

WHAKATĀNE DISTRICT COUNCIL

Annual Report

2012/13

Rīpoata - ā - Tau



Message from the Chief Executive

Welcome to Whakatāne District Council's Annual Report for 2012/13. This document represents our scorecard for the year, providing us with an opportunity to reflect upon what we have achieved and let the community know how we have performed. This year has been defined by careful financial management and delivering on our promises.

For the 2012/13 year, we laid out our financial and non-financial targets through our Long Term Plan (LTP) for 2012-22. In your feedback on the LTP, you told us what you wanted from your Council for the coming years. We listened and this year we have delivered or bettered the key performance measures we set out in the LTP.

You told us that you wanted us to focus on affordability and keeping rates low. Not only have we worked hard this year to produce the lowest average rates increase that we have seen in 10 years (2.49%), but through stringent financial management, we have also controlled our spending and income to a point where we can report a rating surplus of \$43,000 for the year.

You told us that you wanted us to be smarter at scheduling and carrying out our infrastructure renewals, upgrades and new projects. We listened and this year we achieved 78% of the projects we said we would undertake, while reducing the amount of budgeted capital spending we carry forward to next year from \$14 million in 2010/11, to just \$1.8 million in 2012/13.

You told us that you wanted us to deliver the best service we could, while keeping cost increases to an absolute minimum. This was a strong focus for us this year, and as a result, we have managed to achieve or surpass 88% of our service targets. The community's level of satisfaction with the Council has also increased in the last year, with our perception survey showing an increase in the levels of satisfaction for most Council services. We have also taken back management of the District's Aquatic Centres and had our first full year operating Te Kōputu a te whanga a Toi - the Whakatāne Library and Exhibition Centre.

You told us you wanted us to increase our levels of flood protection, but in an affordable way. We have made great progress on this, by providing some significant and cost-effective upgrades to the stormwater systems in our key risk areas. We have also made some improvements to parts of our sewage networks that were being adversely affected during flood events. This will help reduce the negative effects of flooding on our urban areas.

You told us that you wanted us to support business growth and development in our District and maximise the opportunities created by the Council's assets. We took this on board and this year we have taken some significant steps to encourage economic growth. This has included developing a Proposed District Plan that facilitates growth and development opportunities, while protecting our District's unique characteristics. We have also made progress on development opportunities for Council-owned land at Piripai and Port Ōhope.

It has been an exciting and highly successful year, thanks to the hard work and commitment of the Council, Staff and the Community working together.



Marty Grenfell
CHIEF EXECUTIVE



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About the Annual Report

The Annual Report is Whakatāne District Council's key accountability document. It tells you how we performed against the budgets and performance targets we set through the Long Term Plan and Annual Plan. It is our opportunity to report back to the community about whether we did what we said we were going to do. The Annual Report is produced at the end of each financial year.

So what is a Long Term Plan?

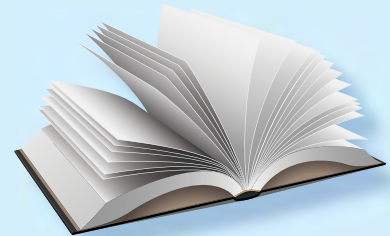
The Long Term Plan (LTP) sets out the strategic direction, work plan and budgets for the 10 years that follow. It outlines the services we will provide, the projects we will undertake and the cost of doing this work. It includes how our work will be paid for, and how we will measure the quality and effectiveness of what we deliver. The LTP is developed every three years.

How does the Annual Plan fit in?

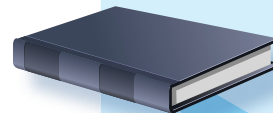
In each of the two years after the adoption of the LTP we produce an Annual Plan. The Annual Plans reflect what we said we would do in year two and three of the LTP. The Annual Plan is an opportunity to provide updates on the projects planned for the years between an LTP. The LTP is still our guiding document and first port of call. Some variations from the LTP are allowed, but any significant changes require an 'amendment to the LTP'.

Where can I find these documents?

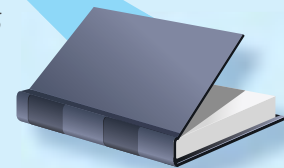
The LTP, Annual Plans and Annual Reports are made available on our website www.whakatane.govt.nz, at the Council's Service Centres in Whakatāne and Murupara and at the libraries around the District. Summaries of the documents are also sent to households around the District as an insert in a local free-delivery newspaper, or by post.



*Long Term Plan
2015-25*



*Annual Report
2014/15*



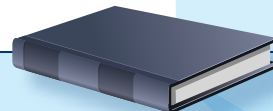
Annual Plan 2014/15



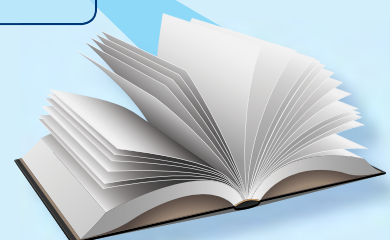
*Annual Report
2013/14*



Annual Plan 2013/14



*Annual Report 2012/13
(This document)*



*Long Term Plan
2012-22*

3 YEAR PLANNING CYCLE



About the Council

Te Kaunihera

Our Role

Delivering a range of essential services, lifestyle opportunities and experiences to our community.

When you drive along Taneatua road, park at Thornton Domain, hike over Toi's Track, visit Te Kōputu library and exhibition centre, use a boat ramp, playground or park, have your rubbish collected, turn on a tap or flush your toilet, you are probably using Council services. And that's just a snapshot of the activities the Council undertakes on the community's behalf.

In the last year, we have been involved in 39 different activities, ranging from governance to parking; stormwater and water supply systems to dealing with waste disposal; handling resource and building consents to animal control and liquor licensing; operating our new library to pensioner housing; providing sportsfields and public halls to visitor information services, taking over management of the District's Aquatic Centres; and much more.

On behalf of the community we managed \$680 million worth of community assets and completed or made progress on 131 separate capital projects. Almost everything we do makes an important contribution to our lifestyles, providing not just the essential services we rely on every day, but opportunities for recreation and access to the experiences which make the Whakatāne District a great place to live, work and play.

We also provide community leadership. Good governance means listening and responding to community needs; dealing with the many issues that affect our District; planning for civil defence emergencies; and making plans and good long-term decisions to protect and enhance the future needs of our District.

Many of the things we do are guided by legislation, but we do have a considerable degree of flexibility in deciding what activities we will undertake and how we will undertake them. Every local authority must respond to the particular issues which confront it and that is why there are considerable differences in the range of activities and services that different councils provide. Ours is a diverse District made up of relatively small communities which each have their own issues and priorities. That sometimes requires the Council to respond to issues at a local level, while at other times, our services are for the benefit of the District as a whole.

In meeting the needs of our communities, we endeavour to find effective solutions and deliver them in the most economical way possible. This Annual Report details the many services, activities and projects we have undertaken in the 2012/13 year and sets out what they have cost.

Our Direction

Our vision for the District is actioned through key strategies and plans.

Our vision for the District is set out through our community outcomes. These are high level goals for meeting the needs of the District. Our community outcomes guided our decision-making, planning and priorities in the 2012/13 year and are set out over the page.

A number of key strategies and plans sit below the community outcomes. These outline the specific priorities and steps we are taking as we work towards achieving our goals.

These include:

- Long Term Plan
- District Plan
- Asset Management Plans
- Whakatāne Town Vision
- Whakatāne Integrated Urban Growth Strategy
- Community Strategy
- Sustainability Strategy
- Waste Management and Minimisation Plan

These, and other strategies and plans, are available from Council offices and on our website: www.whakatane.govt.nz

Our Vision

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

To lead the Whakatāne District to meet the current and future needs of our community.

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*

Community Outcomes

As at 30 June 2013

The six community outcomes which guided our decision making, planning and priorities in the 2012/13 year are set out on this page. Throughout this Annual Report you will see references to these community outcomes to provide an indication of how we are making a contribution towards them.

These community outcomes were developed alongside our Long Term Plan 2012-22 and came into effect on 1 July 2012.



Effective leadership

Striving for our future well-being

- GOALS**
- To be visible, strong, have a clear vision and listen to all sectors of the community.
 - To work in partnership with iwi and the community.
 - To ensure accountability to the community through transparent, open and inclusive decision-making.
 - To respond and advocate on community issues.



Quality services

Excellent value for money

- GOALS**
- To provide services that meet the aspirations of the community.
 - To ensure all customers are dealt with in a timely, helpful and friendly way.



Sustainable economic development

Working in partnership

- GOALS**
- To facilitate an economy that is prosperous in both urban and rural areas.
 - To encourage business growth that builds on the region's assets.
 - To support Māori economic development.
 - To promote connected businesses through effective networks.



Community needs

A caring community

- GOALS**
- To create vibrant, connected and safe communities.
 - To support healthy, active communities.
 - To build inclusive communities.
 - To value, celebrate, promote and protect Māori culture.



Valuing our environment

Sustaining for future generations

- GOALS**
- To sustainably manage the natural and physical resources.
 - To recognise and protect places of natural and cultural heritage.
 - To proactively plan for growth and ensure the effects and costs are managed.



Reliable & affordable infrastructure

Meeting current and future needs

- GOALS**
- To provide infrastructure that facilitates growth and development.
 - To ensure people, infrastructure and the environment are protected from natural disasters.
 - To sustainably manage community assets.

Council Structure

Mayor & Councillors

The Whakatāne District Council consists of the Mayor, elected by the District at large, and ten Councillors, elected from four wards. The wards include: Rangitāiki; Galatea-Murupara; Tāneatua-Waimana; and Whakatāne-Ōhope. The Mayor and Councillors have been elected to govern, make decisions and manage the interests of our District on behalf of everyone who lives here.

Chief Executive & Staff

The Mayor and Councillors appoint a Chief Executive (CE) to lead the Council's administration and operations and to fulfil the direction set by Council. The CE is in turn responsible for the approximately 176 Full Time Equivalent (FTE) staff employed by the Whakatāne District Council.

The wide range of services delivered by the Council means the organisation structure has five departments, each lead by a General Manager. The five departments are:

- Strategy and Planning
- Infrastructure
- Community and Economic Development
- Finance
- Human Resources

More information about the structure of the organisation and employment policies, can be found in the appendices at the end of this Annual Report.

Committees & Advisory Boards

The Council has established committees and advisory boards to look at specific issues and areas of work. These committees and boards make recommendations for consideration and approval by full Council, but are also delegated the power to make some decisions. A list of the membership on committees and advisory boards as at 30 June 2013 is available in the appendices at the end of this Annual Report.

Community Boards

Supporting our Council, we have five Community Boards covering the whole District. Each Board has six members elected from within the community and one appointed Councillor from the same area. Community Boards provide a link between the Council and the Community. Our Community Boards are: Rangitāiki; Tāneatua; Whakatāne; Ōhope Beach; and Murupara. A list of Community Board members as at 30 June 2013 is available in the appendices at the end of this Annual Report.

Youth Council

The Whakatāne District Youth Council currently consists of 22 young people aged from 12 to 24. Its role is to work on youth-related projects and provide the Council with a youth perspective. The Youth Council consists of members from across the District and includes a mix of age, ethnicity and gender. Members are appointed to the Youth Council each calendar year, to coincide with the school year and the current Youth Council was appointed early in 2013. A list of Youth Council members for the 2012 and 2013 years is available in the appendices at the end of this Annual Report.

Iwi Liaison Committee

The Iwi Liaison Committee (ILC) consists of representatives from across the District. The Committee provides a Māori world view to decision-making with the following contexts: mana atua – spiritual dimension; mana tipuna – ancestral dimension; mana whenua – land dimension, landmarks of cultural and/or historical importance; mana tangata – community (social) input at waka, hapu and iwi levels. The relationship between the ILC and the Council is guided by a Tutohinga (Memorandum of Understanding) 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. A list of Iwi Liaison Committee members as at 30 June 2013 is available in the appendices at the end of this Annual Report.

For more information about the Council organisation and structure over the past year, see the appendices at the end of this Annual Report:

- Council Political Structure
- Your Council
- Membership of Community Boards
- Membership of Standing Committees
- Membership of the Youth Council
- Council Organisational Structure
- Employment Policies and Information

Making Decisions

WE ARE HERE TO LOOK AFTER YOUR INTERESTS

The Whakatāne District Council is your Council. We are here to look after your interests and try to develop a District in which we all want to live, work and play. Like you, we are ratepayers and members of this community and care about its wellbeing.

A big part of our role is to make decisions on behalf of the community. Some decisions are minor - like agreeing to fund a community initiative - while others are more significant, like deciding to construct a sewerage scheme for Matatā. Each year we make dozens of decisions that affect different people in different ways. Often when making these decisions, we have to consider and balance competing interests from different sectors of our community.

This can be a challenging process, but we work hard to make decisions that are in the best interests of the whole District.

WE HAVE MADE SOME IMPORTANT DECISIONS OVER THIS PAST YEAR

The Council, Committees and Advisory Boards meet regularly throughout the year to advise staff and make decisions. Examples of some key decisions that have been made through the year are:

- Guiding the development of land-use provisions within the Proposed District Plan, such as areas for residential expansion, encouraging business development and protecting our environment for future generations.
- Making a decision, following consultation with the community, to construct a full sewerage reticulation system in Matatā.
- Establishing a Joint Committee with the other Eastern Bay of Plenty Councils to work collaboratively to improve efficiencies and reduce costs for ratepayers.
- Adopting a Ten Year Business Plan for the Whakatāne Airport to help guide decision-making to enable growth and focus on developing a sustainable operation.

If you are interested in following the decisions that our Council and Committees make, you are welcome to attend and observe meetings. Meeting agendas are publicly available before each meeting. You can get a copy from Council offices and libraries or from our website: www.whakatane.govt.nz

A NUMBER OF RULES AND POLICIES INFORM OUR DECISION MAKING PROCESS

The Council makes many decisions over the course of the year and it is important that we follow the proper process and rules. All councils are guided by legislation when making decisions. This includes the Local Government Act (2002), the Local Government Official Information and Meetings Act (1987), the Resource Management Act (1991) and other Acts of Parliament. Some key guiding documents specific to our Council include:

Local Governance Statement: This is a collection of information about how the Council makes decisions, and how citizens can influence that process. It provides the public with an overview on how to engage in local democratic processes.

Significance Policy: This policy guides the Council in determining how significant a proposal or decision is likely to be. This helps us to direct the appropriate level of attention, consideration and consultation to matters, based on its level of importance to the District.

Consultation Policy: This provides guidance to the Council in terms of whether we will consult on a decision or proposal, how we will consult and to what extent.

Delegations Register: While many decisions are considered by the full Council, a number of other decision making responsibilities are delegated to the Committees, Advisory Boards, the Chief Executive and in some cases staff members. The Delegations Register outlines these responsibilities.

Copies of these documents are available from Council offices or on our website: www.whakatane.govt.nz

WE SUPPORT AND ENCOURAGE MĀORI TO CONTRIBUTE TO DECISION MAKING

Over the last year we have taken steps to foster the development of Māori capacity to contribute to decision-making.

We acknowledge the place of Māori in the history of the Whakatāne District. Our committee structure and processes for decision-making include specific provisions for Māori to participate.

Input into Council Strategies, Plans and Policies

Over the 2012/13 year the Iwi Liaison Committee (ILC) met seven times for formal meetings and on other occasions for informal meetings and forums. The ILC continued to have input into Council policies, plans and strategies through this process.

This year the ILC provided submissions to the Council as part of the decision-making process. This included a submission to the Council's Annual Plan and Matatā Sewerage Scheme Options. The ILC has also provided input into the development of the District Plan.

Through the year the ILC also developed and approved a set of Cultural Protocols for the Council. The objective was to develop an understanding of the protocols pertaining to Māori to ensure staff can effectively and efficiently carry out their respective roles. The principle of the protocols is to respect the mana (authority) of Tangata Whenua and uphold the mana as Tangata Whenua.

As well as approaching the ILC for advice, we also consulted directly with Tangata Whenua on a number of issues. For example, a number of consultation hui were conducted with Tangata Whenua to seek feedback on District Plan issues such as residential growth, Piripai structure plan and papakainga provisions. We also consulted with Iwi through the Matatā Sewerage Scheme consultation process.

Distribution of discretionary funds

The ILC Discretionary Fund provides financial assistance to support, promote, encourage and celebrate Māori culture and language in the Whakatāne District. Any community group, individual or voluntary organisation based in the Whakatāne District can apply for a grant from the fund. This year the ILC distributed over \$3,000 of their discretionary fund to support a number of Māori sporting events.



Keeping in touch with you - our residents and ratepayers

We take steps to keep you 'in the loop' about our projects, services and major decisions. You can find information on our website, follow us on twitter and like us on our facebook page. Alternatively watch out for our monthly newsletter "Ko Konei" which is published in the Bay Weekend on the first Saturday of each month.

You should also feel free to contact elected members or staff at the Council if you need more information.



“I’m totally happy with the results I’ve achieved through the help and encouragement from all staff members who are always willing to help.”

Wendy Johnson

Whakatāne Aquatic & Fitness Centre

A renewed enthusiasm for health and fitness is one of the many benefits that has come from Council resuming management of the Whakatāne Aquatic and Fitness Centre in the last year.

A revamped facility and a revitalised staff has seen the community benefit through the facility’s Health and Fitness Centre, as well as the many recreational opportunities the Centre provides.

Health and Fitness Whakatāne member, Wendy Johnson, has seen the progress made within the facility in the last year.

“I decided to join this gym because, being a member of the ‘over 50s club’, I needed more of a challenge than just walking,” Wendy says. “The weekend hours suited me and I had heard how friendly the staff and members were. After my initial appointment, I was given my own individual programme to suit my needs and I’ve been right into it ever since.

“I’m totally happy with the results I’ve achieved through the help and encouragement from all staff members who are always willing to help,” she says. “I look forward to my workouts along with a chat and a few laughs with staff and other members. It’s also a bonus being able to cool down with a swim or relax in the spa.”



About the year

Te Arotake o te Tau

Overview of the year

2012/13 has been a highly successful year for the Council with some exciting progress on key projects. A major focus has been placed on enabling and encouraging economic growth in our District. We have notified our Proposed District Plan, and moved forward with development opportunities utilising Council-owned land in Piripai and Port Ōhope. We have also taken over the management of the District's Aquatic Centres, and this was the first year of operating our new Library and Exhibition Centre.

We have continued our efforts to run the Council as effectively and efficiently as possible, while ensuring that we continue to meet the needs of our community. On the whole we have delivered the projects that we said we would undertake, while maintaining the high levels of service that the Community requires. We have also carefully managed our spending and income, and as a result, our financial performance has been very close to budget.

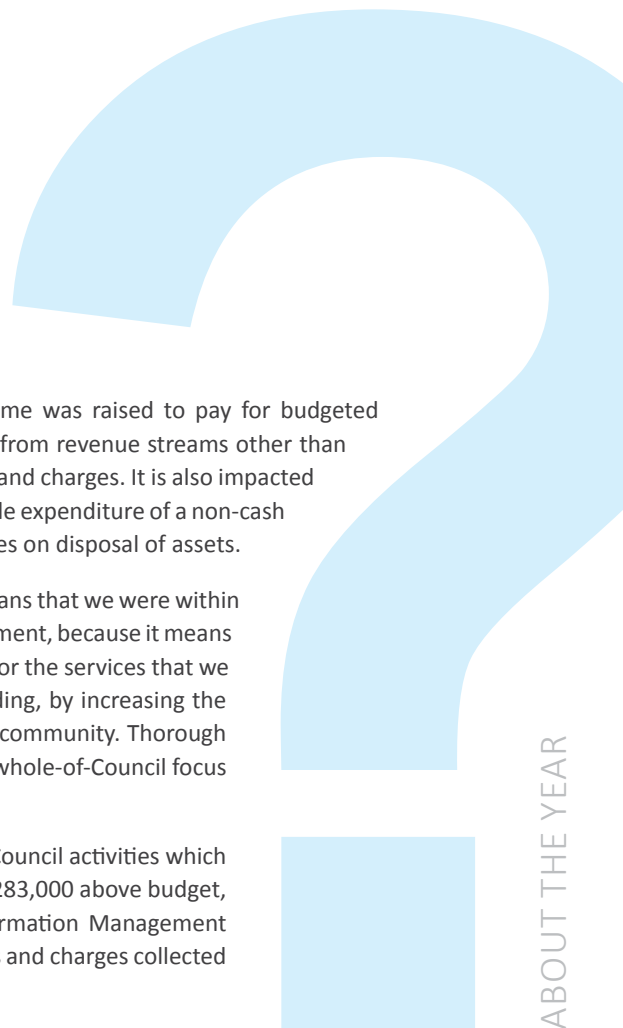
How did we perform?

We achieved a \$43,000 rating surplus for the year

The rating surplus or deficit is an indication of whether sufficient rates income was raised to pay for budgeted expenditure during the financial year. It is impacted by the funding generated from revenue streams other than rates, such as leases, development contributions, subsidies and grants and fees and charges. It is also impacted by meeting our expenditure budgets. The rating surplus or deficit does not include expenditure of a non-cash or accounting nature, such as depreciation, asset revaluations and gains or losses on disposal of assets.

The 2012/13 financial year realised a rating surplus of just over \$43,000. This means that we were within 0.1% of the rating requirement set out in our LTP. This is a very important achievement, because it means that we set the rates for our community at almost exactly the right level to pay for the services that we delivered last year. A deficit would have required us to recover the under-funding, by increasing the rates charged in 2014/15, so this result is very positive for Council and for the community. Thorough and accurate planning and modelling, stringent management of budgets and a whole-of-Council focus on saving money and improving efficiency have all contributed to this outcome.

At an activity level, there were a number of minor variances to budgets across Council activities which contributed to the rating surplus. At a rate level, the general rate income was \$283,000 above budget, mainly due to the use of renewals to fund principal repayments in the Information Management activity. Targeted rates were \$241,000 less than budget, mainly because the fees and charges collected for waste activities were less than budgeted.



Our operating deficit was larger than budgeted

An operating surplus is generated by incurring less operational expenditure than revenue. Conversely, an operating deficit is generated by incurring more operational expenditure than revenue.

The 2012/13 financial year realised an actual operating deficit of \$3.938 million, compared to a budgeted deficit of \$920,000. The deficit includes accounting entries (which do not have any effect on rates) for net revaluation losses of \$3.529 million. If these entries were disregarded, the deficit would have been \$409,000. The major variances contributing to the year-end position are outlined below:

REVENUE

Total revenue (excluding accounting gains) was \$453,000 less than budgeted mainly because remissions were higher than budgeted. This was exacerbated by other revenue streams in total being less than budgeted. Details can be found in Note 34 of "Our Costs in Detail" chapter of this Annual Report.

PERSONNEL COST

An unfavourable variance of \$700,000, mainly in respect to an increase in employee entitlements (\$76,000) and unbudgeted salaries for the Aquatic centre (\$602,000). The unfavourable variance was offset by favourable variances resulting from unfilled positions across various activities during the year.

DEPRECIATION

A favourable variance of \$1.43 million, predominantly because the life-spans provided for Roads and Footpaths in the LTP did not reflect actual life spans of those assets.

OTHER OPERATING EXPENSES

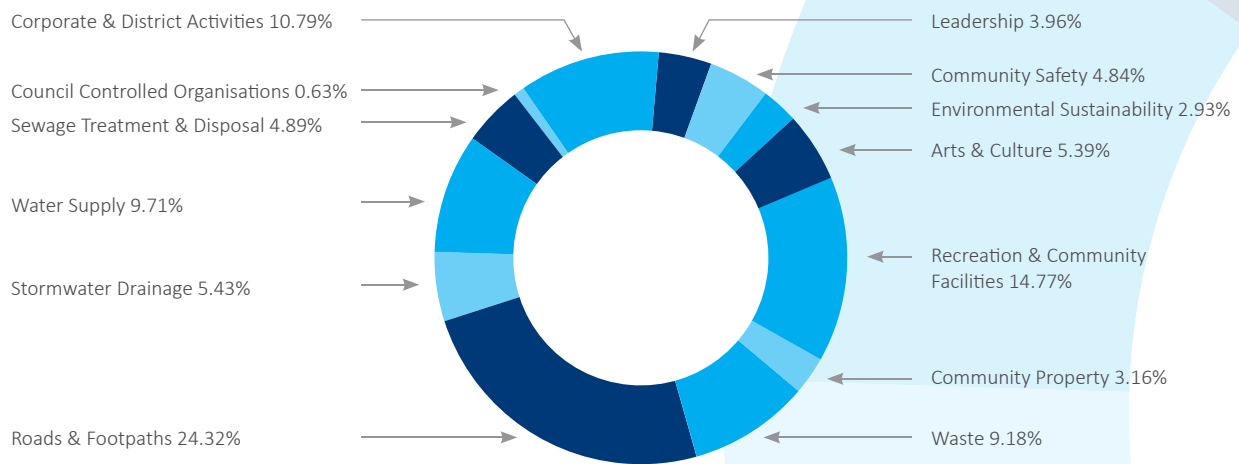
A favourable variance of \$380,000 from savings in printing and stationery, maintenance and repairs, rates on Council-owned properties and rates refunds.

FINANCE COSTS

Interest expense was \$143,000 higher than budget due to the difference in actual interest rates charged on external borrowing (average 5.82%) compared to the 5.45% allowed for in the LTP.

Core services account for most of our operating expenditure

How Operating Expenditure Was Spent



The above donut chart shows where operating expenditure was spent over the past year. This shows that the infrastructure-based activities of Transport, Waste, Water, Sewage and Stormwater continue to be our biggest area of expenditure. These activities made up 54% of our total operating expenditure in 2012/13. When we add Recreation and Community Facilities costs to this mix, it equates to 68% of our operating expenditure. In fact, almost all of the services that we deliver are identified within legislation as core services, or are services that we are required by law to undertake.

How the income for our activities compares to the costs of undertaking those activities

The table below provides an overview of our operational expenditure and income at a group of activity level. To see what proportion of this income came from rates, see the next graph. More information about the performance of specific activities can be found in the “Our Work in Detail” chapter of this Annual Report.

Financial Performance by Activity Group 2012/13

	ACTUAL EXPENDITURE \$000	ACTUAL REVENUE \$000	ACTUAL NET COST SURPLUS/ (DEFICIT)	BUDGET NET COST SURPLUS/ (DEFICIT)
Leadership	2,411	2,545	134	6
Roads & Footpaths	14,795	14,528	(267)	(1,688)
Water Supply	5,909	5,438	(471)	(542)
Sewage Treatment & Disposal	2,976	2,495	(481)	(401)
Stormwater Drainage	3,305	2,881	(424)	52
Waste	5,587	5,670	83	358
Environmental Sustainability	1,782	1,241	(541)	(381)
Community Safety	2,944	2,915	(29)	59
Arts & Culture	3,281	3,126	(155)	(168)
Community Property	1,923	1,496	(427)	(415)
Recreation & Community Facilities	8,989	9,535	546	661
Corporate & District Activities**	6,569	4,791	(1,778)	687*
Council Controlled Organisations	393	266	(127)	(128)
Operational Cost of Service Delivery Surplus/(Deficit)	60,864	56,927	(3,937)	(1,902)
Internal Interest	(1,322)	(1,322)	-	841
Rates remissions	(440)	(440)	-	-
Repayment to reserves	-	-	-	141
Total Council Surplus /(Deficit) Before Tax	59,102	55,165	(3,937)	(920)

* Budget differs from Corporate & District Activity Table as budget for vested assets & gain on investment property is not included in activity table.

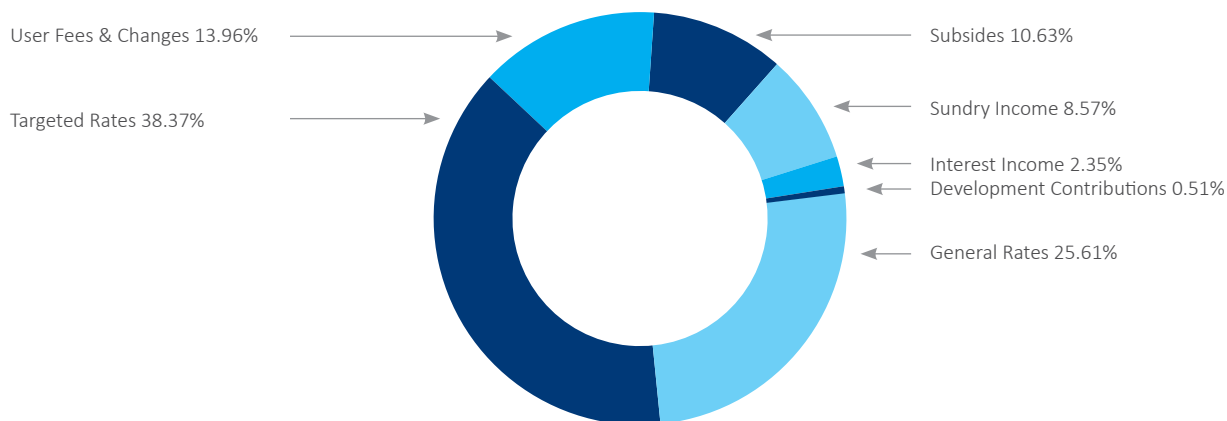
** Expenditure and Income in the table includes different reclassification from interdepartmental transfers compared to the Statement of Comprehensive Income.

Rates account for approximately 64% of our income

The doughnut chart below shows where our revenue came from in the 2012/13 year. This shows that rates formed 64% of the Council's income, making the biggest contribution towards the services and projects which keep our District running.

We work hard to secure funding from other places, but rates are our largest and most stable source of income. Examples of other major funding sources over the past year included fees and charges, the New Zealand Transport Agency subsidy for roading-related projects, and the Ministry of Health subsidy for water-related projects. Because of this external funding, for every \$10 that we received from ratepayers, we delivered \$16 worth of services in the 2012/13 year.

Where Operating Revenue Came From



Council services and facilities cost the average household \$45 per week

The table below shows the income from each of our Groups of Activities and the amount of this cost that was funded by rates. This indicates that some of our activities are almost entirely funded by rates, while others receive substantial funding from other sources.

Rates Contribution towards operational expenditure 2012/13

	ACTUAL REVENUE (TOTAL)	ACTUAL REVENUE (RATES)	RATE INCOME PER AVERAGE PROPERTY*	RATE INCOME PER PROPERTY PER AVERAGE WEEK*
	\$000			
GROUPS OF ACTIVITIES				
Leadership	2,545	2,339	149.98	2.88
Roads & Footpaths	14,528	7,910	507.13	9.75
Water Supply	5,438	4,984	319.55	6.15
Sewage Treatment & Disposal	2,495	2,144	137.45	2.64
Stormwater Drainage	2,881	2,548	163.37	3.14
Waste	5,670	4,340	278.27	5.35
Environmental Sustainability	1,241	799	51.25	0.99
Community Safety	2,915	1,225	78.56	1.51
Arts & Culture	3,126	2,781	178.29	3.43
Community Property	1,496	578	37.04	0.71
Recreation & Community Facilities	9,535	5,572	357.25	6.87
Corporate & District Activities**	4,791	1,133	72.63	1.40
Council Controlled Organisations ***	266	137	8.75	0.17
TOTAL	56,927	36,490	2,340	44.99

*Based on 15,597 rateable properties in the District as at 10 January 2012 and excluding penalties, write-off and remissions.

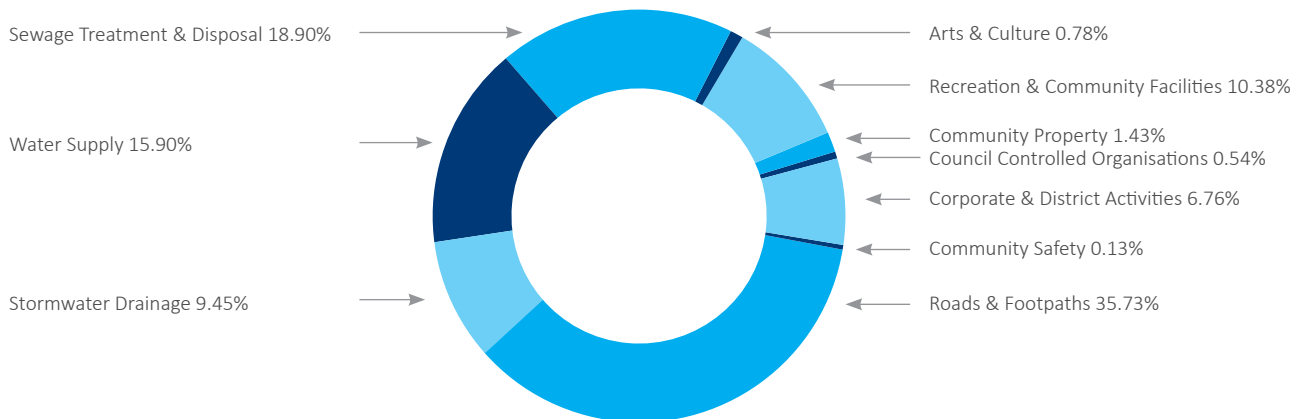
** Expenditure and Income in the table includes different reclassification from interdepartmental transfers compared to the Statement of Comprehensive Income.

*** Figures for Council Controlled Organisations have been sourced from the entities' audited Financial Statements (Council Share).

Capital projects

The Council carried out a number of major infrastructure projects throughout the District in 2012/13. The year saw a particular focus on upgrades and improvements in our utility assets, including our water supply infrastructure, stormwater protection and our sewerage networks. We have also made good progress on some projects to create new community assets, including the cycleway and walking path between Ōhope to Whakatāne, a sewerage scheme for the Matatā community, developing the Museum Research Centre and investigating a greenwaste processing facility.

Where Capital Expenditure Was Spent



Great progress made in reducing the bow-wave of money carried forward for capital projects

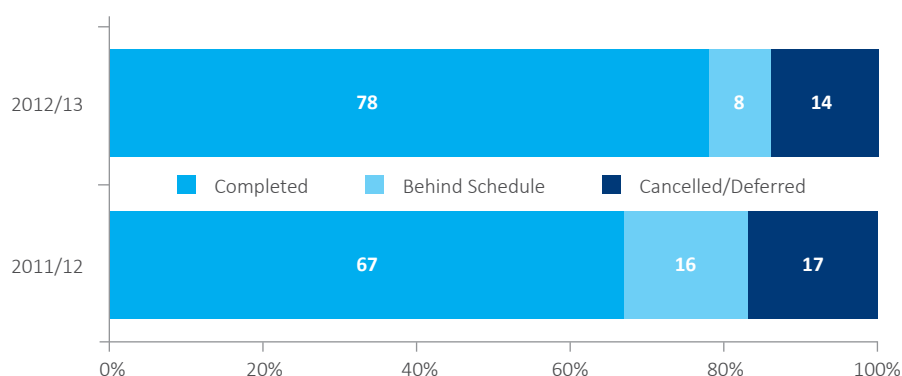
We have managed to reduce our carry-forward budget by 87% over the last two years. When we do not complete a project that we had planned in any year, the budget gets carried forward to the following year. However, over time this list of carry-forward projects can build up, especially where projects are continuously put on hold because, while there is still a desire to complete them, the Council is not yet in a position to proceed. In the past, we often carried a large number of projects forward to the next year, creating a 'bow-wave' that continued to grow. In 2010/11 we carried forward \$14 million for uncompleted projects. For 2011/12, after reconsidering our priorities and strategic focus through the development of our Long Term Plan (LTP), we managed to reduce the value of our carry-forward projects to \$7 million. In 2012/13, we have continued our internal focus on accurate and realistic budgeting and have worked hard to deliver the projects to the community that we had set-out in our LTP. As a result, we are only planning to carry-forward \$1.8 million into the 2013/14 year. This is a significant reduction from previous years and means that we are getting much better at delivering on the commitments we make through our Annual Plans and LTP.

We completed 78% of the projects that we said we were going to deliver

Of the 169 projects Council planned to undertake during 2012/13, we completed 131 to the level that we had planned. This is a 78% completion rate, a great improvement on the 67% completion rate achieved last year. A further 14% of planned projects were cancelled or deferred because after further investigations, it was determined that the works involved were not required or not able to be completed at this time. This means that only 8% of our projects were behind schedule, an improvement from the previous year, when 16% of our projects were delayed. In terms of costs, this means that of the \$14.5 million budget for capital projects included in the LTP for 2012/13 and the extra \$7.3 million we carried forward from the previous year, we spent \$16 million.

In total we had 220 capital projects on our workplan for 2012/13 that we had planned to carry out. Of these, 169 (77%) were the projects scheduled through the LTP for 2012/13. An additional 37 projects (17%) were carried forward from 2011/12, while during the year, an extra 14 projects (6%) were included on our work programme as new projects. These new projects were introduced for a number of reasons. Some were introduced as emergency works, some replaced budgeted projects as a result of reprioritisation, some were projects where the costs were recovered from other parties and some were projects that were largely completed in previous years but required some final work to be undertaken.

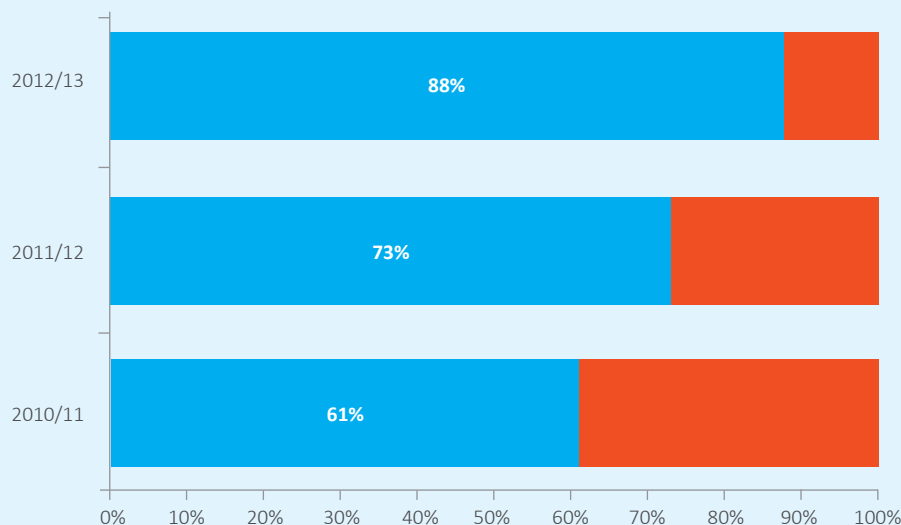
Completion of Capital Projects:



Delivering on 88% of the level of service targets that we said we would achieve

This year we achieved an exceptional 52 out of 59 (88%) of the levels of service (or non-financial performance measures) that we aimed to deliver. This is a significant achievement, showing great progress compared to our 2011/12 results (73%) and 2010/11 results (61%). We set the level of service that we aim to deliver to the community through our Long Term Plan. Levels of service help to define things such as the quality, speed, volume or reliability of a service that the community can expect from us. These results reflect a commitment by the Council to deliver on the pledges that we make to the community.

