

The following table shows how this capital work will be funded for 2008/09

Funding for Capital Expenditure 2008/09

Description	2006/07 Actuals	2007/08 Annual Plan	Ten Yr Plan 2008/09 Plus C/Fwd	2008/09 Annual Plan
<i>\$'s in thousands</i>				
Capital Expenditure	44,741	64,729	59,929	77,875
Less Sale of Surplus Assets	(291)	(929)	(3,870)	(1,302)
Net Capital Expenditure	44,450	63,800	59,059	76,573
Funded By				
Surplus (including Capital Revenue)	3,498	5,468	12,805	3,113
Depreciation	22,566	22,863	24,871	24,337
Vested Assets	(1,872)	(1,740)	(1,790)	(1,790)
Other Non-cash	(2,631)	-	-	-
Reserves	12,058	(12)	(651)	(292)
Sinking Funds	3	-	-	-
Planned cash Reduction		380	670	-
Fund Ex Energy Events Centre	(3,000)	-	-	-
Loans	13,831	36,841	20,154	51,205
Total Funding for Capital	44,452	63,800	56,059	76,573

Lake Water Quality Initiatives

Council is continuing with the programme of constructing sewerage schemes for lakeside communities to help improve the water quality of the district's lakes. Funding has been secured which will ensure that schemes will go ahead.

The Hinemoa Point scheme will be completed early in 2008/09, and work will continue on the Brunswick Park/Rotokawa wastewater scheme. Also there will be an extension of the eastern trunk line linking the new schemes in the eastern area back to Council's wastewater treatment plant.

Rotorua International Airport

Council is continuing with the process to establish trans Tasman flight capability at the Rotorua Airport, with the target to complete by the middle of 2009. Council is also investigating alternative funding sources for this work.

To date the designation change to the District plan to allow the expansion of the runway has been approved. Expansion to both the terminal building and the carpark has been completed. Also extension to the northern end of the runway has been done.

The work programmed for 2008/09 includes:

- Earthworks for extending the southern end of the runway, which will add a further 342 metres to the runway.

- Continuation of purchasing and soundproofing of selected properties affected by the extension to the runway.
- Strengthening work to existing runway

Once this project has been completed it will be a significant asset for the district. It will allow residents to have hassle free trans Tasman flights and also permit tourists to fly directly into Rotorua from Australia which it is anticipated will increase tourist numbers and the length of time that they stay in Rotorua.

Variances to Council's Ten Year Plan for 2008/09

Overall Council is budgeting for a further \$5 million of revenue when compared to what was in the Ten Year Plan for 2008/09. This is a result of slightly more subsidies for lakes sewerage schemes.

Operating expenditure is increased by \$1.6 million when compared to the budget in the Ten Year Plan for 2008/09.

The reasons for this include:

- Increase in staff costs mainly to ensure legislative compliance and events
- Increased landfill costs
- Increase in street cleaning contract
- Increase in rubbish collection area

The total capital expenditure is increased by \$17.9 million mostly because of increased costs for airport development. There is also additional capital expenditure included for Civic building alterations to provide a customer service center, water reticulation improvements, and road widening.

Preparation of Council's next Ten Year Plan 2009-2019

Council will be preparing and consulting on its next Ten Year Plan 2009-2019 during 2008/09. As part of this process Council will be reviewing the community outcomes to ensure that these are still what the community sees as being important. Also Council will be reviewing its levels of service, particularly where the community has previously identified that a change in the level of service is wanted. Finally, as part of this process the plan, including indicative costs and significant Council policies, will be consulted with residents. The Ten Year Plan will then be adopted by Council before 30 June 2009.

Arawa/Tutanekai Streets Intersection Safety Project

Arawa/Tutanekai Street intersection has long had an unacceptable crash rate and again highlighted in the most recent LTNZ publication on sites with a high crash rate. It has been reported to Council a number of times, most recently in August 2002 following comprehensive analysis of options for improvements and on-site trials. Nothing has really changed in that time, with the crash rate remaining at the same level. Council is going to extend the median strip in Arawa Street preventing right turning into or out of Tutanekai Street and straight through traffic in Tutanekai Street to mitigate the crash rate.

