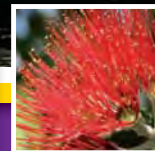
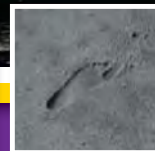
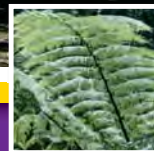
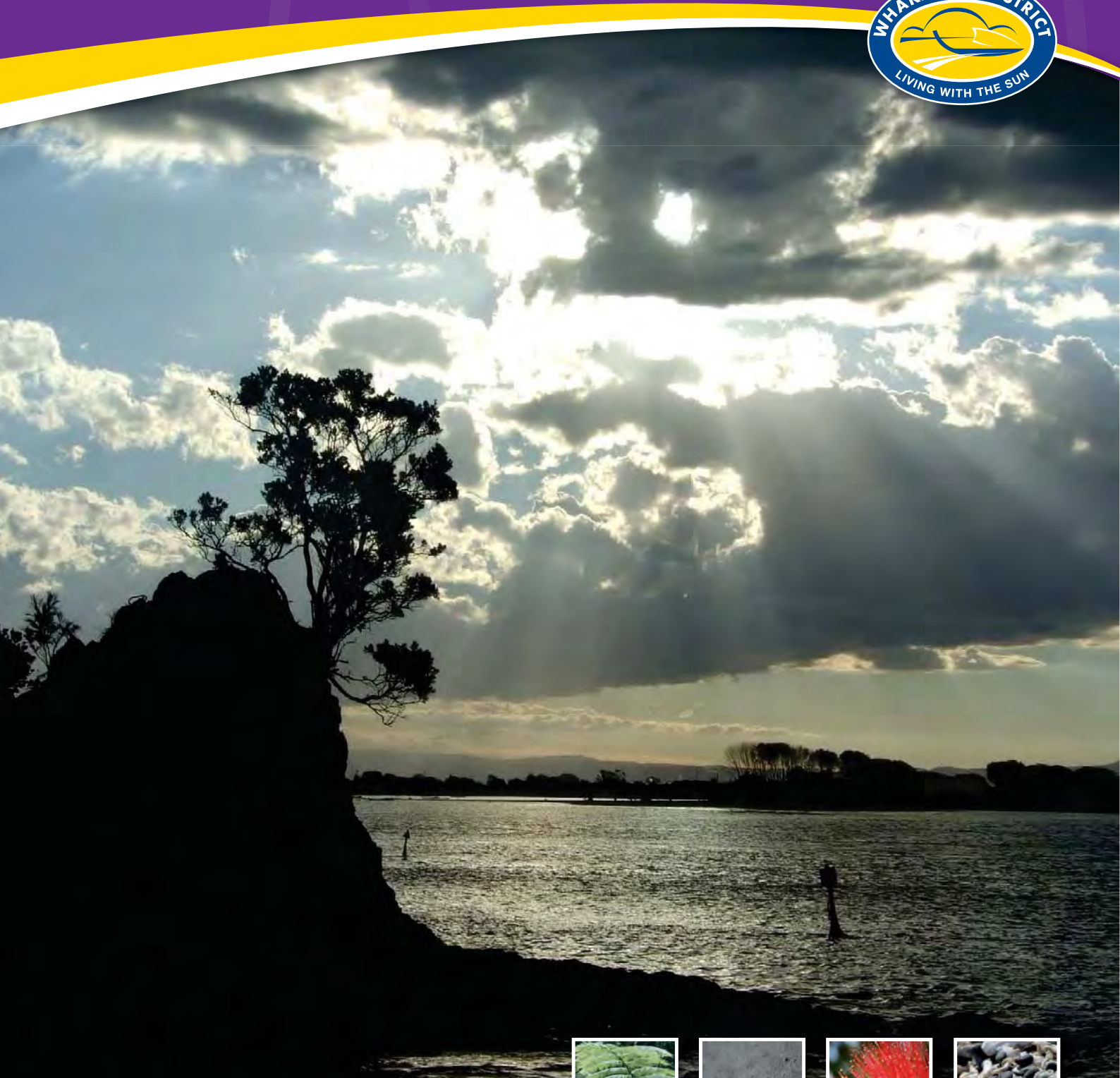


Whakatāne District Council

Annual Report 2010/11

Rīpoata – ā – Tau



Matters relating to the electronic presentation of the audited financial statements, non-financial performance information and the other requirements

This audit report relates to the financial statements, group of activities information and the other requirements of Whakatane District Council for the year ended 30 June 2011 included on Whakatane District Council's website. The Council is responsible for the maintenance and integrity of Whakatane District Council's website. We have not been engaged to report on the integrity of Whakatane District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, group of activities information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, group of activities information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, group of activities information and the other requirements. 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, group of activities information and the other requirements as well as the related audit report dated 28 October 2011 to confirm the information included in the audited financial statements, group of activities information and the other requirements presented on this website.

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

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With thanks to Councillor Pouroto Ngaropo for supplying Te Reo Māori translations

MESSAGE FROM THE MAYOR

Mihi

Piki mai ra, kake mai ra ki tēnei te Rīpoata-ā-Tau. He mihi maioha tēnei kia koutou e ngā iwi, e ngā hapū me ngā reo maha o te rohe whānui o Whakatāne. Takahia te ara poutama o tēnei Rīpoata-ā-Tau hei arahi i a tatou mō te tau 2010/11 e tū mai nei. He nui ngā mahinga kua oti rawa i roto i tēnei tau kua mahue ake nei. Ōtira, kua tūtuki ngā take e pā ana ki te rohe o Rangitāiki, kua patua te rohe e te waipuke, ngā āhuatanga o te whare pukapuka me te whare taonga hou kua tīmataria nei kua whakapau kaha ki te whakatikatika i ngā rohe o Te Autereti, Matatā me Whakatāne. 'Mā tōu rourou, mā tōku rourou te rohe whānui ka ora.'

Nō reira, tēnā koutou, tēnā koutou, tēnā koutou katoa.

Welcome to the Annual Report of Whakatāne District Council 2010/11

This Annual Report for the year ending 30 June 2011 provides the reader with much more information than that required by statute.

Importantly it is the Council's opportunity to show how we performed and provides a record of our activities and achievements during the 2010/11 year.

This past year has again been challenging for the Council. During the 2010/11 year, the Council responded to a number of emergencies which included six floods/heavy rainfall events and a tsunami alert (Japan). Further afield, the Canterbury earthquakes in September, February and July have impacted not only on the councils in that region but all Local Government Authorities across New Zealand. Members of the Whakatāne Emergency Response Team assisted in recovery work in Christchurch following the February 2011 earthquake. Our District has also suffered from a number of other hazardous events recently including landslips and minor earthquakes. These events are a constant reminder that we need to be prepared.

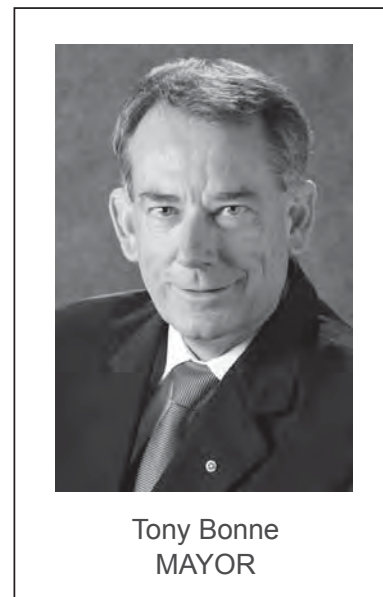
Our key highlights

A new Council was elected in October 2010. An early priority was a review of the governance structure which resulted in the establishment of two new committees – the Monitoring and Policy Committee and the Projects and Services Committee. This change was put in place to increase the openness and transparency with which the Council conducts its business.

During the year a petition was put forward by members of the Rangitāiki Community which sought to transfer the Rangitāiki Ward over to the Kawerau District Council. Following an intense few months of consultation, the Local Government Commission decided that it was in the best interests of good governance for the Rangitāiki Ward to remain with the Whakatāne District Council. The total cost of this process to ratepayers is an estimated \$68,000. This petition highlighted a number of issues which concerned the Rangitāiki Community. Since then a number of community vision meetings have been held in the community and the Council is working hard to ensure that the concerns raised are being dealt with in the most affordable and efficient manner.

A project which recognises that a long-term solution is required to remedy the critical situation in the Library and Museum in terms of the space shortages, environmental controls and appropriate facilities was progressed this past year. In the 2009/10 year the Council purchased a property in the Esplanade Mall (former Briscoes building) in Whakatāne for the development of an improved Library and Exhibition Centre. The Council decided to delay the project by approximately six months in an effort to reduce the rating burden on the District. In the 2010/11 year project plans were completed and building consent was obtained. Construction commenced in July 2011 and is due to be completed in March 2012.

This past year was the second year of the District Plan review project. The Council met on 22 June 2011 to approve the Draft District Plan for public consultation. While the Council is not legally obliged to release a draft plan for consultation, this is best practice and provides an opportunity to test preferred options with the community and to seek their feedback prior to formal notification of the plan. Public consultation and formal notification will be undertaken during the 2011/12 year. Alongside this project, the Whakatāne Integrated Urban



Tony Bonne
MAYOR

Growth Strategy was adopted. This strategy will help inform the District Plan in terms of future growth options for the Whakatāne urban areas of Piripai (including Coastlands) Whakatāne and Ōhope. The strategy plans for a population of 25,000 by the year 2050. To provide more industrial land for the growth of Kawerau and the economic growth of the Eastern Bay of Plenty as a whole, during the 2010/11 year a boundary adjustment between the Kawerau District and the Whakatāne District was made. This moved the Pūtauaki Industrial Zone from Whakatāne to Kawerau.

The Council reviewed and amended the Earthquake-prone, Dangerous and Insanitary Building Policy in May 2011. In setting the Policy, the Council has endeavoured to strike a balance between the risks posed by potentially earthquake-prone buildings and the additional costs to owners. The Council is working collaboratively with the building owners, adopting a flexible approach, accepting staged strengthening programmes, and extending timeframes for compliance to be achieved.

Disaster mitigation

In the 2010/11 year the Council advanced and completed a number of disaster mitigation works. In Matatā, the heavy rainfall events tested the various mitigation schemes put in place over the last few years. Overall the schemes have worked well; however, some did not. Further corrective measures will continue until appropriate mitigation works are finalised.

The disaster mitigation works in Edgecumbe were largely completed in the 2010/11 financial year. This included the completion of one pump station, which will collect stormwater from the south-west of the town and pump it into the Rangitāiki River, and the construction of stopbanks around the Edgecumbe sub-station. The stopbank heightened the level of protection to provide for a 1 in 300 year event. The construction of the stopbank was paid for by Transpower who have also contributed \$100,000 towards the Edgecumbe flood mitigation project.

In Whakatāne, a stormwater detention structure was built within Camellia Park in Hillcrest to control the rate of discharge from the park during high rainfall events. The detention structure will store stormwater within the park and release it over time to prevent the overflowing of water down Hillcrest Road and into the town centre during heavy rain events.

Non financial performance

The services that the Council provides cannot be measured by cost alone. Non financial performance targets are monitored to show whether or not the intended levels of service have been achieved. In total, the Council achieved 61% of its performance targets. Although this result is down from previous years, half of those which were not achieved were within 5% of the target. Around a third of the 'not achieved' targets were as a direct result of the severe weather events that were experienced by the District. This year the Council has performed particularly well against the targets for the building consents activity in particular, but also for waste and community safety. Of note is that the Council achieved a much higher level of technical performance targets (69%) compared to perception based targets (43%). This situation suggests more of a change in the community's expectations rather than a significant decline in Council's performance.

To a lesser extent the results have also been impacted by a change of focus brought about by a new Council following elections in October 2010. There has been more of a focus on affordability and this has affected some projects and services that the Council delivered. However, the Council's performance targets were not amended to align with the change in focus. This process is happening currently through the development of the next Long Term Plan 2012-22 (LTP 2012-22).

The non financial performance targets have highlighted a need for the Council to reassess the level of service that is provided for stormwater. Any analysis will be compared against implications for affordability, as increasing this level of service will not come cheaply. Options will be included in the draft LTP 2012-22 for community consultation in early 2012.

Financial performance for the year

In the 2010/11 year the Council recorded an operating deficit of \$4.71M, compared with a budgeted surplus of \$8.88M resulting in a \$13.59M variation from the budget. The majority of this variance relates to non cash accounting entries and will not impact on rating.

The main contributors to this deficit are as follows:

- The Council's investment property and assets held for sale were re-valued during the year which has resulted in a decrease in the fair value of those properties and assets. This has contributed \$5.50M to the variance.
- Fewer grants and subsidies were received than budgeted, contributing \$2.78M to the variance. This is primarily related to subsidy funding from central government for roading and water related projects. The Council is either still awaiting confirmation of funding before progressing certain projects or funding has been confirmed but has not been received as the projects have not been able to be progressed.
- During the year there was less building and development than expected. This has contributed \$1.05M to the deficit through reduced development contributions and a reduction in vested assets.

In the 2010/11 year the Council completed \$27.6M of capital projects against a revised Annual Plan budget of \$55.0M. The main reason for this underspend relates to projects that were behind schedule or deferred. Of the 292 capital projects for the year around 8% of projects or \$11.2M were cancelled where works or funding was not required, 21% or \$16.2M of projects were either behind schedule or deferred to be completed in future financial years and 71% or \$27.6M were either completed or are on schedule (where they span multiple years).

Further detail explaining these variances can be found in the Overview and Groups of Activities chapters of this Annual Report.

Thank you to the Council, Staff and Community

The many achievements outlined in this Annual Report reflect the hard work and commitment of the Council, Staff and Community working together to progress projects and deliver quality services at an affordable level for the people of the District.

I would like to take this opportunity to thank everyone for their input and support over the year and look forward to working with the community to develop the LTP 2012-22.



Tony Bonne
MAYOR
28 October 2011

STATEMENT OF COMPLIANCE

COMPLIANCE

The Council and management of the Whakatāne District Council confirm that all the statutory requirements of section 98 of the Local Government Act 2002 have been complied with.



Tony Bonne
MAYOR
28 October 2011



Marty Grenfell
CHIEF EXECUTIVE
28 October 2011

THE PLANNING CYCLE

The Annual Report is an important part of the Council's planning cycle.

The Local Government Act 2002 requires the Council to plan in three-year cycles. Every three years, we publish a Long-Term Council Community Plan (LTCCP) setting out our intentions for the ten years ahead – what we'll do, how we'll do it, how much we'll spend, who will pay, the levels of service we'll provide, and how we'll measure the quality and effectiveness of our work. Our current LTCCP was published in 2009 and covers the period 2009-19. The LTCCP is reviewed every three years. Amendments to the Local Government Act were made late 2010.



One key change is that the LTCCP will now be referred to as the Long Term Plan (LTP). The next LTP will cover the period 2012-22.

ANNUAL PLAN

In each of the two years between LTCCPs, we produce an Annual Plan. The Annual Plan takes a fresh look at our work programme for the year ahead and considers whether any changes are needed from the LTCCP – such as revisions to our budgets or adjustments to the work programme to help deal with issues or challenges facing the District.



ANNUAL REPORT

Each year the Council produces an Annual Report. This sets out how we performed against what we planned for the year. Did we do all we said we'd do? Did we meet our budgets? Did we do as good a job as we should have?

This Annual Report considers performance for the year 1 July 2010 to 30 June 2011. Performance is measured against what we planned for the year in the LTCCP.

THE PLANNING CYCLE

LTCCP(LTP):

Sets out the Council's priorities for the next ten years and how the Council will work towards addressing issues facing the District.

Annual Plan:

Takes a fresh look at the Council's priorities for the coming year and lets you know how the work programme will be paid for.

Annual Report:

Lets you know whether the Council delivered what it said it would.

COUNCIL VISION AND PURPOSE

OUR VISION IS

To be known as the place of choice for people to live, work and play.

In achieving our vision

- Our community will be safe and surrounded by people who are friendly and caring,
- Businesses will be thriving,
- There will be respect for and pride in our history,
- We will be successful guardians of our natural environment.

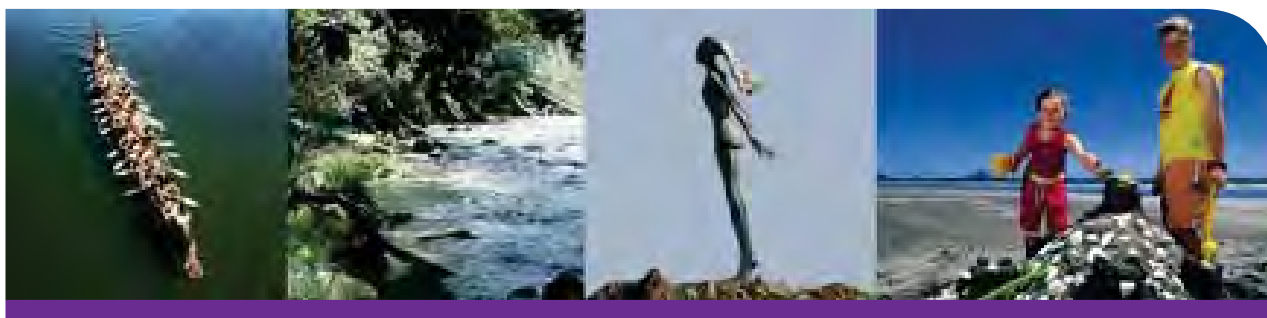
OUR PURPOSE IS

To lead the Whakatāne District to sustainable economic, social, environmental and cultural wellbeing.

As a District Council we will achieve this through

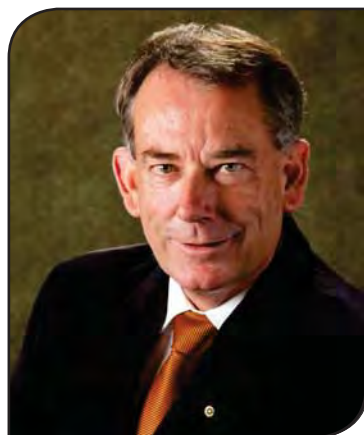
- Good governance, leadership and advocacy,
- Integrated long-term planning,
- Effective and reliable community infrastructure,
- Outstanding service delivery.

Great Services, Excellent Delivery



ELECTED MEMBERS

AS AT 30 JUNE 2011



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Whakatane - Ohope Ward



DEPUTY MAYOR

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COUNCILLOR

Christine Chambers

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COUNCILLOR

David Dowd

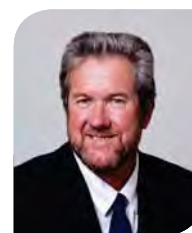
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COUNCILLOR

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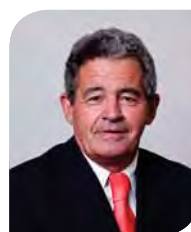
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COUNCILLOR

Pouroto Ngaropo

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pouroto@ngatiawa.iwi.nz

Taneatua-Waimana Ward

Galatea - Murupara Ward

MEMBERSHIP OF STANDING COMMITTEES

The following committee structure was established in October 2010 following Council elections and is likely to be in place until the end of the triennium (October 2013). The Mayor is “ex officio” a member of all Committees and specifically appointed to the Hearings Committee.

MONITORING AND POLICY COMMITTEE

Mayor A A Bonne (Chairperson)
 Councillor D R Dowd (Deputy Chairperson)
 Deputy Mayor J Turner
 Councillor C Chambers
 Councillor A Iles
 Councillor S Jarrett
 Councillor G V Johnston
 Councillor P N H Ngaropo
 Councillor R N Orr
 Councillor D W Sheaff
 Councillor G van Beek

PROJECTS AND SERVICES COMMITTEE

Councillor C Chambers (Chairperson)
 Councillor A Iles (Deputy Chairperson)
 Mayor A A Bonne
 Deputy Mayor J Turner
 Councillor D R Dowd
 Councillor S Jarrett
 Councillor G V Johnston
 Councillor P N H Ngaropo
 Councillor R N Orr
 Councillor D W Sheaff
 Councillor G van Beek

HEARINGS COMMITTEE

Councillor R N Orr (Chairperson)
 Councillor C Chambers (Deputy Chairperson)
 Mayor A A Bonne
 Deputy Mayor J Turner
 Councillor P N H Ngaropo

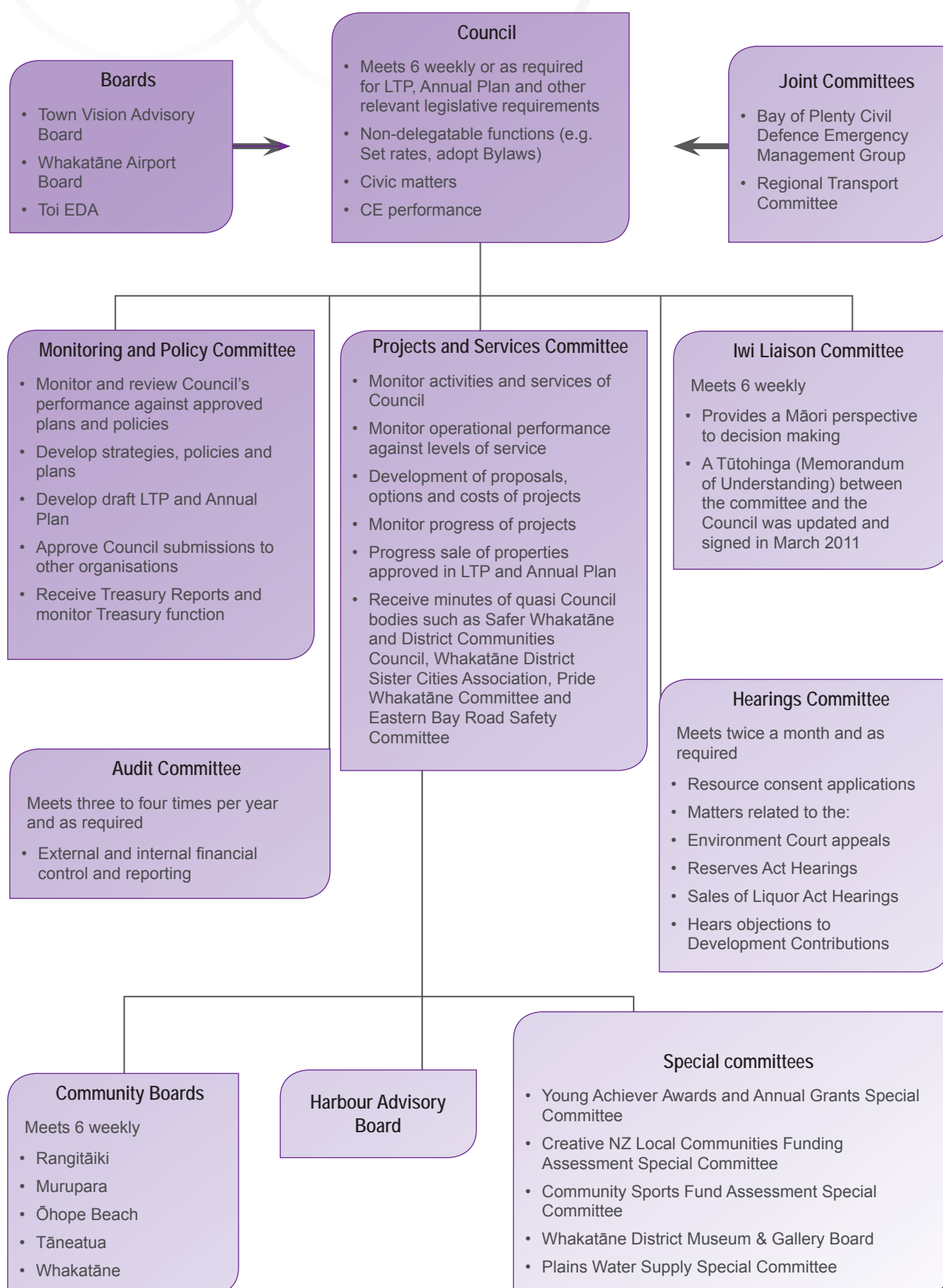
AUDIT COMMITTEE

Mayor A A Bonne (Chairperson)
 Councillor R N Orr
 Councillor D R Dowd
 Councillor D W Sheaff
 Mr K Iles (FCA)

IWI LIAISON COMMITTEE

J Kalan (Tūhoe West) (Chairperson)
 M Sisley (Ngāti Awa ki Rangitāiki) (Deputy Chairperson)
 Mayor A A Bonne
 Councillor G V Johnston
 Councillor P N H Ngaropo
 H Pryor (Ngāti Rangitihī)
 M Manuel / T Te Rupe (Upokorehe)
 R Jenner (Ngāti Manawa)
 J Carlson (Ngāti Whare)
 P Hunia/ H Pacey (Tūwharetoa ki Oniao/TOHU Trust)
 J Mason (Ngāti Awa ki Whakatāne)
 P Te Pou (Tūhoe East)
 T M Temara (Tūhoe ki Manawaru)
 Vacant (Ngāti Awa ki Matatā)

COUNCIL STRUCTURE AS AT 30 JUNE 2011



MĀORI CAPACITY IN COUNCIL DECISION-MAKING

The Local Government Act 2002 requires the Council to outline any steps to be taken to foster the development of Māori capacity to contribute to Council decision-making processes in the Long-term Council Community Plan.

For the financial year ended 30 June 2011, the Iwi Liaison Committee was a standing committee of the Council with members representing the Council and Iwi Partners in the District. The Iwi Liaison Committee works for the social, economic, environmental and cultural wellbeing of the whole community. The Committee will provide quality guidance, advice and make recommendations to the Whakatāne District Council on issues that impact on hapū, iwi, and Māori.

A Tūtohunga (Memorandum of Understanding) between the Iwi Liaison Committee and the Whakatāne District Council was updated and signed in March 2011. The essence of this document is to formalise the commitment of both parties to work together in good faith and gain an understanding, acceptance and respect for one another's needs. This is a living document that will be reviewed on a triennial basis, shortly after each election. The Committee brings a Māori perspective to the Council's decision-making processes. The Tūtohunga states that the purpose of the Committee is to:

- a) Strengthen the relationship between hapū, iwi, and Māori and the Council;
- b) Maintain and improve the capacity of hapū, iwi and Māori to contribute to the Council's decision-making processes;
- c) Maintain and improve the capacity of the Council to engage with hapū, iwi and Māori; and
- d) Provide high quality advice and recommendations which guide the Council in applying the principles of the Treaty of Waitangi, recognising and providing for hapū and iwi perspectives and ensuring the well-being of Māori generally, in the Council's promotion of the social, economic, cultural and environmental well-being of the Whakatāne District.

The Committee has a discretionary fund to support Māori cultural events/initiatives, promote Māori cultural awareness, encourage and support Te Reo Māori, and to celebrate, promote and protect Māori culture and sports. In 2010/11 six groups/organisations received funding.

The Iwi Liaison Committee can review the Council's and Regional Council's policies, plans and strategies and make submissions on these documents. They can also formally receive hapū / iwi management plans, and oversee processes for the Council to receive, respond to and have due regard to those plans.

The Council has written cultural protocols for pōwhiri (formal welcome) and mihi whakatau (semi formal powhiri), tangihanga (bereavement/lying in state), blessings and whakawaatea (removal of tapu).

In early 2011 the Council employed a Māori Policy Analyst. This position provides strategic policy and cultural advice to Council on issues of significance for hapū / iwi partners and Māori in the Whakatāne District in relation to all Council activities.

The Council follows best practice to encourage early consultation with hapū / iwi partners by applicants seeking resource consents to determine the effects on Māori, and their culture and traditions with ancestral lands, water, sites, waahi tapu and other taonga. In a district with such diverse Māori history, consultation with hapū / iwi partners is important to clearly identify the impacts on cultural values. These processes enable Māori to be involved in finalising an application and/or the decision making process as a submitter.

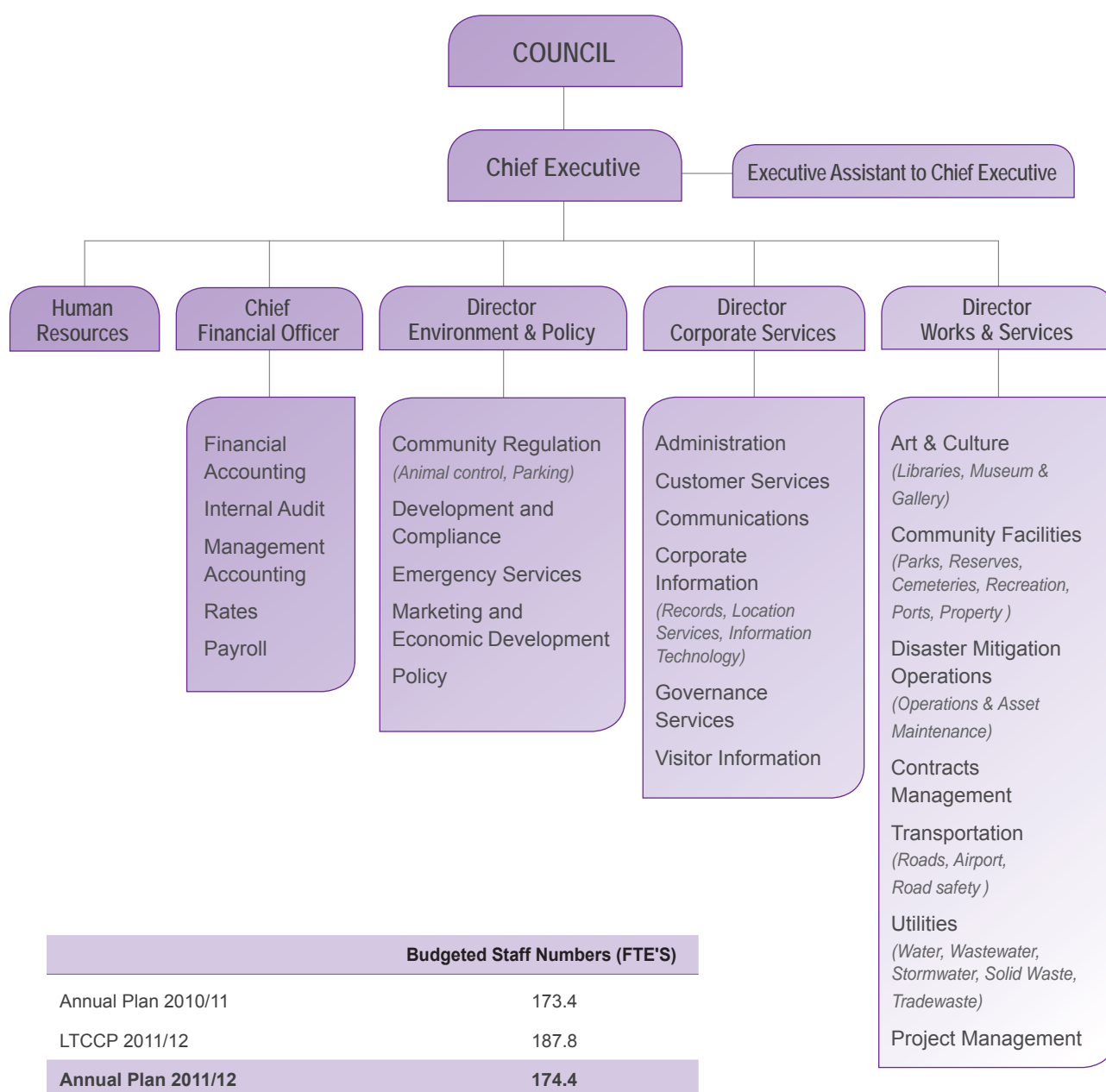
The Council undertakes many capital works projects each year, and develops strategic plans and policies. The Council relies on the Iwi Liaison Committee in the first instance, as a sounding board for what their respective iwi may think about a project or an issue; and what further consultation is deemed necessary for the projects and policies planned each year. The Council is committed to meaningful and ongoing consultation in advance of projects commencing.

MANAGEMENT AND STAFF

The Whakatāne District Council employs staff through the Chief Executive.

The organisational structure of the Whakatāne District Council over the 2010/11 year was as follows:

STAFF STRUCTURE AS AT 30 JUNE 2011



EQUAL EMPLOYMENT OPPORTUNITIES

Equal employment opportunities refers to the operation of the principle of appointment and promotion by merit. It refers to the right to be considered for a job for which one is skilled and qualified without a person's chances of employment, promotion etc being reduced by any irrelevant personal characteristic.

It is aimed at ensuring that preference is given to the person best suited to the position, based on technical and general competencies, team fit and operational needs.

The Council continues to create an awareness of what constitutes unacceptable behaviour in terms of harassment and bullying and investigates issues raised.

COUNCIL POLICY

The Whakatāne District Council affirms its commitment to the principles of Equal Employment Opportunities for all employees and has adopted the policy of:

- 1) Eliminating discrimination and ensuring the continued absence of discrimination in employment on the grounds of age, race, creed, sex, marital status, physical disability, sexual or political preference and on any other grounds that shall be deemed to constitute a disadvantage.
- 2) Promoting equal opportunity in all aspects of employment including recruitment, selection and appointment, education, training and development, career path planning and promotions.

PROGRAMME TO 30 JUNE 2011

- | | | |
|----|--|----------|
| 1. | Continue to operate an Equal Employment Opportunities (EEO) Programme as prescribed in the Council EEO Policy. | Achieved |
|----|--|----------|

- | | | |
|----|---|---------|
| 2. | Personnel policies reviewed for deficiencies and updated. Training programme covering EEO, harassment and bullying implemented. All staff required to attend. Programme to be broadened to include diversity component. | Ongoing |
|----|---|---------|

COMMUNITY OUTCOMES

WHAT ARE COMMUNITY OUTCOMES?

Community outcomes means the outcomes that the Council aims to achieve in order to promote the social, economic, environmental, and cultural well-being of its district or region, in the present and for the future.

The identification and reporting of community outcomes were intended to guide and inform the planning process and setting of priorities of local authorities and other organisations. They were established to help local authorities and other organisations focus on a community vision for the district.

HOW WERE COMMUNITY OUTCOMES IDENTIFIED?

To identify community outcomes for the Whakatāne District and for the Eastern Bay of Plenty, the Council participated in a joint project with Bay of Plenty Regional Council (formerly known as Environment Bay of Plenty), Kawerau District Council and Ōpōtiki District Council. This project, named “Eastern Bay – Beyond Today”, was undertaken during the 2004/05 year and involved substantial consultation with the community. Final community outcomes for the Whakatāne District were acknowledged by the Council at its meeting on 29 June 2005.



LOCAL GOVERNMENT REFORM AND THE FUTURE OF COMMUNITY OUTCOMES

In late 2010 the Local Government Act 2002 Amendment Act 2010 was introduced. The purpose of this amendment is to improve transparency, accountability, and financial management in local government.

The major effects that this amendment has had on community outcomes is that it no longer requires Councils to report against its community outcomes. Also, the Council is no longer required to have community wide outcomes. These changes will be seen in the LTP 2012-22 and subsequent documents. The Council will review its community outcomes for the next LTP in the 2011/12 year.

IDENTIFYING OUR CONTRIBUTION TO COMMUNITY WELLBEING

Within this Annual Report we have identified how our work programme for the 2010/11 year promotes and contributes towards the achievement of our current community outcomes. Specifically within the Groups of Activities section of this Annual Report, we have provided an indication of which community outcomes each activity will contribute towards.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



PROSPEROUS ECONOMY



HIGH-QUALITY AFFORDABLE INFRASTRUCTURE

TRANSPORT NETWORKS

WHAT DO WE DO AND WHY?

The Council provides road, airport, pedestrian and parking facilities and public transport infrastructure for the sustainable, safe, convenient, comfortable and cost effective movement of people and goods throughout the District, as well as to destinations outside the District. It reflects the interests and the District as a whole. There are a number of legislative requirements that the Council needs to comply with in this activity including the Land Transport Management Act 2003, Local Government Acts 1974 and 2002 and the Resource Management Act 1991.

The transportation network mainly consists of roads, footpaths and car parking along with associated services such as street lighting, road markings, bridges and cycleways. The road network consists of approximately 903 km of predominantly rural roads (86%). Over 78% of the network is sealed, which is well above the national average of 60%.

Currently there are approximately 205 million vehicle kilometres travelled on the network each year with approximately 71% of this traffic being on the arterial and collector roads.

COMMUNITY OUTCOMES



PROSPEROUS ECONOMY



HIGH-QUALITY AFFORDABLE INFRASTRUCTURE

Over 78% of the road network is sealed, which is well above the national average of 60%

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Provide a reliable, safe and maintained transport network.

Measure: Percentage of roads with a surface condition rating of 4 or better (e.g. lack of potholes, cracks, bumps etc).

Target: Customer Satisfaction Index (CSI) 66.7 (Fair: Needs improvement).

Not achieved: CSI score 61.5 (Needs significant improvement).

During the later part of the 2010/11 year the District experienced a high level of rain causing localised flooding. These unforeseen events caused road closures and caused significant damage to the road network. The reliability of the road network has been significantly impacted by these events. (Annual Report 2010/11 = 55.9).

Measure: Percentage of customer service requests processed to priority by and within timescales in maintenance contract.

Target: 95%.

Not achieved: 90%. The number of calls received into the call centre has increased exponentially over the past financial year. The 2010/11 call volume is 101,011 of these calls require response by either Council's road or other services. The call volume is expected to increase significantly over the next financial year. The call volume is expected to increase significantly over the next financial year. The call volume is expected to increase significantly over the next financial year.

Some of these delays are attributable to a fault in the call centre software, which is being investigated. (Annual Report 2009/10 = 100%).

COMMUNITY OUTCOMES OF THE WHAKATĀNE DISTRICT

The following pages outline the nine community outcomes of the Whakatāne District. Listed against each community outcome are the specific goals that were identified by the community as being important to their wellbeing.



CLEAN PROTECTED
ENVIRONMENT

Goals

- The environment is clean and natural resources are protected and conserved
- The community is educated and involved in environmental care
- Natural and cultural heritage places are recognised and protected
- Waste is well managed.



ENVIRONMENTALLY
RESPONSIBLE
DEVELOPMENT

Goals

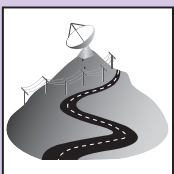
- Development is planned, managed and controlled sustainably
- Economic growth is balanced with cultural, social and environmental responsibility
- Environmental laws are actively enforced
- Sustainable energy use is encouraged
- There is a sense of pride and enjoyment about how attractive the district is.



PROSPEROUS
ECONOMY

Goals

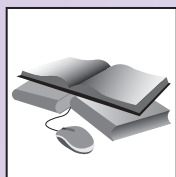
- The economy is prosperous in both urban and rural areas
- Business builds on the district's assets to support the economy
- Māori economic development is supported
- New businesses are attracted to the area and all businesses are encouraged
- Employment opportunities are available for all.



HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE

Goals

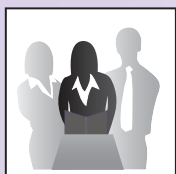
- High quality affordable infrastructure supports growth (e.g. transport, water, energy, waste)
- Transport links to the district are maintained and enhanced
- Roading is safe, convenient, and appropriate to all users
- People, infrastructure and the environment are protected from natural disasters
- Improvements in communication technology are available throughout the district (e.g. Mobile coverage and fast internet access).



EDUCATION AND
TRAINING
OPPORTUNITIES FOR ALL

Goals

- Affordable quality education and training accessible to all
- Education and training supports economic growth
- Participation in education is encouraged and supported, especially for youth
- Education values and promotes cultural heritage.



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

Goals

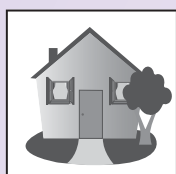
- Leaders are visible, strong, have a clear vision and listen to all sectors of the community
- Decision making processes are transparent, open and inclusive
- Council, the community and Māori work in partnership
- Council costs are appropriate for the services provided.



SAFE CARING
COMMUNITY

Goals

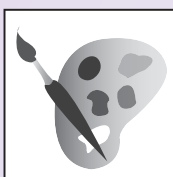
- Communities help themselves and care about each other
- Drug, alcohol and gambling abuse is diminished
- Homes and neighbourhoods are free from fear of violence or crime
- Youth development is supported and youth gain from and contribute to our community.



HEALTHY PEOPLE AND
QUALITY HOUSING

Goals

- Affordable, quality housing is available for all
- Initiatives are in place to encourage self sufficiency in housing
- Quality primary and secondary health care and facilities accessible to all
- Information and support for preventative health issues is made available to all
- Appropriate support is available for disadvantaged, disabled and those in need.



