



Annual Report

For year ended **30 June 2006**

Your District | Your Community



Mayor and Councillors

His Worship the Mayor

John Robertson

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PAPAKURA

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Papakura District Council Directory

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Auditor: Audit New Zealand on behalf of the Auditor-General
Solicitor: Phillips Fox, 209 Queen Street Auckland
Banker: ANZ Banking Group (New Zealand) Ltd, Great South Road, Papakura

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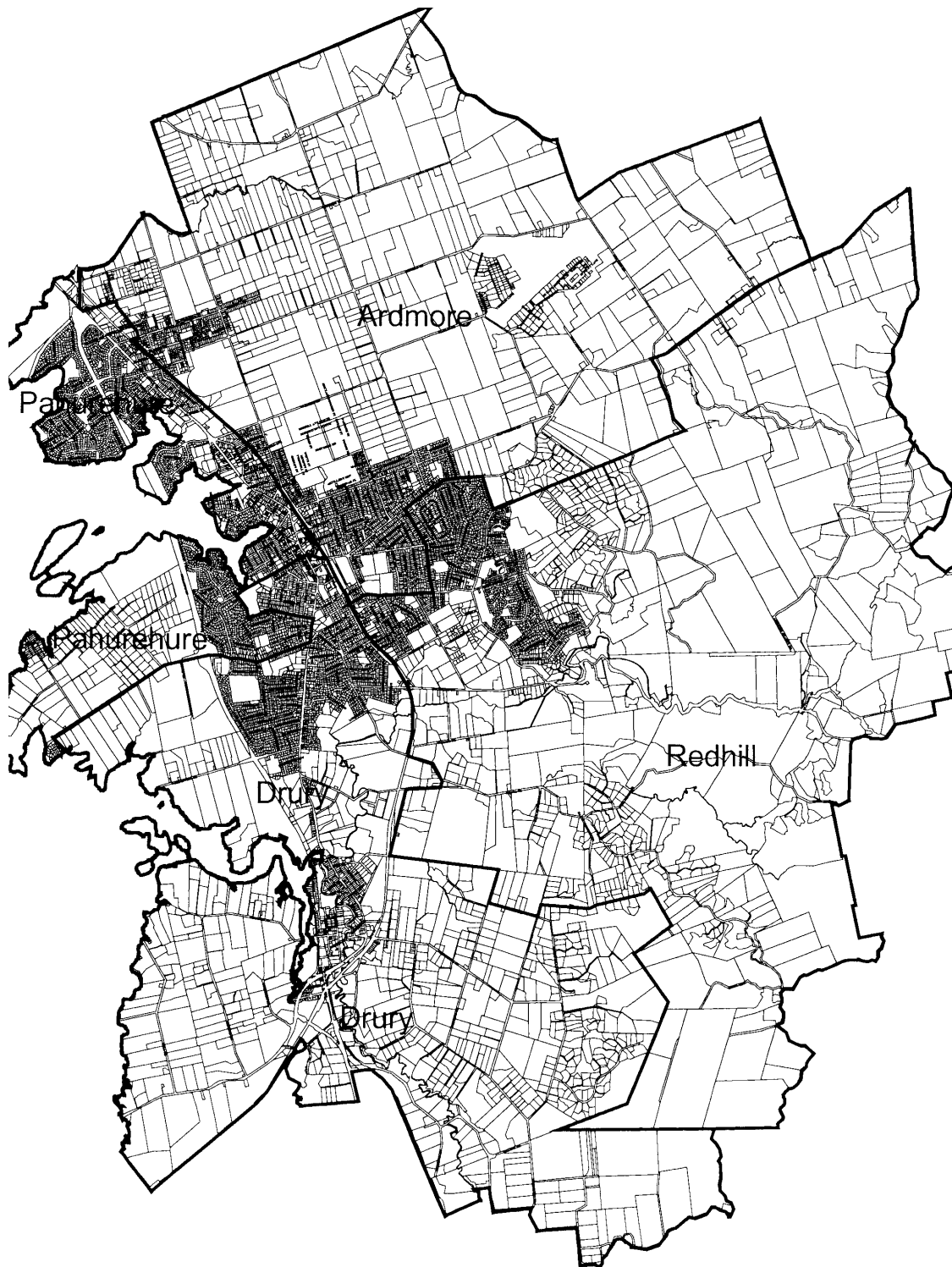
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Papakura District Ward Map



Papakura District Profile

Papakura is the lifestyle choice for the Auckland region. It's a great place to work, live and play. Our attractive and diverse environment hosts walking tracks, beaches and first class recreational and community facilities. The District's population is diverse and growing fast.

With a population of 43,000 and expected to double over the next fifty years, the Council and the community are working together to ensure that the unique town and country lifestyle is retained over the coming years.

To accommodate the expected growth, greenfield developments in Takanini and Hingaia are creating well designed new residential areas that will be well served by transport, schools, community facilities and parks and reserves.

Our people are predominantly of European origin (74%) but with significant numbers who are Maori (24%) Pacific Islander (7%) or of other ethnicity (6%). Today's population is relatively young, with 25% aged less than fifteen, offering a growing workforce over the next ten to twenty years.

Situated to the South of the Auckland Metropolitan area, Papakura has excellent access to the cities of Manukau and Auckland, Auckland International Airport and the rural areas of Franklin District and the Waikato. Positioned between the mighty Manukau Harbour and the Hunua Ranges, it acts as the region's southern gateway and is well situated for all types of businesses seeking to expand. Alternatively, a new business needing great transport access would find ample land and a willing workforce.

Papakura hosts a broad range of well established industries, in particular, quarrying, dairy products manufacturing, horticulture, the equestrian industry and specialist aeronautics businesses based around Ardmore Airport. The Council's strong business focus means that our town centre is also thriving, with a number of new retailers opening stores, and is fast becoming a retail destination for our community.

Papakura offers a high quality of life, with diverse residential areas ranging from lifestyle blocks in the rural areas to modern well-designed urban residential areas. Within easy reach of the east and west coasts, and bush clad ranges, residents and visitors can enjoy a vigorous day out tramping followed by an evening at one of the many ethnic restaurants in the middle of Papakura Township.

The Aquatic Centre is an excellent entertainment venue for the whole family and an all weather athletic track of international standard, a large gliding club, and the Counties Manukau Sports Academy at Bruce Pullman Park, are some of the many sporting opportunities in Papakura. For those residents new to the district, there is a strong network of community and other service groups, public and private schools and good local shops at Drury, Pahurehure, Conifer Grove, Grove Road and along the Takanini Straight. Ardmore Aerodrome, the Karaka Bloodstock Centre, quarrying at Hunua Road and Drury all contribute to what is a unique place to live and do business. Papakura has a strong future.



2006 Targa in downtown Papakura



The Jones 7 programme helps Papakura youth develop their leadership potential

Mayor and Chief Executive Officer's Message

Overview

The 2005/06 year was a major step towards the Council's sustainability. Council had the difficult task of approving a substantial increase in rates to arrest the compounding problem of borrowing for operations. For many of Papakura's ratepayers, this was the first insight into the impact of the many years of low rate increases which were made possible by spending funds from the sale of assets, debt funding for operations, and utilising the portion of Transfund Subsidies for capital works to offset the rates required for roading. 2005/06 was a 'bite the bullet' year for Council as it strove to utilise sustainable and appropriate financial practices for its ongoing operations.

In addition, this year saw Council increase its investment in the maintenance of infrastructure – not only on roads and stormwater but on reserves, recreation and community facilities. Growth is a strong driver for the district and central to it is the need to adequately plan for and deal with the many challenges it brings. Also important for the year was the need to improve the current delivery of services. These two key drivers meant that additional resources were needed for the operations and maintenance of infrastructure, regulatory functions, development support, reserves and recreation planning.

Council also engaged in a comprehensive community process as it completed its first, fully-compliant, Long-term Council Community Plan (Progress Papakura 2006-2016). The plan was finally adopted in June 2006 and is the blueprint for how Papakura's future will take shape in the next ten years. Community involvement in the process was substantial, and debate and discussion was robust. The result is a plan that has strong support for a way forward that will ensure the district will be the place we want to create – a healthy and vibrant community.

Financial and Performance Result

The 2005/06 year financial result highlights an operating surplus of \$11.1 million compared with a budget surplus of \$10.2 million. Of the \$11.1 million surplus only \$0.8 million relates to unspent general rates and is therefore available to fund residual 2005/06 commitments. The rest of the surplus relates to revenue received to fund capital expenditure: - \$3.5 million of development contributions; and \$2.0 million in subsidies to fund works in roading; and \$4.3 million from assets that were vested in Council from the increasing number of subdivisions and other developments in the district. Also included in the surplus is \$1.0 million of revenue from investments that will be allocated to the relevant funds.

Council's public debt position at 30 June 2006 of \$12 million is well below the projected \$29.2 million. This level of debt is less than 3% of its total assets of \$445 million and net debt equates to less than \$730 per ratepayer.

Conclusion

The years ahead will be guided by Progress Papakura (Long-term Council Community Plan 2006/16). Council's journey towards a sustainable and vibrant community will be full of challenges. Council will face these challenges having now built a robust financial position – we will ensure that the community's interest is protected and as custodians of the district, we will make soundly based decisions. The community's feedback and support through the year was instrumental in the direction this Council took in making long term decisions during the planning process. We thank the community for providing input into the district's plans as together we create a future Papakura "where children grow and families thrive".



A handwritten signature in black ink that reads "John Robertson".

John Robertson
Mayor



A handwritten signature in black ink that reads "T. Stratton".

Theresa Stratton
Chief Executive Officer

Long-term Performance Measures

Overview

Council is using a number of Community Outcomes to guide its work programme for the next ten years. While people can see relatively easily the impact of the day to day services that Council provides (such as rubbish collection or footpath repairs), it is also important to be able to measure our overall progress towards the long term outcomes. The successes in reaching these outcomes will determine how good a place Papakura is to live, work and play.

The measures below help indicate how well we are moving forward towards our vision. They have been grouped into the same categories as the Community Outcomes as agreed in the 2004-2014 LTCCP. The survey of residents referred to below was conducted in May 2006.

Social Wellbeing

These measures focus on areas that are important to the everyday lives of people such as having a choice of lifestyles, having access to recreational facilities, living in a safe and healthy environment, having some say in the way the District moves forward.

Measure	Other Wellbeings Measured	Source	Function	Result
				✓ Agree/Satisfied * Disagree/Dissatisfied - Neutral
Percentage of residents that believe the public can influence the Council's decision making	Economic	Survey of residents	Democracy and the Community	✓ 70%
	Environmental			- 0%
	Cultural			* 30%
Percentage of residents that are satisfied with Council services overall	Economic	Survey of residents	Democracy and the Community	✓ 57%
	Environmental			- 17%
	Cultural			* 26%
Percentage of residents that believe Council represents the District well at regional and national levels	Economic	Survey of residents	Democracy and the Community	✓ 59%
	Environmental			- 0%
	Cultural			* 41%
Percentage of residents that are satisfied with the quality of life in the District	Economic	Survey of residents	Regulatory Services	✓ 64%
	Environmental			- 14%
	Cultural			* 22%

Measure	Other Wellbeings Measured	Source	Function	Result
✓ Agree/Satisfied × Disagree/Dissatisfied - Neutral				
Percentage of residents that are satisfied with the entertainment and community facilities in the District	Economic	Survey of residents	Community Services	✓ 44%
	Environmental			- 23%
	Cultural			× 33%
Percentage of residents that are proud to live in the District	Economic	Survey of residents	Democracy and the Community	✓ 78%
	Environmental			- 0%
	Cultural			× 22%
Percentage of residents that believe Council communicates well with the public	Economic	Survey of residents	Democracy and the Community	✓ 56%
	Environmental			- 0%
	Cultural			× 44%
Percentage of residents that believe that Papakura is a safe place to live	Cultural	Survey of residents	Democracy and the Community	✓ 43%
				- 26%
				× 31%
Percentage of residents that believe they have satisfactory access to health and education services	Economic	Survey of residents	Democracy and the Community	✓ 82%
				- 0%
				× 18%
Percentage of residents that perceive train stations and bus stops to be safe	Economic	Survey of residents	Regulatory Services	Day
				✓ 71%
				- 12%
				× 17%
				Night
				✓ 20%
- 16%				
× 64%				
Percentage of residents that perceive carparks to be safe	Economic	Survey of residents	Roading	Not surveyed due to issues in distinguishing public vs private parking
Number of traffic accidents in the District	Economic	LTSA	Roading	355 (2005 results latest available from LTSA)

Economic Wellbeing

This area measures how well the District's local economy is doing, whether the local people have the skills to take up employment opportunities or are able to further develop their skills, and how well the Council manages its finances and assets on behalf of the community.

Measure	Other Wellbeings Measured	Source	Function	Result
✓ Agree/Satisfied * Disagree/Dissatisfied - Neutral				
Broader distribution of property values (capital)	Social	Council Records	Financial	Not measured
Achievements of high growth targets in Hingaia and Takanini	Social Environmental	Council Records	Regulatory Services	In progress – plan changes proceeding to provide for high growth.
Percentage of residents employed within the District	Social Environmental	Census	Economic Development	Data unavailable
Number of full-time equivalent employees in the District	Social	Statistics NZ	Economic Development	16,940 (2005 results latest available from Statistics NZ)
Percentage of business owners that consider the District a good place to operate in	Social Cultural	Survey of businesses	Economic Development	✓ 61% - 24% * 15%
Unemployment rate in the District	Social	WINZ	Economic Development	4.2%
Percentage of residents with a school, tertiary or other qualification	Social	Census	Democracy and the Community	72% (2001 census results latest available from Statistics NZ)
Percentage of residents that believe Council's services and assets are managed in a financially responsible manner	Social Environmental Cultural	Survey of residents	Democracy and the Community	✓ 39% - 0% * 61%

Environmental Wellbeing

These measures focus on the natural environment and the way in which it is being managed. In particular, the Council is concerned with the impact of transport on water and air quality as well as the local management of valuable natural assets. Management of waste is another key focus area.

Measure	Other Wellbeings Measured	Source	Function	Result
✓ Agree/Satisfied × Disagree/Dissatisfied - Neutral				
Percentage of residents that regularly use public transport and other modes	Economic	Survey of residents, Census and other surveys	Regulatory Services	13%
	Social			(at least weekly)
Improvement of water quality discharged to the Pahurehure Inlet	Economic	Council Records	Stormwater	Completion of stormwater ponds at Rangi Rd, Spartan Rd, and Wellington Park contributing to improved water quality
	Social			
Reduce the household refuse collected per head of population	Economic	Council Records	Waste Management and Minimisation	2.8 % increase
	Social			(population basis)

Cultural Wellbeing

The measures in this area are focused on measuring progress in working in partnership with Maori and enhancing access to the arts and cultural facilities for all sectors of the community.

Measure	Other Wellbeings Measured	Source	Function	Result
✓ Agree/Satisfied × Disagree/Dissatisfied - Neutral				
Percentage of local Maori organisations satisfied with Council's consultation methods	Social	Survey of Maori organisations	Democracy and the Community	Survey has not been undertaken this year as Council is actively developing partnerships with the wider Maori community as well as iwi and hapu. Accordingly it will be more appropriately conducted in the forthcoming year.
Percentage of residents that use the cultural facilities (Hawkins Centre, Art Gallery, Arts Centre, Museum, etc)	Social	Survey of Residents	Democracy and the Community	34%

Statement of Compliance

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

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

In the opinion of the Council and Management of Papakura District Council, the Annual Report for the year ended 30 June 2006 complies with all statutory requirements and fairly reflects the financial position and operations of Papakura District Council.



J Robertson

Mayor

30 October 2006

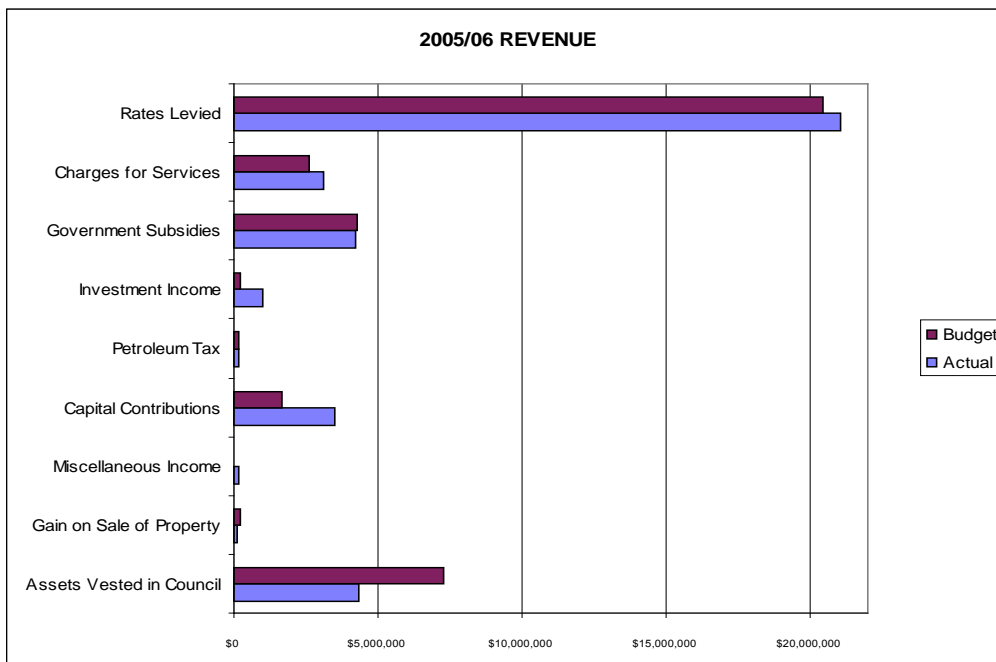
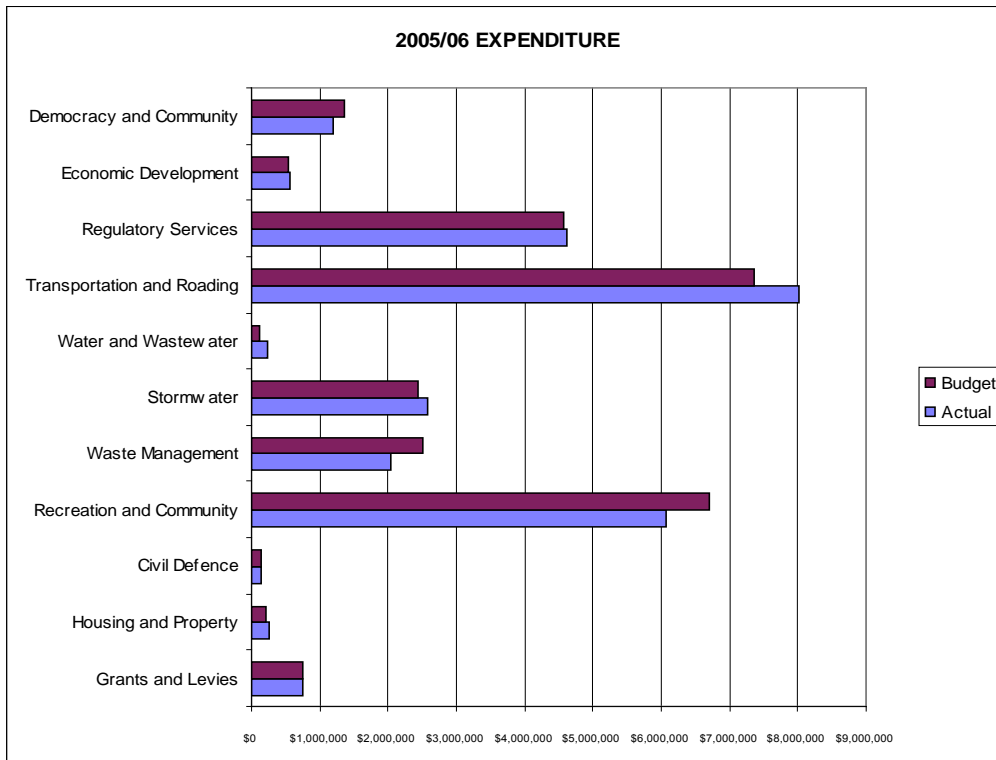