Changes to draft Annual Plan following consideration of submissions

The following changes have been incorporated into the Annual Plan following the deliberations by the Finance committee on the submissions made to Council's draft Annual Plan:

- Inclusion of staff submission for carry forwards and corrections. Net change +\$4,703,160
- Traffic calming measures at Meadowbank and Bellingham Crescents +\$50,000
- Playground Equipment at Fordlands +\$20,000
- Youth Centre Acquisition (Net) +\$500,000
- Haumoana Reserve fence +\$5,000
- Mamaku Domain Upgrade +\$20,000
- 10% reduction in urban water targeted rate (offset by increased borrowing)
- 10% reduction in urban wastewater targeted rate (offset by increased borrowing)
- Reduced grants for Rotorua Airport (from Environment BOP and other) \$18.6 million

ELECTED MEMBERS



Standing (left to right): Cr Janet Wepa, Cr Maggie Bentley, Cr Dave Donaldson, Cr Mike McVicker, Cr Karen Hunt, Cr Glenys Searancke, Peter Guerin (Chief Executive), Cr Charles Sturt, Cr Bob Martin
 Seated (left to right): Cr Geoff Kenny, Cr Julie Calnan, Mayor Kevin Winters, Cr Maureen Waaka, Deputy Mayor Trevor Maxwell

TE ARAWA STANDING COMMITTEE



Back row (left to right): Hawea Vercoe, Peter Guerin (Chief Executive), Piki Thomas, Mayor Kevin Winters, Cr Bob Martin, Mauriora Kingi (Director Kaupapa Maori), Deputy Mayor Trevor Maxwell.
 Front row (left to right): Bella Tait (Iwi Research Officer), Jim Gray, Rene Mitchell, Piwiki Heke. Absent: Toby Curtis

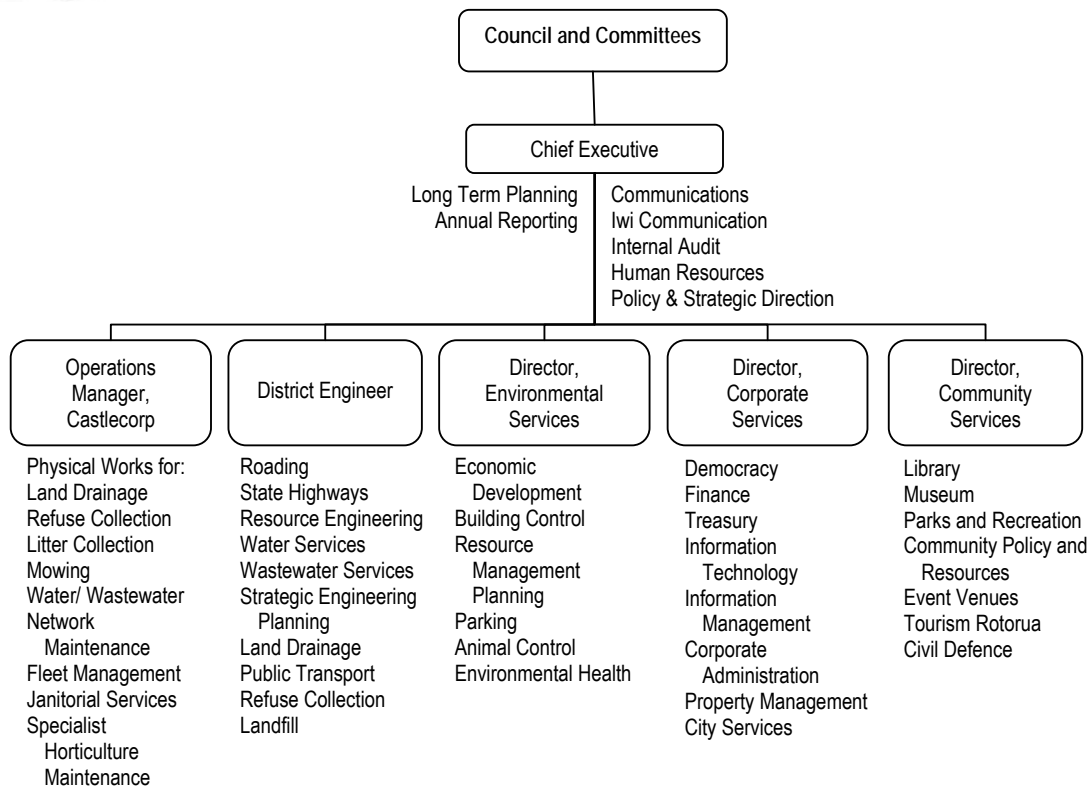
For up to date information on Governance, check the 'About Your Council' document available from Council or on our website www.rdc.govt.nz.