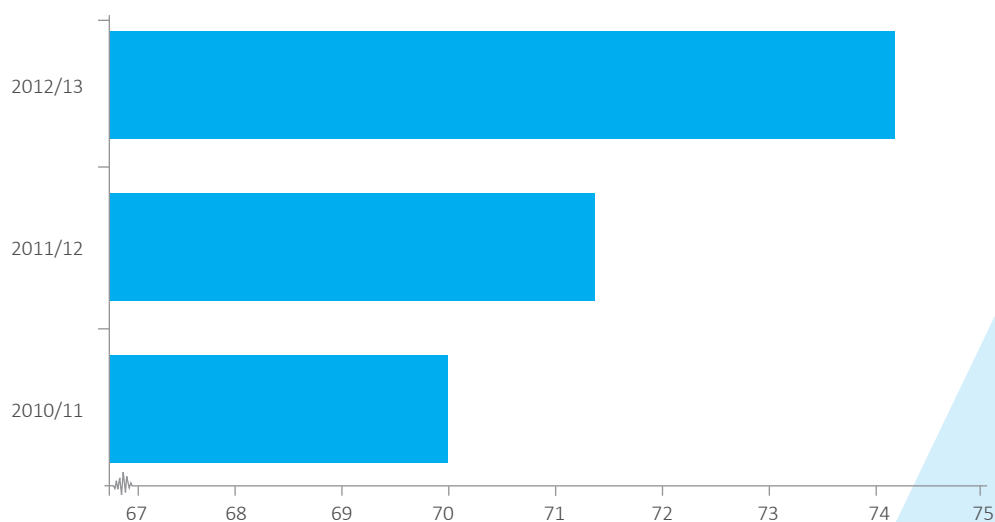
Levels of Service Measures Achieved:



Community perception of our services is continuing to improve

We achieved a comprehensive increase in the community's level of satisfaction with Council services, as measured by our Annual Residents' Survey. The survey is carried out every year and involves 300 randomly selected residents across all wards. Respondents answered 52 questions about Council services and activities, rating their level of satisfaction from 0 (very dissatisfied) to 10 (very satisfied). Of the 52 questions asked, 46 were comparable with last year's findings (the other six were new questions). Of the comparable questions, 41 saw an increase in the community's level of satisfaction compared to last year. Of the remaining five questions, two scores stayed the same and three showed a slight decline. While the level of satisfaction we aim to achieve varies for each activity, depending on what we are delivering, it is particularly pleasing to see such a high percentage showing an increasing level of satisfaction with Council services.

Average Satisfaction Score - across all measures:



This survey is very useful, because it allows us to review what we are delivering and identify areas where improvements should be made. It is also important because 18 (30%) of our levels of service measures are based on the community perception results from the Annual Residents Survey. A further two levels of service measures come from a survey sent out by the Development and Compliance Team to users of our building and resource consent services. The Development and Compliance Survey showed that we are still hitting our targets in user satisfaction, with overall satisfaction of the Development and Compliance team increasing.

Areas of focus moving forward

Listening to what the community thinks is an important way to identify where we can improve and the Annual Residents' Survey gives us strong guidance about the community's priorities and expectations of our services. This year's results showed an increase in satisfaction for most activities; most significantly for water-related services, dog control services, customer services and swimming pools. The only significant decrease in satisfaction was around the adequacy of streetlighting. We are currently engaged in a project replacing some streetlighting with safer, more efficient LED streetlights.

The Development and Compliance Survey results showed a general improvement, with particularly high scores for Council staff and especially for building control officers. The lowest-rated scores were associated with the costs of the consents process. The Council has changed the way these are funded and this has led to a 32% reduction in the cost of gaining resource consents.

Our levels of service monitoring has highlighted some key areas of improvement for the coming years. The main area where we did not achieve our performance targets was in the area of Waste, including Waste Disposal, Waste Recycling and Waste Reprocessing. An historical error in our waste measurements has meant that for the last few years, we have been over-reporting the level of greenwaste processed. As a result of this error, we had set unrealistic targets through our LTP for all three waste streams. We have now rectified this error and subsequently seen a reduced but accurate level of greenwaste reprocessing being reported. The cost to Council, and therefore ratepayers, of disposing of our waste will continue to climb over the coming years and as a result, this activity continues to be an area of focus for the Council. Over the next year we have a project included in our Annual Plan 2013/14 to look at how we continue to process greenwaste in the future and investigate a possible new processing facility.



“Our roadsides are a lot cleaner now... the glass crusher is just the best. We never had any way of getting rid of glass before...”

Doris Rurehe - Hinepukohurangi Trust



Ruatāhuna Refuse Transfer Station

contributes to a better environment

Not too long ago, Ruatāhuna’s idyllic Te Urewera environment was somewhat sullied by roadside litter and the smoke from the rubbish fires many residents used to get rid of their household refuse. Both of those issues are now much-reduced, thanks to the Refuse Transfer Station operated by the Hinepukohurangi Trust.

“The conscientious people would take their rubbish down to Murupara, but many people would just burn it – cans, plastics and all,” recalls Trust spokesperson Doris Rurehe. “Now they can have their rubbish picked up, or drop it in to the transfer station (for a small price), and we take care of it for them.”

The transfer station began operating in April this year, its development funded by the Whakatāne District Council’s Waste Minimisation Fund. The Council also donated a utility

vehicle to transport the recyclable material and refuse collected to the Murupara Transfer Station and helped the Trust obtain the necessary building materials and the equipment used to crush cans and glass and compact and bale plastics and paper.

“Our roadsides are a lot cleaner now. We take a full ute-load and trailer of refuse to Murupara for disposal once every three or four weeks and earn a bit of funding from selling our crushed cans, but the glass crusher is just the best. We never had any way of getting rid of glass before and now it just gets pulverised and used in cement mix.” Ms Rurehe says.

About 40 households use the transfer station service on a regular basis and the Trust aims to double that usage in future.



Our work in detail

Ngā mahinga whānui

Introduction to the 'Our Work in Detail' chapter

Groups of activities

- *Leadership*
- *Roads & Footpaths*
- *Water Supply*
- *Sewage Treatment & Disposal*
- *Stormwater Drainage*
- *Waste*
- *Environmental Sustainability*
- *Community Safety*
- *Arts & Culture*
- *Community Property*
- *Recreation & Community Facilities*
- *Corporate & District Activities*

Council Controlled Organisations

This chapter provides an overview of the activities we undertook during the 2012/13 year. We currently have 39 internal and external activities organised into 12 groups of activities.

These groups incorporate the core services that we deliver, as defined by the Local Government Act 2002.

How these core services contribute to the community is given particular consideration in our decision-making process.

We are also involved in four Council Controlled Organisations.

Within each group you will find a description of what we have achieved for the year. This Annual Report reports back to the community on the things we said we would do through the Long Term Plan. For more specific details of the activities, including why we deliver these services and how they are paid for, please see the 'Our work in detail' chapter of the LTP.

Guide to the layout and content of the 'Our Work in Detail' chapter

GROUP OF ACTIVITIES

The cover page for each group of activities indicates the name of the group, a vision statement for the group and icons of the activities undertaken within that group.

DELIVERING OUR SERVICES

This doughnut chart indicates our performance in delivering on the service level targets we set out in our LTP. It indicates the percentage of measures achieved for this group of activities during 2012/13.

WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR

These Funding Impact Statements set out the budgeted and actual costs for the group of activities during the 2012/13 year and describe how they are funded. Explanations of the categories used in the statements can be found later in this introduction. These tables also include a line on our internal borrowing movements for the year for this Group of Activities.

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT – Community Property

	LTP 2011/12 \$000	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000
OPERATIONAL				
Sources of operating funding				
475 General rates, uniform annual general charges, rates penalties	-	631	578	(53)
- Targeted rates (other than a targeted rate for water supply)	-	-	-	-
41 Subsidies and grants for operating purposes	-	-	-	-
665 Fees, charges, and targeted rates for water supply	-	730	701	(29)
- Internal charges and overheads recovered	-	-	68	68
- Local authorities fuel tax, fines, infringement fees, and other receipts	-	6	58	52
1,181 Total operating funding (A)		1,367	1,405	38
Applications of operating funding				
613 Payments to staff and suppliers	-	670	713	43
40 Finance costs	-	29	28	(1)
423 Internal charges & overheads applied	-	361	347	(14)
- Other operating funding applications	-	-	-	-
1,076 Total applications of operating funding (B)		1,060	1,088	28
105 Surplus (deficit) of operating funding (A-B)		307	317	10
CAPITAL				
Sources of capital funding				
- Subsidies and grants for capital expenditure	-	-	-	-
55 Development and financial contributions	-	59	54	(5)
(43) Increase (decrease) in debt	-	(123)	(123)	-
350 Gross proceeds from sale of assets	-	319	206	(113)
- Lump sum contributions	-	-	-	-
362 Total sources of capital funding (C)		255	137	(118)
Applications of capital funding				
- Capital expenditure	-	-	-	-
- to meet additional demand	-	24	5	(19)
80 - to improve level of service	-	85	72	(13)
68 - to replace existing assets	-	172	153	(19)
319 Increase (decrease) in reserves	-	281	225	(56)
- Increase (decrease) of investments	-	-	-	-
467 Total applications of capital funding (D)		562	455	(107)
(105) Surplus (deficit) of capital funding (C-D)		(307)	(317)	(11)
- Funding Balance ((A-B) + (C-D))	-	-	-	-
Internal Borrowing	474,196	-	(122,763)	351,433
				27,754

COMMUNITY OUTCOMES

The Community Outcomes that each activity helps to promote are identified in each activity by the icons next to the heading. More information about our Community Outcomes can be found in the 'About the Council' chapter of this Annual Report.

A YEAR IN REVIEW

This section helps to give you an idea of our major achievements including the main projects that each activity delivered over the last year. More information about why we carry out that activity and what is planned for the next 10 years can be found in the LTP.

COST OF SERVICE

The LTP set a budget for the 2012/13 financial year for each activity that the Council undertakes. This table compares the expected cost of the activities, as set out in the LTP, 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.

UPDATE ON MAJOR CAPITAL PROJECTS


This table provides a commentary on the progress that was made against major capital projects. Performance is explained in terms of timing, quality and cost of the project. It outlines the reason for variances between 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.

WHAT WE DELIVERED

This section 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 LTP 2012-22 outlined the levels of service that the Council aimed 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 Annual Residents' Survey.



Pensioner Housing



Community Outcomes

A YEAR IN REVIEW

Creating an outside space for Alice Stone tenants

This year, we have undertaken a landscaping project at the Alice Stone Pensioner Flats. This project came about following a survey of tenants to determine their satisfaction with the facilities provided, which indicated that they would like a communal meeting area to socialise in. The project involved turning an underutilised area of the Alice Stone grounds into a gathering place, including picnic tables, and a canopy. The new area was developed within the annual renewals budget and should help to enhance the social wellbeing of tenants.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000	MAJOR VARIANCE EXPLANATION
Expenditure	525	517	8	[S]
Revenue	478	485	7	[S]
Net Cost of Service Surplus/(Deficit)	(47)	(31)	16	[S]
Capital Expenditure	136	151	(15)	[S] Annual renewals and refurbishment overspent

Key: [S] = Favourable - [U] = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2012/13 BUDGET \$000	REVISED BUDGET \$000	ACTUAL SPEND \$000	PERFORMANCE		
				TIME	QUALITY	COST
Attendable Flats stormwater pump installation	10	10	6	Completed	Achieved	Under budget

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Affordable, safe and secure pensioner housing is provided to people who meet the Whakatane District Council eligibility criteria.

MEASURE: Number of Council pensioner units provided.

TARGET: 79

RESULT: **ACHIEVED** ✓ 79 units provided (2011/12 result: 79).

COMMUNITY PROPERTY

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WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

Included in this chapter are Funding Impact Statements (FIS) at a 'whole of Council' level and also group of activity level. The FIS breaks down costs and funds at an 'operational' and 'capital' level. Operational costs include the ongoing maintenance and delivery of our services, while capital costs relate to the cost of constructing a new asset or extending or renewing an existing asset. Capital expenditure is generally 'one-off' in nature, whereas operational costs are ongoing. Taking all this information into account, we can then see how much we received, how much we spent and whether we have a surplus or deficit at the end of the year.

The 'Funding Impact Statement – Whole of Council' table below gives you an idea of what it cost to provide all of our activities and how we funded them. You will notice that every group of activities has a FIS which gives you more detailed information on what that group cost. An explanation of categories in the FIS can be found on the next page.

INDICATIVE FUNDING IMPACT STATEMENT – WHOLE OF COUNCIL

LTP 2011/12 \$000	ACTUAL 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000
OPERATIONAL					
Sources of operating funding					
8,804	9,192	General rates, uniform annual general charges, rates penalties	15,286	15,236	(50)
23,550	24,724	Targeted rates (other than a targeted rate for water supply)	18,934	19,206	272
2,490	4,851	Subsidies and grants for operating purposes	2,889	2,687	(202)
9,816	8,884	Fees, charges, and targeted rates for water supply*	10,344	10,139	(205)
76	7	Interest and dividends from investments	40	16	(24)
1,929	3,710	Local authorities fuel tax, fines, infringement fees, and other receipts	2,137	2,488	351
46,665	51,368	Total operating funding (A)	49,630	49,772	142
Applications of operating funding					
33,891	36,241	Payments to staff and suppliers	34,978	35,303	325
2,196	2,065	Finance costs	2,517	2,160	(357)
413	1,046	Other operating funding applications	430	721	291
36,500	39,352	Total applications of operating funding (B)	37,925	38,184	259
10,165	12,017	Surplus (deficit) of operating funding (A-B)	11,705	11,588	(117)

(table continued from previous page)

LTP 2011/12 \$000	ACTUAL 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000
CAPITAL					
Sources of capital funding					
7,050	5,319	Subsidies and grants for capital expenditure	3,458	3,378	(80)
536	133	Development and financial contributions	465	292	(173)
724	6,329	Increase (decrease) in debt	(4,001)	1,788	5,789
350	32	Gross proceeds from sale of assets	609	481	(128)
-	-	Lump sum contributions	-	-	-
8,660	11,813	Total sources of capital funding (C)	531	5,940	5,408
Applications of capital funding					
Capital expenditure					
790	58	- to meet additional demand	165	480	315
12,321	11,136	- to improve level of service	4,862	7,827	2,965
7,584	9,010	- to replace existing assets	9,430	7,695	(1,735)
(1,870)	3,626	Increase (decrease) in reserves	(2,321)	1,426	3,747
-	-	Increase (decrease) of investments	100	100	-
18,825	23,830	Total applications of capital funding (D)	12,236	17,528	5,292
(10,166)	(12,017)	Surplus (deficit) of capital funding (C-D)	(11,705)	(11,588)	116
-	-	Funding Balance ((A-B) + (C-D))	-	-	-

* Targeted rates for water supply include volumetric charges only.

EXPLANATION OF CATEGORIES IN THE FUNDING IMPACT STATEMENTS

WHAT THESE ACTIVITIES WILL COST AND HOW WE ARE GOING TO PAY FOR THEM

OPERATIONAL

Sources of Operating Funding (Revenue)

General rates, uniform annual general charges, rates penalties	Income from general rates charged on the capital value of all properties within the District, fixed charges across the whole district (UAGC), and penalties for late payment of rates.
Targeted rates (other than a targeted rate for water supply)	Rates where the benefit or use of a service can be assigned to specific households or communities, such as stormwater or promotion and economic development.
Subsidies and grants for operating purposes	Money received from other organisations that contribute to the operational cost of the service.
Fees, charges, and targeted rates for water supply	Includes admission charges for Council facilities and regulatory fees e.g. permits, dog registration, and targeted rates for water supply.
Internal charges and overheads recovered	Money received from other departments of the Council such as overheads and direct costs.
Interest and dividends from investments	Money earned from our savings and investments through interest and dividend payments.
Local authorities fuel tax, fines, infringement fees, and other receipts	Miscellaneous income from other sources generally not of a significant nature e.g. local authority petrol tax.
Total Operating Funding	Total income from the day to day operation of this activity.

(table continued from previous page)

WHAT THESE ACTIVITIES WILL COST AND HOW WE ARE GOING TO PAY FOR THEM

Applications of Operating Funding (Expenditure)

Payments to staff and suppliers	The day to day cost of running this activity e.g. salaries and wages, materials and services.
Finance costs	Interest payments we make on funds borrowed (loans).
Internal charges and overheads applied	Money paid to other departments of the Council such as overheads and direct costs.
Other operating funding applications	Miscellaneous expenses including bad debt expense, rates remissions and loss on disposal of assets.
Total Applications of Operating Funding	Total operating expenditure for this activity.
Surplus (Deficit) of Operating Funding	Total revenue less total expenditure.

CAPITAL

Sources of Capital Funding

Subsidies and grants for capital expenditure	Money received from other organisations that contribute to the capital cost of the service.
Development and financial contributions	Money paid by developers towards providing assets or extending existing assets to cater for increased demand due to growth, e.g. extending sewerage systems.
Increase (decrease) in debt	Borrowing money to pay for new assets, parts of assets or to fund temporary deficits, less loan repayments.
Gross proceeds from the sale of assets	Revenue to be raised from the sale of assets belonging to this activity.
Lump sum contributions	Payments made by an eligible ratepayer for the purposes of contributing to a capital project. However, we do not accept lump sum contributions for targeted rates.
Total Sources of Capital Funding	Total capital funding for this activity.


Applications of Capital Funding


Capital expenditure	Capital expenditure creating a completely new asset or extending or renewing an existing asset to provide the same or greater service than it currently provides e.g. extending a sewer pipe to increase capacity. The expenditure is split to fund level of service improvements versus population growth and/or renewal works. While a lot of our capital projects contribute to more than one of these drivers, legislation requires us to allocate each project to just one driver in the Funding Impact Statements.
Increase (decrease) in reserves	Transferring money into and from a reserve account held for a special purpose. Includes: transferring development contribution revenue to development contribution reserves; using funds from depreciation reserves, and using funds from operational reserves to provide or to assist with maintaining existing assets or services.
Increase (decrease) of investments	Net movement of investments.
Total Applications of Capital Funding	Total capital expenditure for this activity.
Surplus (Deficit) of Capital Funding	Sources of capital funding less applications of capital funding.
Funding Balance	Net operating funding less net capital funding.

EXPLANATION OF CATEGORIES IN THE COST OF SERVICE TABLES

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/(Deficit)	Expenditure less revenue = the total operational cost of running these activities.

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 LTP 2012-22 for 2012/13:

 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 are greater than 10% and \$20,000 of the LTP 2012-22 budgets, an explanation will be provided.

EXPLANATION OF CATEGORIES IN THE MAJOR CAPITAL PROJECTS TABLES

LTP 2012/13 Budget	The budget set aside in the LTP 2012-22 for the 2012/13 year.	
Revised Budget	The budget set aside for the project in the LTP 2012-22 for 2012/13, plus budget carried forward from the 2011/12 year, plus any revisions to the budget adopted by Council during the year.	
Actual Spend	The amount actually spent on the project in the 2012/13 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 ontrack 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, against revised budget. Note: 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	Some significant variances and brief explanations as to the time, quality and costs are provided. Further explanations for some projects can also be found under the 'A Year in Review' section.	



KEY RESULTS FOR 2012/13

Delivering our services:



Leadership

Te Poumanukura

MAKING GOOD DECISIONS & ENGAGING
WITH OUR COMMUNITY

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT – Leadership

LTP 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000		
OPERATIONAL						
Sources of operating funding						
2,597	General rates, uniform annual general charges, rates penalties	2,271	2,078	(193)		
415	Targeted rates (other than a targeted rate for water supply)	263	261	(2)		
	- Subsidies and grants for operating purposes	-	-	-		
	- Fees, charges, and targeted rates for water supply	-	-	-		
23	Internal charges and overheads recovered	-	-	-		
2	Local authorities fuel tax, fines, infringement fees, and other receipts	3	205	202		
3,037	Total operating funding (A)	2,537	2,544	7		
Applications of operating funding						
1,604	Payments to staff and suppliers	1,580	1,501	(79)		
7	Finance costs	6	6	-		
1,420	Internal charges & overheads applied	913	836	(77)		
	- Other operating funding applications	-	-	-		
3,031	Total applications of operating funding (B)	2,499	2,343	(156)		
6	Surplus (deficit) of operating funding (A-B)	38	201	163		
CAPITAL						
Sources of capital funding						
	- Subsidies and grants for capital expenditure	-	-	-		
	- Development and financial contributions	-	-	-		
(6)	Increase (decrease) in debt	(6)	(6)	-		
	- Gross proceeds from sale of assets	-	-	-		
	- Lump sum contributions	-	-	-		
(6)	Total sources of capital funding (C)	(6)	(6)	-		
Applications of capital funding						
Capital expenditure						
	- to meet additional demand	-	-	-		
	- to improve level of service	-	-	-		
	- to replace existing assets	-	-	-		
	- Increase (decrease) in reserves	32	195	163		
	- Increase (decrease) of investments	-	-	-		
	- Total applications of capital funding (D)	32	195	163		
(6)	Surplus (deficit) of capital funding (C-D)	(38)	(201)	(163)		
	- Funding Balance ((A-B) + (C-D))	-	-	-		
		OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$
	Internal Borrowing	110,302	-	(5,515)	104,787	6,418

Governance

Community Outcomes



A YEAR IN REVIEW

Improving the transparency of the decision-making process

Through the year, Governance has continued to support elected members to be effective, responsible and accountable decision-makers. We have achieved this through facilitating Council, committee and community board meetings and ensuring agendas are published and available to the public. We have improved the level of service we are able to provide in this activity by providing information to both elected members and the community electronically. This helps to improve the transparency of Council meetings and improve efficiency and cost effectiveness. Full agendas are now available from our website www.whakatane.govt.nz two working days before each meeting.

Discretionary funding supports local groups

Community Boards and the Iwi Liaison Committee had a pool of funding this year to distribute to the community as they felt appropriate. This provided the Boards and Committee with an opportunity to support local community groups' efforts to contribute to community needs. To ensure

Community Boards are able to make effective decisions, we have worked with the Boards to review their delegated authorities, including discretionary funds. The focus of the review was to ensure the community receives maximum benefit from the Boards' activities.

Unexpected costs

Through the year we have had unbudgeted costs associated with a number of legal matters. These have included a claim under the Electoral Act around the election process for the 2010 elections, an Environment Court appeal against TrustPower's Resource Consent for the operation of the Matahina Dam and costs associated with gaining a legal opinion on the status of the Whakatāne Airport Board. These costs have been partly off-set by costs awarded to the Council for the Electoral Act claim.

A by-election in Murupara

This year we held a by-election in the Galatea-Waiohau subdivision of the Murupara Community Board in August 2012. We did not receive any nominations by the close of nominations and therefore the position was filled by an appointment made by the Community Board.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,563	1,608	(45)	\$	Unbudgeted costs associated with claims and legal costs
Revenue	1,563	1,576	13	\$	Unbudgeted cost recoveries associated with claims.
Net Cost of Service Surplus/(Deficit)	-	(32)	(32)	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: The Council makes decisions in an open, inclusive and transparent manner.

MEASURE: Proportion of meetings that are publicly notified and agendas of the Council, its committees and community boards are available at least two working days before meetings and meetings are conducted in accordance with Local Government Act and Standing Orders.

TARGET: 100%

RESULT: **ACHIEVED** ✓ 100% - Public notices were provided in the Beacon to advise the community of scheduled meetings, and copies of agendas were available from our website or at our libraries or service centres.

MEASURE: Satisfaction that the Council is providing opportunities for community involvement in decision making (Customer Satisfaction Index score).

TARGET: 56-60

RESULT: **ACHIEVED** ✓ Average satisfaction score was 59.8 out of 100 (2011/12 result: 59.8).

Community Support

Community Outcomes



Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

A YEAR IN REVIEW

Celebrations in our community

A number of events were held this year to celebrate and acknowledge our community and its history. These celebrations included an over-80s morning tea, Anzac Day commemorations, the annual Young Achievers Awards and four Citizenship ceremonies. One of the citizenship ceremonies this year took place at Mataatua Te Manuka Tutahi to coincide with Waitangi Day celebrations. Conducted in partnership with the Ministry of Culture and Heritage, this ceremony was a unique and memorable occasion for all involved. Also this year, students from Trident High School held an exchange trip to Kamagaya, our sister city in Japan.

We partnered with TrustPower to introduce the Community Awards and this will become an annual event. We also began planning for the 100th Anzac Celebrations in 2015, starting with a 2015 Anzac Day 'think tank'.

Supporting community groups

Community Support distributed \$116,000 of grants to community groups and an additional \$60,000 from the Harbour Fund to support water-based safety groups such as Coastguard and Surf Life Saving. This funding has enabled these local groups to help meet the needs of our community. By supporting and providing funding to these groups, the Council is able to effectively improve the wellbeing of our wider community, by helping the community to help itself.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	190	152	38	\$	Fewer community grants related to Council owned property distributed than budgeted
Revenue	195	195	-	-	
Net Cost of Service Surplus/(Deficit)	6	44	38	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Community Groups, Voluntary Organisations and residents are supported in contributing to the well-being of the Whakatāne District.

MEASURE: Community funding is available and distributed in accordance with Council's Community Funding Policy.

TARGET: Available funds distributed.

RESULT: **ACHIEVED** ✓ Funds were distributed in accordance with our Community Funding Policy (2011/12 results: achieved).

DID YOU KNOW?

This year...

300+

NOMINATIONS WERE RECEIVED FOR THE YOUNG ACHIEVERS AWARDS.

\$16,500

WAS ALLOCATED TO ART-RELATED PROJECTS FROM THE CREATIVE COMMUNITIES FUNDING SCHEME.

\$14,985

WAS ALLOCATED FROM SPORTNZ RURAL TRAVEL FUNDING TO ASSIST 5-19 YEAR OLDS TO TRAVEL TO LOCAL SPORTING COMPETITIONS.

Strategy & Policy

Community Outcomes



A YEAR IN REVIEW

Policies and Plans for the District

During the year, Councillors and staff worked with the community to develop a number of policies and plans for the District. This included determining our priorities and work programme for the next year through the development of the Annual Plan 2013/14 and production of an Annual Report for the 2011/12 year, to let the community know how we performed.

Whakatāne District Council won the Trailblazer Not for Profit category of the Bay of Plenty Sustainable Business Networks Awards in 2012/13 for our work integrating sustainable practices into our organisation.

Council and staff developed and provided strategic advice on a number of other projects including;

- Establishing a joint committee for the Eastern Bay of Plenty Councils
- Carrying out a community perception survey to feed into this Annual Report
- Consulting on a sewerage scheme for Matata
- Preparing submissions to other local and central government processes
- Reviewing the Council's Stock Control Bylaw
- Developing a draft Local Alcohol Policy for the Eastern Bay
- Reviewing how our Road Safety activities and programme are delivered
- Developing an Airport Ten Year Business Plan
- Securing funding for a youth leadership programme - Mana Taiohi.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	778	652	126	Ⓢ	Reduced costs associated with projects savings and staff vacancy
Revenue	778	773	(5)	Ⓢ	
Net Cost of Service Surplus/(Deficit)	-	121	121	Ⓢ	

Key: Ⓢ = Favourable – Ⓢ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

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

MEASURE: Council's corporate planning requirements (including LTPs, Annual Plans and Annual Reports) are completed and receive a clear audit opinion.

TARGET: Annual Plan, Annual Report.

RESULT: **ACHIEVED** ✓ The Council's Annual Report 2011/12 received a clear audit opinion and the Council's auditors were satisfied that our Annual Plan 2013/14 met legislative requirements (new measure).



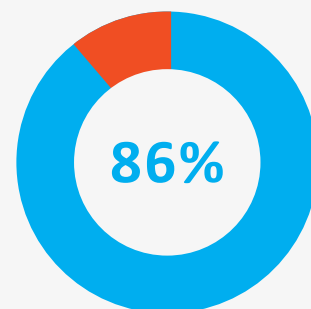
Roads & Footpaths

Ngā Huarahi ara Rau

CONNECTING PEOPLE, BUSINESSES & COMMUNITIES

KEY RESULTS FOR 2012/13

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT – Roads & Footpaths

LTP 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000		
OPERATIONAL						
Sources of operating funding						
55	General rates, uniform annual general charges, rates penalties	-	-	-		
6,840	Targeted rates (other than a targeted rate for water supply)	7,897	7,910	13		
2,307	Subsidies and grants for operating purposes	2,693	2,490	(203)		
65	Fees, charges, and targeted rates for water supply	45	69	24		
339	Internal charges and overheads recovered	-	-	-		
594	Local authorities fuel tax, fines, infringement fees, and other receipts	590	784	194		
10,200	Total operating funding (A)	11,225	11,253	28		
Applications of operating funding						
5,650	Payments to staff and suppliers	5,846	5,991	145		
624	Finance costs	613	674	61		
1,919	Internal charges & overheads applied	1,737	1,599	(138)		
-	Other operating funding applications	-	-	-		
8,193	Total applications of operating funding (B)	8,196	8,264	68		
2,008	Surplus (deficit) of operating funding (A-B)	3,029	2,989	(40)		
CAPITAL						
Sources of capital funding						
2,213	Subsidies and grants for capital expenditure	3,264	3,212	(52)		
192	Development and financial contributions	68	63	(5)		
200	Increase (decrease) in debt	(354)	(517)	(163)		
-	Gross proceeds from sale of assets	-	-	-		
-	Lump sum contributions	-	-	-		
2,605	Total sources of capital funding (C)	2,978	2,758	(220)		
Applications of capital funding						
Capital expenditure						
8	- to meet additional demand	-	-	-		
878	- to improve level of service	1,193	1,903	710		
3,202	- to replace existing assets	4,553	3,851	(702)		
525	Increase (decrease) in reserves	261	(7)	(268)		
-	Increase (decrease) of investments	-	-	-		
4,613	Total applications of capital funding (D)	6,007	5,747	(260)		
(2,008)	Surplus (deficit) of capital funding (C-D)	(3,029)	(2,989)	40		
-	Funding Balance ((A-B) + (C-D))	-	-	-		
		OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$
Internal Borrowing		10,983,744	350,086	(867,177)	10,466,653	673,665

Transport Networks

Community Outcomes



A YEAR IN REVIEW

Increased signage designed to improve safety on high risk roads

During the peak summer months we again introduced reduced speed limits on sections of Thornton Road (in the vicinity of Blueberry Corner) and Wainui Road (in the Ohiwa Oyster Farm area). These temporary speed restrictions are supported by NZ Police staff, who believe they have contributed to improved road safety in these areas during the summer season, when high traffic volumes are experienced. Further permanent safety measures have been put in place through the winding section of Thornton Road, including no-passing lines and interactive curve warning signs. These initiatives appeared to be well received and may have contributed to the fact that our community perception survey findings indicated an increased level of satisfaction with the safety of our roads.

Focus on collaboration leading to improvements to our Roding Network

The Government's Road Maintenance Taskforce has developed recommendations to improve how we manage our roading network which encourages collaboration between councils, and with the State Highway Agency. We have been looking at ways of working more collaboratively in the Eastern Bay of Plenty and during the past year we have undertaken a number of joint projects with the State Highway Agency. The most significant of these was the road upgrade work at the SH2 Taneatua Road intersection leading into Tāneatua. This major road realignment has changed the priority so that vehicles on the State Highway do not need to stop. In working alongside the State Highway Agency we have taken the opportunity to upgrade Tāneatua Road leading up to this intersection. We have also partnered with the State Highway Agency on the past year's road resealing contract and guardrail improvements. Further collaborative opportunities are also being explored with neighbouring councils, including the tendering of a joint streetlight maintenance contract for the Eastern Bay.

Moving towards safer & more efficient street lighting

As part of our regular streetlight renewals programme we work alongside Horizon Energy Distribution Limited's power line undergrounding programme. Our streetlights

are often hung from Horizon's power poles, so when poles are removed, we install new streetlight poles where required. We take the opportunity that this situation presents to provide a safer and more sustainable lighting system. This includes altering the distance between lights to ensure consistent light coverage, and upgrading via safety-promoting LED installations. LEDs provide a better quality, more natural light and are also twice as efficient and last three times longer than conventional lights. During 2012/13, LED upgrades were undertaken on Awatapu Drive, and Bracken Street in Whakatāne and Arawa Street in Matatā. We intend to continue this programme to include more District roads in future years.

Providing a cycle & walking route between Whakatāne & Ōhope

This joint multi-year project involves the construction of a combined walkway and cycleway to provide a safe, active transportation option for people commuting between Ōhope and Whakatāne. Construction began during 2012/13 with the first stage of the project incorporating the Gorge Road/Ōhope Road intersection, linking to Foxglove Estate. The second stage will be completed in 2013/14, with the walkway/cycleway path extended along Ōhope Road to reach Pohutukawa Avenue in Ōhope. This project is scheduled to be completed by Christmas 2013, in time for the summer season. This exciting collaborative project between the Council's roading and recreation activities has been supported by funding contributions from the Whakatāne and Ōhope Community Boards, NZTA, Nova Energy Community Support Fund and the Grassroots Trust.

Progress made on studies to assess required network improvements

Three studies have been progressed during the past year. The Coastal Arterial Route Study looked at the Thornton Road and Wainui Road route, which carries our greatest traffic volume through the District. The study identifies safety improvements that can be made progressively along the route over the next 10 years. The Access and Security study was a joint initiative with the State Highway Agency focussing on access and security into and out of Whakatāne township.

The Eastern Bay of Plenty Route Security Study was funded by the State Highway Agency, with contributions from the Eastern Bay Councils. This study identified route



security issues for traffic travelling through the region and recommended a series of road improvements to the State Highway network and some local Council roads to reduce the frequency of incidents where travel is impacted by flooding and slips. The road improvements that these studies have identified will be assessed and prioritised for possible inclusion in the Council's Long Term Plan 2015-25.

Looking after our roads is a major undertaking

Our roading network makes an essential contribution to the safe and efficient movement of people and goods around our District. It is also the most costly service we deliver.

This year, our Roads and Footpaths Activities accounted for 24% of the Council's total operational expenditure and 36% of our total capital expenditure. The Council's roading network requires on-going maintenance, including re-seals, reconstruction, repairs and realignments. We spent approximately \$3.8m this year on renewals, which will both limit the degradation of our roading assets and ensure that they are managed sustainably. The community's satisfaction with the level of maintenance of our local roads, as measured by the latest perception survey, is above the target we had set for the year, which partly reflects the increased focus we have placed on customer service and responding promptly to feedback.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	15,563	14,345	1,218	\$	2011/12 asset depreciation over budgeted
Revenue	13,811	13,962	151	\$	
Net Cost of Service Surplus/(Deficit)	(1,752)	(383)	1,369	\$	
Capital Expenditure	5,746	5,753	(7)	\$	

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2012/13 BUDGET	REVISED BUDGET	ACTUAL SPEND	PERFORMANCE		
	\$000			TIME	QUALITY	COST
Sealed road resurfacing	2,180	2,180	1,995	Completed	Achieved	Under budget
Pavement Rehab on Taneatua Rd	-	-	228	Completed	Achieved	Over budget
Minor improvements	675	675	693	Completed	Achieved	On budget
Advanced Property Purchases	200	200	33	Behind Schedule	On Track	Under budget
Drainage Improvements	126	126	146	Completed	Achieved	Over budget
2011 Storm damage works	-	623	694	Completed	Achieved	Over budget
Route security works on Wainui Rd	-	-	116	Behind Schedule	On Track	Over budget. BOPRC are providing \$1.5M for flood improvements

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Roads are reasonably smooth and comfortable to travel on.

MEASURE: Smooth travel exposure; the percentage of vehicle kilometres travelled on smooth*, sealed roads.

TARGET: 89-93%

RESULT: **ACHIEVED** ✓ 91% (2011/12 result: Rural roads 98%, Urban roads 80%).

*Indicates the ride quality experienced by motorists.

GOAL: Roads are maintained to an appropriate standard.

MEASURE: Satisfaction that local roads are maintained to an appropriate standard (Customer Satisfaction Index score).

TARGET: 60-64

RESULT: **ACHIEVED** ✓ Average satisfaction score was 67.0 out of 100 (2011/12 result: 66.5). This result reflects a focus for the year on customer service and response times.

MEASURE: Pavement Integrity Index for Sealed Roads. This measures pavement faults to produce an index out of 100. The higher the number, the greater the integrity of our pavements.

TARGET: 94-98

RESULT: **ACHIEVED** ✓ 97 (2010/11 result: 96).

GOAL: Roads are maintained in a cost effective way.

MEASURE: Maintenance and renewal costs for this activity per vehicle kilometres travelled (vkt) on our local roads.

TARGET: <\$0.05/vkt

RESULT: **ACHIEVED** ✓ \$0.04 (New measure).

DID YOU KNOW?

We maintain...

700KMS
SEALED ROAD

200KMS
UNSEALED ROAD

4741
CULVERTS AND
CESSPITS

3169
STREETLIGHTS

188KM
FOOTPATHS

240KM
KERB AND CHANNEL

6341
ROAD SIGNS

172
BRIDGES

DID YOU KNOW?

*In 2012/13
we carried out...*

41.5KMS
ROAD RESEALS

12,000M²
HOTMIX SURFACING

23KMS
UNSEALED ROADS RE-
METALLING

502
STREETLIGHT REPAIRS

630
ROAD SIGN
REPLACEMENTS

626M
CULVERT RENEWAL

1200M
KERB AND CHANNEL
RENEWAL

600M
ROAD RENEWAL
(TĀNEATUA RD)

Road Safety

Community Outcomes



Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

A YEAR IN REVIEW

Reviewing how we deliver our Road Safety Programme

A review of the way we deliver Road Safety Programmes to our community has resulted in a new focus on the delivery of targeted information and education resources, optimising the variety of channels available to the Council to deliver key Road Safety messages. We have also worked with NZTA to find innovative ways of maximising our access to road safety programme subsidy funding. This will enable

us to enhance the Eastern Bay of Plenty's Road Safety programme in coming years, without increasing the rating impact on the community.

Getting messages into the community

This year we have delivered a number of Road Safety programmes throughout the District, targeted at high-risk areas. These programmes were delivered in line with the Government's Safer Journey's 2020 Strategy and focused on; safe roads and roadsides, safe speeds, safe road use, and safe vehicles. The programmes for the year are set out in the following table:

PROGRAMME	OUTPUT
1 Marae based programme	Targeting 18 Salvation Army Employment Plus Programme students.
7 'Choice Challenge' programmes	Working with approximately 40 probation/corrections referrals.
Student Support Programme	SADD initiatives and a workshop with 15 students from 3 Eastern Bay schools.
Drink Driving Kills Driving Skills/ Bloody Legend Campaign	Education caravan, leaflets & wristbands, Radio Advertisements.
17 days/month Speed Device placement	Speed device used for temporary speed zones, high risk areas and high logging traffic areas.
2 Belt Up Clinics	Clinics in Whakatāne and Opotiki. Fitted tether bolts and checked car seats.
1 Labour Day Fatigue Stop	Waioeka Gorge safety stop. 484 vehicles stopped by police, 64 drivers interviewed, refreshment provided.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	326	154	172	\$	Reduction in number of programmes delivered
Revenue	326	159	(168)	\$	Less subsidies as a result of delivering less programmes
Net Cost of Service Surplus/(Deficit)	-	4	4	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: To reduce network-related injuries and fatalities through information and educational campaigns.

MEASURE: Satisfaction with the safety of our roads (Customer Satisfaction Index score).