DIVERSE, CREATIVE AND
ACTIVE COMMUNITY

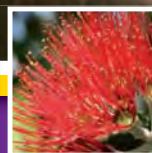
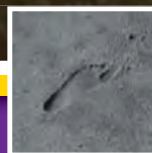
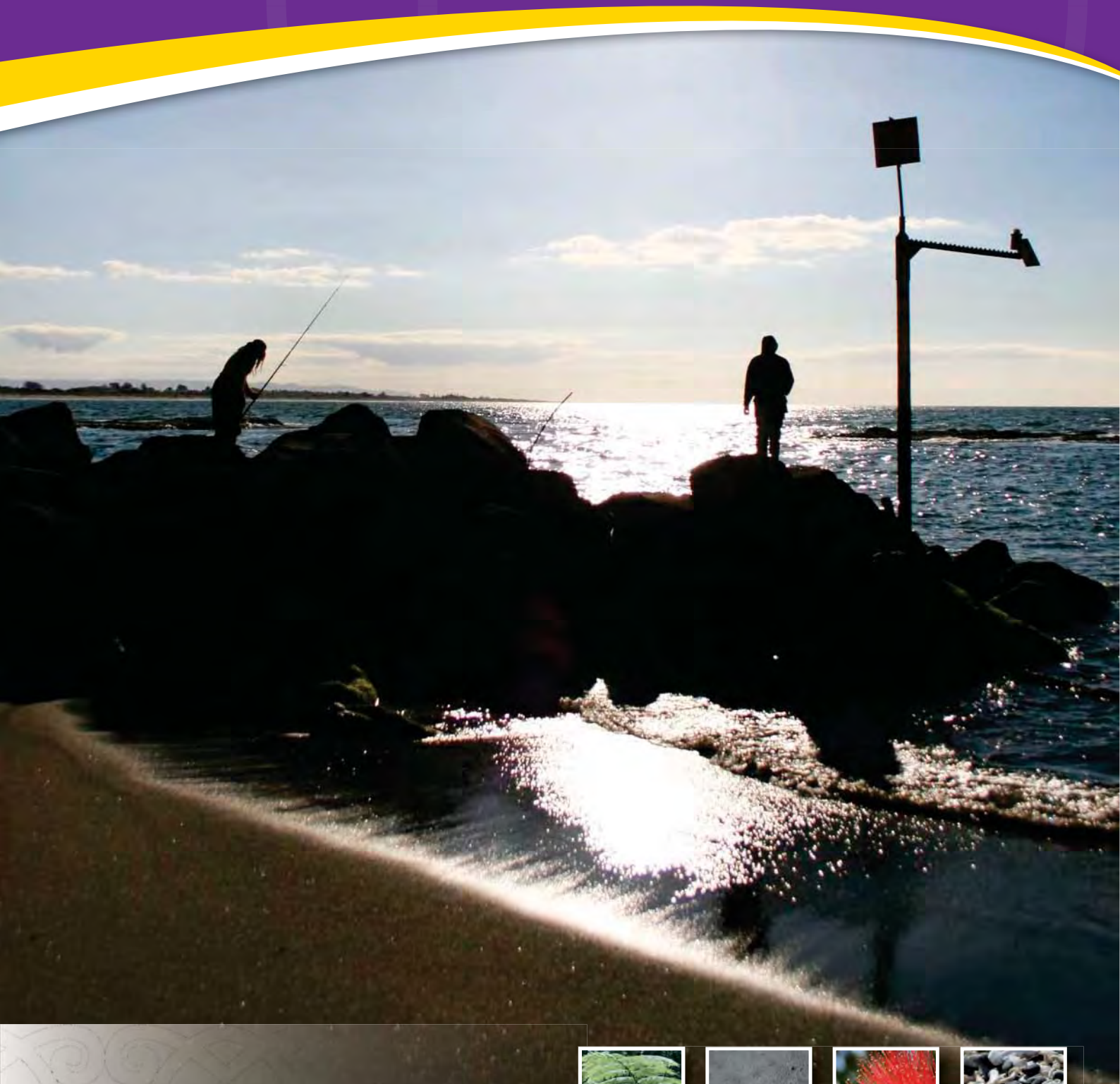
Goals

- Facilities and venues are in place to accommodate a wide range of activities for all
- Activities and events support and celebrate culture, creativity and recreation
- Parks, reserves and recreational facilities are enhanced and increased
- Māori culture is valued, celebrated, promoted and protected
- Diversity is valued and different cultures, genders and ages are respected
- All forms of art are catered for.



Overview of 2010/11

Tirohanga Whānui Mō Ngā Tau 2010/11



OVERVIEW OF 2010/11

This section provides an overview of the Council's results for the year ended 30 June 2011.

This includes financial performance, levels of service and a time-line of highlights for the year.

For further detailed information please refer to the Groups of Activities, Financial Statements, and Notes to the Financial Statements sections in this Annual Report.

FINANCIAL PERFORMANCE AT A GLANCE

The table below provides a summary of our comparative financial performance for the 2010/11 actual and budgeted results.

The summary below details the revenue and expenditure of the Council, including the Council's share in the Whakatāne Airport. The financial performance is compared to the Annual Plan budget.

57% of the Council's income came from rates during the 2010/11 year

SUMMARY COST OF SERVICE	2011 Actual		2011 Budget	
	Expenditure \$000	Income \$000	Net Cost \$000	Net Cost \$000
Leadership	2,792	2,897	(105)	5
Community Safety	2,753	2,936	(183)	(106)
Environmental Sustainability	2,003	1,168	835	671
Hazard Management	1,108	1,110	(2)	(104)
Arts & Culture	3,193	2,843	350	(577)
Recreation & Community Facilities	7,777	7,686	91	402
Community Property	1,855	1,350	505	416
Waste	5,846	5,724	122	(1,445)
Transport Networks & Safety	16,496	18,369	(1,873)	439
Water	10,555	8,345	2,210	(4,117)
Council Controlled Organisations	649	627	22	19
Corporate & District Activities	1,843	2,969	(1,126)	(2,750)
OPERATIONAL COST/(SURPLUS) OF SERVICE DELIVERY	56,870	56,024	846	(7,147)
Revaluation of Investment Property	3,860	-	3,860	(1,735)
Total Council Deficit/(Surplus)	60,730	56,024	4,706	(8,882)

* Expenditure and Income in the table includes different reclassification from interdepartmental transfers compared to the Statement of Comprehensive Income.

WHY DOES THE COUNCIL SHOW A DEFICIT FOR THE 2010/11 FINANCIAL YEAR?

The Council's final operating result is a net deficit of \$4.706M compared to a budgeted surplus of \$8.882M. The following table details the major differences which have led to this \$13.588 M variation.

Major operating variances	Variance \$000
Operating Income	
LTNZ Subsidies	(1,263)
Development Contributions	(485)
Grants and Subsidies	(1,515)
Vested Assets	(560)
Statutory Adjustments	
Revaluation gains in investment assets and non current assets held for sale	(5,495)
Derivatives	(871)
Assets Written Off	(169)
Operating Expenditure	
Depreciation	(304)
Other reconciling expenditure items - refer to individual Groups of Activities statements for detail	(2,313)
Development Contribution Refunds	(719)
Interest Cost	106
Variance from Operating Budget	(13,588)

KEY UNFAVOURABLE VARIANCES ARE AS FOLLOWS:

Land Transport New Zealand (LTNZ) Subsidies \$1.263M

The Council over budgeted LTNZ Subsidies; less work has been performed than budgeted, so the subsidies received are also less.

Development Contributions \$0.485M

The Council budgets to receive development contributions from developers each year to contribute to the development of network infrastructure, community infrastructure and reserves to maintain acceptable levels of service as development increases in the district. The receipt of development contributions was \$485,000 less than that budgeted in the 2011 year, owing to the economic downturn, resulting in less building and development work proceeding.

Grants and Subsidies \$1.515M

The Council receives a number of grants and subsidies from various organisations for projects undertaken. The Council budget for subsidies is based on projects expected to be completed each year. During 2010/11, \$1.515M of grants and subsidies were not received as a result of a number of projects being delayed.

Vested Assets \$0.560M

The Council budgeted to have \$0.740M of vested assets for the year ended 30 June 2011. The Council only received for \$0.180M of vested assets, creating a \$0.560M unfavourable variance.

Revaluations \$5.495M

The Council's investment property and assets held for sale has been revalued during 2010/11. The revaluation has resulted in a decrease in the fair value compared to a \$1.735M budgeted gain. The loss is recognised in the Statement of Comprehensive Income and represents \$5.495M variation in operating budget.

Derivatives \$0.871M

Derivatives moved from last year's position from a loss of \$0.466M to a loss of \$1.337M, a net movement of \$0.871M. The budget did not provide for any movement in derivatives. The values for derivatives as at year end are assessed by ETOS Ltd and represent the current position of all swaps held by the Council.

Depreciation \$0.304M

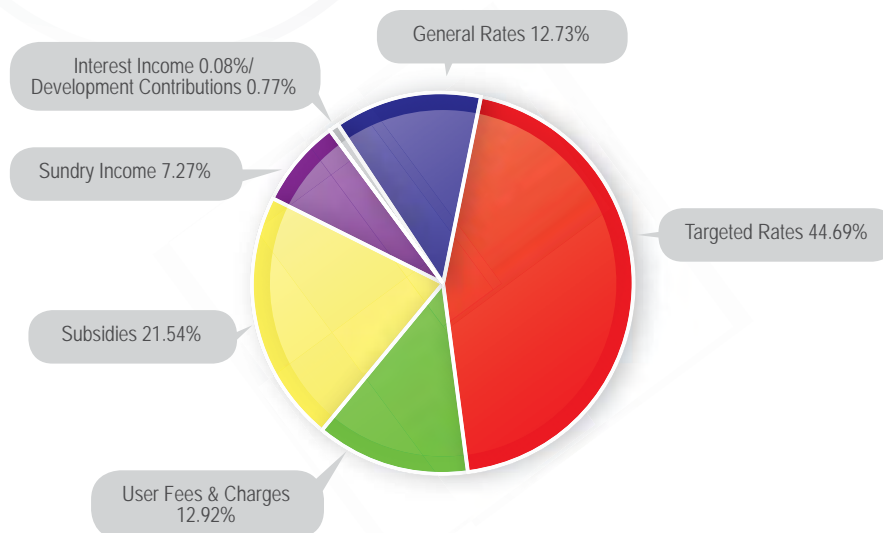
After budgets were set for 2010/11 a number of the Council's assets were revalued. This led to an increase in the amount of depreciation needing to be put aside. While this is not a direct cost to the Council, it does represent a book cost for operating expenditure of \$0.304 million.

The Statement of Cashflows demonstrates that a large number of variances from budget do not impact on the cashflow operational requirements of the Council. They are non cash adjustments that are in the Statement of Comprehensive Income but do not impact on the immediate funding requirements of the Council.

Depreciation has been funded on the average of the next 25 years renewal requirement. The renewal profile over which it is averaged will be reviewed annually and the period will be increased as better Asset Management Plan information becomes available.

WHERE OPERATING REVENUE CAME FROM

The total operating income for the year ending 30 June 2011 is \$56.0M. Rates are the primary source of funding for the Council's activities, and represent 57.4% of operating revenue. Other sources of revenue for the Council include user charges, fees and fines, rentals and subsidies.



WHAT THE RATES PAY FOR

The following table shows where the rates per rateable property fund the Council-provided activities. It shows that on average \$2,078 of rates income per property (\$5.69 per day) was used to pay for the Council activities including essential infrastructure, community services and facilities.

GROUPS OF ACTIVITIES	Rate Income \$000	Rate Income Per Average Property \$	Rate Income Per Average Property Per Day \$
Leadership	2,373	153.05	0.42
Community Safety	884	57.04	0.16
Environmental Sustainability	638	41.15	0.11
Hazard Management	963	62.13	0.17
Arts & Culture	2,450	158.06	0.43
Recreation & Community Facilities	4,467	288.14	0.79
Community Property	325	20.95	0.06
Waste	4,436	286.18	0.78
Transport Networks & Safety	6,396	412.61	1.13
Water	7,417	478.48	1.31
Council Controlled Organisations	437	28.16	0.08
Corporate Activities	1,426	91.98	0.25
TOTAL RATE INCOME**	32,212	2,078	5.69

* The total number of Rateable Properties in the Whakatāne District on the 28th January 2011 was 15,502.

* Rate income has been shown excluding penalties, write-offs and remissions.

WHAT IT COSTS TO RUN THE DISTRICT

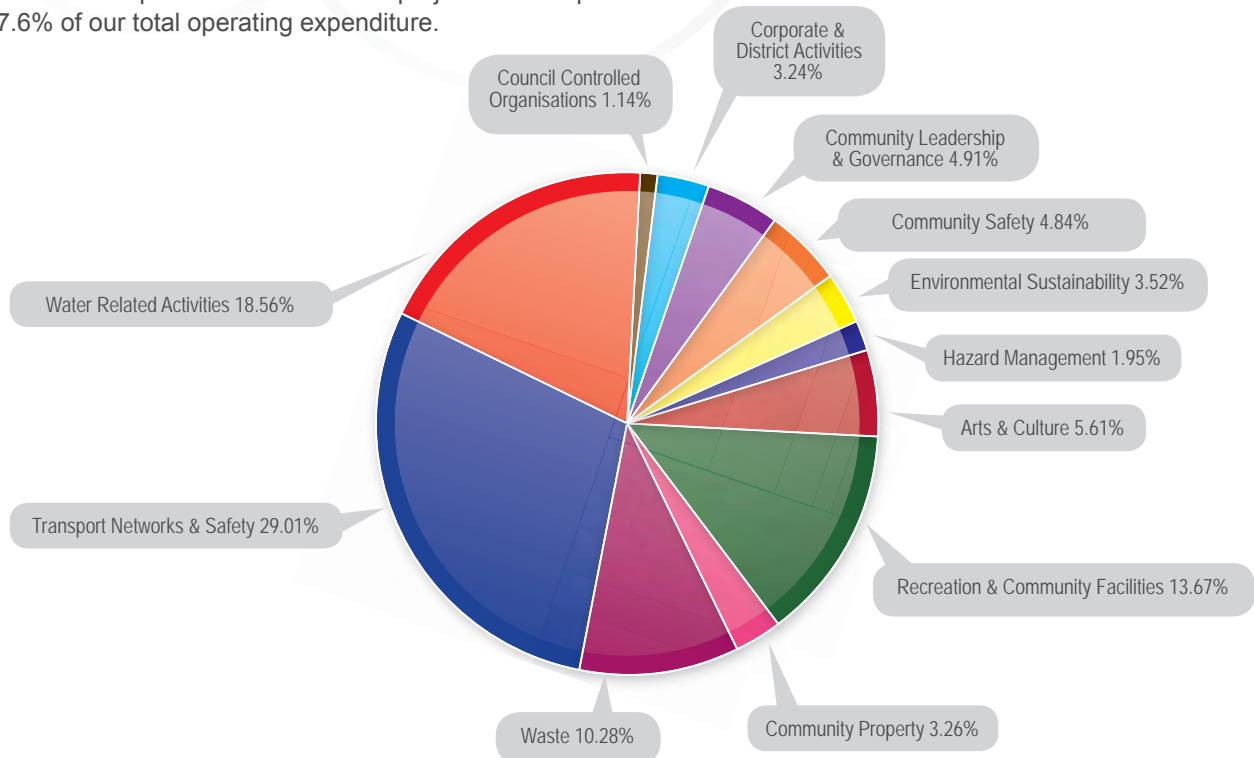
The following table shows what it costs per resident for Council-provided activities. It shows that most Council expenditure covers essential infrastructure, community services and facilities. The total cost is greater than the net cost in some cases because of user charges and other income or grants that offset costs.

GROUPS OF ACTIVITIES	Total Cost \$000	Average Cost Per Resident/User \$	Average Cost Per Resident/User* Per Day \$
Community Leadership & Governance	2,792	81.17	0.22
Community Safety	2,753	80.01	0.22
Environmental Sustainability	2,003	58.23	0.16
Hazard Management	1,108	32.21	0.09
Arts & Culture	3,193	92.82	0.25
Recreation & Community Facilities	7,777	226.07	0.62
Community Property	1,855	53.92	0.15
Solid Waste Management	5,846	169.96	0.47
Transport Networks & Systems	16,496	479.53	1.31
Water Related Activities	10,555	306.82	0.84
Council Controlled Organisations	649	18.87	0.05
District Income & Expenditure	1,843	53.58	0.15
TOTAL EXPENDITURE	56,870	1,653	4.53

* The total number of Residents in the Whakatāne District on the 1st July 2007 was estimated to be 34,400.

HOW OPERATING EXPENDITURE WAS SPENT

The total operating expenditure for the year ending 30 June 2011 is \$56.8M. Core infrastructure such as Transport and Water related projects make up 47.6% of our total operating expenditure.



OVERALL CAPITAL EXPENDITURE COMPARED TO BUDGET

The graph below shows the level of expenditure on capital works, compared to what we intended to spend for the 2010/11 year. During the year the Council’s total actual spend on capital works was \$27.6M against a revised budget of \$55.0M.

The revised budget is made up of the Annual Plan budget of \$29.5M plus projects carried forward from 2009/10 plus budget adjustments adopted by Council over the course of the 2010/11 year. These budget adjustments are sometimes necessary following further investigations on a project which helps to refine costings. The adjustments can also relate to decisions by the Council to defer some projects or to start new ones. Over the past year, storm events have resulted in many such revisions particularly where transportation projects are concerned.



DID WE COMPLETE THE PROJECTS WE SAID WE WOULD COMPLETE?

This section analyses the projects, and portions of projects, that were planned or progressed during the 2010/11 financial year. Where projects span multiple years this analysis reports on the part relevant to the 2010/11 financial year.

The Council progressed, or intended to progress, 292 capital projects in the 2010/11 year. This includes the 208 projects listed in the Annual Plan for the year and a number of new projects, mostly required as a result of storm events. The 292 projects vary in scale, cost and time span. For example, a small project to install a drinking fountain or an annual programme of road surface renewals worth over two million dollars through to a project spanning multiple years to develop an improved library exhibition centre.

Of the 292 projects around 71% were either completed or are on schedule – where they span multiple years. 8% of projects were cancelled where works were not required and 21% of projects were either behind schedule or deferred.

There are numerous reasons why projects may have been delayed or did not start as intended. In the 2010/11 year storm events had a major impact on the capital works programme. This included projects being delayed as a result of the weather conditions or due to reprioritisation of resources with the shift of focus to storm recovery work.

A number of projects are awaiting substantial subsidy funding from central government before commencing. In particular, a number of water related projects could not be progressed during the year as the Council was

THE NUMBERS

292 CAPITAL PROJECTS

206 COMPLETED/ON SCHEDULE

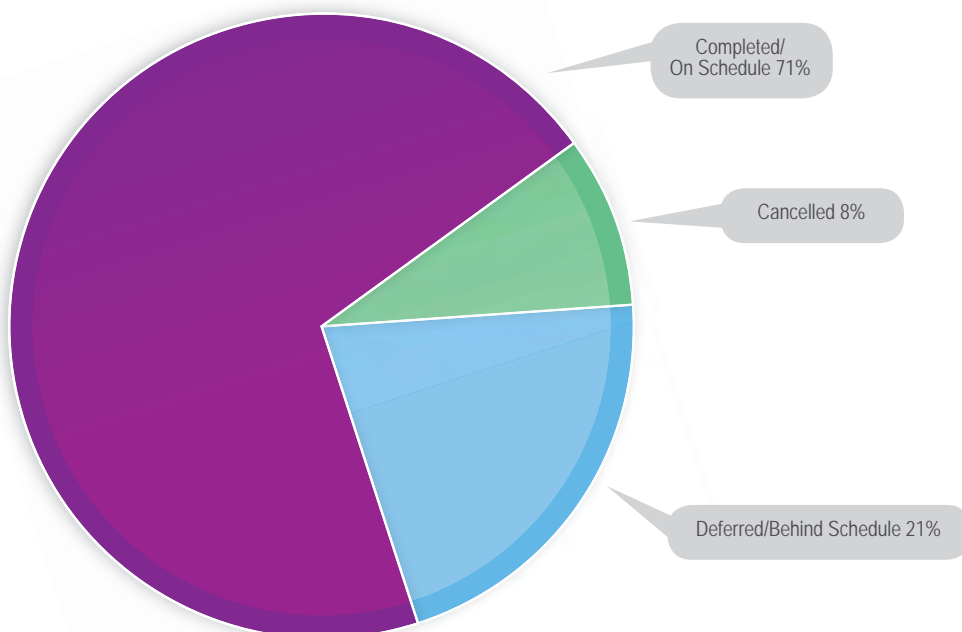
24 CANCELLED

62 DEFERRED/BEHIND SCHEDULE

awaiting confirmation of funding from the Ministry of Health. Not receiving these subsidies has contributed towards the Council's operating deficit for the year but this is offset by not undertaking the capital works projects that were reliant on that funding.

Delays have also resulted from resource consent applications that have been lodged but are yet to be granted. A number of other projects have been deferred due to scope change, reprioritisation of the work programme or further investigations being required before they can proceed.

In some cases where projects were delayed or did not start, they will be carried forward to be progressed in the next financial year. Of the \$27.4M variance, \$9.1M will be carried forward to 2011/12 (this amount excludes any transportation related carry forward which is awaiting confirmation at the time of writing this Annual Report).



DID THE PROJECTS COST WHAT WE SAID THEY WOULD COST?

This section analyses the 292 capital projects in terms of whether they finished the year on budget or not. This compares actual results for the year against the revised budget.

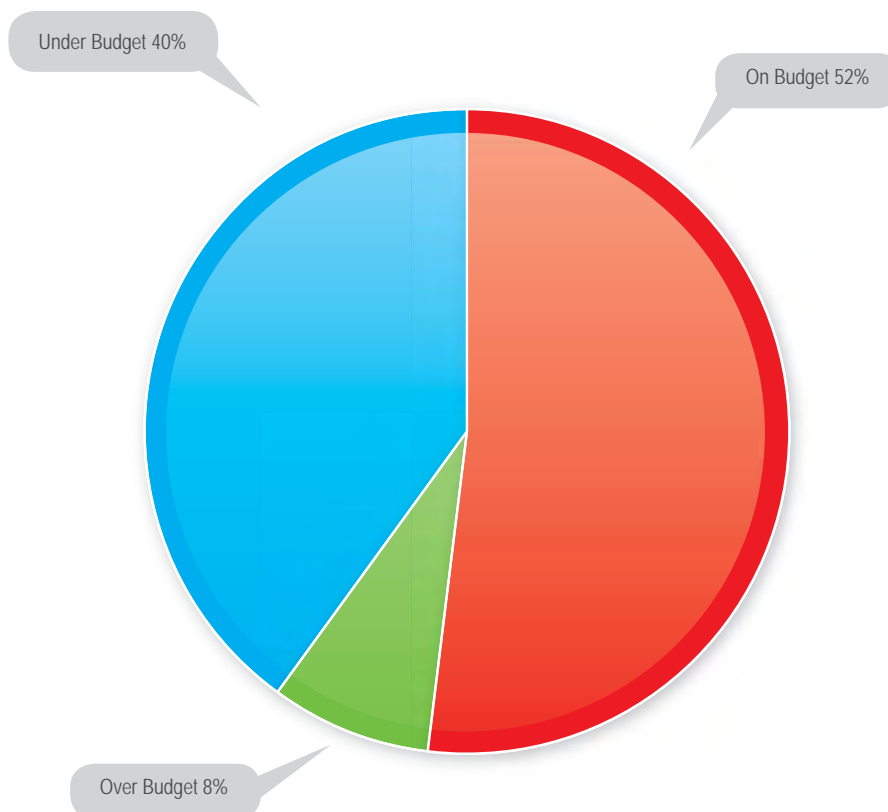
The following graph shows that of the 292 projects that were planned or progressed during the 2010/11 financial year, around 52% (by number rather than value) finished the year on budget. Approximately 8% were over budget while 40% were under budget.

The main reason why some projects finished the year over budget relates to scope increases. This describes situations where the Council has increased the specifications or scope of the project compared to what was originally intended. For example the scope of the Halls Renewals Project was increased to provide for electrical work on the Awakeri Hall and the budget was increased to accommodate this work.

Cost overruns have also occurred and this accounts for around a quarter of those projects that finished over budget. The Council sets budgets at the beginning of the year or at the beginning of a project based on the best information that is available at the time. When the project is actually progressed costs may be higher than what the Council had expected and budgeted for. For example, during the construction of the Rowing Club River Steps submerged logs and stumps were found and needed to be excavated which resulted in additional costs.

Just over 40% of the capital projects finished the year under budget. The key reasons for this result included projects being behind schedule (15.8%), projects being deferred or cancelled (11.3%) and scope decreases (9.9%). Where capital expenditure was spent

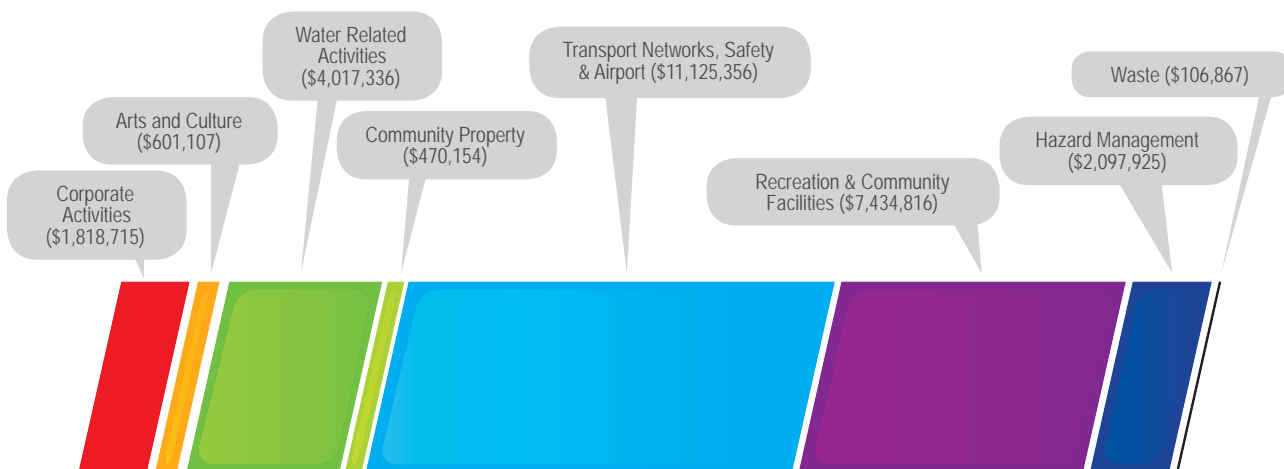
More specific information about the key capital projects can be found in the groups of activity section of this Annual Report.



WHERE CAPITAL EXPENDITURE WAS SPENT

The following graph shows where capital expenditure such as purchasing, developing and renewing assets was invested at a Group of Activities level. Total capital expenditure for the 2010/11 year was \$27.6M. The main sources of funding for capital expenditure are; borrowings through loans raised; grants and subsidies received from agencies such as Land Transport NZ Ltd (LTNZ); funding from depreciation reserves; and development contributions charged to developers for their share of the costs associated with growth.

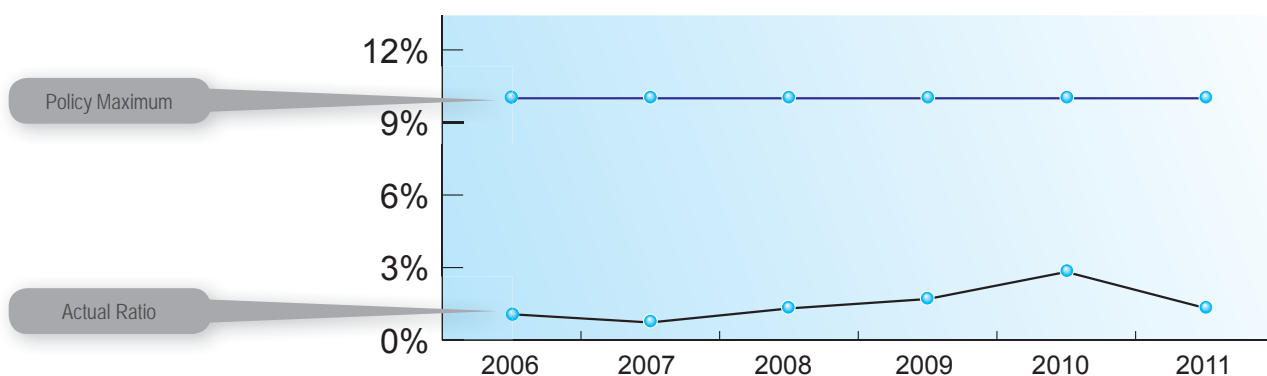
More information about specific capital projects can be found in the groups of activity section of this Annual Report.



INTEREST AS A PERCENTAGE OF OPERATING REVENUE

The increase in the Council’s level of borrowings reflects the utilisation of funds to complete the 2010/11 capital works programme. The Council borrows to fund the purchase of new or replacement assets. The Council’s external borrowings have increased from \$26.72M at 30 June 2010 to \$40.5M at 30 June 2011. With less expenditure on capital works the Council has not needed to raise the expected level of loans budgeted for the 2010/11 year.

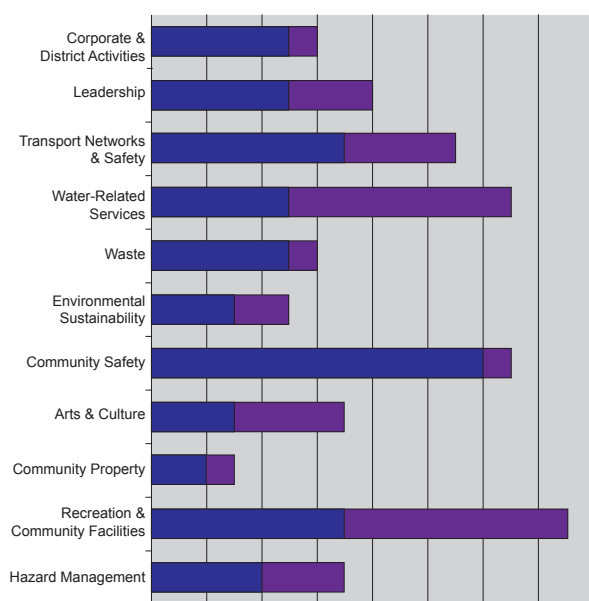
With the increasing level of debt, the gross interest expense has been increasing, but is still well below the “conservative prudent limit” contained in the Council’s Liability Management Policy of 10%.



PERFORMANCE AGAINST LEVEL OF SERVICE TARGETS

The following graph illustrates our performance against the levels of service targets for each Group of Activities.

Performance targets are based on a range of technical and perception based measures. Technical measures include things such as the proportion of waste that goes to landfill, or the number of library issues per capita while perception measures are based on the Council's Residents Survey.



The Long Term Council Community Plan 2009-19 (LTCCP) sets out the levels of service that the Council aims to provide to the community. For each of the Council's activities, performance is monitored against targets to show whether or not the intended levels of service have been achieved. For the 2010/11 year the LTCCP outlines 93 performance targets with an additional 2 targets added for the Visitor Information Centre as part of the Annual Plan 2010/11.

The graph illustrates performance at a group of activity level showing the number of performance measures that were achieved versus those that were not achieved. In total, of the 95 targets for the year, the Council achieved around 61% while 39% were not achieved. The increase in the percentage of 'not achieved' targets may be attributed to the six flood/heavy rainfall events the District has suffered against during the 2010/11 year. Also a new Council was elected in October 2010 and new priorities have been formed. The change in leadership has brought about a greater focus on affordability and this has resulted in some changes to the projects and services the Council delivers. Of note is that half of the 'not achieved' targets were within 5% of achieving.

About the Council's Residents Survey

The Residents Survey provides information on the community's views of Council performance. This Annual Report uses information from the Residents Survey to track progress against performance measures and targets set out for the year in the LTCCP.

In 2008, the Council developed a number of performance measures and levels of service against which it can measure and manage priorities. These targets were developed as part of the 2009-19 LTCCP and reflect the priorities of the Council at the time that the plan was developed. The Council undertook a baseline survey in 2008 to measure residents perceptions of its performance. The full Residents Survey is undertaken on a three yearly basis and was last undertaken in mid 2011. The 2011 survey was designed to update the 2008 perceptions. For financial reasons the Council does not undertake a full survey annually.

The full Residents Survey 2011 included a sample size of 400 respondents. Respondents were selected from across the Council's five wards and from a range of demographics. It is worth noting that some survey questions related to specific services may or may not have been used by the survey respondent such as customer services, boat ramps or building consent services. The survey results are based on those who used and were able to rate the service. Where less people were able to rate the service the margin of error for the result is greater.

The Residents Survey uses a Customer Satisfaction Index (CSI) to report survey results. The framework for interpreting the CSI scores is as follows:

CSI Score	Performance Interpretation
79 or higher	Exceptional performance
77-78	Excellent performance
73-76	Very good performance
68-72	Good performance, but potential for improvement
62-67	Fair performance, needs improvement
61 or lower	Needs significant improvement

Information about the specific targets for each activity, including explanations for targets that were not achieved, can be found in the Groups of Activities section of this Annual Report.

The full Residents Survey 2011 is available on the Council's website www.whakatane.govt.nz.

HIGHLIGHTS TIMELINE

JULY 2010



Moko Statue

- Public farewell Moko the Dolphin in a public memorial service followed by the launch of the “In Love with Moko” book at the Whakatāne Library in February 2011
- The children’s book “Hannah Bandanna’s Hair” was launched in the Whakatāne District Library attended by the author Nikki Slade Robinson

AUGUST 2010

- Warren Cole walkway receives the Golden Foot award for New Zealand’s best walking facility
- Whakatāne Integrated Urban Growth Strategy adopted by Council
- US Consul General visits the Whakatāne Museum and Gallery to view the Molly Morpeth Canaday 3D Glass Awards

FEBRUARY 2011

- Around 100 people attended Whakatāne’s Annual Go By Bike Day free breakfast as part of Bikewise month
- Popular British TV series ‘World’s Greatest Motorcycle Rides’ is filmed in Whakatāne which will screen globally on the Travel Channel from June 2011



Sunshine Capital Whakatāne

JANUARY 2011

- Whakatāne named New Zealand’s sunniest location in 2010 with 2561 sunshine hours
- The Whakatāne Summer Arts Festival 2011 begins with events and exhibitions such as the Molly Morpeth Canaday Art Award and Exhibition, Sculpture Symposium and Auction, Shakespeare in the Park

MARCH 2011

- Two minutes silence was observed in the Margaret Mahy Court to show respect for the victims of the Canterbury Earthquake
- Around 5000 people attended the Whakatāne Sunshine Street Fiesta for a fun filled day of entertainment
- The Rangitāiki River Festival takes place with events such as the waka ama races, kayak events and the world kina-eating championships



Anne Frank Exhibition at the Whakatāne Museum and Gallery

APRIL 2011

- Whakatāne Museum and Gallery secure the Anne Frank Exhibition ahead of any other Bay of Plenty Venue
- Many hundreds of Eastern Bay of Plenty people gathered in the heavy rain to pay their respects at the Anzac Day dawn ceremony at the Whakatāne RSA
- Burma Road landfill is retired after 40 years

SEPTEMBER 2010

- Whakatāne Museum and Gallery hosts 'Te Māori Lives on'. Te Māori is acknowledged widely among the museum sector as the pivotal point from which many museum began the long journey of acknowledging and understanding their role as guardians of taonga, in their care, alongside tangata whenua
- Community Development Advisor Peter Lander is named Keep New Zealand Beautiful's Volunteer of the Month for his work with the anti-graffiti vandalism project 'Tag Off'



Mayor Tony Bonne

OCTOBER 2010

- Tony Bonne is elected the Mayor of the Whakatāne District
- Virtual tsunami hits the Eastern Bay in a nationwide tsunami response exercise called 'Exercise Tangaroa'
- The Proposed Whakatāne District Plan is made operative

DECEMBER 2010

- The repaired and renovated Whakatāne Aquatic Centre re-opens on Christmas Eve
- Whakatāne and the Eastern Bay's tourism and visitor information website has undergone a major functional and design upgrade that brings it on par with leading tourism websites in New Zealand and overseas
- The Nukuhou Saltmarsh Care Group's Nukuhou Restoration Project wins Best Community/Environmentally Minded Initiative at the Keep New Zealand Beautiful Best Towns and Cities Awards

NOVEMBER 2010

- The ribbon is cut at the opening of the new waste and recycling transfer station in Minginui
- District Plan open days and meetings with iwi and key stakeholders take place
- Mayor Tony Bonne hosts the annual mayoral morning tea for the over 80's with around 175 senior citizens attending

MAY 2011

- The Council approves the Smoke-free Council Open Spaces Policy which is an educational policy that discourages smoking around playgrounds
- The Murupara Community Board wins the best community safety project at the New Zealand Community Boards Best Practice Awards for their work to reduce crime and improve safety in Murupara



Smokefree Playgrounds

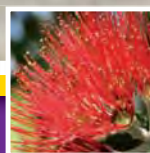
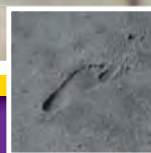
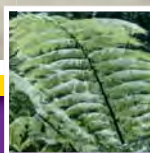
JUNE 2011

- New Zealand's seventh marae-based Youth Court is launched at Te Whare o Toroa Marae (Wairaka Marae)
- The Council adopts the Draft District Plan for public consultation



Groups of Activities

Ngā Kaupapa Whakamahi-ā-Roopu

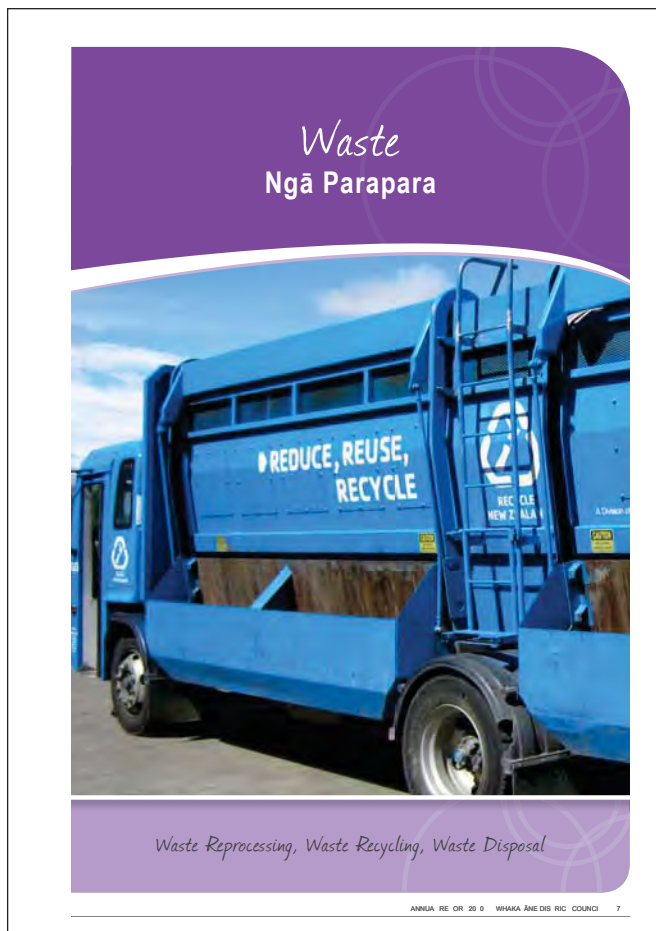


GUIDE TO THE GROUPS OF ACTIVITIES

The Groups of Activities section of the Annual Report provides a detailed overview of the activities that were undertaken by the Council. In the 2010/11 year the Council undertook the following groups of activities:

- Corporate Activities
- Leadership
- Transport Networks and Safety
- Water related services
- Waste
- Environmental Sustainability
- Community Safety
- Arts and Culture
- Community Property
- Recreation and Community Facilities
- Hazard Management

GUIDE TO THE LAYOUT & CONTENT OF THE GROUPS OF ACTIVITIES



Group of Activities

This (cover) page for each Group of Activities indicates the activities that are undertaken within the Group.