ROTORUA LAKES COMMUNITY BOARD



Front row (left to right): Karen Hunt, Brentleigh Bond, Neil Callaghan
 Back row (left to right): Geoff Palmer, Phillip Karauna, Dave Donaldson

MANAGEMENT TEAM



THE PLANNING PROCESS

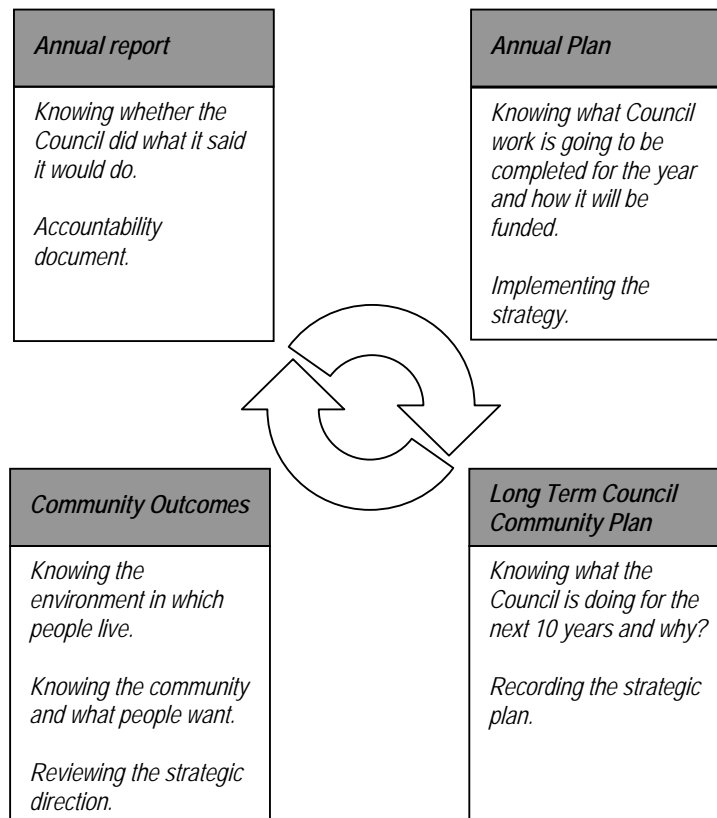
Council's Ten Year Plan details activities and related financial information for a ten year period and is reviewed and updated every three years. In the intervening years when the Ten Year Plan is not reviewed, Council produces a separate Annual Plan with the purpose of:

- Supporting the Long Term Council Community Plan (LTCCP) in providing integrated decision-making and co-ordination of the resources of the local authority.
- Identifying any variances from the funding and financial information in the LTCCP for that year.
- Extending the opportunity for public participation in decision-making processes relating to costs and funding.
- Contributing to the Council's accountability to its community.
- Detailing the annual budget and funding impact statement.

If there are significant changes from the Ten Year Plan, or changes of a particular type, it may be necessary to amend the Ten Year Plan as well as produce an Annual Plan. Such changes could include decisions to:

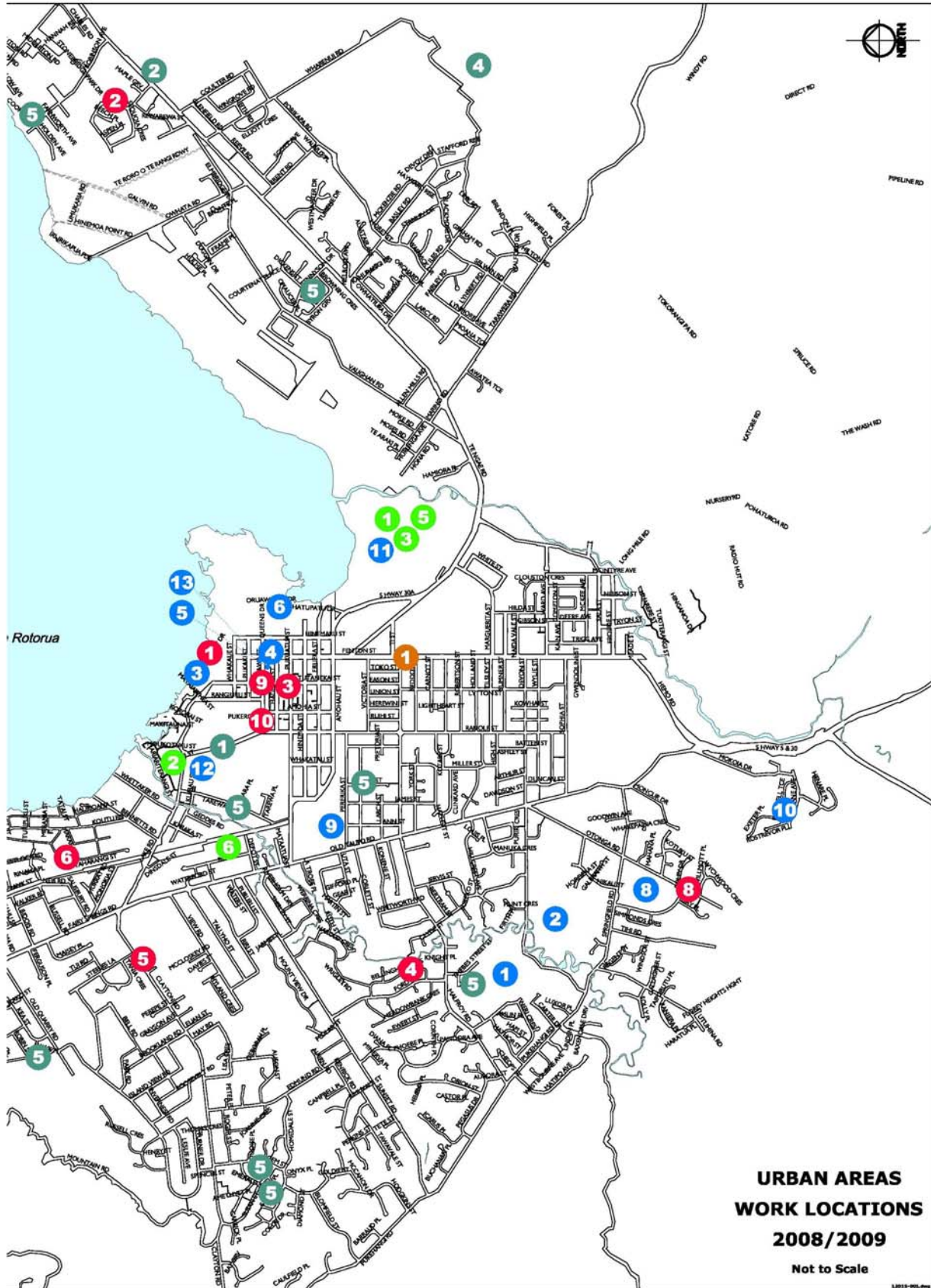
- significantly alter service levels of significant activities
- transfer ownership or control of strategic assets
- construct, replace or abandon strategic assets; or
- that would have a significant direct or indirect impact on either the capacity of a local authority to deliver on an activity or on the cost of undertaking that activity.

This year, Council is proposing several amendments to its Ten Year Plan. These amendments will be consulted on at the same time as the Annual Plan

