

**REPORT 9**  
(1215/52/IM)

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## **DRAFT 2009-19 LONG-TERM PLAN FOR RECOMMENDATION TO COUNCIL**

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### **1. Purpose of Report**

The purpose of the report is to recommend to Council the adoption of the 2009-19 draft long-term plan for consultation.

This report includes the following attachments:

- Funding and Borrowing Statements (appendix 1)
- Financial Statements (appendix 2)
- Statement of Significant Accounting Policies (appendix 3)
- Significant Forecasting Assumptions (appendix 4)

**Note that the contents of this report are preliminary – they are subject to change as a result of presentations and decisions at this meeting, and final audit review and clearance.**

### **2. Recommendations**

Officers recommend that Committee:

1. *Receive the information.*
2. *Recommend that Council agrees that the inflation adjusted Funding and Borrowing Statements and Financial Statements as detailed in appendix 1 and 2 be included in the 2009-19 draft long-term plan (noting that any changes arising as part of these deliberations will be incorporated into the final statements presented to Council).*
3. *Recommend that Council agrees that having due regard to the requirements of section 100 of the Local Government Act 2002, the Council's forecasting assumptions and the Revenue and Financing Policy it is financially prudent not to set a level of operating revenue that meets the projected operating expenses of Council.*
4. *Recommend that Council agrees that for 2009/10 it is financially prudent to forecast a surplus of \$22.950m, comprising:*
  - a) *Unfunded depreciation on the following assets:*
    - i. *Clearwater Sewerage Treatment Plant (\$2.768m)*
    - ii. *Living Earth Joint Venture Plant (\$0.197m)*
    - iii. *Transport Assets (\$7.521m)*

- b) *Revenue received for capital purposes:*
  - i. *NZTA capital subsidies (\$13.767m)*
  - ii. *Housing capital grant and ring-fenced surplus (\$14.328m)*
  - iii. *Development contributions (\$4.398m)*
  - iv. *Bequests, trust and other external funding (\$0.345m)*
- c) *Self Insurance Reserve (\$0.5m)*
- d) *Unrealised fair value adjustment for loans and receivables (\$0.098m)*
- 5. *Recommend that Council agrees to the Statement on Significant Accounting Policies for inclusion in the draft long-term plan as outlined in appendix 3.*
- 6. *Recommend that Council agrees to the Statement on Significant Forecasting Assumptions for inclusion in the draft long-term plan as outlined in appendix 4.*
- 7. *Recommend that officers prepare the draft long-term plan 2009-19 statement of proposal.*
- 8. *Recommend that Council notes that the statement of proposal and summary will form the basis of the special consultative procedure on the 2009-19 draft long-term plan and that consultation will run from 16 April 2009 to 16 May 2009.*

#### **4. Background**

The Council is required to adopt a long-term plan by 30 June 2009. The special consultative procedure must be used to adopt the long-term plan.

In accordance with the Local Government Act 2002, the draft LTCCP is subject to audit. This process is currently underway, and Audit New Zealand anticipates providing the audit opinion to the Council meeting on 26 March 2009.

The formal consultation period is scheduled to run for one month in keeping with the requirements of the Local Government Act 2002. It is set to run from Thursday 16 April 2008 until Monday 18 May 2009. This will be followed by public hearings, which are scheduled for late May 2009.

This report is subject to change based on decisions on other reports on this agenda and the completion of the audit review. Officers will present the revised statements to Council as part of the statement of proposal.

This report contains the following:

### *Funding and Financial Statements*

The Funding and Financial Statements are presented in appendix 1 and 2. These statements are subject to change as a result of the decisions of this Committee.

### *Statement of Significant Accounting Policies and Significant Assumptions*

The Statement of Significant Accounting Policies forms the basis for the Council's financial statements. This Statement has been updated to reflect applicable changes to generally accepted accounting practice in New Zealand, where applicable. The assumptions have underpinned the development of the draft plan. These are outlined in appendix three and four.

## **5. Conclusion**

This report provides for the recommendation of the 2009-19 draft long-term plan to Council.

Contact Officers:

*Brian Hannah – Principal Adviser (Planning, Performance and Research)*

*Helen Rogers – Financial Controller*

***Appendix One***  
***Funding and Borrowing Statements***

***Appendix Two***  
***Financial Statements***

***Appendix Three***  
***Statement of Significant Accounting Policies***

***Appendix Four***  
***Significant Forecasting Assumptions***