Groups of Activities - Waste

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council provides services for refuse collection, recycling and reprocessing of waste, and waste disposal. The Council undertakes the activities within this group in response to the needs and aspirations of the people of the District for aesthetic and health reasons. The activities undertaken within this group contribute towards the implementation of the Council's Zero Waste Policy.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	U F
Expenditure	5,051	5,816	795	F
Revenue	6,996	5,722	772	F
Net Cost of Service (Surplus)	(1,445)	122	1,567	F
Transfer from (surplus)/deficit	(1,567)	122	1,567	F
Capex	2,577	107	(2,070)	F
Payments to Reserves	596	322	(254)	F
Loan Repayments	22	22	-	
Less Depreciation not Funded	-	(12)	(12)	F
Total Funding Requirement	1,922	783	(1,139)	F
FUNDED BY:				
Reserves	851	52	(327)	F
Loans Raised	1,071	259	812	F
Total Funding Applied	1,922	783	1,139	F

F = Favourable variance U = Unfavourable variance

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What this group of activities includes

This provides a brief description of the types of functions that are undertaken within each group of activities.

Group of activity cost of service

This table outlines the cost of activities at a group level. The actual cost of the activities over the year is compared to the expected cost as set out in the LTCCP for the 2010/11 year. A key to the categories used in the table can be found later in this guide.

What we do and why

This provides a brief description of the types of functions that are undertaken within the particular activity and the reason for undertaking each activity. This paragraph also suggests the positive effects that undertaking this activity has on the community wellbeings.

Community outcomes

The activities undertaken by the Council contribute towards the achievement of the nine community outcomes for the Whakatāne District.

The community outcomes listed here are contributed to by this Activity, and will therefore effect the community wellbeings.

Cost of service

The Long Term Council Community Plan (LTCCP) for the 2010/11 financial year sets a budget for each activity that the Council undertakes. This table compares the expected cost of the activities, as set out in the LTCCP, with the actual cost of the activities over the year and any major variations are explained. A key to the categories used in the table can be found over the page.

Groups of Activities - Waste


WASTE RECYCLING

WHAT WE DO AND WHY

Recyclables are collected in tandem with general refuse and can also be dropped off, free of charge, to any of the Council's transfer stations. The materials currently being recycled via the domestic crate service include paper, cardboard, plastics (grades 1 and 2), glass (clear, green, brown), tin cans and aluminium cans and plastic bags. Larger items such as household appliances, steel, cars, timber, tyres etc. can be taken to either the Murupara and Minginui Transfer Stations or the Whakatāne Recycling Centre, where they are sorted for shipping.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes



COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	1,382	1,067	67	F
Revenue	1,506	1,502	4	F
Net Cost of Service (Surplus)	(12)	(53)	71	F

F = Favourable variance U = Unfavourable variance

IN FOCUS

Recycling services: The Council has implemented a project to educate school children on waste reduction and recycling. The Council is also promoting the reduction and recycling of waste through public media including the Council's website www.whakatane.govt.nz.

HOW DID WE PERFORM AGAINST OUR TARGETS? Achieved 1/2

Level of Service: The community has access to kerbside collection, disposal and recycling facilities including disposal of special waste (hazardous waste)

Measure: Satisfaction with kerbside recyclable collection.

target: Customer Satisfaction on Index (CSI) score 81.2 or higher (Exceptional performance).

Achieved: The CSI score or the satisfaction on kerbside recyclable collection is 83.0 (Exceptional performance). (Annual Report 2009/10 = 81.2).

Measure: Satisfaction with Council run recycling facilities in Whakatāne and Murupara.

target: CSI score 82.0 or higher (Exceptional performance).

Not Achieved: CSI score 80.5 (Exceptional Performance). The Council has not reduced the level of service it provides under this activity but the result may have been influenced by increased fees at the transfer station which is run jointly with recycling facilities. The perception survey result does continue to show that the public are highly satisfied with Council run recycling facilities. (Annual Report 2009/10 = 82.0).

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Major capital projects

This table provides a commentary on the progress that was made against major capital projects. It outlines the reason for variances between the actual amount spent on the project for the year compared to what was budgeted, explaining any significant under or over spend. A key to the categories used in the table can be found over the page.

How did we perform against our targets?

This table outlines how the Council performed against the levels of service targets for the year and provides an explanation if they have not been met. The LTCCP 2009-19 outlines the levels of service that the Council aims to achieve. It details the measures and targets used to show whether or not the levels of service are being achieved. These tables include both technical and perception based measures. Perception based measures rely on the Council's Residents Survey. The number of achieved targets for each activity can be found in the headings of the performance boxes under that activity (i.e. "Achieved 3/3" - this means that for that activity 3 out of 3 targets were achieved).

Groups of Activities - Waste						
MAJOR CAPITAL PROJECTS						
Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
Ruatāhuna Transfer Station	\$50	\$98	\$0	Behind Schedule	Unchanged	Under Budget
	• Annual Plan budget revised following review of cost as part of the preliminary study			• Preliminary study carried out. Physical works will be completed in 2011/12		• Due to works not being undertaken
Burma Rd landfill - Gas Collection	\$ 97	\$ 97	\$0	Completed	Modified (Reduced)	Under Budget
					• The full project was not required. Some minor works were carried out to improve gas collection	• Under budget as it was possible to undertake the minor works for gas management within the budget for retirement of the Burma Road Landfill
Proposed Landfill - Resource Consent	\$250	\$250	\$12	Behind Schedule	Unchanged	Under Budget
				• See In Focus		
Construction of Organic Waste Composting Plant	\$1,675	\$2,353	\$36	Behind Schedule	Unchanged	Under Budget
	• Annual Plan budget revised due to carry forward from previous year			• Project awaiting completion of resource consent process	• This project has been combined with the Construction of Plant (subsidised) project	• Under budget due to progress being behind schedule

HOW DID WE PERFORM AGAINST OUR TARGETS?		Achieved 3/3
Level of Service: the community has access to kerbside collection disposal and recycling facilities including disposal of special waste (hazardous waste)		
Measure: Provision of a landfill in the District.		
Target: 0 from January 2010 (waste disposed outside of the District).		
Achieved: All the residual waste is disposed outside the District in Tirohira regional landfill site.		

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Groups of Activities - Waste	
<p>IN FOCUS</p> <p>Burma Road landfill retirement: Following the closure of the Burma Road landfill, monitoring will continue to be undertaken to ensure that any negative environmental impacts can be identified and mitigated. The retirement of the Burma Road Landfill was scheduled to be completed in June 2011; however, due to extreme weather events this has been delayed and is scheduled to be completed in early September 2011.</p> <p>Construction of an Organic Waste Composting Plant: The preliminary investigation for a compost plant has been completed. A site closer to Whakatāne has been chosen for the plant. A resource consent application has been lodged with the Bay of Plenty Regional Council to construct and to operate a composting plant. The communities in Whakatāne need a cost effective way of disposing compostable materials. If these materials have to be sent to the landfill, it would be at a higher cost as the landfill is located far from the District. The main focus is to use the compostable material in a beneficial manner to the community and to the environment, as well as reducing the cost of disposal.</p> <p>Waste Management and Minimisation Plan: In October 2010 the Council adopted a Waste Management and Minimisation Plan for the Whakatāne District. This is the first full review of waste management since Council published the Waste Management Plan in 2003. Since that time, the Council has made many changes and improvements to the way it manages waste in the District, however, the community is still sending a lot of waste to landfill. This Plan describes how waste is managed in the Whakatāne District at the moment and suggests how it should be managed in the future. During the development of the final Plan the draft Plan went out for consultation in order to hear the community views on the proposed actions. Having adopted the Plan, the work will begin to implement the various actions that have been agreed. In some cases, this will mean the community will be heavily involved; in other cases actions may be the sole responsibility of the Council.</p> <p>Resource consent for new landfill: Preliminary studies carried out indicate that the construction and operation of a landfill is not economically feasible given the quantities of waste generated in the region. The Council has signalled its intention to remove the project to develop a regional landfill from its Long Term Plan (LTP).</p>	
<p>ANNUAL REPORT 2010/11 WHAKATĀNE DISTRICT COUNCIL 79</p>	

In focus

This provides a description of the highlights or lowlights for this activity in the 2010/11 year.

EXPLANATION OF CATEGORIES IN THE COST OF SERVICE TABLES

WHAT WILL THIS GROUP OF ACTIVITIES COST?

OPERATIONAL

Expenditure	The day to day running costs of this activity e.g. salaries and wages, materials and services, depreciation on assets and interest on borrowings.
Revenue	Income directly related to the activity e.g. user charges, targeted rates, subsidies.
Net cost of service (Surplus)	Expenditure less revenue = the total operational cost of running these activities.

NON OPERATIONAL

EXPENDITURE


Capital expenditure (Capex)	Expenditure on a new asset or extension of an existing asset to provide a greater service than previously provided.
Loan repayments	Repaying of loans raised for capital expenditure.
Payments to reserves	Transferring money into a reserve account held for special purpose. This includes transfers from development contributions revenue to development contribution reserves.
Non funded depreciation	The portion of depreciation that the Council does not intend to fund from revenue. The Council funds depreciation on the average of the next 25 years renewal requirements.
Total funding requirement	Net cost of operations plus capex, loan repayments and payments to reserves.

FUNDED BY

Reserves	Using funds from reserve accounts - e.g. Depreciation reserves, Development contribution reserves and Operational reserves.
Loans raised	Repaying of loans raised for capital expenditure.
Sale of assets	Revenue to be raised from the sale of assets belonging to this activity.
Total funding applied	The balance of funds required to operate this activity.

The following icons are used as an indication of the variance between the actual cost of each activity against what was budgeted for in the Annual Plan 2009/10:

 **Favourable Variance** - This activity **cost less** than budgeted or produced **more revenue** than budgeted

 **Unfavourable Variance** - This activity **cost more** than budgeted or received **less revenue** than budgeted

Where variances for an activity fall outside 10% and \$20,000 of the Annual Plan 2010/11 budgets, an explanation will be provided.

EXPLANATION OF CATEGORIES IN THE MAJOR CAPITAL PROJECTS TABLES

Annual Plan 2010/11 Budget		The budget set aside in the Annual Plan 2010/11 for the project.
Revised Budget		The budget set aside for the project in the Annual Plan 2010/11, plus budget carried forward from the 2009/10 year, plus any revisions to the budget adopted by Council during the year.
Actual Spend 2010/11		The amount actually spent on the project in the 2010/11 year.
Performance	Time	The purpose of this category is to identify whether the project is completed, on schedule, behind schedule, ahead of schedule, deferred or cancelled.
	Quality	The purpose of this category is to capture if the output of the project has altered substantially. For example, a project may have been completed and on budget but at a reduced scope to the original project charter. It is assumed that to be "substantial" these changes would likely have been made by Council resolution. If a project has been delayed or deferred, but the Council still intends to deliver the quality as per the original project charter, this project would read as "unchanged" for quality as this is a 'time' variance rather than a "quality" variance.
	Cost	The purpose of this category is to identify if the cost of the project is on budget, over budget or under budget. Note: <ul style="list-style-type: none"> • On Budget = Variance is within \$50,000 and 10% of budget • Over Budget = Variance is over budget by more than \$50,000 or 10% • Under Budget = Variance is under budget by more than \$50,000 or 10%
Explanations		Below some of the projects, significant variances and brief explanations as to the time, quality and costs will be provided. Further explanations for some projects can also be found under the 'In Focus' section.



Corporate & District Activities

Ngā Mahinga Matakite a Rohe



*Communications, Finance, Customer Services, Corporate Information
Corporate Property, Human Resources, District Income and Expenditure*

WHAT ARE CORPORATE AND DISTRICT ACTIVITIES

Every organisation needs to develop, manage and maintain internal systems to provide effective and efficient external services. Corporate and District Activities are substantial functions of the Council and while they do not fall within the Groups of Activities they do impact on their budgets.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	U/F
Expenditure	496	1,843	1,347	\$
Revenue	3,247	2,969	278	\$
Net Cost of Service (Surplus)	(2,751)	(1,126)	1,625	\$
Transfer from (surplus)/deficit	(2,751)	(1,126)	1,625	\$
Capex	1,535	1,819	283	\$
Payments to Reserves	2,575	4,110	1,535	\$
Loan Repayments	703	376	(326)	\$
Less Depreciation not Funded	(185)	(433)	(248)	\$
Total Funding Requirement	1,877	4,746	2,869	\$
FUNDED BY:				
Reserves	1,365	3,510	(2,145)	\$
Loans Raised	512	1,224	(712)	\$
Sale of Assets	-	12	(12)	\$
Total Funding Applied	1,877	4,746	(2,869)	\$

\$ = Favourable variance \$ = Unfavourable variance

CORPORATE AND DISTRICT ACTIVITIES

WHAT WE DO AND WHY WE DO IT

Corporate and District Activities support the delivery of the Council's projects, plans and activities. Corporate and District Activities include:

Communications: The Council provides the communications activity to inform, engage and enable the community to better understand what the Council does so they can be a part of decisions and projects. Community engagement is a major part of Council activities and some types of public communication are required by law. The Local Government Act 2002 requires the Council to consult with its community and facilitate public debate about matters being considered by the Council.

Finance: This internal activity provides financial and rating services to support the Council's activities. It is responsible for developing and providing effective mechanisms to monitor and report on Council's financial performance.

Customer Services: The Council needs efficient and consistent customer services to meet the continually changing expectations of its customers. This activity manages these expectations and ensures the agreed appropriate service is provided in accordance with the customer service standards and charter.

Corporate Property: Corporate property includes assets that provide essential services to the community and those that are supported by the local community. There are 20 properties in total, which include the Civic Centre, Museum and Gallery, the Whakatāne Airport Terminal Building, Workshops, Depots, Libraries, and the Dog Pound.

Corporate Information: This activity delivers information services to internal and external customers. Providing the right tools and information at the right time and place enables efficient, effective, and prudent management. The Corporate Information activity is the guardian of Council's data, information and knowledge assets which must be securely managed for current and future generations. The Council must also comply with relevant legislation such as the Public Records Act 2005 (PRA) and the Electronic Transactions Act 2002 (ETA) regarding the creation, collection, retention, and archiving of information.

Human Resources: Human Resources is an internal service provider of advisory services and tools to support the Strategic Leadership Team and Managers in the achievement of Recruitment, Induction, Organisational Development, Employment Relations, Training, Health & Safety and Remuneration. These services as provided by Human Resources will assist in the achievement of the Council's strategic goals in accordance with Council Policies, Procedures and Guidelines and in meeting our legislative obligations. As at the 30 June 2011 the Council employed 151 full time equivalent employees (excluding casuals). This is lower than budgeted due to an increased number of vacancies and positions not recruited for.

District Income and Expenditure: District Income is applied to reduce the general rate requirement in other Council activities. This revenue is sourced from commissions, petrol tax, interest and other sundry revenue.

Achieved 5/6

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Level of Service: The community is provided with up-to-date, factual information about Council's current and planned activities.

Measure: Satisfaction with Council's provision of information.

Target: Customer Satisfaction Index (CSI) score 64.2 or higher (Fair: needs improvement).

Achieved: The CSI score for satisfaction with Council's provision of information is 64.3 (Fair: Needs improvement). (Annual Report 2009/10 = 64.2).

Measure: Byways is produced and distributed quarterly to every household and non-resident ratepayer.

Target: Byways produced and released quarterly.

Achieved: Byways newsletters were produced and delivered to households in the Whakatāne District via the Bay Weekend.

Level of Service: The community and the Council have access to accurate and timely financial information.

Measure: Rates assessments are issued to ratepayers within a timely manner and contain accurate information.

Target: Ratepayers are given at least three weeks notice to pay a rates instalment.

Achieved: All rating instalments were invoiced at least three weeks prior to payment due date.

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure*	496	1,843	1,347	\$	Refer to the "In Focus" section.
Revenue*	3,247	2,969	278	\$	-
Net Cost of Service (Surplus)	(2,751)	(1,126)	1,625	\$	
Capital Expenditure	1,535	1,819	283	\$	

☒ = Favourable variance ☒ = Unfavourable variance

* The operational costs associated with Corporate and District Activities are generally funded by charging overheads on other activities. The Cost of Service table above captures the costs that are not charged as overheads.

IN FOCUS

Development of information systems for asset information: The implementation of a field data entry and capture system called KernMobile is substantially complete. KernMobile is a system which will allow Council's water, wastewater, stormwater, parks and property staff to manage their work electronically from the field. Staff will be supplied with a tablet PC and will be able to receive their tasks, view maps and asset information, update their progress on work being undertaken and record information to update the Council's asset management systems with accurate data from physical inspections.

New GIS system implemented: The Council upgraded its outmoded Geographic Information Systems (GIS) and software as part of a regional joint councils initiative under BoPLASS. The Council is the lead agency in this initiative. As well as providing an improved GIS system to the Whakatāne District Council, this project aligns systems across the council's of the Bay of Plenty allowing for cost savings through the sharing of resources and services.

Conversion to fibre-optic: The Council converted some of its wireless network links to fibre optic cabling over the 2010/11 year. The Council's permanent operations sites and business partners are now connected by fibre optic networking providing a faster and more reliable network and also enabling other service providers to share their network.

Online (web) service development: Over the 2010/11 year the Council completed the first stage of a Web Strategy. This included holding workshops with various stakeholder groups to gauge the public's expectation of what services should be made available online. Some examples include renewing library books; registering dogs; tracking progress on consents and LIM's; and accessing property files on line (note: this is not a complete list). Following this work the Council has already made improvements to some web services such as the information available through the "property search" function. The next step of this project will work through how the Council will deliver online services.

HOW DID WE PERFORM AGAINST OUR TARGETS

Achieved 5/6

Level of Service: The community has access to Council's activities through fully competent and efficient Service Centres.

Measure: Satisfaction with overall service from Customer Service/Front Desk staff.

Target: CSI score 75.2 or higher (Very good service).

Achieved: The CSI score for the overall satisfaction with Front Desk Staff is 78.0 (Excellent service). (Annual Report 2009/10 = 75.2).

Measure: Percentage of non direct dial telephone calls (calls to customer service) answered within 30 seconds.

Target: 85%.

Not Achieved: The Customer Services staff at the Council received a total of 97,000 calls during the year. Typically call volumes peak in August following delivery of rates notices. Staff managed to answer 81.9% of all non direct dial telephone calls within 30 seconds. (Annual Report 2009/10 = 85.7%).

GST change: During the 2010/11 year, GST increased to 15%. The Council began work on the transition early in the year and successfully implemented the change by October 2010.

WDC website: The Council's website has been ranked 20th in a survey of council websites in New Zealand. This is a huge improvement from last years ranking of 39th. The website has also been very popular during emergency events.

Explanation for Cost of Service variances: The Corporate and District Activities report a surplus but this is \$1.6m less than budgeted. The primary contributing factors which are over budget are:

- development contribution refunds \$719,000,
- interest costs \$375,000,
- loss on disposal of assets \$168,000,
- vested assets \$560,000, and
- losses on the movement of derivatives \$871,000.

This was offset by a decrease in the landfill aftercare provision being under budget by \$1.012m.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
Telephony	\$36	\$36	\$30	Completed	Achieved	Under Budget • Under budget due to efficiencies
IT Infrastructure Maintenance and Upgrade	\$235	\$210	\$209	Completed	Achieved	On Budget • Annual Plan Budget revised as system investment requirements are continuously reviewed over the year
Aerial Photography Rural and Urban	\$70	\$70	\$140	Completed	Achieved	Over Budget • Due to costs from 2010 not accrued correctly, resulting in 2010 budget not being carried forward
GIS Migration	\$0	\$335	\$220	Behind Schedule	Achieved	Under Budget • Annual Plan Budget revised due to carry forward from previous year • Due to late start and longer than expected timeline to BOPLASS alignment requirements • Due to progress being behind schedule
Ozone Development	\$35	\$394	\$59	Behind Schedule	Unchanged	Under Budget • Annual Plan Budget revised due to carry forward from previous year • Due to lack of internal resource • Due to progress being behind schedule

Achieved 5/6

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

Measure: Customer service efficiency is maximised through staff access to high quality information systems.

Target: 99% of users have access during business hours.

Achieved: Email services, servers, file services, network printer services and Ozone production services all met this target with availability to over 99% of users during business hours.



Leadership Te Poumanukura



Governance, Community Support, Strategy and Policy

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council provides leadership, community representation, advocacy, consultation, monitoring, planning, stewardship and accountability to the residents and ratepayers of the Whakatāne District. In addition, the Council is responsible for the provision and allocation of community grants. The Council also develops formal policies and the Long Term Council Community Plan.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific activities can be found on the following pages.

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	U/F
Expenditure	2,777	2,792	15	\$
Revenue	2,772	2,897	(125)	\$
Net Cost of Service (Surplus)	5	(105)	(110)	\$
Transfer from (surplus)/deficit	5	(105)	(110)	\$
Payments to Reserves	-	99	99	\$
Loan Repayments	6	6	-	\$
Total Funding Requirement	11	-	(11)	\$
FUNDED BY:				
Reserves	11	-	11	\$
Total Funding Applied	11	-	11	\$

\$ = Favourable variance \$ = Unfavourable variance

GOVERNANCE

WHAT WE DO AND WHY

Governance of the Council is a key activity, supporting and guiding everything else that the Council does. The elected members of the Council provide direction to the Council, ensuring that it is able to offer value for money and prudent management contributing to community outcomes. The elected members are the community's representatives, making decisions on behalf of and in the interests of the community. The Council is required by the Local Government Act 2002 to be open, transparent and democratically accountable. This means the Council must conduct its business in public in a way that is easily understood and contributed to by the community.

The incoming Council that was elected in October 2010 has introduced a new governance structure which sees most of the Council's business addressed at committee level.

There are two new committees, the Monitoring and Policy Committee and the Projects and Services Committee. All Councillors are members of both committees. The Council believes that this enables its business to be conducted in public, in a way that is easily understood, and enables participation by the community.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,915	1,973	58	\$	-
Revenue	1,904	2,021	(117)	\$	-
Net Cost of Service (Surplus)	11	(48)	(59)	\$	

\$ = Favourable variance \$ = Unfavourable variance

Achieved 3/5

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: The Council makes decisions in an open and transparent manner.

Measure: Meetings are publicly notified and agendas of the Council, its committees and community boards are available.

Target: 100% of meetings notified and agendas made available.

Achieved: 100% of meetings notified and agendas made available.

Measure: Satisfaction with the opportunities Council provides for community involvement in decision making scores 58.5 or higher (Needs significant improvement) in Council's Perception Survey.

Target: Customer Satisfaction Index (CSI) 58.5 or higher (Needs significant improvement).

Not Achieved: CSI score 57.5 (Needs significant improvement). This result may have been negatively influenced by publicity surrounding the petition to remove the Rangitāiki ward from the Whakatāne District to be governed by the Kawerau District Council. Following the October 2010 elections the Council has made changes to increase public access to the decision making process. At the time of writing this Annual Report the Council is also in the process of developing consultation policies to address this issue. (Annual Report 2009/10 = 58.5).

IN FOCUS

2010 local government elections: Local Body Elections were held in October 2010 with elections taking place for the Whakatāne District Council, Community Boards (with the exception of Rangitāiki and Murupara), Bay of Plenty Regional Council and the Bay of Plenty Health Board. Elections for Rangitāiki and Murupara were not required as the number of candidates did not exceed the number of vacancies. 70 nominations were received for the Whakatāne District Council vacancies compared to 54 nominations at the 2007 elections. The total election cost was approximately \$139,000 including cost recovery from the District Health Board and the Bay of Plenty Regional Council. The net cost to the Whakatāne District Council was \$83,000.

Rangitāiki reorganisation proposal: During the year, a petition was put forward by members of the Rangitāiki Community which sought to transfer the Rangitāiki Ward over to the Kawerau District Council. The petition was referred to the Local Government Commission to consider the matter. Following a process of consultation the Local Government

Commission decided that it was in the best interests of good governance for the Rangitāiki Ward to remain with the Whakatāne District Council. The total cost to ratepayers of this process is estimated at \$68,000, which includes 585 hours of staff time.

New committee structure assigned: Following the local government elections, the Council undertook an induction process for the elected representatives and establish the structures and processes for the triennium. The Council set up committee structures, assigned delegations, confirmed Standing Orders (including a casting vote for the Mayor/Chairperson), the Code of Conduct, and the Bay of Plenty Triennium Agreement. The Council appointed five standing committees including two new committees - the Monitoring and Policy Committee and the Projects and Services Committee. The Council has two Joint Committees and six Special Committees. The Town Vision Advisory Board continues unchanged; however, the Whakatāne Airport Board has increased its delegation and has two outside appointees to support its increased governance responsibilities.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/5

Level of Service: Elections and representation reviews are conducted in accordance with the Local Electoral Act 2001 and participation is encouraged.

Measure: Compliance with the Local Electoral Act 2001 for triennial elections and representation reviews.

Target: 2010 triennial elections conducted in accordance with Local Electoral Act.

Achieved: The Local Body Elections were successfully conducted in accordance with the Local Electoral Act 2001. The number of Whakatāne District electors returning their voting documents increased to 56.3% in 2010 compared to a 47.7% return in 2007 and a 48.3% return in 2004. This compared favourably to the 2010 nationwide elector turnout of 49.1%.

Level of Service: Māori have the capacity and the opportunity to contribute to Council decision making.

Measure: Number of Iwi Liaison Committee meetings held per year

Target: Eight or more Iwi Liaison Committee meetings held during the year.

Achieved: The Iwi Liaison Committee is a standing committee of the Council and as such meets six weekly. Six meetings were held as scheduled, as were a number of workshops on subject specific topics eg District Plan, Museum Exhibition and Terms of Reference. The reduction of standing meetings was due to the Local Body Elections and the requirement to seek new iwi members for the new triennium.

Measure: Māori satisfaction with the opportunities Council provides for community involvement in decision making.

Target: CSI 58.4 or higher (Needs significant improvement).

Not Achieved: CSI score 56.3 (Needs significant improvement). This result may have been negatively influenced by publicity surrounding the petition to remove the Rangitāiki ward from the Whakatāne District to be governed by the Kawerau District Council. Following the October 2010 elections the Council has made changes to increase public access to the decision making process. At the time of writing this Annual Report the Council is also in the process of developing consultation policies to address this issue. (Annual Report 2009/10 = 58.4).

COMMUNITY SUPPORT

WHAT WE DO AND WHY

The Council provides community support by providing funding for community projects; recognising voluntary organisations' contributions to the community; supporting and encouraging interaction and exchange with other cultures and recognising elderly people's contribution to the District. This activity is a key part of the Council's work to support the social and cultural well being of the citizens of this District. It also includes civic ceremonies such as ANZAC Day.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	186	165	(21)	\$	Underspend in Sister City project.
Revenue	192	194	(2)	\$	-
Net Cost of Service (Surplus)	(6)	(29)	(23)	\$	

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/1

Level of Service: Community groups, voluntary organisations and landowners are supported in contributing to the social, environmental, cultural and economic wellbeing of the Whakatāne District.

Measure: Availability and distribution of community funding in accordance with Council policy.

Target: Community funding distributed in accordance with Council policy. This includes the following community funds: Community Boards discretionary funds, Iwi Liaison Committee discretionary fund, Annual Grants, Multiple Year Funds, and Lease Subsidies.

Achieved: The allocation of the annual grants to community groups was achieved within the timeframes.

IN FOCUS

Community grants: The allocation of grants to community organisations was completed within the first quarter of the year. Major recipients included the Whakatāne Citizens Advice Bureau, Neighbourhood Support, SPCA, Community Patrol, Surf Lifesaving, Coast Guard, Hospice and Budget Advisory Services. Lease rental grants were also allocated during the year. The availability of the rentals and community grants allows for the Council to recognise the value of community groups and the work they do and services they provide throughout the community.

Iwi Liaison Committee discretionary fund: The Iwi Liaison Committee reviewed the criteria for the discretionary fund and increased the amount able to be allocated from \$500 to \$2,000 per application. The available fund of \$10,000 was allocated within the year as per the criteria. Grant recipients included Ngāi Tahu Charitable Trust, Mataatua Waka Ama Committee, and Paroa School.

Council initiatives: The Council held three events during the year to recognise and celebrate the contributions and achievements made by sectors of the community. Anzac Day, Young Achievers Award and the Over 80 Year Olds morning tea were hosted by the Mayor and continue to attract a large number to each of the functions. The Young Achievers Awards have also gained Horizon Energy Distribution Limited as sponsoring partner and they now take an active role in the event.



Signing of the Tūtohunga by Joshua Kalan, Chair of the Iwi Liaison Committee

STRATEGY AND POLICY

WHAT WE DO AND WHY

This activity delivers quality strategy and policy advice for elected members and staff to enable effective decision making and long-term planning. The Council makes decisions and sets direction to promote the social, cultural, environmental and economic wellbeing of the District's communities, and contribute to the good governance of these communities. Making good decisions and effectively setting direction requires a framework to provide long-term stability and consistency of approach. This activity also includes developing and consulting on planning and accountability mechanisms as required under the Local Government Act 2002, such as the Long Term Plan and the Annual Plan.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	676	654	(22)	\$	-
Revenue	676	682	(6)	\$	-
Net Cost of Service (Surplus)	-	(28)	(28)	\$	

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/2

Level of Service: The Council will develop and maintain strategies, policies and plans that support sustainable development and the needs of the community.

Measure: Perception that the Council makes good long term decisions.

Target: CSI score 47.4 or higher (Needs significant improvement).

Achieved: The CSI score for the perception that the Council makes good long term decisions is 52.2 (Needs Significant Improvement). (Annual Report 2009/10 = 47.4).

Measure: Status of the Council's policy framework.

Target: Policy framework drafted and review schedule completed. A third of policies reviewed as per schedule.

Not Achieved: While the activity has not achieved the number of policy reviews set in the level of service measure, during the 2010/11 financial year, the Council has reviewed or developed an Acceptance of Late Submissions Policy, Community Funding Policy (waste amendment), Community Hall Policy, Earthquake-prone Buildings Policy, Gordon Ellis Trust Policy and Procurement Policy. Planning for the review of the Long Term Plan (funding and financial policies) is underway but will be completed in the 2011/12 financial year. Also underway is a review of the Youth Policy, which will be completed in the 2011/12 financial year.

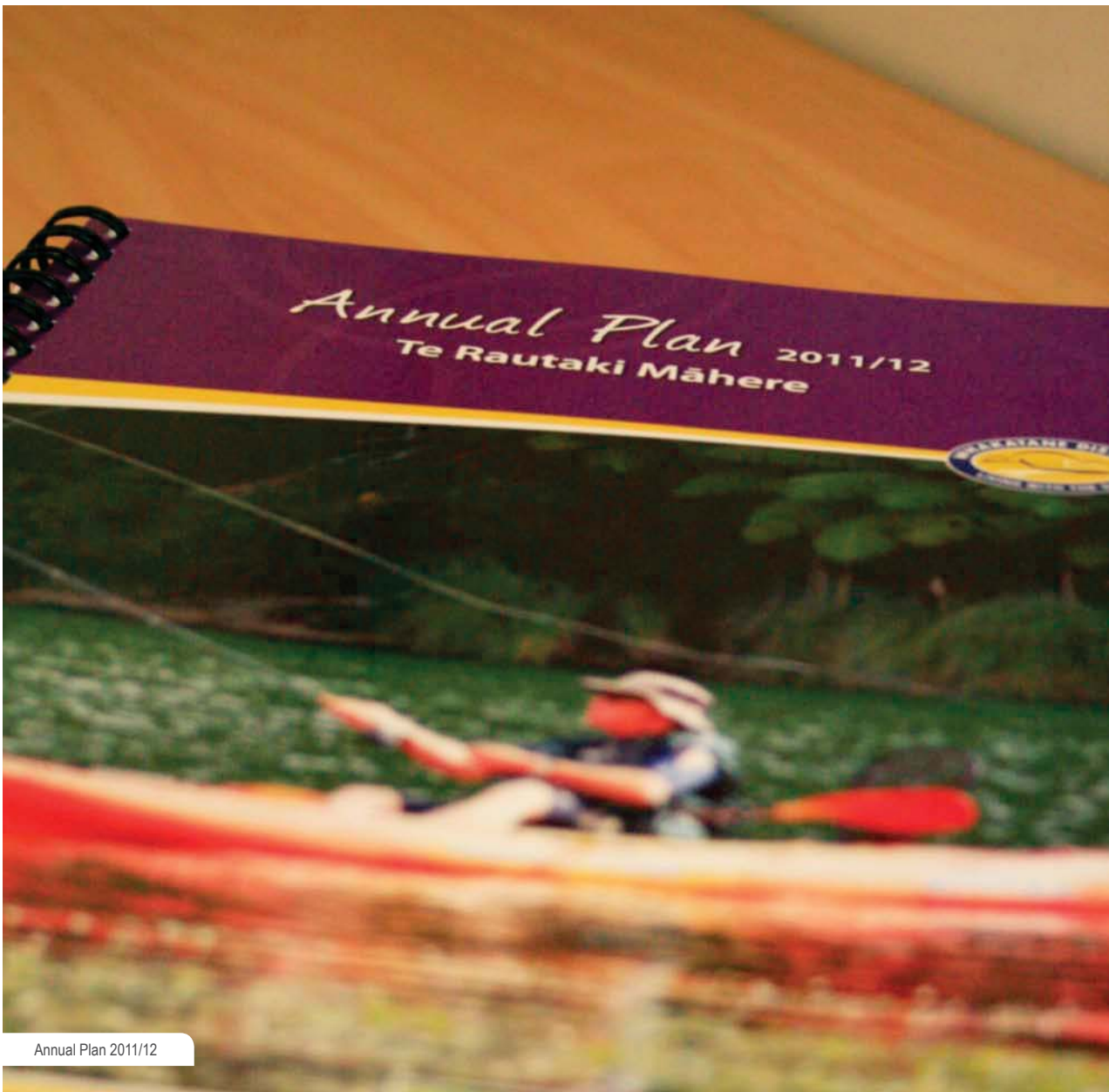
IN FOCUS

Policy development: During the 2010/11 financial year, the Council adopted policies on the Acceptance of Late Submissions, Gordon Ellis Trust, Community Halls and Procurement. The Council also reviewed the Community Funding Policy (Waste Grants), and Earthquake-prone, Dangerous and Insanitary Buildings policies. In the area of community development, the Youth Policy is currently under review and the Alcohol Policy, while due for review, has been placed on hold pending the outcome of the alcohol reforms being considered by Central Government.

As part of the Long Term Plan 2012-22 a project is also underway which will review key funding and financial policies of the Council.

Sustainability framework: The Council has approved the sustainability strategy which sets out to "Throw the small fish back". A number of initiatives have been undertaken internally to support the sustainability strategy e.g. A switch off campaign focusing on reduced energy use and a greenfleet audit of Council vehicles.

Corporate planning: The Council adopted the Annual Plan 2011/12 on 22 June 2011 and has now begun preparation of the Long Term Plan 2012-22.



Annual Plan 2011/12

Transport Networks & Safety

Ngā Huarahi ara Rau



Transport Networks, Road Safety, Parking Enforcement

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Generally, this group of activities is provided by Council in response to needs and aspirations of the community to achieve transport services that will, where necessary, conform to national funding criteria, prudent use of resources and expectations of safety, sustainability and comfort.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific activities can be found on the following pages.

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	U/F
Expenditure	13,982	16,496	2,514	☒
Revenue	13,543	18,369	(4,826)	☑
Net Cost of Service (Surplus)	439	(1,873)	(2,312)	☑
Transfer from (surplus)/deficit	439	(1,873)	(2,312)	☑
Capex	7,394	10,847	3,453	☒
Payments to Reserves	834	3,105	2,271	☒
Loan Repayments	1,146	1,146	-	☑
Less Depreciation not Funded *	(3,866)	(3,545)	321	☒
Total Funding Requirement	5,947	9,680	3,733	☒
FUNDED BY:				
Reserves	3,409	5,513	(2,104)	☑
Loans Raised	2,513	4,167	(1,654)	☑
Sale of Assets	25	-	25	☒
Total Funding Applied	5,947	9,680	(3,733)	☑

☑ = Favourable variance ☒ = Unfavourable variance

* Non Funded Depreciation

Because the Council receives subsidies for a large portion of the renewals work in this Activity, it does not need to fully fund depreciation through rates revenue. The Council funded \$2.347 million of depreciation in 2011 against a budgeted amount of funded depreciation of \$2.347 million.

TRANSPORT NETWORKS

WHAT WE DO AND WHY

The Council provides roading, airports, pedestrian and parking facilities and public transport infrastructure for the sustainable, safe, convenient, comfortable and cost effective movement of people and goods throughout the District, as well as to destinations outside the District. It benefits residents, businesses and the District as a whole. There are a number of legislative requirements that the Council needs to comply with in this activity including the Land Transport Management Act 2003, Local Government Acts 1974 and 2002 and the Resource Management Act 1991.

The transportation network mainly consists of roads, footpaths and car parking along with associated services such as street lighting, road markings, bridges and cycleways. The roading network consists of approximately 903 km of predominantly rural roads (86%). Over 78% of the network is sealed, which is well above the national average of 60%.

Currently there are approximately 208 million vehicle kilometres travelled on the network each year with approximately 71% of this traffic being on the arterial and collector roads.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



PROSPEROUS
ECONOMY



HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE

Over 78% of the roading network is sealed, which is well above the national average of 60%

Achieved 4/7

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Provide a reliable, safe and maintained transport network.

Measure: Satisfaction with the surface of the roads being maintained (e.g. lack of potholes, cracks, bumps etc).

Target: Customer Satisfaction Index (CSI) 66.7 (Fair: Needs improvement).

Not achieved: CSI score 61.5 (Needs significant improvement). During the later part of the 2010/11 year the District experienced numerous heavy rain fall events causing localised flooding. These unforeseen events forced road closures and caused extensive damage to the roading network. This is likely to have contributed to a reduced level of satisfaction recorded through the perception survey. (Annual Report 2009/10 = 55.9).

Measure: Percentage of customer service requests responded to appropriately and within timeframes in maintenance contract.

Target: 95%.

Not Achieved: 90%. The number of calls received into the contact centre has increased exponentially over the past few years, from 226 calls in 2009 to 1836 calls in 2011. Most of these calls require response by either Council's roading consultant or the contractors. The sheer volume of calls received, coupled with the increased workloads brought on by the year's storm events has meant that the target was not fully achieved. Whilst 90% of the calls were responded to and completed through the year, only 43% were able to be completed within the target response times. Some of these delays are attributable to a fault in the call centre software, which is being investigated. (Annual Report 2009/10 = 100%).

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	13,212	15,730	2,518	\$ Emergency works needed - Refer to "In Focus" section.
Revenue	12,702	17,646	(4,944)	\$ Increase subsidies - Refer to "In Focus" section.
Net Cost of Service (Surplus)	510	(1,916)	(2,426)	\$
Capital Expenditure	7,394	10,847	3,453	\$

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 4/7

Measure: Percentage of road crashes identify the road as a contributing factor (measured as a 5 year average 2005-2010).

Target: Less than 12%.

Not Achieved: The rolling 5 year average is 13% on 857 crashes. However, of note is the fact that there was only 2 fatalities in the year, compared to 8 the previous year. (Annual Report 2009/10 = 12.7%).

Measure: Percentage of road network compliant with New Zealand Transport Agency average road roughness limits.

Target: The above measure and related targets were changed during the year. The new measure is the NZTA Smooth Travel Exposure which measures the proportion (%) of vehicle kilometres travelled in a year that occurs on 'smooth' sealed roads. This indicates the ride quality experienced by motorists.

The Targets Are: Rural roads 95%, urban roads 80%. The urban target is lower because the measuring device is negatively affected by vehicle stopping at intersections.

Achieved: Rural 99%, Urban 81%, suggesting the ride quality experienced by motorist in the District is providing an acceptable level of service and an appropriate level of investment.

Level of Service: Provide a quality roading network compliant with all statutory and regulatory requirements.

Measure: Compliance with transport related statutory and regulatory requirements according to procedural audits (3 yearly).

Target: 100% compliance.

Achieved: A Procedural Audit undertaken by the New Zealand Transport Agency found no significant non compliance.

Level of Service: Route security is maintained.

Measure: Percentage of emergency road closure incidents where access is restored within timeframes in maintenance contract.

Target: 100%.