T Stratton

Chief Executive Officer

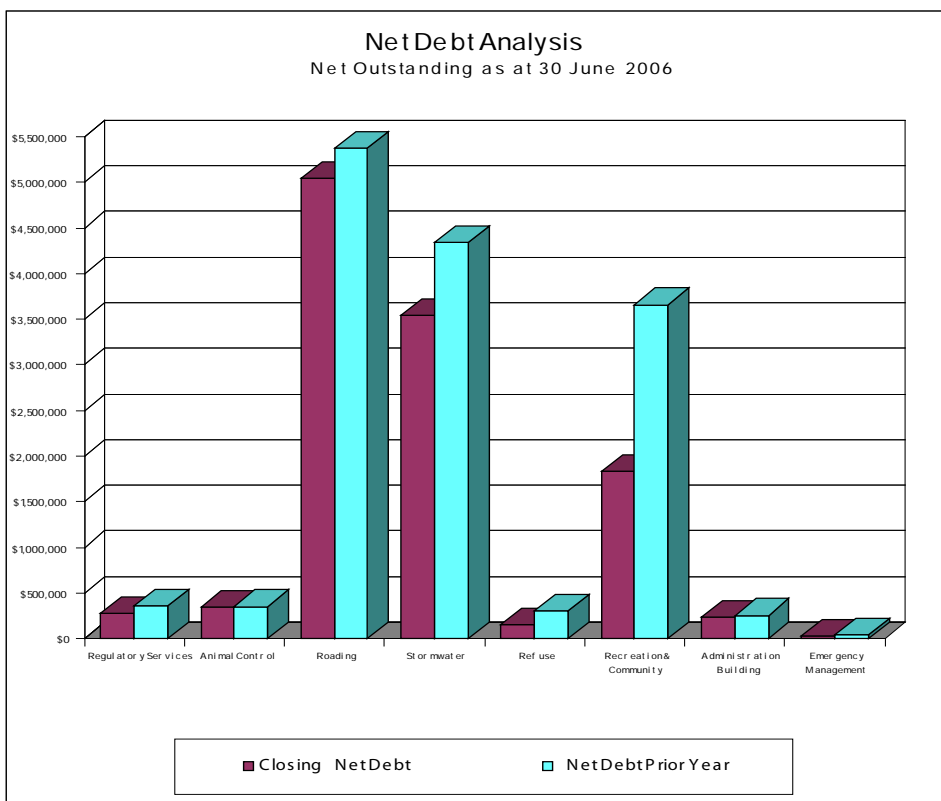
30 October 2006

Comparison of Expenditure and Revenue with Budget



Summary of Public Debt Statement as at 30 June 2006

Activity	Opening Principal	Amount Raised	Amount Repaid	Closing Principal	Repayment Reserve	Closing Net Debt	Net Debt Prior Year
	\$	\$	\$	\$	\$	\$	\$
Regulatory Services	367,571	0	76,000	291,571	13,527	278,044	362,140
Animal Control	352,621	0	0	352,621	4,283	348,338	352,621
Roading	5,405,210	0	193,131	5,212,079	170,379	5,041,700	5,377,200
Stormwater	4,382,718	0	752,516	3,630,202	87,658	3,542,544	4,337,445
Refuse	366,006	0	178,358	187,648	39,502	148,146	307,126
Recreation and Community	3,821,970	0	1,780,717	2,041,253	211,543	1,829,710	3,660,208
Administration Building	255,050	0	0	255,050	23,302	231,748	255,050
Civil Defence and Emergency Management	49,784	0	20,208	29,576	2,717	26,859	46,574
Totals	15,000,930	0	3,000,930	12,000,000	552,911	11,447,089	14,698,364



Financial Statistics

For The Year Ended 30 June 2006

Rating Information

Rateable properties	15,768
Non-rateable properties	403
Gross capital value	\$4,754,478,600
Net capital value	\$4,495,202,800
Gross land value	\$2,026,267,800
Net land value	\$1,964,115,100
Date of valuation used for the 2005/06 year	September 2003
System of rating	Land Value
Total rates net of remissions and discount allowed, and including penalties (excluding GST)	\$21,031,406

Other

Public debt outstanding	\$12,000,000
Loan repayment reserve funds	\$552,911

Financial Ratios

For The Year Ended 30 June 2006

	2006	2005
Rates revenue as a percentage of total revenue	63.3%	60.6%
Government funding as a percentage of total revenue	11.7%	15.7%
Public debt as a percentage of rates	54.4%	84.9%
Public debt as a percentage of fixed assets	3.1%	4.1%
Debt servicing as a percentage of rates revenue	6.5%	4.5%
Number of times current assets cover current liabilities	1.5	1.8
Number of times current assets cover current liabilities exclusive of the current portion of public debt	2.2	2.6
Number of times total assets cover total liabilities	22.0	18.1

The ratios have been calculated on the following basis:

- Total revenue is exclusive of vested assets and increases in the share revaluation reserve and asset revaluation reserve.
- Public debt is net of funds held in the loan repayment reserve
- Debt servicing comprises interest, principal repayments on loans relating to the Housing for the Elderly activity, and funds transferred to the loan repayment reserve.

**AUDIT REPORT
TO THE READERS OF
PAPAKURA DISTRICT COUNCIL AND GROUP'S
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006**

The Auditor-General is the auditor of Papakura District Council (the District Council) and group. The Auditor-General has appointed me, F Caetano, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group for the year ended 30 June 2006, including the financial statements.

UNQUALIFIED OPINION

In our opinion:

- The financial statements of the District Council and group on pages 21 to 56:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect :
 - the District Council and group's financial position as at 30 June 2006; and
 - the results of operations and cash flows for the year ended on that date.
- The service provision information of the District Council and group on pages 57 to 99 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 30 October 2006, and is the date at which our opinion is expressed.

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

BASIS OF OPINION

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

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

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

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

Audit procedures generally include:

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

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

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

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

RESPONSIBILITIES OF THE COUNCIL AND THE AUDITOR

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2006. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for preparing the information in the other requirements. The Council's responsibilities arise from section 98 and Schedule 10 of the Local Government Act 2002.

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

INDEPENDENCE

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

Other than the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the District Council or its subsidiary.



F Caetano

Audit New Zealand

On behalf of the Auditor-General

Auckland, New Zealand

This audit report relates to the financial statements of Papakura District Council for the year ended 30 June 2006 included on Papakura District Council's web site. The Council is responsible for the maintenance and integrity of the Papakura District Council's web site. We have not been engaged to report on the integrity of the Papakura District Council's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 30 October 2006 to confirm the information included in the audited financial statements presented on this web site.

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

Consolidated Statement of Financial Performance

For the Year Ended 30 June 2006

Council	Group		Council	Group		Council	Group
Actual 2004/05	Actual 2004/05	Notes	Actual 2005/06	Budget 2005/06	Actual 2005/06	Budget 2005/06	Budget 2005/06
\$	\$		\$	\$	\$	\$	\$
		COST OF ACTIVITIES					
1,304,594	1,304,594	Democracy and the Community	1,205,838	1,365,311	1,205,838	1,365,311	1,365,311
661,601	671,347	Economic Development	564,753	550,097	562,251	550,097	550,097
4,072,293	4,072,293	Regulatory Services	4,621,922	4,563,202	4,621,922	4,563,202	4,563,202
6,802,913	6,802,913	Transportation and Rooding	8,004,346	7,360,720	8,004,346	7,360,720	7,360,720
124,281	124,281	Water Supply and Wastewater	242,277	113,858	242,277	113,858	113,858
2,233,791	2,233,791	Stormwater and Environmental Infrastructure	2,567,638	2,430,076	2,567,638	2,430,076	2,430,076
2,180,736	2,180,736	Waste Management and Minimisation	2,038,830	2,507,082	2,038,830	2,507,082	2,507,082
5,463,847	5,463,847	Recreation and Community Services	6,081,221	6,697,543	6,081,221	6,697,543	6,697,543
107,276	107,276	Civil Defence and Emergency Management	139,749	138,080	139,749	138,080	138,080
157,913	157,913	Housing and Property	257,042	207,731	257,042	207,731	207,731
23,109,245	23,118,991	Total Gross Cost of Services of Activities	25,723,616	25,933,700	25,721,114	25,933,700	25,933,700
		OTHER COSTS					
518,077	518,077	Museum and MOTAT Levies	603,970	615,130	603,970	615,130	615,130
150,738	150,738	Grants	143,398	125,025	143,398	125,025	125,025
23,778,060	23,787,806	TOTAL OPERATING COSTS	26,470,984	26,673,855	26,468,482	26,673,855	26,673,855

The accompanying statement of accounting policies and notes form an integral part of these financial statements

Consolidated Statement of Financial Performance

For the Year Ended 30 June 2006

Council	Group			Council		Group	
Actual 2004/05	Actual 2004/05		Notes	Actual 2005/06	Budget 2005/06	Actual 2005/06	Budget 2005/06
\$	\$			\$	\$	\$	\$
REVENUE							
17,322,667	17,322,667	Rates Revenue	11	21,031,406	20,456,746	21,031,406	20,456,746
2,864,261	2,864,261	Charges for Services		3,109,874	2,632,205	3,109,874	2,632,205
4,495,044	4,495,044	Government Grants/ Subsidies/ Sponsorship		4,233,737	4,286,599	4,233,737	4,286,599
508,581	508,582	Investment Income	10	980,394	219,564	980,403	219,564
172,148	172,148	Petroleum Tax		172,288	170,000	172,288	170,000
3,128,447	3,128,447	Capital and Development Contributions	9	3,481,133	1,645,186	3,481,133	1,645,186
29,399	29,399	Miscellaneous Income		146,967	0	147,559	0
71,111	71,111	Gain on Sale of Property		98,533	200,000	98,533	200,000
2,157,791	2,157,791	Assets Vested in Council	17	4,353,912	7,302,021	4,353,912	7,302,021
30,749,449	30,749,450	TOTAL REVENUE		37,608,244	36,912,321	37,608,845	36,912,321
6,971,389	6,961,644	NET SURPLUS/ (DEFICIT) FOR YEAR		11,137,260	10,238,466	11,140,363	10,238,466

Consolidated Statement of Movements in Ratepayers Equity

For the Year Ended 30 June 2006

Council Actual 2004/05	Group Actual 2004/05		Notes	Council		Group	
				Actual 2005/06	Budget 2005/06	Actual 2005/06	Budget 2005/06
\$	\$			\$	\$	\$	\$
356,778,264	356,784,906	Ratepayers Equity as at 1 July		394,567,791	364,993,588	394,564,688	364,993,588
6,971,389	6,961,644	Net Surplus/(Deficit) for the year		11,137,260	10,238,466	11,140,363	10,238,466
30,102,567	30,102,567	Increase in asset revaluation reserve		5,770,457	0	5,770,457	0
715,571	715,571	Increase in share revaluation reserve		13,361,933	0	13,361,933	0
37,789,527	37,779,782	TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE YEAR	8	30,269,650	10,238,466	30,272,753	10,238,466
394,567,791	394,564,688	RATEPAYERS EQUITY AS AT 30 JUNE	8	424,837,441	375,232,054	424,837,441	375,232,054

Consolidated Statement of Financial Position

As at 30 June 2006

Council		Group		Council		Group	
Actual 2004/05	Actual 2004/05		Notes	Actual 2005/06	Budget 2005/06	Actual 2005/06	Budget 2005/06
\$	\$			\$	\$	\$	\$
Current Assets							
1,336,403	1,341,229	Cash and Deposits	1	2,493,615	900,000	2,493,615	900,000
11,249,367	11,249,367	Short Term Investments	1	9,234,259	8,572,432	9,234,259	8,572,432
4,574,445	4,570,745	Receivables	2	4,179,682	3,050,342	4,179,682	3,050,342
17,160,215	17,161,341	Total Current Assets		15,907,556	12,522,774	15,907,556	12,522,774
Non-current Assets							
44,833,598	44,833,598	Term Investments	1	58,031,419	44,105,917	58,031,419	44,105,917
355,615,457	355,616,457	Fixed Assets	6	371,113,030	355,783,811	371,113,030	355,783,811
400,449,055	400,450,055	Total Non-current Assets		429,144,449	399,889,728	429,144,449	399,889,728
417,609,270	417,611,396	TOTAL ASSETS		445,052,005	412,412,502	445,052,005	412,412,502
LIABILITIES							
Current Liabilities							
6,131,314	6,132,080	Accounts Payable	3	6,469,057	5,206,375	6,469,057	5,206,375
522,308	526,771	Deposits Held	4	759,712	900,000	759,712	900,000
69,789	69,789	Current Portion of Landfill Post-closure Costs	5	47,168	73,258	47,168	73,258
3,000,930	3,000,930	Current Portion of Term Liabilities	7	3,073,655	4,500,000	3,073,655	4,500,000
9,724,341	9,729,570	Total Current Liabilities		10,349,592	10,679,633	10,349,592	10,679,633
Non-current Liabilities							
1,081,845	1,081,845	Landfill Post-closure Costs	5	725,661	1,808,194	725,661	1,808,194
235,293	235,293	Developer Contributions in Advance		0	0	0	0
12,000,000	12,000,000	Term Liabilities	7	9,139,311	24,692,621	9,139,311	24,692,621
13,317,138	13,317,138	Total Non-current Liabilities		9,864,972	26,500,815	9,864,972	26,500,815
23,041,479	23,046,708	TOTAL LIABILITIES		20,214,564	37,180,448	20,214,564	37,180,448

Consolidated Statement of Financial Position

As at 30 June 2006

Council	Group		Council	Group		
Actual 2004/05	Actual 2004/05	Notes	Actual 2005/06	Budget 2005/06	Actual 2005/06	Budget 2005/06
\$	\$		\$	\$	\$	\$
394,567,791	394,564,688	NET ASSETS	424,837,441	375,232,054	424,837,441	375,232,054
		REPRESENTED BY				
394,567,791	394,564,688	RATEPAYERS EQUITY	424,837,441	375,232,054	424,837,441	375,232,054
		8				

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2006

Council		Group		Council		Group	
Actual 2004/05	Actual 2004/05	CASH FLOWS FROM OPERATING ACTIVITIES	Actual 2005/06	Budget 2005/06	Actual 2005/06	Budget 2005/06	
\$	\$		\$	\$	\$	\$	
Cash provided from:							
17,288,390	17,288,390	Rates	20,745,669	20,393,195	20,745,669	20,393,195	
2,460,305	2,460,305	Charges for Services	2,679,678	2,720,157	2,679,678	2,720,157	
3,814,238	3,814,238	Government Subsidies	5,533,799	4,229,272	5,533,799	4,229,272	
511,204	511,205	Investment Income	952,537	218,526	952,546	218,526	
202,690	202,690	Petrol Tax and Other Receipts	330,135	168,365	330,135	168,365	
0	0	Deposits Received	237,404	0	237,404	0	
0	0	GST	134,329	0	134,329	0	
24,276,827	24,276,828		30,613,551	27,729,515	30,613,560	27,729,515	
Cash applied to:							
18,164,930	18,171,060	Payments to Suppliers and Employees	20,293,594	21,026,761	20,299,319	21,026,761	
575,882	575,882	Interest Paid	958,666	835,459	958,666	835,459	
367,892	367,892	Deposits Repaid	0	0	0	0	
46,541	46,541	GST	0	0	0	0	
19,155,245	19,161,375		21,252,260	21,862,220	21,257,985	21,862,220	
5,121,582	5,115,453	NET CASH INFLOW FROM OPERATING ACTIVITIES	9,361,291	5,867,295	9,355,575	5,867,295	
CASH FLOWS FROM INVESTING ACTIVITIES							
Cash provided from:							
0	0	Investments	2,167,813	223,088	2,167,813	223,088	
82,444	82,444	Proceeds from Sales of Fixed Assets	133,533	211,283	133,533	211,283	
3,107,459	3,107,459	Capital Contributions	3,481,133	1,645,186	3,481,133	1,645,186	
10,744	10,744	Advance Repaid	11,407	11,407	11,407	11,407	
3,200,647	3,200,647		5,793,886	2,090,964	5,793,886	2,090,964	
Cash applied to:							
11,296,313	11,296,313	Additions to Fixed Assets	10,934,414	15,367,889	10,933,414	15,367,889	
2,067,344	2,067,544	Investments Made	0	0	110	0	
13,363,657	13,363,857		10,934,414	15,367,889	10,933,524	15,367,889	
(10,163,010)	(10,163,210)	NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES	(5,140,528)	(13,276,925)	(5,139,638)	(13,276,925)	

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2006

Council	Group		Council		Group	
Actual 2004/05	Actual 2004/05		Actual 2005/06	Budget 2005/06	Actual 2005/06	Budget 2005/06
\$	\$		\$	\$	\$	\$
		RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH FLOW FROM OPERATING ACTIVITIES				
6,971,389	6,961,644	Surplus/(Deficit) for the Year	11,137,260	10,238,466	11,140,363	10,238,466
		<i>Add/(Deduct) Non- Cash Items:</i>				
4,943,856	4,945,770	Depreciation	5,770,039	5,096,000	5,770,039	5,096,000
(2,157,791)	(2,157,791)	Assets Vested in Council	(4,353,912)	(7,302,021)	(4,353,912)	(7,302,021)
(191,690)	(191,690)	Assets transferred to Council in lieu of debt owed	(6,250)	0	(6,250)	0
		<i>Add/(Deduct) movements in Working Capital:</i>				
(1,232,011)	(1,228,250)	(Increase)/Decrease in Receivables	394,763	(175,851)	400,513	(175,851)
911,971	905,922	Increase/(Decrease) in Accounts Payable/Other Liabilities	(276,355)	(199,082)	(286,461)	(199,082)
(367,892)	(367,892)	Increase/(Decrease) in Deposits	237,404	0	232,941	0
		<i>Add/(Deduct) Items classified as Investing or Financing Activities:</i>				
(3,128,447)	(3,128,447)	Capital Contributions	(3,481,133)	(1,645,186)	(3,481,133)	(1,645,186)
81,530	85,520	Net (Gain)/Loss on Sale of Assets	(58,469)	(200,000)	(58,469)	(200,000)
(730,321)	(730,321)	Movement in Accounts Payable relating to Fixed Assets	(2,056)	54,969	(2,056)	54,969
20,988	20,988	Movement in Accounts Receivable relating to Capital Contributions	0	0	0	0
5,121,582	5,115,453	Net Cash Flow from Operating Activities	9,361,291	5,867,295	9,355,575	5,867,295

The accompanying statement of accounting policies and notes form an integral part of these financial statements

Statement of Accounting Policies

For the Year Ended 30 June 2006

Constitution and Nature of Activities

Papakura District Council was constituted as a District on 1 November 1989 pursuant to the Local Government (Auckland Region) Reorganisation Order 1989 and subsequent amendments. The Council is governed by the Local Government Act 2002.