TARGET: 64-68

RESULT: **ACHIEVED** ✓ Average satisfaction score was 68.6 out of 100 (2011/12 result: 66.9).

Parking Enforcement



Community Outcomes



A YEAR IN REVIEW

Facilitating the availability of prime parking spaces

Our Parking Wardens have been consistently monitoring the restricted parking zones in the Whakatāne township to ensure all shoppers have fair access to prime parking areas during business hours. As a result of more consistent staffing levels, we have been able to provide more frequent

monitoring of our restricted parking areas. This has helped to improve the turnover of parking spaces over the last year and enhance the shopping experience in the Whakatāne CBD and Kopeopeo shopping areas. As a result of increased monitoring, the number of tickets issued has also increased, from 4,496 in 2011/12 to 5,766 in 2012/13. Of the tickets issued about 36% were for parking infringements, helping to improve the flow of traffic, while 64% related to warrant of fitness or registration infringements, targeting unsafe cars on our roads.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	355	296	59	\$	Contribution paid to the Crown less than budgeted
Revenue	419	407	(12)	\$	
Net Cost of Service Surplus/(Deficit)	64	111	48	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Parking enforcement maximises the availability of parking and ensures vehicles are safe.

MEASURE: Satisfaction with Council provided parking in Whakatāne (Customer Satisfaction Index score).

TARGET: 72-76

RESULT: NOT ACHIEVED X

Average satisfaction score was 71.0 out of 100 (2011/12 result: 71.6).

MEASURE: Regular patrols are carried out at least three times a day in Whakatāne and at least three times a week in Kopeopeo.

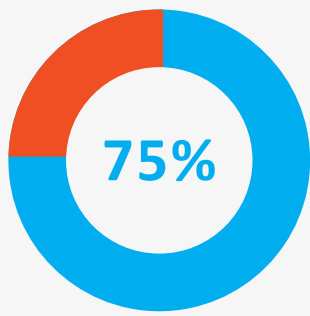
TARGET: Three per day Whakatāne, three per week Kopeopeo.

RESULT: ACHIEVED ✓ Consistent staffing levels have enabled us to increase our patrol coverage (2011/12 result: not achieved – staffing levels did not allow the target to be met for patrols in Kopeopeo).



KEY RESULTS FOR 2012/13

Delivering our services:



Water Supply

Ngā Puna Wai Hei Oranga mō te Rohe Whānui

AFFORDABLE, RELIABLE & GOOD QUALITY
WATER SUPPLIES FOR OUR COMMUNITY

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT – Water Supply

LTP 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000
OPERATIONAL				
Sources of operating funding				
-	General rates, uniform annual general charges, rates penalties	-	-	-
1,896	Targeted rates (other than a targeted rate for water supply)	2,029	2,309	280
-	Subsidies and grants for operating purposes	-	6	6
2,890	Fees, charges, and targeted rates for water supply*	3,151	2,886	(265)
286	Internal charges and overheads recovered	172	114	(58)
4	Local authorities fuel tax, fines, infringement fees, and other receipts	11	61	50
5,076	Total operating funding (A)	5,363	5,377	13
Applications of operating funding				
1,454	Payments to staff and suppliers	1,491	1,710	219
455	Finance costs	459	418	(41)
2,166	Internal charges & overheads applied	1,992	1,841	(151)
-	Other operating funding applications	-	9	9
4,075	Total applications of operating funding (B)	3,942	3,977	36
1,001	Surplus (deficit) of operating funding (A-B)	1,421	1,400	(23)
CAPITAL				
Sources of capital funding				
-	Subsidies and grants for capital expenditure	-	148	-
37	Development and financial contributions	25	28	3
1,089	Increase (decrease) in debt	(182)	763	945
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
1,127	Total sources of capital funding (C)	(157)	939	948
Applications of capital funding				
Capital expenditure				
355	- to meet additional demand	41	404	363
260	- to improve level of service	240	865	625
1,646	- to replace existing assets	1,079	1,290	211
(134)	Increase (decrease) in reserves	(96)	(220)	(124)
-	Increase (decrease) of investments	-	-	-
2,127	Total applications of capital funding (D)	1,264	2,339	1,075
(1,001)	Surplus (deficit) of capital funding (C-D)	(1,421)	(1,400)	(127)
-	Funding Balance ((A-B) + (C-D))	-	-	-

* targeted rates for water supply include volumetric charges only.

	OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$
Internal Borrowing	6,617,037	1,224,943	(461,560)	7,380,420	417,560

Water

Community Outcomes



A YEAR IN REVIEW

Improving the security of water in Matatā

During 2012/13, we undertook the preliminary work required to increase the storage capacity of Matatā water supply scheme. This involved work to stabilise the slope below the existing water tank and the site of the proposed new tank as the reservoir site is vulnerable to slips. A new steel water tank of 150,000 litre capacity will be installed in 2013/14 year. The addition of an extra reservoir will allow the Council to improve the level of service provided for the Matatā community, increasing the volume of water we can store and reducing the likelihood of supply interruptions. The extra capacity will mean that we are able to store enough water for a 24-hour period. The completion of this project has been timed so that it is completed prior to the completion of a Matatā sewage scheme.

The total project cost is estimated at \$395,000. We have applied for subsidy funds from the Ministry of Health's Drinking Water Assistance Programme to implement these projects to reduce the burden on our rate payers. The Ministry has already approved \$224,000 subsidy funds for the project. We anticipate that the Ministry will approve another \$100,000 to complete the project in 2013/14.

Water restrictions for Whakatāne & Ōhope

A particularly dry summer coupled with very high tides led to some serious concerns about the water supply for Whakatāne and Ōhope. Low flow levels in the Whakatāne River meant that salt water was encroaching up the river, past our water treatment plant intake on every high tide. Staff devised a number of innovative solutions to the issues this presented, including: extending our emergency intake approximately one kilometre upstream of the permanent water intake structure and attaching the intake water pump to a barge to draw water from the layer of water near the surface, which was not affected by excess salinity at that distance. We also carried out a voluntary water reduction campaign, which helped to significantly reduce water consumption, but with no significant rain forecast, we

were forced to impose formal water use restrictions on 21 March 2013. Thanks to the measures taken by staff and the water conservation efforts of the community, we were able to avoid salt water contaminating the Whakatāne and Ōhope water supplies during this drought period. If these emergency measures were not taken we would have been pumping salty water into Whakatāne and Ōhope water system continuously for about six weeks. This situation has re-emphasised the on-going need to encourage water conservation and look for more sustainable sources for these water supplies.

All paying the same

This year, the new funding policy of amalgamating water schemes took effect. This means that everyone who is connected to a District water supply scheme pays the same supply charge, irrespective of where they live, except for Plains and Murupara water schemes. We also reduced the fixed portion and increased the variable portion of the usage component of water bills for those on a metered water supply. This rewards households which use less water - one of our on-going water conservation initiatives.

At the same time, for those with a metered water supply, we changed from quarterly to six-monthly billing. The fixed portion of your water rates was also moved from your general rates bill to your water bill. You will have noticed a change in your water bills this year as a result of those changes.

Upgrades to the Whakatāne Township & Ōhope water supplies

The Whakatāne Water Treatment plant, which supplies the water for both the Whakatāne and Ōhope schemes, has undergone a number of upgrading projects over the last year. A project to strengthen the plant against earthquake damage was undertaken to help make the water supply more secure. Filters and pipes were also upgraded to increase treatment capacity and efficiency and enable us to produce consistently high quality water. These upgrades will improve our compliance with national drinking water



standards, building on the quality gain brought about by the introduction of UV treatment in 2011/12.

Checking for leaks in Edgecumbe & Murupara

We have installed flow meters at the Edgecumbe and Murupara water supply schemes to get a better gauge on water usage. For schemes that are not metered, we are not able to closely monitor water usage, which makes it harder to detect leaks or problems in the system. This can lead to significant water leaks going undetected, resulting in wasted water and an increased potential for infrastructure damage. With the installation of flow meters, we can now monitor water usage and respond to issues as they arise. Since their installation, the meters have already helped us identify and respond to leaks. While this is a step in the right direction, it is not as effective as metered connections which provide greater certainty to households and can significantly reduce the overall cost of delivering water.

We have also reduced the water pressure in Whakatāne and Ōhope. The water pressure in these schemes was higher than standard water pressure in similar schemes. By reducing the water pressure we are reducing the amount of leaks in the pipe system, thus reducing the water wastage. However, we still maintain enough water pressure in the system to ensure that all our connected customers are getting sufficient water pressure for their daily requirements.

Expanding the water supply on the Plains

The Plains water supply scheme is experiencing a few problems including low water pressure during peak summer periods, higher Arsenic levels than stipulated in the current Drinking Water Standards and a pipe system that is not designed to serve entire Plains area. Therefore, we have been preparing a 50 year water strategy for the Plains water supply scheme taking into account present and long term demand for water in the Plains and redefining the water boundary. We used a hydraulic network model to carry out this study. Taking good quality water from Paul Road water aquifer is part of this strategy. We carried forward budget into 2012/13 to purchase a piece of land at Paul Road to install a bore field for future water source for some parts of the Plains.

The purchase of land on Paul Road to access a water source was nearing completion at the end of the year. During the year a commissioner granted the subdivision consent required, enabling us to secure this land for the construction of a valuable utility. This will allow us to make improvements in water pressure and quality. This year we applied for subsidy funds of \$2 Million from the Ministry of Health's Drinking Water Assistance Programme to establish a bore field at Paul Road and install a bulk supply main from the bore field to Edgecumbe to supply good quality water to Edgecumbe township. It is expected that the outcome of this funding application will be known in September 2013.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	5,758	5,909	(151)	\$	-
Revenue	5,216	5,438	222	\$	-
Net Cost of Service Surplus/(Deficit)	(542)	(471)	71	\$	
Capital Expenditure	1,360	2,559	(1,200)	\$	

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2012/13 BUDGET	REVISED BUDGET	ACTUAL SPEND	PERFORMANCE		
	\$000			TIME	QUALITY	COST
Whakatāne/Ōhope water supply	918	1,480	1,513	Completed	Achieved	Carry forward
Edgecumbe Bulk Zoning & Metering	50	50	46	Completed	Achieved	Under budget
Matatā Water supply - slope stabilisation	-	-	129	Completed	Achieved	Over budget work to stabilise side slopes of the reservoir
Ruatoki - Extension of Water Supply	-	297	129	Completed	Achieved	Under budget
Plains - Land Purchase Paul Rd Bore	-	355	393	On schedule	On Track	On budget

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Provide a continuous and safe water system throughout the District's urban, residential and commercial areas that complies with drinking water standards.

MEASURE: Percentage of water supply systems (excluding Plains) with adequate pressure to fill a 15 litre bucket in one minute.

TARGET: 95%

RESULT: **ACHIEVED** ✓ 99%. This increased service is the result of the Whakatāne semi-rural reticulation upgrade project completed in 2011/12 (2011/12 result: 97%).

MEASURE: Percentage of the time our water schemes comply with specified New Zealand Drinking Water Standards.

TARGET: 90%

RESULT: **NOT ACHIEVED** ✗ Whakatāne water treatment plant met the full requirements of the present Drinking Water Standards this year, however the water scheme has not met this standard as the number and frequency of samples taken for water testing from the water pipe network did not comply with present Drinking Water Standards. Our water is safe to drink and we regularly monitor the water quality of each scheme and now do so in accordance with present Standards (New measure).

MEASURE: Satisfaction with the quality of drinking water supplied to residents' homes (Customer Satisfaction Index score).

TARGET: 62-66

RESULT: **ACHIEVED** ✓ Average satisfaction score was 68.6 out of 100. A particularly good result considering the drought conditions experienced this year (2011/12 result: 64.3).

MEASURE: Percentage of pipe bursts and major breaks affecting urban systems responded to within one hour.

TARGET: 99%

RESULT: **ACHIEVED** ✓ 99.8% (2010/11 result: 99.7%).



DID YOU KNOW?

this year we have renewed...

71 CONNECTIONS
IN EDGE CUMBE

61 CONNECTIONS & METERS
IN ŌHOPE

75 CONNECTIONS & 132 METERS
IN WHAKATĀNE

29 BACK FLOW PREVENTERS
IN THE PLAINS

56 METERS & MANIFOLDS & 36 BACKFLOW PREVENTERS
IN THE PLAINS



Sewage Treatment & Disposal

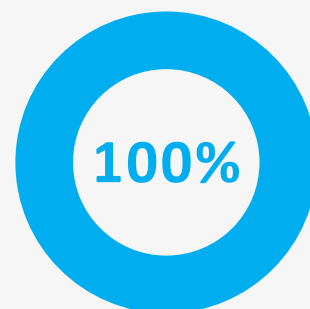
Te Tūkuhanga o ngā Parapara

PROTECTING OUR PEOPLE & ENVIRONMENT BY REMOVING, TREATING & DISPOSING OF OUR SEWAGE



KEY RESULTS FOR 2012/13

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT – Sewage Treatment & Disposal

LTP 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000	
OPERATIONAL					
Sources of operating funding					
18	General rates, uniform annual general charges, rates penalties	14	13	(1)	
1,956	Targeted rates (other than a targeted rate for water supply)	2,133	2,131	(2)	
-	Subsidies and grants for operating purposes	-	-	-	
113	Fees, charges, and targeted rates for water supply	182	111	(71)	
148	Internal charges and overheads recovered	146	49	(97)	
97	Local authorities fuel tax, fines, infringement fees, and other receipts	175	156	(19)	
2,331	Total operating funding (A)	2,650	2,460	(190)	
Applications of operating funding					
760	Payments to staff and suppliers	918	794	(124)	
265	Finance costs	171	204	33	
841	Internal charges & overheads applied	887	746	(141)	
-	Other operating funding applications	-	-	-	
1,866	Total applications of operating funding (B)	1,976	1,744	(232)	
465	Surplus (deficit) of operating funding (A-B)	674	716	42	
CAPITAL					
Sources of capital funding					
2,921	Subsidies and grants for capital expenditure	134	-	(134)	
39	Development and financial contributions	168	79	(89)	
2,064	Increase (decrease) in debt	537	2,068	1,531	
-	Gross proceeds from sale of assets	-	-	-	
-	Lump sum contributions	-	-	-	
5,023	Total sources of capital funding (C)	839	2,147	1,308	
Applications of capital funding					
Capital expenditure					
-	- to meet additional demand	-	71	71	
5,257	- to improve level of service	738	2,243	1,505	
323	- to replace existing assets	828	730	(98)	
(92)	Increase (decrease) in reserves	(53)	(181)	(128)	
-	Increase (decrease) of investments	-	-	-	
5,488	Total applications of capital funding (D)	1,513	2,863	1,350	
(465)	Surplus (deficit) of capital funding (C-D)	(674)	(716)	(42)	
-	Funding Balance ((A-B) + (C-D))	-	-	-	
	OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$
Internal Borrowing	2,596,939	2,195,604	(127,282)	4,665,262	203,688

Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

Sewage Treatment & Disposal

Community Outcomes



A YEAR IN REVIEW

Major improvements to the sewerage network in Edgecumbe

In the past, Edgecumbe was experiencing sewer overflows during high intensity storm events due to stormwater getting into the sewerage system. The main reasons for stormwater inflow and infiltration are illegal stormwater connections, low level gully traps in private properties, broken sewer pipes in the public pipe network and broken sewer laterals in private properties. We have carried out intensive investigations and studies to understand the best affordable solution to minimize health risk to the community from these sewer overflows. Following these investigations and studies we understood that trying to repair the broken pipes is expensive and will not provide the desired outcome. Instead we have chosen to increase the pumping capacity of the sewerage system to provide a more effective and affordable outcome.

During the year, we have replaced the Kowhai Street and Bridge Street pump stations, which were underperforming, with a new larger pump station in Edgecumbe and installed a new rising main from this new pump station to take sewage to the town's sewerage treatment plant. We also installed a new sewer rising main from Bridge Street pump station and connected it to the new rising main from the new pump station. These new capital works have resulted in a more efficient system that is able to cope with a much larger volume of sewage. The upgraded system will now be able to cope with the increased volume and will therefore help to reduce the risk of overflows and contamination especially on the western side of the Rangitaiki River. This project has been very well received by the community and was completed under budget. Further upgrades to the sewerage system will be carried out in 2013/14 year. We are also continuing to monitor for illegal stormwater connections to the sewerage system and advise property owners to raise low level gully traps to minimise stormwater getting into the sewerage system.

Upgrading the pumping capacity of the Whakatāne Sewerage Network

Whakatāne is also experiencing sewer overflows in Whakatāne South area and areas around Eivers Road, Pohutu Street, Bracken Street and Barry Avenue. The main

reasons for these overflows are under-capacity City South and Pohutu Street pump stations and associated rising mains combined with high level of stormwater getting into the sewerage system. In these two areas we have carried out investigations in the last year to identify the illegal discharge of stormwater into the sewerage system and taken action to rectify those. Our investigations discovered 5% of properties had stormwater pipes illegally connected to our sewerage system. This year we had \$80,000 in the budget to carry out an option analysis for solutions and design of the two pump station upgrades and rising main upgrades. The physical works are planned in the 2013/14 year. We have completed the options analysis and the preliminary design of the two sub-systems.

We had also planned to spend \$100,000 on an investigation into the condition of our pipe networks to identify areas where high volumes of stormwater are getting into the sewerage network. However, we were able to complete preliminary investigations for \$30,000, which allowed us to use the remaining \$70,000 to upgrade a part of the City South rising main. This means that rather than undertaking very costly works to try and entirely reduce the amount of stormwater getting into the sewerage system, we are focussing on increasing the capacity of the system to deal with stormwater infiltration and prevent overflows and contamination in these areas during heavy rainfall. The upgrading of a part of rising main from city south pump station was not a budgeted project, but by utilising savings made in this activity and part of the renewals budget, we were able to complete this part of the upgrade in advance, with the rest of the project continuing in the 2013/14 year as mentioned above.

Ōhope discharge options and network upgrades

The discharge consent which allows us to dispose of Ōhope's treated sewage through our current sea outfall has now expired and this year, we have been going through a consent renewal process. We have investigated a range of different land disposal options, but sea disposal remains the preferred and most economically viable option. However, the Ministry of Health concerns about sea disposal mean the consent renewal process is on-going. A quantitative public health risk assessment was carried out to assess the microbiological risk to our communities who are using Ōhope sea and beach for recreational activities as well



as to assess the risk of infection from the consumption of uncooked shellfish. In the 2013/14 further sea water sampling in the area of sewer discharge and a sewer dispersion study in the area of sea outfall will be carried out before finalising a sewer treatment upgrade option in Ōhope. In the interim, we are permitted to continue operating under our expired consent conditions.

This year, we have also begun a project to increase the storage capacity of our sewerage systems in Ōhope. This project will involve the introduction of an additional tank, below ground, in Maraetotara Reserve, which will increase the storage capacity for much of Western Ōhope and Ōtarawairere. This will help to both alleviate issues experienced during wet weather events and provide additional storage during extended power outages. The sewerage system will then meet industry guidelines for storage capacity. Delays in obtaining the required resource consents have meant this project could not be completed during 2012/13. The project will now be completed during the 2013/14 year.

Tāneatua sewerage scheme upgrades

An upgrade was carried out during the year on the outfall structure that discharges treated sewage into the Whakatāne River. We also undertook some investigation work at the treatment ponds in Tāneatua, which identified a simple and low cost fix to a potential pond leakage issue.

In collaboration with Ngāi Tuhoe, we took the opportunity to upgrade the gravity main which runs through the area where the carpark is being constructed for the new Tuhoe Te Uru Taumatua headquarters building. This has avoided potential disruption in a few years when the main was due for renewal.

DID YOU KNOW?

We maintain...

6
SEWERAGE SCHEMES

46
PUMP STATIONS

176KMS
SEWER PIPES

A sewerage scheme for Matatā

During the year, we undertook a special consultation process to gauge the community's views on the development of a reticulated sewerage scheme for Matatā. The feedback provided showed comprehensive support for a full reticulation scheme, both from the Matatā community and the wider District. That support saw the Council make a final decision to progress with the sewerage scheme, at an estimated project cost of \$10.8 million. The Council has since confirmed this decision with the Ministry of Health to secure subsidy funding of \$6.7 million for the project. We have also been able to secure a further grant of \$1.88 million from the Bay of Plenty Regional Council, helping to make this an affordable community project.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,015	2,818	197	\$	Savings in unplanned maintenance costs and depreciation and overheads
Revenue	2,613	2,375	(239)	\$	Reduced income from development contributions and sundry income
Net Cost of Service Surplus/(Deficit)	(401)	(443)	(41)	\$	
Capital Expenditure	1,566	3,044	(1,478)	\$	

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2012/13 BUDGET	REVISED BUDGET	ACTUAL SPEND	PERFORMANCE		
	(\$000)			TIME	QUALITY	COST
Whakatāne sewer reticulation renewals	195	417	447	Completed	Achieved	On budget
Whakatāne treatment plant upgrade	250	250	195	Completed	Achieved	Under budget
Whakatāne inflow and infiltration reduction	100	100	82	Completed	Achieved	Under budget
Ōhope pump station upgrade	150	150	87	Completed	Achieved	Under budget
Ōhope treatment plant upgrade	50	353	129	Delayed resource consent process will be completed in the next financial year	On Track	Under budget
Ōhope pipe replacement	200	200	223	Completed	Achieved	Over budget
Edgecumbe pump station upgrade & storage	-	580	68	Delayed material purchased for the project used to address Whakatāne salinity issue	On Track	Under budget
Edgecumbe reticulation upgrade	-	1,032	1,350	Completed	Achieved	Over budget
Matatā treatment plant & reticulation construction	200	200	206	On schedule. Three year project	On Track	On budget
Murupara upgrade/replace commutator	80	80	84	Completed	Achieved	On budget
Tāneatua ponds desludging	150	123	6	Deferred	On track	Under budget
Te Mahoe soakage field	-	-	20	Completed - Emergency works at treatment plant	Achieved	Unbudgeted - emergency works
Coastlands upgrade	-	70	71	Completed	Achieved	On budget

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: To provide high quality, efficient and reliable sewerage systems that meet the reasonable needs of the urban and commercial communities.

MEASURE: Percentage of blockages and breakages affecting the system in Whakatāne are responded to within one hour*.

TARGET: 90%

RESULT: **ACHIEVED** ✓ 98.7% (2011/12 result: 97%)

MEASURE: Reducing environmental impacts of sewage by providing reticulated schemes in urban areas.

TARGET: Whakatāne - Ōhope - Edgecumbe - Murupara - Tāneatua - Te Mahoe

RESULT: **ACHIEVED** ✓ The Council continued to provide six schemes in our main urban areas. We are looking to introduce a Matatā Sewerage Scheme from 2015/16. (2011/12 result: achieved)

MEASURE: Satisfaction with the overall disposal and treatment of sewage (Customer Satisfaction Index score).

TARGET: 68-72

RESULT: **ACHIEVED** ✓ Average satisfaction score was 81.0 out of 100 (2010/11 result: 70.4). This is a great improvement on previous years and well above our target.

MEASURE: Number of sewerage related resource consent infringement and abatement notices received by the Bay of Plenty Regional Council.

TARGET: 0

RESULT: **ACHIEVED** ✓ No abatement notices received (2011/12 result: not achieved – 1 abatement notice received for Te Mahoe).

*Note: Actual works required to remedy breakages and blockages will vary according to the extent of the fault.



“People are pretty impressed with the work that has been undertaken though and there’s a much better relationship with Council now...”

John Riley - Titoki Street resident

Sewerage upgrade

a welcome development for Edgecumbe

A \$1.2 million upgrade of Edgecumbe’s sewerage reticulation system should mean the town’s residents have seen the last of sewer overflows during heavy rainfall events.

Issues with stormwater overloading the sewerage system arose after the 1987 Edgecumbe earthquake. Efforts to address the problem were only partially successful and Council engineers decided the only failsafe solution would be to increase the sewerage system capacity to deal with the peak flows which occur in severe weather events.

“It’s fair to say there was a level of frustration about these problems in the community and a perception that Edgecumbe had been neglected,” says Titoki Street resident John Riley. “People are pretty impressed with the work that has been undertaken though and there’s a much better relationship with Council now, thanks to the involvement of our Councillors and the new executive staff. I think there’s a positive feel about the community today, which partly relates to the fantastic work the Edgecumbe Development and Improvement Team has been doing, and this work has just added to that and has given the town a real lift.”

He says observing the scale of the work undertaken has been fascinating. “There were some huge trenches dug for the new rising mains. The contractors were very good and put a lot of effort into keeping the dust nuisance under control and keeping people informed about what was going on. The system hasn’t been fully tested yet, because we’ve only had one heavy rainfall since it was finished, but it coped with that well and there were no problems with overflows.”

Tradewaste

Community Outcomes



A YEAR IN REVIEW

Monitoring to ensure compliance with Trade Waste consents

The Council monitors more than 200 trade waste sites in the District. During 2012/13, we renewed the Trade Waste consents for all registered sites. This involved monitoring to ensure that processes are in place to enable the site to comply with the consent conditions. For food premises, this includes having grease traps, and for vehicle-related businesses, it includes oil interceptors. A cleaning regime is also required to be in place to ensure compliance with the conditions of the consent.

DID YOU KNOW?

Trade waste is the sewage produced by commercial and industrial properties

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	194	158	36	\$	Reduced direct costs
Revenue	194	120	(74)	\$	Result of overstated budget and partial refund for revenue from last year
Net Cost of Service Surplus/(Deficit)	-	(38)	(38)	\$	

Key: \$ = Favourable – \$ = Unfavourable

Leadership

Roads &
Footpaths

Water
Supply

Sewage
Treatment
& Disposal

Stormwater
Drainage

Waste

Environmental
Sustainability

Community
Safety

Arts &
Culture

Community
Property

Recreation
& Community
Facilities

Corporate
& District
Activities

Council
Controlled
Organisations



KEY RESULTS FOR 2012/13

Delivering our services:



Stormwater Drainage

Te Wai Āwhiowhio me ōna Rītenga

REDUCING THE EFFECTS OF FLOODING ON PROPERTIES, BUSINESSES & OUR COMMUNITY

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT – Stormwater Drainage

LTP 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000		
OPERATIONAL						
Sources of operating funding						
-	General rates, uniform annual general charges, rates penalties	253	231	(22)		
2,025	Targeted rates (other than a targeted rate for water supply)	2,313	2,317	4		
-	Subsidies and grants for operating purposes	-	-	-		
-	Fees, charges, and targeted rates for water supply	-	-	-		
1,881	Internal charges and overheads recovered	2,021	978	(1,043)		
200	Local authorities fuel tax, fines, infringement fees, and other receipts	200	282	82		
4,106	Total operating funding (A)	4,787	3,808	(979)		
Applications of operating funding						
1,507	Payments to staff and suppliers	1,585	2,150	565		
868	Finance costs	778	788	10		
1,200	Internal charges & overheads applied	1,544	423	(1,121)		
-	Other operating funding applications	-	-	-		
3,575	Total applications of operating funding (B)	3,907	3,361	(546)		
532	Surplus (deficit) of operating funding (A-B)	880	447	(433)		
CAPITAL						
Sources of capital funding						
-	Subsidies and grants for capital expenditure	-	18	18		
4	Development and financial contributions	114	32	(82)		
(78)	Increase (decrease) in debt	323	484	161		
-	Gross proceeds from sale of assets	-	-	-		
-	Lump sum contributions	-	-	-		
(74)	Total sources of capital funding (C)	437	534	97		
Applications of capital funding						
Capital expenditure						
-	- to meet additional demand	-	-	-		
588	- to improve level of service	1,300	1,521	221		
-	- to replace existing assets	-	-	-		
(130)	Increase (decrease) in reserves	17	(540)	(557)		
-	Increase (decrease) of investments	-	-	-		
458	Total applications of capital funding (D)	1,317	981	(336)		
(532)	Surplus (deficit) of capital funding (C-D)	(880)	(447)	433		
-	Funding Balance ((A-B) + (C-D))	-	-	-		
		OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$
Internal Borrowing		13,211,002	1,145,882	(661,745)	13,695,139	788,453

Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

Stormwater Drainage

Community Outcomes



A YEAR IN REVIEW

Reducing the impact of flooding on the Whakatāne community

As a result of studies undertaken in previous years, we have been able to gain a much better understanding of the causes and effects of flooding in the Whakatāne township. Our studies have prioritised seven catchment areas that need significant work to protect against flooding of private property. We have prioritised future improvements in these areas based on the frequency, severity and consequence of flooding events. Amongst the studies involved was a survey of floor heights to model the flow of water through town. Our objective is to try and protect houses and businesses from a 1-in-100 year flood event where it is practically possible.

Following our comprehensive stormwater study, we have prepared a prioritised programme to provide greater flood protection to our community in Whakatāne. High priority works commenced this year on the stormwater system at the Alexander Avenue/Douglas Street areas. These areas have been given high priority as some properties in these areas are vulnerable to flooding even in 1 in 2 year rainfall events. During 2012/13, 180 houses were flooded in this area. The main reasons for frequent flooding in these areas are the rapid and large quantities of stormwater runoff from the hill catchment to the east of Valley Road and under sized pipes in the area. During the year we replaced 45 metres of pipes to provide greater capacity to our stormwater system. It is practically not possible to provide 1 in 100 year flood protection in some isolated areas in this catchment. Our aim is to provide at least 1 in 50 year flood protection to those isolated areas in future. The first stage of the works was scheduled to be completed early in 2013/14, with the second stage of the upgrade to be completed later in the year. Once completed, this project should minimise future flooding in one of Whakatāne township's worst affected areas.

We have also completed electrical upgrades at the McAlister Street Pump Station. This is the main pump station in the northern area of Whakatāne and its operation is essential to remove the large volumes of stormwater generated by heavy rainfall events. These upgrades have included the addition of a generator connection point, which will ensure that even if power fails during an extreme weather event, this critical asset will still be able to operate. Other electrical upgrades at this pump station have also improved the operational control of the pump station during severe weather events.

The Wainui Te Whara Stream urban catchment flood mitigation works is another ongoing project intended to reduce the risk of flooding in Whakatāne. During the year, we carried out a two-stage geotechnical study, which has led to two improvement options being considered. The preferred option is the construction of a floodwater storage area in the upper Wainui Te Whara catchment, while the alternative is a general canal upgrade in the urban area. Now that we have a better idea about the feasibility and costs of these projects, we will be able to undertake a targeted consultation process to assess the community's views.

Investigations continue in Ōhope

This year we continued to work with the Bay of Plenty Regional Council and Te Runanga o Ngati Awa to look at reducing the flooding risk to Ōhope residents. This has included installing check dams on the Maraetotara and Millers Streams to reduce erosion in the upper catchments. We have also been looking at other possible solutions to address flooding around Maraetotara. However, those investigations have indicated that a structural solution would not be cost-effective for the number of houses being protected, while more cost-effective options would appear to be less effective at reducing the risk of flooding. Consultation with the affected community is ongoing.

Minimising flooding in Edgecumbe

Alongside the sewerage upgrades we have been undertaking in Edgecumbe during 2012/13, we have also made improvements to the town's stormwater system and overflow paths. By more effectively managing stormwater, and preventing it getting into the sewerage system, we hope to both minimise flooding and prevent the sewerage overflows that have been an on-going issue, particularly in western areas of the town. During the year we completed an upgrade to the low-lying northern area of Edgecumbe. This involved upgrading the existing network with new pipes and inlets and deepening open drains. The project will now bring the level of protection for this area of Edgecumbe up to a one-in-20 year rainfall event standard.

A new stormwater inlet pipe to the stormwater pump station to the south-west of the town has been constructed this year to provide better flood protection in this area. At present we are monitoring the performance of this pump station in big storm events and if necessary further upgrades will be carried out.



Debris detention structure for Matatā abandoned

In July 2012, the Council made a decision to not continue with the construction of a debris detention structure on the Awatarariki Stream. The proposed project, which had been signalled following major flooding and debris flow events in 2005, was abandoned due to significant concerns about its viability and escalating cost. Further

investigation has since determined that there is no viable downstream engineering mitigation option to protect against future debris flows. During 2012/13, the Council commissioned a risk assessment study on the landslide and debris flow hazards in Matatā, as part of a wider study on landslide hazards from the Ōhope, Whakatāne and Matatā escarpments.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,828	3,305	(477)	\$	A result of Awatarariki project costs being transferred from Capital to operational expenditure.
Revenue	2,880	2,881	1	\$	-
Net Cost of Service Surplus/(Deficit)	52	(424)	(476)	\$	
Capital Expenditure	1,300	1,521	(221)	\$	

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2012/13 BUDGET	REVISED BUDGET	ACTUAL SPEND	PERFORMANCE		
	\$000			TIME	QUALITY	COST
Whakatāne Alexander Ave / Douglas Street area flood mitigation works	680	680	711	Completed	Achieved	On budget
Whakatāne - Catchment Investigation	-	64	45	Completed	Achieved	Under budget
Ōhope upgrades and works	190	260	136	Completed	Achieved	Under budget
Matatā flood hazard mitigation	-	1,118	18	Behind schedule	Modified (Reduced)	Under budget
Edgecumbe stormwater drain extension	350	350	328	Completed	Achieved	On budget

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Provide a quality and safe urban stormwater system accessible throughout Whakatāne (including Ōtarawairere), Ōhope, Edgecumbe, Matatā, Murupara, Tāneatua, Te Mahoe and Te Teko.

MEASURE: Initial response time to blockages affecting the system within three hours. Note: Actual works required to remedy blockages will vary according to the extent of fault.

TARGET: 85%

RESULT: **ACHIEVED** ✓ 100% (2011/12 result: 100%)

MEASURE: Percentage of stormwater systems built to meet one in 10 year rainfall event.

TARGET: 80%

RESULT: **ACHIEVED** ✓ 85%. Works undertaken this year will help contribute to this result increasing in future years. (2011/12 result: 81%).



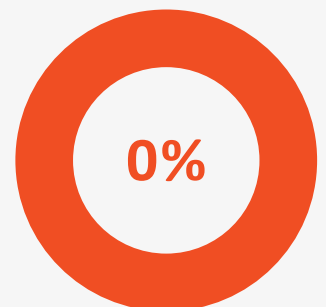
Waste

Ngā Parapara

MINIMISING, COLLECTING, RECYCLING & DISPOSING OF OUR SOLID WASTE

KEY RESULTS FOR 2012/13

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT – Waste

LTP 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000	
OPERATIONAL					
Sources of operating funding					
169	General rates, uniform annual general charges, rates penalties	501	458	(43)	
4,190	Targeted rates (other than a targeted rate for water supply)	3,883	3,882	(1)	
-	Subsidies and grants for operating purposes	100	119	19	
1,238	Fees, charges, and targeted rates for water supply	1,350	1,157	(193)	
51	Internal charges and overheads recovered	-	-	-	
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	43	43	
5,648	Total operating funding (A)	5,834	5,659	(175)	
Applications of operating funding					
4,191	Payments to staff and suppliers	4,371	4,502	131	
332	Finance costs	248	282	34	
745	Internal charges & overheads applied	734	693	(41)	
-	Other operating funding applications	-	-	-	
5,268	Total applications of operating funding (B)	5,353	5,476	124	
380	Surplus (deficit) of operating funding (A-B)	481	183	(299)	
CAPITAL					
Sources of capital funding					
875	Subsidies and grants for capital expenditure	-	-	-	
53	Development and financial contributions	8	11	3	
523	Increase (decrease) in debt	(240)	(280)	(40)	
-	Gross proceeds from sale of assets	-	-	-	
-	Lump sum contributions	-	-	-	
1,451	Total sources of capital funding (C)	(232)	(270)	(37)	
Applications of capital funding					
Capital expenditure					
205	- to meet additional demand	10	-	(10)	
1,975	- to improve level of service	75	-	(75)	
-	- to replace existing assets	10	-	(10)	
(349)	Increase (decrease) in reserves	154	(87)	(241)	
-	Increase (decrease) of investments	-	-	-	
1,831	Total applications of capital funding (D)	249	(87)	(336)	
(380)	Surplus (deficit) of capital funding (C-D)	(481)	(183)	299	
-	Funding Balance ((A-B) + (C-D))	-	-	-	
	OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$
Internal Borrowing	4,296,484	44,610	(324,862)	4,016,232	282,025

Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

Waste Disposal

Community Outcomes



A YEAR IN REVIEW

Looking at options to reduce the costs of waste disposal

Throughout the year, we have been investigating options for reducing the cost of waste disposal for our community. This has included reviewing the long-term strategy for all three waste activities. Disposing of our waste currently costs over 10% of the Council's total operating costs. This year we spent more than we had budgeted for this activity. This was primarily the result of some cost components being higher than anticipated. The Council now employs a Solid Waste Manager to actively manage and seek efficiencies in our waste activities. This is an essential role given the cost and the intricacies involved in effectively managing our District's waste, but it also added an unbudgeted cost to the waste activity for the 2012/13 year. Without substantial capital investment, we are limited in the options we have available to reduce waste disposal costs.

Studies undertaken this year to identify potential cost reduction have involved reviews of collection methods, processing alternatives and disposal options. This has included an analysis of the frequency and method of kerbside waste collection, the business case for outsourcing waste disposal to a private organisation and consideration of potential partnerships with other organisations to provide waste disposal options in the Bay of Plenty. These investigations are on-going and it is hoped that progress will be made in reducing waste disposal costs for the community in 2013/14.

Reprocessing facility not progressing

The Council had investigated the possibility of developing a reprocessing plant in Awakeri that would help to reduce the volume of waste going to landfill. It had been anticipated outcomes that this work would lead to an increase in reprocessing and recycling costs and a corresponding decrease in landfill disposal charges. That proposed development has not proceeded, and as a result, there is an unfavourable variance in waste costs, with an overspend in waste disposal partially off-set by savings in the other waste activities. A more cost effective facility is being investigated to replace the planned Awakeri facility. Significant operational savings are expected to be made that will reduce future increases in waste transport, processing and disposal costs.

DID YOU KNOW?

13,200
HOUSEHOLDS RECEIVE
WASTE COLLECTION

4,900
TONNES OF WASTE
COLLECTED FROM
HOUSEHOLDS THIS
YEAR

11,900
TONNES OF WASTE
DISPOSED AT
LANDFILL THIS YEAR

4,160
TONNES OF
GREENWASTE
DIVERTED THIS YEAR

80 LITRES
IS THE SIZE OF YOUR
GENERAL REFUSE
WHEELIE BIN



How households pay for waste disposal

A change in the way waste costs are recovered means, the former fixed charge for everyone who uses the waste collection service is now charged through your general rate. This means that a greater portion of waste costs are now based on the capital value of your property. As a result,

anyone who has a lower value property will see a reduction in waste costs, while for owners of higher value properties waste disposal costs may have increased. We also consulted with the community, through our 2013/14 Annual Plan process, on increasing the charges for disposing of waste at the transfer station.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,874	3,171	(297)	\$	Over budget due to the appointment of the Solid Waste Manager and above budget operating costs.
Revenue	3,109	2,979	(130)	\$	Transfer station income was 10% below expectations
Net Cost of Service Surplus/(Deficit)	235	(192)	(427)	\$	
Capital Expenditure	75	-	75	\$	Project costs covered within operational budgets

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Waste Minimisation is actively promoted to all residents/ratepayers and strategies are put in place to manage waste for the long term.