Achieved: 100% compliance. There were numerous storm events that assailed the District throughout the year and which resulted in road closures due to slips and flooding. Access was able to be restored within timeframes in all instances within the contractors control. (Annual Report 2009/10 = 100%).

Measure: Number of bridges spanning the Whakatāne River providing access to Whakatāne urban area.

Target: 1 (2 by 2017).

Achieved: A study has been approved by the New Zealand Transport Agency which will review the feasibility of a second bridge across the Whakatāne River.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
Unsealed road metalling	\$251	\$251	\$183	Behind Schedule	Unchanged	Under Budget
				• Wet weather caused placement issues at times. Programme will continue in 2011/12		• Under budget as some works not able to be completed. Unspent funds to be carried forward
Sealed road resurfacing	\$2,614	\$2,751	\$2,563	Completed	Achieved	On Budget
				• Annual Plan budget revised due to carry forward from previous year		
Drainage renewals - kerb and channel	\$353	\$353	\$430	Completed	Modified (increased)	Over Budget
					• Additional works undertaken	• Extra costs incurred due to modifications balanced by under spends in other activities
Matahi Road rehabilitation and improvements	\$487	\$487	\$40	Cancelled	Cancelled	Cancelled
				• This project has not been able to be progressed due to high tender costs		• Under budget due to project being cancelled
Local Roads Minor Improvements	\$670	\$1,019	\$986	Completed	Modified (increased)	On Budget
				• Annual Plan budget revised to align with NZTA subsidy budget	• Additional minor improvement works able to be undertaken with increased budget	
Footpath Renewal - Ongoing	\$115	\$115	\$113	Completed	Achieved	On Budget
Storm related capital projects	\$0	\$6,549	\$3,800	Behind Schedule	Modified (increased)	Under Budget
				• Annual Plan budget revised due to unforeseen events requiring additional works		• Due to some works not being completed in the 2010/11 year and higher subsidies available from NZTA

IN FOCUS

Operating and maintaining the existing local road network: The Council's planned road maintenance programme for the year was completed on time and to budget, in spite of significant pressures placed on resources by the numerous heavy rainfall events that inundated the District throughout the year.

Cost of Service variance due to storms: In addition to the planned road maintenance programme, the extensive damage to the roading network as a result of storm events has required additional works to be undertaken. The estimated value of these works is \$10.5M. By the end of the 2010/11 year, \$6.7M was spent, including \$2.9M on the initial response (operational expenditure) and \$3.8M on reinstatement works (capital expenditure). The New Zealand Transport Agency is a major funding partner in this work and have funded an average 72% of these costs with the Council's share of the 2010/11 costs amounting to \$1.9M.

The remaining works are intended to be completed in the current 2011/12 year, subject to the Council's approval. To complete the storm damage repair works will cost a further \$3.8M in the 2011/12 financial year of which Council's portion is expected to be \$1.5M.

Footpath extension: During the year a number of footpath extension projects were completed. An ongoing programme in Matatā included footpath extensions of 350m along Arawa Street and around the corner along Pākehā Street. In Whakatāne, a new footpath of 125m has been built along Washer Avenue and also 99m along Gateway Crescent where previously there have been no footpaths.

New cycle lanes: In June 2011, as part of the implementation of the Council's Walking and Cycling Strategy, new cycle lanes were installed on Arawa Road, between Bridge Street and Valley Road in Whakatāne, and on Pohutukawa Avenue in Ōhope.

New and improved infrastructure for local roads:

The Council undertook a number of capital improvement projects in the 2010/11 year that enhanced the existing road network or cater for changing demands. Key projects for the 2010/11 year included:

- **Quay Street Bridge replacement:** A re-assessment of the bridge determined that the salt corrosion was not as extensive as initially thought and that it would be cheaper to undertake substantial repair work than to replace the bridge. The total repair works cost \$70,000.
- **Ruatahuna Road seal extensions:** The 2km Ruatahuna Road seal extension was completed on time and under budget. The Council was able to secure a one off higher than usual subsidy rate for this project of 88%, which means the total cost to the Council for the works was only \$53,000.

Ōhope Road earthworks projects: The two Ōhope Road earthworks projects progressed well through the summer and into the autumn. The West Cut (at the top of the hill) was substantially complete by the end of the financial year. The East Cut (half way down the Ōhope hill) experienced complications along the way, including further storm damage, which delayed progress and required design changes. Completion of the East Cut is now expected by August 2011.

ROAD SAFETY

WHAT WE DO AND WHY

The Council is the lead agency in the Eastern Bay cluster (Whakatāne, Kawerau and Ōpōtiki District Councils) for road safety education, advertising and co-ordination. NZTA, ACC, Bay of Plenty Regional Council and the Police are key stakeholders along with local agencies who belong to the Eastern Bay of Plenty Road Safety Committee. The activities are provided in response to Central Government requirements identified in the Land Transport Amendment Act 2008, Government Policy Statement targets, and community aspirations. NZTA are a major funder of the cost of the road safety activity with funding also coming from the three Eastern Bay of Plenty District Councils and the Bay of Plenty Regional Council. ACC are also key contributors financially in their identified target areas. Financial and in kind support is also received from business and local communities.

The main activity is the co-ordination of education programmes and advertising to address the causes of serious and fatal crashes in the Eastern Bay. There are key partners in the community such as the Probation Service and Community Drug and Alcohol Services that deliver ongoing projects. The Annual Road Safety Action Plan is brought into effect through the Eastern Bay of Plenty Road Safety Committee and employment of Road Safety/Sustainable Transport personnel.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



SAFE CARING
COMMUNITY



HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE

Over 40 different road safety and travel demand programmes were delivered throughout the year

Achieved 1/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Provide programmes that help reduce the incidence and severity of crashes in the District and help to reduce road travel demand.

Measure: Satisfaction with the safety of our roads.

Target: CSI score 68.4 or higher (Good service, but with potential for improvement).

Not Achieved: CSI score 66.3 (Fair: Needs improvement).

The Council has not reduced the level of service that it delivers under this activity. The public perception of safety on the District's roads can be influenced by multiple factors many of which the Council can not control. In particular, the perception of safety may have been influenced by the very wet weather conditions that have affected the District over the course of the year. The Council will continue to monitor this result alongside other measures for road safety and tailor the delivery of programmes to target high risk areas.
(Annual Report 2009/10 = 68.4).

Measure: Number of annual road safety and travel demand programmes delivered.

Target: 30 programmes.

Achieved: Over 40 different programmes were delivered throughout the year.

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	422	416	(6)	\$ -
Revenue	422	355	67	\$ Subsidies not received for some overhead expenditure.
Net Cost of Service (Surplus)	-	61	61	\$

\$ = Favourable variance \$ = Unfavourable variance

IN FOCUS

Annual road safety programmes: The Council was involved in delivering a number of Road Safety Programmes in the community to try and make the roads safer for everyone. Changing young peoples' attitudes to drinking in particular will have a positive impact on road safety for future years. A range of road safety education programmes and other activities were successfully completed through the year. These include:

- Joint programmes run with the probation office for recidivist drink drivers.
- Youth drink/drive prevention seminars targeted at participants of local employment training programmes.
- Marae based drink drive programmes.
- Summer youth drink drive programme with SADD students from the local high schools.
- Child restraint clinics.
- Deployment of the speed device trailer throughout the region.
- Fatigue stop, targeting holiday traffic.

Active transport programmes: Active transport projects have been very much about the promotion of increased walking and cycling activity amongst the community. Programmes through the year included:

- Bike month with an emphasis on families biking together,
- School cycle training programmes,
- Walk to work initiative.

Two day Marae Youth Drink-Drive Prevention programme:

A key activity for the year was the series of two day Marae Youth Drink-Drive prevention programmes. These programmes were jointly run with the support from the NZ Police and staff from Community Mental Health. The programme is targeted toward youth who are attending pre-employment training. This high risk group participate in a variety of learning modes to expand and realistically challenge their attitude and behaviour. The main expected outcome is an increased level of awareness of responsibility around drinking and driving, and also improving social skills and attitudes towards authority figures (e.g. NZ Police).

PARKING ENFORCEMENT

WHAT WE DO AND WHY

The Council provides parking enforcement services in response to community needs and aspirations for safety and convenience. The parking provisions are governed by the Traffic and Speed Limits Bylaw as well as relevant sections of the Land Transport Act 1998 and traffic regulations. Monitoring is focused on the central business districts of Whakatāne and Kopeopeo. Enforcement activities are aimed at motorists overstaying their parking time but also include the issuing of infringement notices for expired warrants and registrations, damaged/smooth tyres and illegal parking within defined areas.

This activity supports safety on the road by identifying vehicles that do not comply with regulations around road worthiness. Associated processes include prosecutions and court appearances as well as responding to complaints. The Council is proactive in promoting Whakatāne's parking regulations and promotes the message of responsible driver behaviour towards parking requirements. This service ensures a turnover of vehicles in key areas to manage traffic flow.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



PROSPEROUS
ECONOMY



HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE

IN FOCUS

Under legislation, the Council can only use any revenue gained from this activity for transport related expenditure and must be applied to the area from which it was collected. This requirement was fulfilled during the 2010/11 year.

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	348	350	2	\$ -
Revenue	419	368	51	\$ Recovery in fees and charges less than budgeted due to reduced patrolling over the Christmas period.
Net Cost of Service (Surplus)	(71)	(18)	53	\$

☐ = Favourable variance ☒ = Unfavourable variance

Achieved 1/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Parking enforcement maximises the availability of parking and ensures that vehicles are safe.

Measure: Satisfaction with Council parking in Whakatāne.

Target: CSI score 69.9 or higher (Good service with potential for improvement).

Achieved: The CSI score for the satisfaction with Council parking in Whakatāne is 73.8 (Very good service). (Annual Report 2009/10 = 69.9).

Measure: Number of regular patrols that are carried out in Whakatāne and Kopeopeo for parking and road worthiness.

Target: Whakatāne; 3 patrols per day.

Kopeopeo; 5 patrols per week.

Partially Achieved: The target for Whakatāne was achieved through regular patrols. However, due to constraints on resources, Kopeopeo was only patrolled 3 times per week.



Water-Related Services

Ngā Ratonga a Wai



Water, Wastewater, Stormwater, Trade Waste

WHAT THIS GROUP OF ACTIVITIES INCLUDES

This group of activities is undertaken to provide and maintain efficient, reliable and safe water, wastewater, stormwater and trade waste services. The Council undertakes the activities in this group because of statutory obligations and public demand. Under section 130(2) of the Local Government Act 2002, the Council must continue to provide these water services to those communities that have been serviced.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	U/F
Expenditure	9,923	10,555	632	\$
Revenue	14,040	8,345	5,965	\$
Net Cost of Service (Surplus)	(4,117)	2,210	6,327	\$
Transfer from (surplus)/deficit	(4,117)	2,210	6,327	\$
Capex	11,987	4,017	(7,970)	\$
Payments to Reserves	403	1,910	1,507	\$
Loan Repayments	756	756	-	\$
Less Depreciation not Funded *	(2,307)	(2,486)	(179)	\$
Total Funding Requirement	6,722	6,407	(315)	\$
FUNDED BY:				
Reserves	2,403	3,899	(1,496)	\$
Loans Raised	4,319	2,508	1,811	\$
Total Funding Applied	6,722	6,407	315	\$

\$ = Favourable variance \$ = Unfavourable variance

* Non Funded Depreciation

The Council funded \$1.478 million of depreciation in 2011 against a budgeted amount of funded depreciation of \$1.478 million.

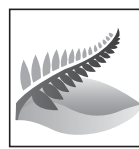
WATER

WHAT WE DO AND WHY

Water is an essential resource in our community and the Council is charged with ensuring water is of a high standard, is safe to drink and that supply is adequate for all the community. In response to this the Council manages a number of water supply assets for the District and is required to adhere to a number of statutory requirements, standards and policies. Under section 130(2) of the Local Government Act 2002, the Council must continue to provide water services to those communities that have been serviced.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	5,427	5,520	93	\$	-
Revenue	5,539	4,823	716	\$	Awaiting subsidies from the Ministry of Health for projects in Edgecumbe, Rangitāiki Plains, Te Teko and Rūātoki.
Net Cost of Service (Surplus)	(112)	697	809	\$	
Capital Expenditure	4,040	2,043	(1,997)	\$	

Ⓜ = Favourable variance Ⓢ = Unfavourable variance

Achieved 1/4

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Provide a continuous, safe, uninterrupted, and cost effective water system throughout the District's urban, residential and commercial areas that complies with drinking water and fire standards.

Measure: Satisfaction with the overall quality and reliability of the mains water.

Target: Customer Satisfaction Index (CSI) score 73.7 or higher (very good service).

Not Achieved: CSI score 72.0 (Good service, but with potential for improvement). This target was achieved in the rural areas of the District but not within Whakatāne or Ōhope which are on the Whakatāne urban water supply scheme. This perception may be related to high water turbidity resulting from heavy rain fall events during the year which affected water quality and in an extreme case resulted in the requirement for a boil water notice. The Council has subsequently upgraded the Whakatāne water treatment plant filters and a project to establish an alternative water source from a ground source rather than river source is ongoing. (Annual Report 2009/10 = 73.7).

Measure: Number of incidences leading to complaints regarding taste and odour of water.

Target: 40 complaints.

Not Achieved: The number of recorded complaints with regards to taste and odour was 66. The high number of complaints is due to extreme wet weather experienced during the year. As a result the river turbidity was higher than normal for most of the time creating water treatment issues. Although microbiological quality of the water can be achieved following treatment, the quality of water in terms of odour and taste is difficult to maintain. More chemicals had to be used in water treatment which affected the taste and odour of water in the reticulation. Investigations into alternative abstraction points are underway and an trial bore is being drilled. (Annual Report 2009/10 = 59 complaints).

IN FOCUS

Rural Water Supply Projects: A number of water projects have been completed in Tāneatua, Matatā, Te Mahoe, and Waimana to improve water supply to the communities using subsidy funds from the Ministry of Health (MoH) and Housing New Zealand Corporation (HNZC). The projects included installation of UV treatment facilities, installation of water quality monitoring equipment, upgrading of telemetry and upgrading of water pipes. The value of projects completed in 2010/11 was approximately \$238,000.

Whakatāne water treatment plant filter upgrade: The filter refurbishment project is a two year project and will be completed in the 2011/12 financial year as planned. The Council has completed most of the first stage of the upgrade. This includes the replacement of filter floors, pipe work and media.

Plains water supply: Investigations including network modelling have been carried out. The options for further upgrading and expanding the water scheme have been determined. These findings will be submitted to the Plains Water Supply Special Committee for comments. When the preferred option/s are finalised, further stakeholder consultation will be carried out in 2011/12 financial year.

Plains connections upgrade: This projects planned as part of the Plains connection upgrade for the 2010/11 year have been completed. This is an ongoing programme of replacing aging water connections and water meters including installation of backflow preventers where necessary.

General renewals and replacements: Water pipe replacement is an ongoing programme. This programme is a part of capital works included in the present LTCCP to maintain the agreed level of service. All identified works in the 2010/11 Annual Plan for Whakatāne and the Plains have been completed within budget.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/4

Measure: Percentage of water supply systems with adequate pressure to fill a 15 litre bucket in one minute.

Target: 95%.

Achieved: 97%. The Council measures the water pressure through the pressure loggers installed in various locations in the District. At present only a few places in the District are experiencing low water pressure. (Annual Report 2009/10 = 97%).

Measure: Number and level of water supply gradings received. (MoH grades water quality between A-E for water source and a-e for water reticulation. A indicates the highest standard and E the lowest. U stands for ungraded).

Not Achieved: A water grading was not carried out in 2010/11 year. However, the Council maintains a robust monitoring programme in accordance with the NZ Drinking Water Standards to ensure the safety of all drinking water. Parameters that are regularly monitored include: Turbidity, Free Available Chlorine, pH and E.Coli. A number of projects have been implemented to improve water quality since the last round of water grading in 2007/08. The next round of water grading is

scheduled for 2012 and it is expected that the specified water quality targets will be achieved. In addition all the treatment plants in the District except the Plains water treatment plants have been upgraded to meet the requirements of present drinking water standards. A new water source with good quality water for Plains water supply scheme has been established and a project will be included in the proposed LTP to supply water to parts of Plains water scheme from the new water source.

Scheme	Target:	Result (2007/08):
Whakatāne	Aa	Ee
Ōhope	Aa	Ed
Edgecumbe	Db	Ee
Matatā	Ab	Ee
Murupara	Ab	Ed
Tāneatua	Ab	Ee
Rūātōki	Bb	Ee
Waimana	Ab	Ee
Plains	Db	Ee
Te Mahoe	Ab	Ec

Ministry of Health capital assistance projects: MoH has reviewed the funding criteria for providing funds from the Drinking Water Assistance Programme (DWAP). The new applications for subsidy funds were received by MoH up to 30 March 2011. The following projects have been effected:

- **Ruātoki:** According to new funding criteria the project for increasing the water storage capacity and extending the pipe network in Ruātoki is eligible for DWAP funding. Therefore, a funding application has been lodged with DWAP. At present MoH is processing the funding application. If the application is successful, the project will be implemented in 2011/12 year.
- **Edgecumbe and Matatā:** Replacement of water connections and installation of meters will not be eligible for funding from DWAP under the new funding criteria. Therefore, these projects were not carried out in 2010/11. The projects will be included in the proposed Long Term Plan (LTP) of the Council with slightly changed scope to replace the aging water connections.
- **Edgecumbe and Te Teko:** Replacement of pipes does not come under new funding criteria of the MoH. Therefore, an application was not lodged with the MoH to receive subsidy funds for this project and the project was not carried out in 2010/11. However, the Council is planning to apply funds in the future for different pipe upgrade projects and these projects will be included in the draft LTP.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
Whakatāne Treatment Plant - Filter Media Replacement	\$426	\$439	\$77	Behind Schedule	Modified (increased)	Under Budget
				<ul style="list-style-type: none"> • First stage of physical works complete. The next stage of the project will be completed in 2011/12 	<ul style="list-style-type: none"> • Project scope has increased following investigations 	<ul style="list-style-type: none"> • Under budget as full project has not been completed. Remaining budget to be carried forward to 2011/12
Whakatāne Water Treatment Plant - alternative abstraction points	\$1,380	\$1,418	\$124	Behind Schedule	Unchanged	Under Budget
				<ul style="list-style-type: none"> • Investigations underway. A trial bore is being drilled. Project will be completed in 2011/12 	<ul style="list-style-type: none"> • Scope of project is unchanged 	<ul style="list-style-type: none"> • Under budget as full project has not been completed yet. Remaining budget to be carried forward to 2011/12
Edgecumbe water connections - replace and meter	\$300	\$598	\$0	Cancelled	Cancelled	Cancelled
				<ul style="list-style-type: none"> • Due to MoH subsidy funding not available 		<ul style="list-style-type: none"> • Under budget due to project being cancelled
Plains Water Edgecumbe and Te Teko	\$634	\$634	\$0	Cancelled	Cancelled	Cancelled
				<ul style="list-style-type: none"> • Due to MoH subsidy funding not available 		<ul style="list-style-type: none"> • Under budget due to project being cancelled
Rural Water Supply Projects (MoH funded)	\$0	\$0	\$238	Completed	Modified (increased)	Over Budget
					<ul style="list-style-type: none"> • Projects advanced due to funding availability 	<ul style="list-style-type: none"> • Over budget but fully funded by MoH and HNZC

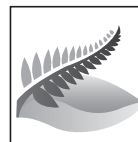
WASTEWATER

WHAT WE DO AND WHY

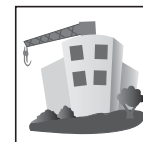
The Council is responsible for the provision and management of six wastewater schemes situated at Whakatāne, Ōhope, Edgcumbe, Tāneatua, Murupara, and Te Mahoe. The Council's key focus is to ensure wastewater is managed in an appropriate way. The Council maintains a number of assets to provide this service including treatment plants, pump stations, trunk mains, mains and service lines.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	2,639	2,759	120	\$	-
Revenue	6,986	1,999	4,987	\$	Awaiting subsidies from MoH for Matatā projects.
Net Cost of Service (Surplus)	(4,347)	760	5,107	\$	
Capital Expenditure	7,453	1,455	(5,998)	\$	

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/5

Level of Service: To provide high quality, efficient and reliable wastewater systems that are affordable and meet the reasonable needs of the urban and commercial communities.

Measure: Satisfaction with having a reliable disposal of waste water and sewerage.

Target: CSI score of 77 or higher (Excellent service).

Not Achieved: CSI score 73.6 (Very good service). Over the course of the year the District experienced a number of heavy rainfall events often resulting in localised flooding. As a result of these events there has been much higher levels of stormwater inflow and infiltration into the wastewater system. This is likely to have been a key factor in the public perception of the system's reliability. (Annual Report 2009/10 = 72.9).

Measure: Percentage of blockages and breakages affecting the system in Whakatāne are responded to within one hour. (Note: Actual works required to remedy breakages and blockages will vary according to the extent of fault).

Target: 90%.

Achieved: The performance of the Operations Business Unit which carries out all the operations and maintenance in wastewater reticulation is monitored through monthly reports. The achieved target in 2010/11 is 93.6%. (Annual Report 2009/10 = 97%).

Measure: Percentage of blockages and breakages affecting the system in other urban areas are responded to within three hours. (Note: Actual works required to remedy breakages and blockages will vary according to the extent of fault).

Target: 90%.

Achieved: The performance of the Operations Business Unit which carries out all the operations and maintenance in wastewater reticulation is monitored through monthly reports. The achieved target in 2010/11 is 93.6%. (Annual Report 2009/10 = 97%).

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
Whakatāne McAlister Street Gravity Main and Sewer Reticulation	\$742	\$912	\$709	Behind Schedule	Modified	Under Budget
	<ul style="list-style-type: none"> Annual Plan Budget revised due to carry forward from previous year 			<ul style="list-style-type: none"> The project was started but delayed until October 2011 due to very wet weather conditions 	<ul style="list-style-type: none"> This project has been modified to include two separate projects encompassing 1. the gravity main and 2. reticulation. This will result in efficiencies 	<ul style="list-style-type: none"> Under budget due to project being behind schedule
Edgecumbe Wastewater Pump Station, Storage and Reticulation upgrade	\$980	\$650	\$140	Behind Schedule	Modified	Under Budget
	<ul style="list-style-type: none"> Annual Plan Budget revised following investigation of options 			<ul style="list-style-type: none"> This project was delayed while awaiting outcome of investigations. Works are due to be undertaken in the 2011/12 year 	<ul style="list-style-type: none"> Following investigations this project has been modified to include two previously separate projects including 1. the pump station and storage and 2. reticulation upgrade 	<ul style="list-style-type: none"> Under budget due to project not being fully implemented in 2010/11
Matatā Wastewater treatment plant and reticulation construction	\$5,000	\$5,000	\$2	Deferred	Unchanged	Under Budget
				<ul style="list-style-type: none"> Project not carried out in 2010/11 as the funding options were not finalised. Works due to be implemented in the 2011/12 year 		<ul style="list-style-type: none"> Under budget due to project not being implemented in 2010/11. See "In Focus"

Achieved 3/5

HOW DID WE PERFORM AGAINST OUR TARGETS?

Measure: High quality and effective reticulated waste water systems are provided.

Target: In Whakatāne, Ōhope, Edgecumbe, Murupara, Tāneatua, and Te Mahoe.

Not Achieved: This target could not be achieved as a result of heavy rainfalls experienced in Whakatāne District during the year. There were a number of wastewater overflows in all the wastewater schemes due to this reason. Capital works will be included in the proposed LTP to overcome these issues except for Edgecumbe scheme. In Edgecumbe the capital works are planned in 2011/12 year.

Measure: Number of wastewater related resource consent infringement and abatement notices received by the regional council.

Target: 0.

Achieved: The Council has not received any infringement notices from the Regional Council in relation to wastewater discharge.

IN FOCUS

Ōhope treatment plant investigation: Investigations have been carried out and a study of water balance in the treatment ponds have been completed. More investigations, detailed design and physical works will be completed in the 2011/12 year.

Murupara ponds desludging: This project is planned in two stages. The first stage of the project has been completed. Weeds and sludge from a section of the ponds have been removed. The second stage to complete the project will be carried out in 2011/12.

Murupara and Whakatāne pipe upgrade: The works identified in the 2010/11 year and 2011/12 year have been combined into one contract. The works identified in 2010/11 have been completed. The balance of the works in the contract will commence in October 2011.

McAlistair Street pipe upgrade: The scope of this project has been changed following a condition assessment of concrete pipes. Since the concrete pipes in McAlistair Street were in very bad condition, only pipe replacement has been carried out with the available funds. The Council will continue programmes to assess the condition of pipes across the wastewater network and will continue annual maintenance/replacement programmes.

Ministry of Health capital assistance projects: The Council intended to undertake a number of projects that were reliant on subsidies from partner agencies, including the MoH.

- **Edgecumbe wastewater system upgrade:** MoH subsidy for this project has not been available. However, the Local Authority Protection Programme agreed to provide up to \$168,000 to repair the damaged pipes in Edgecumbe due to recent earthquakes. At present further investigations are underway to identify the best option to minimise the Edgecumbe wastewater issues. A preferred option will be implemented in 2011/12 year.
- **Matatā wastewater system development:** An amended provisional application has been lodged with the MoH seeking increased subsidy amount for this project. The MoH has approved \$6.7M for the project. At present the Council is investigating available options to fund the shortfall of \$3.3m to implement this project. Therefore, this project has not been implemented in the 2010/11 year. Following the finalisation of funding options the Council will implement the project in 2011/12.

STORMWATER

WHAT WE DO AND WHY

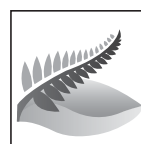
The Council manages stormwater systems in Whakatāne, Tāneatua, Otarawairere, Matatā, Te Mahoe, Edgecumbe, Te Teko, Ōhope, Murupara and Taiwhakaea. Each of these locations has its own issues and geographical challenges to ensure stormwater is effectively and efficiently managed and causes little disruption in the community. The Council provides stormwater systems because of statutory obligations and public demand.

The design standard for Whakatāne's urban stormwater reticulation system is to cope with a one in 10 year event with no surface flooding and a one in 50 year event with surface flooding drained away using overland flow paths. Low-lying parts of the Whakatāne urban area have stop-banks as protection from the Whakatāne River.

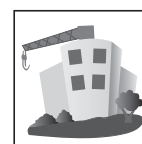
The river and stopbanks are managed by the Bay of Plenty Regional Council. Through the town there are channels and open drains that link to pumps. The higher parts of the urban area channel high volumes of stormwater to the lower areas of town.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,715	2,059	344	\$	Emergency works needed due to storm events.
Revenue	1,373	1,301	72	\$	-
Net Cost of Service (Surplus)	342	758	416	\$	
Capital Expenditure	493	519	25	\$	

\$ = Favourable variance \$ = Unfavourable variance

Achieved 1/4

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Provide a quality, continuous, safe, uninterrupted, and cost effective urban stormwater system accessible throughout Whakatāne (including Otarawairere), Ōhope, Edgecumbe, Matatā, Murupara, Tāneatua, Te Mahoe and Te Teko.

Measure: Satisfaction with the overall effectiveness of the stormwater systems.

Target: CSI score 64.0 or higher (Fair: needs improvement).

Not Achieved: CSI score 45.6 (Needs significant improvement). The District has experienced a substantial level of rainfall over the second half of the financial year. In a number of events the capacity of storm water systems has been exceeded resulting in localised flooding. While the Council has not reduced the level of service it delivers under this activity, public perception of the service will have been influenced by these events. Through the development of the LTP, the Council intends to gauge the public's desire for a higher level of protection from stormwater and the willingness to pay. (Annual Report 2009/10 = 64.0).

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
Ōhope stormwater flood damage 2010	\$468	\$468	\$67	Completed	Achieved	Under Budget
				<ul style="list-style-type: none"> Stream repairs and cleaning works completed 		<ul style="list-style-type: none"> Under budget due to assistance received in 2010 by the Bay of Plenty Regional Council
Ōhope stormwater - new reticulation pipes	\$0	\$72	\$0	Deferred	Unchanged	Under Budget
				<ul style="list-style-type: none"> Project scope modified downwards while awaiting the results of catchment studies 	<ul style="list-style-type: none"> Scope of project may be changed following investigations 	<ul style="list-style-type: none"> Large elements of project scope on hold pending results of catchment studies, some minor repair works undertaken and funded by the Bay of Plenty Regional Council
Mataatā Stormwater - January Storm 2011	\$0	\$286	\$162	Behind schedule	Unchanged	Under Budget
	<ul style="list-style-type: none"> Annual Plan Budget revised. This is a new item arising from storm events and was not budgeted through the Annual Plan 			<ul style="list-style-type: none"> Storm recovery works have been initiated but delayed by further heavy weather events during the year. Works will be completed in 2011/12 		<ul style="list-style-type: none"> Under budget as not all works have been completed. Budget will be carried forward to 2011/12

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/4

Measure: Percentage of blockages affecting the system in Whakatāne are responded to within one hour.

(Note: Actual works required to remedy blockages will vary according to the extent of fault).

Target: 100%.

Not Achieved: 87%. This target could not be achieved due to unusually high rainfall events experienced in the District in 2010/11. This has resulted in a high number of requests for service during concentrated intervals for which the Council is not adequately resourced. (Annual Report 2009/10 = 95%).

Measure: Percentage of blockages affecting the system in all other urban areas are responded to within three hours.

(Note: Actual works required to remedy blockages will vary according to the extent of fault).

Target: 100%.

Not achieved: 87%. Please refer to further explanation under the previous target. (Annual Report 2009/10 = 95%).

Measure: Percentage of storm-water systems built to meet one in ten year rainfall event.

Target: 75%.

Achieved: 81%. This target has been achieved. However, the Council has included capital projects in LTP to achieve higher target (95%) to reduce the flooding incidents in the district. (Annual Report 2009/10 = 81%).

IN FOCUS

Heavy rainfall: There has been flooding in various places in Whakatāne, Ōhope and Edgecumbe due to heavy rainfalls during the year. There are a number of stormwater projects included in the present LTCCP to address flooding issues in Whakatāne. At present the Council in conjunction with the Bay of Plenty Regional Council is investigating whole of catchment options to address flooding issues in Whakatāne and Ōhope. In addition, the Council has built a two dimensional model for the main Whakatāne Town to understand the stormwater ponding areas, existing and possible future overland flow paths for 100 year and 300 year rainfall events. These studies will consider different growth scenarios in Whakatāne and how these scenarios will affect the stormwater disposal in the town. The outcome of these studies will be used to update the information in the District Plan which is under review at present. The main focus in the District Plan would be setting new minimum flow levels for different catchments taking into account the preferred growth scenario and identifying and designating overland flow paths. The capital works programme in the present LTCCP will be further refined and updated in the next LTP. In Edgecumbe one project to address flooding issues has been completed. Another two projects are underway. Public consultation will be carried out through the District Plan and LTP consultation process.

Camellia Park control structure: A stormwater detention structure was built within Camellia Park to control the rate of discharge from the park during high rainfall events. The structure was built to prevent stormwater flows from exceeding the downstream pipe network and therefore flowing overland down Hillcrest Road into the urban area. It works by limiting the flow with all the excess stormwater stored within the park and released over time.

Matatā flood repairs: The floods events which occurred throughout the 2010/2011 financial year have resulted in a requirement to undertake further channel protection work in the Waitepuru and Waimea streams in Matatā. The majority of this repair work has been completed with the remainder scheduled to be completed by the end of July 2011.



Edgecumbe Floods January 2011

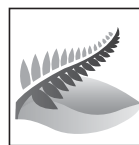
TRADEWASTE

WHAT WE DO AND WHY

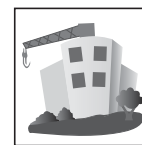
Tradewaste refers to waste discharged into the Council's wastewater system from industrial and commercial premises. The Council undertakes this activity because of statutory obligations. The main objectives are to protect the environment, people and community assets required for essential services.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	142	217	75	\$	Higher volume of trade waste processed.
Revenue	142	222	(80)	\$	Recoveries due to high volume of trade waste.
Net Cost of Service (Surplus)	-	(5)	(5)	\$	

\$ = Favourable variance \$ = Unfavourable variance

IN FOCUS

Operating under the tradewaste bylaw: The Council has implemented a new charging formula for the disposal of trade waste in the District. This follows the adoption of a new Trade Waste Bylaw in September 2008 which established a user pays charging policy for Trade Waste discharge. Since implementation of the new charging regime, the revenue from tradewaste has increased.

Under the Bylaw, all commercial, industrial, manufacturing or trade businesses that discharge to the wastewater system will need to apply to the Council for a Trade Waste Consent.

From 1 July 2010 all activities that require a trade waste consent under the Council's Trade Waste Bylaw were liable to pay trade waste charges.

Implementation of the new charging formula in the 2010/11 year followed identification of, and consultation with, affected parties during 2009/10.

All commercial, industrial, manufacturing or trade businesses that discharge to the wastewater system will need to apply to the Council for a Trade Waste Consent

Waste Ngā Parapara



Waste Reprocessing, Waste Recycling, Waste Disposal

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council provides services for refuse collection, recycling and reprocessing of waste, and waste disposal. The Council undertakes the activities within this group in response to the needs and aspirations of the people of the District for aesthetic and health reasons. The activities undertaken within this group contribute towards the implementation of the Council's Zero Waste Policy.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	U/F
Expenditure	5,051	5,846	795	\$
Revenue	6,496	5,724	772	\$
Net Cost of Service (Surplus)	(1,445)	122	1,567	\$
Transfer from (surplus)/deficit	(1,445)	122	1,567	\$
Capex	2,547	107	(2,440)	\$
Payments to Reserves	596	342	(254)	\$
Loan Repayments	224	224	-	\$
Less Depreciation not Funded	-	(12)	(12)	\$
Total Funding Requirement	1,922	783	(1,139)	\$
FUNDED BY:				
Reserves	851	524	327	\$
Loans Raised	1,071	259	812	\$
Total Funding Applied	1,922	783	1,139	\$

\$ = Favourable variance \$ = Unfavourable variance

WASTE REPROCESSING

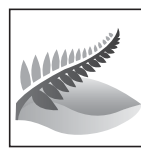
WHAT WE DO AND WHY

This activity involves diverting and reprocessing of materials out of the waste stream allowing them to be reused rather than wasted. This activity helps to reduce waste, reduce reliance of fresh raw materials and reduce the dependence on landfills as a waste management option.

The activity includes the provision of kerbside greenwaste collection services, green waste services at transfer stations and concrete reprocessing. The Waste Reprocessing activity is expected to grow with the development of a composting plant to divert further organic waste out of the waste stream.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	941	914	(27)	Ⓢ	-
Revenue	941	918	23	Ⓢ	-
Net Cost of Service (Surplus)	-	(4)	(4)	Ⓢ	

Ⓢ = Favourable variance Ⓢ = Unfavourable variance

IN FOCUS

Diverting materials out of the waste stream: Following the closure of the Burma Road landfill, the Council has placed a greater priority on diverting and reprocessing of materials out of the waste stream for reuse as this is a more sustainable option for the Council and ratepayers than the alternative of transporting the waste out of the District. A separate kerbside collection of greenwaste is in place. The community also can bring greenwaste separately to the Whakatāne recycling facility for disposal. The greenwaste collected in the recycling facility is reprocessed to produce compost at a plant in Kawerau.

Achieved 1/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: The community has access to kerbside collection, disposal and recycling facilities, including disposal of special waste, (hazardous waste).

Measure: The proportion of waste to landfill.

Target: 65% or less to landfill.

Achieved: The proportion of waste to landfill in the 2010/11 year has been 51%. This is substantially less than the target and an 11% improvement from last year. (Annual Report 2009/10 = 62.16%).

WASTE RECYCLING

WHAT WE DO AND WHY

Recyclables are collected in tandem with general refuse and can also be dropped off, free of charge, to any of the Council's transfer stations. The materials currently being recycled via the domestic crate service include paper, cardboard, plastics (grades 1 and 2), glass (clear, green, brown), tin cans and aluminium cans and plastic bags. Larger items such as household appliances, steel, cars, timber, tyres etc. can be taken to either the Murupara and Minginui Transfer Stations or the Whakatāne Recycling Centre, where they are sorted for shipping.

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,382	1,449	67	\$ -	
Revenue	1,506	1,502	4	\$ -	
Net Cost of Service (Surplus)	(124)	(53)	71	\$	

\$ = Favourable variance \$ = Unfavourable variance

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



IN FOCUS

Recycling services: The Council has implemented a project to educate school children on waste reduction and recycling. The Council is also promoting the reduction and recycling of waste through public media including the Council's website www.whakatane.govt.nz.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/2

Level of Service: The community has access to kerbside collection, disposal and recycling facilities, including disposal of special waste, (hazardous waste).

Measure: Satisfaction with kerbside recyclable collection.

Target: Customer Satisfaction Index (CSI) score 81.2 or higher (Exceptional performance).

Achieved: The CSI score for the satisfaction with kerbside recyclable collection is 83.0 (Exceptional performance). (Annual Report 2009/10 = 81.2).

Measure: Satisfaction with Council run recycling facilities in Whakatāne and Murupara.

Target: CSI score 82.4 or higher (Exceptional performance).

Not Achieved: CSI score 80.5 (Exceptional Performance). The Council has not reduced the level of service it provides under this activity but the result may have been influenced by increased fees at the transfer station which is run conjointly with recycling facilities. The perception survey result does continue to show that the public are highly satisfied with Council run recycling facilities. (Annual Report 2009/10 = 82.4).

WASTE DISPOSAL

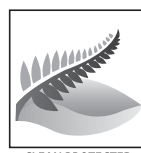
WHAT WE DO AND WHY

The Council's waste disposal services contribute to community wellbeing by providing facilities and opportunities that enable the community to dispose of their waste so as to protect public health and minimise harmful environmental effects.

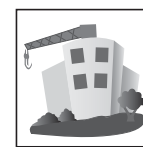
The Council provides kerbside refuse collection services to approximately 12,700 households in the District and operates waste transfer stations in Whakatāne and Murupara. With the closure of the Burma Road landfill in December 2009 there are no operational landfills within the District. Residual waste (non reusable or recyclable) will be transported and disposed of outside the District until another disposal option is finalised.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	2,728	3,483	755	\$ Delay in landfill retirement works resulting in additional lease costs.
Revenue	4,049	3,304	745	\$ Subsidies for composting plant and proposed landfill not received.
Net Cost of Service (Surplus)	(1,321)	179	1,500	\$
Capital Expenditure	2,547	107	(2,440)	\$

\$ = Favourable variance \$ = Unfavourable variance

Achieved 3/3

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: The community has access to kerbside collection, disposal and recycling facilities, including disposal of special waste, (hazardous waste).

Measure: Satisfaction with residential refuse collection scores.

Target: CSI score 83.6 or higher (exceptional performance).

Achieved: The CSI score for the satisfaction with residential refuse collection is 84.6 (Exceptional performance). (Annual Report 2009/10 = 83.6).

Measure: Number and location of transfer stations.

Target: Transfer stations are provided in:

Murupara (1).

Whakatāne (1).

Achieved: The Council operates two transfer stations in Murupara and in Whakatāne.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
Ruatāhuna Transfer Station	\$50	\$98	\$0	Behind Schedule	Unchanged	Under Budget
	<ul style="list-style-type: none"> Annual Plan budget revised following review of cost as part of the preliminary study 			<ul style="list-style-type: none"> Preliminary study carried out. Physical works will be completed in 2011/12 		<ul style="list-style-type: none"> Due to works not being undertaken
Burma Rd landfill - Gas Collection	\$497	\$497	\$0	Completed	Modified (Reduced)	Under Budget
					<ul style="list-style-type: none"> The full project was not required. Some minor works were carried out to improve gas collection 	<ul style="list-style-type: none"> Under budget as it was possible to undertake the minor works for gas management within the budget for retirement of the Burma Road Landfill
Proposed Landfill - Resource Consent	\$250	\$250	\$12	Behind Schedule	Unchanged	Under Budget
				<ul style="list-style-type: none"> See "In Focus" 		
Construction of Organic Waste Composting Plant	\$1,675	\$2,353	\$38	Behind Schedule	Unchanged	Under Budget
	<ul style="list-style-type: none"> Annual Plan budget revised due to carry forward from previous year 			<ul style="list-style-type: none"> Project awaiting completion of resource consent process 	<ul style="list-style-type: none"> This project has been combined with the Construction of Plant (subsidised) project 	<ul style="list-style-type: none"> Under budget due to progress being behind schedule

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/3

Level of Service: The community has access to kerbside collection, disposal and recycling facilities, including disposal of special waste, (hazardous waste).