The activities of the Council, including Water and Sewerage activities which are provided under a franchise agreement by United Water International Pty Ltd, comprise the following:

Democracy and the Community	Economic Development
Regulatory Services	Transportation and Roading
Water Supply and Wastewater	Stormwater and Environmental Infrastructure
Waste Management and Minimisation	Recreation and Community Services
Civil Defence and Emergency Management	Housing and Property

The group consists of Papakura District Council and its subsidiary, the Papakura District Enterprise Trust. The Trust was wound up on 27 June 2006 and the group accounts include the final Trust accounts for the period 1 July 2005 to 27 June 2006.

Accounting Policies

These financial statements and group financial statements of Papakura District Council have been prepared in accordance with section 283 of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice.

Basis of Consolidation

The consolidated financial statements include those of Papakura District Council and the Papakura District Enterprise Trust. These are accounted for using the purchase method, which involves adding together corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All significant inter-entity transactions are eliminated on consolidation.

Measurement Base

The measurement base adopted is that of historical cost modified by the revaluation of transport and roading, stormwater and environmental infrastructure, water and sewer infrastructure assets.

Revenue

Rates revenue is recognised when levied.

Grants and subsidies are recognised as income after eligibility has been established by the grantor agency.

Interest earned, or gains or losses on realisation of investments, are recognised as operating revenue in the Statement of Financial Performance. Interest earned from the investment of Reserves is recognised as operating revenue and then transferred to the appropriate Council Created or Restricted Reserve in Ratepayers Equity.

Goods and Services Tax

All items are accounted for net of GST, with the exception of Receivables and Accounts Payable, which are stated as GST inclusive.

Financial Instruments

Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

- **Receivables**
Receivables are measured at initial recognition at cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and expected realisation.
- **Investments**
Investments are valued at the lower of cost or net realisable value with the exception of shares which are valued at net asset backing. Movements in the share valuations are accounted for through the revaluation reserve unless this results in a debit balance in which case the debit would be accounted for through the statement of financial performance.
- **Cash and Deposits**
Cash and deposits comprise cash on hand and demand deposits, and any other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.
- **Term Liabilities**
These comprise interest bearing bank loans and overdrafts which are measured at cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised in the period it arises.
- **Accounts Payable**
Accounts payable are measured at cost which approximates fair value.

Fixed Assets

Fixed Assets consist of:

- **Infrastructure Assets**
Infrastructure Assets are the fixed utility systems owned and operated by Council. Each asset type includes all items that are required for the network to function.

- 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 sewer 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.

- Restricted Assets

Restricted Assets are Parks and Reserves owned by Council which generally cannot be disposed of because of legal or other restrictions, and which provide a benefit to the community.

- Finance Lease Assets

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

- Operational Assets

Operational Assets are Office Furniture and Equipment, Plant and Machinery, Motor Vehicles, Library Books, and Land and Buildings, that do not fall into the category of Restricted Assets.

- Work in Progress

Work in progress consists of capital works or projects commenced but not completed as at 30 June 2006. These assets are not depreciated. Upon completion, the total cost of the asset will be transferred to its relevant asset class and be depreciated.

Valuation of Fixed Assets

Roading 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. Roothing 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 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.

Water and sewer 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 are valued at the lower of the fair value of the asset or the present value of the minimum lease payments.

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.

Plant and machinery, office furniture and equipment and library books owned prior to 31 March 1990 were valued by registered valuers, Beca Carter Hollings and Ferner Ltd, as at that date. Subsequent additions have been recorded at cost.

Motor vehicles and work in progress are valued at cost.

Infrastructure assets and rights to franchise assets, are revalued every three years or any earlier time should the valuations no longer materially reflect the assets fair value. Council does not revalue any other category of assets.

Depreciation

Depreciation has been charged to write off the cost of the assets over their estimated economic lives.

Buildings	1-15% straight line
Roading Infrastructure	
• Land, formation and sub base	0% straight line
• Basecourse and unsealed roads	1.7-4.8% straight line
• Road surfacing	1.7-9.4% straight line
• Bridges and retaining walls	1% straight line
• Footpaths	3.0-6.4% straight line
• Kerb and channel, catch pits and minor culverts	1.4-2.1% straight line
• Streetlighting	4-10% straight line
• Traffic signals and signs	4-10% straight line
Stormwater Infrastructure	
• Pipe assets	1.2% straight line
• Other non-pipe assets	0-5% straight line
• Studies and Flowpath Mapping	10% straight line
Water and Sewer Infrastructure	0% 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

No depreciation is provided on land.

Water and sewer assets have been depreciated at 0%. This rate is applied as the assets have been viewed as being the right to a physical asset which will be returned at the end of the franchise period in a better overall condition than the condition at the time the contract was commenced.

Leased Assets

Council has finance leases for photocopiers and computers. (Refer to accounting policy for fixed assets) Leases where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the period in which they are incurred.

Leave Entitlements

Provision is made for annual leave entitlements due to staff as at balance date, calculated on actual entitlement basis at current rates of pay. No provision is made for sick leave entitlements as the anticipated amounts used in future periods are not expected to materially exceed entitlements accruing in each period.

Landfill Post-closure Costs

The Council owns four closed landfill sites. These are Hunua Gorge, Waimana, Piggotts and Elliott Street. As the owner, Council has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

Allocation of Overheads

The cost of internal services not directly charged to activities is allocated as overheads using appropriate cost drivers such as actual usage and staff time.

Ratepayers Equity

Ratepayers Equity is the community's interest in the Council and is measured as being the value of total assets less total liabilities. Ratepayers Equity is classified according to the specified uses Council makes of its equity. The Ratepayers Equity does not represent cash available to offset future expenditure, but rather is the community's investment in Council resulting from past surpluses and deficits.

- Council Created Reserves

These are reserves set aside by a resolution of Council for specific purposes. These purposes can be varied by subsequent resolutions of Council.

- Restricted Reserves

These are funds set aside by statute or subject to specific conditions accepted as binding by the Council. The conditions applying to these reserves may not be altered by Council and the reserves may be used only for the purposes for which the funds are established.

Budget Figures

The budget figures are those approved by Council at the beginning of the year after a period of consultation with the public as part of the Annual Plan process. The budget figures have been prepared in accordance with generally accepted accounting practice, and the accounting policies adopted were consistent with those used in the preparation of these financial statements. Where necessary, to provide meaningful comparisons, the budget figures have been reclassified on a basis consistent with current year disclosures.

Comparative Figures

Comparative figures included in the financial statement relate to the financial year ended 30 June 2005. Where necessary, to provide meaningful comparisons, the comparative figures have been reclassified on a basis consistent with current year disclosures.

Changes in Accounting Policies

There have been no changes in accounting policies from those adopted in the last audited financial statements. All policies have been applied on a basis consistent with the previous period.

Notes to the Financial Statements

For the Year Ended 30 June 2006

1. CASH DEPOSITS AND INVESTMENTS

(a) Carrying amount and estimated fair values

(i) As at 30 June 2006	Effective Interest Rate (%)	Council		Group	
		Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Cash at Bank	3	128,742	128,742	128,742	128,742
Call Deposits	6.7	2,364,873	2,364,873	2,364,873	2,364,873
Total Cash and Deposits		2,493,615	2,493,615	2,493,615	2,493,615
Bank Overdraft	0	0	0	0	0
Short Term Deposits	7.4	9,222,149	9,222,149	9,222,149	9,222,149
Loans and Advances	6	12,110	12,110	12,110	12,110
Total Short Term Investments		9,234,259	9,234,259	9,234,259	9,234,259
Shares - Watercare Services Ltd	0	57,860,275	57,860,275	57,860,275	57,860,275
Shares - Other	0	92,758	92,758	92,758	92,758
Loans and Advances	6	78,386	78,386	78,386	78,386
Total Term Investments		58,031,419	58,031,419	58,031,419	58,031,419
		\$69,759,293	\$69,759,293	\$69,759,293	\$69,759,293

(ii) As at 30 June 2005	Effective Interest Rate (%)	Council		Group	
		Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Cash at Bank	3	94,972	94,972	99,798	99,798
Call Deposits	6	1,241,431	1,241,431	1,241,431	1,241,431
Total Cash and Deposits		1,336,403	1,336,403	1,341,229	1,341,229
Bank Overdraft	0	0	0	0	0
Short Term Deposits	6.7	11,237,960	11,237,960	11,237,960	11,237,960
Loans and Advances	6	11,407	11,407	11,407	11,407
Total Short Term Investments		11,249,367	11,249,367	11,249,367	11,249,367
Shares - Watercare Services Ltd	0	43,309,168	43,309,168	43,309,168	43,309,168
Shares - Other	0	1,433,934	1,433,934	1,433,934	1,433,934
Loans and Advances	6	90,496	90,496	90,496	90,496
Total Term Investments		44,833,598	44,833,598	44,833,598	44,833,598
		\$57,419,368	\$57,419,368	\$57,424,194	\$57,424,194

Cash and call deposits are highly liquid and show at cost which is equivalent to fair value. The effective interest on cash balances varies between 3% and 6.7% (2005 3%-6%). Council also has the use of a \$100,000 overdraft facility (2005 \$100,000). This facility is unsecured, with an interest rate at balance date of 11.15% (2005 10.1%). Council policy is to manage its funds so as to avoid incurring overdraft charges, reducing the effective rate of interest for the year to 0% (2005 0%).

Short Term Deposits are held at various institutions and show at cost which is equivalent to fair value. The Council only places its investments with institutions with a high credit rating. It also reduces its exposure to risk by giving preference to conservative investment policies. Average interest earned for the year was 7.4% (2005 6.7%).

Loans and advances are made to social and sports groups in the district. Average interest charged is 6% (2005 6%) and all outstandings will be fully repaid by 2012. Loans and advances are shown at cost and as all amounts are considered to be fully recoverable, no provision has been made for any irrecoverable portion.

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

Watercare Services Limited

During the 1998/9 year Council was vested with 9,667,225 of the total 260,693,164 shares in Watercare Services Limited. These shares have been valued in Council's accounts at \$5.98 per share being the net asset backing of the shares at 30 June 2006 (2005 \$4.48). The legislation vesting the shares stipulates that council cannot sell their shares, and that Watercare Services Limited is prohibited from paying a dividend to its shareholders.

Auckland Regional Transport Network Limited

Council previously held 43,429 shares being a 3.04% shareholding in Auckland Regional Transport Network Limited, a company set up to hold and manage transport assets on behalf of the territorial shareholding authorities. During the year, the shares were redeemed at cost by the Company as its functions are being transferred to ARTA and Auckland Regional Holdings. The shares were previously included in the category Shares - Other above.

New Zealand Local Government Insurance Corporation Ltd

Council has 37,103 shares valued at net asset backing of \$2.50 per share (2005 \$2.28). They are included in the category Shares - Other above.

(b) Financial Instruments mature in the following periods:

(i) Council as at 30 June 2006

	Less than 1 year \$	1-4 years \$	5 or more years \$	Total \$
Cash at Bank	128,742	0	0	128,742
Call Deposits	2,364,873	0	0	2,364,873
Term Deposits	9,222,149	0	0	9,222,149
Shares - Watercare Services Ltd	0	0	57,860,275	57,860,275
Shares - Other	0	0	92,758	92,758
Loans and Advances	12,110	40,999	37,387	90,496
Total	\$11,727,874	\$40,999	\$57,990,420	\$69,759,293

(ii) Group as at 30 June 2006

	Less than 1 year \$	1-4 years \$	5 or more years \$	Total \$
Cash at Bank	128,742	0	0	128,742
Call Deposits	2,364,873	0	0	2,364,873
Term Deposits	9,222,149	0	0	9,222,149
Shares - Watercare Services Ltd	0	0	57,860,275	57,860,275
Shares - Other	0	0	92,758	92,758
Loans and Advances	12,110	40,999	37,387	90,496
Total	\$11,727,874	\$40,999	\$57,990,420	\$69,759,293

(iii) Council as at 30 June 2005

Cash at Bank	94,972	0	0	94,972
Call Deposits	1,241,431	0	0	1,241,431
Term Deposits	11,237,960	0	0	11,237,960
Shares - Watercare Services Ltd	0	0	43,309,168	43,309,168
Shares - Other	0	0	1,433,934	1,433,934
Loans and Advances	11,407	38,617	51,879	101,903
Total	\$12,585,770	\$38,617	\$44,794,981	\$57,419,368

(iv) Group as at 30 June 2005

Cash at Bank	99,798	0	0	99,798
Call Deposits	1,241,431	0	0	1,241,431
Term Deposits	11,237,960	0	0	11,237,960
Shares - Watercare Services Ltd	0	0	43,309,168	43,309,168
Shares - Other	0	0	1,433,934	1,433,934
Loans and Advances	11,407	38,617	51,879	101,903
Total	\$12,590,596	\$38,617	\$44,794,981	\$57,424,194

(c) Credit and Currency Risk

Council's principal financial assets are bank balances, cash, receivables and investments. The credit risk on liquid funds and investments is limited because counterparties are institutions with credit ratings assigned by international credit-rating agencies.

Council's credit risk is primarily attributable to its receivables. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Council has no concentration of credit risk, with exposure spread over a large number of counterparties and customers.

All Council investments are in New Zealand dollars and therefore no currency risk exists.

(d) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return from an investment. The interest rates on the group's investments are disclosed in part (a) of this note. There are no interest rate options or interest rate swap agreements in place at 30 June 2006 (2005 \$0).

	Council		Group	
	2006	2005	2006	2005
	\$	\$	\$	\$
2. RECEIVABLES				
General Rates	1,161,506	867,400	1,161,506	867,400
Accrued Interest	40,124	12,267	40,124	12,267
General Debtors	1,688,862	2,705,805	1,688,862	2,702,105
GST Receivable	292,693	238,751	292,693	238,751
Transfund New Zealand Subsidy	1,131,816	881,071	1,131,816	881,071
	4,315,001	4,705,294	4,315,001	4,701,594
Less Provision for Doubtful Debts	(135,319)	(130,849)	(135,319)	(130,849)
Total Receivables	4,179,682	4,574,445	4,179,682	4,570,745
3. ACCOUNTS PAYABLE				
Trade Creditors	5,100,385	4,956,691	5,100,385	4,957,457
Accrued Payroll	478,978	408,833	478,978	408,833
Payments in Advance	889,694	765,790	889,694	765,790
Total Accounts Payable	6,469,057	6,131,314	6,469,057	6,132,080
4. DEPOSITS HELD				
Other Deposits and Bonds	759,712	522,308	759,712	526,771
Total Deposits held	759,712	522,308	759,712	526,771

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

	Council		Group	
	2006 \$	2005 \$	2006 \$	2005 \$
5. LANDFILL POST-CLOSURE COSTS				
(a) Landfill Post-closure Costs comprise:				
Current Portion	47,168	69,789	47,168	69,789
Term Portion	725,661	1,081,845	725,661	1,081,845
	772,829	1,151,634	772,829	1,151,634
(b) Movement in Landfill Post-Closure Provision				
Opening Balance	1,151,634	1,174,566	1,151,634	1,174,566
Effect of Unwinding of Discount	69,789	75,407	69,789	75,407
Effect of Change in Interest Rate	(5,312)	27,248	(5,312)	27,248
Movement in Estimated Future Post-closure Costs	(443,282)	(125,587)	(443,282)	(125,587)
	772,829	1,151,634	772,829	1,151,634

This provision is for the estimated future costs of ongoing maintenance and monitoring of the closed landfills at Hunua Gorge, Piggott's, Waimana and Elliott Street. The provision includes the best estimate of future costs for the landfills through to the year 2032, discounted at 6.20% (2005 6.06%) being the 10 year bond rate at the time of calculation plus Council's margin. The provision is reviewed annually and was last reviewed in August 2006.

