sale (or purchase) of another floor or cap.

**Objective**

To provide Papakura District Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period, but at the same time avoid the need to pay an up front premium.

**Example**

Papakura District Council wishes to secure a worst case borrowing rate of 7.50% for the next 5 years, but wishes to avoid paying a premium. In exchange for the worst case protection at 7.50%, Papakura District Council accepts a best case outcome at 6.00%. In this structure Papakura District Council has bought and sold options, with the respective option premiums offsetting each other. On each quarterly rate set date Papakura District Council will have a rate between 6.00% and 7.50%, the parameters of the collar.

**Outcome**

If on each rate set date the 3-month interest rate is in excess of 7.50% Papakura District Council exercises its option and pays 7.50%, for that 3-month period, its worst case rate. If on each rate set date the 3-month interest rate is below 6.00%, the bank exercises its option on Papakura District Council and Papakura District Council pays 6.00%, Papakura District Council's best case rate. If on any rate set date the 3-month interest rate is between 6.00% and 7.50%, Papakura District Council borrows at the market rate.

## Mayor and Councillors



Calum Penrose  
Mayor



Councillor Peter Goldsmith  
Deputy Mayor, Drury Ward



Councillor Peter Jones  
Drury Ward



Councillor Brent Catchpole  
Ardmore Ward



Councillor Caroline Conroy  
Ardmore Ward



Councillor Felicity Auva'a  
Pahurehure Ward



Councillor Mark O'Connor  
Pahurehure Ward



Councillor Katrina Piggott  
Red Hill Ward



Councillor Owen Pringle  
Red Hill Ward

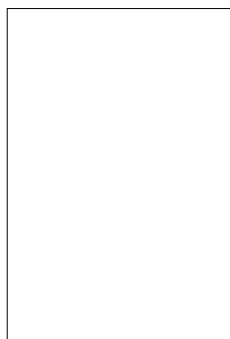
# Senior Management Team



Theresa Stratton  
Chief Executive Officer



Victoria Villaraza  
Director  
Finance and Corporate Services



Director  
Parks and Community Services



Tony Kay  
Director  
Infrastructure Management



Joy Hames  
Director  
Policy and Democracy



Teresa Turner  
Director  
Business and Promotion



Graeme McCarrison  
Director  
Regulatory Services

# Papakura District Council Ward Map





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