Measure: Provision of a landfill in the District.

Target: 0 from January 2010 (waste disposed of outside of the District).

Achieved: All the residual waste is disposed outside the District in Tirohira regional landfill site.

IN FOCUS

Burma Road landfill retirement: Following the closure of the Burma Road landfill, monitoring will continue to be undertaken to ensure that any negative environmental impacts can be identified and mitigated. The retirement of the Burma Road Landfill was scheduled to be completed in June 2011; however, due to extreme weather events this has been delayed and is scheduled to be completed in early September 2011.

Construction of an Organic Waste Composting Plant: The preliminary investigation for a compost plant has been completed. A site closer to Whakatāne has been chosen for the plant. A resource consent application has been lodged with the Bay of Plenty Regional Council to construct and to operate a composting plant. The communities in Whakatāne need a cost effective way of disposing compostable materials. If these materials have to be sent to the landfill, it would be at a higher cost as the landfill is located far from the District. The main focus is to use the compostable material in a beneficial manner to the community and to the environment, as well as reducing the cost of disposal.

Waste Management and Minimisation Plan: In October 2010 the Council adopted a Waste Management and Minimisation Plan for the Whakatāne District. This is the first full review of waste management since Council published the Waste Management Plan in 2003. Since that time, the Council has made many changes and improvements to the way it manages waste in the District, however, the community is still sending a lot of waste to landfill. This Plan describes how waste is managed in the Whakatāne District at the moment and suggests how it should be managed in the future. During the development of the final Plan the draft Plan went out for consultation in order to hear the community views on the proposed actions. Having adopted the Plan, the work will begin to implement the various actions that have been agreed. In some cases, this will mean the community will be heavily involved; in other cases actions may be the sole responsibility of the Council.

Resource consent for new landfill: Preliminary studies carried out indicate that the construction and operation of a landfill is not economically feasible given the quantities of waste generated in the region. The Council has signalled its intention to remove the project to develop a regional landfill from its Long Term Plan (LTP).



Environmental Sustainability

Te Pūtaiao



Resource Management - Consents, Resource Management - Policy

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group the Council processes resource consent applications to use, develop and subdivide land and monitors compliance with the conditions of consent. Within this group of activities the Council is also involved in resource management planning. This includes development and monitoring of the District Plan, associated strategies and policy, as well as assessing the state of the environment.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	U/F
Expenditure	2,271	2,003	(268)	\$
Revenue	1,600	1,168	432	\$
Net Cost of Service (Surplus)	671	835	164	\$
Transfer from (surplus)/deficit	671	835	164	\$
Payments to Reserves	-	103	103	\$
Loan Repayments	9	9	-	\$
Total Funding Requirement	680	947	267	\$
FUNDED BY:				
Reserves	-	292	(292)	\$
Loans Raised	680	655	25	\$
Total Funding Applied	680	947	(267)	\$

\$ = Favourable variance \$ = Unfavourable variance

RESOURCE MANAGEMENT - CONSENTS

WHAT WE DO AND WHY

The Council has a statutory obligation to administer the Resource Management Act 1991 (RMA). The RMA requires all councils to be responsible for the provisions of the Act relating to the subdivision, use and development of land. In order to meet its obligations under the RMA, the Council processes and determines resource consent applications to use, develop and subdivide land and then monitors compliance with the conditions of consent to ensure negative effects on the environment are avoided, remedied or mitigated.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



ENVIRONMENTALLY
RESPONSIBLE
DEVELOPMENT



PROSPEROUS
ECONOMY

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,151	1,011	(140)	Ⓢ	Underspend due to low resource consent applications.
Revenue	1,151	719	432	Ⓢ	Under recovery due to low resource consent applications.
Net Cost of Service (Surplus)	-	292	292	Ⓢ	

Ⓢ = Favourable variance Ⓢ = Unfavourable variance

Achieved 1/3

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Resource Management Act (RMA) administrative services are provided to facilitate environmentally sustainable development within the Whakatāne District.

Measure: Satisfaction with Council's resource consent process.

Target: Customer Satisfaction Index (CSI) score 57 or higher (needs significant improvement).

Not Achieved: The CSI score for the satisfaction with the Council's resource consent process is 54.6 (Needs significant improvement). Although the Council did not achieve the desired result, the 2010/11 score is a 11.8 point improvement from the 2008 score. During the year, the Council faced resourcing constraints which may have attributed to the lower score. (Annual Report 2009/10 = 45.2).

Measure: Average working days for processing resource consents.

Target: 12.9 days for land-use consents, 20 days for subdivision consents.

Partially Achieved: 17 days for land-use consents, 18 days for subdivision consents. This is an improvement from last year.

Delays in processing times for land use consents were due to timing difficulties for independent commissioners and/or consultants, and reduced staffing levels.

The Council is also undertaking steps to improve the services provided under this activity such as through the Development and Compliance Focus Group.

IN FOCUS

Resource consent service: Resource consents were issued for a wide range of developments that included:

- Flood mitigation works around Edgecumbe township.
- Contaminated site remediation at the old Minginui sawmill site.
- Additional hanger facilities at the Whakatāne Airport.
- Redevelopment of the Whakatāne Hospital site.
- Approval of disposal sites for landslip debris.
- Redevelopment of the Te Whare Wānanga o Awanuiarangi campus.
- Replacement of the Reids canal floodway bridge and associated earthworks.
- Establishment of a health facility for Tūhoe Hauora in Tāneatua.
- A new motel complex in Landing Road, Whakatāne.

Amendments to the Resource Management Act:

The Resource Management Act (RMA) Amendment Act 2011 provided clarity around the interrelationship between the Minister of the Environment and the newly created Environmental Protection Agency. This includes the Minister's ability to call in matters of national significance, and the Environmental Protection Agency's procedural ability to request further information. In the 2010/11 year the Council continued to provide resource consent services in accordance with obligations under the RMA and its amendments.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/3

Measure: *Number of resource consent decisions overturned by the Environment Court.*

Target: 0.

Achieved: Four resource consent appeals were settled through Environment Court mediation. No Council consent decisions were overturned by the Environment Court.

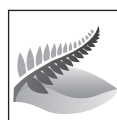
RESOURCE MANAGEMENT - POLICY

WHAT WE DO AND WHY

The Resource Management Act 1991 (RMA) requires the Council to have a District Plan setting out objectives, policies and rules with regard to the subdivision, use and development of land. This activity involves preparing the plans and policies that implement the RMA, such as the District Plan, while also providing input to regional and national resource management frameworks. In addition there is a need to ensure that resource management planning processes are firmly supported by long term objectives and direction.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT



PROSPEROUS ECONOMY

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,120	992	(128)	Ⓢ	District Plan review behind schedule.
Revenue	449	449	-	Ⓢ	-
Net Cost of Service (Surplus)	671	543	(128)	Ⓢ	

Ⓢ = Favourable variance Ⓢ = Unfavourable variance

Achieved 1/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: The proposed Whakatāne District Plan is made operative.

Measure: Status of the Whakatāne District Plan.

Target: First generation Whakatāne District Plan fully operative and second generation review underway.

Achieved: The first generation Whakatāne District Plan was made fully operative on 15 October 2010. The preparation of the second generation review is underway.

IN FOCUS

Whakatāne Integrated Urban Growth Strategy: On 18 August 2010, the Council adopted the Whakatāne Integrated Urban Growth Strategy. The Whakatāne Integrated Urban Growth Strategy sets out future growth options for the Whakatāne urban areas of Piripai, including Coastlands, Whakatāne and Ōhope. It combines a number of previous studies and projects considering how and where future growth can be accommodated in the future. The strategy plans for a population of 25,000 by the year 2050 – an increase of 8000 people over the next 40 years.

The strategy identifies the amount of land required for a population of 25,000 to be:

- Residential growth: an additional 200 hectares
- Industrial growth: focus industrial development around Kawerau, but provide 40 hectares close to the Whakatāne urban area for local demand
- Commercial (office and retail): an additional 20 hectares.

The District Plan review will implement the Whakatāne Integrated Urban Growth Strategy by zoning land needed for urban growth.

Whakatāne District Plan Review: The second year of the District Plan review project has involved the development of a Draft District Plan. Over the course of the 2010/11 financial year, stakeholders and interest groups and the Monitoring and Policy Committee have been meeting to consider draft chapters for inclusion in the Draft District Plan.

The Council met on 22 June 2010 to approve the plan for public consultation. While Council is not legally obliged to release a draft plan for consultation, this is best practice and provides an opportunity to test preferred options with the community, and to seek their feedback prior to formal notification of the plan. Public consultation and formal notification will be undertaken during the 2011/12 year.

Kawerau industrial land exchange: During the 2010/11 year, a boundary adjustment between the Kawerau District and the Whakatāne District was made, moving the Pūtauaki Industrial Zone from Whakatāne to Kawerau. The boundary alteration order was advertised in the New Zealand Gazette on 16 December 2010 and came into effect on 9 March 2011.

Community Safety

Te Whakamaru o Tū



*Licensing (Liquor and Gambling), Environmental Health
Regulation Monitoring, Safer Communities, Building, Animal Control*

WHAT THIS GROUP OF ACTIVITIES INCLUDES

The activities within this group are undertaken by the Council in response to various aspects of community safety and wellbeing. In most cases the Council is obligated by legislation to provide these services to the community. Within this group of activities the Council provides a variety of consents, licenses and certificates and also conducts monitoring and inspections to safeguard the community. The Council also provides information and complaints services under this group of activities.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	U/F
Expenditure	2,790	2,753	(37)	\$
Revenue	2,896	2,936	(40)	\$
Net Cost of Service (Surplus)	(106)	(183)	(77)	\$
Transfer from (surplus)/deficit	(106)	(183)	(77)	\$
Capex	-	5	5	\$
Payments to Reserves	150	324	174	\$
Total Funding Requirement	44	146	102	\$
FUNDED BY:				
Reserves	44	146	(102)	\$
Total Funding Applied	44	146	(102)	\$

\$ = Favourable variance \$ = Unfavourable variance

LICENSING (LIQUOR & GAMBLING)

WHAT WE DO AND WHY

The Council has a statutory obligation to undertake this activity. Under the provisions of the Sale of Liquor Act 1989 the Council takes on the role of a District Licensing Agency. The Gambling Act 2003 requires councils to develop and administer policies for class four venues (gaming machine venues excluding casinos) and for board venues (TABs).

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	127	110	(17)	\$	-
Revenue	127	118	9	\$	-
Net Cost of Service (Surplus)	-	(8)	(8)	\$	

\$ = Favourable variance \$ = Unfavourable variance

IN FOCUS

Submission on review of the Sale of Liquor Act: The Council made a submission to the Select Committee considering the review of the Sale of Liquor Act. Legislation changes are still pending. Until the review is finalised, the Council will continue to provide the current licensing services. These services include conducting inspections of all licensed premises for compliance as well as undertaking at least one controlled purchase operation in conjunction with the NZ Police and Toi Te Ora Public Health.

Achieved 2/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Alcohol sales and gaming machines are available only at licensed premises managed by qualified people.

Measure: Inspection of all licensed premises for compliance with the Sale of Liquor Act, at least once per annum, with enforcement action initiated against any non complying premises.

Target: 100%.

Achieved: A total of 83 licensed premises were inspected at least once during the 2010/11 financial year. (Annual Report 2009/10 = 100%).

Measure: Controlled purchase operations are undertaken in conjunction with the Police and Toi Te Ora Public Health with enforcement action initiated against non-complying premises.

Target: At least one operation annually.

Achieved: The Council, in conjunction with other agencies participated in controlled purchase operations during December 2010 and May 2011. Six licensed premises were visited in December. All premises operators sought appropriate identification and refused service to the youth who had been engaged by the agencies to test the system. The May operation resulted in an offence being observed at one licensed premises where alcohol was served to a minor. This resulted in a voluntary closure for one day.

ENVIRONMENTAL HEALTH

WHAT WE DO AND WHY

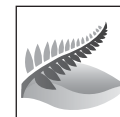
The Council has a statutory obligation to undertake this activity. The Council's authority comes from the Health Act 1956, the Food Act 1981 and associated regulations and bylaws. The Environmental Health activity includes the following: licensing of all registered premises (food, camping grounds, mortuaries, hairdressers, offensive trades), monitoring the state of the environment (includes public and private water supplies, environmental noise and contaminated land), and responding to nuisance complaints (excessive and unreasonable noise, unsanitary living conditions, refuse, odour from neighbouring properties).

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



SAFE CARING COMMUNITY



CLEAN PROTECTED ENVIRONMENT

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	231	190	(41)	\$	Direct costs.
Revenue	231	228	3	\$	-
Net Cost of Service (Surplus)	-	(38)	(38)	\$	

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/2

Level of Service: The environmental health of the community is maintained or enhanced.

Measure: Satisfaction that Environmental Health Services are making the environment a healthier place to live.

Target: Customer Satisfaction Index (CSI) score 69.6 or higher (good service, but potential for improvement).

Not Achieved: The CSI score for the satisfaction with Environmental Health Services are making the environment a healthier place to live is 66.8 (Fair: Needs improvement). (Annual Report 2009/10 = 69.6).

IN FOCUS

Swimming pools: All publicly accessible swimming pools within the District were assessed against the New Zealand Pool Water Quality Standards. Operational parameters evaluated included the level of Free Available Chlorine residual, pH, testing frequencies and testing parameters, and record keeping. With the exception of the Whakatāne Aquatic Centre, where management procedures exceeded the requirements of the Standard, the majority of the other pools failed to demonstrate adequate record keeping and in some cases operational parameters were outside of the Standard's requirements. Despite this, the pools were considered safe and improvements will be made to ensure that the Standards are complied with.

Environmental health services: The annual licensing programme was completed with all premises inspected and enforcement action initiated as required. A range of health nuisances were investigated during the year. These ranged from complaints of excessive and unreasonable noise, refuse, rodent infestation, insanitary premises, animals kept in offensive conditions and potentially contaminated private water supplies.



Awakeri Swimming Pools

Achieved 1/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Food premises operating in the Whakatāne District comply with relevant regulations/legislation.

Measure: Food premises are inspected at least once per annum and registrations are issued in accordance with regulations of relevant legislation. Enforcement action is initiated against non complying premises.

Target: 100%.

Achieved: A total of 194 premises (100%) involved in the preparation or sale of food were inspected by 1 December 2010. Enforcement action was taken against 40 (21%) of the premises to upgrade the standard of hygiene. (Annual Report 2009/10 = 100%).

REGULATION MONITORING

WHAT WE DO AND WHY

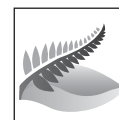
Bylaws have been developed generally in response to public demand to deal with issues of nuisance, public health and safety and offensive behaviour. The Council also has statutory obligations under the provisions of the Local Government Acts 1974 and 2002 and the Litter Act 1979. The main duties include monitoring: public places (licensing of street stalls, the removal of obstructions in public places (e.g. overgrown trees on footpaths), and considering applications for parades), environmental nuisances such as accumulation of rubbish and urban rubbish fires, prevention of the spread of fires involving vegetation, responding to complaints about long grass in urban areas, barbecue permit conditions, prohibition of fires in urban areas during periods of high fire risk, and removing vehicles parked in the wrong place, and dealing with abandoned cars.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



SAFE CARING COMMUNITY



CLEAN PROTECTED ENVIRONMENT

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	78	67	(11)	\$	-
Revenue	78	79	(1)	\$	-
Net Cost of Service (Surplus)	-	(12)	(12)	\$	

\$ = Favourable variance \$ = Unfavourable variance

IN FOCUS

Services to protect public health and safety: The Council provided quality responsive services for the community on service requests and were more proactive by informing the community of what their responsibilities are.

Review of Public Places Bylaw: During this year the Council reviewed its Public Places Bylaw and adopted, under the Litter Act 1979, the ability to issue infringements for various litter offences. The Bylaw includes a scale of fines depending on the quantity and content of the illegally dumped rubbish.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/2

Level of Service: The Council administers and enforces bylaws to deal with issues that create nuisance to the community.

Measure: Response times to complaints and infringements.

Target: 100% of urgent complaints and infringements responded to within 1 hour.

Achieved: 100%. The target was successfully achieved. Every effort is made to identify offenders and issue infringements or recover costs where possible.

Target: 100% of non-urgent complaints and infringements responded to within 24 hours.

Achieved: 100%. The target was successfully achieved. Every effort is made to identify offenders and issue infringements or recover costs where possible. (Annual Report 2009/10 = 100%).

SAFER COMMUNITIES

WHAT WE DO AND WHY

The Council provides this service to offer support, coordination and direction to the community in order to enhance the safety and wellbeing of all. The Council also provides this service in response to community demand to reduce crime and increase safety as well as support social and cultural wellbeing.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	194	228	34	Ⓢ	Projects advanced as subsidies received early.
Revenue	194	233	(39)	Ⓢ	Subsidies received in advance for I-Saw and Tag Off projects.
Net Cost of Service (Surplus)	-	(5)	(5)	Ⓢ	
Capital Expenditure	-	5	(5)		

Ⓢ = Favourable variance Ⓢ = Unfavourable variance

Achieved 2/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Community safety is fostered through a range of subsidised programmes and coordinated projects.

Measure: Safer communities programmes and projects are developed and implemented according to local needs.

Target: At least 4 programmes and projects delivered annually.

Achieved: The Council has delivered the following programmes and projects within the 2010/11 financial year: Tag-off, I-saw, Street Ambassadors, Youth training in Murupara. Underway at the end of the financial year were projects on CCTV upgrade and training for Liquor License Holders.

Measure: Number of Whakatāne District Youth Council meetings per year.

Target: 4 or more meetings per year.

Achieved: The Youth Council met 8 times over the course of the 2010/11 financial year. This is double the number of meetings in the target above.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
CCTV	\$0	\$115	\$5	Behind Schedule	Modified (increased)	Under Budget
	<ul style="list-style-type: none"> Annual Plan budget revised due to change in scope also moved from Information Services Activity 			<ul style="list-style-type: none"> The project has been delayed. The quality of the cameras to be installed was reviewed following Council decisions to install fibre optic in the Whakatāne CBD 	<ul style="list-style-type: none"> The quality of the cameras that are proposed to be installed has been improved to utilise the fibre optic network installed in the Whakatāne CBD 	<ul style="list-style-type: none"> Remainder of revised budget to be carried forward to 2012

IN FOCUS

Whakatāne District Youth Council: This year's Youth Council consists of 20 members, including 3 from Murupara. The Youth Council prepared a successful event in July 2011 to celebrate youth week. The event encouraged young people to engage with and participate in a wide range of arts by putting their own art work on display. Music also featured strongly throughout the event. The Youth Council has also participated in Council decision making through submissions to the Annual Plan, and feedback on the review of the Youth Policy.

Tag-Off graffiti programme: The Tag Off Graffiti programme removes tagging throughout the District. Reports of tagging can be phoned in to the Council's Customer Service Centre. Funding for this programme from the Ministry of Justice was expected to cease in June 2011. However, the Council has received confirmation from the Ministry that any unspent funding for Tag Off can be carried over to the 2011/12 financial year. This is exciting news as the programme has delivered a positive benefit for the community in terms of graffiti reduction.

I Saw programme: The I Saw programme is about education to prevent tagging. The Programme has involved a series of school visits and an education campaign via radio. In May/June 2011 an intensive radio campaign was held through 1XX and Bayrock on tagging prevention. This radio campaign was also backed up with social media (website, Facebook and Twitter).

Smoke-Free Council Open Spaces Policy: During the 2010/11 year the Council adopted the Smokefree Council Open Spaces Policy. This policy is an educational based policy focusing on the Council's most popular playgrounds and parks. The Policy was implemented on 31 May 2011, which was World Smokefree Day.

Street Ambassadors: The Street Ambassador programme is an intervention aimed at improving the public place environment in which people move about in at night, and trying to minimise alcohol related harm over the holiday season. The Street Ambassadors programme was completed on 28 February 2011. While the Council received a grant of \$42,800 from the Ministry of Justice for this programme, the project was under-spent as many people, including Youth Council members, voluntarily assisted. Given the success of the programme, the Ministry of Justice has agreed that the Council can run the programme again in 2011/12 to use the remaining funding.

Community Strategy: In the 2010/11 financial year, the Community Safety activity has changed to Community Development. In setting the direction for the Community Development activity, the Whakatāne District Council has developed its first Community Strategy. This identifies the key social issues facing the Whakatāne District and recommends actions that the Council can implement to seek to improve social wellbeing. In essence, it sets the direction and capacity for how the Council will respond to community needs and how it will contribute towards social wellbeing. The Community Strategy provides a framework for the many activities that the Council is already involved in. It also proposes a number of new projects including establishing a response to issues of gang behaviour and family violence, developing an Older Person's Policy and Community Plans to enhance small and/or rural communities.

BUILDING

WHAT WE DO AND WHY

The Council has statutory responsibilities under the Building Act 2004 and its regulations to ensure that buildings are safe for users and that they have attributes that contribute appropriately to the health, physical independence, and wellbeing of people who use them. Buildings also need to be designed, constructed, and able to be used in ways that promote sustainable development. The building activity includes the processing of building consents and project information memoranda, inspections of building work, issuing of code of compliance certificates and compliance schedules, and monitoring and enforcing of building warrants of fitness.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



SAFE CARING
COMMUNITY



HEALTHY PEOPLE AND
QUALITY HOUSING

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,588	1,597	9	\$ -	
Revenue	1,694	1,602	92	\$ -	
Net Cost of Service (Surplus)	(106)	(5)	101	\$	

\$ = Favourable variance \$ = Unfavourable variance

Achieved 3/3

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: High quality outcomes for building consent and code compliance applications are provided in a timely and professional manner.

Measure: Satisfaction with the Council's building consent process.

Target: CSI score 56.6 or higher (needs significant improvement).

Achieved: The CSI score for satisfaction with the Council's building consent process is 57.3 (Needs significant improvement). (Annual Report 2009/10 = 26.9).

Measure: Average working days for processing building consents.

Target: 15.4 days.

Achieved: A total of 753 building consents were issued. The average processing time was 9.37 working days.

Level of Service: New buildings and buildings with public access are healthy and safe.

Measure: New buildings and buildings with public access comply with the building code or enforcement action is taken.

Target: 100% either comply or followed up with enforcement action.

Achieved: Inspections of building work are carried out at key stages of construction. Audits of Building Control Officers inspections and inspection records confirm a high level of technical compliance achieved on site and, in all cases where building defects have been identified, appropriate written site instructions are provided and followed up. Formal enforcement actions are implemented where non compliance is not achieved voluntarily. (Annual Report 2009/10 = 100%).

IN FOCUS

Review of the Earthquake-prone, Dangerous and Insanitary Buildings Policy: The Building Act 2004 requires local authorities to review their Earthquake-prone buildings policies on a not greater than 5 year cycle. The Council developed its policy in May 2006. The Policy was reviewed and amended in May 2011 following a public consultation process.

Assessment of earthquake-prone buildings continues: The second year of implementation of the Council's Earthquake-prone, Dangerous and Insanitary Buildings Policy saw 140 buildings located within the CBD assessed during 2010/11. Of these 140 buildings, 92 (66%) were identified as being potentially earthquake-prone. Building owners of all 140 properties were provided with copies of the individual initial evaluation reports. Seismic strengthening work will be required to be carried out in accordance with the Earthquake-prone Dangerous and Insanitary Buildings Policy.

Review of the Building Act 2004: The Building Amendment Bill (No 3) was released for public consultation in February 2011. The Council lodged a comprehensive submission on the Bill. The Bill proposed significant changes to the Building Act 2004, several of which the Council had concerns would not produce positive outcomes for consumers.

Natural hazard events: Building staff have participated in several significant natural hazard events within the Whakatāne District that have included two flood events and several landslips. Participation included inspection of damaged buildings and inspection of landslips to determine whether or not it was safe for buildings to be occupied. Building teams were also sent to assist with inspections of damaged buildings in Christchurch following the earthquakes in September 2010 and February 2011.



ANIMAL CONTROL

WHAT WE DO AND WHY

The Council has a statutory obligation to undertake this activity. The Council's authority comes from the Dog Control Act 1996, the Dog Control Amendment Act 2003 and the Stock Impounding Act 1955. This activity also implements the Dog Control and Control of Animals Bylaws and the Stock Control Bylaw. Animal control services are provided 24 hours, seven days a week. Annual registration activity includes processing applications, annual inspections to check on animal welfare issues and registrations. Prosecutions are initiated against owners of unregistered dogs. Relevant records are maintained for the Council and Government in the National Dog Database. The District has about 6000 dogs and 4000 owners.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	572	561	(11)	\$ -
Revenue	572	676	(104)	\$ Number of dog registrations increased and an increase in fines collected via the Courts.
Net Cost of Service (Surplus)	-	(115)	(115)	\$

\$ = Favourable variance \$ = Unfavourable variance

IN FOCUS

Animal control services: The Council has continued to provide a quality effective service for the community in response to all service requests. Where public safety is involved an immediate response was actioned. The number of complaints actioned by staff during the year was 1,988 with the majority of these complaints involving dogs. Over the 2010/11 year, 6,225 dogs were registered.

Achieved 2/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Public safety and comfort is protected and the public are aware of their rights and responsibilities.

Measure: Response times for animal complaints.

Target: Response initiated to aggressive dog complaints within 1 hour, response initiated to roaming stock complaints within 1/2 hour, and response initiated for other complaints within 24 hours.

Achieved: Time frames were set and achieved within this activity as any delay on urgent service requests involving public safety could result in injury or death.

Measure: Satisfaction with Council's dog control service.

Target: CSI score 66.6 or higher (Fair: needs improvement).

Achieved: The CSI score for satisfaction with the Council's dog control service is 67.5 (Fair: Needs improvement). (Annual Report 2009/10 = 66.6).



Arts & Culture

Ngā Mahi Toi Whakairo



Library (District Libraries), Museum & Gallery

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council provides libraries, located in Whakatāne, Murupara, Edgecumbe and Ōhope that provide a collection of print, audio, visual, full text online databases and internet access. The Council also provides a Museum & Gallery that accommodates a collection, displays, and genealogical and general archival research. The gallery offers communal space for a changing range of exhibitions. Activities include acquisition and collection management, developing and maintaining archives, public programmes and provision of information.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	U/F
Expenditure	2,834	3,193	359	\$
Revenue	3,411	2,843	568	\$
Net Cost of Service (Surplus)	(577)	350	927	\$
Transfer from (surplus)/deficit	(577)	350	927	\$
Capex	1,178	601	(577)	\$
Payments to Reserves	5	125	120	\$
Loan Repayments	95	95	-	\$
less Depreciation not Funded	(82)	(11)	71	\$
Total Funding Requirement	619	1,160	541	\$
FUNDED BY:				
Reserves	158	824	(666)	\$
Loans Raised	461	336	125	\$
Total Funding Applied	619	1,160	(541)	\$

\$ = Favourable variance \$ = Unfavourable variance

LIBRARY

WHAT WE DO AND WHY

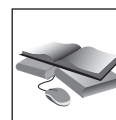
There is one main library in Whakatāne and three community libraries located in Edgecumbe, Ōhope and Murupara. The Council provides library services because of public advocacy and demand, and endorses the educational, leisure and community value that libraries provide. The services provided in libraries allow access to print, audio and visual materials, online databases, internet access and a social meeting space/place. The library collection includes approximately 65,000 items available for issue.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



EDUCATION AND TRAINING OPPORTUNITIES FOR ALL

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	1,585	1,578	(7)	\$ -
Revenue	1,932	1,527	405	\$ Subsidies for capital works not received in 2010/11 year due to delay of arts and culture project to 2011/12.
Net Cost of Service (Surplus)	(347)	51	398	\$
Capital Expenditure	994	470	(524)	\$

\$ = Favourable variance \$ = Unfavourable variance

Achieved 2/4

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: The Council ensures that all members of the community have ready access to a wide range of resources for information, education, leisure and cultural enrichment.

Measure: Satisfaction with the library.

Target: Customer Satisfaction Index (CSI) 79.4 or higher (Exceptional performance).

Achieved: The CSI score for satisfaction with the library is 80.0 (Exceptional Performance). (Annual Report 2009/10 = 79.4).

Measure: Percentage of population holding membership.

Target: 45% of population are registered users.

Not Achieved: Currently there are 12,000 registered users in Whakatāne District. This represents 35.6% of the population. A number of these registered users are families, who register on behalf of more than one member. (It should be noted that the 2004 National Standard was 35%). (Annual Report 2009/10 = 34%).

MAJOR CAPITAL PROJECTS

Project	Annual Plan	Revised Budget	Actual Spend	Performance		
	2010/11 Budget			\$000	\$000	Time
Library Mixed Collection renewal	\$118	\$134	\$146	Completed	Achieved	On Budget
	<ul style="list-style-type: none"> Annual Plan budget revised due to carry forward 					
LEC - Library and Exhibition Centre	\$647	\$2,308	\$302	Behind Schedule	Unchanged	Under Budget
	<ul style="list-style-type: none"> Annual Plan budget revised due to carry forward 		<ul style="list-style-type: none"> Due to the Council decision to delay building until July 2011 		<ul style="list-style-type: none"> A number of projects in the Library and Museum activities have been combined to form this project Due to progress being behind schedule 	

IN FOCUS

Arts and Culture Project: This project intends to refurbish a property in the Esplanade Mall in Whakatāne for the development of an improved library and exhibition space. Alongside the development of a new Library and Exhibition Centre (LEC) the existing Museum and Gallery building in Boon Street will be refitted as a Research, Storage and Archives facility. During the 2010/11 year project plans were completed and building consent has been obtained. Expressions of interest were called for the construction, and tender documents were issued to a short-list of local and regional companies. The Council decided to delay the building of the LEC in an effort to reduce the rating burden on the District. Construction commenced in July 2011.

Anne Frank Exhibition: This event was held at the Museum and Gallery and was part of a New Zealand tour which commemorated the life of the diarist Anne Frank, who died during World War II. The Exhibition was supported by an extensive public programme run from both the Library and the Museum and Gallery.

H D London Research Library: The cataloguing team of the Library have begun work electronically cataloguing the H D London Research Library onto the Library Management System. Many of the items in the H D London Library are unique and the result has been that a significant level of original cataloguing has been undertaken. The cataloguing of the collection is expected to be completed during the 2011/12 financial year.

Aotearoa Peoples Network Kaharoa (APNK): In 2009 the Council entered into a partnership with National Library to provide free broadband access at the Whakatāne and Murupara Libraries for the benefit of the wider community. APNK is a Central Government subsidised service and during the 2010/11 year 13,009 people in Whakatāne and 8,138 people in Murupara utilised this service. This is an increase of 40% from the 2009/10 year.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/4

Measure: Number of issues per capita.

Target: 8 or more issues per capita.

Not achieved: During 2010/2011, 7.42 issues per capital was recorded.

Measure: Average age of lending collection.

Target: 57% of lending collection is aged 0-5 years.

Not Achieved: 52%. The Libraries have an ongoing review process for their collections and has purchased new books during the year but has not achieved the target of 57%. However, In the 2010/11 year, 9,097 books were added to the District Library management system. In addition specialist books, such as Māori Land Court Minute books, which relate to the District were also added to the reference collection. (Annual Report 2009/10 =57.2%).

MUSEUM AND GALLERY

WHAT WE DO AND WHY WE DO IT

The Museum and Gallery collects, preserves/conserves, records, researches and showcases our cultural heritage to our community and the world. The Council provides this activity in response to public advocacy and demand, and endorses the cultural, educational, leisure and community value of these facilities.

The Museum collection is estimated to hold 60,000 - 100,000 items including:

- Objects (social and natural history, taonga Māori, ethnology).
- Pictorial (fine arts and photography).
- Museum and community archives and research collections.

The Whakatāne Museum and Art Gallery is a major repository for artefacts, museum and community archives in the Whakatāne District. The artefacts and archives held within the museum have grown to become an important national collection incorporating a wide variety of heritage material and reflects important aspects of Whakatāne's cultural and social history.

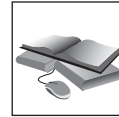
Significant work is ongoing to inventory the entire collection so that accurate information can be provided, an accurate valuation can be established, researchers have access to more digital material and items can be easily identified and located. Currently collections are being gifted to the Museum and Gallery faster than they can be considered into the collection.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



EDUCATION AND TRAINING OPPORTUNITIES FOR ALL

The estimated number of Museum and Gallery admissions was 14,652

Achieved 2/3

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: The Council provides dynamic facilities and services that help create a strong sense of community pride and identity, reflecting the heritage and culture of our region.

Measure: Number of Museum & Gallery admissions.

Target: Museum & Gallery admissions 10,316 or higher.

Achieved: The estimate based on the door counter and counted weekend numbers for the 2010/2011 financial year was 14,652.

Measure: Satisfaction with Museum and Gallery facility & amenities in Boon Street.

Target: CSI score 71 or higher (good service with potential for improvement).

Achieved: The CSI score for the satisfaction for the satisfaction with the Museum and Gallery facility and amenities in Boon Street is 75.3 (Very good service). (Annual Report 2009/10 = 71).

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,249	1,615	366	\$	Expenditure that was budgeted as capital expenditure has now been recognised as operational expenditure.
Revenue	1,479	1,316	163	\$	Fees and charges, recoverable expenses, donations and commissions are less than budgeted.
Net Cost of Service (Surplus)	(230)	299	529	\$	
Capital Expenditure	185	131	(54)	\$	

\$ = Favourable variance \$ = Unfavourable variance

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
RSA - Research Storage and Archives	\$413	\$635	\$28	Behind Schedule	Unchanged	Under Budget
	<ul style="list-style-type: none"> Annual Plan budget revised due to carry forward 			<ul style="list-style-type: none"> Building will commence following completion of LEC. Negotiations with external partners currently being conducted 		<ul style="list-style-type: none"> Due to progress being behind schedule

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/3

Measure: Status of the heritage collections, archives and research facility and dedicated library facility.

Target: Retrofit and refurbishment of a building for the dedicated library.

Not achieved: Construction was put on hold until the beginning of the 2011/2012 Financial Year. Architects plans, building consent and tender were completed.

IN FOCUS

Refitting of the Museum and Gallery: The Museum & Gallery staff have been preparing the collection to be relocated to the Library and Exhibition Centre and also to new storage. An application to the New Zealand Lottery Grants Board for \$238,471 has supported the rehousing of the collection using long term packaging materials which will protect and preserve the collection for future generations. This has also provided an opportunity to audit the collection as the re-packing is undertaken. Objects from Te Kohika, Taonga Māori and Ethnographic collections have been repacked.

Collections management: During 2010/2011, 2,305 photographic images from the collection were digitised. The project is the first stage in making the photographic collection available on line. The photographic collection consists of over 40,000 images. As part of this project, the following have been digitalised: 401 Glass Plate Negatives, 115 glass lantern slides, 508 nitrate negatives; 521 Sister Annie Henry Collection Negatives; 501 Dr Allan North Collection Negatives; 116 Rev John Laughton Collection Negatives and 143 Allison Heath Collection Negatives.

Whakatāne Beacon Microfilming Project: In 2009 Whakatāne District Museum & Gallery applied to be part of the National Library microfilming project. The project is designed to provide long term preservation of local newspaper collection which is seen as being of national importance. The Bay of Plenty Beacon and the Whakatāne Beacon were completed during this project. This resulted in the Beacon being available on microfilm from April 1939 – December 1989. The project was funded by a grant of \$62,603 from National Library of New Zealand.

Exhibitions: During 2010/2011 a number of exhibitions were hosted by the Museum & Gallery. These included:

- **Te Māori Lives On – 25th anniversary:** This exhibition commemorated the 25th anniversary of the opening of Te Māori at the Field Museum, Chicago. The exhibition included objects from Te Māori, public lectures, images and stories from the original opening.
- **Ngāi Tūhoe – The people and the land are one:** This exhibition received both local and national media attention and attracted strong numbers throughout its four-month duration. The goal of this exhibition was to raise the profile of Ngāi Tūhoe, as well as Whakatāne District Council Museum and Gallery. During one week, over 500 local children visited the exhibition.
- **One Double X-hibition:** An exhibition including audio, video, text panels, ephemera and a demo radio studio, curated to mark the 40th Anniversary of the establishment of Radio Bay of Plenty Limited - 1XX. The opening was attended by 180 people and there was a strong community attendance throughout the exhibition.





Community Property

Ngā Rawa o Te Hāpori



Pensioner Housing, Halls, Commercial Property

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities the Council is responsible for the prudent management of community property. Properties are held either for the delivery of services to the community, including halls and pensioner housing, or for strategic and investment purposes.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	U/F
Expenditure	1,455	1,855	400	\$
Revenue	1,039	1,350	(311)	\$
Net Cost of Service (Surplus)	416	505	89	\$
Transfer from (surplus)/deficit	416	505	89	\$
Capex	243	470	227	\$
Payments to Reserves	522	247	(275)	\$
Loan Repayments	48	48	-	\$
Less Depreciation not Funded	(497)	(672)	(175)	\$
Total Funding Requirement	732	598	(134)	\$
FUNDED BY:				
Reserves	272	549	(277)	\$
Loans Raised	-	49	(49)	\$
Sale of Assets	460	-	460	\$
Total Funding Applied	732	598	134	\$

\$ = Favourable variance \$ = Unfavourable variance

PENSIONER HOUSING

WHAT WE DO AND WHY

Currently the Council owns six housing complexes for the elderly. There are four housing developments in Whakatāne which provide 79 rentable units, and two properties in Murupara which provide a further seven rentable units. The Council has provided this activity in response to public demand.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



HEALTHY PEOPLE AND QUALITY HOUSING

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	322	583	261	\$ Due to reversal of decision to sell pensioner housing (see "In Focus").
Revenue	232	479	(247)	\$ Due to reversal of decision to sell pensioner housing (see "In Focus").
Net Cost of Service (Surplus)	90	104	14	\$
Capital Expenditure	139	150	11	\$

\$ = Favourable variance \$ = Unfavourable variance

Achieved 1/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Affordable pensioner housing provided to people who meet the Whakatāne District Council eligibility criteria.

Measure: Number of Council provided pensioner units.

Target: 51 units.

Achieved: Number of units provided was 79 as there were no divestments; in keeping with most recent Council decision (see In Focus).

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
Disabled Access Improvements	\$20	\$20	\$16	Completed	Achieved	Under Budget
Annual Refurbishment	\$60	\$60	\$63	Completed	Modified (increased)	On Budget
					<ul style="list-style-type: none"> • Due to revised scope, additional works at Allandale undertaken after flood but not covered by insurance 	
Renewals - Lovelock Court	\$53	\$53	\$64	Completed	Modified (Increased)	Over Budget
						<ul style="list-style-type: none"> • Due to increase in scope
Renewals - Veronica Flats	\$6	\$6	\$6	Completed	Achieved	On Budget

IN FOCUS

Pensioner housing: At its meeting on 28 April 2010 the Council resolved not to proceed with the divestment of the pensioner housing portfolio. The decision to sell the pensioner housing units was made by Council as part of the development of the 2009-19 LTCCP and was subject to some strict criteria put in place to protect the welfare of current and future tenants. This decision followed a comprehensive review of Council services that extended to all aspects of Council operations as well as governance and included a detailed analysis of funding options. It was expected that the sale of the pensioner housing units would realise approximately \$3.5m (May 2010 estimate) providing benefits for the wider community by retiring debt over a ten year period. With a decision not to proceed with the sale of pensioner housing, the total impact over a ten year period of not retiring debt as intended will result in an increased rate requirement of 12.06% above what was planned in the LTCCP 2009-19.

Amendments to the Local Government Act 2002 no longer require the Council to make an Amendment to the LTCCP as a result of this decision. However, it was signalled as a Key Issue in the Annual Plan 2011/12 as it will have financial implications compared to the LTCCP.

During the 2010/11 year Pensioner Housing was retained and managed in keeping with the Council decision not to proceed with the sale.

Carpeting of units: The tenants, in the past, were responsible for carpeting their own units; however, a number of tenants were not in a position to do so. During the 2010/11 year the Council carpeted some pensioner housing units, as part of the renewals programme, in an effort to better the tenants quality of living. The Council will continue this renewals programme in accordance with the 2008 Pensioner Housing Policy.