6. FIXED ASSETS

Council	Cost or Valuation		Accumulated Depreciation		Book Value	
	30 June 2006	30 June 2005	30 June 2006	30 June 2005	30 June 2006	30 June 2005
Infrastructure Assets						
Roading System at valuation	185,842,238	185,842,238	3,193,097	0	182,649,141	185,842,238
Roading System at cost	8,153,123	0	66,366	0	8,086,757	0
Stormwater System at valuation	64,280,685	50,328,341	0	2,004,464	64,280,685	48,323,877
Stormwater System at cost	1,412,491	7,261,570	0	168,387	1,412,491	7,093,183
Sub Total	259,688,537	243,432,149	3,259,463	2,172,851	256,429,074	241,259,298
Rights to Franchise Assets						
Sewerage System at valuation	31,337,245	31,337,245	0	0	31,337,245	31,337,245
Sewerage System at cost	772,490	0	0	0	772,490	0
Water System at valuation	30,106,240	30,106,240	0	0	30,106,240	30,106,240
Water System at cost	839,065	0	0	0	839,065	0
Sub Total	63,055,040	61,443,485	0	0	63,055,040	61,443,485
Restricted Assets at Cost						
Land	17,640,110	17,620,040	0	0	17,640,110	17,620,040
Buildings	16,660,977	16,660,977	2,411,528	2,131,212	14,249,449	14,529,765
Sub Total	34,301,087	34,281,017	2,411,528	2,131,212	31,889,559	32,149,805
Finance Lease Assets	275,587	0	62,621	0	212,966	0
(Computers and Photocopiers)						
Operational Assets at Cost						
Land	2,155,603	2,155,603	0	0	2,155,603	2,155,603
Buildings	12,023,979	11,837,985	2,081,045	1,811,862	9,942,934	10,026,123
Office Furniture and Equipment	3,165,147	2,991,685	2,469,430	2,253,111	695,717	738,574
Plant and Machinery	3,240,771	2,741,610	1,832,935	1,621,713	1,407,836	1,119,897
Motor Vehicles	389,173	359,440	173,170	121,646	216,003	237,794
Library Books	1,576,373	1,597,096	1,094,399	1,125,930	481,974	471,166
Sub Total	22,551,046	21,683,419	7,650,979	6,934,262	14,900,067	14,749,157
Work in Progress	4,626,324	6,013,712	0	0	4,626,324	6,013,712
Total Fixed Assets	\$384,497,621	\$366,853,782	\$13,384,591	\$11,238,325	\$371,113,030	\$355,615,457

6. FIXED ASSETS

Group	Cost or Valuation		Accumulated Depreciation		Book Value	
	30 June 2006	30 June 2005	30 June 2006	30 June 2005	30 June 2006	30 June 2005
Infrastructure Assets						
Roading System at valuation	185,842,238	185,842,238	3,193,097	0	182,649,141	185,842,238
Roading System at cost	8,153,123	0	66,366	0	8,086,757	0
Stormwater System at valuation	64,280,685	50,328,341	0	2,004,464	64,280,685	48,323,877
Stormwater System at cost	1,412,491	7,261,570	0	168,387	1,412,491	7,093,183
Sub Total	259,688,537	243,432,149	3,259,463	2,172,851	256,429,074	241,259,298
Rights to Franchise Assets						
Sewerage System at valuation	31,337,245	31,337,245	0	0	31,337,245	31,337,245
Sewerage System at cost	772,490	0	0	0	772,490	0
Water System at valuation	30,106,240	30,106,240	0	0	30,106,240	30,106,240
Water System at cost	839,065	0	0	0	839,065	0
Sub Total	63,055,040	61,443,485	0	0	63,055,040	61,443,485
Restricted Assets at Cost						
Land	17,640,110	17,620,040	0	0	17,640,110	17,620,040
Buildings	16,660,977	16,660,977	2,411,528	2,131,212	14,249,449	14,529,765
Sub Total	34,301,087	34,281,017	2,411,528	2,131,212	31,889,559	32,149,805
Finance Lease Assets						
	275,587	0	62,621	0	212,966	0
(Computers and Photocopiers)						
Operational Assets at Cost						
Land	2,155,603	2,155,603	0	0	2,155,603	2,155,603
Buildings	12,023,979	11,837,985	2,081,045	1,811,862	9,942,934	10,026,123
Office Furniture and Equipment	3,165,147	2,992,685	2,469,430	2,253,111	695,717	739,574
Plant and Machinery	3,240,771	2,741,610	1,832,935	1,621,713	1,407,836	1,119,897
Motor Vehicles	389,173	359,440	173,170	121,646	216,003	237,794
Library Books	1,576,373	1,597,096	1,094,399	1,125,930	481,974	471,166
Sub Total	22,551,046	21,684,419	7,650,979	6,934,262	14,900,067	14,750,157
Work in Progress	4,626,324	6,013,712	0	0	4,626,324	6,013,712
Total Fixed Assets	\$384,497,621	\$366,854,782	\$13,384,591	\$11,238,325	\$371,113,030	\$355,616,457

	2006	2005
Work in Progress comprises:		
Purchase Freehold Property	70,140	63,890
Defence Force Land Development	1,396,259	1,396,259
Stormwater Quality Treatment Devices	0	2,992,267
Other Stormwater Projects	355,375	356,495
CBD Revitalisation Projects	179,231	54,322
Roading Projects	882,781	885,521
Parks and Reserve Projects	237,846	72,260
Administration Building Projects	1,504,692	192,698
	4,626,324	6,013,712

Valuations

Roading, stormwater, water and sewer assets are revalued every three years. They were last revalued as follows.

- Roading, water and sewer assets - 30 June 2005.
- Stormwater - 30 June 2006

The Council does not undertake regular revaluations of its other assets.

Land and Buildings owned by Council prior to 1 October 1991 have been included based on values established by Valuation New Zealand as at that date. This valuation was undertaken to establish the deemed historical cost of the assets based on depreciated replacement cost.

As at 30 June 2004 the value of Land and Buildings as determined by Quotable Value New Zealand Ltd for rating purposes was as follows.

- Restricted Land \$22,699,850,
- Restricted Buildings \$10,859,700
- Operational Land \$3,366,000,
- Operational Buildings \$8,288,000

There have been no material changes to the valuation during the 2005/06 financial year.

Rights to Franchise Assets

The Council's sewerage and water assets have been included in the asset category Rights to Franchise Assets. These assets are owned by Council but operated and maintained by United Water International Pty Limited under the terms of the 1997 Franchise Agreement. This agreement stipulates that while Council retains ownership of the assets, United Water is responsible for upgrading and maintaining the assets so that at the completion of the contracted period (initial term 30 years), they shall be returned to Council in a better overall condition than the condition at the time the contract was entered into. In accordance with the franchise agreement the condition of the assets is subject to an independent five yearly review. These assets are revalued every three years and are not depreciated. The assets were last revalued at 30 June 2005 and these latest values are included in the above schedule. The next five yearly condition assessment will take place in 2007.

		Council and Group	
		2006	2005
		\$	\$
7. TERM LIABILITIES			
(a) Loan Liabilities			
(a)(i) Loan Liabilities comprise:			
Public Debt		12,000,000	15,000,930
Total Loan Liability		\$12,000,000	\$15,000,930
(a)(ii) Loan Liabilities repayment schedule			
	Effective Interest Rate		
Total Current Portion of Loan Liabilities (ie. Amounts due within one year)	6.85%	\$3,000,000	\$3,000,930
Amounts due between one and two years	5.52%	3,000,000	3,000,000
Amounts due between two and three years	6.75%	3,000,000	3,000,000
Amounts due between three and four years	6.74%	3,000,000	3,000,000
Amounts due in five years or more	0%	0	3,000,000
Total Term Portion of Loan Liabilities		\$9,000,000	\$12,000,000
Total Loan Liability		\$12,000,000	\$15,000,930
<p>The Loan Liabilities are secured over a deemed special rate. Interest rates range from 5.52% to 6.85% (2005 3.5% to 6.85%), with a weighted average of 6.44% (2005 6.23%). Council has no floating rate debt, all interest is at fixed rates.</p>			
(a)(iii) Movement in Loan Liabilities during the year			
Opening Balance of Loan Liabilities as at 1 July		15,000,930	9,502,744
Plus Loans Raised		0	9,000,000
Less Loans Repaid		(3,000,930)	(3,501,814)
Closing Balance of Loan Liabilities		\$12,000,000	\$15,000,930
(b) Finance Lease Liability			
(b)(i) Total Finance Lease Liability			
Total Current Portion of Finance Lease Liabilities (ie. Amounts due within one year)		73,655	0
Amounts due between one and two years		81,790	0
Amounts due between two and three years		57,521	0
Total Term Portion of Finance Lease Liability		\$139,311	\$0
Total Finance Lease Liability		\$212,966	\$0

	Council and Group	
	2006	2005
	\$	\$
(b)(ii) Movement in Finance Lease Liability		
Opening Balance at 1 July	0	0
Plus Liability Raised	275,587	0
Less Liability Repaid	(62,621)	0
Closing Balance of Finance Lease Liabilities	\$212,966	\$0
	2006	2005
	\$	\$
(c) Loans from Council's Reserves		
2003/04 Capital Works Loan – Maturing 2028/29	2,117,702	2,404,793
2003/04 Operating Expenditure Loan – Maturing 2013/14	94,493	107,820
2003/04 Redemption Loan – Maturing from 2012 to 2031	1,017,568	1,072,738
2005/06 Redemption Loan - Maturing from 2010 to 2028	2,624,605	0
2005/06 Capital Works Loan - Maturing from 2016 to 2036	1,931,403	0
Closing Balance of Loans raised from Reserves	7,785,771	3,585,351

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

8. RATEPAYERS EQUITY

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

	Council		Group	
	2006	2005	2006	2005
	\$	\$	\$	\$
(a) Accumulated Balance				
Movement in the Accumulated Balance during the year				
Opening balance as at 1 July	283,831,465	280,187,256	283,828,362	280,193,898
Total Recognised Revenue and Expenses	30,269,650	37,789,527	30,272,753	37,779,782
Appropriations (to)/from Reserves				
Transfer to Council Created Reserves	(853,060)	(622,576)	(853,060)	(622,576)
Transfer to Restricted Reserves	(24,772,473)	(35,546,720)	(24,772,473)	(35,546,720)
Transfer from Council Created Reserves	331,335	770,903	331,335	770,903
Transfer from Restricted Reserves	3,987,822	1,253,075	3,987,822	1,253,075
Total Appropriations (to)/from Reserves	(21,306,376)	(34,145,318)	(21,306,376)	(34,145,318)
CLOSING ACCUMULATED BALANCE	292,794,739	283,831,465	292,794,739	283,828,362
(b) Council Created Reserves				
(i) Council Created Reserves comprise:				
Plant and Machinery Reserve	82,133	29,350	82,133	29,350
Settlement Road Property Reserve	16,173	15,069	16,173	15,069
Computer Equipment Reserve	168,717	143,428	168,717	143,428
Airport Reserve	409,851	385,079	409,851	385,079
Kirks Bush Reserve	69,128	62,227	69,128	62,227
Disaster Recovery Reserve	1,210,675	1,070,144	1,210,675	1,070,144
Loan Repayment Reserve	552,911	302,566	552,911	302,566
Leaky Building Reserve	20,000	0	20,000	0
	2,529,588	2,007,863	2,529,588	2,007,863

	Council		Group	
	2006 \$	2005 \$	2006 \$	2005 \$
(ii) Movement in Council Created Reserves during the year				
Opening Balance as at 1 July	2,007,863	2,156,190	2,007,863	2,156,190
Appropriations (to)/from Accumulated Balances				
Interest/Realised Gain/(Loss)	168,765	142,255	168,765	142,255
Transfers to Reserves	684,295	480,321	684,295	480,321
Capital Payments	(325,155)	(769,726)	(325,155)	(769,726)
Operating Expenditure	(6,180)	(1,177)	(6,180)	(1,177)
Total Appropriations (to)/from Accumulated Balances	521,725	(148,327)	521,725	(148,327)
CLOSING COUNCIL CREATED RESERVES	\$2,529,588	\$2,007,863	\$2,529,588	\$2,007,863
(c) Restricted Reserves				
(i) Restricted Reserves comprise:				
Lawn Cemetery Maintenance Reserve	267,203	291,640	267,203	291,640
Subdivision Contribution Reserve	7,759,790	5,719,887	7,759,790	5,719,887
Stormwater Levy	454,525	410,591	454,525	410,591
Off Street Parking Reserve	694,341	646,982	694,341	646,982
Roading Capital Contributions Reserve	411,699	199,327	411,699	199,327
Other Development Contributions Reserve	1,027,991	527,855	1,027,991	527,855
Safer Community Council Funds Reserve	60,377	56,259	60,377	56,259
Arts and Culture Reserve	394,815	367,887	394,815	367,887
Depreciation Reserves	921,371	2,173,011	921,371	2,173,011
Cemetery Development Reserve	57,360	8,284	57,360	8,284
Takanini Straight Reserve	4,512	0	4,512	0
Share Revaluation Reserve (Note a)	30,074,325	16,712,392	30,074,325	16,712,392
Asset Revaluation Reserve (Note b)	87,384,805	81,614,348	87,384,805	81,614,348
	129,513,114	108,728,463	129,513,114	108,728,463

Note a: Share Revaluation Reserve

The increase in the reserve for the year is \$13,361,933. This is made up as follows:

• Elimination of the value of Auckland Regional Transport Network Shares upon sale	(1,197,338)
• Increase in the value of Watercare Services Ltd Shares	14,551,108
• Increase in New Zealand Local Government Insurance Corporation Shares	8,163
	\$13,361,933

Note b: Asset Revaluation Reserve

Council revalues its infrastructure assets every three years. The increases in the value of the assets as determined by these revaluations are recorded in this reserve.

The reserve is made up as follows.

	\$	Last Revalued
• Increase in the valuation of roading infrastructure assets	16,367,362	30 June 2005
• Increase in the valuation of stormwater infrastructure assets	37,876,936	30 June 2006
• Increase in the valuation of water infrastructure assets	18,593,220	30 June 2005
• Increase in the valuation of sewer infrastructure assets	14,547,287	30 June 2005
	<u>87,384,805</u>	

	Notes	Council		Group	
		2006 \$	2005 \$	2006 \$	2005 \$
(ii) Movement in Restricted Reserves during the year					
Opening Balance as at 1 July		108,728,463	74,434,818	108,728,463	74,434,818
Appropriations (to)/from Accumulated Balances					
Interest/Realised Gain/(Loss)		783,843	555,985	783,843	555,985
Contributions	9	3,481,133	3,128,447	3,481,133	3,128,447
Share Revaluations		13,361,933	715,571	13,361,933	715,571
Stormwater Infrastructure Assets Revaluation		5,770,457	30,102,567	5,770,457	30,102,567
Other Income		1,375,107	1,044,150	1,375,107	1,044,150
Capital Payments		(2,724,863)	(1,185,212)	(2,724,863)	(1,185,212)
Operating Expenditure		(1,262,959)	(67,863)	(1,262,959)	(67,863)
Total Appropriations (to)/from Accumulated Balances		20,784,651	34,293,645	20,784,651	34,293,645
CLOSING RESTRICTED RESERVES		\$129,513,114	\$108,728,463	\$129,513,114	\$108,728,463

(d) Summary of Ratepayers Equity

Council	2005 \$	Surplus for the year \$	Transfers within Equity \$	2006 \$
Accumulated Balance	283,831,465	30,269,650	(21,306,376)	292,794,739
Council Created Reserves	2,007,863	0	521,725	2,529,588
Restricted Reserves	108,728,463	0	20,784,651	129,513,114
TOTAL RATEPAYERS EQUITY	394,567,791	30,269,650	0	424,837,441

(d) Summary of Ratepayers Equity

Group	2005	Surplus for the year	Transfers within Equity	2006
	\$	\$	\$	\$
Accumulated Balance	283,828,362	30,272,753	(21,306,376)	292,794,739
Council Created Reserves	2,007,863	0	521,725	2,529,588
Restricted Reserves	108,728,463	0	20,784,651	129,513,114
TOTAL RATEPAYERS EQUITY	394,564,688	30,272,753	0	424,837,441

9. CAPITAL CONTRIBUTIONS	Notes	Council and Group	
		2006 \$	2005 \$
Resource Management Act 1991			
Subdivision Reserve Contributions		1,764,036	1,920,073
Stormwater Levy Reserve Contributions		13,003	4,711
Off Street Parking Contributions		0	50,168
Roading Reserve Contributions		190,917	9,727
Local Government Act 2002			
Other Development Contributions		1,513,177	1,143,768
Total Capital Contributions	8	\$3,481,133	\$3,128,447

10. INVESTMENT INCOME	Notes	Council		Group	
		2006 \$	2005 \$	2006 \$	2005 \$
Interest and Realised Gains on Reserves		952,608	698,240	952,608	698,240
Interest on General and Loan Funds	12	250,077	40,325	250,086	40,326
Less Interest on Internal Loans		(222,291)	(229,984)	(222,291)	(229,984)
Total Investment Income		\$980,394	\$508,581	\$980,403	\$508,582

11. RATES INCOME	Notes	Council and Group	
		2006 \$	2005 \$
General Rates		18,774,811	15,459,999
Refuse Rates		2,256,595	1,862,668
Total Rates Income	12	\$21,031,406	\$17,322,667

12. RATE REQUIREMENT

The rate requirement shown in each activity is the amount required to meet the remaining balance of costs of the activity for the year. These costs are met from rates levied and general income as detailed below. The result at the end of the year is a surplus of \$1,153,090 (2005 \$512,948). This arises from savings in operating expenditure in past years. The surplus will be applied to complete projects that were not able to be completed by June 2006.

	Notes	Council		Group	
		2006	2005	2006	2005
		\$	\$	\$	\$
Total rate funding required					
Democracy and the Community		1,191,718	1,184,841	1,191,718	1,184,841
Economic Development		463,805	548,415	461,303	558,161
Regulatory Services		2,316,490	2,369,417	2,316,490	2,369,417
Transportation and Roading		5,569,626	3,545,892	5,569,626	3,545,892
Water Supply and Wastewater		242,255	124,281	242,255	124,281
Stormwater and Environmental Infrastructure		2,157,180	2,030,050	2,157,180	2,030,050
Waste Management and Minimisation		2,426,761	2,197,409	2,426,761	2,197,409
Recreation and Community Services		5,469,693	4,496,505	5,469,693	4,496,505
Civil Defence and Emergency Management		134,151	104,927	134,151	104,927
Housing and Property		121,295	77,707	121,295	77,707
Grants		747,368	668,815	747,368	668,815
Capital Expenditure not included above		99,812	78,238	99,812	78,238
Total balance of funding required for all activities		20,940,154	17,426,497	20,937,652	17,436,243
Funding					
Interest on General Funds	10	250,077	40,325	250,086	40,326
General Income		319,255	201,547	319,847	201,547
Funding from/(to) Reserves and Equity not included above		(146,329)	(67,228)	(146,329)	(67,228)
Loan repayments not included above		(11,713)	(10,880)	(11,713)	(10,880)
Unspent rates from prior years		512,948	244,303	503,231	244,303
Transfer from Self Funding Activities		137,600	208,711	137,600	208,711
General and Refuse Rates Levied	11	21,031,406	17,322,667	21,031,406	17,322,667
Remaining funding balance carried forward		1,153,090	512,948	1,146,476	503,203

13. STATEMENT OF COMMITMENTS

	Council		Group	
	2006 \$	2005 \$	2006 \$	2005 \$
(a) Capital Commitments - due in less than 1 year				
Purchase Freehold Property	19,860	26,110	19,860	26,110
Porchester/Subway Intersection	638,000	0	638,000	0
Hildene Road Land	1,621,080	0	1,621,080	0
Opaheke/Settlement Roundabout	376,000	0	376,000	0
Waimana Reserve Trunk Line	5,094,000	714,661	5,094,000	714,661
Tanah Merah Drive Pipe Network	90,000	0	90,000	0
Integrated Catchment Management Plan	681,000	0	681,000	0
Beach/Elliott Intersection Improvement	0	880,696	0	880,696
Chichester Road Pipework	0	26,700	0	26,700
Piping Old Wairoa Road	0	54,039	0	54,039
Artillary Drive Pond	0	283,912	0	283,912
Spartan Road Stormwater Pond	0	173,000	0	173,000
Total Capital Commitments	8,519,940	2,159,118	8,519,940	2,159,118
(b) Operating Lease Commitments on Office Equipment				
Not later than one year	119,343	232,097	119,343	232,097
Later than one year but not later than two years	67,372	206,273	67,372	206,273
Later than two years but not later than five years	87,101	292,042	87,101	292,042
Total Operating Commitments	273,816	730,412	273,816	730,412

14. CONTINGENT LIABILITIES

(a) Council has acted as guarantor for loans amounting to \$258,000 (2005 \$503,000) for sports clubs undertaking improvements to recreational facilities in the District. No guarantees have been approved and are yet to be taken up as at 30 June 2006 (2005 \$0).