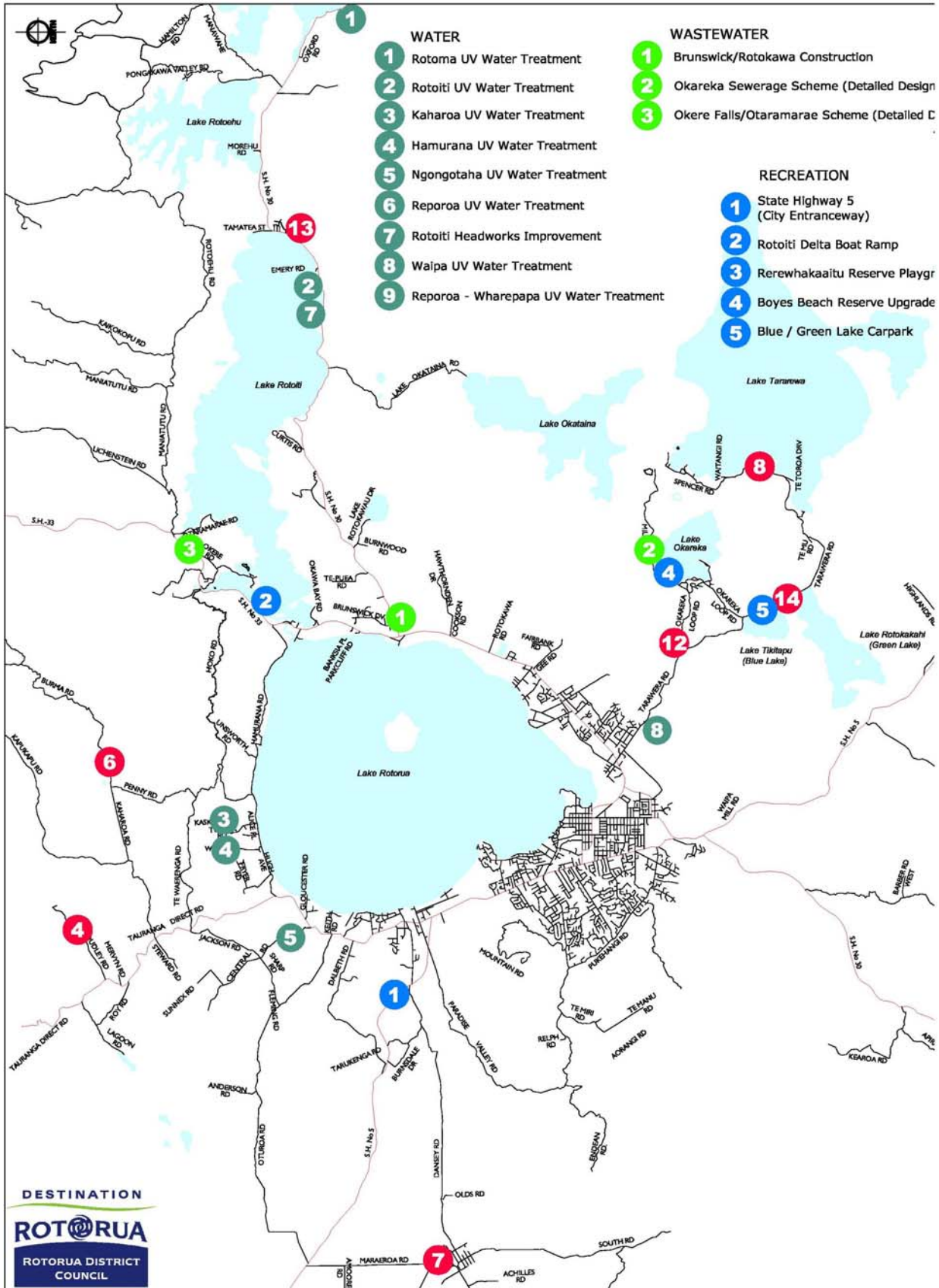


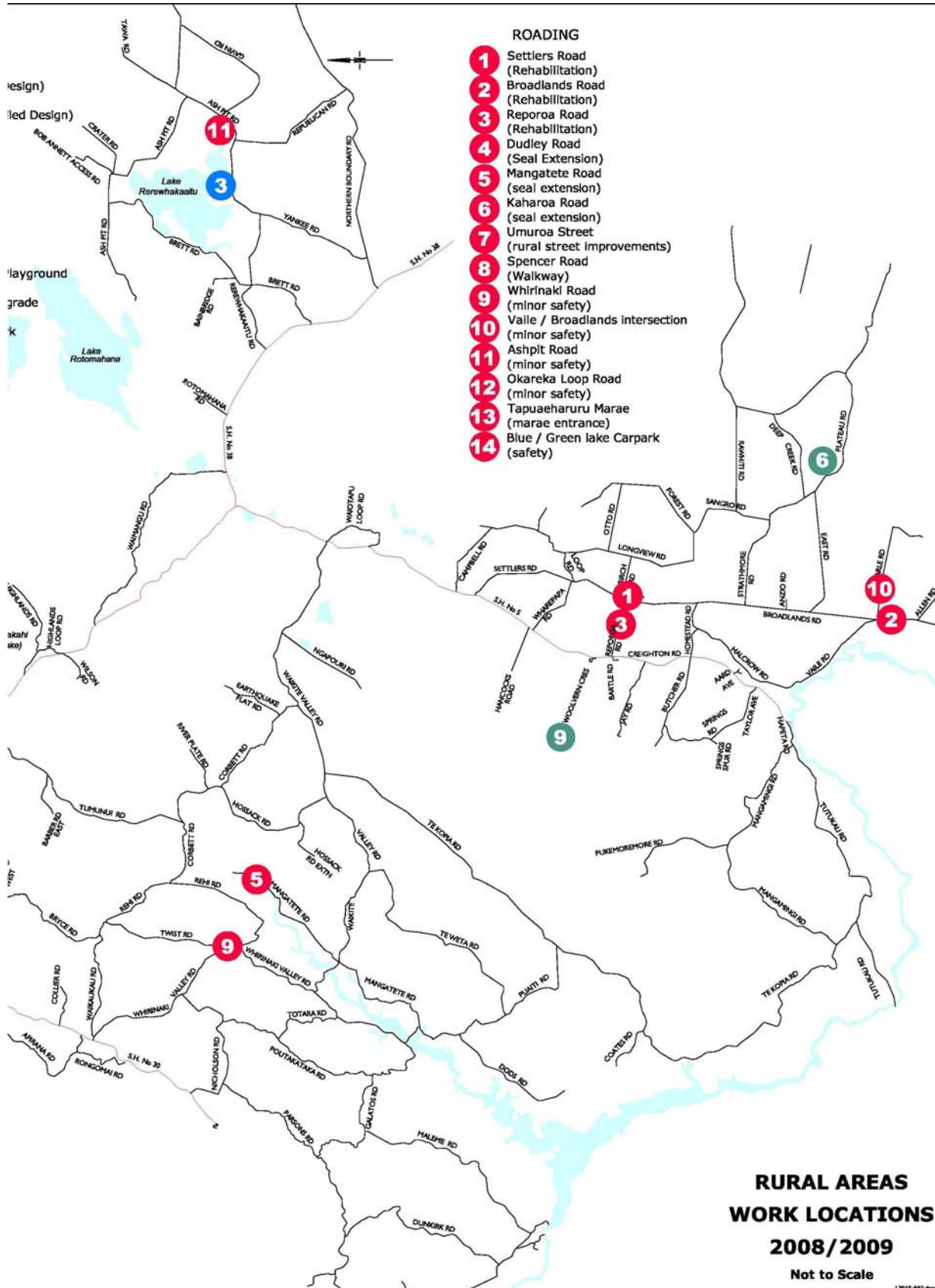
CAPITAL WORKS PROGRAMME – URBAN





CAPITAL WORKS PROGRAMME - RURAL





INDICATIVE RATES FOR REPRESENTATIVE PROPERTIES

This schedule provides a representative selection of examples of rates movements by the different rating groups. The comparison shown is between the rates set in 2007/2008 and the proposed rates for 2008/2009.

Note: This schedule does not include: a) rates for the capital costs of new sewerage schemes; b) rates for metered water; c) Environment Bay of Plenty rates.

This schedule uses set values of services to get a direct year to year comparison.