HALLS

WHAT WE DO AND WHY

There are a number of urban and rural community based halls in the Whakatāne District including the Whakatāne War Memorial Hall. Eleven of these halls are Council-owned and are located in Whakatāne, Edgecumbe, Murupara, Ōhope, Manawahe, Galatea, Te Teko, Waimana, Otakiri, Awakeri and Tāneatua. There is no legislative requirement for the Council to be involved in the provision of community halls.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



HEALTHY PEOPLE AND QUALITY HOUSING

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	746	815	69	\$	-
Revenue	570	687	(117)	\$	Insurance revenue recovered for capital expenditure work on flood damage at Ōhope Hall.
Net Cost of Service (Surplus)	176	128	(48)	\$	
Capital Expenditure	86	264	178	\$	

\$ = Favourable variance \$ = Unfavourable variance

Achieved 1/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: High quality, affordable and available facilities will be provided throughout the District to engender community spirit and encourage recreational and learning activities.

Measure: Satisfaction with public halls.

Target: Customer Satisfaction Index (CSI) score 71.2 or higher (good service with potential for improvement).

Achieved: The CSI score for the satisfaction with public halls is 71.5 (Good service, but with potential for improvements) (Annual Report 2009/10 = 72.0).

Measure: Number of Council provided public halls.

Target: 4 Urban Halls, 3 Rural Halls.

Not Achieved: Number of community halls maintained pending adoption of Strategy and work programme to promote community responsibility for Rural Halls.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
Halls - Renewals	\$33	\$33	\$38	Completed	Modified (increased)	Over Budget
					<ul style="list-style-type: none"> • Due to Awakeri Hall electrical works undertaken but not budgeted 	<ul style="list-style-type: none"> • Due to revised scope
Urban Hall Furniture and Equipment	\$8	\$8	\$8	Completed	Achieved	On Budget
Halls Flood Damage 2010	\$45	\$125	\$216	Completed	Achieved	Over Budget
					<ul style="list-style-type: none"> • Annual Plan budget revised due to more detailed costings 	<ul style="list-style-type: none"> • Insurance claim offset of \$191,000 net actual spend \$34,000

IN FOCUS

Urban and Rural Community Halls Strategy: The Council considered feedback on the consultation undertaken for the Halls Review as requested by the Council in the LTCCP. The Council consulted with the hall committees, main hall users and the community through public notices in the newspapers and on radio. The consultation focused on options for the future of the halls and asked "does the community still need the hall and if so, what is the fairest and most affordable way to fund it?"

From feedback received on the Halls Review, the dominant message received was that communities do value and use their halls and want them to be retained. A key driver for the Council has been to reduce the costs to ratepayers and there was a willingness from the community to investigate options to achieve this.

In the 2010/11 year the Council adopted the Community Halls Strategy and supporting Policies covering both Urban and Rural halls. These set out the Council's principles and objectives with regard to community halls. The strategy includes a framework and action plan to reduce costs related to hall management for individual halls.

Rebuild of the Ōhope Hall: During the 2010/11 year the Council completed repairs on the Ōhope Hall which was damaged in the June 2010 heavy rainfall event. The repair work included the installation of a new drainage system, a new floor and the lower walls relined.



Ōhope Hall

COMMERCIAL PROPERTY

WHAT WE DO AND WHY

The Whakatāne District Council owns a number of properties that are held for strategic and or investment purposes. These assets include rental housing, commercial tenancies and the plant nursery.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



PROSPEROUS ECONOMY

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	387	457	70	\$	Depreciation.
Revenue	237	184	53	\$	Rental revenue received in other activities.
Net Cost of Service (Surplus)	150	273	123	\$	
Capital Expenditure	18	57	39	\$	

☐ = Favourable variance ☐ = Unfavourable variance

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
Corporate property renewals	\$18	\$18	\$8	Completed	Modified (reduced)	Under Budget
						• Due to revised scope
Piripai Land Development	\$0	\$524	\$45	Deferred	Modified (reduced)	Under Budget
						• Annual Plan budget revised as project carried forward from previous year
						• Agreement with developer cancelled

IN FOCUS

Divestment of commercial properties: The LTCCP identified a number of commercial properties, or portions of those properties, for potential divestment including: 2 Oregon Drive, Murupara; 143 King Street, Whakatāne; 65 Keepa Road, Whakatāne and 40 Te Tahi Street, Whakatāne.

As at 30 June 2011 the land at 2 Oregon Drive remains on the market (the building having been sold separately the previous year). The site at 143 King Street was sold during the previous financial year. The property at 65 Keepa Road is subject to a sale and purchase agreement conditional upon subdivision completion. The Council has deferred the sale of 40 Te Tahi Street until June 2012.



Recreation & Community Facilities

**Te Whare Tapere o Tānerore me ngā
hua ka puta mā Te Hāpori**



*Park and Reserves, Cemeteries & Crematorium,
Public Conveniences, Aquatic Centres,
Ports & Harbour, Recreation & Sports Fields*

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities the Council provides a range of public facilities, spaces and services, primarily in response to the recreational and social needs of the community. This includes parks and open spaces, harbour and port assets, cemeteries and crematorium, public conveniences and swimming pools.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	U/F
Expenditure	7,933	7,777	(156)	\$
Revenue	7,531	7,686	(155)	\$
Net Cost of Service (Surplus)	402	91	(311)	\$
Transfer from (surplus)/deficit	402	91	(311)	\$
Capex	4,188	7,435	3,247	\$
Payments to Reserves	1,861	1,671	(190)	\$
Loan Repayments	345	193	(153)	\$
Less Depreciation not Funded	(578)	(676)	(97)	\$
Total Funding Requirement	6,218	8,714	2,496	\$
FUNDED BY:				
Reserves	3,500	3,376	124	\$
Loans Raised	2,718	5,338	(2,620)	\$
Total Funding Applied	6,218	8,714	2,496	\$

\$ = Favourable variance \$ = Unfavourable variance

PARKS AND RESERVES

WHAT WE DO AND WHY

The Council is responsible for the maintenance and development of community reserves, esplanades, conservation reserves, coastal reserves, local reserves, significant sites and utility and road reserves throughout the District.

Active and passive reserves contribute to the health and vitality of the District by enhancing individual health and well being, including personal development and quality of life, increasing social cohesion and people's sense of belonging and promoting healthy communities. Recreation facilities attract visitors and therefore provide economic benefits to the District. Reserves are also provided to support the maintenance of sites with historical, cultural or environmental significance.

COMMUNITY OUTCOMES

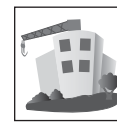
This activity contributes to the achievement of the following Whakatāne District community outcomes:



CLEAN PROTECTED ENVIRONMENT



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	2,821	2,688	(133)	☒	-
Revenue	2,294	2,526	(232)	☒	Unbudgeted grants and subsidies from East Bay Energy Trust.
Net Cost of Service (Surplus)	527	162	(365)	☒	
Capital Expenditure	787	686	(101)	☒	

☒ = Favourable variance ☒ = Unfavourable variance

Achieved 0/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Providing parks and reserves to promote opportunities for education, maintaining wildlife habitats and protecting sacred sites for current and future residents and visitors to the District.

Measure: Satisfaction with parks and reserves in the Whakatāne District.

Target: Customer Satisfaction Index (CSI) 75.9 or higher (very good service).

Not Achieved: The CSI score for the satisfaction with parks and reserves in the Whakatāne District is 74.9 (Very good service). The difference between the target score and this score is only 1.0. The variation shows a change in community expectations. The Council has not decreased its levels of service for this activity. (Annual Report 2009/10 = 75.9).

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
Matatā reserves	\$30	\$30	\$0	Deferred	Unchanged	Under Budget
				<ul style="list-style-type: none"> Deferred due to pending approval of the debris detention structure consent and earthworks 		
Ōhope playground development	\$10	\$10	\$9	Completed	Achieved	On Budget
Harbour Beautification	\$101	\$142	\$215	Completed	Achieved	Over Budget
				<ul style="list-style-type: none"> Annual Plan budget revised as project carried forward from previous year The additional expenditure of \$80,000 is offset by a grant from Eastern Bay Energy Trust 		
Ōhope - Renewals Community Reserves	\$41	\$41	\$26	Deferred	Unchanged	Under Budget
				<ul style="list-style-type: none"> A portion of this project will be completed this financial year. Renewal funded works for Maraetōtara Playground will be completed in conjunction with 2011/12 project Due to partial completion, a carry forward of renewal funding will be required 		
Coastal Land Acquisition	\$254	\$503	\$25	Behind Schedule	Unchanged	Under Budget
				<ul style="list-style-type: none"> Annual Plan budget revised as project carried forward from previous year Due to referral to Land Valuation Tribunal hearing Due to non completion, a carry forward of renewal funding will be required 		

IN FOCUS

Maraetōtara, Ōhope playground development: This project was completed during the 2010/11 financial year and culminated in the Ōhope Beach Community Board adopting a draft plan that will enable the physical works as budgeted to be completed in the 2011/12 financial year.

Kaokaoroa reserve development: The purpose of this project is to re-establish the reserve alongside the Matatā Lagoon and is part of the regeneration project following flooding and debris flows in May 2005. This project was deferred to the 2011/12 financial year as the work will be completed in conjunction with the Matatā debris detention structure which is yet to receive resource consent.

Tree Management Plan: At the beginning of this project staff started with a list of over 30 trees on Council land that were high priority for removal. The seventeen worst of these were removed with the \$35,000 available. Very wet ground conditions meant jobs at two reserves were not able to be completed without damaging turf. The project will be completed in the next financial year.

Ōhiwa Harbour Strategy implementation: Work associated with the Ōhiwa Harbour Strategy during the 2010/11 year did not extend to projects requiring contribution from the Council. The budget allocation will be carried forward to the 2011/12 year.

Harbour beautification – Extension to Warren Cole Walkway lighting: This project involved extending LED lighting coverage of the Warren Cole Walkway past the Amphitheatre and through to the Green Wharf. The majority of this pathway was previously unlit. The project was made possible through Harbour Beautification project funding and two grants totalling \$80,000 from the Eastern Bay Energy Trust.

Drinking fountain installation: This project is part of a continuing programme of drinking fountain installations at sports fields and recreational areas throughout the District. Two Drinking Fountains were installed this year. One at Eivers Park, Te Teko and one at the Landing Road end of the Warren Cole Walk and Cycleway.

Water supply upgrade: The Council owned and operated “no frills” camping ground on the coast at Pikowai is very popular over the summer months. The water supply for campers has often struggled to cope with the sharp increase in demand during summer. This is when the spring-fed supply is most vulnerable. Both quantity and quality has been a problem in the past. During the 2010/11 two large storage tanks were installed to provide a buffer against demand spikes. The tanks fill at a steady rate and ample water is available at the start of each day. In addition, an upgraded water treatment plant now provides potable water throughout the camp. A regular water testing programme will be implemented in 2011/2012 to monitor the performance of the system.



CEMETERIES AND CREMATORIUM

WHAT WE DO AND WHY

The Council manages six cemeteries, while the Awakaponga cemetery is managed by a trust on behalf of the Council. In 2009 the Council built a crematorium facility at Hillcrest Cemetery. The provision of cemeteries by local authorities is provided for by the Burials and Cremations Act 1964.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	315	385	70	\$	Additional planting work was required.
Revenue	345	282	63	\$	Reduction in cemetery/plot and interment income
Net Cost of Service (Surplus)	(30)	103	133	\$	
Capital Expenditure	21	21	(1)	\$	

\$ = Favourable variance \$ = Unfavourable variance

IN FOCUS

Sound and projector system: In response to public demand and improved service, a sound and projector system was installed at the Crematorium Chapel. The equipment will provide technical support for families and funeral directors undertaking funeral services in the Chapel.

New Crematorium: The Crematorium has been in operation since October 2009 and has seen a 28% reduction in the number of burials and corresponding increase in cremations over the 2010/11 year.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/2

Level of Service: Appropriate and sufficient cemetery and crematorium services are available to residents.

Measure: Satisfaction with cemeteries.

Target: CSI score of 81.2 or higher (exceptional performance).

Achieved: The CSI score for the satisfaction with cemeteries is 83.7 (Exceptional performance). (Annual Report 2009/10 = 81.2).

Measure: Provision/operation of a crematorium facility in the District.

Target: 1.

Achieved: The Crematorium facility opened in October 2009. The service has been well supported by the community and a number of cremations is increasing compared to burials.

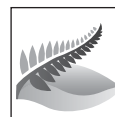
PUBLIC CONVENIENCES

WHAT WE DO AND WHY

The Council maintains thirty-six public conveniences at various reserves and recreational locations. Provision of public conveniences is a statutory responsibility.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



CLEAN PROTECTED ENVIRONMENT



HEALTHY PEOPLE AND QUALITY HOUSING

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	594	568	(26)	\$	-
Revenue	685	693	(8)	\$	-
Net Cost of Service (Surplus)	(91)	(125)	(34)	\$	
Capital Expenditure	77	159	82	\$	

\$ = Favourable variance \$ = Unfavourable variance

**The Council
maintains thirty-six
public conveniences**

Achieved 0/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Adequate public conveniences will be provided where required by the community.

Measure: Satisfaction with public toilets.

Target: CSI score 69.2 or higher (good service with potential for improvement).

Not Achieved: The CSI score for satisfaction with public toilets is 68.3 (Good service, but with potential for improvement). The difference between the target score and this score is only 0.9. The variation shows a change in community expectations. The Council has not decreased its levels of service for this activity. (Annual Report 2009/10 = 69.2).

MAJOR CAPITAL PROJECTS

Project	Annual Plan	Revised Budget	Actual Spend	Performance		
	2010/11 Budget			Time	Quality	Cost
	\$000	\$000	\$000			
Matatā	\$12	\$12	\$7	Behind Schedule	Achieved	Under Budget
				<ul style="list-style-type: none"> Works 95% complete, final invoice to be applied and regrassing works to be completed 		<ul style="list-style-type: none"> Minor carry forward for finishing works
Ōhope	\$18	\$18	\$14	Completed	Achieved	Under Budget
Whakatāne	\$31	\$31	\$11	Deferred	On Track	Under Budget
				<ul style="list-style-type: none"> Partially complete, renewal funded works on the Heads Toilets deferred due to landslip 		<ul style="list-style-type: none"> Renewal funded works will be carried forward to next financial year
Eivers Road	\$0	\$118	\$114	Completed	Achieved	On Budget
	<ul style="list-style-type: none"> Annual Plan budget revised due to carry forward 					

IN FOCUS

Maintenance: Renewal work is undertaken to ensure assets are maintained in a fit for purpose condition. Some works at the Heads Reserve facilities have been deferred due to access issues associated with the Muriwai Drive landslip. The remaining funds from this project have been carried forward into the 2011/12 year.

Eivers Road public conveniences: This project was a carry forward from the previous financial year. These Novaloo facilities were completed in the 2010/11 year. The facility and its location support recreational activity alongside the Whakatāne River and on adjacent reserves.



Toilets at Ōtao South Reserve, Ōhope

AQUATIC CENTRES

WHAT WE DO AND WHY

The Council has two swimming pools, the Whakatāne Aquatic Centre and the Murupara Swimming Pool (also known as A H Lynd Memorial Baths). The Council provides these facilities as a result of public advocacy and demand. Recreation facilities contribute to the health and vitality of the District by enhancing individual health and well being, including personal development and quality of life, increasing social cohesion and people's sense of belonging and promoting healthy communities. Recreation facilities also attract visitors and therefore provide economic benefits to the District.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



CLEAN PROTECTED ENVIRONMENT



HEALTHY PEOPLE AND QUALITY HOUSING

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,475	1,435	(40)	\$	-
Revenue	1,089	963	127	\$	Other income not received in 2010/11 year.
Net Cost of Service (Surplus)	386	472	86	\$	
Capital Expenditure	2,925	5,181	2,256	\$	

\$ = Favourable variance \$ = Unfavourable variance

Achieved 2/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: High quality, affordable and safe aquatic facilities will be provided in Whakatāne and Murupara.

Measure: Satisfaction with swimming pools.

Target: CSI score 50 or higher (needs significant improvement).

Achieved: The CSI score for satisfaction with swimming pools is 75.7 (Very good service). (Annual Report 2009/10 = 59.5).

Measure: Council provided aquatic centres open to the public:

Target: Murupara Swimming Pool, Whakatāne District Aquatic Centre available part of year only (closed from April – November 2010).

Achieved: The Murupara Aquatic Centre was open from October to April and the Whakatāne District Aquatic Centre reopened in December 2011.

MAJOR CAPITAL PROJECTS

Project	Annual Plan			Performance		
	2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Time	Quality	Cost
Whakatāne District Aquatic Centre Improvements - Plants	\$299	\$299	\$210	Deferred	Achieved	Under Budget
				• Due to additional works required		• Balance to be carried forward to next financial year
Aquatic Centre (Loan funded)	\$2,614	\$3,690	\$4,939	Completed	Achieved	Over budget
	• Annual Plan budget revised due to subsidy no longer available					• See "In Focus"
Murupara Aquatic Centre Renewals	\$12	\$12	\$32	Completed	Modified (increased)	Over Budget
					• Due to faults found with balance tank structure	• Due to revised scope

IN FOCUS

Whakatāne District Aquatic Centre repair project: The majority of the physical works to repair the Whakatāne District Aquatic Centre were completed in time for the centre to be open to the public prior to Christmas 2010. The remaining physical works were completed in March 2011. The cost of this project was higher than budgeted as the full scope of repair work not able to be assessed until demolition of the existing facility was undertaken.

Outdoor pool availability: During the repair project for the Whakatāne Aquatic Centre Project contractors structured their work to enable the outdoor pool to be open in July 2010 (the pool normally opens in September) and to fully operate until the project was complete. This enabled a limited service to be provided to the public and recreational groups. The availability of the outdoor pool was well supported and appreciated by users.

Whakatāne Aquatic Centre plant renewal: The plant for both the indoor and outdoor pool was upgraded in conjunction with the Centre repair work. The project was completed on time. The outdoor pool was re-opened in July 2010 and the indoor pool re-opened in December 2010. The upgrade has proven to be very successful.

PORTS AND HARBOUR

WHAT WE DO AND WHY

The Council undertakes this activity in consideration of public advocacy and demand as well as statutory responsibilities. A total of 45 sites form part of the harbour assets of Whakatāne. These assets include: wharves, jetties, access ways, launching ramps, and navigational aids at Whakatāne; a wharf, slipway and launching ramp at Ōhiwa harbour; and a launching ramp and jetty at Thornton.

These facilities provide commercial berthage and access to the sea for commercial fishing. The port income supports waterfront enhancement development and navigational channel maintenance at Whakatāne.

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,785	1,733	(52)	\$	-
Revenue	2,139	2,267	(128)	\$	-
Net Cost of Service (Surplus)	(354)	(534)	(180)	\$	
Capital Expenditure	132	1,052	919	\$	

\$ = Favourable variance \$ = Unfavourable variance

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



CLEAN PROTECTED
ENVIRONMENT



HEALTHY PEOPLE AND
QUALITY HOUSING

Achieved 0/4

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Provide safe access to rivers and coastal water within the general vicinity of the Whakatāne CBD, Ōhiwa Harbour and Thornton domain.

Measure: Satisfaction with harbour facilities in Whakatāne CBD including the port and surrounding environment scores.

Target: CSI score 78.5 or higher (Exceptional performance).

Not Achieved: CSI score 76.1 (Very good service). (Annual Report 2009/10 = 73.4).

Measure: Satisfaction with boat ramps in Whakatāne town.

Target: CSI score 79 or higher (exceptional performance).

Not Achieved: The CSI score for the satisfaction with boat ramps in Whakatāne town is 77.4 (Excellent service). (Annual Report 2009/10 = 69.1).

Measure: Satisfaction with boat ramp, playground, toilets and wharf facilities at Port Ōhope.

Target: CSI score 75.1 or higher (very good service).

Not Achieved: The CSI score for the satisfaction with harbour facilities at Port Ōhope is 74.9 (very good service). (Annual Report 2009/10 = 76.2).

MAJOR CAPITAL PROJECTS

Project	Annual Plan	Revised Budget	Actual Spend	Performance		
	2010/11 Budget			Time	Quality	Cost
	\$000	\$000	\$000			
Whakatāne Harbour Renewals	\$21	\$21	\$18	Completed	Achieved	Under Budget
Whakatāne River Wharf Structures	\$20	\$20	\$18	Completed	Achieved	On Budget
Rowing Club River Steps and Waka Ama Ramps	\$92	\$176	\$182	Completed	Achieved	Over Budget

• Annual Plan budget revised due to carry forward from previous year

• Due to presence of submerged logs and stumps in excavation area

IN FOCUS

Harbour Access Study: Investigations for options to improve the access to the Whakatāne Harbour has progressed throughout the 2010/11 year. Several public consultation days were held providing the community with opportunities to feed into this investigation. Options for detailed design and then resource consent applications are scheduled to be completed in September 2011.

Whakatāne river steps: This project was completed prior to the summer season. The project has provided improved access to the river for a variety of users. The project has also enabled the Warren Cole Walkway to link under the bridge back to Landing Road.

Waka Ama ramp: This project was completed prior to the summer season. The project was provided in order to pave the way for the development of facilities at the Eivers Road to cater for the growth of Waka Ama, kayaking and other recreational river users.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 0/4

Measure: Satisfaction with facilities at Thornton domain.

Target: CSI score of 73.4 or higher (very good service).

Not Achieved: The CSI score for the satisfaction with facilities at Thornton domain is 72.9 (Very good service). (Annual Report 2009/10 = 73.4).

Note: The Council has not made changes to the level of service delivered under this activity. The perception score results, while not achieved, are very close to the targets. For these targets this means a "very good" or "excellent" service is being delivered. The results may reflect a change in community expectations rather than a reduction in the level of service delivered by the Council.

Of note, there were very few restrictions placed on the bar (Whakatāne harbour access) during the 2010/11 year which in past years has influenced the community's level of satisfaction with the services delivered under this activity.

WHAKATĀNE TOWN VISION ADVISORY BOARD

In May 2008, the Council adopted a Town Vision Plan to provide a strategic long term vision for how the Whakatāne Town Centre might look in the future. The aim of this Plan is to restore connections with the river, create a vibrant and active environment and establish a community/cultural heart within the town centre while enabling an appropriate scale of development that is economically viable.

In the 2010/11 year the Town Vision Advisory Board established its work programme to progress the Town Vision Development Plan. This has included integration of the Town Vision with the draft District Plan, investigation into Hotel options for Whakatāne and the analysis of strategic and non strategic land holdings. The Advisory Board will work with the Council and community to achieve the goals of the Vision. The Town Vision Plan is available on the Council's website www.whakatane.govt.nz.

THE HIGH LEVEL GOALS FOR THE TOWN VISION ADVISORY BOARD ARE:

Goal 1 – Implement and develop 'The Town Vision Development Plan'.

Goal 2 – Consider the future of Harbour Ground Leases.

Goal 3 – Consider the planning implications of 'The Town Vision Development Plan'.

Goal 4 – Promote Town vision Advisory Board activities.

Goal 5 – Review Town Vision Advisory Board performance.



RECREATION AND SPORTS FIELDS

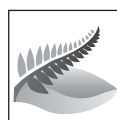
WHAT WE DO AND WHY

The Council provides the activity in response to public advocacy and demand. The activity contributes to the health vitality and wellbeing of the District, enhances social cohesion, increases people’s sense of belonging and healthy communities. The Council has adopted the strategies associated with the Active Eastern Bay - physical activity report which provided a clear set of priorities for the enhancement and development of existing and new recreation and leisure services in the Whakatāne District.

The Council is a large investor in physical activity through recreation and sporting assets. As stewards of public assets the Council wants these assets to be used to the maximum community benefit. These resources can be used for structured recreation and provide opportunities for “daily life” physical activity.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



CLEAN PROTECTED ENVIRONMENT



HEALTHY PEOPLE AND QUALITY HOUSING



HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/3

Level of Service: Adequate sports fields/grounds are provided to meet the needs of users and are kept to a high standard by regular mowing, herbicide applications and specialised turf grass treatments.

Measure: Satisfaction with sports grounds.

Target: CSI score 77 or higher (excellent service).

Not Achieved: The CSI score for the satisfaction with sports grounds is 74.6 (Very good service). The June 2010 rainfall event and a high water table caused a number of sportsfields to close for a period of time during the year. This may have affected the community’s perception. (Annual Report 2009/10 = 77).

Measure: Percentage compliance with contract specifications for sports fields within the Whakatāne District based on monthly audits.

Target: 100% compliance based on monthly audits.

Not Achieved: Actual compliance was 96.7%. Weather and humidity conditions during the early part of 2011 provided an environment that promoted extreme turf growth. This combined with wet ground conditions rendered some areas un-mowable and resulted in failed audits. (Annual Report 2009/10 = 100%).

Measure: Percentage compliance with turf grass field recommendations provided by the New Zealand Turf Grass Institute through annual assessments.

Target: 87%.

Achieved: All works recommended by the New Zealand Turf Grass institute were completed over 2010/11 which provided for satisfactory quality turf for sporting users. (Annual Report 2009/10 = 100%).

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	Major Variance Explanations	
Expenditure	474	475	1	\$	-
Revenue	510	507	3	\$	-
Net Cost of Service (Surplus)	(36)	(32)	4	\$	
Capital Expenditure	245	337	92	\$	

\$ = Favourable variance \$ = Unfavourable variance

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
Renewals - Galatea	\$21	\$21	\$13	Completed	Modified (reduced)	Under Budget
						• Due to revised scope
Renewals - Te Teko	\$22	\$22	\$12	Completed	Modified (reduced)	Under budget
						• Due to revised scope
Renewals - Whakatāne, including Resurface Cutler Crescent Courts	\$137	\$137	\$82	Completed	Modified (reduced)	Under Budget
						• Due to revised scope and costs

IN FOCUS

Recreation Activity Programme: Sport Bay of Plenty is contracted to deliver Council's Recreation Activity Programme. One requirement is to encourage the use of Council facilities outside of any organised sport and to ensure opportunities are accessible for isolated communities. A great success this year has been the construction of a community funded Skate Park in Edgecumbe. The community impetus has been heavily supported by Sport Bay of Plenty. Comments from the community have been overwhelmingly positive, with lots of young people staying active at the skate park. An additional \$100,000 of funding has been secured for stage two of the project from the Southern Trust.

Renewal and maintenance works: During the 2010/11 year, the Council resurfaced the Cutler Crescent netball courts. This project was completed prior to the beginning of the 2011 netball season. The reseal has been welcomed by the Netball Association who are now able to utilise all the Courts.

VISITOR INFORMATION

WHAT WE DO AND WHY WE DO IT

The Council undertakes the visitor information activity as part of the national Visitor Information Network. The Visitor Centre, located in Whakatāne, provides local and regional information as well as booking services for transport, tours, accommodation and activities. The visitor information activity represents and promotes tourism operators, and encourages tourism and business activity.

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO

This activity contributes to the achievement of the following Whakatāne District community outcomes:



WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	469	493	24	\$ -	
Revenue	469	448	21	\$ -	
Net Cost of Service (Surplus)	-	45	45	\$	
Capital Expenditure				\$	

\$ = Favourable variance \$ = Unfavourable variance

IN FOCUS

Management of the Visitor Information Centre:

A significant change for the Visitor Information Centre was the management changing to Customer Services in October 2010. Alignment between the two Centres for back office services are currently being worked through to achieve greater efficiencies.

Popularity of the Visitor Information Centre:

During the 2010/11 year the Visitor Information Centre's door count was 73,923. Although this figure is down from last year, the Visitor Information Centre continues to be a popular source of information and services for the community and tourists.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/2

Level of Service: Ensure quality customer communication, consultation and service provided at the Visitor Information Centre.

Measure: Satisfaction with the quality of information provided from the Information Centre.

Target: 85%.

Achieved: There is currently no definitive measure in place for the satisfaction of information provided. Management will be developing measures for the service over the coming year. However, the overall service from the staff at the Visitor Information Centre scored a CSI score of 82.1 (Exceptional performance).

Measure: The Visitor Information Centre is available when needed.

Target: Provide access to visitor information on 364 days of the year.

Achieved: The Visitor Information Centre operated 364 days in the 2010/11 year.

Hazard Management

Te Haumarū o Rēhua



Emergency Management, Disaster Mitigation

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities the Council undertakes projects to mitigate the effects of natural hazards and raise the level of protection from future hazard events. The Council also maintains preparedness for civil defence emergencies, responds to events, assists with the recovery and educates the community.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	U/F
Expenditure	1,071	1,108	37	\$
Revenue	1,175	1,110	65	\$
Net Cost of Service (Surplus)	(104)	(2)	102	\$
Transfer from (surplus)/deficit	(104)	(2)	102	\$
Capex	336	2,098	1,762	\$
Payments to Reserves	-	76	76	\$
Loan Repayments	302	342	40	\$
Total Funding Requirement	534	2,514	1,980	\$
FUNDED BY:				
Reserves	318	416	(98)	\$
Loans Raised	216	2,098	(1,882)	\$
Total Funding Applied	534	2,514	(1,980)	\$

\$ = Favourable variance \$ = Unfavourable variance

EMERGENCY MANAGEMENT

WHAT WE DO AND WHY

The emergency management activity is made up of three functions:

Civil Defence: The Civil Defence function includes running planning and preparedness exercises, training and maintaining teams of personnel including an urban search and rescue crew, and public education about preparedness and response. Civil Defence planning is undertaken on a regional basis through the Bay of Plenty Civil Defence Emergency Management Group (CDEMG). The Council has a statutory responsibility pursuant to the Civil Defence Emergency Management Act 2002 to plan and provide for civil defence management within the District.

Rural Fire: The Whakatāne District Council is a Rural Fire Authority. Rural fire services are funded from Council rates and by Government for suppression costs and subsidies for equipment. Rural Fire Authorities focus on vegetation wildfires. The specialist service is influenced by weather, topography and vegetation type. A seven day-a-week, 24 hour service must be provided. The Council has a statutory obligation with respect to rural fire control.

Hazardous Substances: The Council attends incidents involving hazardous substances in an advisory capacity to the New Zealand Fire Service and the Police.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

**During the 2010/11
year the Whakatāne
Civil Defence responded
to 8 events**

Achieved 4/5

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: The Council is able to effectively respond to, manage and recover from, emergency management incidents.

Measure: Maintenance of emergency management and rural fire plans.

Target: Local Civil Defence Emergency Management Plan is updated annually.

Not Achieved: This was not achieved due to the position of Emergency Management Co-ordinator being vacant for a period of time during 2010. However, a completely revised plan and new Standard Operating Procedures is due to be completed by mid 2011/12 and will be common across the Eastern Bay of Plenty. The Readiness and Response sections of the Fire Plan are due for review by September 2011.

Measure: Maintenance of civil defence and rural fire equipment.

Target: Civil defence and rural fire equipment is maintained on a fortnightly basis.

Achieved: Equipment is maintained on a fortnightly basis following regular inspection.

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	428	543	115	\$ Increased natural hazard events.
Revenue	519	418	101	\$ Subsidy not received for fire truck as a more cost efficient alternative was able to be sourced.
Net Cost of Service (Surplus)	(91)	125	216	\$
Capital Expenditure	120	-	(120)	

Ⓢ = Favourable variance Ⓢ = Unfavourable variance

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Performance		
				Time	Quality	Cost
Fire Truck	\$120	\$120	\$0	Completed	Achieved	Under budget

- Under budget due to efficiencies resulting from the availability of a suitable alternative at a cheaper price. See "In Focus"

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 4/5

Measure: Regular and ongoing training is undertaken by the civil defence and rural fire team.

Target: Team training undertaken weekly with the focus alternating between civil defence and rural fire response.

Achieved: Training is conducted each week alternating between Rural Fire and Civil Defence.

Measure: Participation in simulated events or training exercises.

Target: Participation in one or more simulated events or training exercises held each year.

Achieved: Whakatāne District Council took part in the National Exercise (Exercise Tangaroa) at the end of October 2010.

Measure: Status of the tsunami warning system project being progressed by combined councils under Civil Defence Emergency Management Group.

Target: Selection of appropriate tsunami warning system. Approval by BOP CDEM group and individual territorial authorities.

Achieved: The Bay of Plenty Civil Defence Emergency Management Group chose a suite of systems to invest in. The first of those systems purchased (Readynet) was available for use by the end of May 2011.

IN FOCUS

Civil Defence: At a regional level, the Civil Defence Emergency Management Group (CDEMG) has initiated a range of changes regarding the organisation of Civil Defence Emergency Management Activities in the Bay of Plenty. An Emergency Management Co-ordinator has been employed and has investigated areas in which the partner councils can improve their levels of service. This will be achieved through the sharing of resources and ideas, development of common plans and improved co-operation at a strategic level. During the 2010/11 year the Whakatane Civil Defence responded to 8 events. This included 6 floods/heavy rain, 1 tsunami alert (Japan) and the Christchurch Earthquake.

Christchurch earthquake: Members of the Whakatāne Emergency Response Team assisted in recovery work in Christchurch following the February 2011 earthquake. The team, made up of volunteers, travelled twice to the city to help in the cordoned “red” zone. The team has also assisted the Police on two other occasions during the year, and were part of a Civil Defence response during heavy rain events in Edgecumbe, Whakatāne and Ohope.

Replacement rural fire truck: The Whakatāne Fire Force fire appliance was replaced during year. A second-hand vehicle was obtained from Pumicelands for \$25,000, funded from the vehicle replacement fund. The fire truck was repainted and some of the equipment from the older fire truck was transferred to the new appliance. A grant from the Bay Trust assisted with this work.

Reorganisation of Rural Fire: Within New Zealand there are currently over 80 rural fire authorities, working together with a large number of other local and regional stakeholder groups. However, there is a general awareness across the sector that better results could be achieved through the pooling of resources. The National Rural Fire Authority has produced a strategy for enlarged rural fire districts and this may affect how the Council delivers rural fire services. Discussions about an enlarged rural fire district are ongoing. It is anticipated that these discussions will be concluded by the end of the 2011/12 financial year.

Exercise Tangaroa: The Council participated in Exercise Tangaroa which was a national, multi-agency exercise that was held on 20 October 2010. The aim of the exercise was to test New Zealand’s arrangements for responding to a national tsunami warning. The exercise was lead by the Ministry of Civil Defence and Emergency Management and was supported by the 16 CDEMG's, central government departments, emergency services, lifeline utilities, and other agencies as appropriate. The scenario for Exercise Tangaroa was a distant source tsunami originating from South America. The exercise was played in real time according to the latest tsunami research.



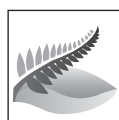
DISASTER MITIGATION

WHAT WE DO AND WHY

The Council undertakes disaster mitigation works to protect the community from the risk of future natural hazards. Current mitigation works were proposed following the flooding, debris flow and landslip events in 2004 and 2005. Without these works, residents would continue to be exposed to future disasters. Several projects involve working with Ontrack, NZTA and the Bay of Plenty Regional Council, each of which is responsible for project costs within their area of responsibility.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatāne District community outcomes:



CLEAN PROTECTED ENVIRONMENT



STRONG, TRANSPARENT AND OPEN LEADERSHIP



SAFE CARING COMMUNITY

COST OF SERVICE

	Annual Plan 2010/11 \$000	Actual 2010/11 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	643	565	(78)	\$ Interest costs savings due to projects being behind schedule.
Revenue	656	692	(36)	\$ -
Net Cost of Service (Surplus)	(13)	(127)	(114)	\$
Capital Expenditure	216	2,098	1,882	

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 0/2

Level of Service: Identified natural hazards will be considered and prioritised to reduce risk to public safety.

Measure: Natural hazards are identified, considered and prioritised through resource management policy.

Target: Gather information to maximise the Council's understanding of natural hazards.

Not Achieved: The Council has been gathering information to analyse natural hazards as part of the District Plan Review. This is part completed and is a work in progress. The Council will continue to gather information over the next financial year as part of the three year District Plan Review project.

Measure: Prioritised actions are undertaken to reduce risk to public safety.

Target: All prioritised actions are undertaken with the specified timeframes, including Awatarariki catchment.

Not Achieved: The Matata Disaster Mitigation Regeneration work is made up of five projects and the majority of these have now been completed. Pending finalisation of the resource consent process, it is expected that the Awatarariki Debris Detention Structure will begin construction during the 2011/12 year with funding carried forward from the 2010/11 year.

MAJOR CAPITAL PROJECTS

Project	Annual Plan			Performance		
	2010/11 Budget \$000	Revised Budget \$000	Actual Spend \$000	Time	Quality	Cost
Matatā Flood Hazard Mitigation	\$0	\$2,002	\$614	Behind Schedule	Unchanged	Under Budget
	<ul style="list-style-type: none"> Annual Plan budget revised due to carry forward from previous year 			<ul style="list-style-type: none"> Awaiting resource consent 		<ul style="list-style-type: none"> With one component of work to complete
Edgecumbe Flood Hazard Mitigation	\$0	\$1,897	\$1,483	Behind Schedule	Unchanged	Under Budget
	<ul style="list-style-type: none"> Annual Plan budget revised due to carry forward from previous year 			<ul style="list-style-type: none"> Project behind schedule owing to flood events/bad weather 		<ul style="list-style-type: none"> Due to project being behind schedule

IN FOCUS

Matatā disaster mitigation regeneration: The Resource Consent application for the Debris Detention Structure was lodged in the 2009/10 financial year; an outcome of this process is still outstanding. During the 2010/11 year the extreme rainfall events have tested the schemes. While there was some repair work required to the stream channel and some modifications to designs, to ensure that the correct flow was returned to the Waitepuru stream during high rainfall events, overall the schemes have worked well. The unspent budget for undertaking works will be carried forward to complete this project.

Edgecumbe flood mitigation: The construction of structures to provide Flood Mitigation protection to Edgecumbe were largely completed in the 2010/11 financial year. This includes the completion of one pump station scheduled for August 2011. A small amount of drain clearance work has been placed on hold until the ground conditions improve in the spring. The stopbanks around the Edgecumbe sub station were constructed to provide a 1 in 300 year protection. This heightened level of protection was paid for by Transpower. Transpower also contributed \$100,000 towards the Flood Mitigation Project.

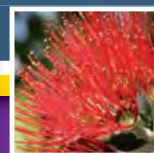
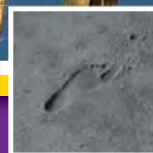
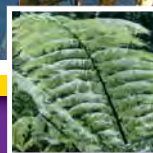


Waimea Stream Works



Council Controlled Organisations

Ngā Roopu Mahi Tahī-ā-Te Kaunihera ō Whakatane



COUNCIL CONTROLLED ORGANISATIONS

INTRODUCTION

A Council Controlled Organisation (CCO) is a company or organisation in which a Council or Councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. The Whakatāne District Council is a shareholder in the following three CCOs:

- Whakatāne Airport,
- Toi Economic Development Agency (Toi EDA), and
- Bay of Plenty Local Authority Shared Services Limited (BOPLASS Ltd).

The following pages summarise the information required under the Local Government Act 2002 relating to CCOs.

WHAKATĀNE AIRPORT

ABOUT THIS CCO

The Whakatāne Airport is a Council Controlled Organisation (CCO) under the Local Government Act 2002. The airport is seen as a valued community asset, which contributes to residents' quality of life and it is considered crucial to the economic well-being of the District.

The primary objective of the airport is to provide goods or services for the community. It makes a social contribution rather than a financial return. Accordingly, the airport is designated as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL

The following policies and objectives were implemented over the 2010/11 year:

- To promote a safe, accessible, affordable and reliable air transport system for the benefit of the economic and social development of the Eastern Bay of Plenty region.
- To ensure the facility is maintained at its present level and increased wherever practicable and economic.
- To ensure that the airport is administered efficiently, effectively and safely to the benefit of scheduled flight operations, commercial operators and recreational users.
- To operate the Airport facilities in compliance with the Civil Aviation Authority (CAA) requirements for non-certified aerodromes.

NATURE AND SCOPE OF ACTIVITIES

The nature and scope of services provided over the 2010/11 year included:

Aviation Services: The Airport was maintained as a non-certified aerodrome in accordance with the Civil Aviation Authority requirements. The scheduled flight services currently provided by Air New Zealand, using their 19 seater Beech 1900D aircraft, are able to be operated under the aerodromes non-certified status. If passenger numbers were to increase to the point where larger aircraft were required, the aerodrome would be required to become certificated. Air New Zealand Link provides daily return services to Auckland and in the summer to Wellington.