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

The bond is provided by way of an irrevocable letter of credit in favour of the Auckland Regional Council rather than the provision of a cash bond. The previous letter of credit provided by Council's banker has expired and Council is currently in the process of establishing a new letter of credit for \$929,643. (2005 \$929,643).

(c) Council is subject to one claim in respect of weathertightness building defects that were advised to it by the Weathertight Home Resolution Service (WHRS) as at 20 October 2006. One of the claims previously reported was resolved. WHRS is reporting three claims for Council on its web site but at this stage Council has not been advised of the additional claims. No claims have been directly received by Council. It is yet to be determined whether each claim is in fact valid and/or against whom action will be taken and whether it will be pursued.

The total assessed value of the claims advised by WHRS where Papakura District together with other parties are the defendants is \$26,000 in relation to building damages plus other incidentals.

Council's uninsured exposure inclusive of legal costs is \$10,000 per claim (2005 \$10,000). Based on the number of known claims, Council's maximum potential liability is \$10,000 (2005 \$20,000). From 1 July 2006 Council's insurers have introduced a sub-limited cover for multiunit claims. This limits indemnity for claims including more than ten units within one building to \$500,000.

(d) Council along with other councils in the Auckland Region is part of the Civil Defence Emergency Management Group. The Group has agreed to enter into a \$10 million bank facility, (2005 \$10 million), that would be drawn upon in the event of an emergency event occurring in the region. Council's share of the facility is 3.5% (2005 3.5%).

(e) A claim is currently before the Environment Court relating to the provision of a storm water system. Council is negotiating with the claimant and its potential liability is expected to be a maximum of \$96,000.

15. DISCLOSURE REQUIRED UNDER SECTION 98(1) OF THE LOCAL GOVERNMENT ACT 2002

The Chief Executive Officer of the Papakura District Council received a total remuneration package of \$207,797 (2005 \$185,038). This includes the use of a vehicle which commenced in May 2005. The value of the benefit for the year was \$15,201 (2005 \$2,173).

The changes from the previous year are due to an increase in the annual salary and the use of the vehicle being for a full year whereas in the previous year this was for a part year only.

Total payments to elected members of Council were as follows:

Mayor	2006	2005
	\$	\$
J Robertson (from October 2004)	69,189	43,052
D Buist (to October 2004)	0	23,856
Councillors		
G Archibald	30,051	31,603
C Conroy	35,292	31,215
P Goldsmith (from October 2004)	30,292	18,057
N Hawks (from October 2004)	29,001	18,742
D Heard (from October 2004)	27,971	16,665
P Jones	33,402	26,748
R Parker (from October 2004)	27,871	17,435
K Piggott	38,048	30,852
F Auva'a (to October 2004)	0	10,172
S Bayliss (to October 2004)	0	16,592
L Blackburn (to October 2004)	0	8,758
R Vickery (to October 2004)	0	9,673
	321,117	303,420

16. EVENTS SUBSEQUENT TO BALANCE DATE

This Annual Report reflects the results of Council's activities for the year ended 30 June 2006 and its financial position as at that date. No events have occurred subsequent to balance date which would have a significant impact on the Council's position at 30 June 2006 as provided in this report. The Events Subsequent to Balance Date note last year noted that the rearrangement of transport co-ordination was expected to impact the role of Auckland Regional Transport Network Ltd in which the Council was a shareholder. At that time the impact of the change was unknown. This has since been resolved by the company repurchasing Council's shares at cost.

17. ASSETS VESTED IN COUNCIL

Assets vested in Council are assets created by subdividers as part of the development of subdivisions by way of water, sewer and stormwater reticulation systems, roads and public reserves. The value of assets included in Council's assets register this year total \$4,353,912 (2005 \$2,157,791), and arise from development works undertaken throughout the District.

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

18. RELATED PARTY TRANSACTIONS

There were no material related party transactions requiring disclosing between the Council and its related parties during the year ended 30 June 2006, apart from those shown below.

	2006	2005
	\$	\$
Watercare Service Limited		
Amount owing by Papakura District Council at 30 June	0	0
Services provided by Watercare Services Limited	145,932	16,991
Services provided by Papakura District Council	0	2,475
Papakura District Enterprise Trust		
Amount owing by Papakura District Council at 30 June	0	1,241
Services provided by Papakura District Enterprise Trust	35,319	0
Services provided by Papakura District Council	0	0
Auckland Regional Transport Network Ltd		
Amount owing by Papakura District Council at 30 June	0	1,325
Services provided by Auckland Regional Transport Network Ltd	0	1,325
Sale of shares at cost	152,000	0

19. LAND TRANSPORT NEW ZEALAND FUNDING

Local authorities may disclose in their Annual Report where the local authority uses its own staff or assets in providing in-house professional services or performing minor and ancillary works for which payments are made by Land Transport New Zealand from the Land Transport Disbursement Account. No works were undertaken by Council requiring disclosure under this requirement.

20. STATEMENT OF INVOLVEMENT IN COUNCIL CONTROLLED ORGANISATIONS

Papakura District Enterprise Trust was a subsidiary of the Papakura District Council as the Council appointed and removed Trustees. The Trust was wound up on 27 June 2006 and therefore at 30 June 2006 there were no advances to the subsidiary. (2005 \$0)

The activities provided by the Trust are now provided by the Papakura District Council through its Economic Development division. Council provided funding of \$35,319 to the Papakura District Enterprise Trust during the year to enable the Trust to be wound up. (2005 \$0).

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

21. SPECIFIC DISCLOSURES	2006 \$	2005 \$
The cost of services include the following expenses:		
Interest		
Loan Interest	933,854	563,224
Interest on Time Value of Money Provided for Landfill Aftercare	64,477	102,655
Finance Lease Interest	24,454	0
Depreciation		
Transportation and Roding Infrastructure	3,259,463	2,649,247
Stormwater and Environmental Infrastructure	1,241,205	1,159,730
Buildings	549,499	550,235
Office Furniture and Equipment	222,257	199,376
Plant and Machinery	236,047	218,236
Motor Vehicles	51,524	39,302
Library Books	147,423	127,730
Finance Lease Assets	62,621	0
Total Depreciation	<u>5,770,039</u>	<u>4,943,856</u>
External Audit Fees - Audit New Zealand	88,000	80,995
Other Services - Audit New Zealand	59,800	0
Lease Charges	155,395	232,097
Councillors Fees	321,117	303,420
Bad Debts Written Off	0	0
Increase/(Decrease) in Provision for Doubtful Debts	4,470	79,913
Donations	126,666	121,339
Net (Gain)/Loss on Sale of Assets	(58,469)	81,531
Insurance	180,901	216,968
Ex-gratia Payments	0	0
Ceremonies	6,803	8,612
Insignia, robes of office, and civic insignia	0	0
Entertainment Expenses	19,618	7,118
Subscriptions and Levies	634,280	548,720
Unauthorised Expenditure	0	0
Severance Payments (one employee)	46,750	0

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

During the term of the last Council (the July to October 2004 period), the key process established for Maori to provide opportunity to contribute to Council decision-making processes was a standing Committee of Council. The members of this Committee were eight members of the Maori Community and five elected members of Council. The Maori members were appointed by the Council upon the recommendation of a Hui-a-iwi. This Committee was set up to provide Council with advice on matters pertaining to the Maori Community of Papakura.

Since October 2004, Council has undertaken a range of activities to enable Maori to contribute to the decision making processes of Council. Consultation hui with Manawhenua and a number of elected members have been exploring the ways in which each party wishes to engage with the other. Council has continued a long-standing practice of hui at the Papakura Marae to seek input from the Maori community to the Annual Plan process. The Community Outcomes process includes a workstream on engagement with Maori around the Community Planning process of the Long-term Council Community Plan 2006/16. This workstream has included hui-a-iwi and rangatahi hui to seek Maori community input into community outcomes. In addition, the next stages of this process will develop processes for continuing engagement with the Maori community based on the views of the Maori community.

Council performance measures include measuring the percentage of local Maori that feel their partnership with Council has strengthened over the past year. This survey has not yet been undertaken this year as Council is actively developing partnerships with the wider Maori community as well as iwi and hapu and therefore would be more appropriately conducted next year.

23. SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS

The Local Government Act 2002 requires Councils to provide information regarding any significant assets acquired or replaced during the year. Significance as determined by Council's significance policy is amounts greater than \$1 million. Projects undertaken or budgeted for the year exceeding \$1 million are as follows:

(a) Beach/Elliott Street Intersection	Actual Cost	Budget
	\$1,335,789	\$0

The project is now completed however additional costs over the unspent budget from the previous year of \$896,000 were incurred relating to service relocations, cost of materials and land acquisition.

(b) Hildene Road Intersection Improvements	Actual Cost	Budget
	\$0	\$1,621,080

(c) Hingaia Central Catchment Stormwater Project	Actual Cost	Budget
	\$0	\$1,900,000

The projects are part of the roading and stormwater management necessary to enable the proposed developments in the area to proceed. As there have been delays in the developers timetable, this work has also been delayed.

(d) Waimana Reserve/Takanini Road Trunk Line	Actual Cost	Budget
	\$121,450	\$4,500,000

The project has been delayed due to the time required to finalise development options in the Takanini area and obtaining consents from the affected property owners. The design stage of the project has been completed and works are planned to commence in December 2006.

(e) Neighbourhood Reserves	Actual Cost	Budget
	\$0	\$2,081,254

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

(f) Administration Building Development	Actual Cost	Budget
	\$1,337,344	\$1,553,000

The project commenced later than anticipated, and therefore completion is now expected in November 2006. The unspent portion of the budget is to be carried forward to meet the remaining costs of the project.

24. SIGNIFICANT VARIANCES FROM BUDGET

This section compares this year's results with those of the Annual Plan adopted by Council for the 2005/06 financial year. During the course of a year, circumstances can occur which give rise to variances from the original budget. Significant variances are considered to be those where the discrepancy between actual results for the activity and the budget is greater than both \$50,000 and 10% of the budget, or where the amount of the variance is of itself considered significant.

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

Asset Revaluation Reserve	Actual income	Budget income
	\$5,770,457	\$0

Council policy is to revalue its infrastructure assets every three years. In accordance with this policy the Stormwater and Environmental Infrastructure assets were revalued as at 30 June 2006 and this has resulted in the value of the assets increasing by \$5,770,457. As this represents a movement in asset valuations and not income, this figure does not represent funds available for Council to offset future expenditure costs.

Assets Vested in Council	Actual income	Budget income
	\$4,353,912	\$7,302,021

Assets with a value of \$4,353,912 have been vested in Council by developers in the District. The budget was based on an assessment of the level of development work to be undertaken in the district by developers. The timing of this work is outside the control of Council and where delays occur the income from vested assets is likewise delayed. The amount relates to assets and reserves received by Council and no cash payment has been made either to or from Council. As such, this figure does not represent funds available to Council to offset future expenditure.

Capital and Development Contributions	Actual income	Budget income
	\$3,481,133	\$1,645,186

Capital and development contributions have been collected from developers within the district totalling \$3,481,133. These comprise contributions collected under the provisions of the Resource Management Act totalling \$1,967,956, and those collected under the Local Government Act 2002 of \$1,513,177. The budget was based on a conservative assessment of the level of development work to be undertaken in the district by developers. The timing of this work is outside the control of Council and where differences in timing occurs this is reflected in the income from contributions.

Share Revaluation Reserve	Actual income	Budget income
	\$13,361,933	\$0

Council values its shares annually based on each Company's net asset backing. The movement in share valuation comprises the following:

New Zealand Local Government Insurance Corporation

The shares were valued at 30 June 2005 at \$2.28 per share. The net asset backing of the shares established as at the Company's 31 December 2005 balance date is now \$2.50 resulting in an increase in value of Council's 37,103 shares of \$8,163.

Auckland Regional Transport Network Ltd

The balance in the reserve at 30 June 2005 was \$1,197,338. As the shares were sold during the year this amount was reversed out of the reserve, leaving a nil balance at 30 June 2006.

Watercare Services Limited

The shares had previously been vested in Council and were valued at 30 June 2005 at \$4.48 per share. The net asset backing of the shares at 30 June 2006 is now \$5.98 resulting in an increase in value of Council's 9,667,225 shares of \$14,551,108.

Investment Income	Actual income	Budget income
	\$980,394	\$219,564

The increase in revenue is largely due to increased interest rates and a delay in a number of capital works projects which resulted in a higher level of funds invested than anticipated in the budget.

Charges for Services	Actual income	Budget income
	\$3,109,874	\$2,632,205

The main components of the increase are the result of an increase in the volume of services provided by the regulatory services and recreation and community services areas.

Waste Management and Minimisation	Actual cost	Budget cost
	\$2,038,830	\$2,507,082

The main component of the decrease in costs related to a reduction in the provision for landfill maintenance of \$378,805 accounted for in this activity. The decrease was the result of a reduction in both the annual maintenance cost required for the District's landfills and the number of years that monitoring will now be required.

Democracy and the Community	Actual cost	Budget cost
	\$1,205,838	\$1,365,311

The main component of the decrease in costs related to a number of policy and consultation projects that are yet to be undertaken.

Miscellaneous Income	Actual income	Budget income
	\$146,967	\$0

The main component of this income was a one-off donation received towards a Council community project which was not anticipated at the time the budgets were prepared.

Water Supply and Wastewater	Actual cost	Budget cost
	\$242,277	\$113,858

The additional costs relate to expenditure incurred in decommissioning the Drury Pump Station. It is anticipated that the costs will be recovered upon the sale of the property.

Gain on Sale of Property	Actual income	Budget income
	\$98,533	\$200,000

The income is less than budget due to a delay in the sale of vacant sections in Coles Crescent. A number of possible options for the properties are still under consideration by Council.

Significant Activities and Statements of Service Performance

This section of the Annual Report describes:

- The major activity areas of the Council:
- How these activities help move the District towards the overall vision,
- The measures by which the community can judge how well Council is performing,
- The cost of the activity, and
- How those costs are funded.

Democracy and the Community

Description

Local government provides community leadership and representation for its citizens. The Mayor and Councillors are elected to make decisions on behalf of the people of this district, in the best interest of the current and future generations. This activity includes remuneration and expenses of the Mayor and Councillors, civic functions and the costs of providing advice to Council in its policy making role.

Outcomes

This activity primarily supports Council processes that are required to achieve all outcomes. It also provides particular support to outcomes that will help achieve cultural wellbeing. Its objective is to facilitate togetherness by providing a safe and supportive environment that encourages participation.

The performance measures for this activity are set out over the page.

Social Wellbeing

Measure	Target	Other Wellbeings Measured	Source	Result
Percentage of residents that believe Council communicates well with the public	Baseline to be set	Economic	Survey of residents	✓ 56%
		Environmental		- 0%
		Cultural		✗ 44%
Percentage of residents that believe they are adequately informed about key issues relating to Council	Baseline to be set	Economic	Survey of residents	✓ 48%
		Environmental		- 0%
		Cultural		✗ 52%
Percentage of residents satisfied with the way Council involves people in key decisions	Baseline to be set	Economic	Survey of residents	✓ 39%
		Environmental		- 20%
		Cultural		✗ 41%
Number of Council initiated articles in local newspapers	Fifteen	Economic	Council Records	49 media releases issued
		Environmental		
		Cultural		
Number of partnerships with central government	Five	Economic	Council Records	Six
		Environmental		
		Cultural		
Number of public information documents produced by Council	Baseline to be set	Economic	Council Records	16
		Environmental		
		Cultural		
Level of involvement of young people in Council processes	Baseline to be set	Cultural	Council Records	Continuing consultation with youth on 2006-16 LTCCP, particularly via Youth Leadership Course

Cultural Wellbeing

Percentage of local Maori that feel their partnership with Council has strengthened over the past year	Baseline to be set	Economic	Survey of Maori organisations	Survey has not been undertaken this year as Council is actively developing partnerships with the wider Maori community as well as iwi and hapu. Accordingly it will be more appropriately conducted in the forthcoming year.
		Environmental		
		Social		

Measure	Target	Other Wellbeings Measured	Source	Result		
				✓ Agree/Satisfied	✗ Disagree/Dissatisfied	- Neutral
Percentage of residents that believe that Council supports the arts	Baseline to be set	Economic	Survey of residents	✓ 58%		
		Social		- 0%		
				✗ 42%		
Percentage of residents that believe that Council embraces cultural diversity	Baseline to be set	Economic	Survey of residents	✓ 59%		
		Social		- 0%		
				✗ 41%		
Economic Wellbeing						
Percentage of approved operational works programmes completed within the financial year	100%	Social	Council Records	Not achieved		
		Environmental		See Note below		
Percentage of approved capital works programmes commenced or in progress within the financial year	100%	Social	Council Records	Not achieved		
		Environmental		See Note below		
Asset Management Plans (AMPs) in place	Roading AMP produced and adopted	Social	Council Records	Completed in 2004		
	Revaluation of Stormwater Assets completed	Environmental		Completed in June 2006		
	Revised Stormwater AMP produced and adopted			2003 Plan still current. Next review 2006/07.		
Gross interest as a percentage of rates income	No more than 10%	Economic	Council Records	4.4%		
		Environmental				
		Cultural				
Number of times net cash inflow from operating activities exceeds the annual interest expense	At least two times	Economic	Council Records	10		
		Environmental				
		Cultural				
Percentage of total public debt subject to refinancing	No more than 33% in one financial year	Economic	Council Records	25%		
		Environmental				
		Cultural				
External debt per rateable property	Not exceed \$1,300	Economic	Council Records	\$726		
		Environmental				
		Cultural				

Measure	Target	Other Wellbeings Measured	Source	Result
✓ Agree/Satisfied * Disagree/Dissatisfied - Neutral				
Economic Wellbeing				
Percentage of residents that are satisfied with value for money from rates	Baseline to be set	Economic	Council Records	✓ 44%
		Social		- 17%
				* 39%
Acceptance and deployment of financial contributions model	Level of financial contributions made	Economic Social	Council Records	Development contributions model 1 st review completed 04/05 year, 2 nd review for 06-16 LTCCP completed 05/06 year.

Note: Achievement of operational and capital works project completion targets are impacted by various external factors including; timing of plan changes, obtaining resource consents, negotiations with land owners and contributions for developer funded projects. In addition, some performance measures were unable to be assessed during the year. Performance Measures have been reviewed during the consultation process for the 2006-16 Long-term Council Community Plan and a revised set of measures will be presented in future reports.