MEASURE: Decrease in the portion of waste to landfill compared to greenwaste and recycling.

TARGET: 50%

RESULT: **NOT ACHIEVED** X 56.9% of all solid waste collected was disposed at landfill. Our target was based on an erroneous estimation of green waste diversion volumes. Our result for 2012/13 does show an improvement on the previous year (2011/12 result: 57.2%).

Waste Reprocessing

Community Outcomes



A YEAR IN REVIEW

Investigating a composting facility for our District

Greenwaste from people's gardens is full of natural nutrients that are essential for healthy soil and vegetation growth. The council's current arrangement for disposing of greenwaste via Ecocast Limited's Kawerau composting

facility will soon be coming to an end and we have been looking at other ways of dealing with this material in a cost-effective and environmentally-friendly manner. Keeping greenwaste out of the solid waste stream disposed of by landfill also helps reduce our overall waste disposal costs. These investigations are on-going and we hope to make a decision soon that will ensure we have a long-term, sustainable and cost-efficient solution for greenwaste processing.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	973	963	10	\$	Less greenwaste to process
Revenue	973	931	(42)	\$	Less greenwaste processed than budgeted due to the long dry summer
Net Cost of Service (Surplus)	-	(32)	(32)	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Waste Minimisation is actively promoted to all residents/ratepayers and strategies are put in place to manage waste for the long term.

MEASURE: Increase in the proportion of waste being reprocessed.

TARGET: 29%

RESULT: **NOT ACHIEVED** X 23.4% of solid waste was re-processed. This is slightly lower than the previous year (2011/12 result: 23.5%), primarily due to the long dry summer, meaning gardens did not produce as much greenwaste. Previously, the volumes of greenwaste collected were overestimated, which led to exaggerated targets for the portion of waste reprocessed. These targets are being re-assessed.

DID YOU KNOW?

Your green waste bin can include...

LEAVES

GRASS
CLIPPINGS

PLANTS

PRUNING
WASTE

Waste Recycling



Community Outcomes



Leadership
Roads & Footpaths
Water Supply
Sewage Treatment & Disposal
Stormwater Drainage
Waste
Environmental Sustainability
Community Safety
Arts & Culture
Community Property
Recreation & Community Facilities
Corporate & District Activities
Council Controlled Organisations

A YEAR IN REVIEW

Working with the Ruatahuna community to provide a Recycling Park

The Council has launched a joint initiative with the Hinepukohurangi Trust to provide a recycling centre and transfer station serving Te Urewera communities. This facility was a community-driven initiative, with a focus on promoting recycling and re-using waste. Local materials and labour were utilised in the development of the centre, along with refurbished equipment and recycled building materials, to ensure the project was completed within budget. This included the Council donating a utility vehicle to transport refuse and recyclable material to the Murupara Transfer Station.

DID YOU KNOW?

It's just...

\$15

FOR AN EXTRA RECYCLING CRATE

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,637	1,453	185	☒	Budget was set to increase alongside an increase in recycling, but actual costs have remained unchanged
Revenue	1,760	1,760	-	-	
Net Cost of Service Surplus/(Deficit)	123	307	185	☒	
Capital Expenditure	20	-	20	☒	Project costs covered within operational budgets

Key: ☒ = Favourable – ☒ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Waste Minimisation is actively promoted to all residents/ratepayers and strategies are put in place to manage waste for the long term.

MEASURE: Increase in the portion of waste being recycled.

TARGET: 21%

RESULT: **NOT ACHIEVED** X 19.7% of all solid waste collected was recycled. This is an improvement from the previous financial year (2011/12 result: 19.4%).

DID YOU KNOW?

You can recycle...

PLASTICS
GRADE 1 & 2 & BAGS

GLASS
CLEAR, GREEN, BROWN

CANS
TIN & ALUMINIUM

PAPER
INCL. CARDBOARD



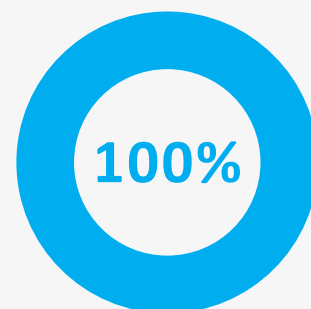
Environmental Sustainability

Te Pūtaiao

PROTECTING OUR ENVIRONMENT
FOR US & OUR CHILDREN

KEY RESULTS FOR 2012/13

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT – Environmental Sustainability

LTP 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000		
OPERATIONAL						
Sources of operating funding						
1,188	General rates, uniform annual general charges, rates penalties	873	799	(74)		
-	- Targeted rates (other than a targeted rate for water supply)	-	-	-		
-	- Subsidies and grants for operating purposes	-	-	-		
421	Fees, charges, and targeted rates for water supply	421	286	(135)		
-	- Internal charges and overheads recovered	-	-	-		
131	Local authorities fuel tax, fines, infringement fees, and other receipts	147	156	9		
1,740	Total operating funding (A)	1,441	1,241	(200)		
Applications of operating funding						
1,390	Payments to staff and suppliers	1,102	1,125	23		
89	Finance costs	97	83	(14)		
822	Internal charges & overheads applied	593	484	(109)		
-	- Other operating funding applications	-	-	-		
2,302	Total applications of operating funding (B)	1,792	1,692	(100)		
(562)	Surplus (deficit) of operating funding (A-B)	(351)	(451)	(100)		
CAPITAL						
Sources of capital funding						
-	- Subsidies and grants for capital expenditure	-	-	-		
-	- Development and financial contributions	-	-	-		
562	Increase (decrease) in debt	381	563	182		
-	- Gross proceeds from sale of assets	-	-	-		
-	- Lump sum contributions	-	-	-		
562	Total sources of capital funding (C)	381	563	182		
Applications of capital funding						
Capital expenditure						
-	- to meet additional demand	-	-	-		
-	- to improve level of service	-	-	-		
-	- to replace existing assets	-	-	-		
-	- Increase (decrease) in reserves	30	112	82		
-	- Increase (decrease) of investments	-	-	-		
-	Total applications of capital funding (D)	30	112	82		
562	Surplus (deficit) of capital funding (C-D)	351	451	100		
-	Funding Balance ((A-B) + (C-D))	-	-	-		
		OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$
Internal Borrowing		1,412,247	694,078	(130,895)	1,975,430	82,785

Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

Resource Management - Policy

Community Outcomes



A YEAR IN REVIEW

Finalising the Proposed District Plan for consultation

Throughout 2012/13, the Council has been developing and finalising the Proposed District Plan in preparation for consultation with the community. On 28 June 2013, the Council publicly notified the Proposed District Plan for consultation. The Council devoted a considerable effort to trying to produce a plan that balances growth and development opportunities, while protecting the unique and precious characteristics that make the Whakatāne District the place that we all want to live. In developing the Proposed District Plan, we undertook an Economic Assessment of its likely impact on our community. This has provided, and should provide the community, with assurance that the rules and policies we have included in the Proposed District Plan will help us to create the kind of District we are aiming for. As part of the planning process, we have also provided advice and support in other areas

that are impacted by the District Plan. This has included provisions for the Airport to facilitate future activities, and planning requirements related to Council-owned land that has been earmarked for sale.

Understanding the risk to our community from natural hazards

Over the last year, we have carried out investigations into the hazard posed to our community by natural events such as landslides. The landslide hazard studies have focused on the areas which are close to the escarpments in Whakatāne, Ōhope and Matatā. These studies will influence our future decisions about development and infrastructure. While we can never determine exactly when and where these events will occur, by reviewing historical data, geographical information and natural features, we can create an assessment of risk. In undertaking these studies, the risk factor does not change, but we are in a better position to plan for future development as we have a better understanding of the likelihood and impact of these hazards.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	987	1,081	(94)	\$	Increased costs to undertake an Economic Assessment of the District Plan and a Landslide Risk Assessment Study were off-set by budget carried forward from 2011/12
Revenue	606	609	3	\$	
Net Cost of Service Surplus/(Deficit)	(381)	(472)	(91)	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Growth and development is planned while our natural and physical resources are managed in a sustainable manner.

MEASURE: Status of the second generation Whakatāne District Plan.

TARGET: Under review.

RESULT: **ACHIEVED** ✓ The Proposed District Plan was publicly notified for consultation in June 2013. (2011/12 result: Not achieved – the Proposed District plan was not notified in 2011/12).

Resource Management - Consents

Community Outcomes



A YEAR IN REVIEW

Significant consents processed in 2012/13

The Resource Management Consents team has overseen some major developments in the Whakatāne District during the last few years. One of the bigger projects in 2012/13 was the new Tūhoe Te Uru Taumatua headquarters building. This was an exciting consent process for the Council because of the industry leading environmental considerations Tūhoe have adopted in developing this building. To enable Tūhoe's goal of creating an environmentally sustainable Greenstar building, we have had to work beyond conventional thinking and focus on understanding objectives to process a consent for this exciting facility.

Another major consent process was a resource consent application by the Bay of Plenty Regional Council to clean up the dioxin-contaminated section of the Kopeopeo Canal.

We have also processed consents for landslide mitigation works, particularly in Muriwai Drive, Whakatāne and West End, Ōhope. The Council allowed the works to proceed under the emergency provisions of the Resource Management Act. The emergency provisions enable works that would normally require resource consent to commence, with the resource consent applied for retrospectively.

Funding this activity

A greater portion of the work we undertake in this activity was funded from rates this year, and this is set to continue. In recognising the benefit to the wider community of this activity, the Council decided to amend the funding policy, effective from this year. This has meant that the cost of fees and charges for resource consents has reduced by a third. The number of consent applications received this year was lower than anticipated, reflecting the current economic conditions.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	835	701	134	\$	Fewer Environment Court appeals and legal advice required than budgeted
Revenue	835	632	(203)	\$	Fewer resource consents lodged this year
Net Cost of Service Surplus/ (Deficit)	-	(69)	(69)	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: 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 (Customer Satisfaction Index score).

TARGET: 53-57

RESULT: **ACHIEVED** ✓ Average satisfaction score of 62.6 out of 100 (2011/12 result: 64.6).

MEASURE: Average working days for processing land use resource consents.

TARGET: 15 days

RESULT: **ACHIEVED** ✓ Average 14.2 days to process 59 land use consents (2011/12 result: 13.9 days).

MEASURE: Average working days for processing non-notified subdivision resource consents.

TARGET: 20 days

RESULT: **ACHIEVED** ✓ Average 14.4 days, with a total of 55 subdivision consents processed (2011/12 result: 19.75).

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

TARGET: 0

RESULT: **ACHIEVED** ✓ 0 (2011/12 result: 0).

MEASURE: Percentage of land use consents (excluding consents to remove trees) granted in the previous financial year which are monitored for compliance with consent conditions by 30 June each year.

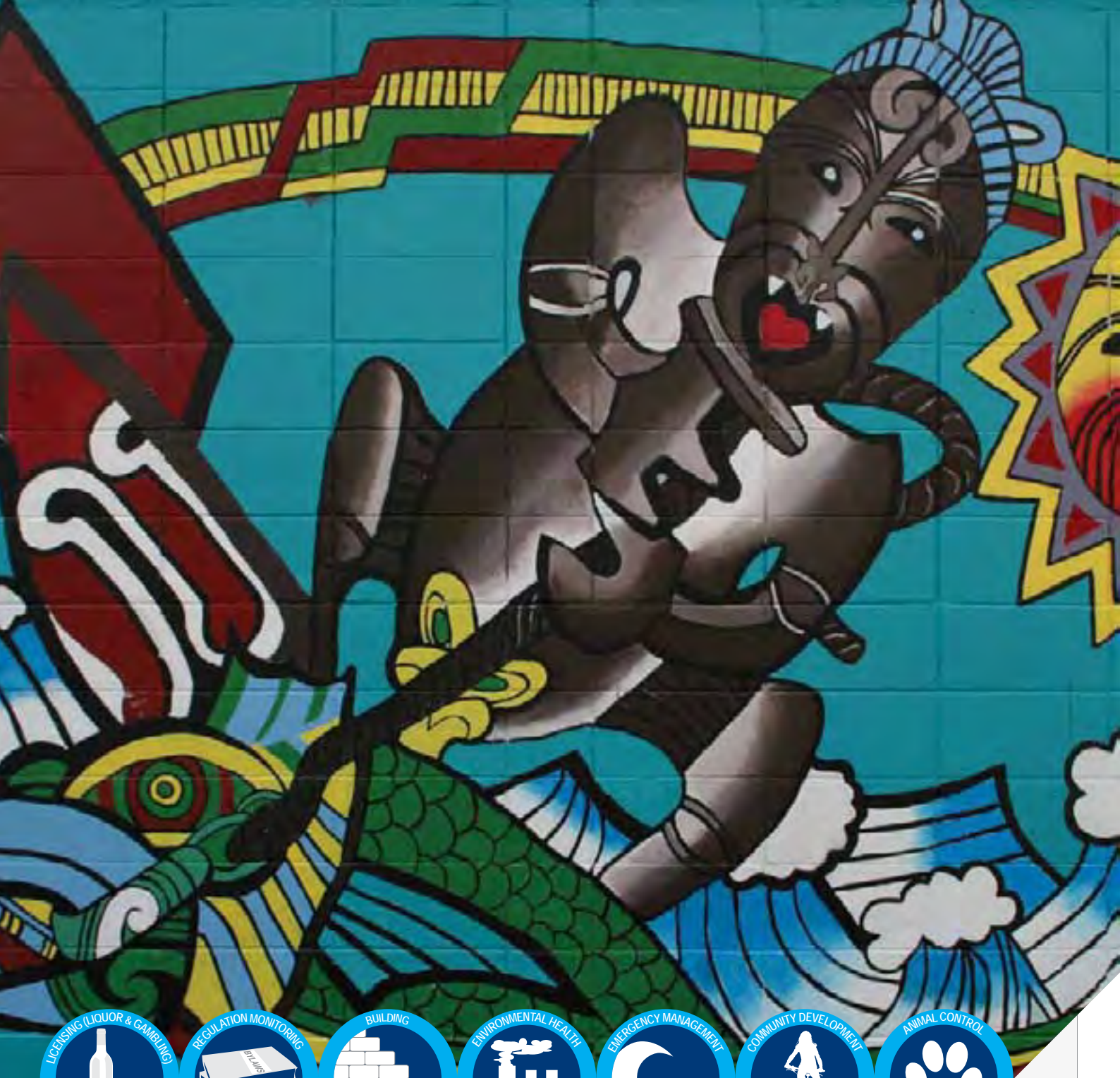
TARGET: 100%

RESULT: **ACHIEVED** ✓ 100% (2010/11 result: 100%).

DID YOU KNOW?

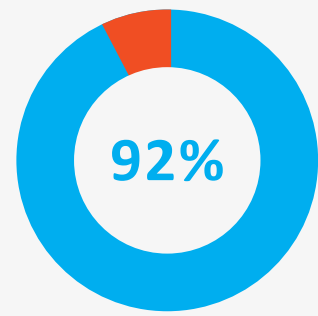
This year we have processed...

177
RESOURCE
CONSENTS



KEY RESULTS FOR 2012/13

Delivering our services:



Community Safety

Te Whakamaru o Tū

HELPING TO MAKE OUR DISTRICT
SAFE & ENJOYABLE FOR ALL

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT – Community Safety

LTP 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000	
OPERATIONAL					
Sources of operating funding					
1,570	General rates, uniform annual general charges, rates penalties	1,339	1,225	(114)	
-	- Targeted rates (other than a targeted rate for water supply)	-	-	-	
77	Subsidies and grants for operating purposes	87	52	(35)	
1,258	Fees, charges, and targeted rates for water supply	1,184	1,023	(161)	
-	- Internal charges and overheads recovered	-	-	-	
500	Local authorities fuel tax, fines, infringement fees, and other receipts	509	615	106	
3,405	Total operating funding (A)	3,119	2,915	(204)	
Applications of operating funding					
1,897	Payments to staff and suppliers	1,862	1,856	(6)	
-	- Finance costs	1	1	-	
1,318	Internal charges & overheads applied	1,027	836	(191)	
-	- Other operating funding applications	-	-	-	
3,215	Total applications of operating funding (B)	2,890	2,692	(197)	
190	Surplus (deficit) of operating funding (A-B)	229	223	(7)	
CAPITAL					
Sources of capital funding					
100	Subsidies and grants for capital expenditure	-	-	-	
-	- Development and financial contributions	-	-	-	
-	- Increase (decrease) in debt	39	11	(28)	
-	- Gross proceeds from sale of assets	-	-	-	
-	- Lump sum contributions	-	-	-	
100	Total sources of capital funding (C)	39	11	(28)	
Applications of capital funding					
Capital expenditure					
-	- to meet additional demand	-	-	-	
139	- to improve level of service	39	21	(18)	
-	- to replace existing assets	-	-	-	
151	Increase (decrease) in reserves	229	213	(16)	
-	- Increase (decrease) of investments	-	-	-	
290	Total applications of capital funding (D)	268	234	(34)	
(190)	Surplus (deficit) of capital funding (C-D)	(229)	(223)	6	
-	Funding Balance ((A-B) + (C-D))	-	-	-	
Summary of Funding					
	OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$
Internal Borrowing	-	10,868	-	10,868	948

Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

Licensing (Liquor & Gambling)

Community Outcomes



A YEAR IN REVIEW

Changes to the Sale of Liquor Act

During the year, substantial changes were made to the legislation governing the sale of alcohol, resulting in the new Sale and Supply of Alcohol Act 2012. While the full impact of these changes won't be felt in the community until next year, considerable work has been undertaken to prepare for the staged approach to the implementation of the new Act. This has included the development of a draft Local Alcohol Policy (LAP) and the preparation for a District Licensing Committee. New applications for on- and off-licences are also required to be considered against the new criteria introduced in the Act during the transitional phase. Many of the initiatives stemming from the new Act are designed to encourage and facilitate local decision-making. The draft LAP has been developed in conjunctions with the Opotiki and Kawerau District Councils and was open for

consultation for a month from 1 July 2013.

Staff have also made presentations to students at the School of Trade Training class at the Waiariki Institute of Technology campus to help ensure they have a good understanding of the Sale of Liquor Act 1989 and the Sale and Supply of Alcohol Act 2012, as part of their courses.

A review of our Gambling Policy

During 2012/13, we carried out a review of our Gambling Policy. The Council's current policy stipulated a 'sinking-lid', meaning the number of gaming machines in our District would reduce over time. An assessment of the social impact of gambling, and the higher than average number of machines in our District, led us to the conclusion that our current policy remains the most appropriate option for our community. As a result, the Council resolved to retain the current policy for a further three years.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	102	98	4	Ⓢ	
Revenue	102	128	26	Ⓢ	Higher than budgeted number of licenses, for example re-licenses and manager's licenses.
Net Cost of Service Surplus/(Deficit)	-	30	30	Ⓢ	

Key: Ⓢ = Favourable – Ⓢ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Licensed premises comply with the Sale of Liquor Act and Gambling Act.

MEASURE: Percentage of licensed premises inspected each year.

TARGET: 100%

RESULT: **ACHIEVED** ✓ All 90 licensed premises inspected.

MEASURE: Controlled purchase operations are conducted annually.

TARGET: Two per year

RESULT: **ACHIEVED** ✓ 2 operations undertaken that involved all of the off-licenses. For the first time, all premises complied with the Act.

DID YOU KNOW?

In our District We have...

34

ON-LICENSED ALCOHOL PREMISES

33

CLUB LICENSED ALCOHOL PREMISES

28

OFF-LICENSED ALCOHOL PREMISES

15

LICENSED GAMBLING VENUES

Regulation Monitoring



Community Outcomes



Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

A YEAR IN REVIEW

Giving back to the community

A strong focus for the year has been on utilising Periodic Detention workers to respond to incidents such as fly-tipping of refuse and overgrown sections that can potentially cause a fire risk. We have also been able to utilise this workforce to maintain abandoned sections in the Murupara community that have been vested back in

the Council. Maintaining these sections not only reduces the fire risk, but also improves the character of the town and adds to the saleability of the sections.

Engaging Periodic Detention workers in the community in which they have been convicted of committing an offence provides an opportunity for these people to contribute to their communities. It also helps to reduce costs to ratepayers, while allowing us to provide an enhanced level of service.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	42	38	4	\$	
Revenue	42	44	2	\$	
Net Cost of Service Surplus/(Deficit)	-	6	6	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

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

MEASURE: Percentage of urgent* complaints relating to bylaws infringements responded to within one hour and non-urgent within 24 hours.

TARGET: 100%

RESULT: **ACHIEVED** ✓

*In this context, 'urgent' means any situation which may have an immediate and significant impact on people's health and safety, or on the environment.

Building

Community Outcomes



A YEAR IN REVIEW

Consents for major projects processed in 2012/13

The Building Consents team has overseen some major development projects in the Whakatāne District during the year. These have included the development of the new Tūhoe Te Uru Taumatua headquarters building in Tāneatua, the on-going development of the Whakatāne Hospital and the completion of Te Whare Wānanga o Awanuiarangi's expansion programme. These projects represent exciting opportunities and developments for our community and building staff have enjoyed the opportunity to help enable development in our District.

Building Consent Authority Accreditation

The Building Consent Authority (BCA) scheme requires that territorial authorities carrying out building consent, inspection and approval work be assessed by International Accreditation New Zealand (IANZ) and registered by the Ministry of Building, Innovation and Development. The Council's Building Department was reviewed against the standards and criteria in the Building (Accreditation of Building Consent Authorities) Regulations 2006 and passed the assessment. The feedback received from the auditors

has been very positive, with major improvements achieved since our last audit in 2011.

New provisions of the Building Act have also been phased in over the last year, particularly relating to the Licensed Building Practitioners scheme and Restricted Building Works provisions. These have required the Building team to put additional internal systems, processes and procedures in place to manage and monitor these changes.

Funding this activity

A greater portion of the work we undertook in this activity was funded from rates this year, and this is set to continue. In recognising the benefit of this activity to the wider community, the Council decided to amend the funding policy, effective from this year. The new charging schedule more accurately reflects the level of interaction that building control staff have with the general public, outside of their involvements with building consent applications. This includes advice and support at the front counter and over the telephone, monitoring of building warrants of fitness, investigating complaints and enforcement. The number of consent applications received was lower than last year and the applications were generally for residential purposes rather than commercial or industrial developments.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,477	1,452	26	\$	
Revenue	1,577	1,328	(250)	\$	The size, nature and quantity of consents has meant less income from fees and levies
Net Cost of Service Surplus/(Deficit)	100	(124)	(224)	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

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

MEASURE: Satisfaction with the process Council used for your building consent (Customer Satisfaction Index score).

TARGET: 55-59

RESULT: **ACHIEVED** ✓ Average satisfaction score was 70.7 out of 100 (2011/12 result: 75.3).

MEASURE: Average working days for processing building consents.

TARGET: 15 days

RESULT: **ACHIEVED** ✓ 8.63 days was the average processing time for building consents (2011/12 result: 11.4 days).

Environmental Health

Community Outcomes



COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	206	165	42	\$	Salary and contract savings
Revenue	206	200	(7)	\$	
Net Cost of Service Surplus/(Deficit)	-	35	35	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: 100% of residents and ratepayers have access to healthy buildings and a healthy environment.

MEASURE: Satisfaction that the Environmental Control Services such as public health, food, noise, litter and liquor licensing make the environment a healthier place to live (Customer Satisfaction Index score).

TARGET: 65-69

RESULT: **ACHIEVED** ✓ Average satisfaction score was 72.2 out of 100 (2011/12 result: 67.9).

MEASURE: Percentage of after-hours excessive noise complaints responded to within contracted timeframes.

TARGET: 100%

RESULT: **NOT ACHIEVED** ✗ 80% of after-hours excessive noise complaints were responded to. We have followed up the lack of response with the contractor to address this performance moving forward (new measure).

Leadership

Roads &
Footpaths

Water
Supply

Sewage
Treatment
& Disposal

Stormwater
Drainage

Waste

Environmental
Sustainability

Community
Safety

Arts &
Culture

Community
Property

Recreation
& Community
Facilities

Corporate
& District
Activities

Council
Controlled
Organisations

Emergency Management

Community Outcomes



A YEAR IN REVIEW

Huge participation in the New Zealand Shakeout

In September 2012, the New Zealand Shakeout national exercise was held. This involved members of the public practicing 'Drop, Cover, Hold' for an earthquake, as advised by the Ministry of Civil Defence and Emergency Management. Over 1 million participants took part nationwide, with more than 6,500 registering to take part in the Whakatāne District. Many schools, Early Childhood Centres and businesses used this as an opportunity to raise awareness and ensure they were prepared should a real event occur.

White Island activity

Over the course of last year, volcanic activity on White Island increased, with new features in the main crater and minor eruptions occurring. As a result of that activity, we have developed a working relationship with our main tour operators to ensure that any changes at the volcano are notified so that operators can put appropriate arrangements in place to mitigate any risks.

Do you know what to do in the case of a Tsunami?

During the past year, five New Zealand Fire Service sirens located in Matatā, Whakatāne, Ōhope, Ōpōtiki and Waihou Bay were converted to create an Eastern Bay coastal warning system, which can be activated in the event of a major emergency occurring. In April, a test of the sirens took place to determine where gaps in coverage existed and to raise public awareness of what the sirens mean. Since then, an additional three sirens have been placed in Coastlands, Ōhiwa and Waiotahi, with investigations of additional locations taking place. When activated, the

sirens produce a 10-minute constant rise tone, indicating that the public needs to switch on their radios and listen for emergency information.

The conversion of the sirens was accompanied by an education campaign, including the development of an information booklet with evacuation maps, plus signage at 18 beach access points in the Whakatāne District.

Local response plans developed

Community planning has taken place in Waimana, with the development of a local response plan to assist the community in responding to any major events when access to the area is compromised. The Murupara community has also begun work on developing a response plan for the Murupara and Galatea area.

Severe drought led to high fire risk

2012/13 saw one of the worst droughts in decades affect New Zealand, with the fire risk index for the Bay of Plenty being one of the highest in the country. The Whakatāne Rural Fire Authority imposed a prohibited fire season lasting for 84 days and towards the latter part of the summer, the risk became so severe that a number of preventative measures were put in place. This included closing access to high fire risk areas for more than 5 weeks and extending the fire season for a further month, ending on 1 May 2013.

Although the risk of rural fire was higher this summer than it has been for many years, there were only relatively minor call outs for the team to respond to, showing that quick response and the preventative measures put in place to reduce the risk were effective. On top of this increased fire risk, the Rural Fire Authority was also assessed for its overall performance by the National Rural Fire Authority. The Whakatāne Rural Fire Authority scored 9.6 out of 10 in this audit, with no deficiencies noted.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	439	425	14	\$	
Revenue	431	401	(30)	\$	
Net Cost of Service Surplus/(Deficit)	(8)	(24)	(16)	\$	
Capital Expenditure	39	21	18	\$	

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2012/13 BUDGET	REVISED BUDGET	ACTUAL SPEND	PERFORMANCE		
	\$000			TIME	QUALITY	COST
Public Alerting Systems and Tsunami Evacuation Plan	39	39	21	Completed, sirens converted and installed	On track	Under Budget

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: The Council will respond and lead the community in an emergency.

MEASURE: Percentage of major events where an Emergency Operation Centre is setup and functional within two hours of the controller establishing the event as a major emergency.

TARGET: 100%

RESULT: NA – there were no major events during 2012/13 (new measure).

MEASURE: Frequency of regular and on-going training undertaken by the Whakatāne Emergency Response Team and the Whakatāne Rural Fire Force.

TARGET: Fortnightly

RESULT: **ACHIEVED** ✓ Training sessions carried out fortnightly, alternating Whakatāne Emergency Response Team (WERT) and Rural Fire.



“I enjoyed practicing Drop, Cover, Hold with everyone too. We were really fast at getting under our desks.”

Eight-year-old Ella Quarmby

Preparing for whatever comes our way

With the Eastern Bay being no stranger to natural hazards, there are always lessons to be learned in preparing for and recovering from local emergencies. A number of initiatives in the past year have seen District residents increasing their awareness of potential hazards, and understanding what to do should disaster strike.

Local businesses, households and schools also took part in last year's New Zealand ShakeOut, a national earthquake drill which took place at 9:26am on 26 September 2012. The exercise was intended to promote the recommended action of Drop, Cover, Hold when an earthquake strikes.

Taking advantage of the raised awareness that New Zealand ShakeOut brought with it, Ōhope Beach School

developed a week-long programme to raise awareness of emergency preparedness. The programme included visits and demonstrations from local fire, police and ambulance services, as well as the Whakatāne Emergency Rescue Team (WERT) and the Eastern Bay Emergency Management Coordinator.

Ōhope Beach School pupil, eight-year-old Ella Quarmby, says she enjoyed seeing the different displays and learning about what to do in an emergency. “We got to walk to up the tsunami evacuation route behind our school, which is where we do our cross-country,” she says. “I enjoyed practicing Drop, Cover, Hold with everyone too. We were really fast at getting under our desks.”

Community Development



Community Outcomes

A YEAR IN REVIEW

Reduced government funding has led to fewer programmes

As a result of a reduced level of funding available from Central Government, we were not able to provide as many programmes to the community this year. We have taken

this opportunity to review this activity, including what it delivers and how it operates. This has led to some changes in structure and resourcing, which will be implemented in 2013/14. The objective of the review is to enhance the programmes that we are able to deliver to the community and maximise the amount of funding we are able to access from sources other than rates.

PROGRAMMES DELIVERED / SUPPORTED THIS YEAR...	
Youth Council	Mock fatal car crash filmed Entered national Inspiring Stories competition Major concert run – Tyme Owt Quiz Nite Alcohol Ads previewed at the local cinema Presented at the Young Achievers Awards
Crossroads	Painted White Island Mural at the Scout Hall Graffiti removal programme Set up MADD workshop Work with local builders to build a Stage for the cyber cafe
Other programmes	Mayor's support for "It's not OK" campaign against family violence CPTED (Crime Prevention Through Environmental Design) assessment of Awatapu Lagoon in conjunction with Whakatāne Community Board Review of the CCTV network including our Policy and internal operations

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	215	196	18	\$	Less costs incurred as less programmes delivered
Revenue	181	168	(13)	\$	Less subsidy received as less programmes delivered
Net Cost of Service Surplus/(Deficit)	(34)	(28)	6	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Social well-being is improved in the District through a range of strategies, policies and projects.

MEASURE: Number of programmes or projects completed on an annual basis in response to social issues facing the District.

TARGET: 4

RESULT: **ACHIEVED** ✓ At least 4 major programmes completed, with a number of events and projects resulting from these programmes (2011/12 result: 10 programmes and projects).



Animal Control

Community Outcomes



A YEAR IN REVIEW

High profile dog attacks

Animal control staff have responded to a number of high profile dog attacks in our District this year. The number of reported dog attacks has increased, with 101 complaints received this year compared to 85 last year. Any dog attack can be a terrifying and dangerous ordeal and staff respond immediately to all complaints reported. However, often the actual attack has finished before staff arrive at the site and the focus then turns to locating the offending animal and dealing with it to ensure it doesn't pose a threat to any other person.

Publicity around these high-profile events and the Council's efforts in responding to the complaints and locating the offending dogs, may have increased the community's awareness of the valuable role that the Dog Control staff undertake and contributed to the increase in satisfaction with the Dog Control Service recorded in the latest Residents Survey.

Educating the community

During the last year, Animal Control Staff have carried out

four bite prevention educational talks for our most high risk community members. This has included local postal workers, census survey distributors and meter readers. All these people need to have access to people's properties as part of their jobs. Learning how to read the signs of an aggressive dog and act in a manner that reduces the risk of attack is a valuable part of their training.

We have also been working towards educating the community about their responsibility for cleaning up after their pets. This has included the installation of 'doggy doo bag dispensers' along the Warren Cole Walkway. By making it easier for owners to take responsibility for their dogs, we have seen a noticeable change in attitude. As a result of this successful initiative, we will look to continue the installation of dispensers along other key dog walking routes.

Stock Control Bylaw reviewed

During the year, we reviewed the Bylaw that manages how we control the movement of stock across the District's roads. The review included targeted stakeholder engagement and a wider community consultation process. As a result of the review, some changes have been made to the Stock Control Bylaw to help users. The final Bylaw was adopted by the Council in April 2013 and came into effect on 1 July 2013.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	577	571	6	\$	
Revenue	577	647	70	\$	Higher number of dog registrations than anticipated
Net Cost of Service Surplus/(Deficit)	-	76	76	\$	

Key: \$ = Favourable – \$ = Unfavourable



- Leadership
- Roads & Footpaths
- Water Supply
- Sewage Treatment & Disposal
- Stormwater Drainage
- Waste
- Environmental Sustainability
- Community Safety
- Arts & Culture
- Community Property
- Recreation & Community Facilities
- Corporate & District Activities
- Council Controlled Organisations

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Public safety and comfort is protected.

MEASURE: Percentage of aggressive/threatening dogs and roaming stock complaints responded to within half an hour. All other complaints responded to within 24 hours.

TARGET: 100%

RESULT: **ACHIEVED** ✓ Staff respond to all urgent complaints within half an hour (2011/12 result: achieved).

MEASURE: Satisfaction with Council's Dog Control Service (Customer Satisfaction Index score).

TARGET: 66-70

RESULT: **ACHIEVED** ✓ Average satisfaction score was 72.0 out of 100 (2011/12 result: 66.2).

DID YOU KNOW?

DOGS REGISTERED
 2011/12 **6225** 2012/13 **6387**

AFTER HOURS COMPLAINTS
 2011/12 **497** 2012/13 **756**

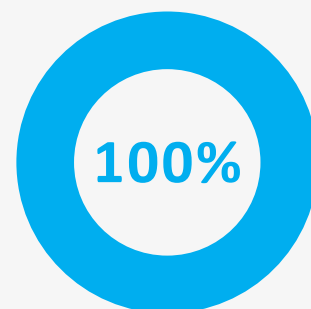
REPORTS OF DOGS ATTACKING PEOPLE
 2011/12 **34** 2012/13 **47**

REPORTS OF DOGS ATTACKING DOGS
 2011/12 **51** 2012/13 **54**



KEY RESULTS FOR 2012/13

Delivering our services:



Arts & Culture

Ngā Mahi Toi Whakairo

SAFEGUARDING THE TREASURES OF THE PAST &
PROVIDING ACCESS TO ART, LITERATURE & LEARNING

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT – Arts & Culture

LTP 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000	
OPERATIONAL					
Sources of operating funding					
1,249	General rates, uniform annual general charges, rates penalties	3,038	2,781	(257)	
1,693	Targeted rates (other than a targeted rate for water supply)	-	-	-	
50	Subsidies and grants for operating purposes	3	6	3	
12	Fees, charges, and targeted rates for water supply	25	25	-	
244	Internal charges and overheads recovered	-	-	-	
68	Local authorities fuel tax, fines, infringement fees, and other receipts	72	314	242	
3,315	Total operating funding (A)	3,138	3,126	(12)	
Applications of operating funding					
1,122	Payments to staff and suppliers	1,021	1,149	128	
191	Finance costs	204	255	51	
1,767	Internal charges & overheads applied	1,649	1,301	(348)	
-	Other operating funding applications	-	-	-	
3,081	Total applications of operating funding (B)	2,874	2,705	(169)	
234	Surplus (deficit) of operating funding (A-B)	264	421	157	
CAPITAL					
Sources of capital funding					
942	Subsidies and grants for capital expenditure	-	-	-	
18	Development and financial contributions	-	-	-	
207	Increase (decrease) in debt	(74)	(26)	48	
-	Gross proceeds from sale of assets	-	-	-	
-	Lump sum contributions	-	-	-	
1,168	Total sources of capital funding (C)	(74)	(26)	48	
Applications of capital funding					
Capital expenditure					
-	- to meet additional demand	-	-	-	
1,234	- to improve level of service	-	45	45	
118	- to replace existing assets	125	81	(44)	
50	Increase (decrease) in reserves	65	269	204	
-	Increase (decrease) of investments	-	-	-	
1,402	Total applications of capital funding (D)	190	395	205	
(234)	Surplus (deficit) of capital funding (C-D)	(264)	(421)	(157)	
-	Funding Balance ((A-B) + (C-D))	-	-	-	
Summary of Funding Balance					
	OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$
Internal Borrowing	4,336,852	64,943	(90,691)	4,311,104	255,159

Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

Library

Community Outcomes



A YEAR IN REVIEW

A surge in visitor numbers to Te Kōputu, our new Library & Exhibition Centre

2012/13 represented the first year of operations for the Whakatāne Library at Te Kōputu a te whanga a Toi. The new Library and Exhibition Centre has been hugely successful, with the level of support from the community simply outstanding. The former Library and Museum & Gallery spaces used to attract an average of 120,000 visitors a year in total. The first full year at Te Kōputu saw 229,821 visitors enjoying the new facility. This huge increase in visitor numbers also resulted in an increase of about 20% in library membership and participation by more than 3,500 children and adults in public programmes such as 'Book a boo' story time sessions and reading and holiday programmes.



Te Kōputu has become a community hub and we have seen a wider range of non-traditional community members utilising the facilities. This has also resulted in an increase in the percentage of people who come to the library for reasons other than to borrow books. The new library facility provides light airy spaces with comfortable spots to linger and read, surf the internet and play games. The versatility these spaces provide has allowed us to deliver special events to the community. For example, during May, we were able to celebrate NZ Music Month by hosting live music at Te Kōputu a te whanga a Toi. The free events provided created an opportunity to celebrate New Zealand music performed by local musicians.

An increase in services & facilities for library users across the District

We continued to provide community spaces in our three other District libraries in Murupara, Edgumbe and Ōhope. Our libraries provide access to growing collections of books and activities. This year we were able to extend our range of eBooks, with 771 e-audio books and 3,361 eBooks now available for registered users. Through the Aotearoa Peoples Network Kaharoa (APNK), we have been able to provide free access to the internet in our libraries. More than 16,200 people in Whakatāne, and 9,100 people in Murupara utilised the facility during the year.

This year, we added 4,720 new items to the collection. We also continued to share resources with other libraries through Infoshare shared services, specifically those operated by the Rotorua District Council and the Western Bay of Plenty District Council.

As part of this activity, we supported education through literacy activities. This involved exploring partnership opportunities and programmes such as SPELD, BOPDHB Voyagers and Reading Programmes.



COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,100	2,062	38	\$	
Revenue	2,041	2,013	(28)	\$	
Net Cost of Service Surplus/(Deficit)	(59)	(50)	9	\$	
Capital Expenditure	125	126	(1)	\$	

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2012/13 BUDGET	REVISED BUDGET	ACTUAL SPEND	PERFORMANCE		
	\$000			TIME	QUALITY	COST
Library mixed collection renewal	125	125	81	Completed	Modified (reduced)	Under budget
Library Refurbishment (Final stage)	-	-	45	Completed	Modified (increased)	Over budget - Utilised savings from collection renewals

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: The Council ensures 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 & Exhibition Centre (Customer Satisfaction Index score).

TARGET: 78-82

RESULT: **ACHIEVED** ✓ Average satisfaction score was 87.0 out of 100 (2011/12 result: 80.4).