Leases: Land surplus to the Airport's present operational requirements was leased for grazing. Areas of the terminal building were leased for activities compatible with the operation of an airport. Lease of Airport land was also available to commercial operators and associated industry.

SHAREHOLDERS

The Airport is a joint venture operation between the New Zealand Government (Ministry of Transport) and the Whakatāne District Council with each party owning a 50% share. Responsibility for the level of maintenance and operation of the Airport rests with the Whakatāne District Council.

HIGHLIGHTS

Runway resurfacing: The runway resurfacing works programmed for the year were successfully completed on time and within budget.

Airport designations and zoning: Over the course of the 2010/11 year progress has been made on the designations and zoning for the airport as part of the wider District Plan review. When finalised, this process will protect the future capacity and use of the Whakatāne Airport. This will include rules to provide for runway extensions, protect flight paths, control housing and other developments, and regulate areas affected by airport noise. Airport designations and zones will be finalised during the 2011/12 financial year following public consultation.

Airport security upgrades: The airport security camera upgrade and new entry gate projects were completed on time and within budget. The old wooden gates were becoming dilapidated and required replacement. The new cameras provide enhanced security over the main car park and also for aircraft parked overnight outside the Terminal.

Hangar development: There has been encouraging growth in hangar development over the last 12 months. This has included the construction of a new helicopter hangar and a new fixed wing hangar is well on its way to being completed. The development of these privately owned facilities has resulted in two new income generating leases for the Airport.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/5

Measure	Targets	Achievements
	Whakatāne total budget surplus / (deficit) Target: \$36,680	Not Achieved: \$33,240 Airport operational activities were completed throughout the year in a timely manner. Costs were slightly over budget (\$165,493). Revenue was also down on projections (\$198,734).
Operate and maintain the airport's assets within an operational expenditure budget (excluding corporate overheads and depreciation)	Pavement resurfacing Target: \$100,000	Achieved: \$86,222 The total resurfacing costs were \$172,446, but this is half funded by the Crown, so the net cost to Council is only \$86,222, against the \$100,000 budgeted.
	Runway lighting and navigational aids renewal Target: \$8,000	Not Achieved: \$8,355 An upgrade to the generator was undertaken this year which means the generator will start up automatically whenever there is a power cut, rather than have to be manually started. This work was completed on time but slightly over budget at \$8,355.
	Airport designations Target: \$30,000	Not Achieved: \$71,133 The planning documentation required for airport designations to be established and included in the District Plan was completed.
	(The budget for airport designations was incorrectly stated as \$75,000 in the Statement of Intent and Annual Plan 2010/11. The over expenditure will be funded by a carry forward from the 2009/10 year of \$125,000)	
	Target: The airport is maintained as a non-certificated aerodrome in accordance with Civil Aviation Authority aerodrome design for aircraft at or below 5,700 kg Maximum Combined Take-Off Weight (MC TOW).	
	Achieved: The Airport was maintained over the past year to CAA requirements for non-certificated aerodromes..	



EASTERN BAY OF PLENTY REGIONAL ECONOMIC DEVELOPMENT AGENCY (TOI EDA)

ABOUT TOI EDA

Toi EDA is the Eastern Bay of Plenty Regional Economic Development Agency set up by three territorial authorities (Kawerau, Ōpōtiki and Whakatāne) and the Bay of Plenty Regional Council, working together with local iwi.

The primary objective of Toi EDA is to make a positive difference to the Eastern Bay of Plenty economy by supporting sustainable business and industry and increasing productivity by focusing on the region's natural and human resources. Toi EDA provides goods or services for the community of social benefit rather than making a financial return. Accordingly, it is designated as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

TOI EDA AS AN EXEMPT CCO

On 24 February 2010 the Council resolved that Toi EDA would become an exempt Council Controlled Organisation (CCO) under the Local Government Act 2002. As a CCO, Toi EDA was required by legislation to meet a number of reporting requirements that were considered onerous and expensive in relation to its size. Exemption from these requirements allows Toi EDA to focus more of its limited resources on economic development. As an exempt CCO the reporting requirements of Toi EDA are similar to those of other Council activities.

This change has not affected the nature or delivery of the services delivered by Toi EDA.

TRUSTEES

Toi EDA operates under a Trust Deed. Toi EDA's trustees are experienced business people and community leaders who play a vital role in leading and guiding the organisation. They bring with them a wealth of experience and skills spanning commercial, finance, governance and business development, as well as entrepreneurial skills.

The Trustees' role is to:

- Provide strategic leadership and oversee strategy.
- Meet and network with key stakeholders.
- Provide advocacy.
- Monitor progress.
- Provide governance.
- Generate ideas / foster growth.
- Influence the community and stakeholders.
- Support staff.
- Perform a custodial role over resources.

Achieved 2/3

HOW DID WE PERFORM AGAINST OUR TARGETS?

	Measure	Target	Achievements
Cost Performance	<i>To attract more people to visit and live in the region by developing and implementing a co-ordinated marketing strategy.</i>	\$50,000	\$53,376
	<i>To identify, support and grow events that attract visitors and promote the Eastern Bay of Plenty.</i>	\$50,000	\$39,359
	<i>To implement Toi EDA economic development strategy goals.</i>	\$45,000	\$30,790

TOI-EDA'S PRIMARY GOALS

- Attract people to work, live and play in the Eastern Bay of Plenty.
- Encourage alignment of Māori economic development activity and Toi-EDA activity.
- Support and develop industry.
- Advocate for improved infrastructure and transportation.
- Foster communication with the community and partners.
- Secure and diversify the Toi EDA funding base.

NATURE AND SCOPE OF ACTIVITIES

The nature and scope of services provided over the 2010/11 year included:

- Developing and implementing a co-ordinated marketing strategy.
- Attracting more people to visit and live in the region.
- Identify, support and grow events that attract visitors and promote the Eastern Bay of Plenty.
- Advocating for new facilities and event resources.
- Promoting conference opportunities.
- Supporting and developing industry.

HIGHLIGHTS

Bay of Connections: The Bay of Connections is the Bay of Plenty's Regional Economic Development Strategy. Its mission is to deliver a progressive regional economic development strategy that incorporates new and existing initiatives and industries, building on the region's collective strengths to create economic growth and development. Toi EDA has represented the Eastern Bay of Plenty and helped developed strategies in the areas of forestry, energy, aquaculture, transport and logistics.

Add value to forestry and wood processing sector: A promotional package has been distributed to potential investors, taken to a Shanghai expo, fed in regional strategy development and triggered NZTE involvement in Kawerau industrial development.

Support and encourage business expansion: Toi EDA has implemented a number of programmes to support and encourage business expansion in the Eastern Bay. These programmes include: Mentor programme, new business assistance programme, economic monitoring, trade show and cluster support.

Develop new products and experiences: A number of new products and experiences were developed in the 2010/11 year including:

- Prefeasibility for two Ōpōtiki coastal projects,
- Concept plan developed for Matatā cultural experience,
- Kiwi and Māori culture segment on international travel show; and,
- Rugby World Cup initiatives developed such as; a fishing package, a golf package, Waka visits and the Sunshine Ambassadors.

Marketing and digital marketing plan: Plans have been developed and implemented during the 2010/11 year which include new website and social media activity.

Web based immigration campaign:

A very successful Google ad word campaign for www.liveintheeasternbay.co.nz ran during the year which attracted 6,719 international visitors to the site and 179 requests for information. The aim of this campaign was to raise the profile of the Whakatāne area.



BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES LIMITED

ABOUT THIS CCO

The Whakatāne District Council is a one-ninth shareholder in BoP LASS Limited. BoP LASS Limited was formed on 15 October 2007 to support councils that operate within the boundaries of the Bay of Plenty region.

The principal activities of BoP LASS Limited are to investigate, develop and deliver shared back office services and communications where and when that can be done more effectively for any combinations of some or all of the councils.

GOVERNANCE

BoP LASS Limited will conduct itself in accordance with its constitution, its annual statement of intent agreed with shareholders, the provisions of the Companies Act 1993 and the Local Government Act 2002.

The company is governed by its directors. To ensure total synergy between the company's activities and its council shareholders' activities, the directors are also the chief executives of their respective council shareholders.

BoP LASS Limited has nine directors appointed by its shareholders. Unless otherwise agreed by the Board, each appointee is the current (or acting) chief executive of the council shareholder including:

- Bay of Plenty Regional Council.
- Gisborne District Council.
- Kawerau District Council.
- Ōpōtiki District Council.
- Rotorua District Council.
- Taupo District Council.
- Tauranga City Council.
- Western Bay of Plenty District Council.
- Whakatāne District Council.

In addition, the Board may appoint up to three professional directors to supplement the directors'/ chief executives' expertise.

POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL

The objectives of BoP LASS Limited as stated in its statement of intent for the 2010/11 year included:

"Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation."

These will be achieved primarily through:

- Joint Procurement: Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BoP LASS or individually by participating councils.
- Shared Services: Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

**Bop LASS Vision:
"Councils partnering for
value and service"**

NATURE AND SCOPE OF ACTIVITIES

The principle nature and scope of the activity of BoP LASS Limited over the 2010/11 year included:

- Using Joint Procurement to add value to goods and services sourced for its constituent councils.
- Facilitate Shared Services that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursuing best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrating fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, Council contributions, or government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Representing the collective views of its shareholders in matters with which it is associated.

HIGHLIGHTS

Fibre optic network links councils: In June 2010, the 1Gbps fibre optic network linked the Whakatāne District Council with the other councils of the Bay of Plenty region. The leased fibre is part of a new fibre link provided by FX Networks Ltd (under the One Government contract) and connects councils in Tauranga, Rotorua, Whakatāne and Taupo. Until FX Networks entered the market this service was unavailable to the councils at a price that was affordable. In addition a microwave link is planned from Whakatāne to Ōpōtiki and future links are planned for Kawerau and Gisborne.

Information Services Strategic Plan (ISSP): A project aimed at creating a process for planning and approval of information sharing and development of information sharing capability between council's. A final draft has been prepared, circulated and signed off by the Whakatāne District Council.

Shared Geographic Information Systems (GIS) services: The Council has been working with BoPLASS to establish Geographic Information as a Shared Service.

Regional telephony contract: Following a strict tendering process Gen-I, a division of Telecom, are the supplier of telephony services and the combined approach has resulted in significant savings being available to councils from February 2011. Included in the offering was a collaborative pricing arrangement.

HOW DID WE PERFORM AGAINST OUR TARGETS?

As reported in BoPLASS's Annual Report 2010/11

Target: Initiate at least one shared service each year and no less than two shared services successfully implemented within three years.

Achieved: Target met. A number of shared services were initiated and completed within the 2010/11 year. These include: Council Regional Network Platform, Rates, GIS and Inception Report among others.

Target: Implement Shared Services demonstrating best practice and added value to participating councils and stakeholders.

Achieved: Target met. GIS Inception plan developed with external support and peer review. ISSP developed with external support and internal review.

Target: Facilitate Joint Procurement of goods and services from sources offering best value, service, and or continuity of supply.

Achieved: Target met. Eleven procurement initiatives were investigated and/or completed during the 2010/11 year. These include: Office supplies, Electronic procurement and Vehicle purchases.

Target: Communicate with each shareholding council at appropriate levels.

Achieved: Target met. Meetings took place with all councils at least once during the year.

Target: Partner with other non shareholding councils and/or organisations to add benefit to the company.

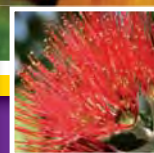
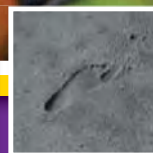
Achieved: Target met. A number of meetings were held in an effort to partner with other non shareholding Councils/Organisations. BoPLASS met with the Joint LASS group, Hamilton City, Waikato Regional Council and South Waikato District Council.

Target: Ensure sufficient income is available from activities to sustain a viable company.

Achieved: Target met. Income was received from contributing councils and funding from activities to meet the operational budget. These include council contributions levies, activity groups levies and activities producing savings

Financial Statements

Ngā Pūrongo Pūtea Mō Te Tau



FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME For the year ended 30 June 2011

Actual 2010 \$000			Actual 2011 \$000	Budget 2011 \$000
	Income			
30,305	Rates Revenue	Note 2	32,657	32,144
17,839	Other Revenue	Note 3	23,046	25,658
63	Finance Income	Note 6	46	90
685	Gains	Note 7	168	1,735
48,892	Total Income		55,917	59,627
	Expenditure			
10,250	Personnel costs	Note 4	10,562	10,344
13,460	Depreciation and amortisation	Note 5	14,280	13,976
25,330	Other expenses	Note 5	28,872	24,173
388	Revaluation Losses	Note 5	4,763	-
1,409	Finance costs	Note 6	2,146	2,252
50,837	Total Operating Expenditure		60,623	50,745
(1,945)	Surplus/(deficit) before tax		(4,706)	8,882
-	Income Tax Expense	Note 8	-	-
(1,945)	Surplus/(deficit) after Tax		(4,706)	8,882
	OTHER COMPREHENSIVE INCOME			
(7,125)	Gains/(Loss) on assets revaluation		(1,170)	18,855
(9,070)	Total Comprehensive Income for the year		(5,876)	27,737

Explanations of significant variances against budget are included in Note 34.

The Notes and the Statement of Accounting Policies on pages 149 to 191 form part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

Actual 2010 \$000		Actual 2011 \$000	Budget 2010 \$000
629,635	Balance as at 1 July	620,565	579,838
(1,945)	Surplus/(Deficit) for the year	(4,706)	8,882
(7,125)	Gain/(Loss) on assets revaluation	(1,170)	18,854
(9,070)	Total comprehensive income	(5,876)	27,736
620,565	Balance as at 30 June	614,689	607,574

The Notes and the Statement of Accounting Policies on pages 149 to 191 form part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

Actual 2010 \$000			Actual 2011 \$000	Budget 2011 \$000
	EQUITY			
428,770	Retained Earnings	Note 23	426,111	468,398
13,945	Restricted Equity	Note 23	11,898	12,304
177,850	Asset Revaluation Reserves	Note 23	176,680	126,872
620,565	TOTAL EQUITY		614,689	607,574
	ASSETS			
	Current Assets			
526	Cash and Cash Equivalents	Note 9	810	627
86	Inventories	Note 10	86	180
-	Goods and Services Tax		811	-
5,343	Trade and other Receivables	Note 11	6,467	7,168
5,955	Total Current Assets		8,174	7,975
	Non-Current Assets			
69,726	Operational Assets	Note 14	79,225	76,684
475,519	Infrastructural Assets	Note 14	492,917	474,831
1,806	Intangible Assets	Note 14	1,476	1,435
213	Forestry Assets	Note 16	344	215
33,725	Investment Property	Note 17	44,024	38,778
54,156	Restricted Assets	Note 18	39,958	30,000
5,602	Work in Progress	Note 15	3,878	6,000
14,040	Assets Held for Sale	Note 17	393	14,000
43	Other Financial Assets	Note 13	33	45
654,830	Total Non-Current Assets		662,248	641,988
660,785	Total Assets		670,422	649,963
	LIABILITIES			
	Current Liabilities			
7,651	Trade and other Payables	Note 19	10,805	6,816
2,542	Provisions	Note 20	302	350
1,348	Employee Entitlements	Note 21	1,484	200
287	Goods and Services Tax		-	300
22,703	Borrowings	Note 22	10,000	3,192
34,531	Total Current Liabilities		22,591	10,858
	Non-Current Liabilities			
1,011	Provisions	Note 20	1,097	2,800
198	Employee Entitlements	Note 21	198	-
4,014	Borrowings	Note 22	30,510	28,731
466	Derivatives Liability	Note 12	1,337	-
5,689	Total Non-Current Liabilities		33,142	31,531
40,220	Total Liabilities		55,733	42,389
620,565	NET ASSETS		614,689	607,574

The Notes and the Statement of Accounting Policies on pages 149 to 191 form part of the Financial Statements

STATEMENT OF CASHFLOWS

For the year ended 30 June 2011

Actual 2010 \$000		Actual 2011 \$000	Budget 2011 \$000
	CASH FLOWS FROM OPERATING ACTIVITIES		
30,109	Receipts from rates	31,949	32,145
8,544	Government grants	11,416	14,612
(222)	GST (net)	(1,098)	-
6,746	Receipts from customers	15,122	7,454
63	Interest	46	90
(30,935)	Payments to suppliers & employees	(43,698)	(32,399)
(388)	Movement in agency accounts	238	-
(1,364)	Interest paid	(2,049)	(2,252)
12,553	Net Cash Flows from Operating Activities	11,926	19,650
	Note 25		
	CASH FLOWS FROM INVESTING ACTIVITIES		
343	Sale of property, plant and equipment	18	485
(22,226)	Purchase of property, plant and equipment	(27,744)	(29,546)
(280)	Change in Work in Progress	1,724	-
(22,163)	Net Cash Flows from Investing Activities	(26,002)	(29,061)
	CASH FLOWS FROM FINANCING ACTIVITIES		
28,700	Term loans raised	42,600	12,521
(19,905)	Term loan repayments	(28,240)	(3,643)
8,795	Net Cash Flows From Financing Activities	14,360	8,878
(815)	Net increase/(decrease) in cash held	284	(533)
1,341	Cash, cash equivalents and bank overdrafts at the beginning of the year	526	1,160
526	Cash, cash equivalents and bank overdrafts at the end of the year	810	627
	Represented by:		
526	Cash at bank	810	627

Explanations of significant variances against budget are included in Note 34.

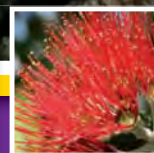
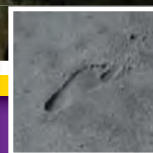
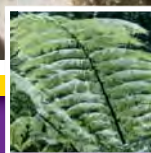
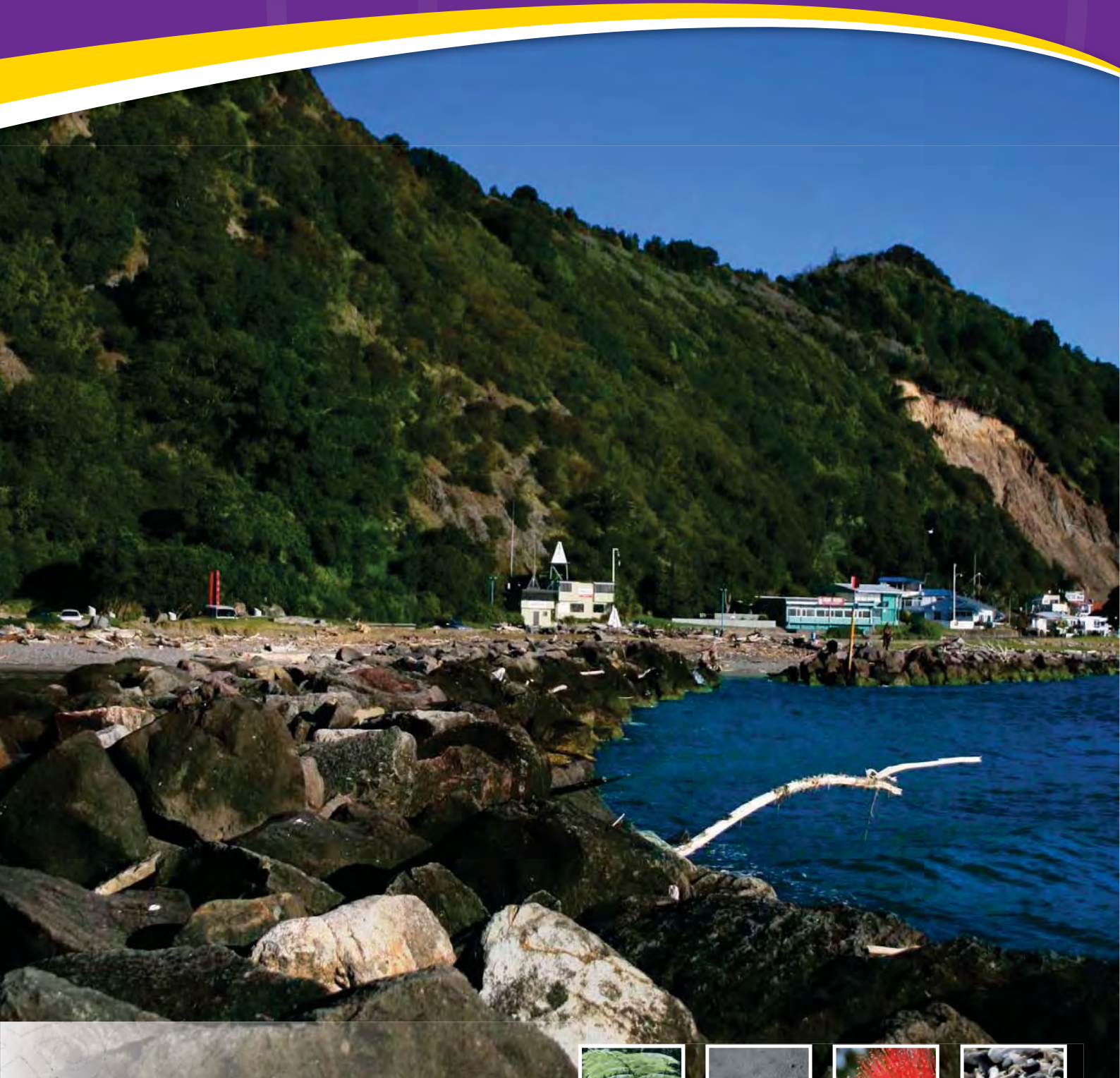
The GST (net) amount of operating cost reflects net GST paid and received with the Inland Revenue Department.

The GST (net) has been presented on a basis net, as the gross amounts do not provide meaningful information for financial statement purposes.

The Notes and the Statement of Accounting Policies on pages 109 to 191 form part of the Financial Statements.

Notes to the Financial Statements

He Pitopito Kōrero Mō Ngā Pūrongo Pūtea



NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Whakatāne District Council is a territorial authority governed by the Local Government Act 2002. The principal accounting policies adopted in the preparation of this financial report are set out below. The financial report consists of the financial statements of Whakatāne District Council (the Council) and includes the Whakatāne Airport, which is a 50/50 joint equity venture between the Council and the Ministry of Transport and a 35/65 joint venture between the Council and P F Olsen Ltd, a forest management and harvesting company, regarding a forestry block at Onepu on land vested to the Council.

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

The financial statements of the Council are for the year ended 30 June 2011. The financial statements were authorised for issue by the Council on 28 October 2011.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

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

These financial statements have been prepared on a historical basis, modified by the revaluation of land and buildings, certain infrastructural assets, financial instruments (including derivative instruments) investment property, and forestry assets.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

NZ IAS 24 Related Party Disclosures (Revised 2009) replaces NZ IAS 24 Related Party Disclosures (Issued 2004). The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Council has elected not to early adopt the revised standard and its effect has been to disclose further information about commitments between related parties.

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. Whakatāne District Council has not yet assessed the effect of the new standard and expects it will not be early adopted.

Joint Ventures and Associates

For jointly controlled assets Council recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its share of liabilities and expenses incurred jointly, and income from the sale or use of its share of the output of the joint venture.

REVENUE RECOGNITION

Revenue is measured at fair value of the consideration received.

Rates

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

Rates collected on behalf of the Bay of Plenty Regional Council (EBOP) are not recognised in the financial statements as the Council is acting as an agent for EBOP. Rates collected on behalf of the EBOP are not included in the Statement of Financial Performance as it does not belong to the Council. It is however, included as a receipt and payment in the Statement of Cash Flows.

Revenue from water rates by meter is recognised on an accrual basis.

Licences and permits

Revenue derived from licences and permits is recognised on application.

Development contributions

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise financial contributions are transferred to reserves until such time the Council provides, or is able to provide, the service.

Sales of goods

Revenue from sales of goods is recognised when a product is sold to the customer.

Provision of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Rental revenue

Rental revenue is recognised in the period that it relates to.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income.

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are paid.

Grants and subsidies

Grants and subsidies are recognised when the conditions of the grant or subsidy have been met.

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

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

FINANCE COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred. The Council has not capitalised borrowing costs associated with funding capital works in progress which represents a departure from NZ IAS 23: Borrowing Costs however it is in line with the decision of the Accounting Standards Review Board to indefinitely defer the adoption of NZ IAS 23 for public benefit entities.

INCOME TAX

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit or taxable profit.

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

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

LEASES

Finance Leases

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

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

The finance charge is charged to the statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Operating leases

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

TRADE AND OTHER RECEIVABLES

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost, less any provision for impairment.

INVENTORIES

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost.

FINANCIAL ASSETS

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

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

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive income.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

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

Held-to-maturity Investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Fair Value Through other Comprehensive Income

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. The Council and group includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

IMPAIRMENT OF FINANCIAL ASSETS

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

DERIVATIVE FINANCIAL INSTRUMENTS

The Council uses derivative financial instruments (interest rate swaps) to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

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

The associated gains or losses of these derivatives are recognised in the statement of comprehensive income.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of comprehensive income. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of:

Operational assets

These include land, buildings, library books, plant and equipment, museum collection and motor vehicles.

Restricted assets

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

Infrastructural assets

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

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

Revaluation

Land, buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

On transition to NZ IFRS, Whakatāne District Council elected to use the fair value of land under roads as at 1 July 2006 as deemed cost. Land under roads is no longer revalued.

The Council assesses the carrying values of its re-valued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are re-valued.

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

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

Depreciation

Depreciation is provided on a straight-line basis on all buildings, bridges and other structures and diminishing value for motor vehicles, plant and equipment, office equipment and furnishings. Land is non depreciable. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

The expected lives, in years, of major classes of fixed assets are as follows:

INFRASTRUCTURE ASSETS:	YEARS:
Roading:	
Land – road reserve	N/A
Road formation	N/A
Pavement Basecourse	22-90
Sealed Pavement surface	2-20
Unsealed roads	2-7
Traffic control device	50
Road signs and markers	7-15
Kerbs and channels and cesspits	40-60
Surface water Channel	15-50
Street Railings	10-20
Traffic Islands	50
Street lighting	10-50
Footpaths	20-50
Bridges – concrete	100
Bridges – wooden	30
Car-parks	50
Water:	
Treatment plant – structure	70-90
Treatment plant – contents	15-50
Pump stations – structure	80-100
Pump stations – contents	10-50
Reservoirs – concrete and wooden	70-90
Water lines and service lines	50-80
Valves and hydrants	30-65
Water meters	15-25

INFRASTRUCTURE ASSETS:	YEARS:
Wharves:	
Wharves (concrete)	50
Stormwater:	
Stormwater lines	80
Manholes	70-80
Open drains and channels	50-90
Pump stations – structure	80-100
Pump station – contents	12-40
Retention dams	80-90
Floodgates	50
Sewer:	
Sewer lines and service lines	60-80
Manholes	70-80
Pump station – structure	60-70
Pump station – contents	12-25
Ponds – structure	60
Ponds – plant and equipment	15-25
Refuse:	
Whakatāne landfill	8.5
Murupara landfill	2
OPERATIONAL ASSETS:	
Museum assets	N/A
Land	N/A
Buildings	40-100
Vehicles	5
Plant and machinery – heavy	8-12.5
Plant and machinery – light	2-5
Furniture and fittings	10
L brary books	7
Office equipment	4-5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

INTANGIBLE ASSETS

Software acquisition and development

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

Cost associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Council, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Easements

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

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is de-recognised. The amortisation charge for each period is recognised in the statement of comprehensive income.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	4 - 5 years	25% - 20%
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IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

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

For assets not carried at a re-valued amount, the total impairment loss is recognised in the statement of comprehensive income.

The reversal of an impairment loss on a re-valued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of comprehensive income, a reversal of the impairment loss is also recognised in the statement of comprehensive income.

For assets not carried at a re-valued amount the reversal of an impairment loss is recognised in the statement of comprehensive income.

INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

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

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

FOREST ASSETS

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains and losses arising on initial recognition of biological assets at fair value less estimated costs to

sell and from a change in fair value less estimated costs to sell are recognised in the statement of comprehensive income.

The costs to maintain forestry assets are included in the statements of comprehensive income.

CREDITORS AND OTHER PAYABLES

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

PROVISIONS

Provisions are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

EMPLOYEE BENEFITS

Short-term benefits

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

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

Long-term benefits

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement,
- The likelihood that staff will reach the point of entitlement and contractual entitlement information; and,
- The present value of the estimated future cash flows.

The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation scheme

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit incurred.

PUBLIC EQUITY

Public Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. Reserves are a component of equity generally representing a particular use for which various parts of equity have been assigned. The components of equity are:

- Retained earnings;
- Restricted reserves;
- Asset revaluation reserve.

Restricted reserves

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

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

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

Asset revaluation reserve

This reserve relates to the revaluation of property, plant and equipment to fair value.

BUDGET FIGURES

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill aftercare provision

Note 20 presents an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural assets

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

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example storm water, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth.
If useful lives do not reflect the actual

consumption of the benefits of the assets, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive income. To minimise this risk Council's infrastructural assets useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines, published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

GOODS AND SERVICES TAX

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

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

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

NOTE 2 - RATES REVENUE

Actual 2010 \$000		Actual 2011 \$000	Budget 2011 \$000
5,887	General Rates	7,141	7,265
	TARGETED RATES ATTRIBUTABLE TO ACTIVITIES		
1,421	Arts & Culture	1,460	1,453
-	District	645	649
555	Hazard Management	661	656
381	Leadership	401	404
3,376	Recreation and Community Facilities	3,505	3,535
270	Reportable CCO	274	277
7,015	Transport	6,397	6,404
3,442	Waste	4,338	4,353
7,567	Water	7,390	7,148
611	Penalties Charged	695	-
30,524		32,907	32,144
(220)	Less Remissions Given for the Year	(250)	-
30,305	Net Rate Revenue	32,657	32,144

RATES REMISSIONS

Rates revenue is shown net of rates remissions. Council's rates remission policy allows remission of rates on condition of a ratepayer's extreme financial hardship, land used for sport, and land protected for historical or cultural purposes.

NON-RATEABLE LAND

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission under Council's rates remission policy.

NOTE 3 - OTHER REVENUE

Actual 2010 \$000		Actual 2011 \$000	Budget 2011 \$000
525	Development Contributions	433	918
1,681	Government Grants	1,044	2,620
443	Infringement & Fines	361	356
5,515	Land Transport NZ Subsidies	11,283	12,548
425	Other Services	596	596
266	Petrol Tax	253	260
-	Provision Movement*	1,012	-
3,221	Regulatory Income	3,488	3,929
2,657	Rental Income	3,020	2,583
1,266	User Charges	1,376	1,108
1,840	Vested Assets	180	740
17,839	Total Other Revenue	23,046	25,658

*Landfill aftercare provision.

NOTE 4 - PERSONNEL COSTS

Actual 2010 \$000		Actual 2011 \$000	Budget 2011 \$000
	EMPLOYEE BENEFIT EXPENSES		
9,754	Salaries and Wages	10,427	10,344
496	Increase/(Decrease) in Employee Benefit Liabilities	135	-
10,250	Total Personnel Costs	10,562	10,344

NOTE 5 - DEPRECIATION & OTHER EXPENSES

Actual 2010 \$000		Actual 2011 \$000	Budget 2011 \$000
DEPRECIATION AND AMORTISATION			
2,446	Operational Assets	2,786	2,746
10,670	Infrastructural Assets	10,925	10,672
344	Intangible Assets	569	558
13,460	Total Depreciation and Amortisation	14,280	13,976
OTHER EXPENSES			
123	Audit Fees	109	120
8	Audit Fees LTCCP	1	-
3	Audit Fees, Debenture Trust deed	3	-
1,434	Development Contribution Refunds	719	-
299	Grants and Subsidies	333	343
230	Insurance Premiums	358	342
110	Investment Property Expenses	176	171
100	Loss on Sale of Assets	169	-
640	Movement in Doubtful Debt Impairment	(114)	200
39	Operating Leases	165	160
22,344	Other Operating Expenses	26,953	22,837
25,330	Total Other Expenses	28,872	24,173

REVALUATION LOSSES

Actual 2010 \$000		Actual 2011 \$000	Budget 2011 \$000
388	Derivative Financial Instruments	871	-
-	Investment Property	3,884	-
-	Other Financial Assets	8	-
388	Total revaluation losses	4,763	-

NOTE 6 - FINANCE INCOME & FINANCE COSTS

Actual 2010 \$000		Actual 2011 \$000	Budget 2011 \$000
63	Interest Income	46	90
(1,409)	Interest on Bank Borrowings	(2,146)	(2,252)
(1,346)	Net Finance Income/(Cost)	(2,100)	(2,162)

NOTE 7 - GAINS

Actual 2010 \$000		Actual 2011 \$000	Budget 2011 \$000
-	Non Current Assets Held for Sale	24	-
642	Investments Property	-	1,735
4	Forestry Revaluation	131	-
39	Gain on Disposal of Assets	13	-
685	Total Gains	168	1,735

NOTE 8 - TAX DISCLOSURE

Actual 2010 \$000		Actual 2011 \$000
COMPONENTS OF TAX EXPENSE		
-	Current Tax Expenses	-
-	Adjustments to Current Tax in Prior Year	-
-	Deferred Tax Expenses	-
-	Income Tax Expense	-
RELATIONSHIP BETWEEN TAX AND ACCOUNTING PROFIT		
(1,945)	Surplus/(Deficit) Before Tax	(4,706)
(584)	Tax @ 30 % (2010:30%)	(1,412)
501	Non-deductible Expenditure	1,197
-	Non-taxable Income	-
133	Tax loss not Recognised	215
(50)	Prior Year Adjustment	-
-	Tax Expense	-

Additional Disclosures

A deferred tax asset has not been recognised in relation to deductible temporary differences of \$0 (2010: \$57,385).

A deferred tax asset of has not been recognised in relation to unused tax losses of \$4,188,378 (2010: \$3,759,396).

A deferred tax liability of \$78,000 in relation to property, plant and equipment and has been offset by a deferred tax asset in relation to tax losses.

NOTE 9 - CASH AND CASH EQUIVALENTS

Actual 2010 \$000		Actual 2011 \$000
526	Cash at Bank and on Hand	810
526	Total Cash and Cash Equivalents	810

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.

INTEREST RATES

The weighted average effective interest rates during the year on Cash and Cash Equivalents were:

2010		2011
2.50%	Cash and Cash Equivalents	2.14%

NOTE 10 - INVENTORIES

Actual 2010 \$000		Actual 2011 \$000
	HELD FOR DISTRIBUTION:	
86	Water and Sewerage Spare Parts	86
86	Total Inventories	86

No inventories are pledged as security for liabilities (2010: \$ Nil). However some inventories are subject to retention of title clause. The carrying amount of inventories held for distribution that are measured at a current replacement cost as at 30 June 2011 amounted to \$ Nil (2010: \$ Nil). The loss in service potential of inventories held for distribution is determined on the basis of obsolescence.

NOTE 11 - TRADE AND OTHER RECEIVABLES

Actual 2010 \$000		Actual 2011 \$000
2,991	Rates Receivables	3,850
1,284	Metered Water Receivables	732
3,570	General Receivables	4,283
7,845		8,865
(2,600)	Less Provision for Impairment of Receivables	(2,485)
5,245		6,380
98	Prepayments	87
5,343	Total Trade and Other Receivables	6,467

FAIR VALUE

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

IMPAIRMENT

Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is material. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$ Nil (2010: \$Nil).

THE STATUS OF RECEIVABLES AS AT 30 JUNE 2011 AND 2010 ARE DETAILED BELOW:

	2011 Gross Impairment		2010 Gross Impairment	
	\$000 Receivables	\$000 Provision	\$000 Receivables	\$000 Provision
Current - Rates & Water	1,451		1,923	-
Current - Others	2,641		2,006	-
Past due > 120 days - Rates & Water	3,132	2,149	2,586	2,233
Past due > 120 days - Others	1,641	336	1,330	367
	8,865	2,485	7,845	2,600

MOVEMENT IN THE PROVISION FOR IMPAIRMENT OF RECEIVABLES IS AS FOLLOWS:

	2011 \$000	2010 \$000
As at 1 July	2,600	1,967
Provision Adjustment Made During the Year	(61)	714
Receivables Written off During the Year	(54)	(81)
Balance as at 30 June	2,485	2,600

NOTE 12 - DERIVATIVE FINANCIAL INSTRUMENTS

Actual 2010 \$000		Actual 2011 \$000
NON-CURRENT LIABILITIES PORTION		
(466)	Interest Rate Swaps	(1,337)
(466)	Total Derivative Financial Instrument Assets	(1,337)

FAIR VALUE

The fair value of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices. The valuation has been performed by ETOS independent valuers. No interest rate swaps were due to mature at 30 June 2011.

INTEREST RATE SWAPS

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$43.8m (2010:\$26.8m). At 30 June 2011 the fixed interest rates of cash flow hedge interest rate swaps were 5.43% (2010: 6.12%).

The following interest rate swaps are currently held:

Deal Number	Swap 1	Swap 2	Swap 3	Swap 4	Swap 5	Swap 6	Swap 7	Swap 8	Swap 9
Maturity Date	22/07/13	22/09/17	22/03/19	23/09/13	20/12/13	23/06/14	21/09/12	20/04/16	20/04/15
Fixed Rate	4.2900%	6.8900%	5.9800%	5.6300%	4.0500%	4.2200%	7.8400%	5.1800%	5.0300%
Amount	\$2,000,000	\$1,700,000	\$5,500,000	\$3,000,000	\$2,000,000	\$3,000,000	\$4,000,000	\$2,500,000	\$2,500,000
Fair Value	(42,672)	(215,817)	(415,593)	(144,044)	(13,840)	(43,759)	239,771	(109,662)	(103,286)

Deal Number	Swap 10	Swap 11	Swap 12	Swap 13	Swap 14	Swap 15	Swap 16	Swap 17	Totals
Maturity Date	23/12/13	31/08/15	22/06/16	30/09/16	22/05/17	21/09/17	22/11/17	22/03/18	
Fixed Rate	5.3700%	5.0100%	4.7450%	5.2400%	4.7850%	5.8500%	4.8800%	6.0500%	
Amount	\$2,000,000	\$2,000,000	\$3,000,000	\$2,000,000	\$3,000,000	\$1,600,000	\$3,000,000	\$1,000,000	
Fair Value	(89,223)	(61,884)	(28,309)	(67,223)	(31,465)	(111,600)	(17,967)	(80,134)	(1,336,707)

NOTE 13 - OTHER FINANCIAL ASSETS

Actual 2010 \$000		Actual 2011 \$000
42	Shares - NZ Local Government Insurance Corporation: 13,394 shares @ \$2.42	32
1	Shares - Bay of Plenty Local Authority Shared Services Ltd: 1 share @ \$1,000	1
43	Total other financial assets	33

UNLISTED SHARES

The fair value of unlisted shares in NZ Local Government Insurance Corporation Ltd and Bay of Plenty Local Authority Shared Services have been determined using the net asset backing method.

The Whakatāne District is a shareholder in BoP LASS Ltd, a CCO owned by councils in the Bay of Plenty Region. It is joint venture with each of the eight councils in the region holding a 12.5% share. BoP LASS Limited has been established to foster collaboration between councils in the delivery of services particularly back office or support services.