Democracy and the Community

Statement of Cost of Services

For the Year Ended 30 June 2006

Actual		Note	Actual	Budget
2005			2006	2006
\$			\$	\$
	Cost of Services			
303,420	Members Salaries		321,117	336,420
690,792	Members Expenses and Administration Support		734,538	903,891
24,856	Civic Functions		27,506	22,000
99,135	Reports to Ratepayers		188	8,000
107,549	Election		4,549	0
78,842	Regional Policy		111,495	95,000
0	Loss on Disposal of Assets		6,445	0
1,304,594	Total Gross Cost of Services		1,205,838	1,365,311
	Funded by			
1,183,933	Rates Revenue	12	1,191,718	1,305,311
120,661	Cost Recoveries		8,118	10,000
0	Transfer from Reserves		0	50,000
(3,318)	Transfer to Reserves		(4,849)	(13,241)
3,318	Transfer within Equity		4,849	13,241
1,304,594	Total Funding		1,199,836	1,365,311
0	Plus Non-funded Depreciation (refer note below)		6,002	0
1,304,594			1,205,838	1,365,311

Democracy and the Community

Schedule of Capital Expenditure

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
0	Vehicle		29,733	25,000
908	Furniture and Fittings		0	0
908	Total Capital Expenditure		29,733	25,000
	Funded by			
908	Rates Revenue	12	0	0
0	Transfer from Reserves		29,733	25,000
908	Total Funding		29,733	25,000

Note: Non-funded depreciation arises where the depreciation charge exceeds that provided for in the Annual Plan. In this activity the non-funded depreciation is part of the overhead charge allocated from other areas in Council.

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.

Economic Development

Description

The economic development activity is undertaken by the Economic Development Unit of Council which is focused on enhancing the performance of local businesses and attracting new business to the District.

Outcomes

This activity primarily contributes to the outcomes that will lead to economic wellbeing. Its objective is to provide an environment that supports existing business and encourages the formation of new businesses in the District.

The performance measures for this activity are set out below.

Economic Wellbeing

Measure	Target	Other Wellbeings Measured	Source	Result
✓ Agree/Satisfied * Disagree/Dissatisfied - Neutral				
Number of residents participating in further education and training.	Baseline to be set	Social	Tertiary Education Commission	Data unavailable *Refer note
Percentage of businesses owners that are satisfied with the level of business support provided by Council	80% of those surveyed	Cultural Social	Survey of businesses	✓ 46% - 34% * 20%
Number of new businesses in the District	Baseline to be set	Social	Statistics New Zealand	Net new businesses
Number of business closures in the District	N/A	Social	Statistics New Zealand	135= 3.8% increase in businesses. (2005 results latest available from Statistics NZ)
Number of retail stores in the Central Business District	Baseline 230	Social	Hames Sharley Report	227 (2004)**
Number of chain tenants in the Central Business District	Baseline 23	Social	Hames Sharley Report	29 (2004)**
Number of pedestrians and vehicles per hour in the Central Business District	Baselines 60 and 460	Social	Hames Sharley Report	960 / 850 (2004)**
Percentage of car parks occupied in the Central Business District	Baseline 50%	Social	Hames Sharley Report	80-90% (2004)**
Value of building consents issued for new industrial and commercial buildings	Baseline to be set	Social	Council Records	Not measured *Refer note
Occupied retail floor space in the Central Business District	Baseline 31,000 sqm	Social	Hames Sharley Report	39,060 (2004)**
Vacancy rate in the Central Business District	Baseline 9%	Social	Hames Sharley Report	8% (2004)**

Measure	Target	Other Wellbeings Measured	Source	Result
Shopper rating of Central Business District	8/10 or higher	Social Environmental	Hames Sharley Report	6.2 (2004)**
Completion of planned stages of the central area (town centre) revitalisation programme	Complete Stages 5, 5a and 11	Social Environmental	Council Records	Revised plan adopted in 2006. District plan changes operative, physical works agreed as part of 2006 LTCCP, detailed design being developed
Completion of planned stages of a transport centre in Papakura Central	Complete plan and project timeline	Social Environmental	Council Records	Revised focus now on Rail Station. Design complete, construction scheduled Nov 2006. Interchange bus stops completed.
Square metres of residential floor space in the Central Business District	Baseline to be set	Social Environmental	Council Records	Current area used as residential not available.

*Note: Achievement of operational and capital works project completion targets are impacted by various external factors including; timing of plan changes, obtaining resource consents, negotiations with land owners and contributions for developer funded projects. In addition, some performance measures were unable to be assessed during the year. Performance Measures have been reviewed during the consultation process for the 2006-16 Long-term Council Community Plan and a revised set of measures will be presented in future reports.

**Note: Last Central Business District survey was carried during 2004.

Economic Development

Statement of Cost of Services

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
	Cost of Services			
221,946	Commercial and Economic Development		282,033	250,097
24,080	Regional Development		2,080	3,000
197,087	Business Assistance and Development		66,589	87,000
125,488	Marketing and Promotion		104,021	100,000
93,000	Central Business District Promotion		110,030	110,000
661,601	Total Gross Cost of Services		564,753	550,097
	Funded by			
547,881	Rates Revenue	12	460,109	430,228
43,269	BIZ Funding		35,944	60,869
40,733	Sponsorship		53,646	47,000
38,148	Other Revenue		21,479	12,000
(13,657)	Transfer to Reserves		(11,034)	(4,182)
5,227	Transfer within Equity		4,182	4,182
661,601	Total Funding		564,326	550,097
0	Plus Non-funded Depreciation (refer note below)		427	0
661,601			564,753	550,097

Economic Development

Schedule of Capital Expenditure

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
534	Furniture and Fittings		3,696	0
534	Total Capital Expenditure		3,696	0
Funded by				
534	Rates Revenue	12	3,696	0
534	Total Funding		3,696	0

Note: Non-funded depreciation arises where the depreciation charge exceeds that provided for in the Annual Plan. In this activity the non-funded depreciation is part of the overhead charge allocated from other areas in Council.

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 the activity. As this activity is largely discretionary, the opportunity cost of the activity may be considered to be a negative effect.

Regulatory Services

Description

The activities of Council covered by this major area of operations are resource management, district and regional planning, public health, building control, parking enforcement and animal control.

Outcomes

The resource management and district and regional planning activities contribute across the board to the social, economic, environmental and cultural wellbeing of the District.

The main performance measures for this activity are set out below.

Economic Wellbeing

Measure	Target	Other Wellbeings Measured	Source	Result
Percentage of non-notified resource consent applications determined within 20 working days	100%		Council Records	33%*
Percentage of notified resource consent applications heard within 55 working days	100%		Council Records	20%*
* Targets not achieved due to nationwide shortage of planning staff resulting in staffing below planned levels.				
Percentage of building consents issued within 10 working days	100%		Council Records	88%* Within 20 days
* Issuing of building consents is now measured against the revised statutory deadline of 20 days reflecting the expectation that Councils will perform more extensive evaluations of consent applications.				
Completion of the Papakura Rail Station improvements	Completion	Social Environmental	Council Records	Design agreed and implementation in 2006/07 year
Development of a plan for public transport facilities at Drury	Complete Plan	Social Environmental	Council Records	Project progressing
Percentage of users of public transport from outside the District	Baseline to be set	Social Environmental	Survey of users	Not surveyed **Refer note

Cultural Wellbeing

Completion of a cultural and natural heritage plan for specified catchments	Plan completed	Environmental	Council Records	Hingaia plan completed supporting District Plan changes
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Measure	Target	Other Wellbeings Measured	Source	Result
✓ Agree/Satisfied * Disagree/Dissatisfied - Neutral				

Environmental Wellbeing

Percentage of residents satisfied with the state of the natural environment in the District	Baseline to be set	Cultural	Survey of residents	✓ 51% - 19% * 30%
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Social Wellbeing

Percentage of food handling premises inspected annually	100% twice a year		Council Records	100% once
Percentage of food handling premises failed on first application	Baseline to be set		Council Records	2%
Percentage of premises containing hazardous substances inspected annually	100%	Environmental	Council Records	N/A * see note below
Percentage of premises containing hazardous substances failed on first inspection	Baseline to be set	Environmental	Council Records	N/A * see note below
*Hazardous substance inspections no longer carried out by Council.				
Percentage of licensed premises visited to ensure compliance with licensing conditions	100%		Council Records	100%
Percentage of licensed premises visited failed on first inspection	Baseline to be set		Council Records	0%
Percentage of urgent noise control complaints responded to within one hour	100%		Council Records	100%
Number of dog related infringements per 1000 population	28		Council Records	17
Percentage of private pools inspected annually	33%		Council Records	32%
Percentage of residents satisfied with the level of service provided by public transport	Baseline to be set	Environmental	Survey of residents	✓ 52% - 30% * 18%

Note: Achievement of operational and capital works project completion targets are impacted by various external factors including; timing of plan changes, obtaining resource consents, negotiations with land owners and contributions for developer funded projects. In addition, some performance measures were unable to be assessed during the year. Performance Measures have been reviewed during the consultation process for the 2006-16 Long-term Council Community Plan and a revised set of measures will be presented in future reports.

Regulatory Services

Statement of Cost of Services

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
Cost of Services				
1,213,402	Resource Consents		1,323,700	1,199,608
1,214,368	Planning Policy and Projects		1,468,150	1,466,901
53,629	Planning Policy and Projects Interest		51,718	56,000
330,283	Environmental Health, Liquor, Dangerous Goods		380,137	447,141
712,073	Building Control		843,765	837,304
156,609	Parking Enforcement		170,406	173,941
395,370	Animal Control		389,011	392,307
25,967	Animal Control Interest		23,920	18,000
(29,408)	Less Internal Interest Charges		(28,885)	(28,000)
4,072,293	Total Gross Cost of Services		4,621,922	4,563,202
Funded by				
2,341,960	Rates Revenue	12	2,286,355	2,371,571
532,443	Resource Consent Revenue		690,272	668,105
10,486	District and Regional Planning Revenue		16,242	7,500
131,259	Environmental Health Revenue		123,113	129,196
674,875	Building Control Revenue		1,026,180	880,800
127,625	Parking Infringement Income		149,809	155,000
278,156	Dog Registration Fees and Miscellaneous Sales		334,676	305,030
0	Loans Raised		0	30,000
0	Transfer from Reserves		0	20,000
(30,462)	Transfer to Reserves		(29,155)	(8,112)
5,951	Transfer within Equity		6,707	4,112
4,072,293	Total Funding		4,604,199	4,563,202
0	Plus Non-funded Depreciation (refer note below)		17,723	0
4,072,293			4,621,922	4,563,202

Regulatory Services

Schedule of Capital Expenditure

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
0	Demonstration Project - Urban Design		0	70,000
7,182	Furniture and Fittings		2,123	0
30,310	Loan Repayments		152,000	0
8,417	Internal Loan Repayments		16,506	18,000
11,801	Transfer to Loan Repayment Reserve		11,506	7,000
57,710	Total Capital Expenditure		182,135	95,000
	Funded by			
27,457	Rates Revenue	12	30,135	25,000
30,253	Transfer from Reserve		0	0
0	Loan Raised		0	70,000
0	Transfer within Equity		152,000	0
57,710	Total Funding		182,135	95,000

Note: Non-funded depreciation arises where the depreciation charge exceeds that provided for in the Annual Plan. In this activity the non-funded depreciation is part of the overhead charge allocated from other areas in Council, and from the Building Control and Resource Consent areas.

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.

Transportation and Roading

Description

The Council transportation and roading activity provides for the safe and cost effective network of roads, footpaths and parking areas needed to satisfy the current and future growth areas of the District. It is also responsible for ensuring there are safe and efficient regional and national connections for the transport systems.

Outcomes

The transportation and roading activities primarily contribute to the economic and social wellbeings of the District.

The main performance measures for this activity are set out below.

Economic Wellbeing

Measure	Target	Other Wellbeings Measured	Source	Result
				✓ Agree/Satisfied * Disagree/Dissatisfied - Neutral
Percentage of the District's sealed network with roughness exceeding 150 NAASRA counts	<4%	Social	Council Records	Urban 1.8% Rural 1.2%
Average roughness value of sealed urban roads	<80*	Social	Council Records	92
Average roughness value of sealed rural roads	<95*	Social	Council Records	101
* Road Condition Measures: Very Good <80, Fair 80-120, Poor >120				
Develop and complete a transportation strategy for the District and report to Council	Complete report	Social	Council Records	Draft completed, yet to be presented to Council. (Southern Sector study completed and adopted by Council Feb 2006)
Investigate the development of congestion measures for the District and report to Council	Complete report	Social Environmental	Council Records	Transportation model completed. Congestion measures under review.
Percentage of capital works projects completed on time and within budget	100%	Social	Council Records	See note below

Note: Achievement of operational and capital works project completion targets are impacted by various external factors including; timing of plan changes, obtaining resource consents, negotiations with land owners and contributions for developer funded projects. In addition, some performance measures were unable to be assessed during the year. Performance Measures have been reviewed during the consultation process for the 2006-16 Long-term Council Community Plan and a revised set of measures will be presented in future reports.

Social Wellbeing

Measure	Target	Other Wellbeings Measured	Source	Result		
				✓ Agree/Satisfied	✗ Disagree/Dissatisfied	- Neutral
Number of road deaths and casualties per 10,000 population	<31	Economic	LTSA			35
Number of LTSA black spots requiring safety related works	2 pa	Economic	LTSA			5 resolved
Percentage of residents who are satisfied with the condition of roads in the District	70%	Economic	Survey of residents	✓ 42%	- 15%	✗ 43%
Percentage of urban pedestrian crossings with facilities for the disabled	Baseline to be set		Council Records			60%
Percentage of residents satisfied with provision for pedestrians in rural areas	Baseline to be set	Environmental	Survey of residents	✓ 33%	- 22%	✗ 45%
Percentage of residents satisfied with provision for pedestrians in urban areas	Baseline to be set	Environmental	Survey of residents	✓ 73%	- 11%	✗ 16%
Percentage of residents satisfied with provision for cyclists	Baseline to be set	Environmental	Survey of residents	✓ 30%	- 24%	✗ 46%

Environmental Wellbeing

Completion of a walking and cycling strategy	Completion	Social	Council records			Completed. (adopted by Council Sept 2006)
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Transportation and Roothing

Statement of Cost of Services

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
Cost of Services				
50,577	Bridge Repairs		57,650	51,700
4,514,285	General Maintenance		5,227,155	4,679,150
483,880	Traffic Services		518,471	515,000
173,999	Street Cleaning		289,071	303,000
260,345	Street Lighting		254,599	252,000
50,000	RAMM Implementation		70,000	70,000
178,862	Parking		205,192	152,470
921,409	Miscellaneous Works and Projects		1,021,055	1,109,400
231,052	Interest		419,975	286,000
(61,496)	Less Internal Interest Charges		(58,822)	(58,000)
6,802,913	Total Gross Cost of Services		8,004,346	7,360,720
Funded by				
3,522,325	Rates Revenue	12	5,565,660	4,942,475
2,814,367	Transfund New Zealand Subsidy		1,308,110	1,178,212
11,800	General Revenue		7,325	10,350
45,943	Road Safety Funding		30,000	40,000
(16,403)	Transfer to Reserves		0	0
231,052	Depreciation		361,153	981,396
6,609,084	Total Funding		7,272,248	7,152,433
193,829	Plus Non-funded Depreciation (refer note below)		732,098	208,287
6,802,913			8,004,346	7,360,720

Transportation and Roading

Schedule of Capital Expenditure

For the Year Ended 30 June 2006

Actual 2005		Actual 2006	Budget 2006
\$		\$	\$
11,806	Alfriston Road Intersection	1,900	90,000
16,996	Ardmore Roading Upgrade	4,521	0
507,670	Area wide Pavement Treatment	566,762	550,000
141,784	Boundary Road Upgrade	2,731	0
370,174	Chipseals	522,697	550,000
23,567	Computerised Traffic Model	0	0
1,127	Construction Cycleways	18,802	80,000
49,992	Footpath Construction/Renewal	50,311	50,000
95,293	Footpath Renewal	71,102	120,000
0	Furniture and Fittings	3,966	0
79,878	Gatland Road Cemetery Roading	181,321	170,000
230,118	Kerb and Channel Programme	237,732	235,600
16,781	LATM Schemes	644	50,000
28,078	Lighting Walkways	15,138	15,000
366,225	Minor Safety Projects	227,819	232,000
11,733	Opaheke/Settlement Road Roundabout	35,521	370,000
0	Revitalisation of Banners	0	5,000
855,339	Road Strengthening	474,462	500,000
99,969	Road Widening	152,820	120,000
28,808	Seal and Repair Marae Carpark	0	0
250,276	Subdivision Development	155,993	120,000
498,746	Thin Asphaltic Surfacing	478,825	400,000
2,667	Transport Security and Monitoring Installation	27,500	0
238,224	Waihoehoe/Fitzgerald Intersection Improvement	27,968	0
	Growth Projects		
10,236	5 Way Interchange Clevedon Road Land/Construction	21,840	0
236,731	Beach Road/Elliot Street Intersection	1,335,789	0
51,242	Bridge Strengthening	40,511	50,000
27,000	Bus Shelters and Embayments	45,560	67,000
226,050	Central Station	20,861	400,000
74,329	Clevedon Railway Bridge	28,562	600,000
292,230	Construction 1-2 signalised Intersections	32,450	200,000
0	Glenora Road Stage 1	0	17,100

Transportation and Roading

Schedule of Capital Expenditure

For the Year Ended 30 June 2006

Actual 2005		Actual 2006	Budget 2006
\$		\$	\$
11,454	Great South/Beach Road Intersection	92,988	400,000
0	Great South/Norrie/Waihoehoe Intersection	55,895	150,000
0	Hildene Road	0	1,621,080
0	Hingaia Rd/Motorway Pararekau Road	34,777	50,000
0	Improvement GSR/Walters/Longford Drive	15,532	100,000
0	Ingram Street Widening	9,396	30,000
98,299	Intersection Resurfacing	0	50,000
8,808	Mill/East Tamaki Road Study	3,051	0
25,458	Overhead to Underground Power	0	100,000
0	Porchester Road	0	114,000
0	Quarry Road Bypass - On/Off Ramps	53,709	50,000
47,762	Renewals (Maketu) Bridge	0	0
0	Roundabouts at Taka/Takanini Sch/Airfield	0	50,000
106,573	Seal Extensions	0	0
0	Streetlight Upgrades	322,534	300,000
6,952	Subway/Great South Road	0	0
91,522	Subway/Porchester Road Intersection Improvement	73,746	0
0	Takanini Grade Separation	26,800	0
25,665	Town Centre Amenity Lighting	319,736	110,000
42,246	Town Centre Amenity Signs	0	0
577,216	Town Centre Revitalisation	271,975	234,408
1,483	Town Centre Revitalisation King Edward Avenue	0	50,000
2,499	Town Centre Revitalisation Railway/Clevedon	1,250	500,000
187,575	Loan Repayments	22,179	45,000
43,096	Internal Loan Repaid	40,854	32,000
77,477	Transfer to Loan Repayment Reserve	156,052	156,000
6,197,154	Total Capital Expenditure	6,284,582	9,134,188

Transportation and Roothing

Schedule of Capital Expenditure

For the Year Ended 30 June 2006

Actual 2005		Notes	Actual 2006	Budget 2006
\$			\$	\$
	Funded by			
23,567	Rates Revenue	12	3,966	277,765
589,762	Contributions		0	0
0	Transfund New Zealand Subsidy		2,058,636	1,763,768
0	Other Subsidies		0	500,000
0	Assets Vested in Council		0	3,717,021
2,077,125	Depreciation		2,398,025	1,778,604
121,856	Development Cost Recovery		28,704	0
288,629	Transfer from Reserves		1,343,683	404,943
3,087,011	Loan Raised		0	430,480
9,204	Loan Raised in Prior Year		0	0
0	Borrowing from Reserves		0	261,607
0	Internal Loan Raised		451,568	0
6,197,154	Total Funding		6,284,582	9,134,188

Note: Non-funded depreciation arises where the depreciation charge exceeds that provided for in the Annual Plan. In this activity the non-funded depreciation is part of the overhead charge allocated from other areas in Council, the result of increased depreciation charges following revaluation of the assets and allowance for future Transfund New Zealand subsidies offsetting the cost of asset renewals to Council.