MEASURE: Increase in the number of Library card holders across the District.

TARGET: 12,100 card holders

RESULT: **ACHIEVED** ✓ 13,643 card holders. A 19% increase on last year resulting from the huge increase in visitor numbers to Te Kōputu a te whanga a Toi (2011/12 result: 11,454).

Exhibition, Research, Storage & Archives

Community Outcomes



A YEAR IN REVIEW

Te Kōputu a te whanga a Toi - an award-winning facility for our community

2012/13 was our first full year operating the award-winning Te Kōputu a te whanga a Toi - the Whakatāne Library and Exhibition Centre. The Centre has been very well received, both by locals and visitors, and has also been recognised on a regional and national level for its architectural design qualities. Throughout the year, we provided 14 exhibitions showcasing the work of local and national artists and the Whakatāne Museum collection. The new gallery space has enabled us to host the nationally-recognised Molly Morpeth Canaday Art Award. This award forms the cornerstone of the Summer Arts Festival, which this year included more than 25 public programmes at Te Kōputu, ranging from artist floor talks, art seminars and live music to dance demonstrations.

The number of visitors through our doors has increased dramatically in the new facility, with a significant proportion of the 229,821 visitors to Te Kōputu a te whanga a Toi also enjoying the gallery spaces, compared to the estimated 12,000 visitors a year to our previous Museum and Gallery.

Recording & preserving our collections

We continued to operate the Whakatāne District Museum Research Centre to provide safe storage for over 800,000 objects, archives and photographs, some deemed to be of national importance. This year we continued to accession, catalogue, digitise and re-house the museum collection. This substantial project is an important process in understanding the content and value of our collection. The increased understanding which results means we are in a better position to be able to care for our collection and understand our future storage needs. Alongside this project, we have begun a process of reviewing our museum policies to ensure we are operating to national standards.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,205	1,218	(14)	\$	
Revenue	1,095	1,113	18	\$	
Net Cost of Service Surplus/(Deficit)	(109)	(106)	4	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: 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 exhibitions per year.

TARGET: Minimum of 10

RESULT: **ACHIEVED** ✓ Achieved – 14 exhibitions (new measure).



“Te Kōputu’s versatile, professional-quality exhibition spaces have lifted the mana of the Award – and the town as an arts destination.”

Heather Hourigan - Arts Whakatāne’s

Te Kōputu exhibition spaces

elevate Art Award’s mana

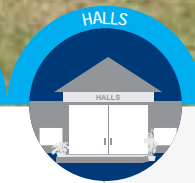
Huge increases in visitor numbers and Library membership are just part of the success story for Te Kōputu a te whanga a Toi.

In its first year of operation, the Whakatāne Library and Exhibition Centre has accumulated regional, national (and now international) architecture awards recognition, reinvigorated the Esplanade Mall as a social and recreational hub and given the arts – and artists – a major boost in profile.

The coordinator of Arts Whakatāne’s nationally-recognised Molly Morpeth Canada Art Award, Heather Hourigan, says Te Kōputu’s versatile, professional-quality exhibition spaces have lifted the mana of the Award – and the town as an arts destination.

“There’s been a marked increase in the community’s awareness of visual arts, because Te Kōputu is attracting people who wouldn’t normally go to see an art exhibition,” she says. “As a venue, it also provides us with the ability to display the Award entries for a much longer period and organise activities which provide more opportunities for community engagement and interaction.”

Mrs Hourigan says the Centre’s two smaller, more intimate galleries also provide a venue that emerging local artists can aspire to exhibit their work in. “Talent and hard work are always key ingredients, but to succeed, artists also need opportunities to engage with their community. Te Kōputu completes a very healthy circle, because now the community is more involved and supportive of the arts.”



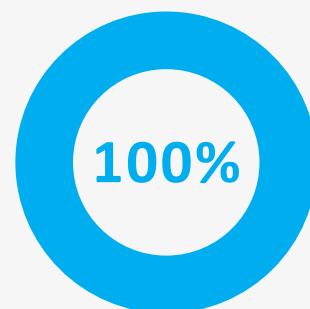
Community Property

Ngā Rawa o Te Hāpori

PROVIDING PLACES FOR COMMUNITIES TO GATHER & AFFORDABLE HOUSING FOR OUR ELDERLY RESIDENTS

KEY RESULTS FOR 2012/13

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT – Community Property

LTP 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000	
OPERATIONAL					
Sources of operating funding					
475	General rates, uniform annual general charges, rates penalties	631	578	(53)	
-	- Targeted rates (other than a targeted rate for water supply)	-	-	-	
41	Subsidies and grants for operating purposes	-	-	-	
665	Fees, charges, and targeted rates for water supply	730	701	(29)	
-	- Internal charges and overheads recovered	-	68	68	
-	- Local authorities fuel tax, fines, infringement fees, and other receipts	6	58	52	
1,181	Total operating funding (A)	1,367	1,405	38	
Applications of operating funding					
613	Payments to staff and suppliers	670	713	43	
40	Finance costs	29	28	(1)	
423	Internal charges & overheads applied	361	347	(14)	
-	- Other operating funding applications	-	-	-	
1,076	Total applications of operating funding (B)	1,060	1,088	28	
105	Surplus (deficit) of operating funding (A-B)	307	317	10	
CAPITAL					
Sources of capital funding					
-	- Subsidies and grants for capital expenditure	-	-	-	
55	Development and financial contributions	59	54	(5)	
(43)	Increase (decrease) in debt	(123)	(123)	-	
350	Gross proceeds from sale of assets	319	206	(113)	
-	- Lump sum contributions	-	-	-	
362	Total sources of capital funding (C)	255	137	(118)	
Applications of capital funding					
Capital expenditure					
-	- to meet additional demand	24	5	(19)	
80	- to improve level of service	85	72	(13)	
68	- to replace existing assets	172	153	(19)	
319	Increase (decrease) in reserves	281	225	(56)	
-	- Increase (decrease) of investments	-	-	-	
467	Total applications of capital funding (D)	562	455	(107)	
(105)	Surplus (deficit) of capital funding (C-D)	(307)	(317)	(11)	
-	Funding Balance ((A-B) + (C-D))	-	-	-	
Internal Borrowing					
	OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$
Internal Borrowing	474,196	-	(122,763)	351,433	27,754

Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

Pensioner Housing

Community Outcomes



A YEAR IN REVIEW

Creating an outside space for Alice Stone tenants

This year, we have undertaken a landscaping project at the Alice Stone Pensioner Flats. This project came about following a survey of tenants to determine their satisfaction

with the facilities provided, which indicated that they would like a communal meeting area to socialise in. The project involved turning an underutilised area of the Alice Stone grounds into a gathering place, including picnic tables, and a canopy. The new area was developed within the annual renewals budget and should help to enhance the social wellbeing of tenants.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	525	517	8	\$	
Revenue	478	485	7	\$	
Net Cost of Service Surplus/(Deficit)	(47)	(31)	16	\$	
Capital Expenditure	136	151	(15)	\$	Annual renewals and refurbishment overspent

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2012/13 BUDGET	REVISED BUDGET	ACTUAL SPEND	PERFORMANCE		
	\$000			TIME	QUALITY	COST
Allandale Flats stormwater pump installation	10	10	6	Completed	Achieved	Under budget

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Affordable, safe and secure pensioner housing is provided to people who meet the Whakatāne District Council eligibility criteria.

MEASURE: Number of Council pensioner units provided.

TARGET: 79

RESULT: **ACHIEVED** ✓ 79 units provided (2011/12 result: 79).

Commercial Property

Community Outcomes



A YEAR IN REVIEW

Developers sought for Council-owned land at Piripai

During the year, we intensified our efforts to sell Council-owned land at Piripai. This included looking at alternative options for packaging the land which would maximise its potential value for ratepayers. This has involved a consideration of appropriate uses for the land, including its suitability for a potential retirement village. Council is working with developers and Whakatāne Marina Limited to evaluate the feasibility of a potential joint investment. Plans for a major new lifestyle development are being considered, with talks continuing into 2013/14.

DID YOU KNOW?
Council owns ...

8 COMMERCIAL PROPERTIES

RUN AS COMMERCIAL VENTURES. THESE SITES PROVIDE A COMMERCIAL RETURN, HELPING OFFSET RATES.

THIS YEAR WE SOLD AN ADDITIONAL FORESTRY BLOCK

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	468	555	(87)	\$	Indirect costs show loss on sale of a forestry block
Revenue	308	397	89	\$	Increase in sundry income reflecting disposal of some commercial property
Net Cost of Service Surplus/(Deficit)	(160)	(158)	2	\$	
Capital Expenditure	35	17	19	\$	Harbour owned commercial building renewals below budget

Key: \$ = Favourable – \$ = Unfavourable



Halls

Community Outcomes



A YEAR IN REVIEW

Collaboration aims to improve Murupara community facilities

This year we have continued to work with the Murupara Area School to provide increased opportunities for the utilisation of our Murupara Town Hall. The School is able

to use this valuable community asset as their gymnasium. By working together in this way, we are able to ensure more efficient use of Council facilities and enhance those facilities for the benefit of the community. A project has commenced to consider how further collaboration, alongside the Ministry of Education's investment in the Murupara Area School, can deliver improved facilities for the whole community.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	848	852	(4)	\$	
Revenue	640	614	(27)	\$	Income from Fees and Charges for Halls below budget
Net Cost of Service Surplus/(Deficit)	(208)	(238)	(30)	\$	
Capital Expenditure	110	62	(48)	\$	Ōhope Hall cladding renewal behind schedule

Key: = Favourable – = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: The community is provided with sufficient community halls and pavilions that are functional, affordable and available.

MEASURE: Satisfaction with public halls (Customer Satisfaction Index score).

TARGET: 70 - 74

RESULT: **ACHIEVED** ✓ Average satisfaction score was 71.3 out of 100 (2011/12 result: 69.0).

MEASURE: Sufficient community halls and pavilions provided in each ward by the Council or the community.

TARGET: Four urban Council-managed, Six rural Council-managed halls provided.

RESULT: **ACHIEVED** ✓ Four urban and six rural halls managed by the Council. We have not yet entered into an arrangement for a community group to take over management of our rural halls. (2011/12 result: four urban and six rural halls managed by the Council).

Leadership

Roads &
Footpaths

Water
Supply

Sewage
Treatment
& Disposal

Stormwater
Drainage

Waste

Environmental
Sustainability

Community
Safety

Arts &
Culture

Community
Property

Recreation
& Community
Facilities

Corporate
& District
Activities

Council
Controlled
Organisations



Recreation & Community Facilities

Te Whare Tāpere o Tānerore me ngā hua ka puta mā Te Hāpori

CREATING FUN, OPEN & PEACEFUL PLACES FOR YOU TO USE, ENJOY & REMEMBER

KEY RESULTS FOR 2012/13

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT – Recreation & Community Facilities

LTP 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000												
OPERATIONAL																
Sources of operating funding																
1,186	General rates, uniform annual general charges, rates penalties	5,729	5,244	(485)												
4,342	Targeted rates (other than a targeted rate for water supply)	331	328	(3)												
10	Subsidies and grants for operating purposes	6	13	7												
2,711	Fees, charges, and targeted rates for water supply	2,811	3,342	531												
1,791	Internal charges and overheads recovered	1,711	889	(822)												
42	Local authorities fuel tax, fines, infringement fees, and other receipts	90	572	482												
10,083	Total operating funding (A)	10,678	10,388	(290)												
Applications of operating funding																
4,409	Payments to staff and suppliers	4,396	4,799	403												
396	Finance costs	466	489	23												
3,228	Internal charges & overheads applied	3,507	2,462	(1,045)												
-	Other operating funding applications	-	6	6												
8,033	Total applications of operating funding (B)	8,369	7,756	(613)												
2,050	Surplus (deficit) of operating funding (A-B)	2,309	2,632	323												
CAPITAL																
Sources of capital funding																
-	Subsidies and grants for capital expenditure	60	-	(60)												
137	Development and financial contributions	23	26	3												
(143)	Increase (decrease) in debt	(366)	(125)	241												
-	Gross proceeds from sale of assets	25	10	(15)												
-	Lump sum contributions	-	-	-												
(6)	Total sources of capital funding (C)	(258)	(88)	169												
Applications of capital funding																
Capital expenditure																
49	- to meet additional demand	40	-	(40)												
428	- to improve level of service	541	774	233												
1,342	- to replace existing assets	867	899	32												
224	Increase (decrease) in reserves	603	870	267												
-	Increase (decrease) of investments	-	-	-												
2,043	Total applications of capital funding (D)	2,051	2,543	492												
(2,050)	Surplus (deficit) of capital funding (C-D)	(2,309)	(2,632)	(323)												
-	Funding Balance ((A-B) + (C-D))	-	-	-												
<table border="1"> <thead> <tr> <th></th> <th>OPENING 1 JULY 2012 \$</th> <th>FUNDS BORROWED \$</th> <th>FUNDS REPAID \$</th> <th>CLOSING 30 JUNE 2013 \$</th> <th>INTEREST \$</th> </tr> </thead> <tbody> <tr> <td>Internal Borrowing</td> <td>8,320,542</td> <td>490,431</td> <td>(614,936)</td> <td>8,196,037</td> <td>489,139</td> </tr> </tbody> </table>						OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$	Internal Borrowing	8,320,542	490,431	(614,936)	8,196,037	489,139
	OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$											
Internal Borrowing	8,320,542	490,431	(614,936)	8,196,037	489,139											

Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

Parks, Reserves, Recreation & Sportsfields

Community Outcomes



A YEAR IN REVIEW

Upgrades to Toi's Track

The popular Ngā Tapuwae o Toi track between Whakatāne and Ōhope traverses a varied and often steep landscape. As a result the track can be susceptible to slips, particularly during times of extreme weather. During the year, we have upgraded sections of the walkway, most notably the staircase at the western end of Ōtarawairere Bay. This is part of a larger project to ensure that the track is accessible for locals and visitors to use and enjoy.

Extending our cycleways & walking networks

This year, we have begun a project to create a cycleway and walking path alongside the road linking Whakatāne and Ōhope. This has included widening the narrowest part of the route, at the top of Gorge Road, to provide room for the cycleway. This project, which is due to be completed by December 2013, is a joint initiative between the Recreation Activity and the Transport Networks Activity. Funding contributions have been made by a number of organisations to make the cycleway a reality. More information about this project can be found in the Transport Network Activity pages of this Annual Report.

A review has also been undertaken of the River Greenway Reserve Plan. This plan considers options for the development, improvement and enhancement of riverside reserves. It also provides for linking key facilities, such as schools and parks, to the river. This work will provide the basis for future plans and progress.

Sullivan Lake Maintenance

During this year's extended summer drought, concerns were expressed by the community about the maintenance and condition of Sullivan Lake in Whakatāne. A 'Sullivan Lake Care Group' has been established by concerned residents. The Council is working with the Care Group to address their concerns and look at ways of improving water quality and the lake environment generally. Reduced water flows and higher water temperatures during the drought had a significant impact on water quality and on wildlife and the work being undertaken aims to ensure that the future management of the lake avoids a recurrence of that situation. A review of the Reserve Management Plan that guides the management of the lake is now underway. We are also looking at ways to better coordinate the various Council activities that impact on the lake and the surrounding reserve. Works undertaken under both the Sewage Treatment and Disposal Activity and the Stormwater Treatment Activity this year will help to improve the situation. Information about these works can be found under the relevant sections of this Annual Report.

DID YOU KNOW?

We maintain...

36

PLAYGROUNDS

21

SPORTS GROUNDS

69,179M²

RESERVES & SPORTS
FACILITIES



Leadership
Roads & Footpaths
Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,442	3,409	32	\$	-
Revenue	2,992	2,975	(18)	\$	-
Net Cost of Service Surplus/(Deficit)	(449)	(434)	14	\$	
Capital Expenditure	1181	1213	(32)	\$	

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2012/13 BUDGET	REVISED BUDGET	ACTUAL SPEND	PERFORMANCE		
	\$000			TIME	QUALITY	COST
Coastal land acquisition	250	763	506	Completed	Achieved	Under budget
Sullivan Lake footpath & retaining walls	66	66	66	Completed	Achieved	On budget
Pacific Park Landscaping	-	52	56	Completed	Achieved	On budget
Harbour beautification	100	100	28	Delayed	Modified	Under budget
Whakatāne Tois Track upgrade	100	100	61	Completed	Modified (reduced)	Under budget
Walking and Cycling Projects	75	75	53	Behind Schedule	On track	Under budget
Whakatāne Rugby Park Grandstand reroofed	21	21	21	Completed	Achieved	On budget
Resurfacing six Cutler Crescent Netball Courts	140	140	130	Completed	Achieved	On budget

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Assets are well maintained throughout all parks and recreational facilities providing a high standard of appearance and functionality.

MEASURE: Satisfaction with parks and reserves in the Whakatāne District (Customer Satisfaction Index score).

TARGET: 73 - 77

RESULT: **ACHIEVED** ✓ Average satisfaction score was 78.4 out of 100 (2011/12 result: 77.9).

GOAL: Adequate sportsfields/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: Amount of active recreation space available in the District per 1,000 people.

TARGET: 1.5ha

RESULT: **ACHIEVED** ✓ We maintained 1.5ha of active recreation space per 1,000 people (2011/12 result 1.5ha).



“...the Council listened to us and acknowledged our concerns. That was the start of a journey and the development of a collaborative relationship based on respect and trust.”

Lynore Craig & Graeme Watt

Sullivan Lake Care Group

a catalyst for change

In the midst of the worst summer drought in decades, salt water infiltration to and beyond the Water Treatment Plant on the Whakatāne River restricted water pumping capabilities to a point where the flow which would normally have been sent to Sullivan Lake was stopped. The lake water quality dropped, botulism developed and wildlife was significantly impacted, with a number of bird deaths occurring.

That distressing situation led to the re-establishment of the Sullivan Lake Care Group and sparked a joint effort on behalf of residents in the area and Whakatāne District Council staff to find ways to address the immediate situation and make long-term improvements in the quality of the lake and its surrounding reserve.

Lynore Craig and Graeme Watt were involved from the start. “We talked to many of the people living around the lake and there was a high level of concern about the situation,” they recall. “Four of us composed a letter expressing our

concerns to Council and 81 signatures were gathered from the lake surrounds. There was some anger at the time, but the Council listened to us and acknowledged our concerns. That was the start of a journey and the development of a collaborative relationship based on respect and trust.”

They say the Care Group recognises that the Council has to work within funding constraints, but the partnership that has developed has seen some real advances. “People around here are glad to be a part of that. It’s created a sense of community, with people getting involved in volunteer work and Council staff finding ways to do more than had been planned. We see this as a four-to-six year project, but we’re determined to see the lake restored to the wonderful asset that it has been in the past.”

The Care Group is playing an integral role in the current review of the Sullivan Lake Reserve Management Plan and has also sought funding for a major lake edge planting programme, which aims to create a more wildlife-friendly environment.



Cemeteries & Crematorium

Community Outcomes



A YEAR IN REVIEW

Gathering a photographic record of graves

Over the last year, we have undertaken a project to make photographic records of the headstones in the Council's Hillcrest Cemetery. All 6,000 headstones were photographed and these are being put on file for public record. These images are being linked to our mapping software and will be made available on-line. This will allow us to keep an historic record of all graves and will also allow families to view headstones on-line, making them accessible around the world.

DID YOU KNOW?

We own...

7

CEMETERIES & ONE
CREMATORIUM

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	425	429	(4)	\$	-
Revenue	468	492	24	\$	-
Net Cost of Service Surplus/(Deficit)	43	63	20	\$	
Capital Expenditure	10	19	(9)	\$	Replacement of crematorium processor

Key: = Favourable – = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Appropriate and sufficient cemetery and crematorium services are available to residents.

MEASURE: Satisfaction with cemeteries & crematorium in the Whakatāne District (Customer Satisfaction Index score).

TARGET: 82-86

RESULT: **ACHIEVED** Average satisfaction score was 86.4 out of 100 (2011/12 result: 83.1).

DID YOU KNOW?

This year there
were...

198

CREMATIONS

45%

OF CREMATIONS
USED THE CHAPEL
FACILITIES

123

BURIALS, INCLUDING
ASH BURIALS

Public Conveniences

Community Outcomes



COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	595	560	35	\$	A focus on efficiencies for both the renewals programme and the cleaning contract has helped to make savings in this activity over the last year
Revenue	694	691	(3)	\$	
Net Cost of Service Surplus/(Deficit)	99	131	32	\$	
Capital Expenditure	22	19	3	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: Adequate public conveniences will be provided where required in the community.

MEASURE: Satisfaction with public toilets in the Whakatāne District (Customer Satisfaction Index score).

TARGET: 66 - 70

RESULT: **ACHIEVED** ✓ Average satisfaction score was 69.5 out of 100 (2011/12 result: 68.2).

DID YOU KNOW?

We provide...

37

PUBLIC CONVENIENCES

12

DRINKING FOUNTAINS

7

PUBLIC SHOWERS

Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

Ports & Harbour

Community Outcomes



A YEAR IN REVIEW

River entranceway improvements

We are continuing to investigate options to improve access through the Whakatāne River mouth. This includes reviewing technical recommendations and community feedback. During the last year, we have been considering the information provided by previous studies with a view to determining preferred options to pursue further. This will involve further modeling and consultation with the community and key stakeholders, including iwi.

Rebuilding the Game Wharf in Whakatāne

Substantial maintenance work has been undertaken at the Whakatāne Game Wharf to overcome structural deteriorations. The main structure of the wharf was rusting from the inside, meaning that vessels tied-up to the wharf were not being adequately protected. This was a particular concern as the wharf is used during severe weather events to secure a number of vessels. The renewal work undertaken this year has helped to provide a safer, more secure environment for boat owners and people fishing off the wharf.

Working to make the Port Ōhope Concept Plan a reality

The Port Ōhope Concept Plan guides how we will develop and enhance the Port Ōhope area, including enhanced recreational facilities and housing opportunities. Through the year, we have incorporated a Structure Plan for Port Ōhope into the Proposed District Plan to ensure that the future development of the area is in line with the Concept Plan.

The Council owns a large area of land at Port Ōhope, which we are looking to sell to developers to help make the Concept Plan a reality. This year, we have been in negotiations with a developer who is looking to work with us to develop increased residential opportunities in the area. This signals an exciting opportunity for growth in our District and could see the development of up to 40 prime coastal residential sections.

Handover of the Town Vision

The Town Vision Board has now handed the Town Vision concept to the Council and the Board has been disestablished. This indicates that the work the Board has undertaken is now completed and the Board has provided recommendations to the Council for consideration. The disestablishment of the Board also coincides with an increase in internal Economic Development resources within the Council and a greater focus on developing Harbour assets and opportunities.



Leadership
Roads & Footpaths
Water Supply

Sewage Treatment & Disposal
Stormwater Drainage
Waste

Environmental Sustainability
Community Safety

Arts & Culture
Community Property

Recreation & Community Facilities
Corporate & District Activities

Council Controlled Organisations

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,621	1,362	259	Ⓢ	Reduced costs following disestablishment of Town Vision Board
Revenue	2,373	2,366	(7)	Ⓢ	-
Net Cost of Service Surplus/(Deficit)	753	1,004	252	Ⓢ	
Capital Expenditure	199	326	(127)	Ⓢ	Game Wharf refurbishment carried forward

Key: Ⓢ = Favourable – Ⓢ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2012/13 BUDGET	REVISED BUDGET	ACTUAL SPEND	PERFORMANCE		
	\$000			TIME	QUALITY	COST
Refurbishment of Game Wharf	-	364	317	Completed	Achieved	Under budget

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: 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 (Customer Satisfaction Index score).

TARGET: 74 - 78

RESULT: **ACHIEVED** ✓ Average satisfaction score was 82.3 out of 100 (2011/12 result: 80.2).

Aquatic Centres

Community Outcomes



A YEAR IN REVIEW

Introducing the Whakatāne District Aquatic & Fitness Centre

2012/13 saw the Council take over the management of the Whakatāne Aquatic Centre and introduce a greater focus on service, facilities and events. To kick-start the year, we held a pool party at both the Whakatāne and Murupara pools, including inflatables, pool games and barbeques. These events were well-attended by the community and provided a perfect opportunity to showcase the facilities that the Council offers. The Mayor, Councillors and Senior Council staff got involved in the celebrations and record numbers were recorded at both events. Due to the success of the pool party in Whakatāne, similar events have continued throughout the year, with a monthly pool party and promotional events to coincide with other festivities, such as our Mother's Day promotion and school holiday programmes.

Since taking over management of the Whakatāne Aquatic Centre, our focus has been on improving the service at the pool. This has included improved staffing levels, cleanliness and hygiene and increased testing to ensure the pools are a safe and fun environment for all. We have been working to ensure we comply with "Pool Safe" Guidelines, which provide the national standard for Health and Safety in public pools.

The Aquatic Centre is working to enhance community fitness, through the fitness centre offered within the facility. This year, we have rationalised membership packages, introduced boot camp classes and increased our range of fitness services.

Whakatāne District Aquatic Centre staff had a "huge weekend" looking after the more than 2,000 people who took part in the festivities celebrating the Centre's new status as a Council-run enterprise. "What a blast to see so many families enjoying quality time together, and so many new faces too."

- Acting Manager Tracey Prince

Concern about the operation of the Murupara Pool

Concerns have been expressed about how the Murupara pool was operated this year. While the District as a whole rated the Council pools with a satisfaction level of 78 out of 100 in the recent satisfaction survey, the satisfaction rating of people from Murupara and Galatea was just 65.1 out of 100, significantly less than the rest of the District. We have been working hard to try and resolve these issues before the next swimming season. Audits of the pool, updating health and safety procedures, staff training and new booking procedures are all designed to help the pool operate more efficiently. However, underlying issues with trying to recruit and retain reliable, trained staff and a demand for opening hours that are disproportionate to the level of use of the pool, mean that further progress is required ahead of the 2013/14 season.



COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,338	2,290	(953)	\$	Increased costs associated with taking over management including interim staff costs.
Revenue	1,628	2,166	538	\$	More Fees and Charges due to greater use of facilities
Net Cost of Service Surplus/(Deficit)	290	(125)	(415)	\$	
Capital Expenditure	36	94	(58)	\$	

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2012/13 BUDGET	REVISED BUDGET	ACTUAL SPEND	PERFORMANCE		
	\$000			TIME	QUALITY	COST
Whakatāne Aquatic Centre plant	-	40	40	Completed	Achieved	On budget

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

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

MEASURE: Satisfaction with swimming pools in the Whakatāne District (Customer Satisfaction Index score).

TARGET: 74 - 78

RESULT: **ACHIEVED** ✓ Average satisfaction score was 78.0 out of 100 (2011/12 result: 73.5).

DID YOU KNOW?

This year...

2,000+
PEOPLE ATTENDED THE
WHAKATĀNE POOL PARTY
WEEKEND

1,600
PEOPLE USE THE
WHAKATĀNE AQUATIC &
FITNESS CENTRE EACH
WEEK, ON AVERAGE



“All of our children have attended Swim School, starting as babies, going into pre-school and now after school classes. Their water confidence is fantastic!”

Rebecca Smith - Swim School parent



Whakatāne Swim School



Children and adults from around the District are being taught swimming skills for life thanks to the programmes on offer through the Whakatāne Swim School.

Since Council resumed management of the Whakatāne Aquatic and Fitness Centre in the last year, the Swim School has seen a refocusing of its programmes and activities on offer.

“Qualified instructors have been able to provide a fun and safe learning environment for confidence-building in and around the water. Programmes begin at the age of six months and carry on through to pre-school and school age, with adult lessons also on offer. The Swim School runs in parallel with the school term calendar, and in the past year, it has averaged 500 participants each school term.

Swim School parent, Rebecca Smith, says the benefits of learning to swim have been far-reaching for her family.

“Swimming and water safety is important to us because of all the activities we do in and around the water as a family,” she says. “All of our children have attended Swim School, starting as babies, going into pre-school and now after school classes. Their water confidence is fantastic!”

Visitor Information

Community Outcomes



Leadership
Roads & Footpaths
Water Supply
Sewage Treatment & Disposal
Stormwater Drainage
Waste
Environmental Sustainability
Community Safety
Arts & Culture
Community Property
Recreation & Community Facilities
Corporate & District Activities
Council Controlled Organisations

A YEAR IN REVIEW

Enviro Award

During 2012/13, we have looked at the sustainability of the Visitor Information Centre to ensure it is operating in a resource-efficient manner. This has included considering the use of electricity, the disposal of waste and the transport needs of staff who work at the Centre. As a result of this work, we were able to implement improvements and have lodged an application for an Enviro Award.

Celebrating Whakatāne Sunshine Capital & Ōhope – NZ's best beach

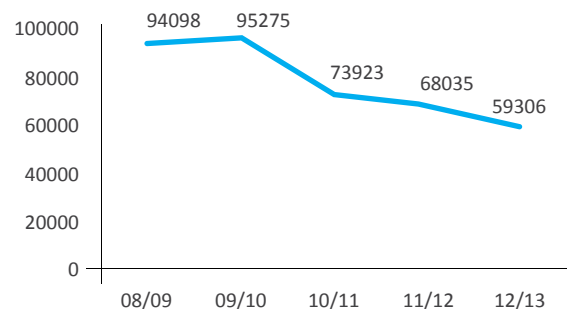
Our events and marketing activities have received a huge boost this year as Whakatāne was once again crowned the sunshine capital of New Zealand. On top of this, and coming as no surprise to Eastern Bay residents, Ōhope was voted New Zealand's Best Beach in a national on-line poll. These are both great recommendations for our District and provide a perfect platform to promote Whakatāne as both a holiday and lifestyle choice. One of the celebrations we organised to mark these achievements was an Ōhope Beach 'Harlem Shake', participated in by approximately 300 residents. The video of the event has received over 18,000 hits on social media, providing a great promotion for our District.

Visitor numbers at the Visitor Information Centre diminishing

The number of visitors utilising the Visitor Information Centre has been declining in recent years, as shown in the graph below. In part, this is a result of a reduction in the number of visitors to Whakatāne during a period of global economic downturn, but it also reflects a move towards the use of on-line media and the internet by travellers to gather information about activities, transport and accommodation. As a result we have seen an increase in visits to our www.whakatane.com tourism website. In response to these changes, we have been looking at how to better utilise the valuable asset that the Visitor Information Centre provides, to ensure that it provides the greatest benefit for the community, businesses and our visitors.

whakatane.com Website visits 2012/13 – 72,930

Visitor Information Centre Annual Door Count



COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	969	938	31	☑	-
Revenue	894	845	(49)	☒	Less income received due to DoC not renewing their 'Front of House' contract, less sales and commissions and less advertising expense recoveries.
Net Cost of Service Surplus/(Deficit)	(75)	(93)	(18)	☒	

Key: ☑ = Favourable – ☒ = Unfavourable



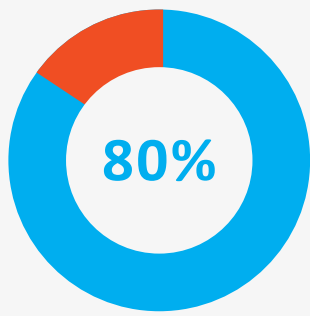
Corporate & District Activities

Ngā Mahinga Matakite ā Rohe

FRIENDLY, HELPFUL PEOPLE PROVIDING THE INFORMATION THAT BOTH YOU & WE NEED

KEY RESULTS FOR 2012/13

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT – Corporate & District Activities

LTP 2011/12 \$000		LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE 2012/13 \$000		
OPERATIONAL						
Sources of operating funding						
207	General rates, uniform annual general charges, rates penalties	582	1,777	1,195		
59	Targeted rates (other than a targeted rate for water supply)	-	(16)	(16)		
-	Subsidies and grants for operating purposes	-	-	-		
209	Fees, charges, and targeted rates for water supply	243	336	93		
15,342	Internal charges and overheads recovered	11,375	9,948	(1,427)		
366	Local authorities fuel tax, fines, infringement fees, and other receipts	372	546	174		
16,182	Total operating funding (A)	12,572	12,591	19		
Applications of operating funding						
8,912	Payments to staff and suppliers	9,728	8,580	(1,148)		
247	Finance costs	269	237	(32)		
4,159	Internal charges & overheads applied	395	894	499		
413	Other operating funding applications	430	706	276		
13,731	Total applications of operating funding (B)	10,822	10,418	(405)		
2,451	Surplus (deficit) of operating funding (A-B)	1,750	2,173	424		
CAPITAL						
Sources of capital funding						
-	Subsidies and grants for capital expenditure	-	-	-		
-	Development and financial contributions	-	-	-		
407	Increase (decrease) in debt	(464)	(1,035)	(571)		
-	Gross proceeds from sale of assets	265	265	-		
-	Lump sum contributions	-	-	-		
407	Total sources of capital funding (C)	(199)	(770)	(571)		
Applications of capital funding						
Capital expenditure						
112	- to meet additional demand	-	-	-		
1,278	- to improve level of service	600	351	(249)		
885	- to replace existing assets	1,796	637	(1,159)		
583	Increase (decrease) in reserves	(945)	315	1,260		
-	Increase (decrease) of investments	100	100	-		
2,858	Total applications of capital funding (D)	1,551	1,403	(148)		
(2,451)	Surplus (deficit) of capital funding (C-D)	(1,750)	(2,173)	(423)		
-	Funding Balance ((A-B) + (C-D))	-	-	-		
		OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$
Internal Borrowing		3,930,987	279,540	(1,314,688)	2,895,839	236,961

Customer Services



A YEAR IN REVIEW

Focus on providing a great customer service experience

Our focus in 2012/13 has been on ensuring that we provide a great level of service to our customers, responding promptly and accurately to customer enquiries. This year we answered more than 74,000 telephone calls, with over

85% of these calls answered within 30 seconds. We have also implemented Twitter communication as a quick and timely method of communicating key messages to the community. If you would like to be kept up-to-date with happenings in the Whakatāne District, follow us on Twitter@WhakataneDC1. The outcome of our service focus can be measured by the high customer satisfaction score of 80.7 out of 100 achieved in this year's Residents Survey, continuing the improvement in satisfaction achieved in recent years.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	600	576	25	\$	-
Revenue	600	576	(25)	\$	-
Net Cost of Service Surplus/(Deficit)	-	-	-		

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

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

MEASURE: Proportion of customers' telephone calls answered within 30 seconds.

TARGET: 80%

RESULT: ACHIEVED ✓ 85.5% of telephone calls answered within 30 seconds (2011/12 result: 81%).

MEASURE: Satisfaction with the overall service from the Customer Service/Front Desk Staff (Customer Satisfaction Index score).

TARGET: 76-80

RESULT: ACHIEVED ✓ Average satisfaction score was 80.7 out of 100 (2011/12 result: 76.0).

Communications



A YEAR IN REVIEW

The changing face of Communications

A restructuring of Council's Communications and Marketing and Events activities saw the creation of a new Public Affairs group in March 2013. An ongoing focus on providing timely information about Council activities and achievements, both through local news media and directly through our

monthly newsletter, Ko Konei, and our social media outlets has resulted in an improved outcome in the community's satisfaction with Council's communications, as measured by the Annual Residents Survey. The annual Association of Local Government Information Management ranking of our website saw a disappointing fall from 5th in 2011/12 to 25th this year. That resulted largely from a lack of functionality development in the area of on-line payment capabilities, which we expect to address within the next six months.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	360	363	(3)	\$	-
Revenue	360	363	3	\$	-
Net Cost of Service Surplus/(Deficit)	-	-	-		

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: The community has access to information and feels well informed.

MEASURE: Satisfaction with Council's provision of information (Customer Satisfaction score).

TARGET: 62-66

RESULT: **ACHIEVED** ✓ Average satisfaction score was 67.6 out of 100 (2011/12 result: 64.2).

MEASURE: Association of Local Government Information Management Website ranking compared to other councils.

TARGET: 20th

RESULT: **NOT ACHIEVED** ✗ Website ranking of 25th. Two key areas for improvement are the accessibility of documents on our website for people who are visually impaired, and increasing the functionality on our website to enable more online services. Work is underway to improve both of these areas. We also have a project scheduled during 2014/15 to upgrade our website (2011/12 result: 5th).

Human Resources



A YEAR IN REVIEW

Internal change brings new opportunities

A number of significant organisational changes over the last year have impacted on Council staff and therefore the Human Resources Department. This has included initiatives such as taking over the Management of our two community pools, resulting in a significant increase in the number of staff employed directly by the Council. During the year, we have also undertaken some internal restructuring. These changes have helped to ensure the Council is aligned to the new focus of Community and Economic Development. Changes have also occurred to reflect the movement of the Library and Exhibition space into Te Kōputu and the new services now delivered by the Library and Museum teams.

Developing our people

Improving the capacity of our people is always a focus and this year we have taken great steps to try and maximise the opportunities for staff to excel. This has included undertaking specific management training for middle management across the organisation and the Executive Team. We have also implemented a Performance Appraisal system for the first time, which will enable us to help our staff fulfil their potential. A further step towards protecting our staff has been obtaining a Tertiary status in an ACC audit. This not only assures our staff that they are well protected in the workforce, but also provides significant discounts on our ACC levies.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	778	692	86	\$	Savings as a result of staff vacancy and training budget savings
Revenue	758	692	(66)	\$	-
Net Cost of Service Surplus/(Deficit)	(20)	-	20	\$	

Key: \$ = Favourable – \$ = Unfavourable

Finance



A YEAR IN REVIEW

Helping produce the lowest rates rise for 10 years

This year, the Finance Activity has delivered an Annual Report for the 2011/12 year and an Annual Plan for 2013/14

that includes the lowest average rates increase for 10 years. A number of changes have also been implemented as a result of the development of the Council's LTP, such as changing the water rates billing from a quarterly to a six-monthly schedule. An increase in financial monitoring and reporting has led to a final rating surplus for 2012/13 of \$43,000, which represents a significant financial management achievement.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,674	2,585	88	\$	-
Revenue	2,674	2,731	57	\$	-
Net Cost of Service Surplus/(Deficit)	-	145	145	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against the targets we set in the LTP.

GOAL: The community and the Council have access to accurate and timely information.

MEASURE: Rates invoices are issued to ratepayers at least three weeks prior to due dates for payment.

TARGET: 100%

RESULT: **ACHIEVED** ✓ Rates invoices went out more than three weeks prior to payment due dates.

Corporate Information



A YEAR IN REVIEW

Improvements to software & systems bring the Council's computer system up-to-date

This year, the ICT team has implemented a number of initiatives to bring the Council's computer system up-to-date, enabling staff across the organisation to operate more efficiently. This has included updating the version of Windows and Office that we operate, improving compatibility with other software and other organisations. We have also integrated the Aquatic Centre network and telephone system with the rest of the Council's systems, improved the speed of the network link to the Murupara office, introduced a fortnightly rates direct debit payment option for the community and installed new, more

cost effective multi-function printer devices. We have also undertaken a project to tidy-up the database that stores all of our contacts, including our ratepayer records. This process has helped to reduce duplications and outdated information, with further improvements planned.