Category	Land Value	Uniform Annual General Charge	General Rate	Water Charge	Sewerage Charge	Refuse Charge(s)	Lakes Enhancement Rate	Total RDC 2008/2009 Rates	Total RDC 2007/2008 Rates	Increase/ (decrease) in total RDC rates	% Increase/ (decrease) in total RDC rates
Group 1 Residential Urban General											
	61,000	450	415	190	359	70	16	1,501	1,408	93	6.570%
	75,000	450	511	190	359	70	16	1,596	1,498	98	6.532%
	89,047	450	606	190	359	70	16	1,692	1,589	103	6.451%
	106,000	450	722	190	359	70	16	1,807	1,699	108	6.354%
	1,000,000	450	6,810	190	359	70	16	7,895	7,489	406	5.423%
Group 2 Residential Rural General											
	66,000	450	315			73	16	853	815	38	4.714%
	135,000	450	644	Per local Scheme	Per local Scheme	73	16	1,183	1,128	55	4.836%
	199,384	450	951			73	16	1,490	1,420	70	4.906%
	250,000	450	1,193			73	16	1,731	1,650	81	4.915%
	3,250,000	450	15,503			73	16	16,041	15,251	790	5.181%
Group 3 Residential Urban Vacant											
	32,000	450	196	95	180		16	937	882	55	6.197%
	74,000	450	454	95	180	No Service	16	1,194	1,127	67	5.956%
	102,042	450	626	95	180		16	1,366	1,290	76	5.893%
	132,000	450	809	95	180		16	1,550	1,465	85	5.779%
	1,775,000	450	10,881	95	180		16	11,621	11,042	579	5.246%
Group 4 Residential Rural Vacant											
	39,000	450	173				16	639	610	29	4.716%
	65,000	450	288	Per local Scheme	Per local Scheme	No Service	16	754	720	34	4.715%
	108,801	450	482				16	948	904	44	4.866%
	140,000	450	620				16	1,086	1,035	51	4.947%
	870,000	450	3,854				16	4,320	4,109	211	5.138%
Group 5 Residential 2 Unit Urban											
	64,000	450	479	380	718	140	16	2,184	2,035	149	7.300%
	78,000	450	584	380	718	140	16	2,288	2,135	153	7.186%
	101,804	450	763	380	718	140	16	2,467	2,304	163	7.062%
	112,000	450	839	380	718	140	16	2,543	2,448	95	3.884%
	640,000	450	4,794	380	718	140	16	6,498	6,139	359	5.845%
Group 6 Residential Multi-unit											
	106,000	450	3,069		1,436	280	16	5,251	4,939	312	6.319%
	143,000	450	4,140	Metered Water	1,436	280	16	6,322	5,957	365	6.131%
	153,092	450	4,432		1,436	280	16	6,614	6,235	379	6.085%
	180,000	450	5,211		1,436	280	16	7,393	6,976	417	5.983%
	650,000	450	18,818		1,436	280	16	21,000	19,913	1,087	5.458%
Group 7 Farming General											
	280,000	450	1,240				16	1,706	1,625	81	5.009%
	465,000	450	2,060	Per local Scheme	Per local Scheme	No Service	16	2,526	2,404	122	5.073%
	821,565	450	3,640				16	4,106	3,905	201	5.135%
	977,500	450	4,330				16	4,796	4,561	235	5.160%
	30,800,000	450	136,444				16	136,910	130,110	6,800	5.226%

Category	Land Value	Uniform Annual General Charge	General Rate	Water Charge	Sewerage Charge	Refuse Charge(s)	Lakes Enhancement Rate	Total RDC 2008/2009 Rates	Total RDC 2007/2008 Rates	Increase/ (decrease) in total RDC rates	% Increase/ (decrease) in total RDC rates
Group 8 Business Inside CBD					Example based on 6 pans/urinals	Single occupier 2 collections p.w.					
-	150,000	450	4,292	Metered Water	1,831	140	16	6,729	6,325	404	6.381%
	240,000	450	6,866		1,831	140	16	9,304	8,773	531	6.047%
	388,230	450	11,107		1,831	140	16	13,544	12,806	738	5.766%
	380,000	450	10,872		1,831	140	16	13,309	12,582	727	5.777%
	12,850,000	450	367,639		1,831	140	16	370,076	351,794	18,282	5.197%
Group 9 Business Urban Outside CBD					Example based on 6 pans/urinals	Single occupier 1 collections p.w.					
-	67,750	450	1,938	Metered Water	1,831	70	16	4,305	4,020	285	7.098%
	116,000	450	3,319		1,831	70	16	5,686	5,333	353	6.615%
	236,787	450	6,774		1,831	70	16	9,141	8,618	523	6.074%
	280,000	450	8,011		1,831	70	16	10,378	9,794	584	5.961%
	7,000,000	450	200,270		1,831	70	16	202,637	192,593	10,044	5.215%
Group 10 Business Rural						Single occupier 1 collections p.w.					
	20,250	450	359	Per local Scheme	Per local Scheme	73	16	897	857	40	4.694%
	93,500	450	1,656			73	16	2,194	2,091	103	4.949%
	313,608	450	5,554			73	16	6,093	5,797	296	5.099%
	353,750	450	6,265			73	16	6,804	6,473	331	5.106%
	7,500,000	450	132,825			73	16	133,364	126,812	6,552	5.166%



Native bush, Rainbow Springs