Negative Effects

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

The negative impacts are offset by the focus of 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.

Water Supply and Wastewater

Water Supply

Description

Council does not operate a water supply system. This service is now provided by United Water Pty Ltd under a long-term (50 year) franchise agreement (Water and Wastewater Franchise Agreement) with Council. This agreement specified higher standards of service to customers than those previously in place. The operation of the Franchise Agreement is monitored by way of independent reviews of the franchise holder's pricing structure each year and five yearly reviews of the condition of the assets. Council's engineering consultants also carry out on-going reviews of water quality in conjunction with Ministry of Health and Watercare Services Ltd. The Council continues to retain the ownership of the water infrastructure, namely the pipes, pumps and associated equipment.

Outcomes

The water supply activity primarily contributes to the social wellbeing of the District.

Social Wellbeing

Measure	Target	Other Wellbeings Measured	Source	Result
		✓ Agree/Satisfied × Disagree/Dissatisfied - Neutral		
Percentage of United Water customers that are satisfied with the level of service	74%	Economic	Survey of residents	✓ 84% - 6% × 10%
Monitoring of the terms of the water and wastewater franchise agreement completed annually and five yearly	Completion	Economic Environmental	Council Records	04/05 review completed April 2006
Confirm United Water tariffs are below average regional costs	Completion	Economic	Council Records	04/05 review completed April 2006
Water quality of the water supplied to Customers by United Water shall meet the standards stipulated on samples over the supply network	Not less than 95% of all tests on samples over the supply network	Economic	Laboratory test results	97.5%

Wastewater

Description

Council does not operate a sewerage reticulation and disposal system. This service is now provided by United Water Pty Ltd under a long-term (50 year) franchise agreement (Water and Wastewater Franchise Agreement) with Council. The operation of the Franchise Agreement is monitored by way of independent reviews of the franchise holder's pricing structure each year and five yearly reviews of the condition of the assets. These activities focus on monitoring the performance of United Water Pty Ltd in terms of the Franchise Agreement. The Council continues to retain the ownership of the Drury treatment station and all the wastewater infrastructure throughout the District.

Outcomes

The sewerage activity primarily contributes to the social wellbeing of the District.

Social Wellbeing

Measure	Target	Other Wellbeings Measured	Source	Result
		✓ Agree/Satisfied	✗ Disagree/Dissatisfied	- Neutral
Percentage of United Water customers that are satisfied with the wastewater services	84%	Economic	Survey of residents	✓ 61% - 18% ✗ 21%
Monitoring of the water and wastewater franchise agreement completed annually and five yearly	Completion	Economic Environmental	Council Records	04/05 review completed April 2006
Confirm United Water tariffs are below average regional costs	Completion	Economic	Council Records	04/05 review completed April 2006

Water Supply and Wastewater Statement of Cost of Services For the Year Ended 30 June 2005

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
	Cost of Services			
93,810	Contract Monitoring and Administration		221,367	101,858
30,471	Asset Valuation and Condition Monitoring		20,910	12,000
124,281	Total Gross Cost of Services		242,277	113,858
	Funded by			
124,281	Rates Revenue	12	242,255	113,858
124,281	Total Funding		242,255	113,858
0	Plus Non-funded Depreciation		22	0
124,281			242,277	113,858

Schedule of Capital Expenditure

For the Year Ended 30 June 2006

No Capital Expenditure was incurred.

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.

Stormwater and Environmental Infrastructure

Description

As land is developed, buildings erected, roads and footpaths created, the need to handle rainwater runoff (stormwater) grows. This activity provides and maintains the infrastructure and planning to effectively manage both the quantity and quality of stormwater and its effect on the land and natural waterways.

Outcomes

The stormwater supply activity primarily contributes to the environmental and social wellbeing of the District.

The performance measures for this activity are set out below.

Environmental Wellbeing

Measure	Target	Other Wellbeings Measured	Source	Result
Development and implementation of a Water Conservation Plan	Completion	Social Economic	Council Records	Delayed – some aspects will be incorporated into Catchment Studies
Development of a Catchment Plan for stormwater in the central area	Completion		Council Records	Initial study complete. Completion of Catchment Plan due Dec 2007

Economic Wellbeing

Percentage of capital works projects completed on time and within budget	100%	Social Environmental	Council Records	Not Achieved, see note below
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Social Wellbeing

Percentage of residents satisfied with the delivery of stormwater services	74%	Environmental Economic	Survey of residents	✓ 54% - 15% ✗ 32%
Response to service requests for stormwater problems attended within three days	100%	Environmental Economic	Council Records	72%
Auditing of flood hazard areas through data capture and recording	Baseline to be set			Achieved

Note: Achievement of operational and capital works project completion targets are impacted by various external factors including; timing of plan changes, obtaining resource consents, negotiations with land owners and contributions for developer funded projects. In addition, some performance measures were unable to be assessed during the year. Performance Measures have been reviewed during the consultation process for the 2006-16 Long-term Council Community Plan and a revised set of measures will be presented in future reports.

Stormwater and Environmental Infrastructure

Statement of Cost of Services

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
	Cost of Services			
2,065,190	Stormwater System Maintenance		2,253,234	2,275,076
46,558	Auckland Regional Council Charges		38,147	48,000
242,047	Interest		391,746	220,000
(120,004)	Less Internal Interest Charges		(115,489)	(113,000)
2,233,791	Total Gross Cost of Services		2,567,638	2,430,076
	Funded by			
1,988,046	Rates Revenue	12	2,156,290	2,323,076
12,329	Engineering Revenue		0	0
242,047	Depreciation		276,257	107,000
(8,631)	Transfer to Reserves		0	0
2,233,791	Total Funding		2,432,547	2,430,076
0	Plus Non-funded Depreciation (refer note below)		135,091	0
2,233,791			2,567,638	2,430,076

Stormwater and Environmental Infrastructure

Schedule of Capital Expenditure

For the Year Ended 30 June 2006

Actual 2005		Actual 2006	Budget 2006
\$		\$	\$
119,559	Berlane Road Pond Improvement	0	0
230,383	Condition Survey and Criticality Study	149,019	150,000
0	Furniture and Fittings	890	0
78,982	GIS Data Capture and Validation	142,334	75,000
13,255	Network Upgrade	0	0
38,884	Overland Flow Paths and Hazard Mapping Study	40,250	40,000
0	Pipe Network for Tanah Merah Drive	96,626	50,000
330,513	Pipeline Renewals	170,360	450,000
59,919	Preliminary Scoping Design for future works	55,810	60,000
3,053	Recontour Westholm Way Stormwater	13,376	20,000
0	Stormwater Modelling Tool	6,770	20,000
	Growth Projects		
0	Ardmore/Airfield Study and ICMP - Stage 1	0	20,000
0	Arimu Road Stormwater Upgrade	7,546	540,000
62,603	CBD Stormwater Study	0	80,000
0	CBD Stormwater Upgrade	4,050	400,000
3,300	Chichester Road Pipework	362,667	600,000
42,406	Croskery Catchment Study	0	90,000
0	Drury Catchment Studies and ICMP	0	60,000
7,810	Drury Stormwater Pipe Upgrade	320	0
25,727	Drury Triangle Study and Catchment Management Plan	6,739	20,000
0	Elliot Street Stormwater Quality (CDS Unit)	0	40,000
0	Gatland Road Pipe and Pond Upgrade	0	35,000
0	Greenhaven Quality Pond	0	60,000
0	Hingaia Catchment Management Plan - Karaka Park	0	60,000
4,972	Hingaia Catchment Management Plan - Stage 1a	875	0
0	Hingaia Catchment Management Plan - Stage 1b Study	0	40,000

Stormwater and Environmental Infrastructure Schedule of Capital Expenditure For the Year Ended 30 June 2006

Actual 2005		Actual 2006	Budget 2006
\$		\$	\$
0	Hingaia Central Catchment - Land and Structures	0	1,900,000
0	Integrated Catchment Management Plans	369,994	0
90,058	Longford Park Pond Improvement	21,698	0
0	Old Wairoa Road Sub-catchment Network	0	200,000
2,116,088	Old Wairoa/Artillery Drive Pond	436,171	0
1,663	Papakura Stream Catchment Management Plan	0	55,000
35,960	Piping Watercourse - Old Wairoa Road	58,303	0
880,922	Rangi Road Pond	17,126	0
0	Slippery Creek Debris Barrier	0	100,000
612,604	Spartan Catchment Works	225,967	0
0	Takanini North Catchment Works	0	200,000
0	Takanini South Sub-catchment Network	0	200,000
35,339	Waimana Reserve-Takanini Road Trunk Line	121,450	4,500,000
30,000	Water Quality Improvement	0	250,000
306,498	Wellington Park Pond	0	0
47,531	Loan Repayments	35,748	0
72,844	Internal Loan Repaid	270,015	92,000
35,359	Transfer to Loan Repayment Reserve	71,940	72,000
5,286,232	Total Capital Expenditure	2,686,044	10,479,000

Stormwater and Environmental Infrastructure

Schedule of Capital Expenditure

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
	Funded by			
42,004	Rates Revenue	12	890	0
150,000	Cost Recovery		0	0
1,676,643	Subsidy		863,619	633,750
0	Assets Vested in Council		0	1,900,000
455,896	Depreciation		626,364	798,110
460,000	Contribution Reserve		420,072	0
69,730	Transfer from Reserves		775,099	0
0	Borrowing from Reserves		0	252,560
2,346,553	Loans Raised		0	6,894,580
85,406	Loans Raised in Prior Years		0	0
5,286,232	Total Funding		2,686,044	10,479,000

Note: Non-funded depreciation arises where the depreciation charge exceeds that provided for in the Annual Plan. In this activity the non-funded depreciation is part of the overhead charge allocated from other areas in Council, and from the Stormwater and Environmental Infrastructure activity.

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.

Waste Management and Minimisation

Description

The efficient and sustainable collection and disposal of refuse is a growing issue both in New Zealand and internationally. Council operates a refuse collection and disposal service throughout the District and is also working to minimise the amount of waste generated through food waste, recycling and education initiatives.

Outcomes

The refuse collection and disposal activity primarily contributes to the environmental and social wellbeing of the District.

The performance measures for this activity are set out below.

Environmental Wellbeing

Measure	Target	Other Wellbeings Measured	Source	Result
Percentage of tonnage of household waste that's recycled	28%		Council Records	29.8%
Total number of schools with an on-site worm farm	16		Council Records	16
Percentage reduction in quantity of illegally dumped rubbish	10% reduction		Council Records	Data unavailable *Refer note
Percentage reduction of household refuse per Uniform Annual Refuse Charge	3%		Council Records	2.8 % increase (pop'n basis)

Social Wellbeing

Percentage of residents satisfied with waste management services	78%	Environmental	Survey of residents	✓ 81% - 4% × 15%
------------------------------------------------------------------	-----	---------------	---------------------	------------------------

Note: Achievement of operational and capital works project completion targets are impacted by various external factors including; timing of plan changes, obtaining resource consents, negotiations with land owners and contributions for developer funded projects. In addition, some performance measures were unable to be assessed during the year. Performance Measures have been reviewed during the consultation process for the 2006-16 Long-term Council Community Plan and a revised set of measures will be presented in future reports.

Waste Management and Minimisation

Statement of Cost of Services

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
Cost of Services				
1,454,858	Collection		1,655,333	1,684,000
177,314	Tip Maintenance		138,468	142,000
550,768	Other Operations		603,965	673,136
(125,587)	Movement in Assessed Future Costs of Tip Aftercare		(443,282)	(82,972)
102,655	Interest on Time Value of Money Adjustment for Tip Aftercare		64,477	70,918
20,728	Interest		19,869	20,000
2,180,736	Total Gross Cost of Services		2,038,830	2,507,082
Funded by				
318,068	Rates Revenue	12	155,174	313,216
1,862,668	Refuse Rates	12	2,256,595	2,205,920
0	Cost Recoveries		250	0
(725)	Transfer to Reserves		(580)	(580)
725	Transfer within Equity		580	(11,474)
0	Non-funded Time Value of Money Adjustment		(378,805)	0
2,180,736	Total Funding		2,033,214	2,507,082
0	Plus Non-funded Depreciation (refer note below)		5,616	0
2,180,736	Total Funding		2,038,830	2,507,082

Waste Management and Minimisation

Schedule of Capital Expenditure

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
1,547	Equipment		0	0
10,711	Loan Principal Repayments		39,338	76,000
15,126	Transfer to Loan Repayment Reserves		14,992	14,420
27,384	Total Capital Expenditure		54,330	90,420
	Funded by			
16,673	Rates Revenue	12	14,992	14,420
10,711	Transfer from Reserves		39,338	76,000
27,384	Total Funding		54,330	90,420

Note: Non-funded depreciation arises where the depreciation charge exceeds that provided for in the Annual Plan. In this activity the non-funded depreciation is part of the overhead charge allocated from other areas in Council.

Negative Effects

The generation of waste and its disposal to landfill has significant 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.

Recreation and Community Services

Description

Provision of recreational and community facilities is a core function for many Councils. In Papakura the key areas in this activity are reserves, the aquatic centre, community halls, library and community facilities, housing for the elderly and the Citizens Advice Bureau.

Outcomes

The recreation and community services activities primarily contribute to the outcomes that support social wellbeing of the District.

The performance measures for this activity are set out below.

Social Wellbeing

Measure	Target	Other Wellbeings Measured		Source	Result
		✓ Agree/Satisfied	× Disagree/Dissatisfied		
Number of library books borrowed per 1,000 population	7,250			Library Records	7,044
Library users are representative of demographics of district				Survey of users	Results below...
				Census <u>2001</u>	Library Users <u>2006</u>
	Gender	Male	49%		27%
		Female	51%		73%
	Ethnicity	European	74%		75%
		Maori	24%		12%
		Pacific	8%		3%
		Asian	6%		6%
	Age	0-14	25%		13%
		15-29	21%		14%
		30-59	40%		39%
		60+	13%		34%
Percentage of residents satisfied with the library service	75%			Survey of residents	✓ 79% - 16% × 5%
Percentage of residents that use the aquatic centre	Baseline to be set			Survey of residents	51%
Percentage of local schools visiting the aquatic centre	100%			Aquatic Centre records	100%
Percentage of aquatic centre users satisfied with the service	75%			Aquatic Centre records	100%
Percentage of aquatic centre users from outside of the district	Baseline to be set			Aquatic Centre records	26% (2004)
Number of official community events in the town centre	Baseline to be set	Cultural		Council Records	8
Percentage of tenants of Council owned housing satisfied with tenancy services	Baseline to be set			Survey of tenants	Not surveyed *Refer note
Number of hectares of grassed playing fields per 1,000 population	0.5ha			Council Records	1.0ha

Measure	Target	Other Wellbeings Measured		Source	Result
		✓ Agree/Satisfied	* Disagree/Dissatisfied		
Percentage of population using a playing field during the year	Baseline to be set			Survey of residents	55%
Number of hectares of hard court areas per 1,000 population	0.07ha			Council Records	0.07ha
Percentage of population using a court area during the year	Baseline to be set			Survey of residents	26%
Percentage of population using a scenic open space during the year	Baseline to be set	Environmental		Survey of residents	67%
Percentage of residents satisfied with facilities on parks (playgrounds, toilets etc)	Baseline to be set			Survey of residents	✓ 46% - 16% * 38%
Commence land acquisition/disposal in line with Open Spaces Strategy	N/A	Environmental		Council Records	Specific acquisition strategy adopted by Council.
Percentage of residents that are satisfied with the amount of open space in the District	Baseline to be set	Environmental		Survey of residents	✓ 83% - 10% * 7%
Percentage of residents that believe there are sufficient things for young people to do in the District	Baseline to be set	Cultural		Survey of residents	✓ 37% - 0% * 63%
Environmental Wellbeing					
Number of hectares of scenic open space per 1,000 population	0.86ha	Social		Council Records	Not measured *Refer note
Cultural Wellbeing					
Percentage of residents that use cultural facilities (Hawkins Centre, Art Gallery, Arts Centre, Museum etc)	Baseline to be set	Economic Social		Survey of residents	34%

Council provides a number of facilities to community groups or clubs throughout the District either free or at a nominal charge. A summary of these is as follows

Facility	Community Use
15 Council Buildings	3 Arts Groups, 11 Health and Welfare Groups, 3 Recreation Groups
31 Parks and Reserves	5 Playcentres and Kindergartens, 3 Kohanga Reo, 14 Clubs and Associations, 20 Sports Clubs
4 Community Halls	3 Childrens Groups, 10 Recreation and Sports Clubs, 2 Community Associations

Note: Achievement of operational and capital works project completion targets are impacted by various external factors including; timing of plan changes, obtaining resource consents, negotiations with land owners and contributions for developer funded projects. In addition, some performance measures were unable to be assessed during the year. Performance Measures have been reviewed during the consultation process for the 2006-16 Long-term Council Community Plan and a revised set of measures will be presented in future reports.