Trialing the digitisation of our records

As part of a large project to move all Council files to a digital format, we have run a couple of pilot schemes this year to understand the process involved in digitising our records. While this is a large project, the benefits for record keeping and accessibility will be huge. Lessons learnt from our pilot projects will help us progress the wider project over the coming years.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,830	3,624	206	Ⓢ	-
Revenue	4,678	4,237	(441)	Ⓢ	-
Net Cost of Service Surplus/(Deficit)	848	613	(235)	Ⓢ	
Capital Expenditure	1,666	511	1,155	Ⓢ	

Key: Ⓢ = Favourable – Ⓢ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2012/13 BUDGET	REVISED BUDGET	ACTUAL SPEND	PERFORMANCE		
				TIME	QUALITY	COST
Corporate Information infrastructure/ hardware improvement	200	200	57	Completed	Achieved	Under budget
Corporate Information Systems planned maintenance & upgrades	215	270	118	Completed	Achieved	Under budget
Enterprise Resource Planning software replacement	1,000	1,000	72	Delayed project timeline revised due to change in scope	Modified (scope change – moved to a financial remediation)	Under budget
Aerial photography rural and urban	70	70	36	Completed	Achieved	Under budget
Broadband- FX Fibre Optic	181	181	181	Completed	Achieved	On budget

Corporate Property



A YEAR IN REVIEW

A refit of the Civic Centre

Following the Whakatāne Library's shift from the Civic Centre to Te Kōputu, we have undertaken a refit of the old library space. This has created extra office space for Council staff and allowed us to introduce some efficiency initiatives, such as housing some consultants on-site to improve work flows. This has also allowed us to move staff who had been temporarily working from a building in Pyne Street to relocate back into the Civic Centre. While the cost of this project exceeded the budget, the overspend has been off-set by savings made in other areas.

Council archives facility

The Council had planned to create a Research, Storage and Archive facility in conjunction with the Whakatāne Museum. This year we undertook a study to assess our storage needs, including both storage and archiving of Council records, and the storage of museum artifacts. Since its initial inception, the scope of this project has changed. By undertaking the study, we have been able to ascertain what our storage and archiving needs are, now and in the future. This process has included an update on the needs of our stakeholders. Recommendations from the report are now set to lead to the development of a Museum Research Centre, beginning in 2013/14.

COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,994	2,172	(177)	\$	-
Revenue	1,711	1,702	(9)	\$	-
Net Cost of Service Surplus/(Deficit)	(283)	(469)	(186)	\$	
Capital Expenditure	717	471	246	\$	

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2012/13 BUDGET	REVISED BUDGET	ACTUAL SPEND	PERFORMANCE		
	\$000			TIME	QUALITY	COST
Vehicle Replacements	150	150	92	Completed	On Track	Under budget
Establish Archives Facility	500	500	-	Deferred to 2013/14	Reviewed	Under budget
Civic Centre Refurbishment	25	276	335	Completed	Modified (increased)	Over budget

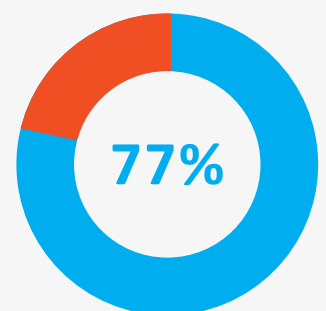


Council Controlled Organisations

*Ngā Roopu Mahi Tahi-ā-Te
Kaunihera o Whakatāne*

KEY RESULTS FOR 2012/13

Delivering our services:



INTRODUCTION

During the 2012/13 year our Council was a shareholder in four Council Controlled Organisations (CCOs). A CCO is a company or organisation in which a Council or number of Councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. The operation of CCOs allow us to deliver services in partnership with other organisations. This chapter of the Annual Report provides information about the following four CCOs:

- Toi Economic Development Agency (Toi-EDA),
- Bay of Plenty Local Authority Shared Services Limited (BoP LASS),
- Local Government Funding Agency Limited (LGFA), and
- Whakatāne Airport.



Toi Economic Development Agency (Toi-EDA)

ABOUT TOI-EDA

Toi-EDA is the Economic Development Agency for the Eastern Bay of Plenty covering the Districts of Opotiki, Whakatāne and Kawerau. The activities undertaken by Toi-EDA contribute to the sustainable growth and development of the local economy. Its vision is to grow the Eastern Bay of Plenty to enhance the wealth and quality of life for its people: Tini o Toi – kia tipu, kia puawai (To create, grow and blossom the myriads of Toi). Toi-EDA is an exempted Council Controlled Organisation (CCO) under the Local Government Act 2002. This means Toi-EDA does not have to meet the separate reporting requirements related to CCOs. 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.

WHAT DOES TOI-EDA DO

Toi-EDA has a strong focus on enhancing the Eastern Bay of Plenty's economic growth and wealth for its people. It also plays an important role in the Bay of Plenty regional partnership representing the Eastern Bay of Plenty. The focus is on projects relating to energy, forestry, aquaculture, transport and logistics, and marine industry. This includes projects, services and initiatives to increase employment, income and investment in the Eastern Bay of Plenty Region. These activities aim to attract businesses and people to the area and to support the growth and development of existing businesses. Specific objectives of Toi-EDA are covered within its economic development strategy. At the time of writing this Annual Report, this strategy was being reviewed to align with the priorities of the Bay of Connections strategy.

HOW IS TOI-EDA MANAGED

Toi-EDA is a partnership between the three territorial authorities (Kawerau, Ōpōtiki and Whakatāne) and the Bay of Plenty Regional Council, working together with local iwi. A trust board provides governance oversight and advice to Toi-EDA. The board operates under a trust deed and is made up of experienced local business people from the Eastern Bay of Plenty, who play a vital role in leading and guiding the organisation. At a higher level, Toi-EDA operates within a wider framework under the 'Bay of Connections' strategy. The 'Bay of Connections' strategy is the economic development strategy for the wider Bay of Plenty region

including Tauranga, Western Bay of Plenty, Rotorua, the Eastern Bay of Plenty, and Taupo. The objective of this strategy is to deliver regional economic development for new and existing initiatives and industries by building on the region's collective strengths.

A YEAR IN REVIEW

Over the past year Toi-EDA has continued its' work at a local and international level to make a positive difference to the Eastern Bay of Plenty economy. Toi-EDA have focussed its' resources on economic development, particularly around the areas of Aquaculture, Wood Processing, Energy and Freight Logistics.

Building international relationships:

Throughout the year Toi-EDA has been developing relationships with key stakeholders, particularly focusing on the Chinese and Korean markets. The group hosted a delegation from Shandong Province, China which helped develop links between our two regions. The delegation was extremely satisfied with some of the opportunities showcased and expressed an interest to follow up on several specific prospects. Similarly a two week research trip has been organised for a Korean Food Engineer to come and appreciate what the region has to offer.

Supporting an Aquaculture industry:

Toi-EDA has been a strong proponent of developing aquaculture enterprise in the Eastern Bay of Plenty. The prospect of transforming Ōpōtiki harbour and developing its' economic potential has been high on the agenda. Several informal discussions have been held with stakeholders, including Whakatāne District Council, Ngāti Awa and Ōpōtiki District Council. Discussions have also been held with Professor Graham Smith, Awanuiarangi and his comments and interest passed on to the project team at Ōpōtiki.

Promoting the Eastern Bay to tourists:

Toi-EDA hosted a meeting with Whakatāne District Council and Ngāti Awa Tourism, looking to develop a co-ordinated approach towards Eco and Cultural Tourism in the Whakatāne District. Organised discussions with Tourism Bay of Plenty to facilitate collaborative working to make the most of tourism in the Region. The creation by Whakatāne and Ōpōtiki Councils of a Chinese language magazine, called 'Nihao', and its' distribution on inbound China Southern Air flights has received Toi-EDA's approval.



COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	191	190	1	\$	-
Revenue	141	159	18	\$	Reimbursement from Toi-EDA for 2011/12 expenditure
Net Cost of Service Surplus/(Deficit)	(50)	(31)	19	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WAS DELIVERED

How we performed against the targets we set in the LTP.

As reported in Toi-EDA's minutes

MEASURE: Manage Toi-EDA's operations within budgets agreed by stakeholders and within the terms of the Trust Deed.

TARGET: Operating expenditure budget \$175,000.

RESULT: ACHIEVED ✓ Total operating expenditure was \$175,000. A further \$15,000 was provided for overheads.

MEASURE: Promote forestry processing opportunities locally and internationally.

RESULT: ACHIEVED ✓ Facilitated discussions around ISK funding request with the Board and key forestry industry experts and made detailed recommendations to the Board in support of the funding request.

MEASURE: Support and promote the Kawerau Industrial Symbiosis project.

RESULT: ACHIEVED ✓ Researched and facilitated discussions around improved infrastructure and transportation links for Kawerau. Encouraged companies to take up wood processing opportunities in Kawerau.

MEASURE: Assist with the implementation of the 'Bay of Connections' strategy ensuring that Eastern Bay of Plenty projects are supported.

RESULT: ACHIEVED ✓ Provided feedback on the draft Bay of Connections Māori Economic Development Strategy.

MEASURE: Continue a web based immigration campaign.

RESULT: ACHIEVED ✓ Maintained a website advertising the Eastern Bay as a destination for newcomers to New Zealand.

MEASURE: Promote Chinese and Korean investment into the region.

RESULT: ACHIEVED ✓ Hosted a delegation from Shandong Province and a visit from a Korean food engineer, establishing relationships with potential investors. Continued promoting the region with a Chinese language magazine.

MEASURE: Promote, support and facilitate projects that have economic benefits.

RESULT: ACHIEVED ✓ Pro-actively met and built relationships with key stakeholders and supported the Ōpōtiki harbour transformation and aqua-culture enterprise. Took steps to encourage tourism and began looking to develop youth training through building relationships with educational and social providers.

Bay of Plenty Local Authority Shared Services Limited (BoP LASS)

ABOUT BOP LASS

Bay of Plenty Local Authority Shared Services Limited (BoP LASS) is a Council Controlled Organisation (CCO) under the Local Government Act 2002. This CCO was formed in 2007 to investigate, develop and deliver shared services, joint procurement and communications for the participating councils. It started with a chief executives (CEs) forum formed by a group of CEs who recognised the advantages of collaboration.

WHAT DOES BOP LASS DO?

BoP LASS provides benefits to the Whakatāne District Council (and other participating councils) through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation. These deliver benefits in terms of cost savings and service improvements to the participating councils and ultimately to ratepayers and residents. This is achieved primarily through joint procurement and shared services. Joint procurement includes procurement of services or products by two or more councils from an external provider. Examples that have led to cost savings for the Whakatāne District Council include procurement of office supplies, software and insurances. Shared services includes the participation of two or more councils in the provision of a common service, which may be jointly or severally hosted. Examples that have led to improved levels of service include the provision of a fibre optic network and development of shared geographic information systems.

HOW IS BOP LASS MANAGED?

The Whakatāne District Council holds a one ninth share in BoP LASS Limited alongside the other eight councils that constitute the Bay of Plenty and Gisborne regions. BoP LASS is governed by a board of 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. In addition, the board may appoint up to three professional directors to supplement the directors'/chief executives' expertise. The services, projects and initiatives of BoP LASS are delivered through a small team of staff based in Tauranga and through advisory groups made up of representatives of the different councils interested in a particular service. Each group is service

specific; the participants initially decide the scope of the project and the desired outcomes and work collaboratively to achieve them.

More information is available in the BoP LASS Annual Report

BoP LASS is a reportable CCO. As part of the requirements for a reportable CCO this means they must produce a separate Annual Report. This includes a greater level of information than available in this chapter. The BoP LASS Annual Report is available from their website www.boplass.co.nz

A YEAR IN REVIEW

Over the past year our participation in BoP LASS has continued to bring us increased savings and benefits. Alongside other Councils we have benefitted through a number of shared services and joint procurement initiatives that have been established, whilst also identifying areas for further collaboration and implementing further initiatives.

Collaboration in Geospatial Information Systems results in savings:

This project has seen an annual saving of \$30,000 for Whakatāne District Council. Developing and introducing a common web viewer technology has been achieved. The initial implementation and internal use has been led by Whakatāne District Council. The ultimate intention is to create a publicly accessible viewing portal; a project to achieve this is being led by Tauranga City Council. BoP LASS's involvement with Councils' Geospatial Information Systems has allowed a more consistent approach across the region. Councils can more easily share data and this has facilitated an increased ability to work collectively when dealing with issues.

Standardising rates processes:

A shared standard for valuation services across all BOP LASS councils is being developed to support a convergence of rates processes. As part of the first stage, a Rating Valuation Contract is being developed. This is the first step in setting the criteria used to rate properties. This will result in all properties being valued against the same criteria across BoP LASS councils.



- Leadership
- Roads & Footpaths
- Water Supply
- Sewage Treatment & Disposal
- Stormwater Drainage
- Waste
- Environmental Sustainability
- Community Safety
- Arts & Culture
- Community Property
- Recreation & Community Facilities
- Corporate & District Activities
- Council Controlled Organisations

Savings continue to be identified and made:

As part of making our back office functions more cost effective, BoP LASS has been looking at reducing our outlay for printing, scanning and photocopying. Through negotiating a new contract for our Multi-Function Devices (printers, scanners, photocopiers) BoP LASS has managed to reduce the cost of printing by an average of 50%. Whakatāne District Council entered the new contract in December 2012, but has already made a saving of 30% for this financial year, a reduction of around \$50,000.

Joint procurement results in continued savings:

An ‘All of the Government’ procurement programme has been integrated within BoP LASS’ joint procurement strategies ensuring that any further savings can be identified and made. Through using the combined purchasing power of the Councils together, BoP LASS has continued to be able to negotiate savings. Collaborative contracts have been established for postal and courier services, delivering financial savings and operating efficiencies to all councils. Renegotiation of telephony call rates and insurance contracts has provided further financial savings. Further areas for savings are being pro-actively investigated.

WHAT WAS DELIVERED

How we performed against the targets we set in the LTP.

As reported in BoPLASS’s Annual Report 2012/13

TARGET: Initiate at least one shared service each year and no less than two shared services successfully implemented within three years.

RESULT: ACHIEVED ✓ Two shared services implemented over the last year.

TARGET: Implement shared services demonstrating best practice and added value to participating councils and stakeholders.

RESULT: ACHIEVED ✓ Access and security principles, protocols and policies implemented with external and internal consultation. Valuation Services standards and contract developed with external support and peer review. Shared desk and inter-council network management developed with external support and internal review. Video conferencing network established with external support and internal review processes.

TARGET: Investigate a minimum of four Joint Procurement initiatives per year for goods and services from sources offering best value, service, continuity of supply and or opportunities for integration.

RESULT: ACHIEVED ✓ 8 initiatives progressed for joint procurement of goods and services.

TARGET: Communicate with each shareholding council at appropriate levels with at least one meeting with each Executive Leadership Team per year.

RESULT: ACHIEVED ✓ Meetings held with all partner Councils and/or management teams.

TARGET: Ensure sufficient income is available from activities to sustain a viable company.

RESULT: ACHIEVED ✓ Council contributions levied, activity groups levied, contributions received from activities producing savings.

Local Government Funding Agency Limited (LGFA)



ABOUT THE LGFA

The New Zealand Local Government Funding Agency Limited (LGFA) was established in 2011 by 18 local authority Councils and the Crown. The Whakatāne District Council joined the LGFA in 2012 as a principle shareholder. There are now 30 shareholder members. The function of the LGFA is to enable local authorities to diversify its source of funding and borrow funds at lower interest margins than would otherwise be available.

WHAT DOES THIS CCO DO?

The LGFA raises debt funding domestically and offshore and provides this debt funding to New Zealand local authorities at lower interest margins than what local authorities would achieve individually from other lenders. The LGFA only lends to local authorities that enter into all the relevant arrangements with it (participating Local Authorities) and comply with the LGFA's lending policies.

The LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. This includes:

- Providing debt to Participating Local Authorities at the lowest possible interest margin cost commensurate with the relevant maturity
- Making longer-term borrowings available to Participating Local Authorities
- Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice and Council approved Liability Management and Investment Policies.

HOW IS THE LGFA MANAGED?

The LGFA is a partnership between the participating local authorities and the New Zealand Government. The Whakatāne District Council is a shareholder, borrower and guarantor. This is the highest level of Council participation in the LGFA which provides access to the full benefits (all local authorities can borrow from the LGFA, but different benefits apply depending on the level of participation).

The LGFA is governed by a Board of Directors. The Board is responsible for the strategic direction and control of LGFA's

activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and LGFA's Statement of Intent. The Board currently comprises six directors with a majority of independent directors and meets no less than 11 times each year. Operationally, the LGFA is run by a small team based in Wellington.

To participate in the LGFA as a principal shareholding authority, the Whakatāne District Council is required to accept certain conditions. This includes making an initial capital investment of \$100,000; providing security against rates charges; providing a cross guarantee in the event of default; and committing a portion of our borrowing needs to the LGFA for an initial period. The overall benefit in joining the LGFA exceeds the above associated conditions. The LGFA is supported by the Crown, and Whakatāne District Council's risk is limited to its proportional size of total guaranteeing Councils. The LGFA has allowed Whakatāne District Council to more effectively and efficiently manage its funding maturity profile, smoothing and lengthening the term of debt and reducing bank concentration risk. Whakatāne District Council has also been able to reduce its funding cost benefitting from the LGFA's highly rated "AA+" credit rating and access to wider and deeper capital markets.

More information is available in the LGFA Annual Report

LGFA is a reportable CCO. As part of the requirements for a reportable CCO this means they must produce a separate Annual Report. This includes a greater level of information than available in this chapter. The LGFA Annual Report is available as of 30th September 2013, from their website www.lgfa.co.nz

A YEAR IN REVIEW

Over the past year Whakatāne District Council has benefited from participating in the LGFA. Alongside Councils from across the country, we have benefitted through a lower rate of interest on borrowing, allowing more money to be directed to where it can make a real difference.

The LGFA has performed ahead of budget during 2012/13

As of 30 June 2013, bond issuance (\$2.475 billion) and on-lending activity (\$2.481 billion) are at around double the volume originally anticipated for the LGFA. Despite this increased activity, overheads have been well contained to the original targets. As a result the LGFA will be in the position to make a larger first dividend payment than originally forecast. As a principal shareholding authority, Whakatāne District Council will be making a return on its initial capital investment.

Funding Councils at lower rates than they can fund themselves

The LGFA has provided term funding to Whakatāne District Council beyond 5-years not previously available to meet its ongoing funding objectives. Banks are unable to competitively price debt funding terms beyond 3-years. Whakatāne District Council has raised LGFA term debt (4-6 years) at a weighted average reduction in funding margins of 30bps (per annum) lower relative to existing shorter term bank debt maturing within 2-3 years. For Whakatāne

District Council that means spending less ratepayers' money on interest and more on what really matters.

The LGFA has become a leading participant in the New Zealand capital markets

The LGFA's role as a leading participant in the New Zealand capital markets has been continually well recognised my major industry awards. The LGFA won "Debt Issue of the Year" at the INFINZ Annual Awards and also won the KangaNews "New Zealand Domestic Issuer of the Year".

Maintaining the LGFA's credit rating equal to that of the New Zealand Government sovereign rating

On the 30 November 2012, Fitch affirmed LGFA's local currency credit rating at AA+ and foreign currency credit rating at AA. The outlook on both ratings is stable. On 20 December 2012, Standard & Poor's affirmed LGFA's local currency credit rating at AA+ and foreign currency credit rating at AA. The outlook on both ratings is stable. LGFA's credit ratings from both Fitch and Standard & Poor's are the same as the New Zealand sovereign ratings.

WHAT WAS DELIVERED

How we performed against the targets we set in the LTP.

As reported in LGFA's Quarterly Report for period ending 30 June 2013. (At the time of going to print LGFA's annual report was not available.)


TARGET: LGFA's average cost of funds relative to the average cost of funds for New Zealand Government Securities for the period to 30 June 2013 will be less than 0.50% higher

RESULT: NOT ACHIEVED  Actual average costs of funds were 0.84% higher.


TARGET: The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities will be no more than 0.40%.

RESULT: ACHIEVED  Actual average margin above LGFA's cost of funds was only 0.23%.


TARGET: LGFA's annualised operating overheads will be less than \$3 million.

RESULT: ACHIEVED  Actual annual operating overheads were \$3.0 million.


TARGET: Total lending to Participating Local Authorities at 30 June 2013 will be at least \$900 million

RESULT: ACHIEVED  Actual lending for the period of 2012/13 was \$2,481 million. The LGFA has been able to cope with the massive demand for lending and was able to meet its' 2015 target two years earlier than anticipated.

TARGET: The total number of Participating Local Authorities Shareholders in the LGFA at 30 September 2012 will be at least 30.

RESULT: ACHIEVED  The actual number of council shareholders is 30.

TARGET: The total number of Participating Local Authorities (ie Shareholders and eligible Borrowers) in the LGFA at 30 September 2012 will be at least 40.

RESULT: NOT ACHIEVED  The actual number of eligible borrowers that joined the LGFA as at 30 June 2013 was 39. However, 42 councils have been approved as borrowers.



Whakatāne Airport

ABOUT THE WHAKATĀNE AIRPORT

The Whakatāne Airport is a Council-Controlled Organisation (CCO) under the Local Government Act 2002. It was formed as a CCO in 2006. The Airport is a valued community asset, which contributes to residents' quality of life and is crucial to the economic well-being of the District.

WHAT DOES THE WHAKATĀNE AIRPORT DO

The primary objective of the Whakatāne Airport is to provide goods and services for the community. It makes a social contribution rather than a financial return. The Airport must operate in accordance with the terms of its aerodrome certificate, which defines standards and conditions laid down by the Civil Aviation Authority of New Zealand (CAA). The airport is maintained as a non-certified aerodrome in accordance with the Civil Aviation Authority Aerodrome design for aircraft at or below 5,700kg Maximum Combined Take Off Weight (MCTOW). As a non-certified aerodrome the Whakatāne Airport is limited to a maximum aeroplane seating capacity of 30 passengers for any regular flight services. Air New Zealand Link provides regular return services to and from Auckland.

The objectives of the Whakatāne Airport are outlined below:

- To ensure that the airport is administered efficiently and effectively to the benefit of scheduled flight operations.
- To ensure the facility is maintained at its present level and increased wherever practicable and economic.
- 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.

HOW IS THE WHAKATĀNE AIRPORT MANAGED

The airport is a joint venture operation between the New Zealand Government (Ministry of Transport) and the Whakatāne District Council (the Council), with each party owning a 50% share. The Whakatāne Airport Board (the Board) provides governance oversight of the Whakatāne Airport CCO. The primary activity of the Board is to operate the airport efficiently and on sound business principles, for the benefit of both commercial and non-commercial aviation users. The 4 members on the Board are:

- Tony de Farias (Chairperson)
- Mayor Tony Bonne
- Councillor Dave Sheaff
- Graeme Bell

Day-to-day operation and maintenance of the airport, including the delivery of projects, services and initiatives is managed by the Council.

More information is available in the Whakatāne Airport Annual Report

The Whakatāne Airport is a reportable CCO. As part of the requirements for a reportable CCO this means they must produce a separate Annual Report. This includes a greater level of information than available in this chapter. The Whakatāne Airport Annual Report is available from Council offices or on our website www.whakatane.govt.nz



Leadership
Roads & Footpaths
Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

A YEAR IN REVIEW

Over the past year the Whakatāne Airport has continued to be the main provider of aviation services in the Eastern Bay of Plenty, providing facilities for recreational and commercial operators. Airport operations and maintenance were carried out as planned and with minimal interruptions. A Ten Year Business Plan was adopted, providing a framework for future development and the improved financial sustainability of the Airport with the Council providing an increased focus on its' development.

Flight Training School

Whakatāne District Council's new Economic Development Team have provided an increased focus on Airport related activities. The new team has implemented actions from the Business Plan, leading to some significant developments. The Council has conducted extensive investigations into the feasibility of operating a flight training school operation out of Whakatāne Airport. A flight training school could add significantly to the Airport being financially self-sustaining.

Airport maintenance completed to schedule & budget

The Whakatāne Airport continued to be maintained as a non-certified aerodrome in accordance with the CAA aerodrome design for aircraft at or below 5,700kg Maximum Combined Take Off Weight (MCTO W). As a non-certified aerodrome, the Whakatāne Airport is limited to a maximum airplane seating capacity of 30 passengers for any regular flight services. Major maintenance projects undertaken during 2012/13 included runway pavement resurfacing, repair of gates to operational areas and a full roof replacement for the terminal building. These projects were completed on schedule and with little disruption to services.

Working with the Ministry of Transport

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 per cent share. As the Crown is a major stakeholder and funding partner, we consult on all major decisions and proposals concerning the Airport. Over the past year, we have consulted with the Crown on the proposed capital works programme for the next ten years.



An important link to Auckland

During the past year, a total of 33,433 passengers passed through the Airport, compared to 37,083 in the previous year. Good passenger loadings have been reported for this Auckland service, with a slight decrease in number from the previous year. A small portion of last year's passenger loadings were passengers flying directly to Wellington before the Whakatāne-to-Wellington service was discontinued in February 2012.



COST OF SERVICE

	LTP 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	180	195	(15)	\$	-
Revenue	102	107	5	\$	-
Net Cost of Service Surplus/(Deficit)	(78)	(88)	(10)	\$	
Capital Expenditure	101	86	14	\$	

Key:  = Favourable –  = Unfavourable


WHAT WAS DELIVERED

How we performed against the targets we set in the LTP.


As reported in Whakatāne Airport Joint Venture Annual Report 2012/13

Operate and maintain the airport's assets within the operational expenditure and capital expenditure budgets (excluding corporate overheads and depreciation).


TARGET: Whakatāne Airport total operating budget \$38,240 deficit.

RESULT: NOT ACHIEVED  \$59,409 deficit – Although revenue exceeded projections, higher capital expenditure and higher maintenance and repair costs led to a variance of \$21,169. These works were necessary to ensure the airport remained compliant with regulatory requirements.

TARGET: Airport Terminal \$42,750.

RESULT: ACHIEVED  Airport Terminal renewals cost \$54,275, 50% funded by the Crown, with a net cost to Council of \$27,137.


TARGET: Perimeter fence upgrade project \$4,305.

RESULT: ACHIEVED  Balance carried forward from 2011/12 upgrade - total cost of \$45,202, compared to budget \$61,000.


TARGET: Airport Runway \$10,000.

RESULT: ACHIEVED  Purchase of runway sweeper \$11,900, 50% funded by the Crown, net cost to council \$5,950.


TARGET: Airport Security \$5,000.

RESULT: NOT ACHIEVED  A review is underway of security, resulting in a carry forward to 2013/14.

TARGET: Airport Lighting and Navigation \$8,000.


RESULT: NOT ACHIEVED  A lighting condition report has been completed that has resulted in a carry forward to 2013/14 towards implementation.

TARGET: Fire Fighting Water Supply \$35,000.

RESULT: NOT ACHIEVED  Addition of water tanks being 40% complete at year end. Carry forward of \$18,990 to 2013/14 to complete the work. Estimated total cost \$42,750.

Maintain the airport in accordance with Civil Aviation Authority standards.

TARGET: Maintain the airport as a non-certified aerodrome in accordance with Civil Aviation Authority aerodrome design for aircraft at or below 5,700kg MCTOW.

RESULT: ACHIEVED  The Airport was maintained over the past year to CAA requirements for non-certified aerodromes as per target.



Our costs in detail

Ngā whakapaunga pūtea me ōna whānuitanga

Financial Statements

Statement of Comprehensive Income

For the Year Ended 30 June 2013

ACTUAL 2012 \$000			ACTUAL	BUDGET
			2013	2013
			\$000	
INCOME				
33,685	Rates, Excluding Volumetric Charges for Water Supply	Note 2	34,002	34,220
7,327	Fees, Charges and Volumetric Charges for Water Supply		8,095	8,049
133	Development and Financial Contributions		292	465
10,349	Subsidies and Grants	Note 3	6,192	6,481
5,673	Other Revenue	Note 3	4,719	4,514
7	Finance Income	Note 6	16	40
1,584	Gains	Note 7	1,848	-
58,758	Total Income		55,164	53,769
EXPENDITURE				
10,394	Personnel	Note 4	11,663	10,913
15,156	Depreciation and Amortisation	Note 5 & 14	15,334	16,764
26,820	Other	Note 5	24,068	24,495
1,879	Revaluation Losses	Note 5	5,377	-
2,519	Finance Costs	Note 6	2,660	2,517
56,768	Total Operating Expenditure		59,102	54,689
1,990	Surplus (Deficit) Before Tax		(3,938)	(920)
-	Income Tax Expense	Note 8	-	-
1,990	Surplus (Deficit) After Tax		(3,938)	(920)
OTHER COMPREHENSIVE INCOME				
1,874	Gains (Loss) on Assets Revaluation	Note 14	4,392	11,362
3,864	Total Comprehensive Income for the Year		454	10,442

Explanations of significant variances against budget are included in Note 34.

The Notes and the Statement of Accounting Policies on pages 133 to 179 form part of the Financial Statements.

Change in presentation of income and expenditure is included in Note 35.

Statement of Changes in Equity

For the Year Ended 30 June 2013

ACTUAL 2012 \$000			ACTUAL 2013	BUDGET 2013
			\$000	
614,689	Balance at 1 July		618,455	620,018
(98)	Prior Years Adjustments		-	-
3,864	Total Comprehensive Income		454	10,442
618,455	Balance at 30 June	Note 23	618,909	630,460

Explanations of significant variances against budget are included in Note 34.

The Notes and the Statement of Accounting Policies on pages 133 to 179 form part of the Financial Statements.

Statement of Financial Position

As at 30 June 2013

ACTUAL 2012 \$000			ACTUAL 2013	BUDGET 2013
			\$000	
	EQUITY			
428,404	Retained Earnings	Note 23	423,874	426,361
12,560	Restricted Equity	Note 23	13,152	12,523
177,491	Asset Revaluation Reserves	Note 23	181,883	191,576
618,455	TOTAL EQUITY		618,909	630,460
	ASSETS			
	Current Assets			
1,394	Cash and Cash Equivalents	Note 9	(106)	53
80	Inventories	Note 10	86	80
2,056	Goods and Services Tax		1,319	100
5,395	Trade and Other Receivables	Note 11	8,493	7,500
131	Derivatives Asset	Note 12	-	-
558	Assets Held for sale	Note 17	2,972	600
9,614	Total Current Assets		12,764	8,333
	Non-Current Assets			
82,343	Operational Assets	Note 14	78,785	84,684
494,701	Infrastructural Assets	Note 14	504,987	504,672
1,350	Intangible Assets	Note 14	913	3,016
303	Forestry Assets	Note 16	291	290
44,587	Investment Property	Note 17	44,481	44,024
39,958	Restricted Assets	Note 18	33,907	41,338
6,188	Work in Progress	Note 15	2,625	4,000
-	Derivatives Asset	Note 12	123	-
51	Investment in CCOs and other similar entities	Note 13	343	151
669,481	Total Non-Current Assets		666,455	682,175
679,095	TOTAL ASSETS		679,219	690,508
	LIABILITIES			
	Current Liabilities			
7,802	Trade and Other Payables	Note 19	9,905	9,000
25	Provisions	Note 20	25	-
1,327	Employee Entitlements	Note 21	1,402	1,500
-	Goods and Services Tax		-	-
24,000	Borrowings	Note 22	20,000	4,775
-	Derivatives Liability	Note 12	54	-
33,154	Total Current Liabilities		31,386	15,275
	Non-Current Liabilities			
543	Provisions	Note 20	483	1,000
198	Employee Entitlements	Note 21	198	-
23,445	Borrowings	Note 22	26,402	42,974
3,300	Derivatives Liability	Note 12	1,840	800
27,486	Total Non-Current Liabilities		28,923	44,774
60,640	TOTAL LIABILITIES		60,309	60,049
618,455	NET ASSETS		618,909	630,460

Explanations of significant variances against budget are included in Note 34. The Notes and the Statement of Accounting Policies on pages 133 to 179 form part of the Financial Statements.



Tony Bonne
MAYOR
18 September 2013



Marty Grenfell
CHIEF EXECUTIVE
18 September 2013

Statement of Cashflows

For the Year Ended 30 June 2013

ACTUAL 2012 \$000			ACTUAL 2013	BUDGET 2013
			\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
36,161	Receipts from Rates		35,485	39,695
11,102	Government Grants		6,539	6,347
(1,245)	GST (Net)		737	-
10,093	Receipts from Customers		9,192	12,946
7	Interest		15	40
(37,879)	Payments to Suppliers & Employees		(34,033)	(40,453)
(131)	Payments to Agencies		(82)	-
(2,555)	Interest Paid		(2,720)	(2,517)
15,552	Net Cash Flows from Operating Activities	Note 25	15,134	16,058
CASH FLOWS FROM INVESTING ACTIVITIES				
1,142	Sale of Property, Plant and Equipment		502	609
(23,012)	Purchase of Property, Plant and Equipment		(15,993)	(14,457)
(33)	Purchase of Investments		(100)	(100)
(21,903)	Net Cash Flows from Investing Activities		(15,591)	(13,948)
CASH FLOWS FROM FINANCING ACTIVITIES				
58,620	Term Loans Raised		26,400	3,920
(51,685)	Term Loan Repayments		(27,443)	(7,921)
6,935	Net Cash Flows from Financing Activities		(1,043)	(4,001)
584	Net Increase (Decrease) in Cash Held		(1,500)	(1,891)
810	Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the year		1,394	1,944
1,394	Cash, Cash Equivalents and Bank Overdrafts at the End of the Year		(106)	53
REPRESENTED BY:				
1,394	Cash at Bank		(106)	53

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 Notes and the Statement of Accounting Policies on pages 133 to 179 form part of the Financial Statements.

Notes to the Financial Statements

Note 1- Statement of Accounting Policies

REPORTING ENTITY

Whakatāne District Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand. 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 2013. The financial statements were authorised for issue by the Council on 18 September 2013.

BASIS OF PREPARATION

Statement of Compliance

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.

Measurement Base

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.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data. 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

Standards, amendments, and interpretations issued but are not yet effective that have not been early adopted, and which are relevant to the Council are:

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 three 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 financial liability requirements are the same as those of NZ IAS 39,

except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. Therefore, the Council will transition to the new standards in preparing its 30 June 2015 financial

statements. The Council has not assessed the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

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.

Significant Accounting Policies

REVENUE RECOGNITION

Revenue is measured at fair value of the consideration received.

Rates

Rates are set annually by a resolution of the Council and relate to a financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised when payable.

Rates collected on behalf of the Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements as the Council is acting as an agent for BOPRC. Rates collected on behalf of the BOPRC are not included in the Statement of Financial Performance as it does not belong to the Council. However, it is 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. Assets vested in the Council are recognised as income when control over the asset is obtained.

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.

Government grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

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 & 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 & OTHER RECEIVABLES

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

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.

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 & 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:

INFRASTRUCTURAL 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

INFRASTRUCTURAL ASSETS:	YEARS:
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
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
Solid Waste	25

OPERATIONAL ASSETS:	YEARS:
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
Library 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 derecognised. 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 the 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 statement of comprehensive income.

CREDITORS & 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 or Long Term 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 & 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 that 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.

Pensioner housing

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment.

GOODS & 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.

COST ALLOCATION

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

Note 2- Rates, Excluding Volumetric Charges For Water Supply

ACTUAL 2011/12 \$000		ACTUAL 2012/13	BUDGET 2012/13
		\$000	
GENERAL RATES			
8,422	General Rates	14,608	14,700
8,422	Total General Rates	14,608	14,700
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:			
1,706	Arts & Culture	-	-
55	District	(17)	-
563	Hazard Management	-	-
414	Leadership	261	263
4,082	Recreation and Community Facilities	328	331
390	Economic Development (CCO)	86	85
6,863	Transport	7,910	7,897
4,225	Waste	3,882	3,883
2,999	Water*	2,308	2,029
1,966	Sewage Treatment and Disposal	2,131	2,133
1,461	Stormwater Drainage	2,317	2,313
24,724	Total Targeted Rates	19,206	18,934
769	Penalties Charged	628	586
(230)	Less remissions given for the year	(440)	-
33,685	Net Rate Revenue	34,002	34,220

*Excluding volumetric charges for water supply

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 2011/12 \$000		ACTUAL 2012/13	BUDGET 2012/13
		\$000	
2,021	Government Grants*	362	196
306	Infringement & Fines	376	380
8,328	Land Transport NZ Subsidies	5,830	6,285
464	Other Services	455	486
261	Petrol Tax	255	260
831	Provision Movement**	60	-
3,122	Rental Income	3,152	3,172
689	Vested Assets	421	216
16,022	Total Other Revenue	10,911	10,955

*2011/12 includes \$363,000 from the Lottery Grants Board towards the Library and Exhibition Centre project.

**Landfill aftercare provision, weather tightness provision, and forestry provision.

Note 4- Personnel Costs

ACTUAL 2011/12 \$000		ACTUAL 2012/13	BUDGET 2012/13
		\$000	
EMPLOYEE BENEFIT EXPENSES			
10,623	Salaries and Wages	11,418	10,793
(354)	Increase (Decrease) in Employee Entitlements	76	-
125	Defined Contribution Plan for Employer Contributions	169	120
10,394	Total Personnel Costs	11,663	10,913

Note 5- Depreciation & Other Expenses

ACTUAL 2011/12 \$000			ACTUAL	BUDGET
			2012/13	2012/13
			\$000	
DEPRECIATION AND AMORTISATION				
15	Community Safety		23	41
278	Arts and Culture		249	312
1,586	Recreation and Community Facilities		1,589	1,595
787	Community Property		794	771
51	Waste		45	80
6,044	Roads and Footpaths		6,433	8,006
1,955	Water Supply		895	1,893
934	Stormwater Drainage		1,883	931
1,309	Sewage Treatment and Disposal		1,225	1,349
18	Reportable Council-controlled Organisations		39	38
2,179	Corporate & District Activities Funds Applied		2,159	1,748
15,156	Total Depreciation and Amortisation	Note 14	15,334	16,764
OTHER EXPENSES				
136	Audit NZ - audit Council Financial Statements		120	151
89	Audit NZ - audit Annual Plan / Long Term Plan		-	-
4	Audit NZ - audit Council Debenture Trust Deed		3	-
13	Audit fees - internal audit		18	-
-	IANZ - audit BCA accreditation		21	-
24	Development Contribution Refunds		4	-
316	Grants and Subsidies		368	384
638	Insurance Premiums		671	816
159	Investment Property Expenses		161	181
3	Loss on Sale of Assets		99	-
315	Movement in Doubtful Debt Impairment		-	-
150	Operating Leases		9	30
24,973	Other Operating Expenses		22,379	22,933
-	Property, Plant and Equipment Impairment		215	-
26,820	Total Other Expenses		24,068	24,495
REVALUATION LOSSES				
1,832	Derivative Financial Instruments		-	-
-	Investment Property		856	-
-	Non Current Assets Held for Sale		4,219	-
42	Forestry		-	-
5	Other Financial Assets		-	-
-	Reverse Revaluation on Sale of Assets		302	-
1,879	Total Revaluation Losses		5,377	-

Note 6- Finance Income & Finance Costs

ACTUAL 2011/12 \$000		ACTUAL 2012/13	BUDGET 2012/13
		\$000	
7	Interest Income	16	40
(2,519)	Interest on External Borrowings	(2,660)	(2,517)
(2,512)	Net Finance Income (Cost)	(2,644)	(2,477)

Note 7- Gains

ACTUAL 2011/12 \$000		ACTUAL 2012/13	BUDGET 2012/13
		\$000	
	NON-FINANCIAL INSTRUMENTS		
286	Revaluation - Assets Held for Sale	-	-
531	Revaluation - Investment Property	-	-
-	Revaluation - Forestry	38	-
767	Gain on Disposal of Assets	411	-
1,584	Total Non-Financial Instruments	449	-
	FINANCIAL INSTRUMENTS		
-	Revaluation - Derivative Financial Instruments	1,399	-
-	Total Financial Instruments	1,399	-
1,584	Total Gains	1,848	-

Note 8- Tax Disclosure

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
	COMPONENTS OF TAX EXPENSE	
-	Current Tax Expense	-
-	Adjustments to Current Tax in Prior Year	-
-	Deferred Tax Expense	-
-	Income Tax Expense	-
	RELATIONSHIP BETWEEN TAX AND ACCOUNTING PROFIT	
1,990	Surplus (Deficit) Before Tax	(3,938)
557	Tax @ 28% (2011/12: 28%)	(1,103)
-	Non-deductible Expenditure	1,149
(573)	Non-taxable Income	-
16	Tax Loss not Recognised	(47)
-	Prior Year Adjustment	-
-	Tax Expense	-

Additional Disclosures

A deferred tax asset has not been recognised in relation to deductible temporary differences of \$87,448 (2011/12: \$48,906).