IMPAIRMENT

There were no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

NOTE 14 - OPERATIONAL, INFRASTRUCTURAL & INTANGIBLE ASSETS

2010	Cost/ Revaluation 30 June 2009 \$000	Accumulated Depreciation and Impairment 30 June 2009 \$000	Net Book Value 30 June 2009 \$000	Additions Current Year \$000	Disposals Current Year \$000	Impairment Current Year \$000	Depreciation reversed on disposal current Year \$000	Depreciation Current Year \$000	Revaluation Current Year \$000	Cost/ Revaluation 30 June 2010 \$000	Accumulated Depreciation and Impairment 30 June 2010 \$000	Net Book Value 30 June 2010 \$000
	OPERATIONAL ASSETS											
Land	22,533	-	22,533	-	278	-	-	-	-	22,255	-	22,255
Buildings	36,785	1,405	35,380	3,435	44	1,179	741	1,300	-	38,997	1,964	37,033
Plant & Equipment	2,210	1,700	510	302	614	-	556	91	-	1,898	1,235	663
Furniture & Fittings	1,062	343	719	37	-	-	-	111	-	1,099	454	645
Office Equipment	6,241	4,215	2,026	614	-	-	-	610	-	6,855	4,825	2,030
Motor Vehicles	1,652	1,131	521	334	298	-	280	177	-	1,688	1,028	660
Harbour Vessels	133	91	42	-	-	-	-	8	-	133	99	34
Museum Collection	5,860	-	5,860	-	-	-	-	-	-	5,860	-	5,860
Library Books	1,046	474	572	123	-	-	-	149	-	1,169	623	546
Total Operational Assets	77,522	9,359	68,163	4,845	1,234	1,179	1,577	2,446	-	79,954	10,228	69,726
INFRASTRUCTURAL ASSETS												
Land Roading	91,363	-	91,363	-	-	-	-	-	-	91,363	-	91,363
Roading	238,220	6,025	232,195	5,474	-	-	-	5,876	(6,174)	231,495	5,876	225,619
Water	62,039	1,705	60,334	2,219	32	-	32	1,727	-	64,226	3,400	60,826
Sewage	41,874	1,109	40,765	288	1	-	1	1,118	-	42,161	2,226	39,935
Land Drainage	40,976	769	40,207	6,838	8	-	8	863	-	47,806	1,624	46,182
Harbour	5,331	1,600	3,731	191	-	-	-	240	-	5,522	1,840	3,682
Parks	7,992	1,427	6,565	1,375	-	-	-	810	-	9,367	2,237	7,130
Refuse	6,010	6,010	-	818	-	-	-	36	-	6,828	6,046	782
Total Infrastructural Assets	493,805	18,645	475,160	17,203	41	-	41	10,670	(6,174)	498,768	23,249	475,519
INTANGIBLE ASSETS												
Computer Software	1,925	1,092	833	1,317	-	-	-	344	-	3,242	1,436	1,806

Work in progress in the course of construction total \$5,602,000 (2009 \$5,322,000) No property, plant and equipment is pledged as security. Restricted assets see note 18.

Council has easements giving right to access to private property where infrastructural assets are located. It has not been feasible to value these at this stage and when valued are not expected to be material. There are no restrictions over the title of Councils intangible assets, nor are there any intangible assets pledged as security for liabilities.

2011	Cost/ Revaluation 30 June 2010 \$000	Accumulated Depreciation and Impairment 30 June 2010 \$000	Net Book Value 30 June 2010 \$000	Additions Current Year \$000	Disposals Current Year \$000	Transfers Current Year \$000	Impairment Current Year \$000	Depreciation reversed on Disposal Current Year \$000	Depreciation Current Year \$000	Revaluation Current Year \$000	Cost/ Revaluation 30 June 2011 \$000	Accumulated Depreciation and Impairment 30 June 2011 \$000	Net Book Value 30 June 2011 \$000
	OPERATIONAL ASSETS												
Land	22,255	-	22,255	-	-	5,917	-	-	-	(5,402)	22,770	-	22,770
Buildings	38,997	1,964	37,033	6,902	104	-	3,746	4	1,611	5,922	49,753	5,353	44,400
Plant & Equipment	1,898	1,235	663	304	-	-	-	-	86	-	2,202	1,321	881
Furniture & Fittings	1,099	454	645	22	-	-	-	-	111	-	1,121	565	556
Office Equipment	6,855	4,825	2,030	990	-	-	-	-	707	-	7,845	5,532	2,313
Motor Vehicles	1,688	1,028	660	264	59	-	-	56	184	-	1,893	1,156	737
Harbour Vessels	133	99	34	-	-	-	-	-	8	-	133	107	26
Museum Collection	5,860	-	5,860	14	-	-	-	-	-	846	6,720	-	6,720
Library Books	1,169	623	546	146	-	-	-	-	79	209	901	79	822
Total Operational Assets	79,954	10,228	69,726	8,642	163	5,917	3,746	60	2,786	1,575	93,338	14,113	79,225
INFRASTRUCTURAL ASSETS													
Land Roothing	91,363	-	91,363	-	-	-	-	-	-	-	91,363	-	91,363
Roothing	231,495	5,876	225,619	10,267	70	-	22	2	5,873	2,908	238,702	5,871	232,831
Water	64,226	3,400	60,826	2,497	10	-	-	10	1,844	3,181	66,493	1,834	64,659
Sewage	42,161	2,226	39,935	2,448	3	-	-	3	1,203	2,963	45,343	1,200	44,143
Land Drainage	47,806	1,624	46,182	2,447	-	-	-	-	854	(5,374)	43,255	854	42,401
Harbour	5,522	1,840	3,682	456	-	-	-	-	286	1,781	5,919	286	5,633
Parks	9,367	2,237	7,130	1,354	-	-	-	-	824	3,333	11,817	824	10,993
Refuse	6,828	6,046	782	153	-	-	-	-	41	-	6,981	6,087	894
Total Infrastructural Assets	498,768	23,249	475,519	19,622	83	-	22	15	10,925	8,792	509,873	16,956	492,917
INTANGIBLE ASSETS													
Computer Software	3,242	1,436	1,806	239	-	-	-	-	569	-	3,481	2,005	1,476

Work in progress in the course of construction total \$3,878,000 (2010: \$5,602,000) No property, plant and equipment is pledged as security. Restricted assets see note 18. Council has easements giving right to access to private property where infrastructural assets are located. It has not been feasible to value these at this stage and when valued are not expected to be material. There are no restrictions over the title of Councils intangible assets, nor are there any intangible assets pledged as security for liabilities.

NOTE 15 - VALUATION

OPERATIONAL AND RESTRICTED LAND AND BUILDINGS

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by SPM Ltd and the valuation is effective as at 1 July 2010.

INFRASTRUCTURAL ASSET CLASSES

LAND

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by SPM Ltd and the valuation is effective as at 1 July 2010.

LAND UNDER ROADS

The road reserve land for formed roads only has been valued as at 1 July 2006. Road reserves have been valued on the average land valued by urban rating areas and rural ward, reduced by a factor of 30% to account for the restricted use of the land. Land under roads is no longer revalued.

WASTEWATER AND STORMWATER

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Opus International Consultants Ltd and the valuation is effective as at 1 July 2010.

WATER

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Opus International Consultants Ltd and the valuation is effective as at 1 July 2010.

ROADING

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Opus International Consultants Ltd, and the valuation is effective as at 1 July 2010.

VESTED INFRASTRUCTURAL ASSETS

Valued based on the actual quantities of infrastructural components vested and the current in-ground cost of providing identical services. Assets vested to Whakatāne District Council are recognised in the Statement of Financial Performance as revenue and in the Statement of Financial Position as property, plant and equipment.

LIBRARY COLLECTIONS

At depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of NZ in May 2002. Library stock has been valued effective 1 July 2010 by Jane Gilbert, RLIANZA.

WORK IN PROGRESS

The total amount of property, plant and equipment in the course of construction is \$3,878,000 (2010 \$5,602,000).

IMPAIRMENT

The Aquatic Centre has been impaired by \$3,746,000 (2010 \$1,179,000). The roading has been impaired by \$23,000 (2010: \$ Nil).

HARBOUR ASSETS

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by SPM Ltd and the valuation is effective as at 1 July 2010.

MUSEUM

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by R.J.Watt & Associates and the valuation is effective as at 1 July 2010.

PARKS

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by SPM Ltd and the valuation is effective as at 1 July 2010.

NOTE 16 - FORESTRY ASSETS

Actual 2010 \$000		Actual 2011 \$000
209	Balance at 1 July	213
4	Gains/(losses) Arising from Changes in Fair Value on Valuation	131
213	Total Forestry Assets	344

Council owns 67.6 hectares of Pinus Radiata. No forests have been harvested during the period (2010: Nil). Plantation forests have been valued by P.F. Olsen and Co, independent valuers, on the basis of arms length market transaction of current market evidence as at 30 June 2011.

NOTE 17 - INVESTMENT PROPERTY & NON CURRENT ASSETS HELD FOR SALE

Actual 2010 \$000		Actual 2011 \$000
INVESTMENT PROPERTY		
34,087	Balance at 1 July	33,725
(1,004)	Transfer to Restricted Assets	-
-	Additions	183
642	Fair Value Gains/(Losses) on Valuation	(3,884)
-	Transfer from Non-current Assets Held for Sale	14,000
33,725	Total Investment Property	44,024

All investment properties held by Council were valued at fair value by registered valuers Reid and Reynolds Ltd as at 30 June 2011.

Restricted land within the investment category: \$0 (2010: \$0).

Actual 2010 \$000		Actual 2011 \$000
NON CURRENT ASSETS HELD FOR SALE		
14,040	Balance at 1 July (land)	14,040
-	Transfer to Investment Property	(14,000)
-	Transfer from Operational Land	220
-	Transfer from Recreational Reserves	109
-	Fair Value Gains/(losses) on Valuation	24
14,040	Total Non Current Assets Held for Sale	393

The assets held for sale relate to property currently held but on the market.

NOTE 18 - RESTRICTED ASSETS

2010	Cost/ Revaluation 1 July 2009 \$000	Additions Current Year \$000	Transfer to Operating Land \$000	Transfer from Recreational Reserves \$000	Transfer to Harbour Land \$000	Transfer to Assets held for Sale \$000	Revaluation Current Year \$000	Cost/ Revaluation 30 June 2010 \$000
Harbour Land (Not leased)	11,566	1,004	-	-	-	-	-	12,570
Recreational Reserves	41,586	-	-	-	-	-	-	41,586
Total	53,152	1,004	-	-	-	-	-	54,156
2011	Cost/ Revaluation 1 July 2010 \$000	Additions Current Year \$000	Transfer to Operating Land \$000	Transfer from Recreational Reserves \$000	Transfer to Harbour Land \$000	Transfer to Assets held for Sale \$000	Revaluation Current Year \$000	Cost/ Revaluation 30 June 2011 \$000
Harbour Land (Not leased)	12,570	-	(300)	2,063	-	-	(3,590)	10,743
Recreational Reserves	41,586	-	(5,837)	-	(2,063)	(109)	(4,362)	29,215
Total	54,156	-	(6,137)	2,063	(2,063)	(109)	(7,952)	39,958

Refer to note 15 for revaluation details.

NOTE 19 - TRADE AND OTHER PAYABLES

Actual 2010 \$000		Actual 2011 \$000
6,829	Trade Payables	9,060
338	Accrued Expenses	995
(150)	Regional Council Rates	88
172	Income Received in Advance	167
462	Deposits	495
7,651	Total Trade and Other Payables	10,805

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

NOTE 20 - PROVISIONS

Actual 2010 \$000		Actual 2011 \$000
PROVISIONS ARE REPRESENTED BY:		
LANDFILL AFTERCARE PROVISION		
2,116	Opening Balance	2,016
(100)	Increase/(Decrease) in Net Present Value	(1,012)
2,016	Closing Balance	1,004
1,324	Current Portion	264
692	Non-current Portion	740
2,016		1,004
FORESTRY PROVISION		
237	Opening Balance	45
(192)	Increase/(Decrease) in Provision	(7)
45	Closing Balance	38
45	Current Portion	38
-	Non-current Portion	-
45		38
WEATHERTIGHTNESS PROVISION		
439	Opening Balance	319
(120)	Increase/(Decrease) in Provision	38
319	Closing Balance	357
-	Current Portion	-
319	Non-current Portion	357
319	Closing Balance	357
DEVELOPMENT CONTRIBUTION REFUNDS		
-	Opening Balance	1,173
1,173	New Provision (Provision Utilised)	(1,173)
1,173	Closing Balance	-
1,173	Current Portion	-
-	Non-current Portion	-
1,173	Closing Balance	-
SUMMARY OF PROVISIONS		
2,542	Current Provisions	302
1,011	Non-current Provisions	1,097
3,553		1,399

LANDFILL AFTERCARE COSTS

Councils responsibilities include:

- Closure costs;
- Final cover application and investigation;
- Incremental drainage control features;
- Facilities for leachate collection and monitoring;
- Facilities for water quality monitoring.

Post closure costs include;

- Treatment and monitoring of leachate;
- Groundwater surface monitoring.

FORESTRY PROVISION

Provision for forestry rates refunds relates to valuation objections that are outstanding on certain forestry properties. These objections relate to valuations that Council has rated since 1 July 2002 and in the event of the objections being upheld then Council will be required to refund a portion of the rates charged on those properties since 1 July 2002. The provision is a best estimate of the possible refund, given the uncertainties involved.

WEATHERTIGHTNESS CLAIMS PROVISION

Claims have been lodged with the Weathertight Homes Resolution Service for buildings located within the Whakatāne District. Six outstanding claims were registered as at 30 June 2011 and are being dealt with on a case by case basis. Currently Council's liability in relation to these claims has not been firmly established and it is not possible to determine the likely outcome of the claims at this stage. A Government initiative to share costs that, if taken up by claimants, will limit the liability of Local Authorities to 25% of the total remedial costs has been accepted by Council. A potential liability has been provided in the 2010/2011 financial statements of \$357,140 based on the expected outcome of negotiations on known claims with six of the affected parties – an increase of \$38,450 to the provision as at 30 June 2010.

DEVELOPMENT CONTRIBUTION REFUNDS

Following Council's decision to refund Development Contributions paid to Council but now deemed not due, a provision has been set up as at 30 June 2010 for the cost of refunds due for the years included in the 2006 -2016 Long Term Council Community Plan (\$621,000) and the years prior to the 2006-2016 Long Term Council Community Plan (\$552,000). At 30 June 2011, all refunds have been made so there is no need to maintain a provision.

The refunds arise from infrastructural projects that would have attracted a development contribution having been cancelled or amended.

NOTE 21 - EMPLOYEE ENTITLEMENTS

Actual 2010 \$000		Actual 2011 \$000
325	Accrued pay	580
1,209	Annual and Long Service Leave	1,090
12	Sick Leave	12
1,546	Total Employee Entitlements	1,682
	Comprising:	
1,348	Current	1,484
198	Non-current	198
1,546	Total Employee Entitlements	1,682

NOTE 22 - BORROWINGS

Actual 2010 \$000		Actual 2011 \$000
	Current	
22,703	Secured loans	10,000
	Non-Current	
4,014	Secured loans	30,510
26,717	Total Borrowings	40,510
	The fair values of borrowings including current portion equate to their carrying values.	
	Maturity Profile	
22,703	Maturing in under one year	10,000
-	Maturing in 1 - 2 years	4,000
4,000	Maturing in 2 - 3 years	3,510
13	Maturing in 3 - 4 years	23,000
1	Maturing in 4 - 5 years	-
-	Maturing in 5 years +	-
26,717		40,510

Interest rates range from 3.14% to 7.95% (2010: 3.16% to 7.95%) with a weighted average rate of 4.22% (2010: 3.91%).

The public debt is secured over future rating income.

Interest expense for 2011 was \$2,146,000 (2010: \$1,409,000).

NOTE 23 - EQUITY

Actual 2010 \$000		Actual 2011 \$000	Budget 2011 \$000
	Equity		
428,770	Retained Earnings	426,111	468,398
13,945	Restricted Equity	11,898	12,303
177,850	Asset Revaluation Reserves	176,680	126,872
620,565	Total Closing Public Equity	614,689	607,574
	Retained Earnings		
432,073	Opening Balance 1 July 2010	421,860	453,234
(9,973)	Adjusting Categories of Equity	-	-
(1,945)	Net Surplus (Deficit)	(4,706)	13,389
	Less Appropriation		
(12,783)	To Council Created Reserves	(9,793)	-
(3,044)	To Restricted Reserves	(1,704)	-
	Funds Applied from		
13,809	Council Created Reserves	8,986	-
3,723	Restricted Reserves	3,751	-
421,860	Closing Balance 30 June 2011	418,394	466,623
	Council Created Reserves (Incl. Depreciation Reserves)		
1,775	Opening Balance 1 July 2010	6,910	1,775
6,161	Adjusting Categories of Equity	-	-
12,783	Add: Appropriation	9,793	-
(13,809)	Less: Application of Funds	(8,986)	-
6,910	Closing Balance 30 June 2011	7,717	1,775
428,770	Total Retained Earnings	426,111	468,398
	Restricted Equity		
10,812	Opening Balance 1 July 2010	13,945	12,303
3,812	Adjusting Categories of Equity	-	-
3,044	Add Appropriation	1,704	-
(3,723)	Less Application of Funds	(3,751)	-
13,945	Closing Balance 30 June 2011	11,898	12,303
	Asset Revaluation Reserve		
184,975	Opening Balance 1 July 2010	177,850	108,018
(824)	Revaluation of Operational Assets	8,393	18,854
-	Revaluation of Restricted Assets	(7,816)	-
(6,174)	Revaluation of Roothing	2,885	-
-	Revaluation of Water	3,181	-
-	Revaluation of Sewerage	2,963	-
-	Revaluation of Land Drainage	(5,374)	-
(127)	Revaluation of Land	(5,402)	-
177,850	Closing Balance 30 June 2011	176,680	126,872

NOTE 24 - JOINT VENTURES

The audited results of the Whakatāne Airport have been proportionately consolidated into these Financial statements.

Whakatāne Airport is a 50:50 joint equity venture between the Whakatāne District Council and the Ministry of Transport (Air Transport Division).

The values of the Whakatāne Airport joint venture that have been consolidated into the reports are:

ACTUAL 2010 \$000		ACTUAL 2011 \$000
87	Current Assets	46
440	Non-current Assets	528
91	Current Liabilities	75
108	Income	99
131	Expenses	124

Whakatāne District Council has a joint venture with P F Olsen Ltd on one of the forestry blocks. The Council bears no share of expenses for the block but will share in 35% of the revenue from the forestry block when the trees are harvested, in return for supplying the land. The value of the forestry block is \$239,000 (2010: \$137,000).

No related party debts have been written off or forgiven during the year.

There are no contingent liabilities or capital commitments arising from the Joint Ventures.

NOTE 25 - RECONCILIATION OF NET SURPLUS/(DEFICIT) AFTER TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

Actual 2010 \$000		Actual 2011 \$000
(1,945)	Net Surplus/(Deficit)	(4,706)
	Plus (Less) Non Cash Items	
13,460	Depreciation	14,280
(1,840)	Vested assets income	(180)
61	Net loss on disposal of assets	155
(646)	Revaluation gains property/shares	(131)
388	Revaluation losses in investment assets and non current assets held for sale	4,739
1,270	Increase of Provisions (Write Down)	(2,018)
640	Movement in Doubtful Debt Impairment	(114)
72	Bad debts	51
	Add (less) Movements in other Working Capital items	
1,189	Decrease (increase) in debtors	(1,135)
3	Decrease (increase) in inventory	-
66	Decrease (increase) prepayments	11
587	Increase (decrease) in creditors	3,154
(222)	Increase (decrease) in GST liability	(1,098)
	Less Cash Inflow from Investing Activities	
(388)	Less movement in regional Council rates	238
(142)	Increase in creditors for fixed asset purchases	(1,320)
12,553	Net Cash from Operations	11,926

NOTE 26 - COMMITMENTS

This statement shows the extent to which the Whakatāne District Council is committed to spend in future. Contracts have been entered into for the following capital projects.

Capital Commitments

Actual 2010 \$000		Actual 2011 \$000
3,329	Aquatic Centre	-
-	Arts & Culture	2,833
396	Port	473
81	Public Convenience	-
-	Roading	2,453
128	Sportsfields	-
36	Stormwater	168
-	Town Vision	13
-	Wastewater	586
865	Water	1,031
4,835	Total Commitments	7,557

Non Cancellable Operating Leases as Lessee

Actual 2010 \$000		Actual 2011 \$000
158	Not Later than One Year	59
52	Later than One Year and Not Later than Five Years	1
210		60

NOTE 27 - CONTINGENCIES

CONTINGENT LIABILITIES

Actual 2010 \$000		Actual 2011 \$000
1,230	Other Claims	1,230
1,230	Total Contingencies	1,230

CONTINGENT LIABILITIES

Edgecumbe Sewerage Infrastructure Damage

Damage has occurred to the Edgecumbe wastewater infrastructure, attributed to a persistent swarm of shallow and some larger earthquakes over the last few years.

Engineering consultants engaged by Council have concluded that the damage to the wastewater infrastructure can be directly linked to these earthquakes and tectonic deformation. The estimated cost of repairs to the earthquake damaged pipes is \$1.23 million.

The Council is insured through the Local Authority Protection Programme Fund (LAPP), which has assessed that the maximum claim for the repair of earthquake damaged pipes available from this fund is \$168,604. The Council has received confirmation from LAPP that if the project is continued as scoped it will receive this funding. However, the LAPP fund has been exhausted as a result of the Christchurch earthquakes and any additional funding may not be available.

Employment Dispute

There are two pending employment disputes at 30 June 2011 (2010: Nil). The quantum is currently unknown.

Weathertightness Claims

See note 20. The council has included a provision in the accounts for the potential liability in relation to building Weathertightness claims. The calculation is based on the number of homes currently registered with the Weathertight Homes Resolution Service. From 1 July 2009, our Public liability insurance does not cover Weathertight claims.

The Council is also exposed to potential future claims which have not yet been advised until the statutory limitation period expires. The amount of potential future claims are not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services (WHRS) Act 2006, but other statutory limitation periods could also affect claims.

Muriwai Drive Slip

During the period August 2010 to June 2011 a slip event occurred over land owned by the Council and land controlled and managed by the Council on behalf of the Crown. The slip threatens several private homes, the adjacent road and to a lesser extent, council playground and toilet assets on a near reserve. On site mitigation measures are being developed to minimise any future risk to property and assets. The Council may be required to contribute to these engineering solutions. The quantum of any contribution is currently unknown.

CONTINGENT ASSETS

Whakatāne District Aquatic Centre

Council has made a claim against the architect for the Whakatāne District Aquatic Centre. This claim is in relation to major deficiencies in the building design, construction and insulation of the centre and dates back to the time of original construction in 2001.

The quantum of costs in relation to the claim are unknown at this stage but are understood to be significant.

NOTE 28 - RELATED PARTY TRANSACTIONS

Whakatāne District Council has a 50:50 joint equity venture with the Ministry of Transport (Air transport Division) in the Whakatāne Airport and both entities are considered to be a related parties.

The following transactions were carried out with related parties:

AIRPORT

ACTUAL 2010 \$		ACTUAL 2011 \$
52,186	Administrative and Maintenance Services	66,806
(136,880)	Funds Held by Council on Behalf of the Airport	(93,995)

OTHER RELATED PARTY DISCLOSURES

During the year Whakatāne District Council contracted Orr Computer Services owned by Councillor Orr. These services cost \$555 (2010: \$1,631) and were supplied on normal commercial terms.

During the year the Council was involved in minor transactions with Sportsworld Whakatāne of which Mayor Bonne is the sole director. These services cost \$1,822 (2010: \$1,108) and were supplied on normal commercial terms.

The Council has an 1/8th share in BoP LASS Limited. BoP LASS Limited has been established to foster collaboration between councils in the delivery of services particularly back office or support services. Whakatāne District Council's Chief Executive, Diane Turner, is a director of BoP LASS Limited. During the year the Council contracted BoP LASS Limited for services costing \$256,973.

The Council gave a grant of \$2,250 to the Bethel House and \$1,688 to the Eastern Bay of Plenty Life Education Trust which Councillor Turner is involved. The Council gave a grant of \$11,800 to the Pride Whakatāne District Committee which Councillor Iles is the Chairman. During the year, the Council was involved in transactions for \$149,818 with Te Runanga O Ngāti Awa of which Councillor Ngaropo is the Director.

No provision has been required for doubtful debts relating to outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

KEY MANAGEMENT PERSONNEL

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Whakatāne District Council (such as payment of rates and use of council facilities).

Except for items of a minor nature, no other councillors or senior management have entered into related party transactions with Council.

SALARIES & OTHER SHORT TERM BENEFITS

ACTUAL 2010 \$000		ACTUAL 2011 \$000
1,270	Salaries & other short term benefits	1,238
-	Termination Benefits	108
1,270	Total	1,346

Key management personnel include the Mayor, Councillors, Chief Executive and senior management personnel.

The detailed salaries & other short term benefits paid to Councillors is presented in Note 29.

NOTE 29 - REMUNERATION

CHIEF EXECUTIVE

The Chief Executive of the Whakatane District Council, appointed under section 42(1) of the Local Government Act 2002 receives a salary of \$ 215,450 (2010: \$215,450) and receives a benefit of \$ 15,750 (2010: \$15,750) for a car.

ELECTED REPRESENTATIVES

Actual 2010 \$				Actual 2011 \$		
Salaries	Hearings*	Allowances & Expenses Reimbursements		Salaries	Hearings*	Allowances & Expenses Reimbursements
MAYOR AND COUNCILLORS						
77,626	-	2,192	Holmes, Colin (Mayor)	22,391	-	874
-	-	-	Bonne, Tony (Mayor)	60,267	-	3,088
24,016	2,040	1,652	Bonne, Tony	9,103	-	571
24,016	-	1,500	Byrne Rachael	9,103	-	569
28,178	4,887	1,409	Chambers, Christine	23,100	4,281	872
24,016	1,156	2,724	Clark, William	9,103	2,006	1,427
-	-	-	Dowd, David	12,473	-	81
31,310	-	1,500	Hanlen, Graeme	11,868	-	571
-	-	-	Iles, Andrew	10,806	-	1,791
24,016	-	1,500	Jarrett, Scott	21,522	-	983
24,016	-	2,707	Johnston, George	21,522	-	1,549
-	-	-	Ngaropo, Pouroto	12,668	-	28
24,016	7,038	3,810	Orr, Russell	21,522	3,834	1,868
-	-	-	Sheaff, Dave	12,473	-	282
24,016	-	2,599	Shearer, Ian	9,103	-	912
24,016	-	5,752	Te Kurapa, Jacob	10,469	-	1,824
-	-	-	Turner, Judy	12,473	1,258	-
-	-	-	Van Beek, Gerard	12,473	-	415

* User fees are paid by the applicant - not rate funded.

NOTE 29 - REMUNERATION (CONTINUED)

Actual 2010 \$			Actual 2011 \$		
Salaries	Hearings	Allowances & Expenses Reimbursements	Salaries	Hearings	Allowances & Expenses Reimbursements
COMMUNITY BOARD MEMBERS					
Edgecumbe - Tarawera					
-	-	-	1,413	-	-
2,448	-	300	2,289	-	114
-	-	-	1,413	-	-
2,448	-	300	2,289	-	114
2,448	-	457	2,289	-	352
2,448	-	397	875	-	264
2,448	-	300	875	-	114
-	-	-	1,413	-	-
6,056	-	300	2,165	-	114
Taneatua					
2,448	-	300	928	-	142
2,448	-	300	2,300	-	114
6,056	-	300	3,667	-	208
-	-	-	1,372	-	-
2,448	-	300	2,300	-	114
2,448	-	398	2,096	-	254
2,448	-	300	2,300	-	114
Whakatane					
2,448	-	300	2,300	-	114
6,056	-	300	3,667	-	250
2,448	-	300	2,300	-	114
2,448	-	300	2,300	-	114
2,448	-	300	2,300	-	114
-	-	-	1,372	-	-
2,448	-	300	928	-	114
Ohope Beach					
-	-	-	1,066	-	131
2,448	-	300	928	-	114
2,448	-	300	2,300	-	247
6,056	-	616	3,667	-	577
2,448	-	300	2,300	-	114
1,632	-	379	-	-	-
-	-	-	1,372	-	-
2,448	-	300	2,300	-	114

NOTE 29 - REMUNERATION (CONTINUED)

Actual 2010 \$				Actual 2011 \$		
Salaries	Hearings	Allowances & Expenses Reimbursements		Salaries	Hearings	Allowances & Expenses Reimbursements
-	-	-	Poppe, Sabine	1,372	-	-
Murupara						
2,448	-	300	Adam, Arthur	875	-	114
-	-	-	Ammunson Patricia	1,413	-	-
2,448	-	300	Chapman, Awhina	2,289	-	114
612	-	203	Doney, Barry	-	-	-
2,448	-	812	Hynes, Ormond	875	-	114
2,448	-	300	Reedy, Keriana	875	-	114
-	-	-	Skeet, Charlotte	1,413	-	291
2,448	-	300	Tanirau, Arleen	2,289	-	114
-	-	-	Tuhua, Honey	1,413	-	81
1,224	-	580	Tulloch-Tupe, Helen	875	-	114
IWI LIASON						
-	-	1,469	Carlson, James	-	-	1,157
-	-	358	Hunia, Paroa	-	-	517
-	-	1,714	Jenner, Robert	-	-	1,027
-	-	2,509	Kalan, Joshua	-	-	2,330
-	-	1,359	Mason, Hohepa	-	-	1,459
-	-	1,784	Ngaropo, Pouroto	-	-	-
-	-	289	Nikora, Paki	-	-	-
-	-	1,767	Pryor, Henare	-	-	1,285
-	-	1,320	Sisley, Mihipeka	-	-	873
-	-	-	TeMara, Te Makarini	-	-	1,127
-	-	1,720	Te Pou, Colin	-	-	1,092
-	-	856	Te Rupe, Tawhai	-	-	-
-	-	915	White, Richard	-	-	-

NOTE 30 - SEVERANCE PAYMENTS

For the year ended 30 June 2011 Whakatane District Council made four severance payments to employees (\$30,000, \$5,000, \$23,000, \$85,000, respectively).
(2010: two payments of \$10,000 and \$7,000 respectively).

NOTE 31 - EVENTS AFTER BALANCE SHEET DATE

There were no significant events after balance date.

NOTE 32 - FINANCIAL INSTRUMENTS

NOTE 32A - FINANCIAL INSTRUMENT CATEGORIES

The accounting policies for financial instruments have been applied to the line items below:

Actual 2010 \$000		Actual 2011 \$000
FINANCIAL ASSETS		
Derivative Financial Instruments that are not Hedge Accounted		
-	Fair Value through Profit and Loss	-
Financial Instruments		
-	Financial Instruments	-
Loans and Receivables		
526	Cash and Cash Equivalents	810
5,343	Trade and Other Receivables	6,526
5,869	Total Loans and Receivables	7,336
Fair Value through Equity		
<i>Other Financial Assets:</i>		
42	NZ Local Government Insurance Council Limited	32
1	BoP LASS	1
43	Total Fair Value through Equity	33
FINANCIAL LIABILITIES		
Derivative Financial Instruments that are not Hedge Accounted		
-	Fair Value through Profit and Loss	-
Financial liabilities at amortised cost		
7,651	Trade and other Payables	10,805
466	Financial Derivatives	1,337
<i>Borrowings:</i>		
26,716	Secured Loans	40,510
34,833	Total Financial Liabilities at Amortised Cost	52,652

32B FAIR VALUE HIERARCHY DISCLOSURES

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

	Valuation technique			
	Total \$000	Quoted market price \$000	Observable inputs \$000	Significant non-observable inputs \$000
FINANCIAL ASSETS				
Local Authority Stock	1	-	1	-
Shares	32		32	-
FINANCIAL LIABILITIES				
Derivatives	1,337	-	1,337	-

NOTE 32C - FINANCIAL INSTRUMENT RISKS

Council has a series of policies to manage the risks associated with financial instruments. Council's is risk averse and seeks to minimise exposure from its treasury activities. Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

MARKET RISK

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to equity securities price risk on its investments. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of Council's investment portfolio in accordance with the limits set out in Council's Investment policy.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Council to fair value interest rate risk. Council's Liability Management policy is to maintain approximately 50% of its borrowings in fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where Council has borrowed at fixed rates in excess of the 50% target above.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Generally, Council raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, Council invests surplus cash into term deposits and local authority stock which gives rise to credit risk.

Council's Investment policy limits the amount of credit exposure to any one financial institution or organisation. Investments in other Local Authorities are secured by charges over rates. Other than other local authorities, the group only invests funds with entities that have a Standard and Poor's or Moody's credit rating of A- or above for long-term investments.

Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

MAXIMUM EXPOSURE TO CREDIT RISK

Council's maximum credit exposure for each class of financial instrument is as follows:

Actual 2010 \$000		Actual 2011 \$000
526	Cash at Bank and Term Deposits	810
5,343	Trade and Other Receivables	6,526
43	Local Authority and Government Stock	33
(466)	Derivative Financial Instrument Liabilities	(1,337)
5,446	Total Credit Risk	6,032

CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

Actual 2010 \$000		Actual 2011 \$000
COUNTERPARTIES		
526	Cash at Bank and Term deposits:	810
526	Total Cash at Bank and Term Deposits	810
43	NZ Local Government Insurance Council Limited	32
43	Total NZ Local Government Insurance Council Limited	32
-	Financial Instrument Assets	-
-	Total Derivative Financial Instrument Assets	-
COUNTERPARTIES WITHOUT CREDIT RATINGS		
-	Existing Counterparty with no Defaults in the Past	-
-	Total Community and Related Party Loans	-

Debtors and other receivables mainly arise from Council's statutory functions. Therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to debtors and other receivable, as it has a large number of credit customers, mainly ratepayers. The Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

LIQUIDITY RISK

Management of liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of the Council's Long-Term Council Community Plan.

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL LIABILITIES

The table below analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Council 2011						
Trade and Other Payables	10,805	10,805	10,805	-	-	-
Secured Loans	40,510	40,480	9,854	-	30,626	-
Financial Derivatives	1,337	1,337	-	(240)	637	940
Total	52,652	52,622	20,659	(240)	31,263	940
Council 2010						
Trade and Other Payables	7,651	7,651	7,651	-	-	-
Secured Loans	26,716	26,826	22,725	-	4,101	-
Financial Derivatives	466	466	-	-	(251)	717
Total	34,833	34,943	30,376	-	3,850	717

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL ASSETS

The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 yrs \$000
Council 2011						
Cash and Cash Equivalents	810	810	810	-	-	-
Trade and other Receivables	6,526	6,526	6,526	-	-	-
Net Settled Derivative Assets	-	-	-	-	-	-
Net Settled Financial Instruments	-	-	-	-	-	-
Other Financial Assets:						
Local Authority and Government Stock	32	32	-	-	-	32
Total	7,368	7,368	7,336	-	-	32
Council 2010						
Cash and Cash Equivalents	526	526	526	-	-	-
Trade and other Receivables	5,343	5,343	5,343	-	-	-
Net Settled Derivative Assets	-	-	-	-	-	-
Net Settled Financial Instruments	-	-	-	-	-	-
Other financial assets:						
Local Authority and Government Stock	43	43	-	-	-	43
Total	5,912	5,912	5,869	-	-	43

SENSITIVITY ANALYSIS

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at the balance date.

Interest Rate Risk	2011 \$000				2010 \$000			
	Profit	-100bps Other Equity	Profit	+100bps Other Equity	Profit	-100bps Other Equity	Profit	+100bps Other Equity
Financial Assets								
Cash and Cash Equivalents	-	-	-	-	-	-	-	-
Derivatives - Interest Rate Swaps	(2,931)	-	159	-	(1,337)	-	348	-
Financial Instruments	-	-	-	-	-	-	-	-
<i>Other Financial Assets:</i>								
- Local Authority Stock	-	-	-	-	-	1	-	(1)
Financial liabilities								
<i>Borrowings:</i>								
- Bank Overdraft	-	-	-	-	-	-	-	-
- Debt	(265)	-	-	-	(227)	-	-	-
Total Sensitivity to Interest Rate Risk	(3,196)	-	159	-	(1,564)	1	348	(1)

EXPLANATION OF SENSITIVITY ANALYSIS

DERIVATIVES

Financial Liability

Derivative financial liabilities not hedge accounted includes interest rate swaps with a fair value totalling - \$1,336,707 (2010: -\$465,688 financial asset). A movement in interest rates of plus or minus 1.0% has an effect on the swap value of plus \$159,326 (2010: \$347,542) and minus \$2,931,201 (2010: \$1,338,359).

Local authority stock

A total of \$32,000 (2010: \$42,000) of investments in local authority stock are classified at fair value through equity. A movement in interest rates of plus or minus 1.0% has an effect of \$320 (2010: \$420) on the fair value through equity reserve.

Secured loans

The Council has floating rate debt with a principal amount totalling \$26.5m (2010: \$22.7m). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$265,000 (2010: \$227,000). A movement in market interest rates on fixed rate debt does not have any impact because secured loans are accounted for at amortised cost using the effective interest method.

Creditors and other payables

Trade payables do not include any foreign currency denominated payables in relation to plant and equipment purchases. Therefore there is no currency price risk and no movement under sensitivity analysis.

NOTE 33 - CAPITAL MANAGEMENT

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

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

The objective of managing these items is to achieve intergenerational equity, which is a principle promote in the Act and applied by the Council. Intergenerational equity require today's ratepayer to meet the costs of utilising the Council's assets and not expecting

them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the council has in place asset management plans for major classes of assets detailing renew and maintenance programmes to ensure ratepayer in future generations are required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTCCP.

NOTE 34 - VARIANCES FROM BUDGET

Explanations for major variations from the Council's estimated figures in the 2010/2011 Annual Plan are as follows:

Statement of Comprehensive Income

There is a variance of \$13.588M between the budgeted surplus in the Annual Plan of \$8.882M and the current deficit of \$4.706M (before other comprehensive income). The main reason for this variance is due to revaluations; the Council's investment property and assets held for sale was revalued during 2010/11. The revaluation has resulted in a decrease in the fair value compared to a \$1.735M budgeted gain. The loss is recognised in the statement of financial performance and represents a \$5.495M variation in operating budget. In addition, as a result of the economic downturn, development contributions were below budget by \$0.485M. Unbudgeted Development Contribution refunds of \$0.719M also contributed to the variance from the budget. Another reason for this variance is that not all operating subsidies budgeted for capital works projects were received arising from reduced capital expenditures. This resulted in an unfavourable variance of \$1.515M.

Statement of Changes in Equity

The impact of revaluing the Council's assets in previous years has increased the Council's equity. This increase has partially been offset by the variance in the Council's operating deficit.

Statement of Financial Position

Current assets have increased compared to the budget, mainly due to the debit position of the GST and the Cash and Cash Equivalent being higher.

Non-Current assets have increased as compared to the budget mainly due to the revaluations of assets.

Current Liabilities are higher as a result of the current portion of loans being higher than budgeted.

Non-Current Liabilities have increased as compared to budget mainly due to the unbudgeted Credit position of the Derivatives Liability.

Statement of Cashflows

There was a decrease in cash held of \$0.183M compared to the budget. This resulted from a net underspend of \$3.619M in purchase and sale of property, plant and equipment and work in progress movement and \$4.922M more in term loan uplifted. There was also a \$6.896M variation from budget of Receipts from customers. The increase in cashflow was offset by a positive variance in payments to suppliers and employees of \$10.527M.

AUDIT REPORT

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Whakatane District Council's Annual report For the year ended 30 June 2011

The Auditor-General is the auditor of Whakatane District Council (the District Council). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements, groups of activities information and compliance with the other requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council on her behalf.

We have audited:

- the financial statements of the District Council on pages 145 to 191, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the groups of activities information of the District Council on pages 37 to 138; and
- the District Council's compliance with the other requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report (other schedule 10 information) on page 12 and 139 to 144.

Opinion on the financial statements, non-financial performance information and other schedule 10 information

In our opinion:

- The financial statements of the District Council on pages 145 to 191:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's financial position as at 30 June 2011; and
 - the financial performance and cash flows for the year ended on that date.
- The groups of activities information of the District Council on pages 37 to 138:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2011, including:

- the levels of service as measured against the intended levels of service adopted in the long-term council community plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- The District Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

Our audit was completed on 28 October 2011. This 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 our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements, groups of activities information and other schedule 10 information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, groups of activities information and other schedule 10 information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements, groups of activities information and other schedule 10 information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, groups of activities information and other schedule 10 information whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the District Council's financial statements, groups of activities information and other schedule 10 information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements and groups of activities information;
- determining the appropriateness of the reported groups of activities information within the Council's framework for reporting performance; and
- the overall presentation of the financial statements, groups of activities information and other schedule 10 information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, groups of activities information and other schedule 10 information. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and groups of activities information that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to its forecast; and
- other information required by schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements, non-financial performance information and other schedule 10 information that are free from material misstatement, whether due to fraud or error.

The Council's responsibilities arise from the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements, non-financial performance information and compliance with the other schedule 10 information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

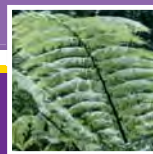
Independence

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

Other than the audit, we have no relationship with or interests in the District Council.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand



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