Recreation and Community Services

Statement of Cost of Services

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
	Cost of Services			
1,723,744	Reserves		2,041,994	2,095,588
201,600	Reserve Interest Charges		197,545	286,000
1,115,846	Aquatic Centre		1,146,267	1,297,795
0	Aquatic Centre Interest Charges		0	0
354,075	Community Halls		381,749	524,406
248	Community Halls Interest Charges		484	1,000
70,823	Conveniences		86,020	121,806
0	Conveniences Interest Charges		0	5,000
1,212,913	Library and Community Facilities		1,316,064	1,463,313
3,984	Library and Community Facilities Interest Charges		3,665	4,200
135,692	Cemetery		166,263	160,381
11,524	Cemetery Interest Charges		19,111	13,000
237,022	Housing for the Elderly		256,244	271,940
52	Housing for the Elderly Interest Charges		2	16
62,914	Citizens Advice Bureau		63,957	75,853
204,019	Other Community Services		393,162	386,245
148,267	Loss on disposal of Assets		26,057	0
(18,876)	Less Internal Interest Charges		(17,363)	(9,000)
5,463,847	Total Gross Cost of Services		6,081,221	6,697,543

Recreation and Community Services Statement of Cost of Services For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
	Funded by			
4,337,078	Rates Revenue	12	4,936,463	5,538,861
8,493	Reserve Rentals		6,448	7,510
3,280	Community Hall Rentals		10,840	9,000
46,195	Library Charges		53,763	50,100
74,768	Cemetery Revenue		122,935	91,327
222,257	Rental from Housing for the Elderly		244,747	227,557
0	General Revenue		2,139	0
57,778	Grants		59,884	60,000
(137,600)	Transfer within Activities		(137,600)	(137,600)
67,934	Transfer from Reserve Funds		71,802	132,000
(82,098)	Transfer to Reserve Funds		(90,720)	(58,010)
22,509	Transfer within Equity		22,509	22,510
4,620,594	Total Funding		5,303,210	5,943,255
115,732	Housing for the Elderly (Surplus)/Deficit for the Year		34,160	288
727,521	Plus Non-funded Depreciation (refer note below)		743,851	754,000
5,463,847			6,081,221	6,697,543

Recreation and Community Services

Schedule of Capital Expenditure

For the Year Ended 30 June 2006

Actual 2005	Note	Actual 2006	Budget 2006
\$		\$	\$
Reserves			
9,322	Playground Development	108,466	81,000
30,890	Foreshore Access	21,974	30,000
0	Elsie Morton Cottage	0	35,000
1,843	Fencing etc Slippery/Hingaia	400	0
0	Massey Park Stadium Upgrade	25,169	0
0	Fencing Prince Edward Park	19,411	20,000
0	Tree Strategy	0	50,000
Aquatic Centre			
0	Wheelchair for Pool Access	2,200	2,500
21,311	Plant and Equipment	85,809	0
Community Halls			
18,145	Hawkins Centre Equipment	83,348	4,000
0	Hall Upgrades	112,344	0
Conveniences			
0	Renewal Programme	7,973	120,000
Cemetery			
113,593	Cemetery Development	3,295	0
47,703	Ashes Wall	0	0
49,642	Gatland Road Cemetery	0	0
Citizens Advice Bureau			
2,897	Furniture and Equipment	2,043	0
Library			
0	Computer Equipment	1,502	0
2,603	Furniture and Equipment	3,722	26,000
172,116	Library Books	176,675	191,000
Community Services			
0	Graffiti Prevention Strategy - Target Hardening	20,017	40,000
0	Furniture and Equipment	234	0
Growth Projects			
0	Footpaths/Cycleways linking Green Space	0	126,000
0	Revitalisation Central Park	206,949	200,00

Recreation and Community Services

Schedule of Capital Expenditure

For the Year Ended 30 June 2006

Actual 2005	Note	Actual 2006	Budget 2006
\$		\$	\$
12,003	Sportsfields – Land Acquisition/Development	34,287	0
0	Town Centre Landmarks	0	40,000
551	Neighbourhood Reserves	0	2,081,254
46,703	Improve Amenities in all Parks	24,287	56,000
41,689	Loan Principal Repayments	124,538	161,930
24,402	Internal Loan Repaid	25,276	24,000
0	Transfer to Reserves	0	514,167
77,872	Transfer to Loan Repayment Reserve	153,641	153,000
673,285	Total Capital Expenditure	1,243,560	3,955,851
Funded by			
159,427	Rates Revenue	533,230	290,000
168,634	Depreciation	144,000	144,000
1,813	Rental from Housing for the Elderly	930	930
29,673	Cost Recoveries	0	0
12,003	Contribution Reserve	35,937	1,367,421
0	Donation	125,000	0
0	Vested Assets	0	1,685,000
174,803	Transfer from Reserves	334,903	342,000
126,932	Loan Raised	0	126,500
0	Internal Loan Raised	69,560	0
673,285	Total Funding	1,243,560	3,955,851

Note: Non-funded depreciation arises where the depreciation charge exceeds that provided for in the Annual Plan. In this activity the non-funded depreciation arises from council policy of not funding depreciation on recreational assets in accordance with Council's Recreational Asset Maintenance Programme which ensures all assets are adequately maintained. From 1 July 2006 this policy has been discontinued and depreciation of these assets has been funded since that date.

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 consequences of these activities. As this activity has many discretionary elements, (including levels of service provided), 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.

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.

Civil Defence and Emergency Management

Description

Council is required to provide an effective Civil Defence and Emergency Management capability for the District as part of a regional system of defence in terms of the Civil Defence Emergency Management Act 2002. As part of this activity, Council is also responsible for the suppression of rural fires in the Papakura District. This function is contracted to the New Zealand Fire Service.

Outcomes

This activity primarily contributes to the social wellbeing of the District.

Civil Defence and Emergency Management

Statement of Cost of Services

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
Cost of Services				
75,099	Civil Defence Training and Education		104,425	105,080
2,377	Interest		3,016	3,000
30,000	Rural Fire		32,500	30,000
(200)	Less Internal Interest Charges		(192)	0
107,276	Total Gross Cost of Services		139,749	138,080
Funded by				
103,242	Rates Revenue	12	132,290	135,080
4,034	Subsidy		3,372	3,000
107,276	Total Funding		135,662	138,080
0	Plus Non-funded Depreciation (refer note below)		4,087	0
107,276			139,749	138,080

Civil Defence and Emergency Management Schedule of Capital Expenditure For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
9,368	Civil Defence Equipment		1,952	5,000
0	CDEMG Software		25,800	31,000
0	Loan Principal Repayments		2,522	5,000
148	Internal Loan Principal Repayments		135	0
1,537	Transfer to Loan Repayment Reserve		1,726	2,000
11,053	Total Capital Expenditure		32,135	43,000
	Funded by			
1,685	Rates Revenue	12	1,861	2,000
0	Transfer from Reserves		2,522	5,000
9,368	Loan Raised		0	36,000
0	Internal Loan Raised		27,752	0
11,053	Total Funding		32,135	43,000

Note: Non-funded depreciation arises where the depreciation charge exceeds that provided for in the Annual Plan. In this activity the non-funded depreciation is part of the overhead charge allocated from other areas in Council, and from the Civil Defence and Emergency Management activity.

Housing and Property

Description

The activities of Council covered by this area of operations are the management and maintenance of all other Council assets.

Outcomes

The housing and property activities support all outcomes.

Housing and Property

Statement of Cost of Services

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
	Cost of Services			
41,867	Housing		52,122	49,190
116,046	General Property		204,920	158,541
157,913	Total Gross Cost of Services		257,042	207,731
	Funded by			
77,707	Rates Revenue	12	121,295	93,175
28,878	Housing Rentals		22,801	19,000
45,293	Other Property Rentals		53,379	48,800
71,111	Gain on Sale of Assets		98,533	200,000
(16,504)	Transfer to Reserve Funds		(13,419)	(13,560)
(71,111)	Transfer to Other Funds		0	(200,000)
4,975	Transfer within Equity Accounts		4,975	6,000
140,349	Total Funding		287,564	153,415
1,681	Housing (Surplus)/Deficit for Year		(2,803)	1,730
15,883	General Property (Surplus)/Deficit for Year		(28,354)	52,586
0	Plus Non-funded Depreciation		635	0
157,913			257,042	207,731

Schedule of Capital Expenditure

For the Year Ended 30 June 2006

Actual 2005		Note	Actual 2006	Budget 2006
\$			\$	\$
6,250	Purchase Freehold Property		6,250	0
6,250	Total Capital Expenditure		6,250	0
	Funded by			
6,250	Rentals		6,250	0
6,250	Total Funding		6,250	0

POLICY REPORTS

Long-Term Council Community Plan

This section of the Annual Report provides a comparison between the financial results for the year, and the relevant year in Council's Long-term Council Community Plan (LTCCP) for 2004-2014. The reasons for any significant variances are provided below.

COMPARISON OF THE STATEMENT OF FINANCIAL PERFORMANCE WITH THE LONG-TERM COUNCIL COMMUNITY PLAN FOR THE YEAR ENDED 30 JUNE 2006

	Notes	Actual 2005/06 \$	LTCCP 2005/06 \$	Difference \$
Total Gross Cost of Services of Activities	1	25,723,616	25,011,052	(712,564)
OTHER COSTS				
Museum and MOTAT Levies	2	603,970	518,076	(85,894)
Grants		143,398	135,625	(7,773)
TOTAL OPERATING COSTS		26,470,984	25,664,753	(806,231)
REVENUE				
Rates Revenue	3	21,031,406	18,624,755	(2,406,651)
Charges for Services	4	3,109,874	2,219,945	(889,929)
Government Grants/Subsidies/Sponsorships	5	4,233,737	3,669,669	(564,068)
Investment Income	6	980,394	463,543	(516,851)
Petroleum Tax		172,288	130,000	(42,288)
Capital and Development Contributions	7	3,481,133	1,645,186	(1,835,947)
Miscellaneous Income		146,967	0	(146,967)
Gain on Sale of Property	8	98,533	200,000	101,467
Assets Vested in Council	9	4,353,912	8,641,209	4,287,297
TOTAL REVENUE		37,608,244	35,594,307	(2,013,937)
NET SURPLUS/(DEFICIT) FOR YEAR		11,137,260	9,929,554	(1,207,706)

Notes

1. Total Gross Cost of Activities

There have been increases in a number of operating costs in some activities from those anticipated in the LTCCP. These include costs arising to plan for and implement the expected high levels of growth in the District, increases in policy development and the provision of information to residents and ratepayers.

2. Museum and MOTAT Levies

The LTCCP included the Museum and MOTAT levies at expected 2004/05 levels. The difference reflects the increases in charges since that time.

3. Rates Revenue

The more significant items contributing to the increase in rate revenue over that anticipated in the LTCCP are the increase in operating activities as outlined above, and setting the rates at the required levels by discontinuing the application of Transfund Subsidies received for capital works being applied to offset the rates. As a result the level of borrowing required for the year has been reduced.

4. Charges for Services

The main components of the increase are an increase in the volume of services provided by the regulatory services and recreation and community services areas from those anticipated in the LTCCP.

5. Government Grants/Subsidies/Sponsorships

The increase arises from a higher level of subsidisable projects being undertaken than anticipated in the LTCCP. A significant portion of the increase is due to changes in the planned timing of the work undertaken rather than the introduction of new projects.

6. Investment Income

The increase in revenue over the LTCCP is largely due to increased interest rates and a delay in a number of capital works projects resulting in a higher level of funds invested than anticipated.

7. Capital and Development Contributions

Capital contributions in the LTCCP were based on an assessment of the timing of growth and the resulting collection of contributions from developers over a ten year period. The actual timing of this work is outside the control of Council and where differences in timing do occur this is reflected in the income from contributions.

8. Gain on Sale of Property

The LTCCP includes the sale of vacant sections in Coles Crescent. The sales have been delayed and a number of possible options for the properties are still under consideration by Council.

9. Assets Vested in Council

The LTCCP includes capital works constructed by developers and vested in Council upon completion. In some cases the developments giving rise to the construction of the assets have been delayed and therefore the vesting of the assets will now occur in later years.

FUNDING POLICY : Comparison with Actual Funding for the Year Ended 30 June 2006

	Rates			UAGC			Fees/Charges			Subsidies			CBD Rate			Refuse		
	Policy	AP	Actual	Policy	AP	Actual	Policy	AP	Actual	Policy	AP	Actual	Policy	AP	Actual	Policy	AP	Actual
	Democracy and the Community				100%	99%	99%	1%	1%	1%								
Economic Development	79%	58%	62%				11%	13%	6%	11%	20%	19%						
Regulatory Services																		
Resource Management and Planning	82%	75%	75%				18%	25%	25%									
Environmental Health Services	99%	71%	67%				1%	29%	33%									
Building Control	55%						45%	100%	100%									
Parking Enforcement	42%	10%	12%				58%	90%	88%									
Animal Control	19%	22%	19%				81%	78%	81%									
Transportation and Roading	69%	83%	81%				1%	1%	18%	31%	16%	18%						
Stormwater and Environmental Infrastructure	100%	100%	100%															
Waste Management and Minimisation		14%	6%												100%	86%	94%	
Recreation and Community Services																		
Reserves		62%	45%	99%	38%	55%	1%											
Aquatic Centre	88%	100%	100%				12%											
Community Halls	97%	98%	97%				3%	2%	3%									
Cemetery	43%	43%	24%				57%	57%	76%									
Housing for the Elderly	13%	16%	4%				87%	84%	96%									
Library Services	90%	96%	95%				10%	4%	5%									
Civil Defence and Emergency Management	98%	98%	98%							2%	2%	2%						

UAGC = Uniform Annual General Charge

CBD = Central Business District

AP – Annual Plan

The table opposite compares the percentage of total operating funding from each source, with the actual funding achieved for the year. The following comments relate to the comparison made for each of these significant areas of Council operation.

- **Democracy and the Community**

Actual funding has not altered significantly from the funding policy and annual plan.

- **Economic Development**

Actual funding has not altered significantly from the annual plan. The funding policy did not include an estimate of revenue to be received from fees or subsidies therefore actual funding differs from the policy by the amount of this income.

- **Resource Management and Planning**

Actual funding has not altered significantly from the funding policy and annual plan.

- **Environmental Health**

Actual funding has not altered significantly from the annual plan. The Council decision that from 1 July 2002 this service would be provided by Council staff rather than by a contractor has resulted in a significant change in funding from that in the funding policy adopted in 2001.

- **Building Control**

Actual funding has not altered significantly from the annual plan. The Council decision that from 1 July 2002 this service would be provided by Council staff rather than by a contractor has resulted in a significant change in funding from that in the funding policy adopted in 2001.

- **Parking Enforcement**

Actual funding has not altered significantly from the annual plan. Parking Infringement income has increased from that anticipated in the policy which has resulted in a decrease in the level of funding required from General Rates.

- **Animal Control**

Actual funding has not altered significantly from the funding policy and annual plan.

- **Transportation and Roothing**

Actual funding has not altered significantly from the annual plan. The change from the policy is due to a change in the allocation of the Transfund New Zealand subsidy received. The policy applied all funding received to operating costs therefore reducing the rate requirement. The current policy applies the portion of the subsidy relating to capital works as capital funding thereby reducing the portion of operating expenditure covered by subsidies.

- **Stormwater and Environmental Infrastructure**

Actual funding has not altered significantly from the funding policy and annual plan.

- **Waste Management and Minimisation**

Actual funding has not altered significantly from the annual plan. The funding policy however, provided for refuse costs to be met from the refuse uniform annual charge and user charges. Following public consultation the funding for the activity was altered to increase the uniform annual charge and to meet the balance of costs from rates.

- **Reserves**

The UAGC is used to meet the costs of the Democracy in the Community activity with the balance remaining applied to meet reserves costs. Increases in costs in the Democracy and the Community activity has reduced the amount of UAGC available to the reserves activity from that anticipated the policy, while a decrease in the actual costs in that activity this year from those in the annual plan have increased the percentage of reserves costs met from the UAGC compared to the annual plan.

- **Aquatic Centre**

Since the policy was adopted, a change in the aquatic centre management contract resulted in the overall cost to Council of operating the aquatic centre decreasing from that anticipated in the policy. However under the terms of the changed contract Council no longer receives the admission fee revenue and therefore the percentage of total costs met from rates has increased to 100%.

- **Community Halls**

Actual funding has not altered significantly from the funding policy and annual plan.

- **Cemetery**

Actual funding from charges has increased over that anticipated and has resulted in a decrease in the level of funding required from rates.

- **Housing for the Elderly**

Actual funding from charges has increased over that anticipated and has resulted in a decrease in the level of funding required from rates.

- **Library Services**

Actual funding has not altered significantly from the funding policy and annual plan.

- **Civil Defence and Emergency Management**

Actual funding has not altered significantly from the funding policy and annual plan.

TREASURY MANAGEMENT POLICIES

Council adopted its Treasury Management Policy for the 2005/06 financial year in June 2004. The policy combines Council's Investment Policy and Liability Management Policy, and sets a number of criteria for the management of its treasury activities. Actual results as compared to these criteria are shown below.

	2006	Budget	Policy
Gross interest as a percentage of rates income*	4.4%	4.1%	Maximum 10%
Total external debt per rateable property**	\$726	\$1,800	Maximum \$1,300
Number of times net cash inflow from operating activities exceeds annual interest expense	10.0	7.0	Minimum 2
Ratio of current assets to current liabilities (exclusive of the current portion of term debt)	2.2:1	1.2:1	Minimum 1.5:1
Percentage of total debt subject to refinancing in any year	25%	30%	Maximum 33%

Note:

* Interest is net of interest on Finance Leases and Time Value of money provided for Landfill Aftercare

** External debt is net of funds held in the loan repayment reserve.

Statement of Resources

For the Year Ended 30 June 2006

Area	126 sq km
Population	43,000

Infrastructure

Roading	
Urban Roads	173 km
Sealed Rural Roads	107 km
Unsealed Rural Roads	3.4 km

Stormwater	
Pipe Lengths	183 km
Quality Treatment Ponds and Wetlands	12
Manholes	3,824
Lined Open Channels	3 km

Water Supply	
Reticulation Mains	330 km
Service Leads and Meters	14,606
Water Pumpstation	1
Water Storage Reservoir	1
Water Hydrants	1,601
Water Supply Valves	2,640

Wastewater	
Pipe Lengths	240 km
Pumpstations	30
Treatment and Disposal Plant	1
Manholes	4,225

Statement of Resources (continued)

Community Amenities

Libraries	2
Community Halls/Centres	7
Housing for the Elderly Flats	72
Residential Houses	2
Community Houses	7
Theatre and Conference Centre	1
Neighbourhood Parks	48
Sportsfields	28
Changing Rooms	7
Childrens Play Areas	33
Public Toilets	7
All Weather Track and Grandstand	1
Aquatic Centre (Indoor heated pool and outdoor pools)	1
Cemetery	2
Museum	1
Art Gallery and Art Centres	3

Refuse Collection and Disposal

Serviced Properties	Over 16,000
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Statement of Resources (continued)

Senior Management

Chief Executive Officer	Theresa Stratton
Director - Community Services	Jaime Dyhrberg
Director - Economic Development	Teresa Turner
Director - Financial and Corporate Services	Victoria Villaraza
Director - Policy and Democracy Services	Joy Hames
Director - Regulatory Services	Graeme McCarrison
Director - Works and Services	David Cox

Employees (Full time equivalents as at 30 June 2006)

Economic Development	4
Executive Services	2
Policy and Democracy	3
Finance and Customer Services	17
Management Information Systems	5.25
Regulatory Services	2.5
Project Planning	5
Resource Management	8
Health and Building	8
Works and Services	7
Roading	2
Road Safety	1
Stormwater	2
Waste Management	2
Community Services	7
Library	10
Citizens Advice Bureau	1
Neighbourhood Support	1