A deferred tax asset has not been recognised in relation to unused tax losses of \$4,690,416 (2011/12: \$4,523,809).

A deferred tax asset has not been recognised in relation to unused tax losses of \$1,402,463 (2011/12: \$1,257,216) in relation to the Whakatāne Airport joint venture (50% share).

Note 9- Cash & Cash Equivalents

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
1,394	Cash at Bank and on Hand	(106)
1,394	Total Cash and Cash Equivalents	(106)

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:

2011/12		2012/13
1.45%	Cash and Cash Equivalents	1.45%

Note 10- Inventories

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
HELD FOR DISTRIBUTION:		
80	Water and Sewerage Spare Parts	86
80	Total Inventories	86

No inventories are pledged as security for liabilities (2011/12: \$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 2013 amounted to \$Nil (2011/12: \$Nil). The loss in service potential of inventories held for distribution is determined on the basis of obsolescence.

Note 11- Trade & Other Receivables

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
4,441	Rates Receivables	4,188
847	Metered Water Receivables	2,502
2,863	General Receivables	4,189
8,151		10,879
(2,800)	Less Provision for Impairment of Receivables	(2,800)
5,351		8,079
44	Prepayments	414
5,395	Total Trade and Other Receivables	8,493

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 four months after the due date for payment. If payment has not been made within three 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 STATUS OF RECEIVABLES

AS AT 30 JUNE 2013 & 2012

	2012/13 GROSS IMPAIRMENT		2011/12 GROSS IMPAIRMENT	
	\$000			
	RECEIVABLES	PROVISION	RECEIVABLES	PROVISION
Current - 120 days - Rates & Water	4,016		968	
Current - 120 days - Others	3,110		1,775	
Past due > 120 days - Rates & Water	2,675	2,500	3,389	2,500
Past due > 120 days - Others	1,079	300	1,087	300
	10,880	2,800	7,219	2,800

MOVEMENT IN THE PROVISION FOR IMPAIRMENT OF RECEIVABLES:

	2012/13	2011/12
	\$000	
At 1 July	2,800	2,485
Provision Adjustment Made During the Year	281	1,097
Receivables Written Off During the Year	(281)	(782)
Balance at 30 June	2,800	2,800

The collective impairment provision is based on an analysis of past collection history and debt write-offs.

Note 12- Derivative Financial Instruments

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
CURRENT ASSETS PORTION		
131	Interest rate swaps	-
CURRENT LIABILITIES PORTION		
-	Interest rate swaps	(54)
NON-CURRENT ASSETS PORTION		
-	Interest rate swaps	123
NON-CURRENT LIABILITIES PORTION		
(3,300)	Interest rate swaps	(1,840)
(3,169)	Total Derivative Financial Instrument Liabilities	(1,771)

Fair Value

The fair value of interest rate swaps have been determined using a discounted cash flows technique based on quoted market prices. The valuation was performed by ETOS independent valuers. No interest rate swaps were due to mature at 30 June 2013.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$42.8 million (2011/12: \$43.8 million). At 30 June 2013 the fixed interest rates of cash flow hedge interest rate swaps were 4.815% (2011/12: 5.325%)

Unrealised gains and losses recognised on interest rate swap contracts as at 30 June 2013 are released to the Statement of Financial Performance as interest is paid on the underlying debt.

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	20/01/2015	31/08/2021	22/03/2019	21/09/2020	20/12/2013	23/06/2014	23/06/2017	28/09/2018	24/12/2018
Fixed Rate	3.8400%	4.4800%	5.9800%	5.4300%	4.0500%	4.2200%	4.2500%	4.9000%	4.4100%
Amount	\$2,000,000	\$2,000,000	\$5,500,000	\$1,600,000	\$2,000,000	\$3,000,000	\$1,000,000	\$2,000,000	\$3,000,000
Fair Value	(30,018)	(30,583)	(573,040)	(126,741)	(11,968)	(42,206)	(22,041)	(95,926)	(72,006)

Deal Number	Swap 10	Swap 11	Swap 12	Swap 13	Swap 14	Swap 15	Swap 16	Swap 17	Swap 18
Maturity Date	22/12/2015	22/07/2019	22/06/2016	20/04/2018	22/05/2017	22/09/2017	23/03/2022	22/11/2017	22/03/2018
Fixed Rate	4.6300%	4.6500%	4.7450%	4.3200%	4.7850%	6.8900%	3.9300%	4.8800%	6.0500%
Amount	\$1,000,000	\$2,500,000	\$3,000,000	\$2,500,000	\$3,000,000	\$1,700,000	\$3,000,000	\$3,000,000	\$1,000,000
Fair Value	(32,565)	(94,029)	(113,670)	(61,733)	(130,813)	(213,227)	122,811	(145,032)	(97,928)

FAIR VALUE TOTAL (1,770,715)

Note 13- Investment in Council Controlled Organisations & Other Similar Entities

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
50	Shares - NZ Local Government Insurance Corporation Limited: 38,788 shares @ \$1.29	50
1	Shares - Bay of Plenty Local Authority Shared Services Limited: 1 share @ \$1,000	1
-	Unlisted Shares -LGFA	100
-	Borrower Notes - LGFA	192
51	Total Investment in Council Controlled Organisations and Other Similar Entities	343

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 a 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.

Due to the immaterial size and nature of the Council's investment in the Local Government Funding Agency, the Council has estimated the fair value of this investment based on the LGFA's net asset backing as at 30 June.

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- 2011/12

2011/12	30 JUNE 2011										30 JUNE 2012											
	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT	NET BOOK VALUE	ADDITIONS	DISPOSALS	TRANSFERS	IMPAIRMENT	DEPRECIATION REVERSED ON REVAL OR DISPOSAL	DEPRECIATION	REVALUATION	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT	NET BOOK VALUE									
OPERATIONAL ASSETS																						
Land	22,770	-	22,770	-	-	(251)	-	-	-	-	22,519	-	22,519									
Buildings	49,753	5,353	44,400	3,605	-	-	-	1,649	-	-	53,358	7,002	46,356									
Plant & Equipment	2,202	1,321	881	255	-	-	-	121	-	-	2,457	1,442	1,015									
Furniture & Fittings	1,114	561	553	473	-	-	-	127	-	-	1,587	688	899									
Office Equipment	7,851	5,535	2,316	1,096	-	-	-	828	-	-	8,947	6,363	2,584									
Motor Vehicles	1,780	1,043	737	350	87	-	58	207	-	-	2,043	1,192	851									
Harbour Vessels	133	107	26	164	28	-	28	27	-	-	269	106	163									
Museum Collection	6,720	-	6,720	551	-	-	-	-	-	-	7,271	-	7,271									
Library Books	901	79	822	91	-	-	-	228	-	-	992	307	685									
Total Operational Assets	93,225	14,000	79,225	6,585	115	(251)	-	86	3,187	-	99,444	17,101	82,343									
INFRASTRUCTURAL ASSETS																						
Land Roading	91,363	-	91,363	-	-	-	-	-	-	-	91,363	-	91,363									
Roading	238,702	5,871	232,831	8,015	33	-	33	6,024	-	-	246,684	11,862	234,822									
Water	66,493	1,834	64,659	1,299	128	-	1,834	1,955	1,550	-	67,379	1,827	65,553									
Sewage	45,343	1,200	44,143	454	34	-	1,200	1,248	78	-	44,642	1,214	43,427									
Land Drainage	43,255	854	42,401	581	-	-	-	934	246	-	43,228	934	42,294									
Harbour	5,919	286	5,633	46	-	-	-	285	-	-	5,965	571	5,394									
Parks	11,817	824	10,993	825	-	-	-	840	-	-	12,642	1,664	10,978									
Refuse	6,981	6,087	894	21	-	-	-	45	-	-	7,002	6,132	870									
Total Infrastructural Assets	509,873	16,956	492,917	11,241	195	-	3,067	11,331	1,874	-	518,904	24,204	494,701									
INTANGIBLE ASSETS																						
Computer Software	3,481	2,005	1,476	512	-	-	-	638	-	-	3,993	2,643	1,350									

Work in progress in the course of construction total \$6,189,000 (2011: \$3,878,000) 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 14- Operational, Infrastructural & Intangible Assets- 2012/13

2012/13	CURRENT YEAR										30 JUNE 2013		
	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT	NET BOOK VALUE	ADDITIONS	DISPOSALS	TRANSFERS	IMPAIRMENT	DEPRECIATION REVERSED ON REVAL OR DISPOSAL	DEPRECIATION	REVALUATION	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT	NET BOOK VALUE
OPERATIONAL ASSETS													
Land	22,520	-	22,520	75	95	(1,355)	-	-	-	(99)	21,046	-	21,046
Buildings	53,358	7,002	46,356	541	-	-	215	-	1,778	-	53,899	8,995	44,904
Plant & Equipment	2,458	1,442	1,016	111	-	-	-	-	143	-	2,569	1,585	984
Furniture & Fittings	1,587	688	899	188	-	-	-	-	174	-	1,775	862	913
Office Equipment	8,947	6,363	2,584	403	-	-	-	-	747	-	9,350	7,110	2,240
Motor Vehicles	2,043	1,193	850	92	92	-	-	92	238	-	2,043	1,339	704
Harbour Vessels	269	107	162	-	-	-	-	-	41	-	269	148	121
Museum Collection	7,272	-	7,272	-	-	-	-	-	-	-	7,272	-	7,272
Library Books	992	307	685	81	-	-	-	-	165	-	1,073	472	601
Total Operational Assets	99,446	17,102	82,344	1,491	187	(1,355)	215	92	3,286	(99)	99,296	20,511	78,785
INFRASTRUCTURAL ASSETS													
Land Roading	91,363	-	91,363	-	-	-	-	-	-	-	91,363	-	91,363
Roading	246,686	11,861	234,825	7,235	-	-	-	11,861	6,413	4,596	246,656	6,413	240,243
Water	67,379	1,827	65,552	3,046	19	-	-	19	1,883	-	70,406	3,691	66,715
Sewage	44,642	1,214	43,428	3,489	101	-	-	101	1,215	-	48,030	2,328	45,702
Land Drainage	43,227	934	42,293	2,288	4	-	-	4	895	-	45,511	1,825	43,686
Harbour	5,965	570	5,395	545	-	-	-	-	273	-	6,510	843	5,667
Parks	12,641	1,664	10,977	632	-	-	-	-	829	-	13,273	2,493	10,780
Refuse	7,000	6,131	869	-	-	-	-	-	39	-	7,000	6,170	830
Total Infrastructural Assets	518,903	24,201	494,702	17,235	124	-	-	11,985	11,547	4,596	528,749	23,763	504,986
INTANGIBLE ASSETS													
Computer Software	3,993	2,643	1,350	65	-	-	-	-	502	-	4,058	3,145	913

Work in progress in the course of construction total \$2,625,000 (2011/12: \$6,189,000) 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 & RESTRICTED LAND & 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 & 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 2011.

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 2011.

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 2012.

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 \$2,624,881 (2011/12 \$6,189,000).

IMPAIRMENT

Operational assets have been impaired by \$215,000 (2011/12: \$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 2011/12 \$000		ACTUAL 2012/13 \$000
344	Balance at 1 July	302
(42)	Gains (Losses) Arising from Changes in Fair Value on Valuation	38
-	Disposals	(49)
302	Total Forestry Assets	291

Council owns 57.01 hectares of *Pinus Radiata*. No forests have been harvested during the period (2011/12: 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 2013.

Note 17- Investment Property & Assets Held For Sale

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
INVESTMENT PROPERTY		
44,024	Balance at 1 July	44,587
10	Additions	-
531	Fair value Gains (Losses) on Valuation	(2,931)
-	Transfer from Restricted Assets	1,300
127	Transfer from Non-Current Assets Held for Sale	20
(350)	Transfer to Non-Current Assets Held for Sale	-
245	Transfer from Operational Land	1,230
-	Transfer from Restricted Land	275
44,587	Total Investment Property	44,481

All investment properties held by Council were valued at fair value by registered valuers Telfer Young (Rotorua) Ltd, formerly Reid and Reynolds Ltd, as at 30 June 2013. Restricted land within the investment category: \$275,000 (2011/12: \$Nil).

ASSETS HELD FOR SALE		
393	Balance at 1 July (Land)	558
(350)	Sales	(220)
286	Fair value Gains (Losses) on valuation	(2,442)
(127)	Transfer to Investment Property	(20)
6	Transfer from Operational Land	125
-	Transfer from Restricted Assets	4,971
350	Transfer from Investment Property	-
558	Total Non Current Assets Held for Sale	2,972

The assets held for sale relate to property currently held but on the market.

Note 18 - Restricted Assets

2011/12	COST/ REVALUATION 1 JULY 2011	ADDITIONS CURRENT YEAR	DISPOSALS CURRENT YEAR	TRANSFER TO OPERATING LAND	TRANSFER FROM RECREATIONAL RESERVES	TRANSFER TO HARBOUR LAND	TRANSFER TO ASSETS HELD FOR SALE	TRANSFER TO INVESTMENT PROPERTY	REVALUATION CURRENT YEAR	COST/ REVALUATION 30 JUNE 2012
	\$000									
Harbour Land (Not Leased)	10,743	-	-	-	-	-	-	-	-	10,743
Recreational Reserves	29,215	-	-	-	-	-	-	-	-	29,215
Total	39,958	-	-	-	-	-	-	-	-	39,958
2012/13	COST/ REVALUATION 1 JULY 2012	ADDITIONS CURRENT YEAR	DISPOSALS CURRENT YEAR	TRANSFER TO OPERATING LAND	TRANSFER FROM RECREATIONAL RESERVES	TRANSFER TO HARBOUR LAND	TRANSFER TO ASSETS HELD FOR SALE	TRANSFER TO INVESTMENT PROPERTY	REVALUATION CURRENT YEAR	COST/ REVALUATION 30 JUNE 2013
	\$000									
Harbour Land (Not Leased)	10,743	-	-	-	-	-	(4,800)	(1,300)	-	4,643
Recreational Reserves	29,215	506	(10)	-	-	-	(171)	(275)	-	29,265
Total	39,958	506	(10)	-	-	-	(4,971)	(1,575)	-	33,908

Refer to Note 15 for revaluation details.

Note 19- Trade & other Payables

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
6,087	Trade Payables	6,513
160	Accrued Expenses	428
1,093	Income Received in Advance	2,432
462	Deposits	532
7,802	Total Trade and Other Payables	9,905

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 2011/12 \$000		ACTUAL 2012/13 \$000
PROVISIONS ARE REPRESENTED BY:		
Landfill Aftercare Provision		
1,004	Opening Balance	302
(702)	Increase (Decrease) in Net Present Value	(4)
302	Closing Balance	298
25	Current Portion	25
277	Non-current Portion	273
302		298
Forestry Provision		
38	Opening Balance	-
(38)	Increase (Decrease) in Provision	-
-	Closing Balance	-
-	Current Portion	-
-	Non-current Portion	-
-		-
Weathertightness Provision		
357	Opening Balance	266
(91)	Increase (Decrease) in Provision	(56)
266	Closing Balance	210
-	Current Portion	-
266	Non-current Portion	210
266		210
Summary Of Provisions		
25	Current Provisions	25
543	Non-current Provisions	483
568		508

LANDFILL AFTERCARE COSTS

Council's 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

The 2011 provision for forestry rates refunds related to valuation objections that were outstanding on certain forestry properties. These objections related to valuations that Council has rated since 1 July 2002 and in the event of the objections being upheld the Council were required to refund a portion of the rates charged on those properties since 1 July 2002. The objections were upheld and refunds were paid out in 2011/12. Therefore no further provision is required.

WEATHERTIGHTNESS CLAIMS PROVISION

Claims have been lodged with the Weathertight Homes Resolution Service, for buildings located within the Whakatāne District. Five outstanding claims were registered as at 30 June 2013 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 2012/13 financial statements of \$209,982 based on the expected outcome of negotiations on known claims with five of the affected parties – a decrease of \$55,600 to the provision as at 30 June 2012. The provision also includes future claims relating to weathertightness issues not yet identified and reported.

Note 21- Employee Entitlements

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
410	Accrued payroll	452
1,103	Annual and Long Service Leave	1,136
12	Sick Leave	12
1,525	Total Employee Entitlements	1,600
	Comprising:	
1,327	Current	1,402
198	Non Current	198
1,525	Total Employee Entitlements	1,600

Note 22- Borrowings

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
	Current	
24,000	Secured Loans	20,000
	Non-Current	
23,445	Secured Loans	26,402
47,445	Total Borrowings	46,402

The fair values of borrowings including current portion equate to their carrying values

Maturity Profile		
24,000	Maturing in under one year	20,002
5	Maturing in 1-2 years	14,400
23,440	Maturing in 2-3 years	-
-	Maturing in 3-4 years	-
-	Maturing in 4-5 years	5,000
-	Maturing in 5 years+	7,000
47,445		46,402

Interest rates range from 3.04% to 3.83% (2011/12: 3.08% to 7.95%) with a weighted average rate of 3.46% (2011/12: 3.89%). The public debt is secured over future rating income. Interest expense for 2012/13 was \$2,660,000 (2011/12: \$2,519,000).

Information about internal borrowings is provided on pages 158 to 163. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Note 23- Equity

ACTUAL 2011/12 \$000		ACTUAL 2012/13	BUDGET 2012/13
		\$000	
	EQUITY		
428,404	Retained Earnings	423,874	426,361
12,560	Restricted Equity	13,152	12,523
177,491	Asset Revaluation Reserves	181,883	191,576
618,455	Total Closing Public Equity	618,909	630,460
	RETAINED EARNINGS		
418,394	Opening Balance 1 July	418,574	417,281
965	Other Reserve Movements	-	-
1,990	Net Surplus (Deficit)	(3,938)	(920)
	LESS APPROPRIATION		
(13,135)	To Council Created Reserves	(11,565)	-
(4,200)	To Restricted Reserves	(2,251)	-
	FUNDS APPLIED FROM		
10,997	Council Created Reserves	9,992	-
3,563	Restricted Reserves	1,659	-
418,574	Closing Balance 30 June	412,471	416,361
	COUNCIL CREATED RESERVES (INCL. DEPRECIATION RESERVES)		
7,717	Opening Balance 1 July	9,830	10,000
(25)	Adjusting Categories of Equity	-	-
13,135	Add: Appropriation	11,565	-
(10,997)	Less: Application of Funds	(9,992)	-
9,830	Closing Balance 30 June	11,403	10,000
428,404	Total Retained Earnings	423,874	426,361
	RESTRICTED EQUITY		
11,898	Opening Balance 1 July	12,560	12,523
25	Adjusting Categories of Equity	-	-
4,200	Add Appropriation	2,251	-
(3,563)	Less Application of Funds	(1,659)	-
12,560	Closing Balance 30 June	13,152	12,523
	ASSET REVALUATION RESERVE		
176,680	Opening Balance 1 July	177,491	180,214
(1,063)	Other Reserve Movements	(105)	-
-	Revaluation of Operational Assets	(99)	-
-	Revaluation of Restricted Assets	-	11,362
-	Revaluation of Roothing	4,596	-
1,550	Revaluation of Water	-	-
78	Revaluation of Sewerage	-	-
246	Revaluation of Land Drainage	-	-
177,491	Closing Balance 30 June	181,883	191,576

Note 23- Equity (continued)

Information about reserve funds held for a specific purpose is provided below. Note: () depicts an overdrawn reserve account balance

RESERVE	ACTIVITY	PURPOSE	2012 - \$000			2013 - \$000			
			OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
COUNCIL OPERATING RESERVES									
Separate Operating Reserves									
6100	General Council	For General Rate funded Surpluses or Deficits	(927)	2,037	(1,340)	(230)	1,309	(702)	377
6111	Roads & Footpaths	For Roading Rate funded Surpluses or Deficits	(204)	580	(420)	(44)	84	(167)	(127)
6122	Waste	For Refuse Collection Rate funded Surpluses or Deficits	(193)	169	(148)	(172)	283	(373)	(262)
6123	Library	For Library Rate funded Surpluses or Deficits	1	73	-	74	4	-	78
6124	Parks & Reserves	For Parks & Reserves Rate funded Surpluses or Deficits	115	238	(54)	299	17	(18)	298
6126	Whakatāne Wastewater	For Wastewater Rate funded Surpluses or Deficits	70	55	(30)	95	522	(120)	497
6128	Ōhope Wastewater	For Wastewater Rate funded Surpluses or Deficits	(69)	21	-	(48)	-	(272)	(320)
6130	Edgecumbe Wastewater	For Wastewater Rate funded Surpluses or Deficits	131	55	-	186	7	(121)	72
6132	Tāneatua Wastewater	For Wastewater Rate funded Surpluses or Deficits	(2)	-	(12)	(14)	2	(17)	(29)
6134	Murupara Wastewater	For Wastewater Rate funded Surpluses or Deficits	28	19	(5)	42	8	-	50
6136	Te Mahoe Wastewater	For Wastewater Rate funded Surpluses or Deficits	6	0	(5)	1	-	(8)	(7)
6131	Mataitā Wastewater	For Wastewater Rate funded Surpluses or Deficits	(20)	-	(30)	(50)	-	(57)	(107)
6133	Te Teko Wastewater	For Wastewater Rate funded Surpluses or Deficits	(2)	-	-	(2)	-	(1)	(3)
6138	Whakatāne Water	For Water Rate Funded Surpluses or Deficits	(38)	-	(198)	(236)	-	(332)	(568)
6140	Ōhope Water	For Water Rate Funded Surpluses or Deficits	512	322	-	834	241	0	1,075
6142	Edgecumbe Water	For Water Rate Funded Surpluses or Deficits	(194)	4	-	(190)	63	(9)	(136)
6144	Mataitā Water	For Water Rate Funded Surpluses or Deficits	11	1	(4)	8	11	(4)	15
6146	Tāneatua Water	For Water Rate Funded Surpluses or Deficits	3	83	(62)	24	1	(20)	5
6148	Murupara Water	For Water Rate Funded Surpluses or Deficits	(6)	0	(38)	(44)	0	(45)	(89)
6150	Ruatoki Water	For Water Rate Funded Surpluses or Deficits	51	2	(27)	26	1	(9)	18
6152	Waimana water	For Water Rate Funded Surpluses or Deficits	(16)	-	(19)	(35)	5	(30)	(60)
6154	Plains Water	For Water Rate Funded Surpluses or Deficits	907	60	-	967	119	-	1,086
6156	Te Mahoe Water	For Water Rate Funded Surpluses or Deficits	(83)	-	(9)	(92)	-	(11)	(103)
6157	Ruatāhuna Water	For Water Rate Funded Surpluses or Deficits	2	-	-	2	1	-	3
6158	Dog Control	For Animal Control Operating Surpluses or Deficits	48	59	-	107	60	-	167
6160	Parking Enforcement	For Parking Enforcement Operating Surpluses or Deficits	526	28	(98)	456	141	-	597
6162	Pensioner Housing	For Pensioner Housing Operating Surpluses or Deficits	32	-	(66)	(34)	134	(88)	12
6164	Airport Murupara	For Murupara Airport Operating Surpluses or Deficits	130	8	(138)	-	-	-	-
6166	Airport Whakatāne 50%	For Whakatāne Airport Operating Surpluses or Deficits	(182)	-	(115)	(297)	1	(250)	(546)
6190	Whakatāne Stormwater	For Stormwater Rate funded Surpluses or Deficits	(281)	-	(33)	(314)	100	(89)	(303)

RESERVE	ACTIVITY	PURPOSE	2012 - \$000			2013 - \$000			
			OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
6191	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(23)	-	(16)	(39)	7	(16)	(48)
6192	Stormwater	For Stormwater Rate funded Surpluses or Deficits	10	-	(4)	6	19	-	25
6193	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(4)	-	(78)	(82)	3	(87)	(166)
6194	Stormwater	For Stormwater Rate funded Surpluses or Deficits	2	-	(2)	0	0	-	0
6195	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(2)	-	(2)	(4)	1	-	(3)
6196	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(2)	3	(2)	(1)	0	-	(1)
6197	Stormwater	For Stormwater Rate funded Surpluses or Deficits	0	-	-	-	9	-	9
6170	Aquatic Centre	For Aquatic Centre Rate funded Surpluses or Deficits	(321)	749	(482)	(54)	0	(181)	(235)
6171	Aquatic Centre	For Aquatic Centre Rate funded Surpluses or Deficits	(5)	-	-	(5)	-	-	(5)
6180	Stormwater	For Disaster Mitigation Surpluses or Deficits	(88)	-	(5)	(93)	-	(5)	(98)
6181	Stormwater	For Disaster Mitigation Surpluses or Deficits	232	150	(385)	(3)	25	(27)	(5)
6182	Stormwater	For Disaster Mitigation Surpluses or Deficits	65	102	-	167	8	(57)	118
6183	Stormwater	For Disaster Mitigation Surpluses or Deficits	(156)	-	(3)	(159)	1	(9)	(167)
6184	Stormwater	For Disaster Mitigation Surpluses or Deficits	(869)	1,326	(86)	371	31	-	402
6178	Fixed Assets		-	866	(866)	-	-	-	0
Total Separate Operating Reserves			(805)	7,010	(4,782)	1,423	3,218	(3,125)	1,516
Other Reserves									
6402	Parking	For the Development of Car parks in the District	30	2	0	32	2	-	34
6408	General Council	Income received from Sand mining company for access over Council reserve	55	-	(55)	-	-	-	-
6422	General Council	For the purchase of Assets for the Museum Collection	20	1	-	21	1	(19)	3
6426	General Council	For amenities within the Galatea & Murupara areas	1	-	-	1	-	-	1
6428	Pensioner Housing	For the improvement of Disabled Facilities throughout the District	6	-	-	6	16	(22)	0
6432	Water	For the purchase of Capital Expenditure for the Te Mahoe Water scheme	262	15	(15)	262	14	(36)	240
6443	Corporate & District	To fund contributions to the LAPP scheme over & above annual insurance	-	-	-	-	150	-	150
6444	General Council	Surplus funds from the Divestment of Council Assets	161	9	(143)	27	481	(601)	(93)
6445	General Council	Surplus funds from the Divestment of Council Assets	(69)	-	(4)	(73)	0	(4)	(77)
6446	Building	To fund weather tight claims	159	156	(271)	44	133	(88)	89
6431	Roads & Footpaths	To fund costs associated with storm damage to the Councils Roading network	-	387	(104)	283	298	(134)	447
6447	Leadership	Separately collected rates for community projects	-	54	-	54	3	(5)	52
6448	Leadership	Separately collected rates for community projects	-	10	-	10	-	(6)	4

RESERVE	ACTIVITY	PURPOSE	2012 - \$'000			2013 - \$'000			
			OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
6449	Ōhope Beach Community Board	Leadership	-	52	-	52	5	-	57
6450	Tāneatua Community Board	Leadership	-	8	-	8	-	-	8
6451	Murupara Community Board	Leadership	-	12	-	12	1	-	13
6452	Iwi Liaison Committee	Governance	-	5	-	5	0	-	5
Total Other Reserves			625	711	(592)	744	1,104	(915)	933
DEPRECIATION RESERVES									
6300	Water	Whakatāne Water	345	620	(702)	263	518	(1,090)	(309)
6302	Water	Ōhope Water	53	31	(92)	(8)	84	(97)	(21)
6304	Water	Edgecumbe Water	(33)	29	-	(4)	59	(2)	53
6306	Water	Matatā Water	43	52	-	95	64	-	159
6308	Water	Tāneatua Water	111	47	-	158	54	-	212
6310	Water	Murupara Water	208	57	-	265	87	-	352
6312	Water	Ruatoki Water	74	9	-	83	18	(1)	100
6314	Water	Waimana Water	4	2	(3)	3	3	-	6
6316	Water	Plains Water	650	272	(71)	851	178	(60)	969
6318	Water	Te Mahoe Water	24	4	-	28	4	-	32
6320	Sewage Treatment & Disposal	Whakatāne Wastewater	656	171	(264)	563	329	(313)	579
6322	Sewage Treatment & Disposal	Ōhope Wastewater	45	65	-	110	154	(236)	28
6324	Sewage Treatment & Disposal	Edgecumbe Wastewater	178	73	-	251	75	(68)	258
6326	Sewage Treatment & Disposal	Tāneatua Wastewater	173	33	-	206	35	-	241
6328	Sewage Treatment & Disposal	Murupara Wastewater	(242)	11	(64)	(295)	120	(100)	(275)
6327	Sewage Treatment & Disposal	Te Mahoe Wastewater	24	4	-	28	4	-	32
6330	Stormwater	Whakatāne Land Drainage	123	130	(52)	201	164	(180)	185
6332	Stormwater	Ōhope Land Drainage	82	33	-	115	34	-	149
6334	Stormwater	Edgecumbe Land Drainage	26	10	-	36	7	(99)	(56)
6336	Stormwater	Tāneatua Land Drainage	9	3	-	12	1	-	13
6338	Stormwater	Murupara Land Drainage	57	13	-	70	4	-	74
6335	Stormwater	Matatā Land Drainage	5	2	-	7	0	-	7
6339	Stormwater	Te Teko Land Drainage	3	1	-	4	0	-	4
6337	Stormwater	Te Mahoe Land Drainage	11	3	-	14	1	-	15
6340	Refuse Disposal	Waste	134	8	-	142	8	-	150
6342	Libraries	Libraries	(22)	149	(143)	(16)	125	(81)	28
6344	Museum	Exhibitions, Research, Storage & Archives	15	53	(17)	51	24	-	75
6346	Parks & Gardens & Sports fields	Parks, Reserves, Recreation & Sports Fields	681	381	(408)	654	466	(448)	672
6348	Cemeteries & Crematoria	Cemeteries & Crematorium	20	4	-	24	45	(8)	61

RESERVE	ACTIVITY	PURPOSE	2012 - \$'000			2013 - \$'000			
			OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
6352 Swimming Pools	Aquatic Centres	To fund the renewal of Aquatic Centre assets	57	92	(64)	85	132	(57)	160
6354 Halls	Halls	To fund the renewal of Halls assets	359	74	(39)	394	132	(62)	464
6355 Dog Control	Animal Control		-	-	-	-	-	-	0
6356 Public Conveniences	Public Conveniences	To fund the renewal of Public Conveniences assets	100	107	(43)	164	103	(22)	245
6358 Pensioner Housing	Pensioner Housing	To fund the renewal of Pensioner Housing assets	105	178	(29)	254	99	(57)	296
6360 Strategic & Investment Property	Commercial Property	To fund the renewal of Commercial Property assets	-	-	-	-	5	(3)	2
6361 Vehicle & Plant Reserve	Vehicle & Plant	To fund the renewal of Vehicle & Plant	32	194	(241)	(15)	228	(106)	107
6362 Corporate Property	Corporate & District Activities	To fund the renewal of Corporate Property assets	421	210	(183)	448	310	(97)	661
6363 Information Management	Corporate & District Activities	To fund the renewal of Information Management assets	1,073	1,131	(744)	1,460	1,056	(734)	1,782
6364 Port	Ports & Harbour	To fund the renewal of Port & Harbour assets	474	388	(53)	809	403	(9)	1,203
6366 Roading - assisted / non-assisted / special & safety	Roads & Footpaths	To fund the renewal of Roading assets	473	1,377	(1,491)	359	2,067	(1,982)	444
6368 Airport - Whakatāne 50%	Whakatāne Airport	To fund the renewal of Whakatāne Airport assets	(228)	21	-	(207)	37	(39)	(209)
Total Depreciation Reserves			6,323	6,042	(4,703)	7,662	7,237	(5,951)	8,948
Total Council Operating Reserves			6,143	13,763	(10,077)	9,829	11,559	(9,991)	11,397
RESTRICTED RESERVES									
6500 Subdivision Contributions - Whakatāne	General Council	To fund capital expenditure in the Whakatāne Ward	447	22	(157)	312	17	(46)	283
6502 Subdivision Contributions - Ōhope	General Council	To fund capital expenditure in the Ōhope Ward	208	9	(119)	98	3	(79)	22
6504 Subdivision Contributions - Edgecumbe	General Council	To fund capital expenditure in the Edgecumbe Ward	36	2	(19)	19	1	-	20
6506 Subdivision Contributions - Matatā	General Council	To fund capital expenditure in the Matatā Ward	15	1	-	16	1	-	17
6508 Subdivision Contributions - Murupara	General Council	To fund capital expenditure in the Murupara Ward	5	-	-	5	-	-	5
6510 Subdivision Contributions - Rural	General Council	To fund capital expenditure in the Rural Ward	23	1	-	24	1	-	25
6512 Harbour Capital Fund	Ports & Harbour	For Ports & Harbour Operating Surpluses or Deficits	3,898	1,260	(532)	4,626	1,368	(920)	5,074
6514 Harbour Land Sales	Ports & Harbour	Funds set aside from the sale of Harbour assets	3,940	1,355	-	5,295	308	-	5,603
6200 Development Contributions - Whakatāne Water	Water	To fund growth related capital expenditure	102	9	-	111	27	(30)	108
6202 Development Contributions - Ōhope Water	Water	To fund growth related capital expenditure	137	7	(32)	112	7	-	119
6204 Development Contributions - Edgecumbe Water	Water	To fund growth related capital expenditure	5	-	-	5	-	-	5
6206 Development Contributions - Matatā Water	Water	To fund growth related capital expenditure	48	3	-	51	3	-	54
6216 Development Contributions - Plains Water	Water	To fund growth related capital expenditure	10	6	(28)	(12)	7	(14)	(19)
6220 Development Contributions - Whakatāne Wastewater	Wastewater	To fund growth related capital expenditure	(624)	-	(120)	(744)	62	(89)	(771)
6221 Develop Contributions - Coastlands Wastewater	Wastewater	To fund growth related capital expenditure	0	-	-	0	0	(71)	(71)

	RESERVE	ACTIVITY	PURPOSE	2012 - \$'000			2013 - \$'000			
				OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
6222	Development Contributions - Ōhope Wastewater	Wastewater	To fund growth related capital expenditure	122	12	-	134	32	(24)	142
6224	Development Contributions - Edgcombe Wastewater	Wastewater	To fund growth related capital expenditure	(2)	-	-	(2)	-	-	(2)
6234	Development Contributions - Community Infrastructure	Arts & Culture, Recreation & Community Facilities	To fund growth related Community Infrastructure	(635)	1,012	(38)	339	76	(4)	411
6236	Development Contributions - Parks, Gardens & Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related Parks, Gardens & Reserves capital expenditure	891	57	(16)	932	70	(62)	940
6238	Development Contributions - Rural Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	269	16	(4)	281	16	(5)	292
6240	Development Contributions - Whakatāne Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	9	8	(25)	(8)	10	(7)	(5)
6242	Development Contributions - Ōhope Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	128	8	-	136	12	-	148
6244	Development Contributions - Edgcombe Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	39	3	-	42	2	-	44
6248	Development Contributions - Murupara Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	9	1	-	10	1	-	11
6250	Development Contributions - Recreation	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	413	-	(413)	-	-	-	0
6252	Development Contributions - Public Conveniences	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	269	-	(269)	-	-	-	0
6254	Development Contributions - Solid Waste	Waste	To fund growth related Solid Waste capital expenditure	138	143	(5)	276	27	-	303
6255	Development Contributions - Library & Museum	Arts & Culture	To fund growth related capital expenditure	243	0	(243)	-	-	-	0
6256	Development Contributions - Roading	Roads & Footpaths	To fund growth related Roading capital expenditure	1,431	171	(11)	1,591	152	(194)	1,549
6260	Development Contributions - Whakatāne Land Drain	Stormwater	To fund growth related capital expenditure	224	13	(10)	227	28	(31)	224
6262	Development Contributions - Ōhope Land Drain	Stormwater	To fund growth related capital expenditure	23	1	-	24	18	-	42
6270	Development Contributions - Whakatāne Car parks	Stormwater	To fund growth related capital expenditure	(6)	-	-	(6)	-	-	(6)
6271	Otarawairere Disaster Mitigation	Stormwater	To fund growth related capital expenditure at Otarawairere	-	-	(1,379)	(1,379)	-	(80)	(1,459)
6258	Development Contributions - Non Fin Assisted Roading	Roads & Footpaths	To fund growth related capital expenditure	-	3	-	3	-	-	3
6430	Capital Contributions - Roading	Roads & Footpaths	Financial Contributions for Roading Capital Projects	42	2	-	44	3	-	47
	Total Restricted Reserves			11,857	4,125	(3,420)	12,562	2,252	(1,656)	13,158
	Total Reserves			18,000	17,888	(13,497)	22,391	13,811	(11,647)	24,555

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 2011/12 \$000		ACTUAL 2012/13 \$000
Whakatāne Airport Joint Venture		
58	Current Assets	26
620	Non-Current Assets	644
141	Current Liabilities	168
104	Income	107
178	Expenses	186

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 \$226,000 (2011: \$239,000).

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 Cashflow from Operating Activities

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
1,990	Net Surplus/ (Deficit)	(3,938)
Add (Deduct) Non-cash Items		
15,156	Depreciation	15,334
-	Impairment	215
(689)	Vested Assets Income	(421)
(764)	Net Loss (Gain) on Disposal of Assets	(312)
2,124	Net Loss (Gain) on Revaluation	3,940
(988)	Increase (Write Down) of Provisions	15
315	Movement in Doubtful Debt Impairment	-
816	Bad Debts and remissions	721
Add (Deduct) Movements in other Working Capital Items		
1,646	Decrease (Increase) in Debtors	(2,841)

6	Decrease (Increase) in Inventory	(6)
43	Decrease (Increase) in Prepayments	(370)
(3,935)	Increase (Decrease) in Creditors	2,657
(1,245)	Increase (Decrease) in GST Liability	737
Less Cash Inflow from Investing Activities		
(131)	Movement in Regional Council Rates	82
2,270	Movement in Creditors for Fixed Asset Purchases	(679)
15,552	Net Cash from Operations	15,134

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.

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
Capital Commitments		
-	Arts & Culture	-
368	Port	-
842	Roading	495
-	Stormwater	223
-	Town Vision	-
56	Parks and Reserves	-
36	Location Services	36
222	Wastewater	110
257	Water	471
-	Information and Communications Technology	25
1,781	Total Commitments	1,360
Non Cancellable Operating Leases as Lessee		
51	Not later than one year	127
-	Later than one year and not later than five years	416
51	Total Non Cancellable Operating Leases as Lessee	543

There are no restrictions placed on the Council by any of the leasing arrangements.

Note 27- Contingencies

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
1,600	Other Claims	810
1,600	Total Contingencies	810

CONTINGENT LIABILITIES

2012/13, \$810,000 (2011/12, \$1.60 million)

The Council has contingent liabilities for three contracts disputes. The maximum cost to the Council is \$810,000 and in its opinion the Council expects to be able to settle these disputes without any cost to the Council. (2011/12, Damage occurred to the Edgecumbe wastewater infrastructure, attributed to a persistent swarm of shallow and some larger earthquakes over the last few years.)

Employment Dispute

There are no employment disputes at 30 June 2013 (2011/12: three).

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 is 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.

Unquantified Claims

RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for that Fund year. The Council received a notice during 2011/12 for a call for additional contributions in respect of the 2002/03 and 2003/04 Fund years as those funds are exhibiting deficits due to the "leaky building" issue. This notice also highlighted that it is possible that further calls could be made in the future. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

The Supreme Court decision in October 2012 on a Council's liability for non-residential buildings may affect the liability of the Council for weathertightness claims for non-residential buildings. The impact of the decision is yet to be quantified by the Council. The Council is yet to receive any claims as a result of this ruling.

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.

Local Government Funding Agency

The Council is a guarantor of the New Zealand Local Government Funding Agency (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

The Council is one of 30 local authority shareholders and 8 local authority guarantors of the LGFA. In that regard it has uncalled capital of \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million unpaid ordinary shares are available to be called where the LGFA Board has determined that there is an imminent risk of default. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of LGFA's borrowings. At 30 June 2013, NZLGFA had borrowings totalling \$2.267 billion (2011/12, \$835 million).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- It is not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Local Authority Protection Programme Fund Self Mutual Self-Insurance

Council's underground pipe assets are insured through a fund jointly with the majority of other Local Authorities. This fund was mostly eliminated through the two Christchurch earthquakes. Subsequently, in order to keep premiums as a more affordable level, the fund has incorporated a risk sharing scheme. This means that Whakatāne District Council may have to contribute up to \$1.320 million if there are two Christchurch type events in the next financial year.

CONTINGENT ASSETS

Resource Consent Appeal

Whakatāne District Council has been awarded compensation by the Environment Court for unnecessary costs in respect of a resource consent appeal. However, because the claimant has appealed to the High Court, the orders requesting payment of the costs are held in abeyance until the High Court appeal has been determined or withdrawn.

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 related parties.

The following transactions were carried out with related parties:

AIRPORT

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
61,807	Administrative and Maintenance Services	79,806
229,884	Funds Held by Council on Behalf of the Airport	284,787

OTHER RELATED PARTY DISCLOSURES

During the year the Council was involved in minor transactions with Sportsworld Whakatāne of which Mayor Bonne is the sole director. These services cost \$ 2,388 (2011/12: \$1,060) and were supplied on normal commercial terms. The council was also involved in minor transactions with Radio Bay of Plenty of which Mayor Bonne is a director. The services cost \$36,826 (2011/12:\$8,667).

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, Marty Grenfell, is a director of BoP LASS Limited. During the year the Council contracted BoP LASS Limited for services costing \$121,559 (2011/12: \$132,142).

The Council granted \$2,000 to the Eastern Bay of Plenty Life Education Trust, in which Councillor Turner is involved. The Council granted \$10,000 to the Pride Whakatāne District Committee of which Councillor Iles is the Chairman. During the year, the Council was involved in transactions for \$575 with Mataatua Sports Trust of which Councillor Ngaropo is a Trustee. The council paid \$1,039.60 to Sister Cities NZ INC, of which Councillor Iles is Chairman.

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 2011/12 \$000		ACTUAL 2012/13 \$000
1,330	Salaries & other short term benefits	1,348
81	Termination Benefits	-
1,411	Total	1,348

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

In 2012/13 the Chief Executive of the Whakatāne District Council, appointed under section 42(1) of the Local Government Act 2002 received a remuneration package of \$232,028 salary including Kiwisaver and a benefit of \$12,522 for a vehicle.

In 2011/12 the current Chief Executive, received a salary of \$161,538 and a benefit of \$9,392 for a vehicle. The outgoing Chief Executive received a salary of \$154,270 and a benefit of \$3,938 for a vehicle.

ELECTED REPRESENTATIVES

ACTUAL 2011/12 \$*				ACTUAL 2012/13 \$		
SALARIES	HEARINGS	ALLOW & EXP REIMB		SALARIES	HEARINGS	ALLOW & EXP REIMB
MAYOR AND COUNCILLORS						
89,619	-	4,904	Bonne, Tony (Mayor)	93,700	-	4,298
32,910	1,060	1,351	Chambers, Christine	28,310	2,010	1,851
26,301	-	1,501	Dowd, David	24,128	-	1,461
27,967	-	3,593	Iles, Andrew	24,128	-	3,295
26,301	-	1,337	Jarrett, Scott	24,128	-	750
26,301	-	2,146	Johnston, George	24,128	-	1,039
26,301	-	1,218	Ngaropo, Pouroto	24,128	-	750
32,910	1,325	3,160	Orr, Russell	28,860	2,200	876
26,301	-	1,218	Sheaff, Dave	24,568	200	750
32,910	1,060	1,218	Turner, Judy (Deputy Mayor)	28,750	1,960	750
26,301	-	1,218	Van Beek, Gerard	24,128	-	750
COMMUNITY BOARD MEMBERS						
EDGE CUMBE - TARAWERA						
2,636	-	519	Barr, Viv	2,486	-	300
8,369	-	629	Bourk, Graeme	6,160	-	300
2,636	-	519	Byrne, Kris	2,486	-	300
2,636	-	519	Dennis, Gavin	2,486	-	300
2,636	-	613	Harvey, Evan	2,486	-	300
2,636	-	519	Richards, Vicki	2,523	-	300
TĀNEATUA						
2,625	-	694	Chater, Geoffrey	2,486	-	436
2,625	-	560	Knowles, Les	2,486	-	300
2,625	-	762	Kora, Monty	2,486	-	312
7,042	-	590	Kyle, David	3,104	-	425
2,625	-	643	Ruiterman, Luke	2,486	-	327
3,419	-	512	Yalden, Diane	6,160	-	300

ACTUAL 2011/12 \$*				ACTUAL 2012/13 \$		
SALARIES	HEARINGS	ALLOW & EXP REIMB		SALARIES	HEARINGS	ALLOW & EXP REIMB
WHAKATĀNE						
2,625	-	1,148	Chambers, George	2,486	-	502
8,237	-	512	Delahunty, Neville	6,160	-	300
2,625	-	512	Hall, Tony	2,486	-	300
2,625	-	512	Lander, Peter	2,486	-	300
2,625	-	512	Lynch, Kenneth	2,486	-	300
2,625	-	512	Naude, Mike	2,486	-	300
ŌHOPE BEACH						
2,625	-	512	Casey, Gerard	2,486	-	654
8,304	-	992	Dohrman, Chris	6,160	-	300
2,625	-	625	Howe, Josephine	2,486	-	300
2,625	-	512	King, Mike	2,486	-	644
2,625	-	512	Lovelock, Hugh	2,486	-	300
2,625	-	512	Poppe, Sabine	2,486	-	300
MURUPARA						
2,636	-	519	Ammunson, Patricia	2,486	-	753
2,636	-	519	Chapman, Awhina	2,486	-	300
-	-	-	Silcock, Alison	1,902	-	1,469
2,636	-	763	Skeet, Charlotte	2,486	-	1,064
2,583	-	519	Tanirau, Arleen	-	-	-
8,289	-	519	Te Kurapa, Jacob	6,160	-	423
2,636	-	519	Tuhua, Honey	2,486	-	404
IWI LIASON						
-	-	-	Carson, David	-	-	313
-	-	934	Carlson, James	-	-	-
-	-	3,411	Jenner, Robert	-	-	2,464
-	-	4,933	Kalan, Joshua	-	-	3,118
-	-	305	Kohiti, Kohiti	-	-	-
-	-	1,640	Mason, Hohepa	-	-	2,184
-	-	-	Olsen, Pene	-	-	2,092
-	-	3,907	Pacey, Huia	-	-	1,697
-	-	1,072	Pryor, Henare	-	-	1,257
-	-	-	Pukepuke, Bruce	-	-	746
-	-	2,681	Sisley, Mihipeka	-	-	1,769
-	-	3,164	Te Pou, Colin	-	-	2,372
-	-	1,845	TeMara, Te Makarini	-	-	1,365
-	-	159	Thrupp, John	-	-	-

* 2011/12 includes back-pay from the Remuneration Authority determination following the October 2010 election.

Note 29- Remuneration (*continued*)

COUNCIL EMPLOYEES

	2012/13	2011/12
Total annual remuneration by band for employees as at 30 June:		
< \$60,000	188	159
\$60,000 - \$79,999	34	37
\$80,000 - \$99,999	15	10
\$100,000 - \$179,999	15	14
Total Employees	252	220

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 142 (2011/12: 152) full time employees, with the balance of staff representing 34.5 (2011/12: 18.8) full time equivalent employees. A full time employee is determined on the basis of a 40 hour working week.

Note 30- Severance Payments

For the year ended 30 June 2013 Whakatāne District Council made five severance payments to employees of \$16,000, \$9,750, \$4,500, \$4,000 and \$2,250.

(2011/12: four payments of \$8,700, \$59,692, \$5,000 and \$3,500).

Note 31- Events After Balance Sheet Date

There were no significant events after balance date.

Note 32a- Financial Instrument Categories

The accounting policies for financial instruments have been applied to the line items below:

ACTUAL 2011/12 \$000		ACTUAL 2012/13 \$000
	FINANCIAL ASSETS	
	Derivative Financial Instruments that are not Hedge Accounted	
	- Fair Value through Profit and Loss	-
	Financial Instruments	
131	Financial Instruments	-
	Loans and Receivables	
1,394	Cash and Cash Equivalents	-
4,463	Trade and Other Receivables	8,493
5,857	Total Loans and Receivables	8,493
	Fair Value through Equity	
	<i>Other Financial Assets:</i>	
50	NZ Local Government Insurance Corporation Limited	50
1	BoP LASS	1
-	NZ Local Government Funding Agency	292
51	Total Fair Value through Equity	343
	FINANCIAL LIABILITIES	
	Derivative Financial Instruments that are not Hedge Accounted	
	- Fair Value through Profit and Loss	-
	Financial liabilities at amortised cost	
	- Cash and Cash Equivalents	106
6,870	Trade and other Payables	9,905
3,300	Financial Derivatives	1,840
	<i>Borrowings:</i>	
47,445	Secured Loans	46,402
57,615	Total Financial Liabilities at Amortised Cost	58,253

Note 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.

	TOTAL	QUOTED MARKET	OBSERVABLE	SIGNIFICANT NON-OBSERVABLE INPUTS
	\$000			
2012/13				
FINANCIAL ASSETS				
Local Authority Stock	1	-	1	-
Shares	150	-	150	-
Borrower Notes	192	-	192	-
FINANCIAL LIABILITIES				
Derivatives	1,840	-	1,840	-
2011/12				
FINANCIAL ASSETS				
Local Authority Stock	1	-	1	-
Shares	150	-	150	-
Borrower Notes	131	-	131	-
FINANCIAL LIABILITIES				
Derivatives	3,300	-	3,300	-

Note 32c- Financial Instrument Risks

Council has a series of policies to manage the risks associated with financial instruments. Council 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 AS AT 30 JUNE 2012 \$000		ACTUAL AS AT 30 JUNE 2013 \$000
MAXIMUM EXPOSURE TO CREDIT RISK		
1,394	Cash at Bank and Term Deposits	(106)
4,463	Trade and Other Receivables	8,493
131	Derivative Financial Instrument Assets	123
51	Local Authority and Government Stock	343
(3,300)	Derivative Financial Instrument Liabilities	(1,894)
2,739	Total Credit Risk	6,959

The Council is exposed to credit risk as a guarantor of all the LGFA's borrowing. Information about this exposure is explained in Note 27

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 2011/12 \$000			ACTUAL 2012/13 \$000
COUNTERPARTIES WITH CREDIT RATINGS			
1,394	Cash at Bank and Term Deposits	AA-	(106)
1,394	Total Cash at Bank and Term Deposits		(106)
50	NZ Local Government Insurance Corporation Limited	B++u	50
50	Total NZ Local Government Insurance Corporation Limited		50
-	NZ Local Government Funding Agency	AA+	292
-	NZ Local Government Funding Agency		292
-	Derivative Financial Instrument Assets		123
-	Total Derivative Financial Instrument Assets		123

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	CONTRACTUAL CASH FLOWS	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
\$000						
COUNCIL 2012/13						
Trade and Other Payables	9,905	9,905	9,905	-	-	-
Secured Loans	46,402	46,297	19,867	14,414	5,006	7,010
Financial Derivatives	1,894	1,894	54	30	817	993
Total	58,201	58,096	29,826	14,444	5,823	8,003
COUNCIL 2011/12						
Trade and Other Payables	6,870	6,870	6,870	-	-	-
Secured Loans	47,445	43,451	23,894	-	19,557	-
Financial Derivatives	3,300	3,300	-	40	1,636	1,624
Total	57,615	53,621	30,764	40	21,193	1,624

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	CONTRACTUAL CASH FLOWS	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
\$000						
COUNCIL 2012/13						
Cash and Cash Equivalents	(106)	(106)	(106)	-	-	-
Trade and Other Receivables	8,493	8,493	8,493	-	-	-
Net Settled Derivative Assets	123	123	-	-	-	123
Net Settled Financial Instruments	-	-	-	-	-	-
OTHER FINANCIAL ASSETS:						
Local Authority and Government Stock	342	342	-	-	-	342
Total	8,852	8,852	8,387	-	-	465
COUNCIL 2011/12						
Cash and Cash Equivalents	1,394	1,394	1,394	-	-	-
Trade and Other Receivables	4,463	4,463	4,463	-	-	-
Net Settled Derivative Assets	131	131	131	-	-	-
Net Settled Financial Instruments	-	-	-	-	-	-
OTHER FINANCIAL ASSETS:						
Local Authority and Government Stock	50	50	-	-	-	50
Total	6,038	6,038	5,988	-	-	50

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.

	2013 \$000				2012 \$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	-	-	-	-	(4,707)	-	(1,713)	-
Financial Instruments	-	-	-	-	-	-	-	-
Other Financial Assets:								
- Local Authority and Government Stock	-	-	-	-	-	-	-	-
FINANCIAL LIABILITIES								
Derivatives - Interest Rate Swaps	(3,483)	-	(164)	-	-	-	-	-
Borrowings:								
- Bank Overdraft	-	-	-	-	-	-	-	-
- Debt	264	-	(264)	-	(234)	-	-	-
Total Sensitivity to Interest Rate Risk	(3,219)	-	(428)	-	(4,941)	-	(1,713)	-

EXPLANATION OF SENSITIVITY ANALYSIS

Derivatives

Financial Liability

Derivative financial liabilities not hedge accounted includes interest rate swaps with a fair value totalling minus \$1,770,715 (2012: minus \$3,169,386).

A movement in interest rates of plus or minus 1.0% has an effect on the swap value of minus \$164,073 (2012: minus \$1,713,526) and minus \$3,482,877 (2012: minus \$4,707,675).

Local Authority Stock

A total of \$50,000 (2012: \$50,000) 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 \$500 (2012: \$500) on the fair value through equity reserve.

Secured Loans (Floating)

The Council has floating rate debt with a principal amount totalling \$26.4 million (2012: \$23.4 million). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$264,000 (2012: \$234,000).

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 promoted in the Act and applied by the Council. Intergenerational equity require today's ratepayers 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 Plan (LTP) 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 LTP.

Note 34- Variances from Budget

Explanations for major variations from the Council's estimated figures in the 2012/13 Annual Plan are as follows:

STATEMENT OF COMPREHENSIVE INCOME

The *Deficit Before Tax* of \$3.938 million is \$3.018 million higher than the budgeted deficit of \$920,000 in the Annual Plan. The variance is mainly attributable to the following factors:

Income

- Gains on financial derivatives and sale of assets (\$1.848 million) not budgeted for in the Annual Plan.
- Rates remissions being higher than budgeted (\$440,000).
- User charges, vested water assets, and aquatic centre fees and charges higher than budgeted (\$677,000).
- Transport subsidies, volumetric water charges and development contributions less than budgeted (\$888,000).

Expenditure

- Losses on valuation of investment property and sale of assets (\$5.377 million) not budgeted for in the Annual Plan.
- Depreciation, predominantly for Roads and Footpaths, being less than budgeted, whereby life spans used in the LTP do not reflect the actual life spans of assets (\$1.430 million). This has been corrected for the 2013/14 Annual Plan.

- Other operating expenses being less than budgeted in respect to savings in operational costs such as printing and stationery and insurance (\$427,000).
- Personnel costs being greater than budget owing to an increase in employee entitlements and unbudgeted salaries for Aquatic Centre personnel (\$750,000).
- Finance costs were higher than budgeted owing to fluctuations in interest rates since preparing the LTP (\$143,000).

STATEMENT OF CHANGES IN EQUITY

The Council's equity has been adjusted by the current year total comprehensive income of \$454,000, which is a combination of the Net Deficit (\$3.938 million) and a gain on revaluation of roading assets (\$4.392 million).

STATEMENT OF FINANCIAL POSITION

Net Assets were \$11.549 million less than budgeted in the Annual Plan. The variance is mainly attributable to the following factors:

Assets

Total assets were \$11.289 less than budgeted. Revaluation gains of \$11.362 million were budgeted for the time of preparing the LTP, however gains on revaluation of roading assets (\$4.392 million) were more than offset by losses on revaluation of investment property and assets held

for sale (\$5.075 million). Other variances of note relate to some capital projects not eventuating as planned and water debtors being higher than budgeted owing to the introduction of six monthly water billing.

Liabilities

Total liabilities were \$260,000 higher than budgeted mainly owing to the derivatives liability being higher than budgeted by \$1 million, and Payables being \$900,000 higher than budgeted. These increases were partly offset by external borrowings being \$1.3 million less than budgeted and provisions being less than budgeted.

STATEMENT OF CASHFLOWS

There was a variation of cash held, compared to budget, of negative \$159,000. This resulted from spending \$1.64 million more than budgeted on investing activities, repaying \$2.958 million loans less than budgeted, and net cash flows from operating activities being \$924,000 less than budgeted.

Note 35- Reclassification

RECLASSIFICATION

The Council has changed the presentation of items within income to comply with the new presentation requirements of the Local Government (Financial Reporting) Regulations 2011.

The effect of the changes to income are shown in the table below:

	ACTUAL 2011/12		
	BEFORE RECLASSIFICATION \$000	RECLASSIFICATION \$000	AFTER RECLASSIFICATION \$000
INCOME			
Rates Revenue	35,735	(35,735)	-
Rates, excluding volumetric charges for water supply	-	33,685	33,685
Other Revenue	21,432	(5,410)	16,022
Fees, charges and volumetric charges for water supply	-	7,327	7,327
Development and Financial Contributions	-	133	133
Total Income	57,167	-	57,167
EXPENDITURE			
Personnel	10,269	125	10,394
Other	26,945	(125)	26,820
Total Expenditure	37,214	-	37,214
ASSETS			
Trade and other receivables	4,463	932	5,395
LIABILITIES			
Trade and other Payables	6,870	932	7,802

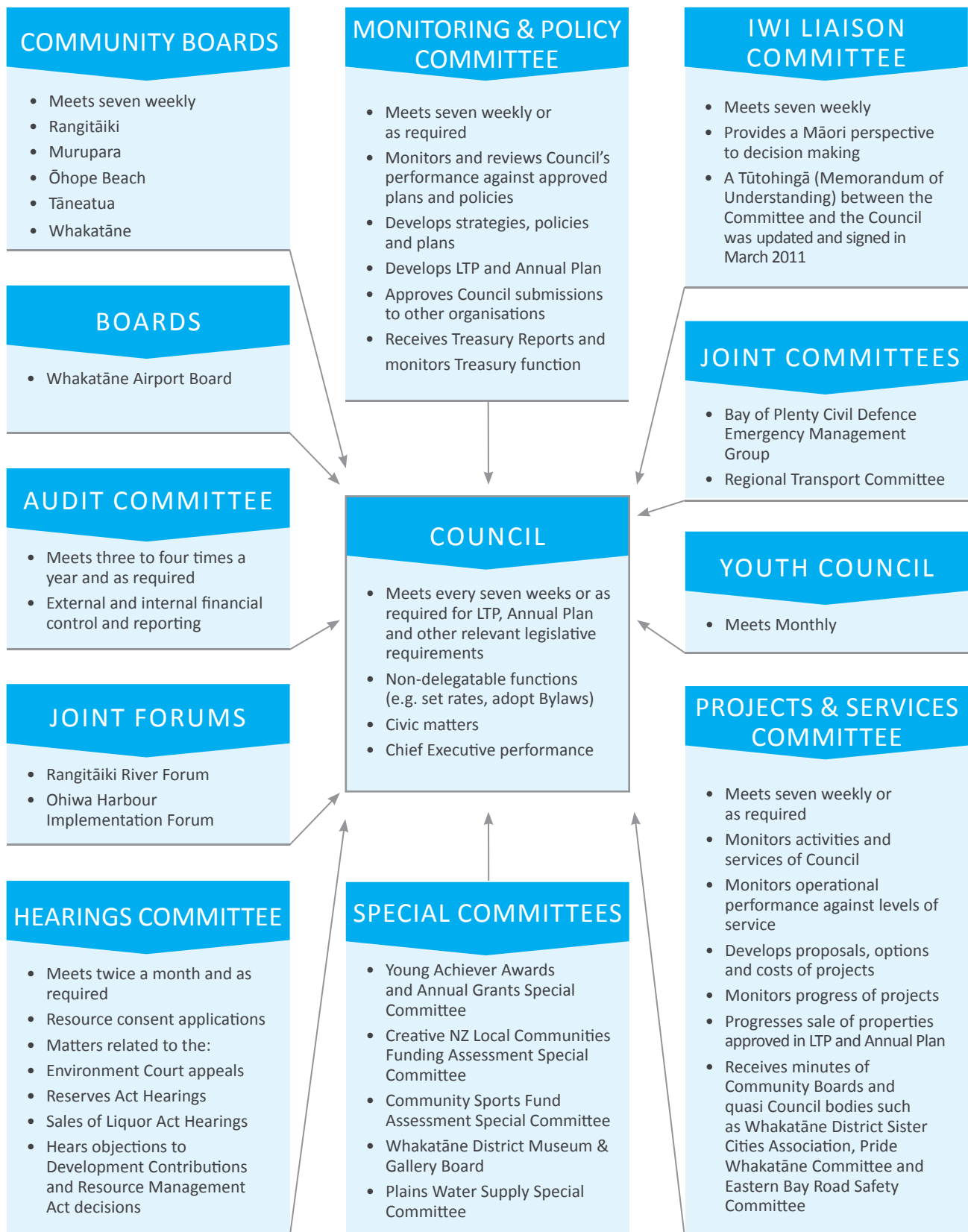


Appendices

Ngā Tāpiritanga

Council Political Structure

As at 30 June 2013



Your Council

As at 30 June 2013

MAYOR

Tony Bonne

Ph 07 312 4787 Ph (Bus) 07 306 0515 Mob 027 440 1126
tony.bonne@whakatane.govt.nz

WHAKATĀNE - ŌHOPE WARD

DEPUTY MAYOR

Judy Turner

Ph 07 312 4965 Mob 021 309 803
judyturner.ohope@xtra.co.nz

COUNCILLOR

Christine Chambers

Ph 07 308 7898
twoattoi@xtra.co.nz

COUNCILLOR

David Dowd

Ph 07 307 0299
david@ddl.co.nz

COUNCILLOR

Scott Jarrett

Ph 07 308 7556 Mob 027 493 8019
scott_jarrett@xtra.co.nz

COUNCILLOR

Dave Sheaff

Ph 07 312 5744 Mob 027 495 3022
dlsheaff@wave.co.nz

RANGITĀIKI WARD

COUNCILLOR

George Johnston

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thorntonjohnstons@hotmail.com

COUNCILLOR

Russell Orr

Ph 07 322 8473 Mob 027 290 7565
russell@orrcom.co.nz

COUNCILLOR

Gerard van Beek

Ph 308 6474 Mob 027 444 4940
nassau@xtra.co.nz

TĀNEATUA-WAIMANA WARD

COUNCILLOR

Andrew Iles

Ph 07 312 3191 Mob 027 294 1849
waimanailles@xtra.co.nz

GALATEA - MURUPARA WARD

COUNCILLOR

Pouroto Ngaropo

Mob 021 242 5978
pouroto@ngatiawa.iwi.nz

Membership on the Community Boards

As at 30 June 2013

The Council has five community boards covering the entire District. Each board has six members elected from within the community board areas and one appointed councillor from the same area.

Community boards provide a link between the Council and the community. If you have issues in your local community, have a question about a Council process or service, looking for more information or advice, or have an idea to enhance your community, then you might like to contact your local community board representative. Alternatively, community boards meet every seven weeks in an open meeting that you are welcome to attend. Contact information for your community board representatives and more details on meeting dates and venues are available on our website: www.whakatane.govt.nz

COMMUNITY BOARDS

Murupara

Jacob Te Kurapa - Chair
Awhina Chapman - Deputy Chair
Pouroto Ngaropo - Councillor
Trish Ammunson
Alison Silcock
Charlotte Skeet
Honey Tuhua

Tāneatua

Diane Yalden - Chair
Luke Ruiterman - Deputy Chair
Andrew Iles - Councillor
Geoff Chater
Les Knowles
Monty Kora
Dave Kyle

Ōhope Beach

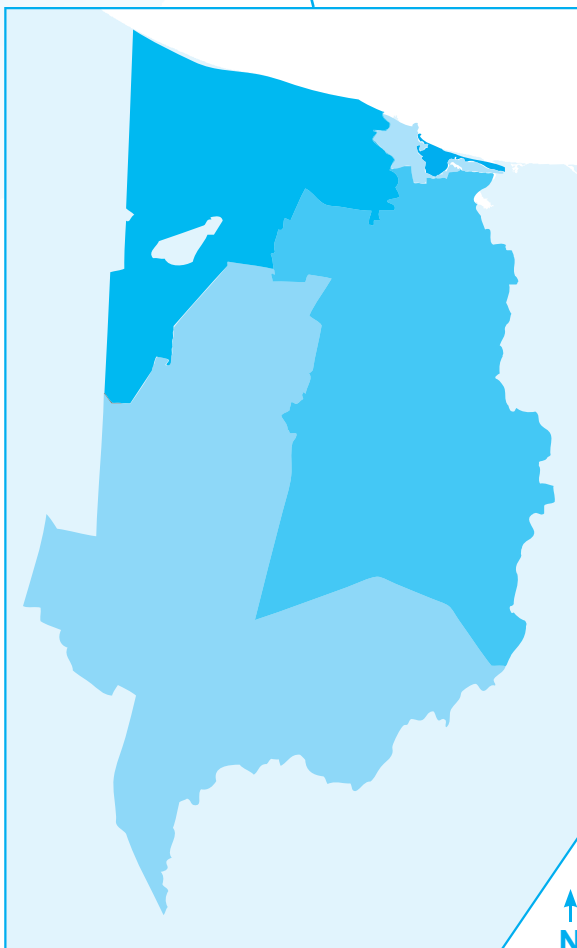
Chris Dohrman - Chair
Gerard Casey - Deputy Chair
Judy Turner - Councillor
Jose Howe
Mike King
Hugh Lovelock
Sabine Poppe

Whakatāne

Neville Delahunty - Chair
Mike Naude - Deputy Chair
Scott Jarrett - Councillor
George Chambers
Tony Hall
Peter Lander
Ken Lynch

Rangitaiki

Graeme Bourk - Chair
Gavin Dennis - Deputy Chair
Gerard Van Beek - Councillor
Viv Barr
Kris Byrne
Evan Harvey
Vicky Richards



Membership of Standing Committees

As at 30 June 2013

The following committee structure was established in October 2010 following Council elections and will 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 & 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 & 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

Councillor D W Sheaff
(from 7 March 2012)

AUDIT COMMITTEE

Mayor A A Bonne
(Chairperson)

Councillor R N Orr

Councillor D R Dowd

Councillor D W Sheaff

Mr K Iles

Mr S Lawrie

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 Rangitīhi)

B Pukepuke
(Upokorehe)

R Jenner
(Ngāti Manawa)

P Olsen
(Ngāti Whare)

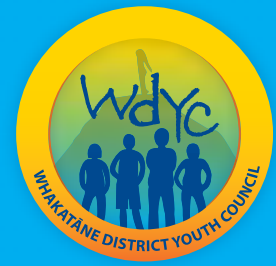
Vacant
(Tūwharetoa ki Oniaio/TOHU Trust)

J Mason
(Ngāti Awa ki Whakatāne)

P Te Pou
(Tūhoe East)

T M Temara
(Tūhoe ki Manawaru)

Vacant
(Ngāti Awa ki Matatā)



Membership on the Youth Council

The Whakatāne District Youth Council consists of 22 young people aged 12 – 24. The team has been appointed to work on youth related projects and provide the Council with a youth perspective. Members consist of a mixture of ethnicity, age, gender, experience and from different geographic locations around the District. More information about our Youth Council can be found on our website www.whakatane.govt.nz.

Members are appointed to the Youth Council for the calendar / school year rather than the financial year. Members of the Youth Council for the 2012 year and the current 2013 year are:

YOUTH COUNCIL 2012

Jack Alison
(Chairperson)
Anna McAllister
Alex Whyte
Bailey West
Brendan Jelley
Brodie Kemara
Ellise Robinson
Erin Hickey
Frank Lewis
Jack Bewley
Jessica Tagg
Kelsi Parker
Matarena Waiari
Meketu Mahauriki
Nitish Lobo
Oliver Missen
Shayden Bell
Sophie Baird
Takerei Peck
Tori Robinson
Whitiaua Te Taite Ropitini

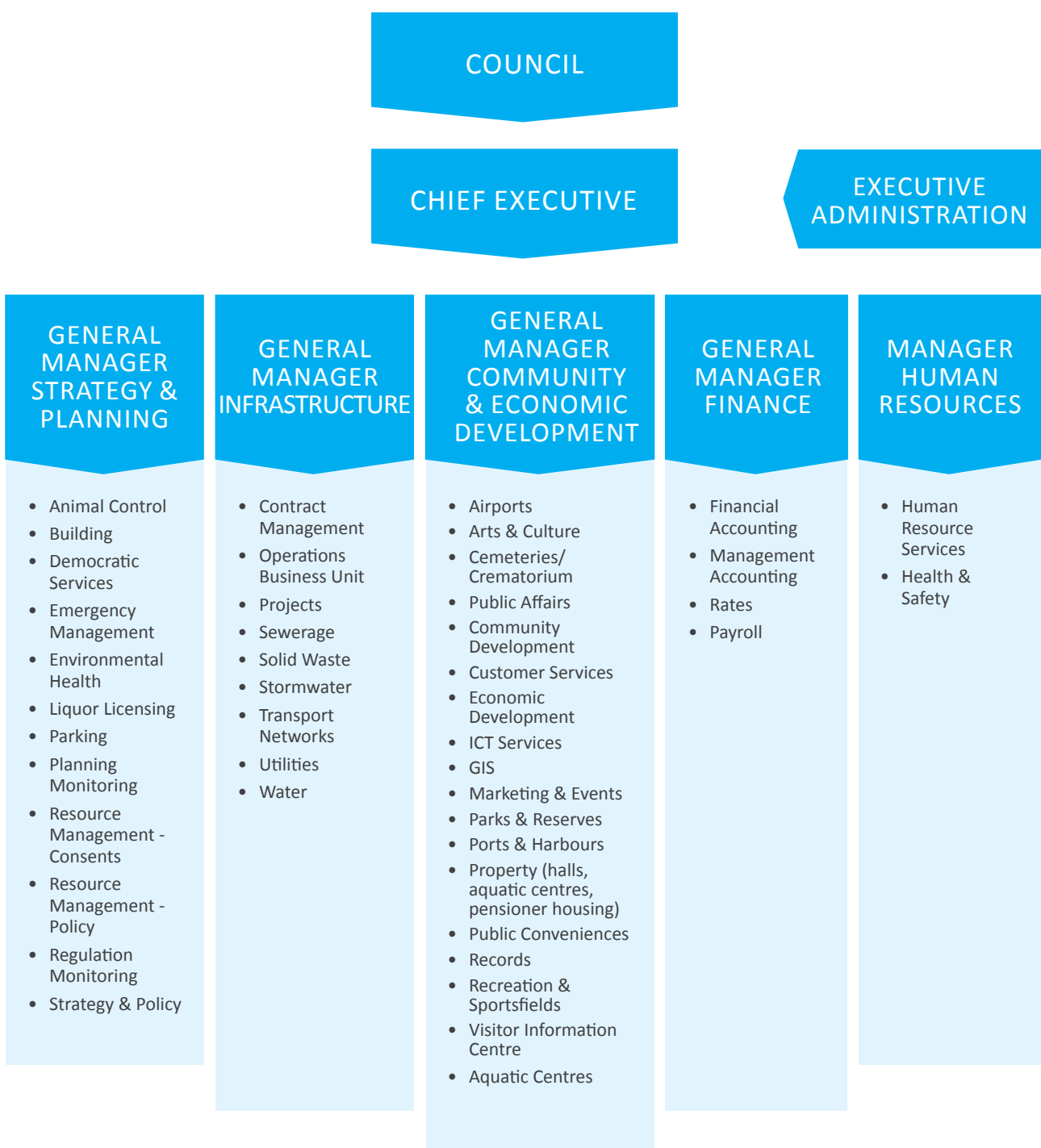
YOUTH COUNCIL 2013

Bailey West
(Chairperson)
Ashlee Hall
Georgina Mischefski-Gray
Radhika Dahya
Bryce Coulter
Maaiké Kuhn
Jessie Coulter
April Kerslake
Brendan Jelley
Nicole Jackson
Frank Lewis
Steph Jenkins
Anna McAllister
Ella Grunwell
Sophie Butler
Joseph Alison
Jack Bewley
Mia Butler
Kate Eggleton
Tracey Waiari
Matarena Waiari
Te Orohi Rangi-Guthrie

Council Organisational Structure

As at 30 June 2013

The Whakatāne District Council employs staff through the Chief Executive (CE). The organisational structure of the Whakatāne District Council is as follows:



Employment Policies & Information

RUNNING THE DISTRICT IS AN ENORMOUSLY VARIED TASK

The Whakatāne District Council is one of the largest employers in the District. To deliver our many activities we employ planners, engineers, library assistants, arborists, accountants, plant operators, parking wardens, service personnel and many more.

As at 30 June 2013 our organisation included 172 full time equivalent (FTE) staff with a further 4.5 FTE vacancies at the time. FTE staff numbers (including vacancies) over the last four years are compared below:

YEAR	FTE STAFF NUMBERS AS AT 30 JUNE
2010	176.4
2011	168.7
2012	170.8
2013	176.5

There has been an increase in staff numbers due to the Council assuming management of the Aquatic Centre and also the creation of a Public Affairs Team and the Economic Development Team, however this was partially offset by staffing reductions elsewhere.

WE ARE RESPONSIBLE TO THE COMMUNITY & MUST MAINTAIN OUR INTEGRITY & IMPARTIALITY

Our organisation has a Code of Conduct that outlines the policies in respect of staff and their employment at the Council. The policies outline the behaviour expected of employees and also ensures that employees are treated fairly and equitably. As part of this policy, staff must observe the principal of political neutrality and avoid conflicts of interest in their work.

WE SUPPORT AN EQUAL OPPORTUNITIES WORKPLACE

Our organisation is committed to the principles of Equal Employment Opportunities and have continued to maintain the related policies and programmes over the past year. These seek to eliminate discrimination and ensure its continued absence in the workplace as well as promote equal opportunity in all aspects of employment including recruitment, selection and appointment, education, training and development, career-path-planning and promotions.

WE PROMOTE A SAFETY CONSCIOUS WORK CULTURE

We are an accredited employer under the ACC Work Safety Management Practices scheme. This means that we have injury prevention systems and processes in place that meet 'tertiary level' requirements under a national audited safety framework. In the 2012/13 year we had no serious harm health and safety incidences.



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
18 September 2013



Marty Grenfell
CHIEF EXECUTIVE
18 September 2013

Audit Report

Independent Auditor's Report

To the readers of Whakatane District Council's annual report for the year ended 30 June 2013

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 audit:

- the financial statements of the District Council that comprise:
 - o the statement of financial position as at 30 June 2013 on page 131;
 - o the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2013 on pages 129, 130 and 132;
 - o the funding impact statement of the District Council on page 26;
 - o the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 30 to 111; and
 - o the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 133 to 179;
- the statement of service provision (referred to as groups of activities) of the District Council on pages 23 to 117 and the funding impact statements in relation to each group of activities of the District Council on pages 26 to 111.

In addition, the Auditor-General has appointed me to report on whether the District Council's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - o internal borrowing on page 26 to 111;
 - o reserve funds on pages 158 to 163;
 - o each group of activities carried out by the District Council on pages 23 to 117;
 - o remuneration paid to the elected members and certain employees of the District Council on pages 169 to 170;
 - o employee staffing levels and remuneration on page 171;

- o severance payments on page 172; and
- o council-controlled organisations on pages 118 to 128;
- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 9; and
- a statement of compliance signed by the Mayor of the Council, and by the District Council's chief executive on page 189.

Opinion

Audited information

In our opinions:

- the financial statements of the District Council on pages 129 to 179:
 - o comply with generally accepted accounting practice in New Zealand; and
 - o fairly reflect:
 - the District Council's financial position as at 30 June 2013; and
 - the results of its operations and cash flows for the year ended on that date.
- the funding impact statement of the District Council on page 26, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 30 to 111, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- the groups of activities of the District Council on pages 23 to 117:
 - o complies with generally accepted accounting practice in New Zealand; and
 - o fairly reflects the District Council's levels of service for the year ended 30 June 2013, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 26 to 111, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 18 September 2013. 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 we 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 information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and groups of activities. 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 information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design 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 information we audited;
- determining the appropriateness of the reported groups of activities within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant,

and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and groups of activities that
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council's financial position, financial performance and cash flows; and
 - fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the Other Requirements of

schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements, 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



WHAKATĀNE DISTRICT COUNCIL

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Fax: 07 366 5897

